



Socio-Economic Research Centre (SERC)

Quarterly Economy Tracker

Oct-Dec 2022 & 2023 Outlook

Malaysia: A Reset, A Slowdown

9 January 2023





2022 IS A YEAR OF MULTI-TURBULENCE

- 2022 has been a year of plentiful turbulences and the ride has been very bumpy for Governments, businesses, households and central banks navigating through the threats.
- As the world economy already hurdled by the supply chain disruptions induced inflation and cost pressures, tight labour market conditions, revived consumer demand from excessive fiscal stimulus and ultra-loose monetary policy, Russia's aggression in Ukraine has added sharply rising commodity, energy, food, and industrial material prices, pushing the world economy to the risk of stagflation – high inflation and low economic growth.
- With the impact of the COVID-19 pandemic still lingering, the prolonged military conflict in Ukraine is dragging down global growth and putting additional upward pressures on prices, and interest rates, and a much more aggressive monetary stance by the Federal Reserve (Fed) and other global central banks
- **The global economic trend growth rate is weakening rapidly.** The International Monetary Fund (IMF), World Bank, OECD and central banks have trimmed economic growth estimates to align with high inflation, higher interest rates and slowing economic activity. Though the world's two largest economies (the US and China) have exceeded growth expectations to grow by 1.9% and 3.9% in the third quarter of 2022, but data has clearly indicated continued slowdown.

NAVIGATING THE ECONOMY IN 2023

- **Risks to the global economy remained two sided.** While there are threats and challenges, there are some tailwinds and silver lining from still strong job market, and the inflation has come off from the recent peak, thanks to cooling of commodity and energy prices.
- **Global economy and potential recession.** Global recession risk mounts. The IMF has warned that one-third of the world economy is in recession in 2023. Our base case expects global economy to grow by around 2.5%-2.7% in 2023, seemingly recessionary feel like as inflation and the lagged impact of higher interest rates headwinds as well as tighter financial conditions slow down domestic spending and business activities.

The US economy will likely in a recession though its depth and magnitude will be shallow, buffered by still healthy labour market conditions and improved wage growth. **In euro area**, the contraction of economic activity in the fourth quarter of 2022, is set to continue in the first quarter of 2023. Amid on-going policies to ease stress in the property sector, **China's better economic growth is expected in 2H 2023 due to an ending of the zero COVID-19 strategy**, will continue to serve as a stabilizer for global economic growth in 2023. Sustained downward economic pressures leave room for China to further loosen its monetary policy in 2023.

- **Inflation pressures stay longer, albeit lower.** What has started as the supply disruptions and cost driven inflation pressures, have broadened to other goods and services. The improvement in labour market conditions and higher wage growth have reinforced supply disruptions and costs driven inflation, compelling the central banks to press the brake even harder.

A look at the data suggests that global inflation has peaked in 2022 after hitting the highest level in four decades. The CPI readings have moderated amid the underlying price pressures still lingering. There are reasons for us to think less cause for concern about inflation in 2023.

With commodity and energy prices cooling off from their peak, the supply disruptions and labour-market pressures subsiding, and combined with the effects of global central banks' interest rate hikes to cool off demand, **global inflation rates likely will cool throughout the year 2023, but the cool-down period will be long and slow.**

- **Global interest rates unlikely pivoting back towards cut in 2023.** Almost all global central banks have hiked interest rates faster and higher in recent months of 2022, hardening their resolve to bring down inflation as well as anchor inflation expectations.

With inflation is likely to remain high for some time despite global energy and food prices softening in recent months and a sharp easing in supply-chain pressures in consumer goods markets, **a pivot back towards interest rate cut is unlikely in 2023.** Rather, the quantum of interest rate hikes will be smaller compared to steep hikes at the beginning of rate tightening cycle.

In the US, as inflation most likely will be significantly above the Fed's long-run target of 2%, this means that the Fed is expected to keep the Fed funds rate higher at 5.00%-5.25% in 2023. The European Central Bank (ECB)'s deposit facility rate is expected to rise to 2.75% in 2023.

- **Regional currencies to regain traction.** The US dollar index, which has risen by 16.3% at end-October 2022 against a basket of major currencies, firmly supported by the Fed's unwavering determination to bring inflation down to acceptable level, back towards its target of 2%. The aggressive monetary tightening and the resultant of widening interest rate differential in the US's favour as well as the reversal of capital flows from emerging markets to the US, have exerted downward pressures on the currencies of emerging markets. In November and early December 2022, the US dollar took a breather as the Fed signalled smaller interest rate increases are likely ahead.

