

1st WEEK**AUGUST 2021**❖ **MACRO**

- The Federal Reserve could begin slowing down its bond purchases as early as October under a scenario central bank Governor Christopher Waller set out to CNBC in a Monday interview. Should the August and September jobs report show growth in the 800,000 range, that would get the U.S. economy near its pre-pandemic level and, Waller said, meet the Fed's benchmark for when it starts tightening policy. "In my opinion, that's substantial progress and I think you could be ready to do an announcement in September," he told CNBC's Sara Eisen on "Closing Bell." "That depends on what the next two job reports do," he added. "If they come in as strong as the last one, then I think you've made the progress you need. If they don't, then you're probably going to have to push things back a couple months."
- The IMF has agreed to boost the finances of low and middle-income countries to support their pandemic response through a \$650bn allocation of its special drawing rights. The allocation, which is a form of foreign reserve asset, is the equivalent of newly minted money that will be given to the fund's 190 member countries roughly in proportion to their share of the global economy. About \$275bn of the allocation will go to emerging and developing countries, with the rest earmarked for the world's biggest economies. "This is a historic decision — the largest SDR allocation in the history of the IMF and a shot in the arm for the global economy at a time of unprecedented crisis," said Kristalina Georgieva, IMF managing director, in a statement on Monday.

Review:

Despite the rapid pace of recovery, the Fed has kept its ultra-loose crisis-era policy tools in place, including holding benchmark interest rates near zero. However, the time is nearing for the Fed to start easing its foot off the accelerator, and he said the pace of tightening could be faster than the Fed has done before.

❖ MICRO

- Bank Indonesia (BI) recorded Indonesia's foreign exchange reserves at the end of July 2021 at US\$ 137.3 billion. Its value has increased compared to the position at the end of June 2021 of US\$ 137.1 billion. Executive Director of the BI Communications Department Erwin Haryono revealed that the foreign exchange reserve position was equivalent to financing 8.9 months of imports or 8.6 months of imports and servicing government foreign debt. "And it is above the international adequacy standard of about 3 months of imports," he said in a written statement, Friday (6/8/2021). BI assessed that the foreign exchange reserves were able to support the resilience of the external sector and maintain macroeconomic and financial system stability. In addition, the increase in foreign exchange reserves in July 2021 was influenced, among other things, by the issuance of government global bonds as well as tax and service revenues. He also explained that future foreign exchange reserves would be adequate.
- The Financial Services Authority (OJK) noted that in the second quarter of 2021, credit requests recorded an increase. Chairman of the OJK Board of Commissioners, Wimboh Santoso, explained that this was due to the increase in community mobility in the second quarter of 2021. Wimboh said that up to the end of the second quarter, economic indicators showed an improving trend towards national economic recovery. In June 2021, credit grew by 1.83%. "So the prediction of economic growth in the second quarter of 2021 of 7% can be achieved," he said in his statement, Wednesday (4/8/2021). Previously, Finance Minister Sri Mulyani Indrawati was optimistic that national economic growth in the second quarter of 2021 could grow 7%. . This is because a number of indicators in April, May to mid-June showed positive performance. Starting from the strengthening of the Manufacturing PMI in May, the rising core inflation in May and the optimistic consumer confidence index.

Review:

Going forward, Bank Indonesia views that foreign exchange reserves will remain adequate, supported by stability and maintained economic prospects, along with various policy responses to promote economic recovery.

❖ BANKING

- National economic growth looks positive in the second quarter of 2021. As for this, PT Bank Mandiri (Persero) Tbk is optimistic in facing semester II-2021. President Director of Bank Mandiri, Darmawan Junaidi, emphasized that Bank Mandiri always maintains resilience in the face of everything, including the ongoing pandemic. "We don't forget to prepare a strategy during the re-opening period. government and KSSK, including BI, Ministry of Finance, OJK, and LPS who provide a lot of support," said Darmawan in the Synergy webinar Maintaining Economic Recovery Momentum and Optimism as broadcast by CNBC Indonesia, Friday (6/8/2021). the second quarter of 2021 was recorded at 7.07%. This, said Darmawan, will provide further positive sentiment.
- PT Bank Rakyat Indonesia (Persero) Tbk or BRI recorded a profit of Rp 12.64 trillion until the second quarter of 2021 or grew 22.93% yoy. BRI's performance was supported by BRI's credit growth, especially from the micro segment. "BRI's micro credit grew by 17 percent and with micro credit growth of 17 percent, BRI was able to make a profit of Rp 12.54 trillion for 6 months," said BRI President Director Sunarso in a performance presentation, Friday (6/8/2021). Sunarso said BRI's performance was getting better in line with the national economic recovery. As is known, the Central Statistics Agency (BPS) announced that the second quarter economic growth was recorded at 7.07%. "In the midst of challenging conditions due to the pandemic which has not yet subsided, there are already many signs of a revival of the national economy," he said. Furthermore, the total credit disbursed by BRI in the second quarter of 2021 reached Rp 929.40 trillion. The credit grew compared to the same period the previous year of Rp 922.97 trillion. Micro credit grew from Rp 313.41 trillion to Rp 366.56 trillion.

Review:

Sustainability of growth in 2021 will continue to increase. This means that the optimism for 2021 is getting stronger. We are synergizing strategies to support growth in semester II-2021 and next year, the level has started to be higher than what we planned in 2020.

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