

4th WEEK**February 2021**❖ **MACRO**

- The Federal Reserve's system that allows financial institutions to send money back and forth electronically went down for several hours Wednesday, but appeared to be coming back online later in the afternoon. The "operational error," as the Fed described it, impacted multiple services, including its pivotal automated clearinghouse system, which connects depository and related institutions sending electronic credit and debt transfers. There were no initial indications that foul play was suspected. Along with the Fed ACH service, other systems impacted included Check 21, FedCash, Fedwire and the national settlement service. A statement from the central bank said it became aware of a problem around 11:15 a.m. ET. A person at one Wall Street bank said the Fedwire and ACH system appeared to be coming back online around 2:45 p.m. ET. "Fedwire Funds Service, Fedwire Securities Service, and National Settlement Service have resumed processing and are operating normally," the Fed said around the same time.
- The world's financial leaders agreed on Friday to maintain expansionary policies to help economies survive the effects of COVID-19, and committed to a more multilateral approach to the twin coronavirus and economic crises. The Italian presidency of the G20 group of the world's top economies said the gathering of finance chiefs had pledged to work more closely to accelerate a still fragile and uneven recovery. "We agreed that any premature withdrawal of fiscal and monetary support should be avoided," Daniele Franco, Italy's finance minister, told a news conference after the videolinked meeting held by the G20 finance ministers and central bankers. The United States is readying \$1.9 trillion in fiscal stimulus and the European Union has already put together more than 3 trillion euros (\$3.63 trillion) to keep its economies through lockdowns.

- Review:

The outage occurred the same week Fed Chairman Jerome Powell spoke to Capitol Hill legislators about the progress the central bank has made on its consumer-focused payments system and efforts to develop a “digital dollar.” Powell said this will be “an important year” for the program’s development.

❖ **MICRO**

- Bank Indonesia (BI) plans to create a digital rupiah. This plan was made in line with the proliferation of existing cryptocurrency types. Indonesia is not the first to want to digitalize its currency. China had made that plan far in advance. Digital yuan has been prepared in advance. The currency is expected to shift the position of the US dollar as a global currency. In September 2020, the People's Bank of China (PBOC) was said to have conducted trials in a number of regions in China. Chinese Bitcoin miner Chandler Guo calls the payment system made by China called DCEP. Guo said that the DCEP will become China's official currency in a digital version and will become the dominating global currency. "Someday everyone in the world will use DCEP," he said. Guo said DCEP's success was based on the large number of Chinese people living abroad.
- The Financial Services Authority (OJK) recorded bank credit restructuring of Rp. 987.48 trillion as of February 8, 2021. Deputy Commissioner for Banking Supervision II of the OJK, Bambang Widjanarko, revealed that since October 2020 the restructuring has begun to slope. Bambang said that the majority of debtors who are restructuring are micro, small and medium enterprises (MSMEs). He said that the MSME sector reached 6.2 million debtors with a value of Rp 388.3 trillion . Then for non-MSMEs it reached 1.8 million debtors with a value of IDR 599.15 trillion. Previously, OJK issued OJK Regulation Number 48 /POJK.03/2020 concerning Amendments to Financial Services Authority Regulation Number 11 / POJK.03 / 2020 concerning Economic Stimulus

National as a Countercyclical Policy the Impact of the Spread of Coronavirus Disease 2019.

Review:

However, many also questioned that the development of this currency would raise concerns if the money was used to spy on Chinese citizens.

❖ **BANKING**

- The Governor of Bank Indonesia (BI) Perry Warjiyo, a few days ago, touched on state-owned banks that still apply high credit interest rates. This is despite the fact that the 7 day reverse repo rate BI benchmark interest rate has continued to be lowered until now at the level of 3.5%. President Director of PT Bank Rakyat Indonesia (Persero) Tbk (BRI) Sunarso views Perry's statement to grow the economy by encouraging credit growth. "The goal is to grow GDP, grow the economy, one of which is by growing credit," he said at the CNBC Indonesia Economic Outlook 2021 event, Thursday (25/2/2021). Sunarso confirmed that one of the efforts to grow credit was to reduce credit interest rates. However, according to him it is only one way to grow credit, "To grow credit, one of them is by lowering interest rates. But there are still one, two, one, three and others that need to be achieved," he added.
- PT Bank Negara Indonesia (Persero) Tbk (BNI) announced for security and convenience in transactions using a BNI debit card that still uses a magnetic stripe or one that is swiped to immediately exchange it for a chip debit card. BNI Director of Consumer Business Corina Leyla Karnalies said that if a customer is still using a magnetic stripe debit card, either the validity period is over or is due, it must be replaced immediately. "So it is required to immediately replace the card no later than April 31, 2021. If the card has not been replaced by a BNI debit chip card, then BNI can deactivate the debit card," he said when contacted by detik.com, Saturday (27 / 2/2021). He revealed that the replacement of Magnetic Stripe-based debit cards into chips is in accordance with Bank Indonesia regulations based on Bank Indonesia Circular Letter

No. 17/52 / DKSP dated December 30, 2015 concerning Implementation of National Chip Technology Standards and Use of Personal Identification Numbers on ATM Cards and / or Debit Cards issued in Indonesia, and this is done for the sake of customer safety in transactions using BNI debit cards.

Review:

Sunarso assessed that if you want to grow credit, you need to also encourage other factors besides lowering credit interest rates in banks. So the key word is to calculate all factors, all variables that can encourage credit growth that can boost credit growth.

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