Moving to 2023, there are factors to watch that could lead to a reversal of the US dollar ascending trajectory or a pause in the dollar's rallying momentum. These include a tapering of the Fed's hawkish monetary stance or it pauses rate hike at a high level for a while and also demand for safe haven assets, including the US Treasuries starts to wane.

With the US interest rate pausing and the rate differentials somewhat stabilizing or narrowing relative to foreign central banks, we expect the US dollar index to enter a period of softening against major as well as certain emerging currencies, probably in 2H 2023. However, this premised on the global economic prospects as a sharp economic slowdown will have a dampening impact on emerging economies via both trade and financial channels.

In conclusion, **a deceleration in global growth, which started in 2022 is expected to continue into 2023.** The global growth outlook will continue to face headwinds from tighter financial conditions amid still high inflation in major economies and the domestic challenges in China. The downside risks include an escalation of military conflict in Ukraine, more intense geopolitical tensions between the US and China, worsening of domestic headwinds in China and potential energy rationing in Europe.

Global Economic and Monetary Conditions

Real GDP growth (% , YoY)

	2020	2021	2022 Q1	2022 Q2	2022 Q3	2022F (IMF)	2022F (WB)	2023F (IMF)	2023F (WB)
World	-3.0	6.0	N/A	N/A	N/A	3.2	2.9	2.7	3.0
United States	-2.8	5.9	3.7	1.8	1.9	1.6	2.5	1.0	2.4
Euro Area	-6.1	5.3	5.5	4.2	2.3	3.1	2.5	0.5	1.9
China	2.2	8.1	4.8	0.4	3.9	3.2	4.3	4.4	5.2
Japan	-4.3	2.1	0.4	1.6	1.5	1.7	1.7	1.6	1.3
India	-6.6	8.7	4.1	13.5	6.3	6.8	7.5	6.1	7.1
Malaysia	-5.5	3.1	5.0	8.9	14.2	5.4	5.5	4.4	4.5
Singapore	-4.1	7.6	3.9	4.5	4.1	3.0	N/A	2.3	N/A
Indonesia	-2.1	3.7	5.0	5.5	5.7	5.3	5.1	5.0	5.3
Thailand	-6.2	1.5	2.3	2.5	4.5	2.8	2.9	3.7	4.3
Philippines	-9.5	5.7	8.2	7.5	7.6	6.5	5.7	5.0	5.6
Vietnam	2.9	2.6	5.1	7.8	13.7	7.0	5.8	6.2	6.5

Note: World GDP growth for 2020 and 2021 by IMF; Annual GDP for India is on fiscal year basis; N/A = Not applicable or not available

Source: Officials (unadjusted data except quarterly GDP for Euro Area); IMF (World Economic Outlook (WEO)); World Bank (Global Economic Prospects)

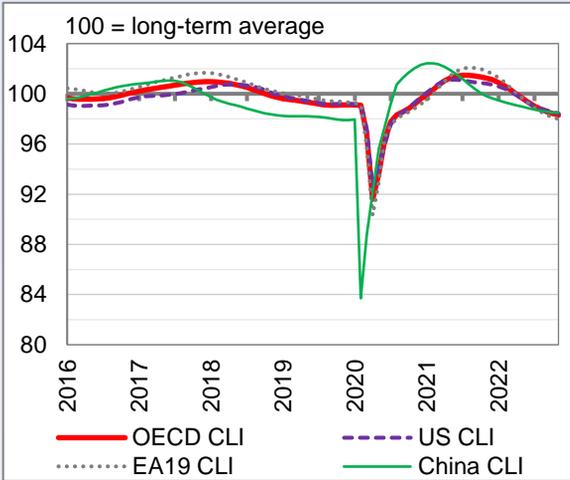
Policy rate (%)

End-period of	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023f
US, Fed Federal Funds Rate	0.00- 0.25	0.00- 0.25	0.00- 0.25	0.25- 0.50	0.50- 0.75	1.25- 1.50	2.25- 2.50	1.50- 1.75	0.00- 0.25	0.00- 0.25	4.25- 4.50	5.00- 5.25
Euro Area, ECB Deposit Facility	0.00	0.00	-0.20	-0.30	-0.40	-0.40	-0.40	-0.50	-0.50	-0.50	2.00	2.75
Japan, BOJ Short-term Policy I/R	0.00- 0.10	0.00- 0.10	0.00- 0.10	0.00- 0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10
China, PBC 1-Year Loan Prime Rate	6.00	6.00	5.60	4.35	4.35	4.35	4.35	4.15	3.85	3.80	3.65	3.60
India, RBI Policy Repo Rate (LAF)	8.00	7.75	8.00	6.75	6.25	6.00	6.50	5.15	4.00	4.00	6.25	6.50
Korea, BOK Base Rate	2.75	2.50	2.00	1.50	1.25	1.50	1.75	1.25	0.50	1.00	3.25	3.50
Malaysia, BNM Overnight Policy Rate	3.00	3.00	3.25	3.00	3.00	3.00	3.25	3.00	1.75	1.75	2.75	3.25
Indonesia, BI 7-Day RR Rate	5.75	7.50	7.75	7.50	4.75	4.25	6.00	5.00	3.75	3.50	5.50	6.00
Thailand, BOT 1-Day Repurchase Rate	2.75	2.25	2.00	1.50	1.50	1.50	1.75	1.25	0.50	0.50	1.25	1.75
Philippines, BSP Overnight RR Facility	3.50	3.50	4.00	4.00	3.00	3.00	4.75	4.00	2.00	2.00	5.50	6.00

