

3rd WEEK**July 2018**❖ **MACRO**

- US Federal Reserve chairman Jerome Powell said that for now, the best way forward for the central bank is to gradually increase the federal fund's benchmark interest rate. "We realize that, on the one hand, raising interest rates too slowly can cause high inflation or excess financial markets. On the other hand, if we raise interest rates too quickly, the economy can weaken and inflation can continue below our target," Powell testified before the Senate Banking Committee, Tuesday, July 17, 2018. "As usual, our actions will depend on the economic outlook, which may change when we receive new data," he said, adding that the US economy had grown at a steady pace so far this year, with a strong job market and inflation close to the central bank's target. Powell said concerns about the Trump administration's trade policy might also have an impact on US wages and capital expenditures, although they have not yet appeared in figures.
- The European Central Bank (ECB) will raise rates in the second half of next year. According to a Reuters economist poll, a rate hike will be carried out before the economy slumps. This shows that European economic conditions are entering a peak period. Europe's economic growth surpassed other developed countries last year. The European economy rose for the first time since the financial crisis in 2007-2008. A poll of more than 100 most recent economists projected an interest rate increase at the July 10-July 18 meeting. The European Central Bank is projected to raise new deposit rates in the third quarter of next year by 15 basis points to -0.25%. This step before ECB Governor Mario Draghi's term ended in October 2019. The risk of economic decline was due to trade tensions between the United States and its trading partners including the European Union. This prompted many economists to cut their growth forecasts.

- Review:

Powell can be said that it is still too early to say how trade policy will affect the Fed's monetary policy, because it is difficult to predict the final outcome of the current discussion on trade policy and the size and timing of the economic effects of fiscal stimulus.

❖ **MICRO**

- Bank Indonesia decided to maintain the BI 7Days Reverse Repo Rate reference rate at 5.25 percent at the BI monthly Board of Governors' Meeting. "The Bank Indonesia Board of Governors' Meeting (RDG) on July 18-19 2018 decided to keep the BI 7-day Reverse Repo Rate fixed at 5.25 percent," Bank Indonesia Governor Perry Warjiyo said on Thursday (07/15/2018) at Bank Indonesia Building. Meanwhile, the fixed facility deposit rate was 4.50 percent, and the Lending Facility interest rate remained at 6.00 percent. Perry continued, the policy was in line with Bank Indonesia's efforts to maintain the attractiveness of Indonesia's financial markets amid the uncertainty of global financial markets that were still high. The easing of macroprudential policies by Bank Indonesia is believed to increase the flexibility of liquidity management and banking intermediation for economic growth.

- The fraud mode of a man claiming to be an employee of the Financial Services Authority (OJK) armed with a flashdisk, received a response and clarification directly from the Head of OJK Jember Azilsyah Noerdin. Azilsyah asserted, the duty of OJK employees is always equipped with a letter of assignment and an official ID Card. "Fraud experienced by women residents of Dukok Dempok, Wuluhan Subdistrict, we make sure we are not OJK employees. Because our officers or employees are always provided with a letter of assignment or ID Card, "Azilsyah stressed when released at the Jember OJK Office on Monday (07/16/2018). Regarding the recognition of the perpetrators who carried out the task of overseeing the Transmart project, it was also denied by the OJK Jember. "There is no officer who carries out the supervisory duties

of the Transmart project, if any, not our officers who supervise the project or the performance process," he said. Maybe those who do this task are financial service institutions (LJK). Even related to external tasks carried out, he continued, it is also impossible to leave alone, and related to the lodging concerned during the assignment has been determined by the office. "If you stay overnight or ride in a boarding house, it's impossible. Because there must be rules that apply according to office instructions," he said. Azilsyah also appealed, for people who might find suspicious individuals, and claimed to be OJK employees, to confirm directly to the OJK Office at Jalan Hayam Wuruk Jember.

- Review:

In the future, Bank Indonesia is expected to continue to monitor developments and prospects for the economy both domestically and globally, to strengthen the response of the policy mix in maintaining the attractiveness of domestic financial markets.

❖ **BANKING**

- PT Bank Mandiri (Persero) Tbk (BMRI) posted a net profit of Rp 12.2 trillion in the second quarter of 2018. This figure recorded an increase of 28.7 percent from the same position in the previous year. Bank Mandiri's Director of Small Business and Networks, Hery Gunardi, said that Bank Mandiri's profit growth was driven by fee-based income of Rp 12.9 trillion, or grew 18.1 percent on an annual basis accompanied by a decrease in Allowance for Impairment Losses (CKPN) 15.4 percent on an annual basis. Bank Mandiri recorded a credit growth of 11.8 percent year on year to Rp 762.5 trillion at the end of June 2018. Credit growth is still dominated by large and micro corporate segments.
- The 2018 Indonesia Open BRI Bank event at Pondok Indah Golf Course, Jakarta, officially ended Sunday (07/15/2018). The international sporting event was officially closed with a prize-giving ceremony attended by Indonesian Vice President Jusuf Kalla, BRI's President Director Suprajarto (left) and General Chair of the Indonesian Golf

Association (PB PGI) Murdaya Widyawimarta. "BRI is proud to have been trusted to be the main sponsor in the Bank BRI Indonesia Open2018. In addition to providing opportunities for young Indonesian golfers, the tournament this time is at the same time in order to warm up before the August 2018 Asian Games, "said Suprajarto.

- Review:

Bank Mandiri recorded a positive performance despite external economic conditions that are not yet fully conducive. This can be a benchmark for other banking companies in creating positive performance.

Disclaimer : Dokumen ini hanya bertujuan sebagai informasi dan diperoleh dari berbagai sumber yang terpercaya, namun bukan merupakan jaminan keakuratan atau kelengkapan dan tidak boleh diandalkan sepenuhnya. Kondisi diatas dapat berubah setiap saat. Dilarang untuk menulis ulang apapun tanpa ijin tertulis dari Bank Jatim.