

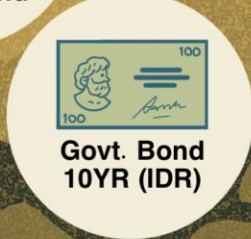
SYAILENDRA 

MARKET INSIGHT

November 18, 2020

2009-2020 Asset Allocation Views

Understanding how early cycle investing can magnify investment returns



Don't Miss Equity Early Cycle Return

NOVEMBER 18, 2020



Our Observation from Long-Term Analysis of Asset Class

Dunia mengalami resesi di tahun 2020. Namun, beberapa tahun kedepan dunia akan memulai kembali siklus ekonomi. Berdasarkan data dari 2009-2019. Terdapat beberapa hal yang dapat kita pelajari :

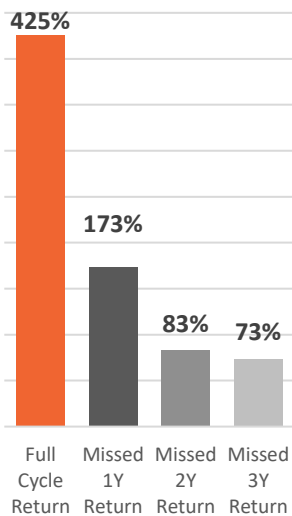
- **Major of Equity Return is coming from early cycle return/recovery play** : Setengah dari return equity berasal dari tahun 2009 dan 2010. Apabila kita mengeluarkan return dari 2009, return total IHSG menurun dari 368% menjadi 144%.
- **Non-Cash Flow Asset Class (Gold, Commodity, Currency) wasn't value adding as core portfolio rather diversifying tools** : Aset ini memiliki korelasi yang rendah. Namun, mereka mempunyai long term (buy and hold) return yang rendah. Sehingga, aset kelas ini lebih cocok sebagai tactical investment.
- **USD Gov't Bonds was very good instrument for diversification** : Diluar dari return jangka panjang yang baik (51.2% dalam USD atau 102.3% dalam IDR). SUN berbasis USD juga memiliki korelasi negatif dengan kebanyakan asset class. Sehingga cocok sebagai instrumen diversifikasi.

Our View

Berdasarkan studi ini, kami melihat pentingnya memposisikan investasi untuk mengantisipasi early cycle/recovery return di kelas aset equity.

Terdapat kesamaan antara siklus ekonomi 2009-2020 dan 2021 ke depan yaitu tingkat pertumbuhan diperkirakan lebih lambat dibandingkan dengan pertumbuhan pada siklus sebelumnya. Sehingga, kami melihat pola long-term return yang terjadi di 2009-2020 berpotensi berulang pada siklus ekonomi selanjutnya.

Interesting Facts

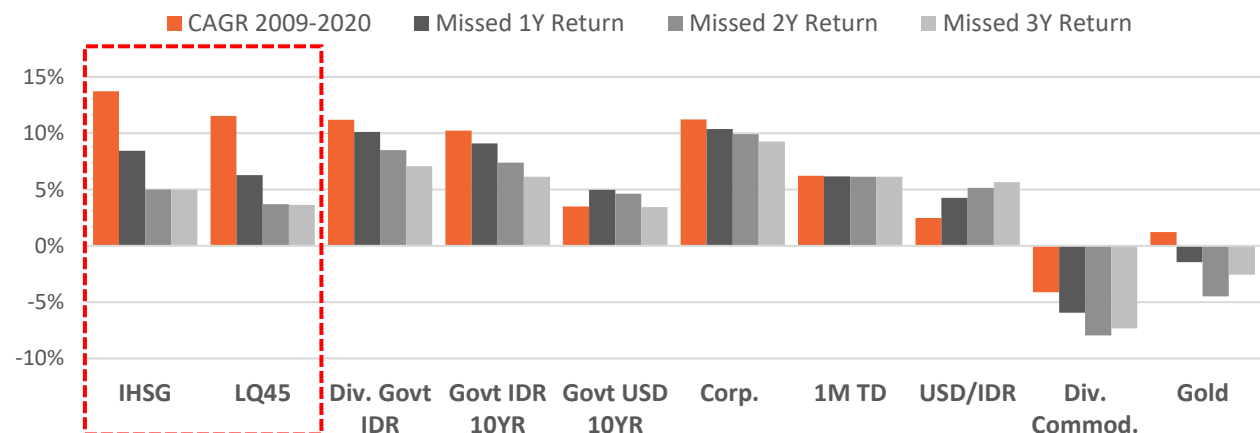


IHSG Return Drop from 368% to 144% as it missed 2009 recovery return

Pasca krisis global finansial, IHSG mencatatkan return sebesar 92.1%. Return equity menurun signifikan apabila investor tidak menempatkan posisi investasi di 2009.

