

**1st WEEK****February 2018****❖ MACRO**

- The US Federal Reserve has decided to maintain its benchmark interest rate. The Fed decided to keep the target of the federal funds reference rate at 1.25% to 1.5%. This decision was taken by Janet Yellen before preparing to hand over the leadership of the central bank to Jerome Powell this weekend. The Fed also gave a positive assessment of recent US economic growth. "The increase in employment, household expenditure and investment business has continued to strengthen, and the unemployment rate remains low," wrote the Federal Open Market Committee (FOMC), the Fed's policy-making committee in a statement. The Fed also expects US inflation on a 12-month basis to move up this year and stabilize around the central bank's 2.0% target in the medium term.
  
- International Monetary Fund (IMF) predicts Indonesia's economic growth this year could reach 5.3%. Indonesia's economic growth this year is supported by consumption as the main driving force, investment and export. IMF Mission Chief for Indonesia, Luis Breuer said consumption is the most important element to pursue economic growth to 5.3%. However, this is not the only determinant but must be driven by investment and export performance that have recently improved. "We expect economic growth this year to reach 5.3%, in the medium term or about 5 years to reach 5.6%," Luis said via video link at the IMF Office Jakarta, Wednesday (7/2/2018).
  
- Review:  
Stronger economic growth and rising inflation may set the rate of interest rate increase in the next Fed policy meeting. Futures prices for the federal funds rate also indicate that investors are now looking at the possibility of a further interest rate hike of around 80%.

**❖ MICRO**

- Bank Indonesia (BI) Governor Agus DW Martowardojo will end his term in May 2018. President Joko Widodo must immediately submit the names of candidates for Agus. Related to that, the President admitted that he still has until the end of February 2018 to decide the candidate for the successor of Agus. Nevertheless, he has a number of criteria that will lead the central bank up to five years later. "Of course, that can provide market confidence, about things related to our macroeconomy, monetary, inflation," explained the President after attending the 68th University of Indonesia (UI) Dies Natalis at Campus UI Depok, Friday (2/2/2018). Jokowi said, the new governor of BI should be able to provide trust, both to the public and the market. However, he admitted that he has not yet decided on the candidates for Agus.
  
- Financial Services Authority (OJK) will issue new rules related to digital financial innovation in March 2018. The rule is in the form of OJK Rule (POJK) which requires technology-based financial companies (fintech) to enroll in financial services institutions. Deputy Commissioner of OJK Institute Volunteers Batunanggar said through the rules the fintech company can run its business safely and more regularly according to OJK provisions. "This March is issued," he said in a coordination meeting at the Ministry of Commerce at Hotel Borobudur, Jakarta, Friday, February 2, 2018. According to him, there are 170 fintech companies under development, while 24 companies have been registered with the Financial Services Authority.

**Review:**

A Governor of Bank Indonesia must control the monetary field, in addition must have an ideology that favors the people. The Governor of Indonesia shall also not be subject to the market, whereby the Governor of Indonesia shall favor the national development.

**❖ BANKING**

- PT. Bank Rakyat Indonesia (Persero) Tbk is partnering with several private and regional banks to cooperate on BRIZZI's electronic co-branding. These banks include BRI Syariah, BRI Agro, BJB Syariah, Bank Lampung, Bank Jateng and Bank Banten. The signing of MoU was held in BRI Head Office, Jakarta (31/1/2018). This cooperation is one of the strategies of Bank BRI to collaborate with several private and regional banks in order to accelerate the National Non-Cash Transfer program (GNNT) / cashless society proclaimed by the Government. "This is an effort to increase accessibility and accessibility for people in using electronic money. In addition, through this strategy we hope to encourage the toll road electronics program that has been running, "said BRI Corporate Secretary Bambang Tribaroto.
  
- Bank Mandiri and its subsidiary Mandiri Sekuritas plan to hold Mandiri Investment Forum (MIF) next week. The forum is a forum for meetings of investors from within and abroad. The hope, from the meeting could be realized new investment in the country. "This forum is very important to create synergy between investors and stakeholders, in order to be able to capture investment opportunities that can support efforts to increase economic growth in Indonesia especially in the political year that began in 2018," said Chief Economist of Bank Mandiri Anton H. Gunawan, through the information officially, Tuesday (2/2/2018). MIF is planned to be held at Fairmont Hotel Jakarta on 6 - 9 February 2018. This event will be followed by more than 600 investors and business people.
  
- Review:  
It is hoped that this cooperation will increase the penetration of electronic money usage in the community. Quoting data from Bank Indonesia, until the end of 2017 recorded the amount of electronic money circulating in the community as much as 90 million pieces where the market share BRIZZI around 10 percent of the total electronic money in circulation.

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