SYAILENDRA

MARKET INSIGHT

May 16th, 2024

Bond is not boring anymore!

Corporate Bond Strength Revealed

MARKET INSIGHT

Bond is not boring anymore

15 May 2024

SYAILENDRA
Preferred Investment Partner

Key Summary

- Obligasi Korporasi mencatatkan ***return* tertinggi selama 2013-2023** dengan ***avg.return* 9.51%.** Aset ini juga menghasilkan ***return* yang kompetitif** di **berbagai kondisi *BI Rate*,** baik ketika naik, turun dan ditahan. (*study case* 2013 hingga 2022).
- Pada saat **kondisi market kurang *favourable*, obligasi korporasi memiliki resiliensi** lebih tinggi dibandingkan obligasi Pemerintah. Namun, **alokasi ke obligasi Pemerintah** tetap diperlukan dalam *portfolio design,* mengingat **likuiditas transaksi yang lebih besar dan *credit risk* yang minim.**
- **SPTP dan SPTR-A** mengalokasikan **60%-70%** investasinya ke obligasi korporasi.

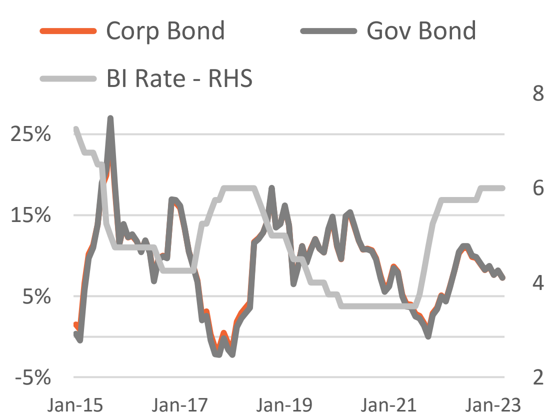
Syailendra's View

Obligasi Korporasi dapat menjadi alternatif investasi di kondisi **suku bunga tinggi maupun saat suku bunga turun.**

Berkaca dari **data historis dan probabilitas pemangkasan suku bunga** mendatang, maka **obligasi korporasi** memiliki **prospek *return* yang menarik** dengan **risiko penurunan yang lebih minim.**

BI Rate changes impact bonds

BI Rate reduction enhanced bonds



Source : Bloomberg, Syailendra Research

Corporate Bond managed to excel at various cycle of rate

Corporate Bond tend to perform better during the cut rate period

Periode	Duration	Event	Corp.Bond	Gov.Bond	JCI
Jan'16–Oct'16	10 bulan	*Cut rate* 7.50% -> 4.75%	24.65%	24.74%	**27.13%**
Jun'19-Feb'21	20 bulan	*Cut rate* 6.00% -> 3.50%	**17.25%**	17.21%	1.98%
Dec'14-Jan'16	14 bulan	*Hold rate at 7.5%*	**7.53%**	6.80%	-9.73%
Feb'21-Aug'22	18 bulan	*Hold rate at 3.5%*	7.46%	6.98%	**19.07%**
May'18-Nov'18	6 bulan	*Hike rate 4.25% -> 6.00%*	**7.44%**	6.99%	6.37%
Aug'22-Jan'23	5 bulan	*Hike rate 3.75% -> 5.75%*	12.05%	**12.16%**	5.01%

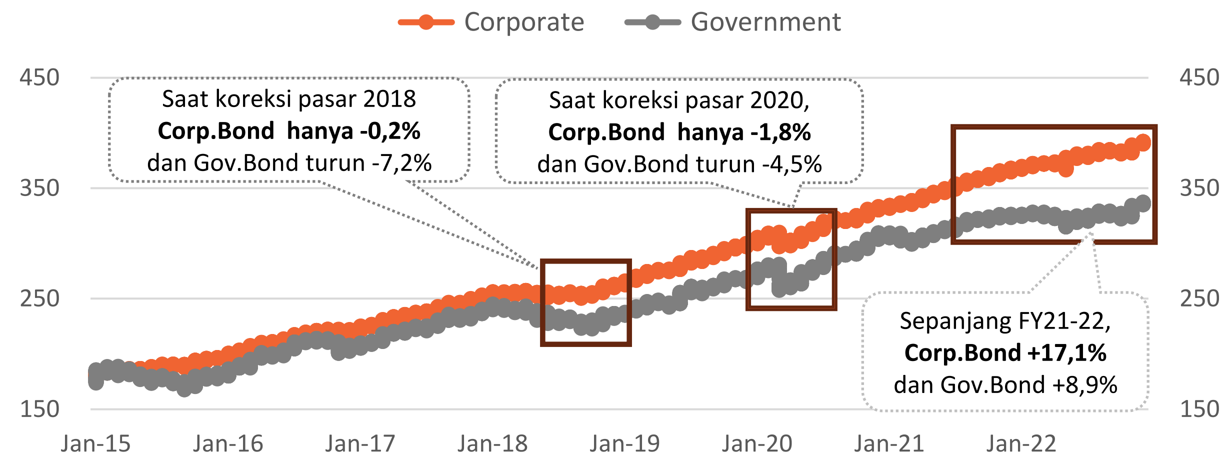
Source : Bloomberg, Syailendra Research

Two is Better than One

Saat koreksi pasar terjadi, **penurunan Corp. Bond lebih kecil** dibandingkan koreksi di Gov.Bond. Sementara itu, **ketika terjadi kenaikan, Corp.Bond lebih unggul** dibandingkan Gov.Bond. Namun, investor sebaiknya **tetap memiliki alokasi investasi ke Gov.Bond** mengingat likuiditas lebih besar dan ***credit risk*** amat minim.

