

**3rd WEEK****February 2018**❖ **MACRO**

- The US Federal Reserve's central bank said the US economy continues to improve. This was disclosed by the Fed at the Federal Open Market Committee (FOMC) meeting on 30-31 January 2018, whose summaries were reported on Wednesday (21/2/2018) local time. "The information received since the FOMC meets in December (2017) indicates the labor market continues to strengthen and economic activity is rising at a solid level," the Fed said in a report on Thursday (22/2/2018). The increase also occurred in labor absorption, household expenditure, and business investment. Meanwhile, the unemployment rate remains low. On a 12-month basis, general inflation and non-food and energy inflation continued to fall below 2 percent. The Fed also stated continued to focus on efforts to achieve maximum labor absorption and price stability.
- Bank of England central bank (BoE) Mark Carney said that bitcoin has failed as a currency. According to him, bitcoin does not have benchmark standards and has no value. "So far it's almost failed, nobody uses it as a medium of exchange," Carney told Reuters on Tuesday (20/2). But on the other hand, crypto currency technology or crypto currency can still be used for financial transactions in a decentralized way. Carney said British and European officials are working hard to get a transitional agreement ahead of Britain's departure from the European Union in March 2019. According to Carney, the transition deal will not be legally binding. "If 28 leaders agree then it has an interlinked text of law and becomes part of the separation deal, that should be good enough," Carney said.

- Review:

Related to these conditions, the Fed decided to keep the Fed Fund Rate (FFR) benchmark rate. The direction of monetary policy remains accommodative to support strong labor market conditions and inflation is on target of 2 percent target.

❖ **MICRO**

- The term of office of Bank Indonesia (BI) Governor Agus Martowardojo will end in the middle of this year. In fact, President Joko Widodo (Jokowi) has pocketed four names that will be candidates for the new central bank governor to replace Agus Martowardojo. According to the plan, the four names of BI Governor candidates will be submitted to the House of Representatives (DPR RI) at the end of February 2018. Many criteria are expected to be owned by the Governor of BI later. Given Indonesia will face the political year, so the task of the Governor of BI to maintain economic stability amid the democratic party, the more severe. Chairman of the Association of Micro, Small and Medium Enterprises (UMKM) Indonesia (Akumindo), M Ikhsan Ingratubun said that the figure of the Governor of BI should be familiar enough in the regional and international arena. Thus, the understanding of the micro and macro-economics more comprehensive.
  
- Business of pawnshops become a fairly used community, especially in the needs of funds. However, there needs to be good licensing in the venture. Therefore, it is necessary to refer to the oversight of the payable business as stipulated in the regulation of the Financial Services Authority Number 31 / POJK.05 / 2016 concerning the business of the pawnshop. Quoting OJK's website, Jakarta, Tuesday (20/2/2018), a Panamanian Company regulated and supervised by OJK is a government pawnshop company, PT Pegadaian (Persero), and a private pawnshop company. Until January 2018, the Financial Services Authority has granted business licenses to 16 private pawn companies. Meanwhile, through the Decree of the Board of Commissioners of the Financial Services Authority Number KEP-8 / D.05 / 2018 dated February 7, 2018, the

Board of Commissioners of the Financial Services Authority has granted the business license of PT Gadai Pawnshop Company.

Review:

The Governor of BI should be a person with a treasury base. The reason, according to Ikhsan, when compared with a background of finance, people with basic skills of treasury are superior in creating and exploiting opportunities, including in terms of investment from abroad.

❖ **BANKING**

- President Director of BNI Asset Management Reita Farianti said it has managed under management funds (AUM) of Rp 20.3 trillion as of January 2018 from total managed funds target of Rp24 trillion this year. According to him, the largest portion comes from equity funds. "It has reached Rp20.3 trillion per January 2018, from our target of around Rp24 trillion, we need additional funding, 30 percent of the money market, 30 percent fixed income, 40 percent," he said when met at the Ministry of PUPR Building, Jakarta, Monday (19/02). Reita said that in order to boost his managed fund, he continues to develop cooperation, one of which manages the managed fund from ITB alumni, where the fund is called mutual fund of Harmoni ITB revenues. "ITB's managed fund is not yet up to one year, estimated in October 2017, it is managed fund of about Rp200 billion," he said.
  
- State Savings Bank (BTN) Jambi branch office targets a mortgage distribution in Jambi province of Rp579 billion in 2018. "We are optimistic that the target can be achieved because the housing projection in Jambi is still stretched or show a positive trend," he said. Head of Consumer Loan Unit of BTN Branch of Jambi, Yodi Natharia in Jambi, Friday (23/2). The target set for this year, Yodi said, is divided into two segments, namely subsidized KPR and non-Subsidized KPR. For subsidized KPR, the target amount of credit disbursed is Rp400 billion or approximately 4,000 units of residential homes are financed. As for the non-subsidized KPR segment (commercial housing), the

target amount of loans disbursed is Rp179 billion. Non-subsidized mortgages in addition to providing new home loan financing also provide various financing, including home mortgage loans and home awards.

- Review:

Fixed Income Mutual Fund ITB Harmony BNI-AM is a fixed income mutual fund that aims to earn interest and appreciation of principal value (in the case of debt securities or other possible instruments). This program is supported by most of ITB alumni because one of its usefulness is to support government infrastructure.

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