

3rd WEEK**October 2020**❖ **MACRO**

- The Federal Reserve has a substantial role to play in addressing the racial economic disparities brought about by the coronavirus pandemic, Raphael Bostic, president of the central bank's Atlanta district, said Monday. Amid a recovery that Bostic called uneven and skewed away from those most in need, the Fed is conducting "muscular outreach" to local governments to help them provide aid to their communities. Officials have focused on helping workers avoid "benefit cliffs" in which they earn less working than they would on assistance, and have implemented workforce development programs to make sure people have the skills they need to adapt to a changing economy. "The Fed has an important role to play. We must be central to this conversation. And increasingly, I think we are," Bostic said in a speech to the Securities Industry and Financial Markets Association.
- "I felt so afraid and so anxious and at a loss of how to move forward, how am I meant to start a business in the middle of a pandemic?" This is just one of many testimonies from young people on what is being called the largest financial crisis since the 1930s. Teresa Carmona, who found herself out of a job in late 2019 at the age of 26, decided it was time to start her own fashion brand. She put together a business plan in January and planned some pop-up events to show her brand across London in March. "Little did I know that this whole thing that changed the whole world was coming," she told CNBC. "I was then not able to go forward with the pop-up. It really kind of pushed everything up in the air and it really took me by surprise. I think suddenly I became really anxious because this idea that I had really clear in my mind was suddenly very vague. I didn't know how to proceed," she added.

- Review:

The current recovery looks like a “less-than” sign, which is describing uneven conditions similar to the K-shaped recovery that other economists have outlined.

❖ **MICRO**

- Bank Indonesia (BI) projects Indonesia's economic growth in 2021 to be in the range of 4.8% to 5.8%. BI Governor Perry Warjiyo revealed this was due to indicators of economic recovery that continued after a contraction of 5.2% in the second quarter of 2020. "In the third and fourth quarters, it will be better in terms of human mobility indicators in general, economic activity such as retail sales increases until non-oil and gas exports begin to improve," Perry said at the CMSE event, Monday (19/10/2020). - this will encourage the economy and bring Indonesia's economy back to a positive path. In addition, the inflation rate in 2021 is estimated to be in the range of 3%, this year the inflation rate is low at the 2% level. In addition, the low current account deficit will also boost the national economy.
- The Financial Services Authority (OJK) plans to extend the credit restructuring program or credit relief for customers. It takes into account the current conditions. Chairman of the OJK Board of Commissioners Wimboh Santoso said, from the start this credit restructuring policy could be extended if needed. "The POJK 11 policy we designed from the start can be extended when it is needed and it seems that from the existing figures, we see that this needs to be extended," he said at the Capital Market Summit & Expo 2020, Monday (19/10/2020). He also asked customers who wanted to ask for credit relief to apply immediately. He said, based on existing regulations this program is valid until February 2021. According to him, this program could be extended beyond February next year.

Review:

Currently BI and the government are coordinating to restore the national economy. The central bank is also trying to maintain macroeconomic stability in the financial system and the government is optimistic that the economy will improve.

❖ **BANKING**

- PT Bank BRI Syariah (Tbk) or BRIS denied the news about the company going out or delisting from the stock exchange after the merger with other state-owned sharia banks, PT BNI Syariah and PT Bank Mandiri Syariah. "Until now there are no plans to lead there (delisting)," said BNI Syariah Corporate Secretary Mulyatno Rachmanto to CNNIndonesia.com, Thursday (22/10). According to Mulyanto, the entire merger process will be carried out in accordance with the previously submitted merger plan by complying with applicable regulations and provisions. The plan he meant was the merger of the three himbara sharia banks with the largest shareholder composition controlled by PT Bank Mandiri (Persero) Tbk with a portion of 51, 2 percent. Meanwhile, for PT Bank Negara Indonesia (Persero) Tbk amounted to 25.0 percent, PT Bank Rakyat Indonesia (Persero) Tbk at 17.4 percent, DPLK BRI - Sharia Shares 2 percent and the public 4.4 percent.
- Micro, small and medium enterprises (MSMEs) have an important role in driving the pace of the people's economy and are one of the important pillars of the Indonesian economy. MSMEs also assist the government in absorbing productive age workforce, which is expected to support efforts to restore the national economy. By carrying out this important role, MSMEs need support from market networks through online buying and selling transactions or e-commerce. Not only for business operations, e-commerce makes it easier for MSME players to market their products more widely. Moreover, the pandemic has made people more dependent on e-commerce to shop from home. Seeing this, PT Bank Negara Indonesia (Persero) Tbk or BNI collaborated with Tokopedia to become a partner bank for sellers to disburse the proceeds from the sale of transactions

at the online shop. This cooperation is driven by the composition of BNI's current entrepreneurial customers, which make up 12 percent of total BNI customers.

Review:

Previously, the prediction that BRIS would be delisted from the Indonesia Stock Exchange (BEI) had often been heard. This is because the composition of public ownership is only 4.4 percent, aka it does not meet the IDX regulations for a share to be declared a public company.

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