Corp.Bond = High Yield; Gov.Bond = No Credit Risk + Better Liquidity

It's essential to have corporate and government bond in our portfolio to minimize the risk



Source : Syailendra Research (April 2024)

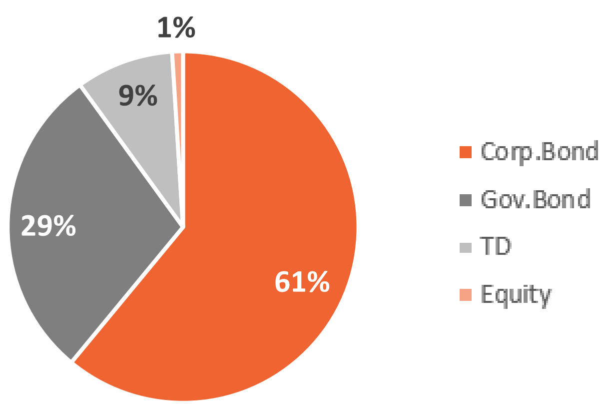
Fund to Watch: SPTP & SPTR - A

Porsi **alokasi investasi di SPTP dan SPTR-A** ke **Obligasi Korporasi** sangat dominan **mencapai 60% - 70%** yang cenderung **diuntungkan ketika *cut rate* terjadi.**

SPTP menerapkan strategi *tactical* dan **SPTR-A** memberikan nilai tambah berupa **pembagian dividen** sebanyak bagi investor. **4x/tahun**

SPTP : Tactical booster retrieval

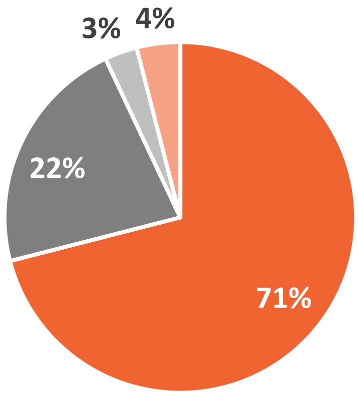
Tactical strategy helps to boost performance



Source : Syailendra Research (April 2024)

SPTR-A:Extra dividend advantage

Investors may get dividend 4x/year



+ Dividend 4x/year
(Next Dividend -> 15 May)

Corporate Bond yielded the highest average 10Y returns (2013-2023)

Historical Performance of Asset Classes

In %

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2013-2023 (Avg.)
Stock (JCI) 22.3%	USD 10.9%	Stock (JCI) 15.3%	Stock (JCI) 20.0%	USD 6.9%	Gold 18.6%	Gold 25.2%	Corp.Bond 10.6%	USD 10.2%	Gold 13.0%	Corp.Bond 9.51%
Corp.Bond 8.3%	Corp.Bond 10.6%	Corp.Bond 12.5%	Gold 13.6%	Corp.Bond 5.7%	Corp. Bond 11.2%	Corp.Bond 10.6%	Stock (JCI) 10.1%	Corp.Bond 5.8%	Corp.Bond 7.6%	Gov.Bond 6.3%
Money Market 7.0%	Money Market 6.4%	Gov.Bond 10.4%	Corp.Bond 12.2%	Money Market 4.2%	Gov.Bond 9.9%	Gov.Bond 9.8%	Gov.Bond 4.4%	Stock (JCI) 4.1%	Stock (JCI) 6.2%	Gold 6.1%
Gov.Bond 6.4%	Gov.Bond 3.9%	Gold 7.4%	Gov.Bond 11.7%	Gov.Bond -0.8%	Money Market 5.3%	Money Market 4.6%	Money Market 3.3%	Money Market 2.7%	Gov.Bond 4.8%	Stock (JCI) 6.0%
USD 1.4%	Gold -10.2%	Money Market 4.6%	Money Market 4.5%	Gold -2.0%	Stock (JCI) 1.7%	USD 1.5%	USD 1.2%	Gov.Bond 2.5%	Money Market 4.1%	Money Market 4.7%
Gold -1.2%	Stock (JCI) -12.1%	USD -2.6%	USD 0.8%	Stock (JCI) -2.5%	USD -4.0%	Stock (JCI) -5.1%	Gold -4.4%	Gold 0.9%	USD -2.0%	USD 2.4%

Source : Bloomberg, Syailendra Research