

2nd WEEK**March 2018****❖ MACRO**

- In today's trading, it is likely that the US dollar or greenback is trying to retain its hold on hopes of risk-appetite action remaining until FOMC meeting next week. As we know that in yesterday's trading, the greenback condition put pressure on other major world currencies and gold, so that the EURUSD closed down at 1.2304, GBPUSD closed lower at 1.3937, 7798 and USDJPY closed flat at 106.33 level. At the same time making the April gold contract price in the New York Mercantile Exchange futures exchange division Comex closed down \$ 7.80 or 0.59% at the level of \$ 1317.80 per troy ounce. Previously the value of the US dollar began to improve since last yesterday because of US employment data in the form of unemployment claims continue to improve so it can be sure that additional US workforce could be better in this period. The data also supports that next week's interest rate for the Fed could rise for the first time this year and investors will still be waiting for how many more times the US central bank will raise interest rates this year.
- The European Central Bank (ECB) lowers the bias of its monetary policy easing. The move sparked expectations that the ECB will normalize monetary policy in the euro area in hopes of improving economic structure. To date, the ECB has said it is ready to raise the level of bond purchases made in terms of duration or size or volume, if the economic outlook worsens in the euro zone. But the statement was removed from its communications following a monetary policy meeting indicating that the region's stimulus could soon be over in the near future. As a result, the euro strengthened against the dollar on hawkish moves from the central bank and traded at USD1, 2411 at around 12:55. ING Forex Strategy Expert Viraj Patel says ECB President Mario Draghi is enough to calm eagles on the committee. "This is confirmation that normalization is on track," he said, as quoted by CNBC.

- Review:

The strengthening of the US dollar itself was a blessing from the Swiss National Bank statement that did not change its monetary policy before the ECB changed its interest rate, so investors see this situation will still develop as long as there is no change in monetary policy outside the US. And this is a guide for investors to have US dollars and leave gold.

❖ **MICRO**

- Bank Indonesia estimates that bank credit growth in February 2018 will be around 8% year on year (yoy). This figure is higher than the credit channel in January which grew by 7.4% yoy. In the month of December 2017 credit reached 8.2% (yoy). Deputy Governor of BI Erwin Rijanto said the growth is in line with the consolidation of the completed corporation. "The consolidation of the corporation has been completed so they have started to pickup (increase) back to the credit," he said at BI Building, Jakarta, Friday (16/3/2018). Nevertheless, he acknowledged that loan growth tends to weaken at the beginning of the year. Therefore, this effect of lending in December 2017 is relatively large. "In January, credit was down slightly, it's a common thing because it's January effect, usually in December relatively high credit growth. Corporates, taxes, etc., it will fall in position in January. If in February is still there is a decrease, but much smaller," he explained.
- Financial Services Authority (OJK) of Southeast Sulawesi Province noted from year to year, the number of consumer complaints continue to increase. "Based on existing data, complaints on services in the Non-Bank Financial Industry (IKNB) in 2016 as many as 19 consumers, 2017 as 31 consumers, and per February 2018 as many as 12 consumers," said Head of OJK Sultra, Muhammad Fredly Nasution in Kendari, Friday (16/3/2018). This was conveyed by the head of OJK Sultra, in the series of World Consumer Day celebrations every March 15, the Financial Services Authority in particular Sultra invites all Business Service Actors (PUJK) to always provide excellent service and care

for consumer protection. "Because we do not want complaints to OJK continue to increase, so we hope the industry can better improve the best service for the community," said Fredly Nasution.

Review:

Looking at the facts above it can be concluded that the risk of bad debts is getting smaller, and it is expected that economic growth will increase, so it will encourage low NPL and growing credit.

❖ **BANKING**

- PT Bank Mandiri (Persero) Tbk said this year is a momentum to grow credit distribution. President Director of Bank Mandiri Kartika Wirjoatmojo said the reason banks are not aggressive in giving credit in recent years because it still impact on the economy five years ago. As is known, in 2013-2014 the economic cycle of Indonesia has decreased due to falling commodity prices. Hence, no wonder at that time bad credit alias non-performing loan (NPL) banking jumped significantly. In fact, the NPL of Bank Mandiri in 2015 is still 4%. For that in 2015-2016, banks tend to restructure to lower the NPL. "Therefore, the hope in 2017, the NPL problem is over and 2018 is a period of growth, so I think it's right that the President asks banks to be more aggressive again," said Tiko, greeting Kartika Wirjoatmojo, in the State Palace on Thursday (15 / 3).
- International syndicate allegedly involved in crime of skimming happened at branch office of PT Bank Rakyat Indonesia Tbk (BRI) in Kendiri East Java. This was disclosed by management in a press conference on Thursday (15/3/2018) night. Indra Utoyo, Director of Digital Banking and Information Technology BRI said, related to the skimming incident in Kediri this bank has found out who the perpetrators. "We already have the CCTV proof, what time we have known," said Indra. BRI said it already has a good record of the perpetrators. The bank wants to resolve this incident to its root. Therefore, the bank is coordinating with the Criminal Investigation Police. Associated with the alleged involvement of the international network, BRI is still investigating its

network. This international network to launch the action, allegedly working with local networks in Kediri. Indra said, the international network is associated with two countries namely Germany and Spain. Because in these two countries allegedly lost customer money is withdrawn. Strong suspicion, the main actors skimming exist between the two countries.

- Review:

This year, Indonesia's momentum is predicted to improve, especially inflation is also low and commodity prices have started to rebound. It is expected that with the momentum of Indonesia's economy is getting better the credit demands will increase as well.

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