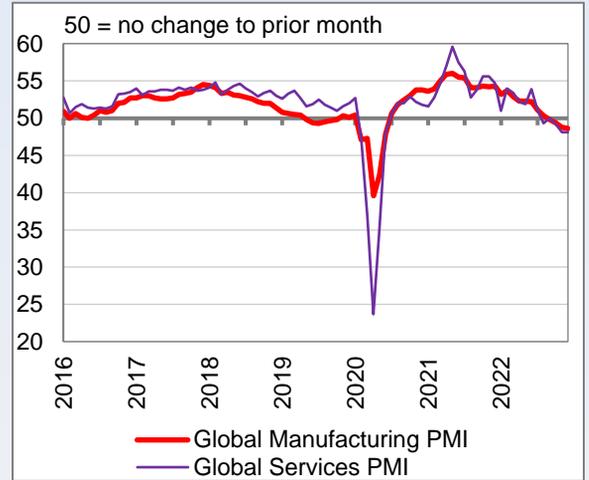
Source: Officials; SERC

Global Current and Forward Indicators

OECD composite leading indicators point to continued slowing growth in most major economies



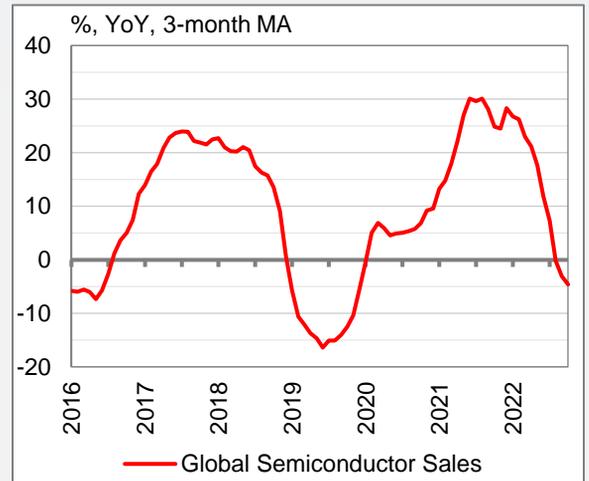
PMI signals decelerating industrial and services activities



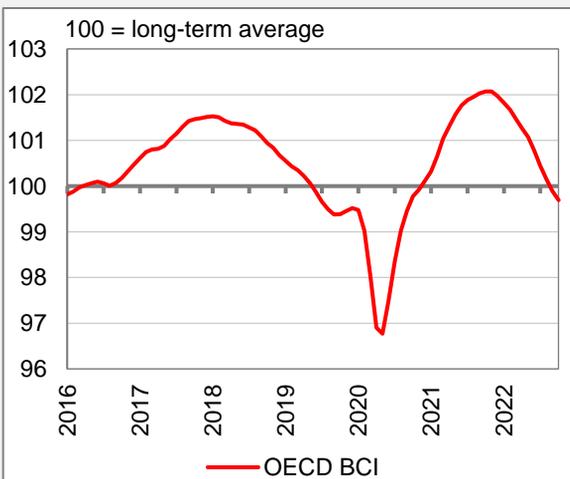
World trade is expected to remain subdued in 2023 as multiple headwinds bite



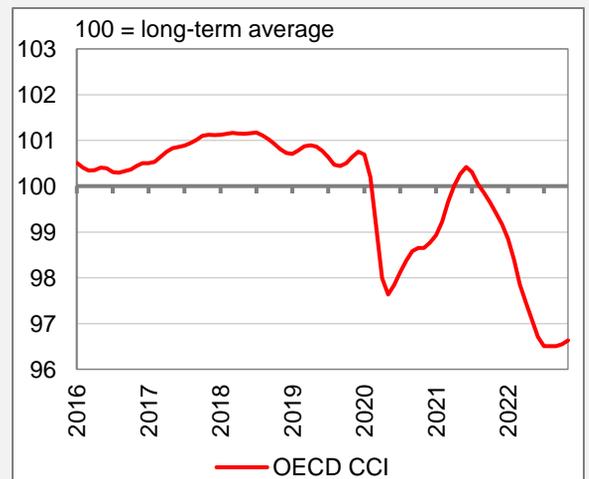
Global semiconductor sales contracted for three months in a row in Oct 2022



