

**4<sup>th</sup> WEEK****April 2021**❖ **MACRO**

- The Federal Reserve will remain on hold for the rest of this year despite an increasing belief on Wall Street that policymakers should throttle back the stimulus they're providing to the U.S. economy, according to the latest CNBC Fed Survey. Respondents to the survey forecast the Fed won't reduce its \$120 billion of asset purchases until January, three months later than predicted in CNBC's March survey. And the first rate hike won't come until December 2022, survey respondents said. Yet 68% of the 34 respondents say the Fed does not need to make those asset purchases to help the market function and 65% say the Fed doesn't need to do them to help the economy. More than half — 56% — say the Fed should respond to the massive fiscal stimulus from the Biden administration by cutting back asset purchases and raising rates sooner. "While it is appropriate for the Fed to not comment on fiscal policy, it is entirely appropriate for monetary policy to take significant fiscal policy shifts into account in calibrating the stance of monetary policy, but the Fed is not doing this," wrote John Ryding, chief economic advisor at Brean Capital. "Monetary policy looks set to be too easy for too long."
- Climate change is increasingly influencing investment decisions, but it also poses certain risks to financial stability that are not being taken completely seriously, experts have told CNBC. People are now much more aware of the issue, even those who have savings invested in carbon intensive companies, Yannis Dafermos, a lecturer at SOAS University of London, told CNBC. He added that as a result "they also realize they might face some financial losses, if they don't do anything." As a result of the increased climate awareness, "there is now more pressure for instance on institutional investors and pension funds to adjust to the new reality," Dafermos added.. Investments in ESG funds (which put either environmental, social or governance criteria at the heart of their decisions) have picked up in recent years, mainly in the wake of the coronavirus

pandemic. Deloitte estimated last year that there could be 200 new ESG funds set up between 2020 and 2023, more than doubling the activity seen in the the previous three years.

- Review:

The survey underlines the extent to which Fed Chairman Jerome Powell and the Fed have convinced markets that it will remain on hold despite growing economic optimism and fears of inflation.

❖ **MICRO**

- Bank Indonesia (BI) explained that the Islamic economy and finance are not only in demand by countries with the largest Muslim population. Countries with a majority of non-Muslim populations have started to implement it. "What is happening now is that many non-Muslim countries have practiced an inclusive Islamic financial system," said BI Senior Deputy Governor Destry Damayanti in a virtual national seminar on Islamic Economics and Finance, Wednesday (21/4/2021). It was explained that the country with the majority of the non-Muslim population that has implemented the Islamic financial system is England. In fact, London has also become the center of Islamic business and finance in the European region. "In the UK, the practice of Islamic finance is very common, even London has become the center of the Islamic finance business in the European region," he said. Most recently, Britain through the Bank of England has launched an instrument. sharia-based special liquidity, so that Islamic banking and instruments in the UK can get access according to the principles of the central bank.
- Chairman of the Board of Commissioners of the Financial Services Authority (OJK), Wimboh Santoso, said the role of Islamic finance in accelerating economic recovery needs a roadmap. According to him, although the Islamic financial sector is said to be growing, the market share of Islamic financial institutions in Indonesia is still relatively small. Wimboh explained that the roadmap is needed to measure the growth of market share statistics for Islamic financial products in Indonesia. So that it can be seen whether

the growth of Islamic financial products in Indonesia is in accordance with the KPI and has met the needs of the community. According to Wimboh, the main reason people see Islamic financial products as not able to meet their needs is because the products are not better or more expensive than conventional financial products. In order to have a high market share, Islamic financial products should provide added value to the community.

- Review:

Furthermore, earlier this year the Bank of England launched an alternative sharia-based special liquidity instrument. So that banks and Islamic financial institutions in the UK can get access according to sharia principles from the central bank.

❖ **BANKING**

- Bank BRI continues to strive to ensure cybersecurity for its digital systems and platforms. Because, currently online activities and transactions are increasing and making the security factor crucial to be fulfilled and guaranteed by digital business players. BRI's Director of Digital & Information Technology Indra Utoyo said BRI's two main steps in improving cybersecurity were implementing multiple layers of security and actively collaborating with various parties. To ensure that there are no holes in every digital product innovation, BRI routinely performs vulnerability identification and rigorous penetration tests. In addition, layered security is also carried out through guaranteeing service and operational security, implementing protection technology, and procuring systems to detect threats. cyber quickly and precisely using big data and AI.
- PT Bank Mandiri Tbk (Persero) recorded that it had approved credit restructuring of 547,792 debtors with an approved value of IDR 124.2 trillion. This credit restructuring action is part of the national economic recovery program (PEN). Director of Finance at Bank Mandiri, Sigit Prastowo, said that the restructuring credit figure of Rp 124.2 trillion is recorded until March 2021. "Bank Mandiri has given approval for restructuring affected by COVID to more than 547 thousand debtors and the total value of loans granted restructuring approval is Rp. 124.2 trillion," said Sigit in a virtual press

conference regarding Bank Mandiri's first quarter 2021 performance exposure, Tuesday ( 27/4/2021). From the total restructuring which reached Rp. 124.2 trillion, said Sigit, it consisted of MSME loans with a value of Rp. 33.9 trillion with 336,803 debtors. Meanwhile, for non-MSMEs, the value reached Rp. 90.3 trillion with 210,989 debtors.

Review:

Today's fast-paced digitalization has consequences for increasing cybersecurity risks. Therefore, current banking sector players must be able to have better, faster, and more precise risk management to ensure the safety of each product they own.

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