

4th WEEK**July 2021**❖ **MACRO**

- The Federal Reserve on Wednesday held its benchmark interest rate near zero and said the economy continues to progress despite concerns over the pandemic spread. As expected, the Federal Open Market Committee concluded its two-day meeting by keeping interest rates in a target range between zero and 0.25%. Along with that, the committee said in a unanimously approved statement that the economy continues to “strengthen.” Despite the optimism about the economy, Chairman Jerome Powell said the Fed is nowhere near considering a rate hike. “Our approach here has been to be as transparent as we can. We have not reached substantial further progress yet,” he said. “We see ourselves having some ground to cover to get there.”
- The International Monetary Fund warned Tuesday that there’s a risk inflation will prove to be more than just transitory, pushing central banks to take pre-emptive action. The issue is currently dividing the investment community, which has been busy contemplating whether a recent surge in consumer prices is here to stay. In the U.S., the consumer price index came in at 5.4% in June — the fastest pace in almost 13 years. In the U.K., the inflation rate reached 2.5% in June — the highest level since August 2018 and above the Bank of England’s target of 2%. For the most part, the Washington-based institution sees these price pressures as transitory. “Inflation is expected to return to its pre-pandemic ranges in most countries in 2022,” the Fund said in its latest World Economic Outlook update released Tuesday. However, it warned that “uncertainty remains high.”

Review:

“Substantial further progress” on inflation and employment is the benchmark the Fed has set before it will tighten policy, which would mean slowing and ultimately stopping monthly bond purchases and ultimately raising interest rates.

❖ MICRO

- In the past year, cryptocurrencies have become increasingly popular in Indonesia and internationally. Based on data from the Ministry of Trade (Kemendag), until the end of May 2021, the number of Indonesian crypto asset investors reached 6.5 million people. That number is up more than 50 percent from 2020, which was only 4 million people. Meanwhile, Bank Indonesia is currently formulating the creation of a Central Bank Digital Currency (CBDC) digital currency. Later this product will be given the name digital rupiah. BI explained that the Central Bank Digital Currency - Digital Rupiah in its implementation must be adjusted to economic conditions and the context of digitalization. Then what is the difference between crypto assets and digital rupiah? The public accounting firm and consultant RSM Indonesia, explained that crypto currency is a digital or virtual currency that is guaranteed by cryptography, which makes it almost impossible to counterfeit or double-spend.
- A negative image is closely attached to debt collectors. This happens because the process of withdrawing assets is often carried out by means of violence by a number of individuals. The Executive Head of the Non-Bank Financial Industry Supervisory Financial Services Authority (OJK) Riswinandi Idris explained that the withdrawal process is actually not prohibited as long as it is based on standard operating procedures (SOPs) and applicable regulations. According to him, finance companies must improve governance in collections such as motor vehicle withdrawals. He said the finance company must ensure that the officer who collects the bill brings a number of documents such as an identity card, professional certificate, company assignment letter, and fiduciary evidence. a clear company assignment letter, whether to whom it was given, as well as bringing fiduciary evidence from the vehicle which is the guarantee," he said in a webinar as quoted on Tuesday (27/7/2021).

Review:

Digital currencies are decentralized, there is no need for central banks and banks in transactions because transactions take place peer-to-peer from sender to recipient.

❖ **BANKING**

The COVID-19 pandemic is still happening in Indonesia. Various sectors are still under pressure and disrupt the wheels of the national economy. However, PT Bank Mandiri Taspen was able to record a good performance. Net profit in Semester I 2021 was recorded at Rp 310.5 billion, up 48.8% compared to last year and Return on Assets (ROA) 2.43% and Return on Equity (ROE) 18.03%. President Director of Bank Mandiri Taspen Elmamber P. Sinaga said profit growth was supported by an increase in net interest income of 55.39% year on year (yoy) to Rp 1.19 trillion. Rp 29.22 trillion as of June 30, 2021 by maintaining credit quality, namely Non Performing Loan (NPL) of 0.73%. He said the performance achievements during the first semester of 2021 were the result of the hard work of all Bank Mandiri Taspen people to continue to innovate amidst the pressure due to COVID-19 which has been going on for more than a year. This success has motivated the management to continue to provide services to customers, especially retirees.

- A phenomenal achievement was made by one of the local MSMEs from Bali who was led by Nurhasim, namely Kekean Wastra. In 2020, one of BNI's Entrepreneur Heroes with Indonesian wastra products was invited to collaborate with one of the luxury fashion brands, Dior. At that time, Nurhasim was contacted by the Indonesian trade attaché in Paris. He was asked to send samples of his products to the Dior brand. In a tit for tat, he was invited to collaborate with Dior. The collaboration is to use Indonesian woven products to be used as Dior's newest collection in 2021. Nurhasim said Dior wants a product that focuses on women's empowerment. The team from Dior wants to know in detail from the manufacturing process to the dyeing of the fabric. The team

from Dior is known to be interested in Balinese Endek Fabrics, which makes them excited because of its attractive designs and models.

Review:

The pressure during the pandemic is very strong but Bank Mandiri Taspen remains committed to providing support and efforts for customers and the community, especially retirees, so that they can continue to carry out economic activities.

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