OECD Business Confidence Index

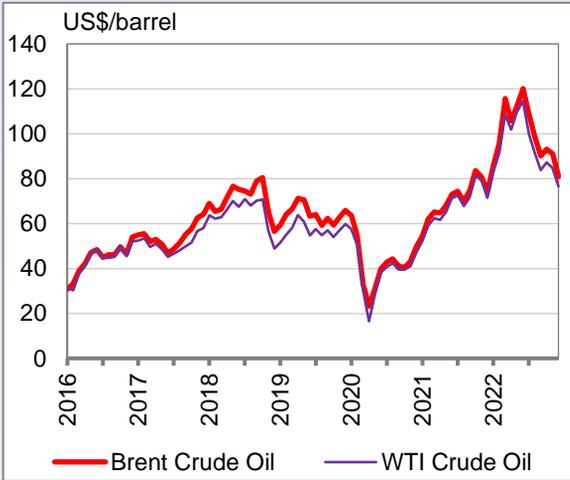


OECD Consumer Confidence Index

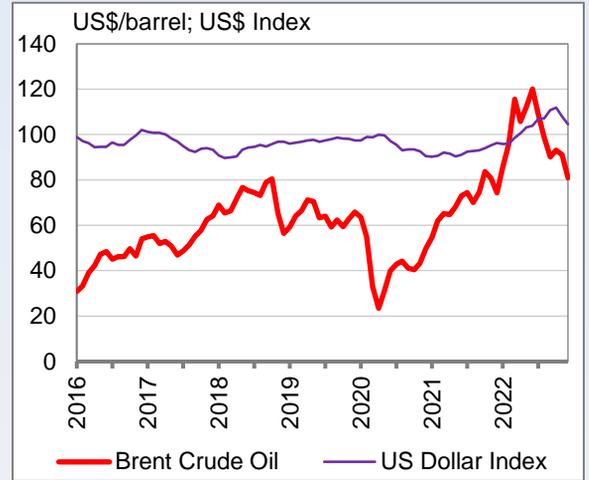


Global Current and Forward Indicators (cont.)

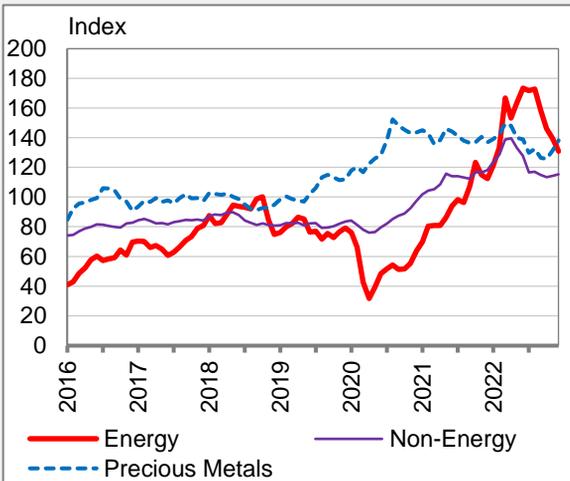
Brent crude oil prices heading to south



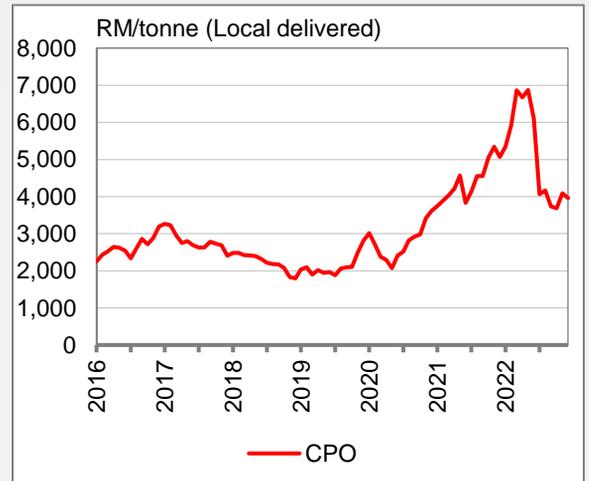
Brent crude oil price vs. the US dollar index



