

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

- Federal Reserve Chairman Jerome Powell has a few nerves to quell among market participants wondering when the central bank will start tapping the brakes on all the help it's been providing. The big buzzword surrounding the Fed now is "tapering." It's a reference to pulling back on the monthly bond purchases that have helped keep the financial system flush with cash and have encouraged investors to continue to take on risk despite stock market valuations that are their highest since at least the dot-com bubble of the early 21st century. Markets figure that as long as the Fed keeps pumping, then it's safe to keep buying. Powell and other central bank officials say they're committed to keeping the bond purchases going — and short-term borrowing rates anchored near zero — until the economy shows that it's strong enough to run on its own.
  
- The International Monetary Fund has become more upbeat about the global economy, as coronavirus vaccinations are administered across the world. It is, however, worried about the risk new Covid variants pose to the post-pandemic recovery. According to its latest World Economic Outlook, published Tuesday, the institution now expects the global economy to grow 5.5% this year — a 0.3 percentage point increase from October's forecasts. It sees global GDP (gross domestic product) expanding by 4.2% in 2022. "Much now depends on the outcome of this race between a mutating virus and vaccines to end the pandemic, and on the ability of policies to provide effective support until that happens," the IMF's Chief Economist Gita Gopinath said in a blog post. "There remains tremendous uncertainty and prospects vary greatly across countries."
  
- Review:  
One key element to that is inflation, which the Fed wants to run consistently around a 2% level that it's missed for most of the last decade. Should inflation heat up, however, it eventually will force the Fed to tighten its policy.

**❖ MICRO**

- Executive Director of the Communication Department of Bank Indonesia (BI) Erwin Haryono revealed that in the last few days it was indeed viral again related to old videos about the use of Dinars and Dirhams in Depok. "Afterwards, discussions emerged on social media. BI provided information to clarify BI's position in accordance with the law on this issue. It is also hoped that the discussion will not develop in an inappropriate direction," he said in an official statement on Thursday (28/1 / 2021) According to Erwin in accordance with Article 23 B of the 1945 Constitution jo. Article 1 number 1 and number 2, Article 2 paragraph (1) and Article 21 paragraph (1) of the Currency Law, the Rupiah is the only legal means of payment in the Unitary State of the Republic of Indonesia (NKRI) and every transaction that has a payment purpose conducted in the territory of the Republic of Indonesia must use Rupiah. "BI reminds the public to be careful and avoid using payment instruments other than Rupiah," said Erwin.
  
- Chairman of the Board of Commissioners of the Financial Services Authority (OJK) Wimboh Santoso hopes that more and more financial service institutions will carry out business mergers (mergers) and acquisitions. Wimboh assessed that it was necessary to take into account the competition in the financial services industry in the future, which would be tighter with the digitalization era. Thus, the need for capital must also be stronger, especially in the banking sector. "The trend (in 2021) will be that more banks will carry out acquisitions and mergers. This is good to prevent problems and it is early to do so," said Wimboh in a webinar entitled 'Accelerated Economic Recovery', Tuesday (26/1/2021). His party has also implemented a policy of gradually increasing the core capital of banks to Rp 3 trillion starting in 2022. He wants banks that have not been able to meet the minimum core capital requirements must look for strategic partners.

Review:

In this case, BI emphasizes that Dinar, Dirham or other forms other than Rupiah money are not legal payment instruments in the territory of the Republic of Indonesia. BI invites the public and various parties to maintain the sovereignty of the Rupiah as the currency of the Republic of Indonesia.

❖ **BANKING**

- PT Bank Negara Indonesia (Persero) Tbk or BNI recorded a net profit of Rp. 3.3 trillion throughout 2020. This figure contracted 78.7% compared to the same period the previous year. Deputy President Director of BNI Adi Sulistyowati revealed that the COVID-19 pandemic has caused many challenges for the business world in Indonesia for most of 2020. He revealed that in the midst of challenging economic conditions, the company could realize non-interest income or fee based income of IDR 11.9 trillion or a 4.5% growth compared to the same period in 2019, and could make operational costs efficiency which only grew by 2.2. % YoY. These two things were the main targets of the company during the pandemic period to reduce the pressure of interest income which fell by 4.0% YoY in the context of providing a stimulus for credit restructuring to debtors affected by the pandemic, as well as contributing to the achievement of profit growth before fees and taxes ( PPOP) of IDR 27.8 trillion at the end of 2020.
- PT Bank Rakyat Indonesia (Persero) Tbk or BRI posted a net profit of IDR 18.66 trillion in 2020. In 2019, BRI recorded a profit of IDR 34.41 trillion, thus BRI's profit decreased by IDR 15.75 trillion. President Director of BRI Sunarso said that profits decreased because the company made a large enough reserve. "BRI's profit of Rp 18.66 trillion has indeed decreased compared to last year because it has quite a large amount of reserves," he said in a teleconference, Friday (29/1/2021). He said that BRI disbursed loans of Rp 938.37%. The credit grew by 3.89% compared to the same period last year with Rp 903.20 trillion. Then, BRI collected third party funds (DPK) of Rp. 1,121.10 trillion. TPF experienced a growth of 9.78% compared to the same period last year with

IDR 1,021.0 trillion. "BRI's DPK reached Rp 1,121.1 trillion, an increase of 9.78%," he said.

Review:

BNI continues to adapt in the midst of recovery from the COVID-19 pandemic and continues to strive to grow the business, especially in the last quarter of 2020, with a focus on strengthening the company's fundamentals.

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