

MALAYSIA WEEKLY ECONOMIC NEWS

(21 December 2020 – 24 December 2020)

Topics	Highlights
CPI down 1.7% y-o-y in November	<p>The surge in Covid-19 cases over the past month has resulted in a pullback of Malaysia's consumer price index (CPI) in November. The CPI declined 1.7% year-on-year (y-o-y) last month to 120 points compared with 122.1 points in November 2019. It was a slight contraction compared with October which recorded 120.2 points or a 1.5% decline y-o-y. The decrease was attributed to the decline in transport (-11.1%), housing, water, electricity, gas and other fuels (-3.3%), clothing and footwear (-0.5%) and furnishings, household equipment and routine household maintenance (-0.1%), which contributed 45.7% to the overall weight.</p> <p><i>(Source: The Star, 24 December 2020)</i></p>
Rubber market continues downtrend	<p>The Malaysian rubber market has continued its downtrend to close lower today in tandem with regional rubber futures markets. The market was also affected by the decline in crude oil prices. Nevertheless, the losses were capped by the weaker ringgit against the US dollar, and as investors weighed the prospects of Covid-19 vaccines and more stimulus measures in major economies. It was reported that trading was quiet ahead of the Christmas holiday break. The Malaysian Rubber Board's (MRB) reference physical price for SMR 20 declined three sen to 599 sen per kilogram (kg), while latex-in-bulk was down four sen to 575 sen per kg.</p> <p><i>(Source: The Edge Markets, 24 December 2020)</i></p>
EPF records 3Q gross investment income of RM17.33bil	<p>The Employees Provident Fund recorded a gross investment income of RM17.33bil in the third quarter ended Sept 30, 2020, which was 28.37% higher than RM13.5bil recorded in the same quarter last year. On a quarter-on-quarter basis, it was a 14.6% improvement from RM15.12bil in the immediate preceding quarter. For the quarter under review, the retirement fund said equities contributed RM7.29bil or 42% to the total gross investment income while fixed income instruments contributed RM8.18bil. This was followed by real estate and infrastructure contributing RM1.63bil, and RM230mil from money market instruments. Net investment income after impairment and cost write down for listed equities came in at RM16.87bil.</p> <p><i>(Source: The Star, 23 December 2020)</i></p>
Bank Negara foreign reserves up	<p>Bank Negara's international reserves rose US\$400mil to US\$105.7bil over the two weeks to Dec 15. It said in a statement that its reserves position is sufficient to finance 8.8 months of retained imports and is 1.2 times total short-term external debt. The main components of the international reserves comprised foreign currency reserves at US\$96.7bil, International Monetary Fund reserves position (US\$1.4bil), Special Drawing Rights (US\$1.1bil), gold (US\$2.4bil) and other reserve assets (US\$4.1bil).</p> <p><i>(Source: The Star, 23 December 2020)</i></p>