

**4th WEEK****May 2019**❖ **MACRO**

- Stock traders speculating that the Federal Reserve will cut interest rates this year could be making a “very risky bet,” CNBC’s Jim Cramer said Tuesday. Cramer perused Fed Funds Futures analysis by Carley Garner, co-founder of the DeCarley Trading futures brokerage firm. Fed Funds Futures financial contracts are used to predict changes in short-term interest rates. “The charts, in a completely contrarian way as interpreted by Carley Garner, suggest that a lot of people are anticipating a more lenient Fed,” the “Mad Money” host said. “And I don’t think the Fed will go there unless the economy gets substantially worse from here, although that’s always a possibility given the big-picture data has gotten a heck of a lot weaker over the past few months.” Speculators are banking on one or two rate cuts this year, Garner says. The futures market is forecasting that Fed Chair Jerome Powell will begin reducing the benchmark rate — currently between 2.25% and 2.5% — to 2% in the next six months, Cramer added.

Zimbabwe will not borrow externally and will cut reliance on the central bank to finance deficits during an IMF staff-monitored programme in a bid to set a track record of fiscal discipline that could earn it future funding, the IMF said. The southern African nation owes \$8.8 billion to foreign lenders, \$2.6 billion of that in arrears to the World Bank, the African Development Bank and the European Investment Bank. It has not accessed financing from international institutions since defaulting on its debt in 1999. It is also suffering from a dollar crunch, rising inflation and public anger over shortages - all issues that have piled pressure on President Emmerson Mnangagwa who has promised to revive the economy after the fall of Robert Mugabe. His government agreed to have its economic and political reforms monitored by the IMF from May 15 to March 15 next year to try to convince foreign donors to restructure and forgive its debt. In a report released on Friday, the IMF said Harare authorities pledged to only

borrow RTGS\$400 million from the central bank in 2019, down from RTGS\$3 billion last year.

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Attempting to game the Fed tends to leave investors “disappointed.”. The Fed may institute a multi-year pause, he said. It’s important to be aware that there’s a powerful ceiling of resistance between current levels and levels that would indicate rate cuts.

❖ **MICRO**

- Desa Pos BBM (Pomdes) is a program that continues to be promoted by the Ministry of Village, Development of Disadvantaged Regions and Transmigration (Ministry of PDTT) in villages, disadvantaged areas, and transmigration areas in Indonesia. In order to continue developing the Pomdes program, the Ministry of Trade PDTT collaborates with PT Octa Citra Rajawali (PT OCR) regarding this technology and energy-based populist economic development program. Cooperation was carried out after PDTT Secretary General of Ministry of Trade Anwar Sanusi and President Director of OCR PT Omar Aram Pujo Krithanto signed a Memorandum of Understanding (MoU) or joint memorandum of understanding at the PDTT Ministry of Finance Office on Tuesday (05/28/2019). "The Pomdes program is a village-based economic ecosystem initiative. Later, the villagers will have a business opportunity with business credit facilities to become fuel, gas, pulse, basic food, and online business retailers by marketing superior products in their villages," Anwar said in a statement written on Wednesday (05/29/2019).
- The Coordinating Minister for Economic Affairs Darmin Nasution this morning gathered a number of officials in a coordination meeting to increase national savings. Based on detikFinance's monitoring, in the Darmin office, Central Jakarta, Tuesday (05/28/2019), Chairperson of the OJK Board of Commissioners Wimboh Santoso was present at around 09.07 WIB. It is planned that the meeting will also be attended by Minister of Education and Culture Muhadjir Effendy, Secretary General of

Kemenristekdikti, Ainun Na'im and a number of bank directors. This coordination meeting is a follow-up of the 2019 Simple Day Program. The Financial Services Authority (OJK) has gathered 1,500 students from elementary to high school in the Dhanapala Building Ministry of Finance (Ministry of Finance) Jakarta, Thursday (05/02/2019). They were present at the declaration of the Simplified Day 'Indonesian Student Action Saving'. This action aims to encourage students to save. Meanwhile, OJK and the financial industry have launched the Student Savings (Simple), namely savings for students issued nationally by banks in Indonesia. This product is to encourage financial inclusion.

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Collaboration between the Ministry of Defense PD TT and PT OCR aims to utilize existing resources to help and support one another in the context of developing Pomdes. In addition, this cooperation aims to develop and develop Pomdes in villages, underdeveloped areas, and transmigration areas in increasing the prosperity and welfare of rural communities.

❖ **BANKING**

- The Directorate of Village Economic Business Development (PUED) of the Ministry of Foreign Affairs Directorate General of PPMD cooperates with Bank Mandiri to hold a Cheap Market in Bengle Village, Majalaya District, Karawang Regency. No less than 4,000 basic food packages were distributed to the community in the framework of the 1440 H Ramadan month and to celebrate the Eid al-Fitr. Special Staff of Mendes PD TT, Syaiful Huda, said that the Ministry of Trade of PD TT is working with BUMN Banks to help alleviate the economic burden of the village community. "Bank Mandiri will share 4,000 basic food packages which should be valued at Rp. 102 thousand subsidized by Bank Mandiri to Rp. 50 thousand. Please be accepted sincerely, hopefully it will be a good deed and better performance in the future," Syaiful said in a statement Monday (27/5 / 2019). Syaiful said that when giving a speech in front of hundreds of people in

the courtyard of the Bengle Village Office, Majalaya District, Karawang Regency, Monday (27/5).

- It has been 3 years since PT Bank Rakyat Indonesia (Persero) under the leadership of Suprajarto carved a number of achievements. Finally, both Suprajarto and BRI received the prestigious Asian Banker award as The Asian Banker CEO of the Leadership Achievement Award for Indonesia and The Best Managed Bank in Indonesia in Bangkok, Thailand. Not wanting to stop there, now a number of targets have been set by Suprajarto, one of which being the Most Valuable Bank in Southeast Asia in 2022. "Indeed, there are still things we have not utilized and we are maximizing their potential, namely how we move extraordinary work units and we have satellites so that we can be more productive than we have long focused micro medium enterprises and this will provide benefits for BRI," explained he was after receiving an award from the world economic magazine in Bangkok, Thailand, Wednesday (05/29/2019). There are several strategies applied by Suprajarto to achieve this goal. For example by adjusting the culture of the company and encouraging millennial human resources to develop its potential.
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The Ministry of Village, Development of Disadvantaged Regions and Transmigration will partner for the management of waste banks in this village through BUMDes and the plan will be to work together with Bank Mandiri in its management. With this garbage bank, it is expected that households can be productive and produce

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