

MARKET COMMENTARY

Top Economics News

March 2025



Malaysia

- ▶ Malaysia's inflation at 1.5% yoy in Feb 2025, in line with expectations. The core measure (excluding fresh fruit and administered prices) was at 1.9% YoY (January 1.8% YoY), driven by a rise in personal care and social protection expenses. (CLSA)
- ▶ The seasonally adjusted S&P Global Malaysia manufacturing purchasing managers' index (PMI) fell 48.8 in March 2025, indicating a slight slowdown in manufacturing sector health. New orders fell at the steepest pace while other components such as output, employment and inventory levels were also scaled back. The weaker reading also comes with deterioration in manufacturers' sentiment which fell to the lowest level since Aug-23 due to uncertainties about the timing for demand recovery.

United States

- ▶ US weekly Jobless claims fall as labour market stays stable for now. The number of Americans filing new applications for unemployment benefits fell last week, pointing to continued labour market stability ahead of potential volatility from import tariffs. Initial claims for state unemployment benefits dropped 6,000 to a seasonally adjusted 219,000 for the week ended March 29, the Labor Department said on Thursday. (Reuters)
- ▶ US services sector slowed to a nine month low in March, backing expectations that economic growth likely braked sharply in the 1Q25 amid uncertainty caused by import tariffs. The ISM Nonmanufacturing PMI fell to 50.8 (Feb-25: 53.5), the lowest reading since mid-2024. The slower growth was mainly due to moderation in new orders expansion. Employment in the services sector also declined (Reuters)

Euro: Sovereign Debt Crisis Update

- ▶ Euro zone Retail sales rise in sign of recovery. Eurozone shoppers spent more for the first time in months, a sign of improving confidence that risks being derailed by the trade war with the U.S. now looming over the European economy. Euro Area's consumer spending continued to expand in Feb-25 as retail sales rose by +2.3%yoy, surpassing both the previous month's reading and the market consensus of +1.8%yoy. This marked the first uptick in the Euro Area retail sector since Dec-24. (MorningStar)
- ▶ EU inflation eased to 2.2% in March in line with expectations, adding to already widespread expectations for another European Central Bank interest rate cut later in April. The ECB has cut interest rates six times since last June and investors are increasingly convinced of another such move on April 17 as the economy remains stagnant, energy prices have retreated and the euro has surged. (Reuters)

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