The importance of getting early cycle return

CAGR (before tax) Return From 2009-Sep'2020 (YTD)



Source : Syailendra Research, Bloomberg


Long Term Return of Asset Class Performance in Indonesia

Return (Before tax) Between Asset Class


Return from 2009-2010


2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD'20	2009-YTD'20
IHSG 92.1%	IHSG 49.5%	Div. Govt IDR 22.0%	IHSG 15.5%	USD/IDR 26.3%	LQ45 29.5%	USD/IDR 11.3%	IHSG 17.5%	LQ45 24.8%	1M TD 6.3%	Gold 18.3%	Gold 24.5%	IHSG 425.3%
LQ45 89.9%	LQ45 35.9%	Govt IDR 10YR 19.3%	Div. Govt IDR 13.4%	1M TD 6.7%	IHSG 24.8%	Corp. 10.2%	Govt IDR 10YR 15.9%	IHSG 22.5%	USD/IDR 6.1%	Govt IDR 10YR 15.1%	Govt USD 10YR 12.7%	LQ45 336.4%
Gold 24.4%	Gold 29.6%	Govt USD 10YR 16.2%	Govt IDR 10YR 12.7%	Corp. 1.6%	Div. Govt IDR 13.2%	1M TD 7.1%	LQ45 14.2%	Govt IDR 10YR 20.1%	Corp. 4.2%	Div. Govt IDR 14.4%	Govt IDR 10YR 11.7%	Corp. 264.1%
Corp. 21.0%	Div. Govt IDR 27.7%	Corp. 15.8%	Corp. 12.1%	IHSG 1.1%	Govt IDR 10YR 13.1%	Div. Govt IDR 2.9%	Div. Govt IDR 14.0%	Div. Govt IDR 17.7%	Govt USD 10YR -0.1%	Corp. 13.0%	Div. Govt IDR 10.9%	Div. Govt IDR 257.4%
Div. Govt IDR 20.3%	Govt IDR 10YR 27.7%	Gold 10.1%	LQ45 12.1%	LQ45 -0.9%	Govt USD 10YR 10.8%	Govt USD 10YR 1.3%	Corp. 12.1%	Gold 13.5%	IHSG -0.3%	Govt USD 10YR 9.7%	Corp. 8.7%	Govt IDR 10YR 227.1%
Govt IDR 10YR 20.3%	Div. Commod. 16.7%	1M TD 6.2%	Gold 7.1%	Govt USD 10YR -9.3%	Corp. 10.4%	Govt IDR 10YR -0.3%	Div. Commod. 11.4%	Corp. 13.4%	Gold -1.6%	LQ45 6.1%	1M TD 4.8%	Gold 114.2%
Div. Commod. 18.7%	Corp. 15.0%	IHSG 5.4%	USD/IDR 6.3%	Div. Commod. -9.6%	1M TD 7.2%	LQ45 -9.9%	Gold 8.1%	1M TD 5.7%	Div. Govt IDR -2.2%	1M TD 5.6%	USD/IDR 2.2%	1M TD 106.1%
1M TD 6.8%	Govt USD 10YR 8.5%	LQ45 4.2%	1M TD 5.3%	Div. Govt IDR -13.3%	USD/IDR 1.8%	Gold -10.4%	1M TD 6.2%	Govt USD 10YR 2.8%	Govt IDR 10YR -5.7%	Div. Commod. 5.4%	Div. Commod. -8.9%	Govt USD 10YR 48.3%
Govt USD 10YR -11.4%	1M TD 6.6%	USD/IDR 0.6%	Govt USD 10YR 3.0%	Govt IDR 10YR -17.4%	Gold -1.4%	IHSG -10.5%	Govt USD 10YR 0.7%	Div. Commod. 0.7%	LQ45 -6.5%	IHSG 4.2%	IHSG -11.0%	USD/IDR 27.4%
USD/IDR -15.4%	USD/IDR -4.2%	Div. Commod. -13.4%	Div. Commod. -1.1%	Gold -28.3%	Div. Commod. -17.0%	Div. Commod. -24.7%	USD/IDR -2.3%	USD/IDR 0.7%	Div. Commod. -13.0%	USD/IDR -3.6%	LQ45 -11.6%	Div. Commod. -37.1%
12	11	10	9	8	7	6	5	4	3	2	1	

Notes :

 : Equity Based Asset Class

 : Fixed Income Asset Class Asset Class, * Diversified Govt IDR using BINDO since 2011, 2009 and 2011 was substitute using implied return of 10Y IDR and 10Y USD.

