

4th WEEK**February 2018****❖ MACRO**

- Federal Reserve Governor Jerome Powell addressed the US Congress on Tuesday (27/2/2018). Comments at the head of the country's largest economy-driven central bank have pushed global stock markets and surged to the US dollar against most of the world's currencies. Powell said the recent turmoil in the market would not affect his projections of economic conditions. He also hopes to be able to raise interest rates gradually, quoted by CNBC International. In a speech to the US Congress, Powell emphasized that employment conditions are still healthy, consumer spending is still strong, and wage growth is accelerating. He also mentioned the benefits of US exports and stimulus of government fiscal policy as an additional boost to the economy. "After slowing substantially during 2017, the economic conditions in the United States have reversed some of the weakness," he said. "At the moment, we do not see this development weighing on projections of economic activity, labor markets, and inflation. Of course, the economic projection remains strong."
- The arrival of IMF Managing Director Christine Lagarde to Jakarta reaps the issue that Indonesia will borrow money from the donor agency. The issue was blowing because the silver-haired International Monetary Fund (IMF) was warmly welcomed by a number of state officials. Starting from the Governor of Bank Indonesia Agus Martowardojo, Finance Minister Sri Mulyani, even President Joko Widodo specifically invited the IMF boss to blusukan to Pasar Tanah Abang. Do not stop there, today was the Minister of Marine Affairs Coordinator Luhut Binsar Pandjaitan who invited the IMF boss to blusukan to Fish Auction Place (TPI) Cilincing. But Coordinating Minister for the Ministry of Marine Affairs Luhut Binsar Pandjaitan denied the news that if Indonesia will again borrow money to the IMF. "And I also want to answer the role of the IMF for Indonesia Great. We do not borrow money now to IMF," he said when met at TPI Cilincing, Jakarta, Wednesday (28/2/2018).

- 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**

- Bank Indonesia (BI) recorded credit growth in January 2018 was only seven percent. This achievement is lower than the credit growth in December 2017, which reached 8.2 percent. "January (loan growth) is only about seven percent," said Deputy Governor of BI Sugeng, in Padang, West Sumatera, on Saturday, February 24, 2018. He added BI along with the Financial Services Authority (OJK) continued to encourage banks to increase lending. Moreover, these two authorities are both targeting loan growth this year by 10 to 12 percent. "Bank loans are now continuing to improve, and we have regular meetings with OJK how to reduce the bank's operating costs, and how to channel corporate credit to keep it going," he explained. According to him, consolidation in banks and corporations since last year still continues. But the consolidation process is believed to be over soon so that banks can be more aggressive in distributing credit to corporations.

- The rise of online arisan (regular social gathering for purposes of conducting a lottery)which recently began to spread is now the attention of the Financial Services Authority (OJK). The reason, online arisan allegedly operated one of the operators through this online system is not known who is responsible if something unexpected happens. "We expect the public to be wary of this model business model," said Head of OJK KR 8, Hizbullah in Denpasar, Friday (23/2/2018). Hizbullah said that the characteristics of this illegal business include, not having an office and pledging outcomes out of the ordinary. In addition, how to recruit new members also use various ways to attract new members. "The impression is easy, but actually trap," he said.

Review:

The growing economic growth this year is expected to encourage credit growth, as well as the continuing process of easing the central bank's interest rate easing on interest rates in the banking industry.

❖ **BANKING**

- PT Bank Negara Indonesia (Persero) Tbk celebrates the 2569 Lunar New Year at the BNI Jakarta City Regional Office with its loyal customers and debtors. This event is a form of appreciation given by BNI to its customers and debtors who remain faithfully using BNI services. Director of Treasury and International BNI, Panji Irawan, said the joint Chinese New Year celebration is an offering for BNI loyal customers and debtors who have supported BNI Jakarta City Regional Office business as well as a moment to improve business relationships to BNI loyal customers and borrowers. "This event is also one of the attention given by BNI to customers who come from Chinatown area in Jakarta, which mostly celebrate Imlek," said Panji in Jakarta, Thursday (22/2/2018).
- Bank Mandiri continues to encourage the growth of home mortgage business (KPR) to support the community own a house. This is also in line with the wishes of the government committed to providing shelter for the community. Bank Mandiri Senior Vice President Consumer Loans of Bank Mandiri Harry Gale said, in 2018, it targets to disburse mortgages amounting to Rp45, 6 trillion. The amount is up 15% from last year's realization of KPR disbursements amounting to Rp39.7 trillion. "Bank Mandiri has disbursed Rp 39.7 trillion, up 11 percent from Rp 35.8 trillion in 2010. If (2018) we are above 2017 in the range of 15 percent," he said in Plaza Mandiri, Jakarta, Thursday (22/2/2018). To reach the target, his side prepared three strategies that are offered to tell the community both customers and prospective customers. All three are announcing a fast process, attractive interest and simple requirements.

- Review:

On that occasion, BNI's customers and borrowers get a new consumer product offering from BNI which essentially facilitates the customers in using BNI facilities, whereby their current qualities are going towards digitalization.

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