

MARKET COMMENTARY

Top Economics News

February 2024



Malaysia

- Malaysia's headline inflation rate came in at +1.5%yoy the first month of 2024. The rate plateaued since Nov-23, the lowest since Mar-21. The inflation rate was slightly lower than market consensus of +1.6%yoy.
- Malaysia's labour market continued on an improving trend as unemployment rate maintained at post-pandemic low of 3.3% in Dec-23. Overall 2023, the jobless rate averaged at 3.4%. Labour force and employment improved further by +2.0% (2022: +2.6%) and +2.4% (2022: +3.5%) respectively. Job vacancies to hover 100~120K per month in 2024. Malaysia's job vacancies registered at 113.6K in Nov-23, more than 3-year low. The monthly average job vacancies dipped below post-pandemic levels at 173.5K in 11MCY23 (2021: 206.7K, 2022: 396.1K).

United States

- Private payrolls rose by 140,000 in February, less than expected. Companies added 140,000 positions for the month, an increase from the upwardly revised 111,000 in January but a bit below the Dow Jones estimate for 150,000. (CNBC)
- US services sector slows in February; inflation moderating. Despite the weakness in employment, comments from services businesses in the Institute for Supply Management (ISM) survey on Tuesday were generally upbeat, and suggested labor shortages remained a constraint for some. There were also no signs that inflation was picking up after a jump in prices at the start of the year, welcome news for Federal Reserve officials. (Reuters)

Euro: Sovereign Debt Crisis Update

- Euro- inflation remains sticky in Europe with core prices cooling less than expected. Inflation in the 20-nation euro zone eased to 2.6% in February, flash figures showed on Friday, but both the headline and core figures were higher than expected. Core inflation, stripping out volatile components of energy, food, alcohol and tobacco, was 3.1% — above the 2.9% expected. The February figures will be a mixed bag for policymakers, as core inflation is holding above 3% even as the headline rate moves toward the ECB's 2% target. (CNBC)
- Euro zone economy narrowly skirts recession, stagnates in 4Q. The euro zone economy stabilized in the fourth quarter of 2023, flash figures published by the European Union's statistics agency. The bloc narrowly avoided the shallow recession that was forecast in a Reuters poll of economists, following a 0.1% fall in GDP in the third quarter. The euro zone's seasonally adjusted GDP was flat compared with the previous quarter and expanded by 0.1% versus the previous year.

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