

**4<sup>th</sup> WEEK****November 2020****❖ MACRO**

- Federal Reserve officials indicated at their last meeting that adjustments could be made soon to their bond-buying program as the central bank looks to alternate ways it can support the economy. The Fed on Wednesday released minutes from its Nov. 4-5 policy meeting. Officials at that gathering voted to keep benchmark short-term borrowing rates anchored near zero. Market participants were looking to the minutes to gauge where policymakers stand on possibly ramping up or adjusting the asset purchase program, which currently has the Fed buying \$120 billion of Treasuries and mortgage-backed securities a month. The central bank could choose to increase the purchases or to lengthen the duration of those bonds. While members said the current pace of purchases was helping keep financial conditions accommodative, they noted that changes could be enacted if necessary. The discussion, however, did not entail a specific date for changes, only that they could happen “fairly soon.”
- International Monetary Fund (IMF) Managing Director Kristalina Georgieva said on Tuesday that China will secure economic recovery and ensure balanced and high-quality growth with the right mix of supportive macroeconomic policies. "China's fast recovery continues thanks to resolute measures in combatting the virus, mitigating its impact, and supporting growth," Georgieva said in a statement at the conclusion of the fifth "1+6" Roundtable convened by the Chinese authorities. "With the right mix of supportive macroeconomic policies focused on strengthening social safety nets and further key reforms, China will secure the recovery and ensure balanced and high-quality growth, which will benefit China and the world," said the IMF chief.

- Review:

Participants noted that the Committee could provide more accommodation, if appropriate, by increasing the pace of purchases or by shifting its Treasury purchases to those with a longer maturity without increasing the size of its purchase.

❖ **MICRO**

- The Financial Services Authority (OJK) noted that national banking credit growth contracted or -0.47%. Apart from banking, finance company receivables also contracted -15.7% year on year. Deputy Commissioner for Public Relations and Logistics of the OJK, Anto Prabowo, revealed that the contraction in banking credit was mostly due to the decline in working capital credit due to the pressure on demand in the business sector. He revealed that the OJK will also encourage banking intermediation in several business sectors that are starting to recover, such as insurance and pension funds, financial intermediary support services, chemical, pharmaceutical and traditional medicine industries, government administration, defense and compulsory social security as well as the water supply, waste processing sector, waste and recycling. "In the non-bank financial industry, financing company receivables contracted by -15.7% yoy, as the motor vehicle market has not yet recovered, which is the economic sector that has the largest contribution in financing," he said in a press release on Thursday (26/11/2020).

- Bank Indonesia (BI) money supply data states that bank lending rates have continued to decline. The reason is that the benchmark interest rate has continued to decline. In November, the BI benchmark rate was recorded at 3.75%, down 25 bps from 4% in the previous month. In October 2020 the weighted average lending rate was recorded at 9.8%, down 5 basis points compared to 9.85% compared to the previous month. "The decline in credit interest is in line with the downward trend in benchmark interest rates," the statement was quoted as saying Monday (11/30/2020). In addition to credit interest, BI also noted that deposit rates in October were recorded to decline for all types of time

periods. For example, the 1-month deposit interest rate fell to 4.68% compared to the previous month's 4.93%. Furthermore, for a 3-month tenor it was 4.78% from the previous 5.13%.

Review:

OJK has also decided to extend the period of the bank credit restructuring policy which should have been completed in March 2021 to March 2022, with the addition of a more detailed substance related to the application of risk management carried out by banks in implementing the restructuring extension.

#### ❖ **BANKING**

- In supporting the business strategy of PT Bank Negara Indonesia (Persero) Tbk (BNI), the BNI API Digital Services team participated in the 2020 DevPortal Awards. This event is an award event intended for the best API Portal at the international level and BNI API Digital Services to become one. the only Indonesian company that was successfully nominated. In the Online Gala DevPortal Award 2020 which was held online on November 25, 2020, BNI won the Best Overall Developer Portal - Community Prize Nominees category, competing with 32 API Portals from global companies from other countries. In addition, BNI was also nominated for Best Onboarding and Best Accessible Devportal. BNI Director of IT and Operations YB Hariantono briefly shared the process of building an API portal, starting from a simple application with various obstacles to becoming a portal complete with various features such as sandboxing, documentation features and onboarding support system, and has formed a community banking services ecosystem for its users.
- A gang of counterfeit money printers and dealers in Semarang was arrested by the Semarang Police's Resmob Team. The mode used by this gang is to enter counterfeit money into an ATM cash deposit machine. How exactly? Does the bank not complete the counterfeit money detector at the cash deposit machine? Director of PT Bank Mandiri (Persero) Tbk, Rico Usthavia Frans, said that all cash deposit machines and

cash withdrawal deposit machines are equipped with counterfeit detectors. "It is equipped with a counterfeit currency detector that has been calibrated with our currency," he said when contacted by detik.com, Saturday (28/11/2020). He revealed that people do not need to worry about making transactions at Bank Mandiri cash deposit ATM machines. This is because the security is guaranteed.

Review:

BNI as a pioneer in the banking sector in implementing open API in Indonesia through the 3S slogan, namely Sign up, Sandboxing, and Start your business, has a complete number of API services and cooperation with the 3rd largest party in Indonesia.

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