

1st WEEK**April 2018**❖ **MACRO**

- US Federal Reserve Governor Jerome Powell reiterated that the central bank will keep raising interest rates gradually amid hopes of sustained economic expansion. "As the economy continues to expand on the current track, a further gradual increase in federal funds rates will be better in support of these goals," Powell said in a speech at the Economic Club of Chicago. He showed a positive outlook on the economy, saying that the labor market "in the maximum labor environment" and Fed officials have increased their confidence that inflation will move up towards the 2.0% target. A report released by the Labor Department on Friday showed that unemployment in the United States has held at 4.1% in March, lower than the Fed's long-term estimates of the normal unemployment rate. The price index for personal consumption expenditure (PCE), the Fed's preferred inflation gauge, rose 1.8% in February, higher than 1.7% growth in January.
- World Bank Lead Economist Vivi Alatas reminded, readiness of human resources and education as a formation space is very important in the era of disruption. According to him, by preparing well, young people in Indonesia are not easily pessimistic in the face of future changes. He further took the example, that distrupsi has emerged since the time of Socrates where the way writing began to be found, to make himself feared because it is believed will replace the role of our brain memory. Even Queen Elizabeth I also once revealed, the machine will turn the workers into beggars. In the early 20th century, once also said if the next 100 years predicted humans do not need to work 40 hours a week because there will be replaces the role. "It means that all these things are not proven. Excessive pessimism does not happen, hope that utopia also does not happen. For the future also like that, "said Vivi Alatas in Jakarta, Thursday (29/3/2018).

- Review:

The fact that it is still difficult to estimate the impact of the tariff plans proposed by the Trump Administration on inflation and the economic outlook, because it is not clear whether the threat of tariffs will actually materialize and how much they will be applied.

❖ **MICRO**

- Consumers expect price increases in June 2018 to rise in line with increasing demand for goods and services in Ramadan and Idul Fitri. This is reflected in the increase in price expectation index in June 2018 of 184.4 higher than 175.3 in the previous month. Executive Director of the Department of Communications of Bank Indonesia, Agusman (BI), said the increase in index in June 2018 occurred in 15 cities with the highest increase in the city of Samarinda and Bandar Lampung. Consumers also predicted that price hike slowed in September 2018 as indicated by the decline in the price expectation index to 165. "The slowing of the price hike is allegedly driven by the rising supply of consumer goods," Agusman said in Jakarta on Sunday (8/4/2018). Spatially, the pressure of price increase has decreased in 13 cities, the deepest in the city of Samarinda and Mataram.
- Financial Services Authority (OJK) continues to encourage some regions to keep their funds in the form of stocks and bonds for the sake of regional independence. Previously OJK at the end of last year, has released a POJK-shaped rules regulation on regional bonds. The provisions of the regional bonds are issued in three rules, namely POJK number 61 / POJK.04 / 2017 concerning registration documents of registration in the framework of the public offering of regional bonds or regional sukuk. Then, POJK number 62 / POJK.04 / 2017 relating to the form and content of prospectus and prospectus succinct in the framework of public offering of bond or sukuk area. Finally, POJK number 63 / POJK.04 / 2017 relates to reports and announcements of issuers of local bond or sukuk issuers. Three new rules related to regional bonds aims to increase

the source of infrastructure development financing. Thus, the regions no longer rely solely on Regional Government Budget (APBD).

- Review:

Meanwhile, consumers also expect price increases in March 2019 to rise slightly. This is reflected in the price expectation index of 180 higher than 178.2 in the previous month.

❖ **BANKING**

- PT Bank Rakyat Indonesia (Persero) Tbk continues to innovate following the development of digital technology to facilitate transactions for its customers. This time, Bank BRI launched the SABRINA chatbot service, the e-commerce platform of Indonesia Mall as well as polishing the look of the official corporate website. SABRINA (Smart BRI New Assistant) is a virtual assistant chat that is presented as a breakthrough to meet customers' needs through fast, accurate, secure and convenient service. SABRINA services utilize artificial intelligence technology or Artificial Intelligence (AI) based chat. Through the Facebook Messenger app and Telegram app, customers simply click on like and follow "BANK BRI" account on Facebook Messenger or access Telegram by inputting @BANKBRI_ID_BOT.
- PT Bank Mandiri (Persero) Tbk achieved the top seven position as the largest bank in ASEAN. This is in line with the company's aggressive performance which continues to strengthen its services in various fields. Director of Information Technology and Operations of Bank Mandiri Rico Usthavia Frans admitted pleased with the achievement of Bank Mandiri as the top ASEAN Bank Brand. The company managed to climb the rank of eighth position in 2017 to the order of seven in 2018. Rico said Bank Mandiri made the achievement as a whip to continue to prepare the ability to fight in the level of global competition. "We continue to prepare infrastructure and capabilities in that direction," Rico said when contacted on Sunday (1/4/2018). One of Bank Mandiri's efforts in doing so is to work with PT Visionet Internasional (OVO) to

expand transaction services and accelerate the non-cash national movement. As an initial step, Bank Mandiri customers and OVO users can conduct transactions in merchant networks that have been working with Bank Mandiri and OVO.

- Review:

This innovation is a manifestation of BRI's commitment to simplify and bring customers closer to using BRI banking services, as well as to support the empowerment of MSMEs in Indonesia, BRI is developing Indonesia Mall, an e-commerce platform to drive MSMEs to go online.

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