

4th WEEK**August 2018**❖ **MACRO**

- The Central Bank of the United States (US) signaled to raise interest rates again. The Federal Reserve chairman Jerome Powell confirmed that the Fed remained on track to gradually increase interest rates as long as the US economic expansion remained strong. However, not all Powell colleagues at the Fed agree with the policy of continuing to increase interest rates. St Louis Federal Reserve Bank President James Bullard, for example, warned that the US Central Bank's plan to continue raising interest rates could be an alarm for the US economy. According to him, another interest rate increase could open the way for an economic recession. Bullard, speaking to Reuters on the sidelines of the annual conference of bankers and economists at Jackson Hole, said the movement of the US Treasury yield curve showed investors saw slower growth after this year and there was no danger of future inflation.
- The International Monetary Fund will work with Argentina to strengthen its IMF financial program after an unexpected worsening of market conditions and will look to quickly conclude talks with the Argentinian authorities, IMF chief Christine Lagarde said on Wednesday. "In consideration of the more adverse international market conditions, which had not been fully anticipated in the original program with Argentina, the authorities will be working to revise the government's economic plan," Lagarde said after a phone call with Argentina's President Mauricio Macri. "I have instructed IMF staff to work with the Argentine authorities to strengthen the Fund-supported arrangement and to reexamine the phasing of the financial program," she said in a statement.
- Review:
With US unemployment falling to 3.9%, inflation will not remain low forever, so interest rates need to rise slightly. The Fed's increase in interest makes the US dollar continue to strengthen so that US exports are not competitive. Though the US is struggling to suppress the trade deficit with other countries, especially with China.

❖ **MICRO**

- Rupiah fell sharply again against the US dollar. At present the position of the rupiah is at the level of 14,700 against the US dollar. Governor of Bank Indonesia (BI), Perry Warjiyo asserted, it remains committed to maintaining the stability of the rupiah exchange rate on the market. "I affirm BI's commitment to maintaining strong economic stability, including the rupiah exchange rate," Perry said in the BI complex mosque on Friday (08/31/2018). He revealed that BI had increased the intensity of its intervention in the market. "Especially in these two days we have increased the volume of foreign exchange intervention even since yesterday from morning to evening we have intervened in the forex market," he said. In addition, he also revealed that BI had bought Government Securities (SBN) from the secondary market. "Earlier this morning before 11 o'clock what we bought 3 trillion, almost everything we bought from foreigners bought," he said. BI will also conduct a swap auction with a large enough target in order to stabilize the rupiah.
- The Financial Services Authority (OJK) encourages the use of social funds including zakat, infaq, and shodaqoh as supporters in developing sharia micro-businesses in Indonesia. Director of Microfinance Institutions, OJK, Suparlan said the social funds would be very useful if used as a driver for the development of sharia-labeled businesses. "The need for social funds, charity, infaq, shodaqoh to move the economy of the people. The social fund of zakat is not only for consumption but for productive, for the growth of micro businesses," he said in the FGD of Islamic micro business, at Sofyan Hotel, Jakarta, Thursday (30 / 8/2018). "It can be used for the initial development of micro businesses, to start a business, we give it to you to start a business, after developing, later from a formal financial institution," continued Suparlan. In addition, social funds can also be used as the initial capital for sharia community financial institutions (LKMS).

- Review:

BI and the government will continue to coordinate maintaining the stability of the domestic financial system. In addition, must also be convinced that Indonesia's economic fundamentals are still fine. Make sure that Indonesia's economic conditions are strong and resilient, and of course, keep an eye on what's happening in other countries such as Turkey and Argentina.

❖ **BANKING**

- PT. Bank Rakyat Indonesia (Persero), Tbk strives to innovate in the field of digital technology. Latest, Bank BRI cooperates with PT. Elang Mahkota Teknologi (Emtek) in terms of developing financial transactions digitally. This was marked by the signing of a Memorandum of Understanding (MoU) which was conducted between the Director of Institutional Relations of BRI Bank Sis Apik Wijayanto and Managing Director Emtek Alvin Widarta Sariaatmadja about the collaboration between Banking and Digital Partnership Services, at BRI Head Office, Jakarta, Friday (31/8) "This collaboration is an effort of Bank BRI to improve service as well as a form of our commitment in educating the public to transact cashless safely and comfortably. Customers can make transactions digitally through a platform developed jointly by BRI and Emtek, "said Sis Apik.
- Bank Mandiri provides new facilities in the form of ease of paying taxes for customers. This is a form of support to the Ministry of Finance (Ministry of Finance), in this case the Directorate General of Taxes (DGT) to help increase state revenues. Bank Mandiri's SVP Transaction Banking Wholesale Product, Adinata Widia, revealed that the company is strengthening its tax payment system through the implementation of a file-based bulk Billing ID creation mechanism in the DJP Core Billing 2.0 mechanism e - Tax Bulk Uploader. He explained, as a partner of this system developer Bank Mandiri hopes to increase the speed of the Billing ID making process to reach 400 thousand transactions per hour. Thus, customers will get the assurance to obtain a Billing ID in a shorter time. "The implementation of the E-Tax Bulk Uploader mechanism will utilize

Mandiri Cash Management (MCM) services so that it can be easily used by corporate taxpayers, especially those who are Bank Mandiri customers," he said at Core Billing 2.0 socialization at the Ritz Carlton, Jakarta, Thursday (08/30/2018).

- Review:

By conducting transactions digitally or cashless, will reduce the risk of money lost or damaged while encouraging the creation of a cashless society initiated by Bank Indonesia.

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