

2nd WEEK**AUGUST 2021**❖ **MACRO**

- Dallas Federal Reserve President Robert Kaplan said Wednesday that the central bank should begin to taper its monthly purchases of Treasury bonds and mortgage-backed securities in October. His view that the central bank ought to begin cutting back in two months is perhaps the most ambitious from a Fed president to date. Other high-ranking Fed officials, including Chairman Jerome Powell, have not yet given a forecast for when they want to pull back on the economic stimulus. “It would be my view that if the economy unfolds between now and our September meeting ... if it unfolds the way I expect, I would be in favor of announcing a plan at the September meeting and beginning tapering in October,” Kaplan said. The Fed sought to support the U.S. economy in the spring of 2020, when the Covid-19 pandemic began to shut down businesses across the country. As part of that effort, the central bank has each month purchased some \$120 billion worth of Treasury bonds and mortgage-backed securities to keep banks and other lender flushed with cash.
- The Taliban took over Afghanistan with astonishing speed, but it appears unlikely that the militants will get quick access to most of the Afghan central bank’s roughly \$10 billion in assets. The country’s central bank, Da Afghanistan Bank (DAB), is thought to hold foreign currency, gold and other treasures in its vaults, according to an Afghan official. Most of the assets are held outside Afghanistan potentially putting most of them beyond the insurgents’ reach, according to Afghan officials, including the bank’s acting governor, Ajmal Ahmady, who has fled Kabul. “Given that the Taliban are still on international sanction lists, it is expected (confirmed?) that such assets will be frozen and not accessible to Taliban,” Ahmady said in a Twitter thread on Wednesday. “We can say the accessible funds to the Taliban are perhaps 0.1-0.2% of Afghanistan’s total international reserves. Not much,” he added.

Review:

But with economic activity and employment now healthier, Kaplan told “The Exchange” he feels comfortable pulling back on the stimulus.

❖ **MICRO**

- Bank Indonesia (BI) stated that the public's desire for spending has begun to be restrained due to the strict implementation of the PPKM. BI Consumer Survey in July The Consumer Confidence Index (IKK) in July fell 20 points to a level of 80.2 points. In fact, Indonesia's economy has only recorded a growth of 7%. Last June, the IKK was at the level of 107.4 points. In fact, it was recorded that during the April-June period the IKK was in the optimistic area, or was above 100 points in a row. "Consumers perceive that the current economic condition is not as expected, it is suspected to be in line with the decline in economic activity and people's income which is more limited due to the implementation of Level 4 Community Activity Restrictions (PPKM) in various regions in Indonesia," said Head of the Communications Department Erwin Haryono, in a statement. his statement, Monday (9/8/2021). In a survey, BI stated that people's confidence in their income had weakened compared to the previous 6 months. Then, this condition makes people reluctant to buy durable goods.
- The Financial Services Authority (OJK) has made various efforts to maintain trust and protect investors in the Indonesian Capital Market (PMI). These efforts are carried out by OJK, both through the issuance of regulations and increasing various supervisory activities. The Chief Executive of OJK's Capital Market Supervision, Hoesen, said that investors' interests are the focus of OJK in developing PMI. "In addition to carrying out various educational efforts, efforts to increase trust and protect the interests of investors are also an important focus of OJK in developing the Indonesian Capital Market. Since 2020, OJK has taken a series of policies, both in the form of issuing regulations and

increasing supervisory activities," he said, quoted from Instagram account @ojkindonesia, Saturday (14/8/2021).

Review:

BI also stated that the public is still a little 'horrified' by the expansion of economic conditions in the next 6 months which is likely to be limited, both in terms of business activities and the availability of job opportunities.

❖ **BANKING**

- PT Bank Negara Indonesia (Persero) Tbk or BNI conducted a series of BNI MSME development programs as a commitment to work on the MSME sector. One of the efforts is to encourage the financial inclusion of Sahabat Ansor which is developed through a synergy between BNI and the Government, state-owned enterprises in the energy sector, and Community Organizations. It is known, the collaboration between these parties is expected to improve people's living standards and accelerate the Indonesian economy which in Q2-2021 has shown a positive trend even in the midst of the COVID-19 pandemic. As an effort to build hope and open alternative solutions to the challenges of developing MSMEs, on Wednesday (11/8), BNI held a National Webinar themed 'Development of MSMEs Friends of Ansor through the Pertashop Program'. The activity, which was broadcast through the BNI Corporate University Youtube Channel, was attended by MSME Business Actors, related Ministries/Institutions, and the general public to be able to provide an overview of the current MSME business conditions, challenges and opportunities that exist, as well as solutions to problems faced in the development of MSMEs in Indonesia. Indonesia.
- The younger generation is considered to play an important role in the changes and challenges that exist in every historical event in Indonesia. Moreover, now Indonesia has entered the age of 76 with various records of historical struggles that have been passed. As is known, Indonesia has gone through a series of struggles and historical events ranging from the struggle for independence, the economic crisis in 1965, 1998,

and 2005, reform, the industrial revolution, to the current health crisis due to the COVID-19 pandemic. Currently, Indonesia is also in a demographic bonus condition with the composition of the population dominated by the productive workforce, namely the millennial generation and generation Z. Based on data from the Central Statistics Agency (BPS), Gen Z occupies the first composition, namely 27.94% of the Indonesian population, followed by millennial generation as much as 25.87% of 270.20 million people.

Review:

The Pertashop program will be an effort by BNI and Pertamina in encouraging community empowerment and the village economy. Especially for small and medium enterprises (MSMEs) GP Ansor who want to distribute fuel oil (BBM) and liquefied petroleum gas (LPG) to the public without having to go to gas stations.

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