Prices of energy and non-energy commodities have eased from the peak



Crude palm oil prices stable at around RM4,000 since Jul 2022

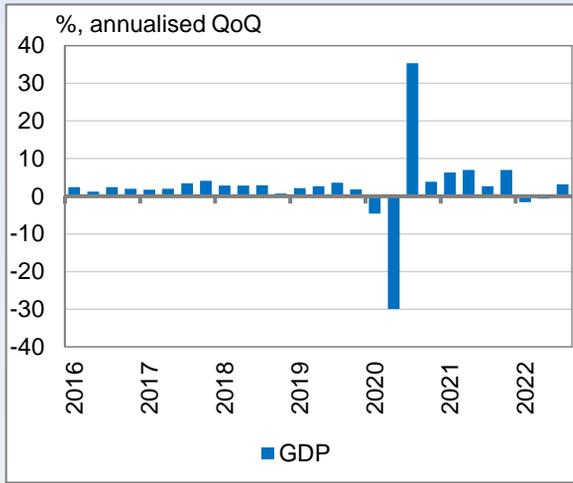


Source: Organisation for Economic Co-operation and Development (OECD); Markit; CPB Netherlands Bureau for Economic Policy Analysis; Semiconductor Industry Association (SIA); World Bank; The Wall Street Journal; Malaysian Palm Oil Board (MPOB)

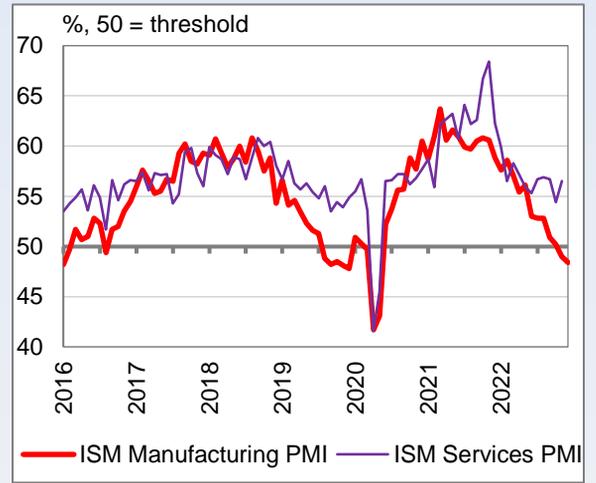


The US – Falling into a mild recession

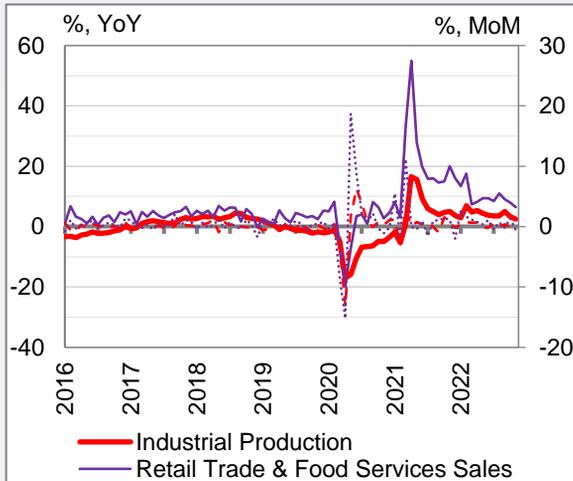
The US economy rebounded in 3Q 2022 amid recessionary risk in 2023



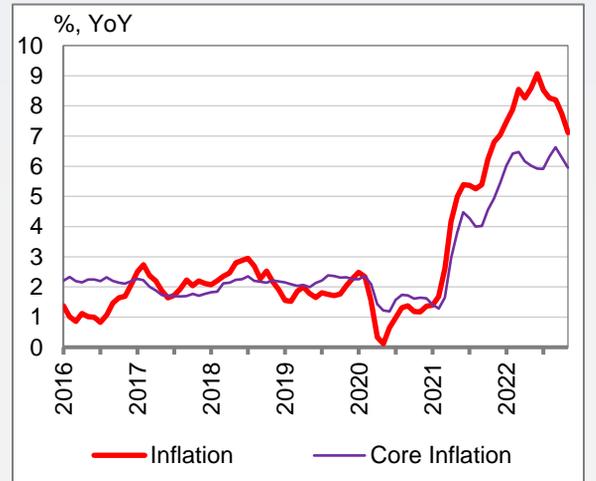
Manufacturing PMI contracted for two months in a row



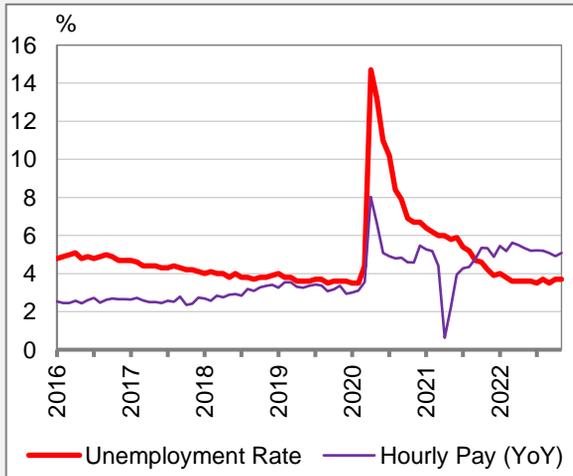
Production and retail activities are losing steam



