

**3rd WEEK****May 2018**❖ **MACRO**

- US inflation, which rose toward 2 percent caused the Federal Reserve's temporary goal not fast enough to show the economy overheated, Dallas Federal Reserve President Robert Kaplan said on Tuesday. Inflation was close to 2 percent but "not too far," he said at an event titled "Energy, Commerce and Energy Growth" sponsored by the Council on Foreign Relations. Inflation data for April showed further growth in domestic wages and consumer prices even though they failed to meet market expectations. Kaplan, who was not a voting member of the Federal Open Market Committee in 2018, said he hoped the US economy would grow by about 2.50 percent to 2.75 percent by 2018, supported by the biggest tax fix in 30 years imposed last December. He warned that tax increases would "fade" by 2019, slowing gross domestic product to 1.75 percent to 2 percent growth rate by 2020.

Wall Street opened lower on Tuesday trading (15/05/2018). US stocks fell as investors remained concerned about the US-China trade war. On the other hand bond yields rose after the US government released retail sales and inflation data. The Dow Jones Industrial Average fell 175.28 points, or 0.70%, to 24,724.13, the S & P 500 index fell 20.54 points or 0.75% to 2,709.59 and the Nasdaq Composite fell 72.66 points or 0.98% to 7,338.66. The United States and China continue to negotiate in resolving trade conflicts, US Ambassador to China Terry Branstad said, as the second round of high-level talks will begin in Washington. Mexican economy minister Ildefonso Guajardo said he did not expect to meet Thursday's deadline to reach a New North American Free Trade Agreement that could be presented to the US Congress.

- Review:

With growing businesses and consumer sectors in "reasonably good conditions," it can be concluded that the Federal Reserve is likely to remain on track to raise the cost of borrowing overnight in stages.

❖ **MICRO**

- Bank Indonesia (BI) releases new electronic money rule through Bank Indonesia Regulation (PBI) Number 20/6 / PBI / 2018. This is a revision of the previous rule, PBI 18/17 / PBI / 2016. An increasingly diverse electronic money business model and high transaction value increase pushed BI to tighter business. The main aspects of the implementation of reinforced electronic money include: first, the institutional aspect includes the minimum paid-up capital arrangement to ensure the financial condition of the electronic money organizer. Secondly, the composition of ownership of the issuing shares that regulate at least 51% must be owned by domestic and maximum 49% for foreigners. Third, the grouping of electronic money administration licenses is front end organizers and back end organizers to avoid monopoly. Fourth, regulate sole ownership of prospective shareholders of electronic money to maintain fair business competition. Fifth, the cost structure and management of floating funds. "The detail of this policy is in the form of the principle of electronic money administration in order not to cause systemic risk," said Head of Policy Department of BI Payment System Onny Widjanarko yesterday.
- The increase in BI reference interest rate (BI) will affect the interest rate of national banking credit. Based on data from BI, the average national bank credit interest was 11.2%. Chairman of the Board of Commissioners of Financial Service Authority (OJK) Wimboh Santoso explained to press the increase, OJK encourage banks to improve efficiency. The trick is to maximize the use of technology for service. "Efficiency will be increased as technology has to be maximized so operational savings can be done and if there is pressure to increase interest rate is not very influential," said Wimboh after KSSK press conference at Ministry of Finance Building, Central Jakarta, Monday (5/28/2018) . He explained that the transmission of the interest rate increase to the credit interest will occur gradually and not impact instantly. Therefore, during the transmission period the bank is required to minimize the impact of interest increase to the customer.
- Review:

The revision of this rule describes the level of public awareness about electronic money is getting higher, so it is expected more non-cash transactions as more efficient, and also if seen more carefully this rule is good if seen from the point of view of the interests of domestic consumers.

❖ **BANKING**

- Bank BRI once again strengthen synergy with the Ministry of Agrarian Affairs and the National Land Agency / Land Agency (ATR / BPN) to facilitate banking services facilities and transaction services of workers within the Ministry of Agrarian Affairs and Spatial Planning / National Land Agency (Badan Pertanahan Nasional / ATR / BPN). Bank BRI together with the Ministry of Agrarian Affairs and Spatial Planning / National Land Agency signed a Cooperation Agreement (PKS) issuance of Corporate Credit Card (Corporate Card) held at Innovation Center Bank BRI, Bank BRI 1 Building, Central Jakarta (16/05). The signing of the Cooperation Agreement was made between Secretary General of the Ministry of ATR / BPN Sudarsono and Director of BRI Sisbik Sis Apik Wijayanto.
- Bank Mandiri predicts inflation to be in the range of four percent in 2018. Inflation prediction has not included changes in fuel prices (BBM). Bank Mandiri economist Anton H. Gunawan conveyed that in Indonesia Economic and Market Outlook Q2 / 2018. "Inflation expectation to the front of us is up to four percent with the record not yet include possible changes in administered prices such as fuel prices due to the situation in the election later and high world oil prices and we are rather high assumption in (APBN) USD 48 per barrel while (oil price) Brent already USD 70s per barrel, "he said in Plaza Mandiri, Jakarta, Thursday (17/05/2018). Anton still believes the government can keep inflation steady in 2018 with various policies issued. "Low inflation and many programs, including administered prices, are trying to keep them from rising, the target for low income people is not to decrease their purchasing power," he said.

- Review:

Issuance of Corporate Card Facilities is a follow up of the Decree of the Director General of Treasury of the Republic of Indonesia on September 29, 2017 No. Kep: 494 / PB / 2017 regarding the Implementation of Payment Trial with Credit Card in the Use of Inventory Money.

**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.