

**3<sup>rd</sup> WEEK****AUGUST 2021**❖ **MACRO**

- The Federal Reserve's efforts to reverse its easy policy will be a dominant theme for markets in the week ahead, as central bankers meet virtually for a key annual summit. Rather than convening amid the backdrop of the Grand Tetons in the crisp late August air, central bankers will have their annual Jackson Hole Economic Policy Symposium online due to Covid risks. Fed officials will be under pressure to gently steer toward less policy support, without creating a market tantrum. Federal Reserve officials, in numerous recent speeches and interviews, have already managed to speed up expectations for when they could begin to slowly pare back their \$120 billion a month in bond purchases. More of that talk is expected at their annual symposium, which begins Thursday. The Fed chairman's speech is typically the highlight of the annual event, and various Fed chairs have used the Jackson Hole, Wyo. meeting to send important messages. The question is whether Jerome Powell will channel his speech Friday morning to provide more details on how the Fed could begin to unwind its bond buying, and even whether he is personally ready to embrace it.
- The IMF will distribute about \$650 billion in new Special Drawing Rights to its members on Monday, providing a "significant shot in the arm" for global efforts to combat the COVID-19 pandemic, Managing Director Kristalina Georgieva said. The International Monetary Fund's largest-ever distribution of monetary reserves will provide additional liquidity for the global economy, supplementing member countries' foreign exchange reserves and reducing their reliance on more expensive domestic or external debt, Georgieva said in a statement. "The allocation is a significant shot in the arm for the world and, if used wisely, a unique opportunity to combat this unprecedented crisis," she said. The IMF underscored its concerns about diverging trends in the global economy and said the new SDR allocation would allow richer countries to help those hit hard by the pandemic, while improving the outlook for the global economy.

Review:

But the Fed will matter most, as investors will also keep an eye on how the economy is responding to the spread of the Covid delta variant. Stocks were lower in the past week.

❖ **MICRO**

- Bank Indonesia (BI) will announce the results of the monthly board of governors (RDG) meeting today. Interest rates will be one of the policies taken and announced. Economists project that the benchmark interest rate will remain at 3.5%. Because BI is still considered to be considering a low inflation rate so that people's purchasing power has not recovered. Permata Bank economist Josua Pardede said that the inflation rate in July was still low at 1.52%. This is because people's purchasing power has not yet recovered. Osua said, on the other hand, the rupiah exchange rate is still in a stable condition and BI still has limited space to lower interest rates. "However, in line with the projected tightening liquidity of various developed country central banks in 2022, BI is not expected to lower interest rates any further to maintain the stability of the Rupiah exchange rate going forward," he explained. Economist Ryan Kiryanto said BI will maintain the benchmark interest rate at 3.5%, including the Deposit Facility Rate and Lending Facility Rate.
- 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).

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**Review:**

The consideration is that external pressures are still high, especially with the speed of economic recovery in China and the US. In addition, there is the potential for an increase in global inflation in line with the economic growth of developed countries.

**❖ BANKING**

- BRI together with Narasi and Kitabisa.com held a donation collection program 'Can Buy SMEs'. This program is implemented as a form of BRI's support for Indonesian MSMEs as well as in commemoration of the 76th Indonesian Independence Day. Regarding the collection of donations, BRI conducted a campaign to its customers through the opening of a BRI BritAma Digital Saving Savings account. Since June 2021, BRI has collected donations of IDR 350 million. "BRI has managed to record a donation of Rp 350 million. The donation was channeled through Kitabisa.com to people in need by buying goods or products at 70 MSMEs in Indonesia affected by the pandemic," said BRI Consumer Director Handayani in a written statement, Monday (23/23). 8/2021). Accompanied by BRI's Executive Vice President Mass Funding Wahyudi Darmawan, Handayani distributed donations virtually through the 'Speak Meaning, Good for Us and Others' event today. He explained that the donation was a realization of BRI to support the government, especially in moving the wheels of the economy.
- PT Bank Negara Indonesia Tbk (BBNI) recorded significant user growth as of June 2021 even though it was in the midst of the implementation of PPKM. The company revealed that it had pocketed revenue of Rp 736 billion from e-channel transactions or online transactions. "BNI transactions are currently dominated by e-channel transactions and only a few are from branch offices. From this e-channel transaction BNI earns fee income of Rp 736 billion, an increase of 9.8% yoy (year on year)," said Deputy BNI President Director Adi Sulistyowati, in a virtual press conference, Monday (16/8/2021). BNI admits that the PPKM rules are a challenge for the company. This

condition is used to increase BNI's digital business, including BNI Mobile Banking to BNI Direct. The company noted that the number of BNI Mobile Banking users grew by 57% compared to the previous year, now BNI has 9.3% of users. June 2021, which is equipped with cardless cash withdrawals, e-wallet top ups, bill payments and others, can increase the convenience and security of user transactions," he explained.

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In the fundraising process, BRI and Narasi invite the public to be involved in this program. One of them is by promoting the 'Citizens Helping Citizens with Kitabisa.com' campaign through the Narasi TV channel. Because this campaign requires the involvement of all elements of society to help the affected MSMEs.

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