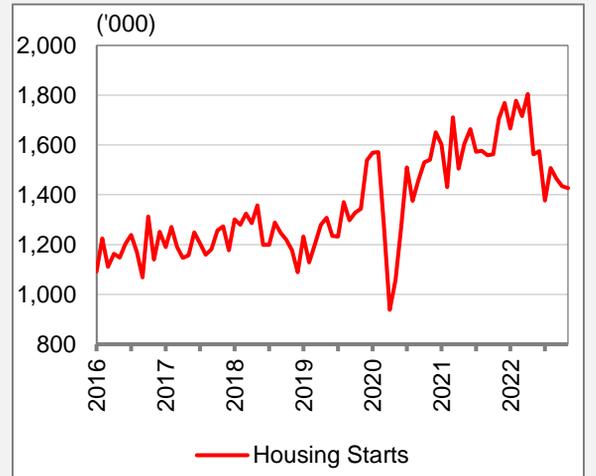
Headline and core inflation have moderated but still-high



Labour market still strong amid rising wage pressure



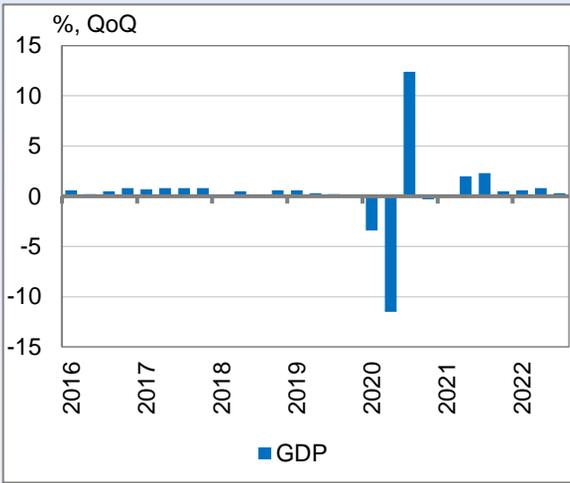
Moderating housing starts on higher mortgage rates



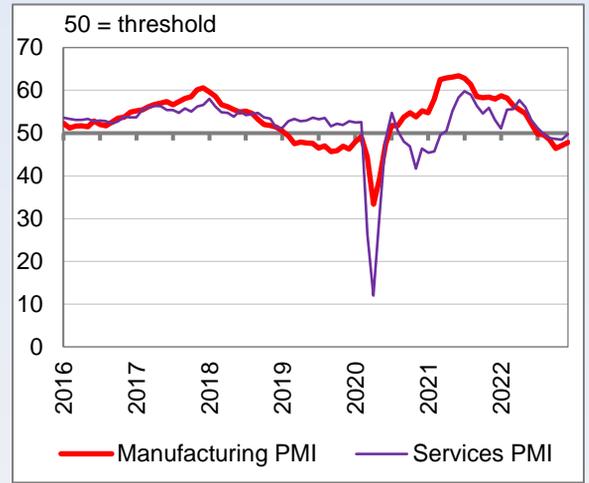
Source: Bureau of Economic Analysis (BEA); Institute for Supply Management (ISM); Federal Reserve System; US Census Bureau; US Bureau of Labor Statistics

Euro Area – Facing more pain

A mild growth recorded in 3Q 2022



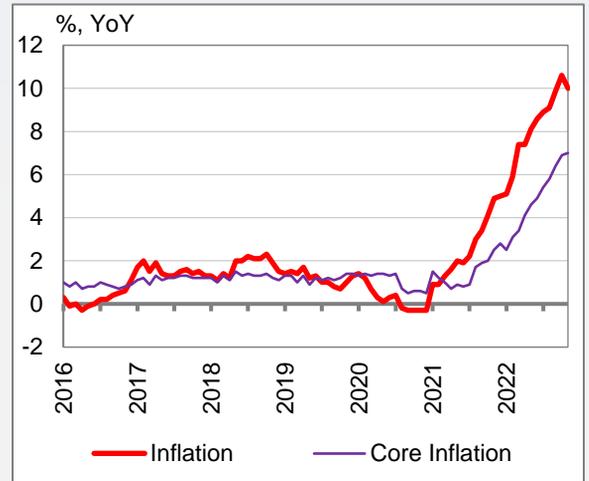
PMIs have remained in contractionary territory for 6 months in Jul-Dec 2022



