

**2nd WEEK****April 2018**❖ **MACRO**

- The minutes of the Fed's latest monetary policy meeting revealed that Fed officials signaled the central bank should accelerate the rate of rate hikes in the future. It needs to be done amid stronger economic growth and inflation. The paper said a number of participants showed that the stronger outlook for economic activity, along with growing confidence that inflation will return to 2.00 percent in the medium term, implies that the right path to federal funds rates over the next few years is faster. "The possibility will be a little steeper than previously thought," said the minutes of the Fed's March 20-21 meeting released on Wednesday, as quoted by Antara, Thursday, April 12, 2018. At the meeting, the Fed raised its target range for federal funds into 1.5-1.75 percent, the first rate hike in 2018. This was also the first meeting led by Fed Chairman Jerome Powell, who took over central bank control in February.
  
- The Governor of the Bank of Japan (BoJ) Haruhiko Kuroda stressed his determination to maintain a massive stimulus program. Even so, Kuroda is also optimistic about Japan's economic prospects and believes the inflation target at 2% level will be met. Speaking at a quarterly meeting of regional BoJ managers on Thursday (12/4), Kuroda said Japan's economy will continue to grow moderately as household incomes are increasingly impacting high spending. "With the rising output gap and medium to long-term inflation expectations looking strong, we expect the inflation trend to rise and lead to 2%," Kuroda said, as quoted by Reuters on Thursday (12/4). Similarly, BoJ Executive Director Eiji Maeda also said that the current inflation rate is starting to rise, accompanied by a moderate increase in wages.
  
- Review:  
While Fed officials are generally optimistic about the outlook for growth, they warn that trade tensions between the United States and other trading partners may present downside risks to the US economy.

❖ **MICRO**

- Bank Indonesia (BI) Governor Agus Martowardojo estimates Indonesia will become a developed country in the year 2040-2045. That is if Indonesia can increase its per capita income. Agus assesses that Indonesia is currently in the middle income country category. Because the income of Indonesian people around USD3.400 per capita. "If Indonesia is a developed country, the income per capita of the people up to USD12.000. Now we are still in the middle income country, which is USD3.400 per capita," said Agus in Batam, Friday (13/2/2018). In order too achieve revenues of USD12,000 per capita, of course the government must improve and balance development in Indonesia. "And we need to pursue a strong, balanced, sustainable, and inclusive development and economic growth that must be consistent in order to achieve high income by 2040," he said.
  
- The Financial Services Authority believes that Moody's upgrading from Baa3 / outlook to Baa2 / outlook to stable outlook will positively boost growth in the financial services industry and the stability of the Indonesian economy. "The increase in Moody's rating will increase investor confidence to invest in Indonesia, including in the financial services industry, especially in the capital market," said Chairman of OJK Commissioner Board, Wimboh Santoso in Jakarta, Saturday (14/4/2018). Wimboh believes the improvement of Moody's rating also shows confidence in the stability of the national financial system that is maintained in the midst of global economic dynamics and geopolitical risks that occur today. Rating Agency Moody's Investor Service on April 13, assessed that Indonesia's debt rating upgrade is based on an assessment of a credible and effective GOI policy framework conducive to macroeconomic stability.
  
- Review:  
there are conditions that must be met to become a developed country. One of them, maintaining consistent economic growth with an average of 5 percent per year. "With a variety of scenarios, where Indonesia's growth is 5 percent every year on average from

this year until 2045. If you can consistently maintain the growth of 5 percent it will increase the class from middle income country to high income country 2038-2039

❖ **BANKING**

- PT Bank Rakyat Indonesia (Persero) Tbk (BRI) plans to increase the number of electronic data capture (EDC) machines. Before being added, BRI will first review the EDC machines that have been circulating at this time. "For the addition of EDC we are actually optimizing the current EDC stock, so the total EDC now is around 130,000 so that is scattered throughout Indonesia," said Director of Consumer BRI Handayani to reporters, in Jakarta, Wednesday (11/4/2018). Of the approximately 130,000, EDC machines are not all active. Therefore, BRI will do a re-mapping of the circulation of EDC machines and place them in more active locations. "That way, the hope is still until the end of this year the addition to about 160,000 EDC," said Handayani. The new EDC machine that will be spread by BRI can already be used for transactions with debit cards with the National Payment Gate (GPN) logo of all banks.
  
- PT Mandiri Utama Finance (MUF) Bekasi Branch affirms their commitment to reduce bad loans caused by naughty debtors. War wars against naughty debtors are indicated by the signing of cooperation between MUF Bekasi Branch and Advocate Office of SAW & Partners Law Firm Advocates & Legal Consultants. Branch Manager (BM) of PT Mandiri Utama Finance Bekasi Chandra Gunawan explained that this MoU is a form of cooperation between law firm and Mandiri Utama Finance to assist in settling bad debts and giving deterrent effect to "naughty" debtors. "This cooperation is very important because there are many problematic debtor and the fiduciary crime which has an impact on the growth of the finance company, such as the repayment until the embezzlement of the company's assets," Chandra said in Jakarta on Friday (13/4/2018).
  
- Review:  
Debit card issuance with GPN logo is done to make it easier for BRI customers in running their banking needs. By the end of this year BRI will issue 18 million debit

cards with GPN logo. This is at once the fulfillment of 30 percent of cards that use the chip in accordance with the provisions of BI until the end of the year.

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