

4th WEEK**March 2021**❖ **MACRO**

- The Federal Reserve has come a long way from the days of warning about “irrational exuberance.” Former Fed Chairman Alan Greenspan famously sent up a flare in December 1996 about stretched asset valuations triggered by wild dot-com speculation that had produced an unbridled bull market. It took three years for the warning from “The Maestro” to come true, but the statement is still considered a seminal moment in market history where a Fed leader issued such a bold warning that went unheeded. Flash forward 25 years and the attitude from the Fed is considerably different, even though market valuations look a lot like they did back around the time the dot-com bubble burst. Central bank officials repeatedly have been given the opportunity to advise caution on asset valuations, and each time they have largely passed.
- The International Monetary Fund is even more optimistic about global growth this year, but has insisted there is still “high uncertainty” ahead. Back in January, the IMF struck an upbeat tone in its global economic forecasts, estimating a GDP (gross domestic product) rate of 5.5% this year. At the time, this represented a 0.3 percentage point increase from previous forecasts. However, U.S. President Joe Biden’s massive fiscal plan and an improved vaccine rollout over the past three months have made the IMF even more confident about the rest of the year. “We now expect a further acceleration: partly because of additional policy support — including the new fiscal package in the United States; and partly because of the expected vaccine-powered recovery in many advanced economies later this year,” IMF’s Managing Director Kristalina Georgieva said in a speech on Tuesday.
- Review:
Other than acknowledging that prices are higher than normal in some instances, Fed speakers have largely attributed market moves as the product of an improving economy buoyed by aggressive fiscal stimulus and low interest rates that will be in place for years.

❖ MICRO

The Indonesian economy in the first quarter of 2021 is predicted to remain in the negative zone. Economic observer from PT Bank Permata Josua Pardede estimates the figure is between minus 2-1%. "The condition from January to February has not had a significant recovery. So if from us the expectation is still in the negative range of 2-1% in the first quarter of 2021," said Josua in a virtual Bank Indonesia (BI) Journalist Training entitled 'Synergy to Strengthen the Economy', Thursday (25 / 3/2021). Even so, the economy is expected to jump in the second quarter of 2021, where it is predicted to grow by 6%. This is due to high expectations of the impact of the contraction of the economy last year. "But in the second quarter there will also be experienced by several countries in the world that last year's low base effect will be able to boost the economy in the second quarter is quite high, our calculations so far can be achieved. Sixty-six percent we hope this will boost the economic recovery this year.

- The Financial Services Authority (OJK) is optimistic that the performance of national banks will grow healthy and strong in the face of pressure and can contribute optimally in realizing national economic recovery amid the Covid-19 pandemic. This was disclosed by the Chairman of the OJK Board of Commissioners Wimboh Santoso in a meeting with the Association of Indonesian International Banks (Perbina) in Jakarta, Monday (29/3/2021) as stated by Wimboh on the official OJK Instagram account. "Yesterday (29/3) I had the opportunity to have a dialogue with representatives of the Association of Indonesian International Banks. During the meeting I conveyed that the OJK always receives input from the banking industry and is ready to take the necessary policies to support economic recovery, including banking performance," said Wimboh. , quoted on Tuesday (30/3). He said, giving massive vaccinations to various parts of the region as well as the effectiveness of vaccines are important keys to national economic recovery. To date, the economic recovery has begun moving in a positive direction with several economic indicators moving upward.

Review:

Economic activity is estimated to be more normal in semester II-2021. This is in line with the implementation of more massive vaccinations in several countries, including Indonesia.

❖ **BANKING**

- During a pandemic, BRI was able to show its performance in supporting the rescue and recovery of MSMEs. BRI also believes that the MSME sector can be more resilient and can rise again to expand this year. Indeed, the health crisis due to the COVID-19 pandemic over the past year has hit all joints of the economy, including the micro segment. The micro business segment, which has been considered immune to the crisis, also contracted, affected by the spread of the Corona virus. However, the ability of MSMEs to quickly adapt and rise from the impact of the COVID-19 pandemic is said to be a key factor. In addition, the recovery process carried out by the government through vaccination and providing stimulus for business actors has also supported. Seeing this, BRI Micro Business Director Supari said the company is optimistic about the performance of the micro segment this year and has made calculations. According to him, if the distribution of vaccines and the spread of the virus is moderate, the performance of the micro segment is predicted to rise faster. But if conditions continue to deteriorate, the micro segment will still be able to rise because there are already many micro business actors who are able to adapt.
- Creative Experience Office (CXO) Media collaborated with Bank Negara Indonesia (BNI) to create an event titled BNI Creative Club. The event contains a collection of inspirational classes dedicated to young Indonesians. "We are very happy that CXO Media can collaborate with BNI to create a BNI Creative Club. Because in this current era, it seems that there are so many endless opportunities that encourage young people to take an active role. We hope these classes can inspire young people to seek and pursue their passions. , "said CEO of CXO CT Corp, Putri Tanjung. Based on information from

the BNI Creative Club, the classes held included entrepreneurship class with Putri Tanjung, storytelling class with Marchella FP, content creating class with Raditya Dika, songwriting class with Nino Kayam, and music performance by Ardhito Pramono.

Review:

The spread of the COVID-19 virus has recently been sloping. The government also continues to accelerate the vaccination program and encourage community mobility so that the economy will improve, which indirectly increases public consumption.

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