

**1st WEEK****September 2017**❖ **MACRO**

- The Federal Reserve is getting more dovish in the face of weak inflation data, reducing the likelihood of a third rate hike this year, which traders already see as very unlikely. Three Fed policymakers on Tuesday expressed doubts about further rate hikes, with one influential policymaker calling for a delay in raising U.S. interest rates until the Fed is confident inflation will rebound. A second Fed policymaker blamed the Fed's rate hikes to date not only for weak inflation, but also for undermining the recovery in the labor market that many policymakers including Fed Chair Janet Yellen have cited as they have justified raising rates. Late Tuesday a third policymaker advocated patience on rate hikes, given slow growth and inflation. Taken together, the comments from one third of the Fed's current policy-setting panel suggest that months of falling or flat inflation readings could scuttle plans to raise rates once more this year and three times next year. Fed policymakers next meet Sept. 19-20 and are due to release fresh economic forecasts that may envision a flatter path for rate hikes ahead.
- In January, at the World Economic Forum in Davos, Switzerland, President Xi Jinping of China called his country a champion of free trade and globalization. And at an international conference in Beijing in May, he laid out China's grand vision of promoting global integration by linking Asia, Europe and beyond through a new network of roads, railways and sea routes. Skeptics have derided the notion that China, which has resisted dropping the many barriers that restrict the free flow of goods and capital across its borders, is suddenly all-in on globalization. But this criticism misses the bigger picture. China is fashioning a new form of multilateralism, one in which it sets the tone and defines the rules of the game. This strategy will advance its economic and political influence in a far more effective manner than a unilateral approach built on brute economic force, a tactic that has produced mixed results for China so far.

Review:

the U.S. central bank should go so far as to make clear it is comfortable pushing prices modestly above the Fed's 2 percent target. The Fed's preferred gauge now stands at 1.4 percent. They also should be cautious about tightening policy further until they are confident inflation is on track to achieve their target

❖ **MICRO**

- Bank Indonesia (BI) reported that Indonesia's foreign exchange reserves in August 2017 reached 128.8 billion US dollars. This figure is higher than the position at the end of July 2017 which was 127.8 billion US dollars. "The increase was mainly due to foreign exchange revenues from tax revenues and foreign exchange from government oil and gas exports, as well as the results of foreign exchange Bank Indonesia (SBBI) auction," Agus Communication's Executive Director BI Department said in an official statement on Friday (8/9). / 2017). The foreign exchange earnings exceeded foreign exchange needs, especially for the payment of government foreign debt and foreign exchange SBBI due. The position of foreign exchange reserves at the end of August 2017 is enough to finance 8.9 months of imports or 8.6 months of imports and payment of government foreign debt.
- The Financial Services Authority (OJK) said the financial industry, particularly banks in Indonesia, was still able to mitigate the negative impact of the risk of the rupiah exchange rate movement. OJK Spokesman Sekar Putih Djarot said that the resilience of the financial industry, particularly banks, could be seen from a number of indicators of the health of the financial industry that were still maintained. "The ratio of non-performing loans (NPLs) to banks is still under control at 2.73 percent (gross), Third Party Funds (TPF) grew 6.8 percent (year on year / yoy) and credit growth reached 11 percent (yoy) , "Sekar said in a 'United for Rupiah' discussion, in Jakarta, Monday (10/9). In addition, the bank's capital adequacy ratio, aka the Capital Adequacy Ratio (CAR), is still strong. Banking CAR at the beginning of September 2018 is still at 22 percent. Nonetheless, regulators remain wary of increasing external economic risks

Review:

Decrease or increase in interest on this credit must also be viewed from several sides, one of which is to see the deposit interest as a whole. But usually deposit decreased faster than credit interest. Lower credit interest is slower because banks are consolidating. So they do a lot of restructuring, more cautious in giving credit

❖ **BANKING**

- The entire Bank Rakyat Indonesia (BRI) network affected by the Telkom 1 satellite anomaly has recovered. Since the satellite disruption occurred at the end of last August, a number of BRI offices and ATMs could not operate. "As of Monday, September 4, we have successfully recovered the entire affected network due to Telkom 1 satellite anomaly," said BRI Corporate Secretary, Alert Day, when contacted on Sunday, September 10, 2017. He said, BRI customers were now able to access all BRI banking services in all corners of the country. When Telkom 1 was disrupted, 321 BRI ATMs and 124 BRI work units were also disrupted. BRI immediately migrates all affected networks and switches to BRIsat as the main network. The company also prepares back up to other backup networks. Hari said that within four working days all affected network units and BRI ATMs could operate normally. Hari Siaga said that BRI did not suffer losses due to this incident. "Only banking services to customers have been disrupted," he said. Customers now do not need to worry because events also do not disturb the security of customer data. Hari said BRI will continue to innovate to provide excellent service to its customers.
- PT Telekomunikasi Indonesia (Persero) Tbk targets today, September 10, 2017, the recovery of customer sites affected by the disruption of the Telkom-1 Satellite can be completed. Improvements have also been made since the disruption occurred at the end of last August. The disruption of the Telkom-1 satellite has indeed affected the network of Automated Teller Machines (ATMs) in a number of banks. Thousands of ATMs

cannot be used as a result of this satellite disruption. One of the banks affected by this satellite disruption is PT Bank Mandiri (Persero) Tbk. The Mandiri ATM network that was affected by the disruption of this satellite also reached 2,000 ATMs. So, how has the Mandiri ATM been improved to date? According to the Corporate Secretary of PT Bank Mandiri Tbk Rohan Hafas, all ATMs owned by Bank Mandiri have recovered and can be used. All ATMs have been 100% restored since Thursday, September 7, 2017.

Review:

The Telkom 1 satellite load was built at the Lockheed Martin Commercial Space Systems facility in Newtown, United States. The satellite has a 24 C-Band configuration and 12 extended C-Band transponders. The Telkom 1 satellite is positioned at 108 degrees East Longitude and reaches all regions of Indonesia, and has the potential to reach Southeast Asia and North Australia. At that time Telkom projected, the annual increase in telecommunications services would increase by around 1.5 million units of cellular telephone per year with the existence of this satellite.

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