

DPLK US DOLLAR FUND

September 2020

Investment Objective

The objective of the fund is to provide relatively stable income with capital preservation for the long term.

Investment Strategy

The Fund seeks to attain its objectives by investing in short or medium term interest bearing instruments (such as deposits or mutual funds).

Return Performance

Last 1-year period		8.52%
Best Month	Sep-15	39.75%
Worst Month	Aug-15	-18.34%

**Error at Net Asset Value in Aug-15 and correction in Sep-15*

Portfolio Breakdown

Mutual Fund Fixed Income	91.96%
Cash/Deposit	8.04%

Key Fund Facts

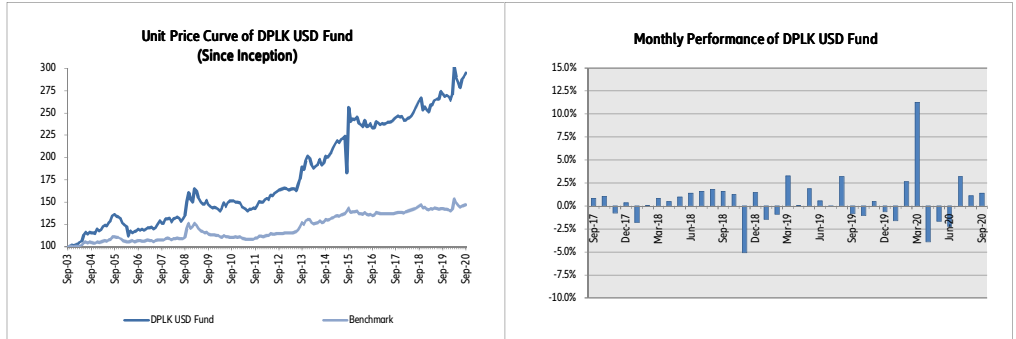
Fund Size (in bn IDR)	IDR 5.08
Risk Profile	Moderate
Launch Date	10 Sep 2003
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	17,247,545.94

Price per Unit	
(As of Sep 30, 2020)	IDR 294.6134

Managed by DPLK Allianz Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
DPLK US Dollar Fund (in IDR)*	1.37%	5.76%	-2.24%	8.52%	20.49%	9.81%	194.61%
Benchmark**	0.75%	1.94%	-4.24%	3.20%	6.63%	4.01%	47.09%

*Asset valuation in IDR **50% Forex IDR/USD & 50 % the average time deposit (1 month) BNI, BCA and Citibank



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Oct 2020 deflation at -0.05% mom (vs consensus inflation -0.03%, -0.05% in Sep 2020). On yearly basis, inflation was +1.42% yoy (vs consensus inflation +1.40%, +1.32% in Sep 2020). Core inflation was printed at +1.86% yoy (vs consensus inflation +2.00%, +2.03% in Sep 2020). The monthly deflation was contributed by the deflation on volatile food and administered price group. The deflation on volatile food group was affected by the declining of chicken price, while the administered price group was impacted by the declining of transportation cost. In the Board of Governors' Meeting on 16-17 Sep 2020, Bank Indonesia hold the BI 7-day Reverse Repo Rate at 4.00%, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates at 3.25% and 4.75% level, respectively. This policy is expected to maintain the external stability in line with their expectation that the inflation remain low. Rupiah depreciated by +2.50% from 14,554 at the end of Aug 2020 to 14,918 at end of Sep 2020. Indonesia's trade balance recorded surplus amounting to USD +2,327mn in Aug 2020 vs previous month surplus USD +3,263mn. The surplus was caused by increment on commodities prices, especially CPO price and also the increasing in export number for iron & steel, especially to China & US. However, our import number also showed recovery from the previous month by +3% MoM which could indicated the recovery on Indonesia's economic activity that was caused by the relaxation of public restriction. Non-oil and gas trade balance in Aug 2020 recorded surplus USD +2,666mn, which was lower than the previous month that recorded trade surplus amounting to USD +3,516mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -338mn in Aug 2020, which was higher than the deficit on July 2020 amounting to USD -253mn. Indonesia's official foreign reserve as of September 2020 was at USD 135.2 billion, lower than August 2020's number at USD137.0 billion. The decrement of foreign reserve was caused by the payment of external debt and to stabilize the Rupiah exchange rate.

IDR Government bond yields were mostly posted higher, except the 20yr tenor which was lower by -1bps. Offshore were seen selling their inventories, while the biggest buyer on market last month were still onshore banks. Market was actually opened with bullish tone on the back of global risk on which was supported by the indication that FED will hold the lower rate for longer time and also the optimism for Covid-19 vaccine. However, the mood in the market was changed which was triggered by the news that Parliament propose to change the Undang-Undang Bank Sentral and set Monetary Council, and also the announcement of re-implementation of Large Scale Social Distancing (PSBB) in Jakarta by Governor Anies Baswedan. While negative sentiments from global side, the increment of new cases of Covid-19 which was still considered high, the rising tension between US and China, and also the uncertainty of additional stimulus budget for US economics' recovery, were affected to the weaker market as well. On 24 Sep 2020, MoF succeed to issue new bonds on private placement which the only buyer is Bank Indonesia with burden sharing scheme. This issuance is expected to finance Public Goods amounting to IDR 397.56tn. The total issuance itself is amounting to IDR 84.4 with four new bonds, as follows: VR42 (2025), VR43 (2026), VR44 (2027), and VR45 (2028). The coupon for these bonds is 3.84002% for the first three months. Offshore accounts decreased their holding by IDR -8.79tn in Sep 2020 (-0.93% MoM), to IDR 933.15tn as of 30 Sep 2020 from IDR 941.94tn as of 31 Aug 2020, which brought their holding to 26.96% of total outstanding tradable government bond (from 28.24% in the previous month). The 5Y yield Sep 2020 ended +19bps higher to +5.73% (+5.54% in Aug 2020), 10Y tenor ended +9bps higher to +6.96% (+6.87% in Aug 2020), 15Y tenor ended +5bps higher to +7.45% (+7.40% in Aug 2020) and 20Y tenor ended -1bps lower to +7.44% (+7.45% in Aug 2020).

About Allianz Indonesia

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