

3rd WEEK**April 2018**❖ **MACRO**

- US stock markets opened flat, as strong earnings from industrial sectors such as General Electric and Honeywell, overshadowed tech stocks and oil prices. The Dow Jones Industrial Average .DJI is down 7.50 points or 0.03%, to 24,657, the S & P 500 index .SPX opened lower with 0.57 points or 0.02% at 2,692 and the Nasdaq Composite index .IXIC dropped 17, 41 points or 0.24% to 7,220.64. Oil prices fell after US President Donald Trump criticized OPEC, saying oil prices were too high artificially. Brent crude futures were at USD73.26 a barrel, down 52 cents from their recent close. As for the price of West Texas Intermediate (WTI) crude oil, CLc1 fell 48 cents to USD67, 81 per barrel. Both contracts have been trading in positive territory before Trump's tweet. Brent and WTI reached their highest level since November 2014 this week at USD74.75 and USD69.56 per barrel respectively, supported by tightening and higher demand markets.
- The Bank of Japan (BOJ) will still maintain its loose monetary policy despite expectations of an increase in inflation. Deputy Governor Masazumi Wakatabe, who is a pro-reflection figure (returning currency values just as before inflation), said it would not provide any stimulus in the near future. Wakatabe also said he was aware of the risks of extended easing, such as the likelihood of increased financial institution profitability caused by low interest rates over the years. "The benefits and disadvantages of the BOJ's monetary policy change at any time," Wakatabe told parliament on Monday (4/16/2018). "We have to be aware of the dangers, or risks, which will be burdened by the prolonged low interest rate environment on bank earnings and such impacts could increase," he said.

- Ulasan:

OPEC and its allies are still far from reaching their targets, and the withdrawal of oil supplies needs to be continued. OPEC and its allies have limited production since 2017, helping to push prices. The deal to cut is currently scheduled to expire at the end of 2018.

❖ **MICRO**

- Bank Indonesia (BI) mentions that the current weakening rupiah is due to global conditions. This is unfortunate because Indonesia has just gained debt rating from international rating agency Moody's Investor Service from Baa3 to Baa2 with stable outlook. This morning the rupiah was observed to weaken compared to the previous afternoon trading in the position of Rp13.766 per USD. Quoting Bloomberg, Wednesday, April 18 rupiah exchange rate opened lower to Rp13.773 per USD, while according to Yahoo Finance, the rupiah exchange rate was in the position of Rp13.587 per USD. "We know there is a development especially in the United States and then trade war (between US and China)," said BI Governor Agus DW Martowardojo, met at Supreme Court Building, Jalan Medan Merdeka Utara, Central Jakarta, Wednesday, April 18, 2018.
- Task Force on Investments that belongs to Financial Services Authority (OJK) stated in the period March to April 2018 to stop 72 companies suspected of doing business bodong that potentially harm society. Task Force Chairman OJK Investing Tongam L Tobing disclose, OJK as the regulator to stop the activities of operations to 72 entities. "The Task Force considered this could harm the community. Principally we make a termination without waiting for victims first," said Tongam during a media discussion at OJK Building, Jakarta, Friday (20/4/2018). Tongam added that the phenomenon of illegal investment is likened to the phenomenon of iceberg, because previously the handling of illegal investment is not done transparently as the limited service of complaints, so that illegal investment continues to emerge.

- Review:

The weakening rupiah is still under control. It happens despite global conditions still filled with uncertainty due to trade war and geopolitical tensions.

❖ **BANKING**

- Bank Mandiri cooperates with Gadjah Mada University to develop a special Education Credit product for beneficiaries of S1, S2 or S3 undergraduate programs that can be used with various benefits. The special credit structure has been designed to meet the needs of students, including easy requirements, the determination of credit limit according to academic needs, competitive interest rates, tiered payments according to the pattern of income of the world of work, and the flexibility of utilization for the purchase of educational support tools such as laptops and the like . President Director of Bank Mandiri, Kartika Wirjoatmodjo, said that the initiative of the development of education credit is an active response of the company to President Joko Widodo's directive some time ago, so that people's consumption potential should be directed to productive matters, including education services.
- PT Bank Rakyat Indonesia (Persero) Tbk (BRI) in cooperation with the Ministry of Tourism launched BRI Wonderful Indonesia credit card near Borobudur Temple Central Java, Wednesday (18/4). The credit card is planned to be issued as many as 25,000 cards by the end of 2018. "How much, we want to publish 25,000 credit cards Wonderful Indonesia, with the target also to add 1.5 million users who like to travel," said Director of Consumer BRI Handayani in Magelang Java Central, Wednesday (18/4). Wonderful Indonesia credit card is a brand created as an Indonesian identity that represents the attraction of natural beauty, cultural diversity, and tourism and characteristic hospitality of Indonesian people. There are four BRI Wonderful Indonesia credit cards that are launched, among others, pictorial Borobudur Temple, Bromo-Tengger-Semeru Tourism Area, Lake Toba and Mandalika economic area. The

selection of the image represents the market segment of credit card users are among millennials who love travel activity to places of interest in Indonesia.

- Review:

Through the synergy with UGM in the development of education credit products, Bank Mandiri wants to realize the desire to prosper the country especially in the field of education. It is expected that the initial launch of educational credit products will provide better opportunities for UGM students in the best education to get a bright future.

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