

1st WEEK**October 2018**❖ **MACRO**

- Jerome H. Powell, the Federal Reserve chairman, said Tuesday that the American economy is enjoying an unusual but sustainable period of low unemployment and low inflation. He described the current moment, and the Fed's expectation that it will continue, as "not too good to be true." Inflation is hovering around the 2 percent annual pace that the central bank regards as optimal while the unemployment rate has remained close to 4 percent for the last year. Economists have long regarded low unemployment as a harbinger of higher inflation, and there is no precedent in modern American history for both economic indicators to remain at such low levels.
- The International Monetary Fund (IMF) warned on Thursday that the balance of risks facing Japan has tilted to the downside, citing uncertainty over the impact of a planned sales tax hike and global trade tensions. Sharper-than-expected volatility in private consumption due to the planned tax hike next year could dent growth momentum, while weaker global demand and uncertainty over trade tensions could trigger yen spikes, hit stock markets and revive deflationary risks, the IMF said. An accommodative monetary policy should be maintained in Japan, the IMF said in a statement after its "Article 4" annual consultations on economic policy with Japanese policymakers.
- Review:
The success of the Fed in suppressing inflation in recent decades has strengthened public expectations that inflation will remain low, and that, in turn, helps keep inflation low.

❖ **MICRO**

- The exchange rate of the rupiah against the US dollar (US) is above the level of 15 thousand in the past two days. This figure far exceeds the government's target in the 2018 State Budget (APBN) of Rp. 13,400 per USD. Governor of Bank Indonesia (BI), Perry Warjiyo, said that his party would continue to be committed to controlling the

depreciation of the rupiah. One of them is by penetrating the foreign exchange market. "One, we continue to be in the market not only monitoring but the stabilization measures needed are in accordance with the market mechanism. Keeping the supply of demand moving well in the forex market," Perry said when met at the BI Mosque Complex, Jakarta, Friday (5 / 10/2018). Then, the second step, BI also continues to coordinate with the government and relevant authorities to maintain macroeconomic and financial system stability in Indonesia. "The two of them certainly communicate with the actors with banking, the real sector, including communion with exporters and importers among businessmen. So far the supply of demand has gone well. Appreciation for entrepreneurs who supply their foreign exchange as well as banks maintains market mechanisms," Perry said.

- Financial Service Authority (OJK) appreciates the Supreme Audit Agency (BPK) which has issued a Fair Without Exception (WTP) opinion on the OJK Audit Financial Report in 2017. The fifth assessment of WTP for the OJK since 2013 reflects a commitment to continuously improve governance at OJK on an ongoing basis. "Regarding the findings in the audit results of the OJK Financial Report, the OJK has responded and will follow up on the BPK's recommendations," explained OJK's Deputy Commissioner for Strategic and Logistics Management, Anto Prabowo, Tuesday (10/02/2018). Regarding the findings of the Corporate Income Tax debt, he said that since 2014 and 2015, the FSA had paid a tax obligation of Rp. 836.72 billion so that the amount of corporate income tax as of December 31, 2017 amounting to Rp. 90.10 billion was an accumulation of unpaid corporate income tax 2015, 2016 and 2017.
- Review:
By encouraging several policies that have been issued by the government to control the current account deficit. Coordination with Coordinating Minister (Darmin Nasution) The Minister of Finance (Sri Mulyani Indrawati), Chairperson of the OJK (Wimboh) was then reinforced by further steps to reduce the deficit, so it is not impossible that the rupiah exchange rate against the dollar could strengthen again.

❖ BANKING

- PT Bank Mandiri (Persero) Tbk (BMRI) will provide relief to disaster victims customers in Palu and Donggala, Central Sulawesi. The company is currently registering and reviewing debtors affected by the disaster. Corporate Secretary of PT Bank Mandiri Tbk, Rohan Hafas, said the company would restructure to facilitate credit obligations for the public. This refers to the Financial Services Authority Regulation (POJK) No. 45 / POJK.03 / 2017 concerning Special Treatment of Loans or Bank Financing for Certain Regions in Indonesia Affected by Natural Disasters. Previously, the provision of waivers was also carried out by Bank Mandiri for customers affected by the earthquake disaster in the Lombok region, West Nusa Tenggara. After the earthquake and tsunami, on October 1, 2018, Bank Mandiri operated the Sam Ratulangi branch office and 6 ATM units in Palu, Central Sulawesi. Opening of branch operations to meet the needs of banking services after the disaster.
- Automated teller machine (ATM) of PT Bank Negara Indonesia (Persero) Tbk (BNI) located in the city of Palu, Central Sulawesi, has been able to operate again. To this day, as many as 22 BNI ATM units have been utilized by the people of Central Sulawesi Province. BNI Corporate Secretary Kiryanto explained that 8 ATM units in Palu and 14 ATM units in Parigi could already be used. "For the BNI Branch Office in Palu there is 1 unit, while in Parigi there are 4 units," he said when contacted by Liputan6.com, Monday (01/10/2018). Kiryanto added, the company continued to work to improve infrastructure damaged by the earthquake. That is to accelerate banking services to the people of Donggala and also Palu. "In addition, repairs are also needed to activate ATMs and offices. All of that is intended so that BNI's operational services can continue to run better so that the economic stretch in the area also continues," he explained.
- Review:
It must be realized that the customer's cash flow must be disrupted so that Bank Mandiri must be able to consider helping to mitigate, of course, while still paying attention to the principles of good governance and adjusting to regulatory requirements.

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