

MALAYSIA WEEKLY ECONOMIC NEWS

(23 November 2020 – 27 November 2020)

Topics	Highlights
October exports up 0.2% to RM91.1b, exceed forecast	<p>Malaysia's exports in October rose by 0.2% to RM91.10bil, exceeding a Bloomberg survey of a 0.4% decline, underpinned by rubber exports, palm oil agriculture products and electrical and electronic (E&E) products. The Statistics Department said expansion in exports in October was contributed by higher exports to the US, China and the EU (+RM348mil). Chief Statistician Datuk Seri Dr.Mohd Uzir Mahidin said October exports of RM91.1bil were the second highest monthly export value recorded this year. Growth in exports was driven by domestic exports, up by 1.5% from RM72.3bil from the RM73.4bil a year ago. The re-export value of RM17.6bil, contributed to 19.3% of total exports, decreased by 4.9% on-year.</p> <p style="text-align: right;"><i>(Source: The Star, 27 November 2020)</i></p>
Economy on recovery path as leading index rose 8.6% in Sept	<p>Malaysia's economy is expected to continue its recovery as seen in the Leading Index (LI), which increased by 8.6% to 109.5 points in September 2020 compared with 100.8 points a year ago, said the Statistics Department. The monthly change in the LI showed the same trend, rising 0.9% (August 2020: - 0.5%) and the growth was driven by imports of, among others, semiconductors particularly electronic integrated circuits. The number of new companies registered especially in the wholesale and retail trade sub-sector significantly contributed to the increase. The growth rate of LI (smoothed) remained above trend which indicates that Malaysia continues to chart economic recovery despite the challenging circumstances.</p> <p style="text-align: right;"><i>(Source: The Star, 25 November 2020)</i></p>
Inflation falls for eighth month in October	<p>Malaysia's inflation rate in October fell for the eighth month, down by 1.5% on-year due to lower fuel prices, based on the Statistics Department data. The decline in the Consumer Price Index (CPI) was faster than a Reuters' poll of a fall of 1.4%. In September, the CPI fell by 1.4%. Chief Statistician Datuk Seri Dr Mohd Uzir Mahidin said the CPI declined by 1.5% in October to 120.2 as against 122.0. The decrease in the overall index was due to the decline in transport (-10.2%); housing, water, electricity, gas & other Fuels (-3%) and clothing & footwear (-0.4%) which contributed 41.6% to overall weight, he said. He said the index for food & non-alcoholic beverages increased by 1.5% to 135.3 from 133.3 a year ago. This group contributes 29.5% of the weightage in the CPI.</p> <p style="text-align: right;"><i>(Source: The Star, 25 November 2020)</i></p>
Foreign demand for Malaysian bonds strong in October, RAM says	<p>Foreign demand for Malaysian bonds stayed sturdy in October, with the domestic bond market charting its sixth consecutive month of net foreign inflows at RM8bil, RAM Ratings said. The rating agency said the foreign inflow was a vast improvement from marginal net inflows of RM500mil in September as uncertainties over the FTSE Russell watch list decision kept most investors on the sidelines. With the uncertainties out of the way, the MGS/GII issuance in October continued to be robust at RM14.5bil with healthy bids-to-cover of close to two times or more. RAM was positive on the outlook for Asia as it expected the region would remain attractive in coming months amid economic recovery prospects, especially in trade performance. As for Malaysia, it expected the pipeline of MGS/GII next year will continue to be boosted by the funding needs for Budget 2021.</p> <p style="text-align: right;"><i>(Source: The Star, 24 November 2020)</i></p>