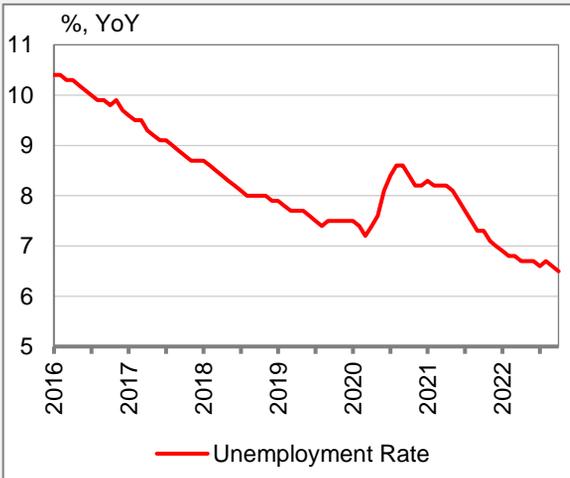
Retail activities remained subdued



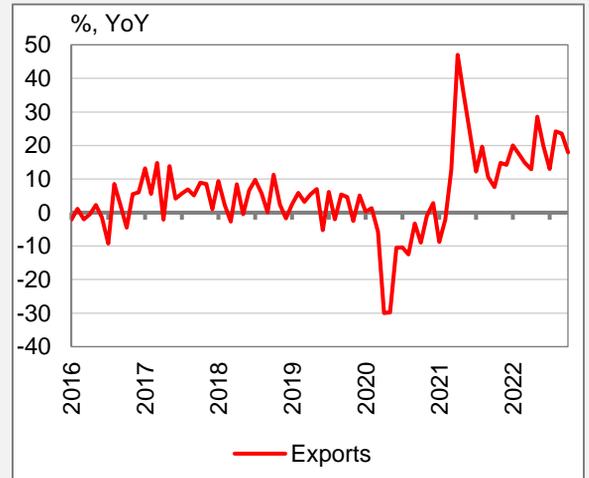
Inflation may have peaked amid cushioned by subsidies



Unemployment rate reached its lowest reading in record in Oct 2022



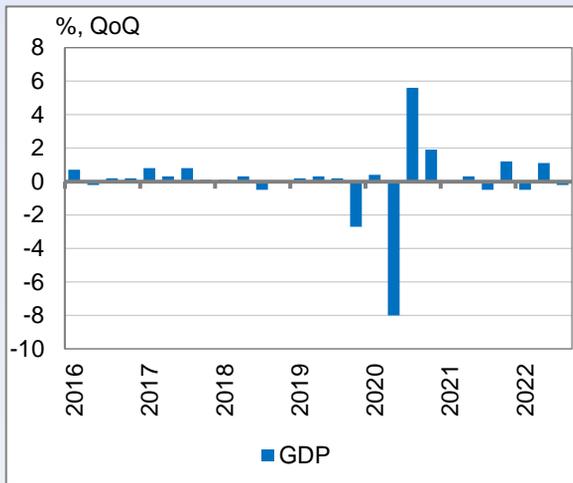
Exports growth remained strong amid widening trade deficits



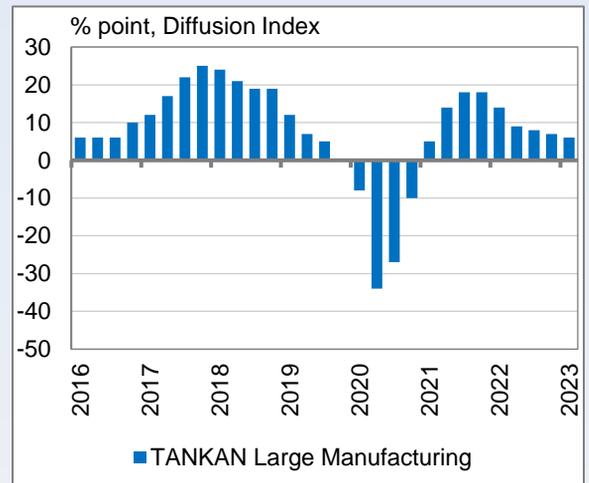
Source: Eurostat; Markit

Japan – Wage growth-led domestic demand

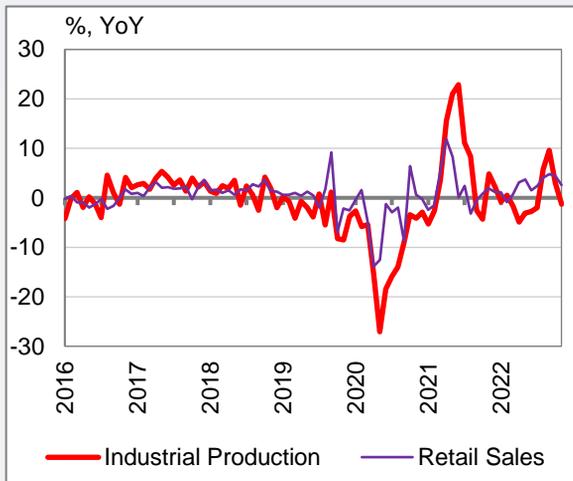
Uneven economic growth in recent quarters



