

2nd WEEK**September 2020**❖ **MACRO**

- Markets are looking to the Federal Reserve to be a soothing force when it meets in the week ahead, but stocks could remain choppy if the central bank disappoints and as investors focus on the election and the economic recovery. The Fed's two-day meeting is expected to end Wednesday with minor tweaks to its statement and some clarity on how it plans to use forward guidance. The Fed also updates its economic and interest rate outlook, including forecasts for 2023 for the first time. But Quincy Krosby, chief investment strategist at Prudential Financial, said the stock market could easily be disappointed because the Fed is unlikely to offer more clarity on monetary policy, such as plans for bond buying. "The market is concerned the Fed is not going to give us explicit readings on their plans for monetary policy," she said. The Fed's extraordinary policies have been an important factor behind the stock market's 50% surge from the March 23 low, and it's also seen as a major factor limiting the depth of the market's sell-off.
- Impact investing can "help us emerge from Covid into a more beautiful world", says the boss of the International Monetary Fund. Kristalina Georgieva, managing director of the IMF, said the global economy was "undergoing a massive transformation". She told the GSG Summit last week that, since the start of the Covid-19 crisis, "what we have done is to cocoon ourselves". Inside that cocoon, she said, "a fundamental change is taking place of our society, of our economy" – but this meant that governments and investors would also need to change. Quoting the poet Maya Angelou, she said: "We delight in the beauty of the butterfly, but rarely admit the changes it has gone through to achieve that beauty." Georgieva said that investors and governments must identify "the viable businesses of tomorrow" that should be supported. They must also carefully consider how they could support workers in businesses that were no longer viable to "make a transition to jobs in sectors that are due to expand".

- Review:

The Fed is not likely to tweak much and it continues to buy \$80 billion a month in Treasuries, in which it can be guessed think they'll do anything to the markets either way.

❖ **MICRO**

- Bank Indonesia (BI) has issued a lot of stimulus to protect the economy from the horrific impact of the COVID-19 pandemic. BI Governor Perry Warjiyo revealed that BI strives to maintain the macro economy with prudent both monetary and fiscal. In the medium term, BI has infrastructure, tourism and other sector projects. "We also have a stable outlook from the rating agency, regarding the pandemic and the history of how we can survive and maintain the economy," Perry said in an online discussion, Thursday (10/9/2020). He said BI had also coordinated to maintain financial stability and committed to maintaining the rupiah in accordance with market mechanisms to maintain economic recovery. In addition, BI is also conducting quantitative easing by loosening liquidity in banks which is almost Rp 614 trillion.

- The Financial Services and Authorities (OJK) and the financial services industry such as banking, the capital market (Indonesia Stock Exchange / IDX), and the Nonbank Financial Industry, particularly in the DKI Jakarta area, continue to operate with health protocols to prevent the spread of COVID-19. In other words, banks and non-bank financial services, for example leasing, continue to operate amid the DKI Jakarta Large-Scale Social Restrictions (PSBB) which were re-implemented starting Monday (14/9/2020). This explanation is in line with the press statement of the Governor of DKI Jakarta which includes the financial services sector in 11 vital business fields that are allowed to continue running with a minimum capacity. This is also in accordance with the provisions regarding the implementation of PSBB as stated in Permenkes No.9 of 2020 concerning PSBB Guidelines for the Acceleration of Handling Covid-19.

Review:

Bank Indonesia emphasizes on the quantity route through the provision of liquidity to encourage economic recovery from the impact of the COVID-19 pandemic, including Bank Indonesia's support to the Government in accelerating the realization of the 2020 State Budget.

❖ **BANKING**

- PT Bank BRIsyariah Tbk was again appointed by the Ministry of Finance's Directorate General of Risk Financing Management (DJPPR) as distribution partner of Retail State Sukuk SR-013. This sukuk series SR-013 is intended for retail investors. BRIsyariah Corporate Secretary, Mulyatno Rachmanto, said that BRIsyariah is currently offering an online Sukuk SR-013 and is valid until September 23, 2020. This is done to prevent transmission of COVID-19."Sukuk SR-013 series can be purchased through the BRIS Online application. Some of the funds raised will be used to develop the country through a number of infrastructure developments. This is in accordance with our enthusiasm in providing various benefits to the people," Mulyatno said in a written statement on Saturday (12/9/2020). Mulyatno said orders for SR0-13 can be made online through the BRIS Online application which is connected to the e-SBN system of the Ministry of Finance. If you are not yet a BRIsyariah customer, simply go to the BRIsyariah branch office by applying the COVID-19 protocol to open a savings account and download the BRIS Online application.
- The growing digital business in Indonesia has attracted the attention of various parties, including the banking sector. However, banks must be able to adapt more quickly to changes in these flows if they want to collaborate with digital businesses. Because people today who are the final target of business consumers always want to get fast-paced service. For these reasons, Bank Mandiri introduced the Mandiri Application Programming Interface (API). Bank Mandiri's integrated transaction and payment platform was prepared to target the digital business market and facilitate public

transaction services. This B2B service was welcomed by fintechs to e-commerce that have become Bank Mandiri partners such as DANA, LinkAja, Bukalapak, Tokopedia, and IDS.

Review:

Retail State Sukuk (Retail Sukuk) is a sharia investment product offered by the government to individual Indonesian citizens. This sukuk is an investment management based on sharia principles that is safe, easy, affordable, and profitable.

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