

3rd WEEK**June 2021**❖ **MACRO**

- The Federal Reserve, which has played a big part in confusing the markets, may be helping to clear things up. What happened to the argument that inflation would blow up bond yields? So far, it has been wrong. With bond yields lower, not higher, the bond market is signaling it's more worried about weaker growth, not inflation. And the Fed is the cause of that. A lot of apoplectic investors are twisting themselves into pretzels these days, trying to understand what's going on in the markets. Inflation hawks are having a tough time explaining why, now that the Fed has finally upgraded its inflation expectations, bond yields have been dropping. "Now we have a Fed that really wants to encourage it [inflation]," rate watcher Jim Grant said on CNBC recently. "So, we are doing in public policy what we have never done before, and in these circumstances, the chairman of the Federal Reserve is kind of sanguine. I think it's kind of striking."
- The World Bank has published a report that explores the role of trade in lowering poverty, and provides recommendations on how to enable global trade to deliver benefits for the poor. In light of rising protectionism, it highlights the importance of promoting an effective multilateral trading system (MTS) to strengthen a global trade agenda that delivers benefits to the poor. Titled, 'The Distributional Impacts of Trade: Empirical Innovations, Analytical Tools, and Policy Responses,' the report notes that "the rise of international trade has transformed the global economy," overlapping with a "dramatic" reduction in global poverty. For example, in the 1990-2017 period, global poverty fell from 36% to 9%, and developing countries' share in global exports grew from 16% to 30%. However, the report warns that "labor market and consumption gains tend to concentrate in some regions and worker categories," with impacts varying across countries and over time. According to the publication, many developing countries, particularly in East Asia, have built the infrastructure to support trade, reformed their

economic policies to promote it, and directed their youth towards jobs in industries that depend on trade, which brought new jobs and helped those countries integrate into global and regional value chains, and reduce poverty.

Review:

It's understandable everyone is confused. The shock of Covid, the sudden bust and subsequent boom, combined with massive liquidity from the Federal Reserve, has confused everyone on where we are in the economic cycle.

❖ **MICRO**

- Bank Indonesia (BI) has again held its benchmark interest rate this May. The BI-7 Day Reverse Repo Rate (BI7DRR) is still at 3.5%. "The BI RDG on June 16-17 2021 decided to keep the BI 7-day reverse repo rate at 3.5%, deposit facility at 2.75% and lending facility at 4.25%," BI Governor Perry Warjiyo said in a virtual press conference, Thursday (26/17). 17/6/2021). With this decision, BI has four times withheld the benchmark interest rate at the level of 3.5%. In May, BI maintained its benchmark interest rate at 3.5% with a deposit facility rate of 2.75% and a lending facility rate of 4.25%. Then in March, BI also maintained the benchmark interest rate, deposit facility, and lending facility at the same level. Then in April BI again held the benchmark interest rate at the level of 3.5%, with the deposit facility interest rate also remaining at 2.75% and fixed lending facility rate of 4.25% Perry said the holding of BI's benchmark interest rate was also carried out to maintain the stability of the rupiah exchange rate and encourage economic recovery.
- The perpetrators of illegal online loans (pinjol) do various ways to ensnare their targets. One of them is sending offers via SMS or the WhatsApp (WA) messaging application. The Financial Services Authority (OJK) in its announcement confirmed that it is illegal to offer loans via SMS/WA. Therefore, the public is asked to ignore and delete messages containing the loan offer. "A loan offer via SMS or WA is an illegal loan feature. Ignore it and delete it immediately!" said OJK Spokesperson, Sekar Putih Djarot, quoted

Tuesday (22/6/2021). Fintech lending or lenders registered and licensed at OJK are not allowed to offer loans through personal communication channels, either SMS or other private instant messages without consumer approval. If people receive a loan offer from SMS or WA, just ignore it and delete the message. Also remember never to click on a link or call the contact in the message.

Review:

This decision is consistent with inflation forecasts that remain low and the stability of the rupiah exchange rate is maintained and strengthens the national economy.

❖ **BANKING**

- The United States company, MoneyGram, which provides global remittance services, has again collaborated with the domestic banking industry. This time, MoneyGram underwent a strategic partnership with PT Bank Rakyat Indonesia (Persero) Tbk (BRI). "The strategic partnership between MoneyGram and BRI is important because it combines the global experience of MoneyGram with the reach of BRI that can reach all of Indonesia," said MoneyGram Chief Revenue Officer, Grant Lines to reporters, Thursday (10/6/2021). MoneyGram has a presence in 200 countries and territories worldwide with over 400,000 physical locations. He also said that MoneyGram has grown to serve nearly 150 million people worldwide over the last 5 years. Meanwhile, continued Grant, BRI has branch locations that are very widely spread in Indonesia, with more than 9,000 branches throughout Indonesia. In fact, these branches also reach various rural areas.
- PT Bank Negara Indonesia (Persero), Tbk (BNI) helped develop MSMEs in export-oriented agriculture. One of the efforts made is by holding the Millennial Smartfarming program. The Millennial Smartfarming Program is an ecosystem for millennial empowerment through fostering and developing a digital agricultural ecosystem that relies on the internet of things (IoT) from upstream to downstream. BNI provides a marketplace managed by millennial farmers. This program is also aimed at increasing

village financial inclusion. This time, the digital approach implemented by BNI targets young farmers in Gobleg Village, Banjar District, Buleleng Regency, Bali Province. The Millennial Smartfarming program in Buleleng, Bali collaborates with the 'Young Keren' farmer forum initiated by Bli Agung Wedha which carries the concept of cultural digital agriculture. In the Millennial Smartfarming program, a series of activities are carried out, including a coaching clinic for millennial farmers regarding the use of the Agree Suites application for farmer data collection. and oftaker, on Friday (11/6/2021).
Review:

MoneyGram's experience, which has been trusted by many customers around the world and BRI's reach that covers rural areas in Indonesia, can provide choices and convenience for the community in conducting efficient payment transactions.

Disclaimer: Dokumen ini hanya bertujuan sebagai informasi dan diperoleh dari berbagai sumber yang terpercaya, namun bukan merupakan jaminan keakuratan atau kelengkapan dan tidak boleh diandalkan sepenuhnya. Kondisi diatas dapat berubah setiap saat. Dilarang untuk menulis ulang apapun tanpa ijin tertulis dari Bank Jatim.