 : Money Market Asset Class

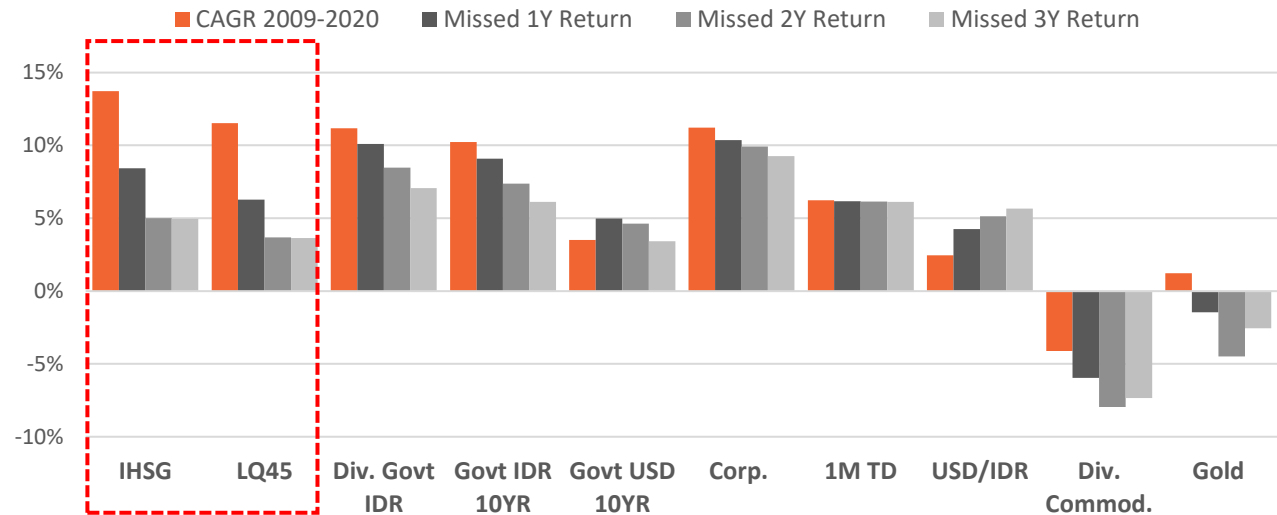
 : Non-Cash Flow Asset Class

Major of Equity Return is coming from early cycle return/recovery play

Berdasarkan pada slide sebelumnya, *return* yang dihasilkan IHSG dan LQ45 di tahun 2010 dan 2011 sangat signifikan. Hal ini mengakibatkan, profil *return equity* menurun signifikan apabila investor melewati yang kami sebut *recovery return* dimana investor kembali menilai ekuitas ke level normal sebelum krisis global finansial yang terjadi di 2008-2009.

CAGR (before tax) Asset Class Return

Return from 2009-2020,2010-2020,2011-2020 and 2012-2020



Source : Syailendra Research, Bloomberg

Indonesia USD Currency Gov't was very good instrument for diversification

Berdasarkan data historis kinerja bulanan dari 2009 sd 2020, SUN berbasis USD memiliki kinerja yang baik sebagai instrumen diversifikasi. Hal ini terlihat dari korelasi negatif terhadap aset kelas *equity* ataupun *fixed income* sejenis. SUN berbasis USD memiliki *long-term return* positif dibandingkan dengan *non-cash flow asset class* (i.e : Gold, Diversified Commodity). Sehingga, SUN berbasis USD menjadi instrumen yang cocok sebagai *core asset* untuk memenuhi kebutuhan diversifikasi

Monthly Return (Before Tax) Correlation Between Assets

Based on data from 2009-2020

	IHSG	LQ45	Div. Govt IDR	Govt IDR 10YR	Govt USD 10YR	1M TD	USD/IDR	Div. Comm.	Gold	Corp.
IHSG	1.00									
LQ45	0.98	1.00								
Div. Govt IDR	0.59	0.60	1.00							
Govt IDR 10YR	0.60	0.62	0.96	1.00						
Govt USD 10YR	-0.13	-0.12	0.24	0.20	1.00					
1M TD	0.08	0.10	0.14	0.14	0.09	1.00				
IDR/USD	-0.60	-0.62	-0.59	-0.61	0.04	-0.06	1.00			
Div. Comm	0.41	0.39	0.27	0.28	-0.36	-0.09	-0.35	1.00		
Gold	0.28	0.27	0.32	0.34	0.10	0.04	-0.44	0.43	1.00	
Corp.	0.42	0.44	0.78	0.71	0.23	0.15	-0.52	0.16	0.29	1.00

Notes :

	: High Correlation
	: Low Correlation
	: Negative Correlation

Source : Syailendra Research, Bloomberg

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SYAILENDRA 

PT Syailendra Capital

District 8 Treasury Tower
39th Fl. Unit 39A, SCBD Lot 28
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190
P. : +62 21 2793 9900
F. : +62 21 2972 1199

www.syailendracapital.com

