

MARKET COMMENTARY

Top Economics News

December 2023



Malaysia

- **Malaysia's headline inflation eased further to a 32-month low of 1.5% YoY in Nov 2023** (Oct '23: 1.8%) amid lower rise across F&B, recreation services & culture, as well as restaurants and hotels. Similarly, core inflation continued to trend lower to 2.0% YoY (Oct'23: 2.4%). BNM's 2024 inflation expectation is 2.1-3.6%.
- **Demand conditions remain muted across Malaysia's manufacturing sector**
The seasonally adjusted S&P Global Malaysia manufacturing purchasing managers index (PMI) was unchanged at 47.9 in December, indicating that business conditions remained challenging for manufacturing firms. (The Edge)

United States

- **New US jobless claims rise again as labor markets cools.** The number of Americans filing initial claims for unemployment benefits rose last week, indicating the labor market continues to cool in the year's fourth quarter. New state unemployment benefit claims rose by 12,000 last week to 218,000, according to the Labor Department. (Reuters)
- **US manufacturing sector eyes recovery in December; ISM PMI increased to 47.4**
The Institute for Supply Management (ISM) said on Wednesday that its manufacturing PMI increased to 47.4 last month after being unchanged at 46.7 for two straight months. (The Economic Times)

Euro: Sovereign Debt Crisis Update

- **Euro zone economy likely entered recession last year.** Euro zone factories ended 2023 on the back foot, with activity contracting in December for an 18th straight month. HCOB's final euro zone manufacturing Purchasing Managers' Index (PMI), compiled by S&P Global, did nudge up to 44.4 in December from November's 44.2 but remained firmly below the 50 mark separating growth in activity from contraction. (Reuters)
- **Eurozone inflation compared as energy prices offer some relief**
Year-on-year euro area inflation print for November came in on Tuesday, clocking in at 2.4%. This was in line with analyst expectations and was quite a step down from October's 2.9%, while also being the lowest in 16 months. (Euronews)

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