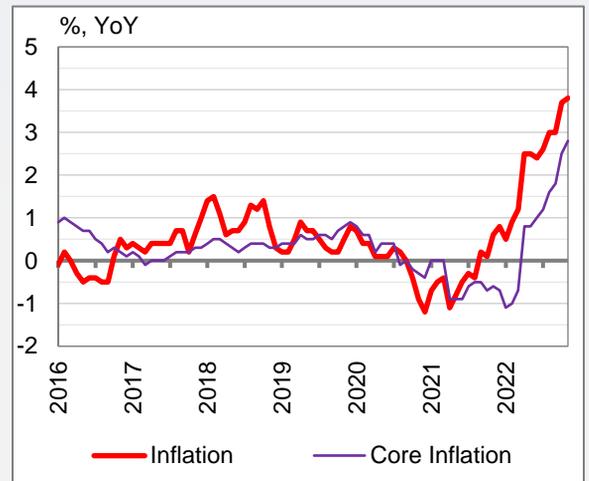
TANKAN survey signals moderating growth in the manufacturing sector



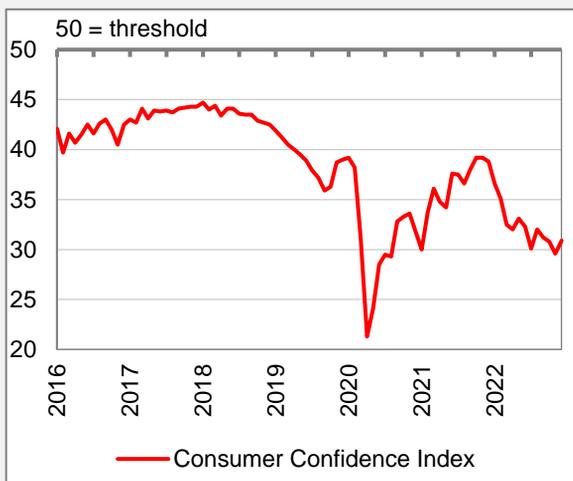
Uneven industrial production growth amid slowing retail sales growth



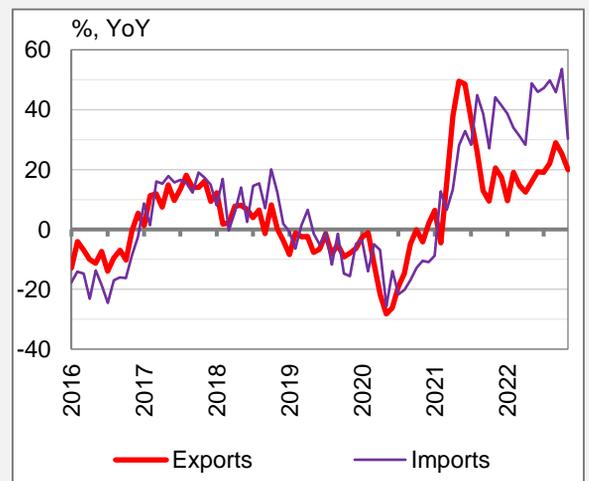
Inflation accelerated to a 31-year high in Nov 2022 since Jan 1991



Consumer confidence trending low



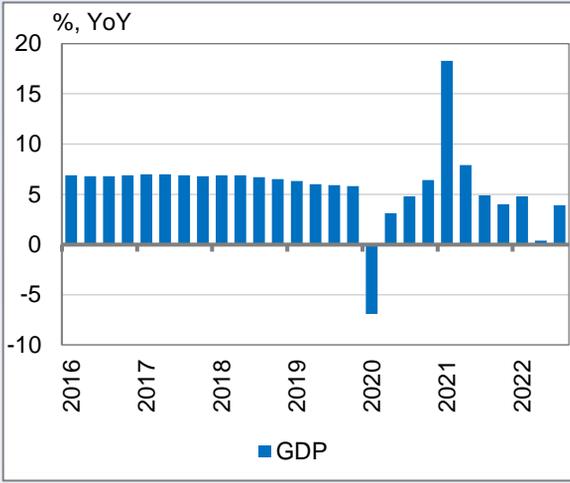
Trade deficits recorded for 16 consecutive months



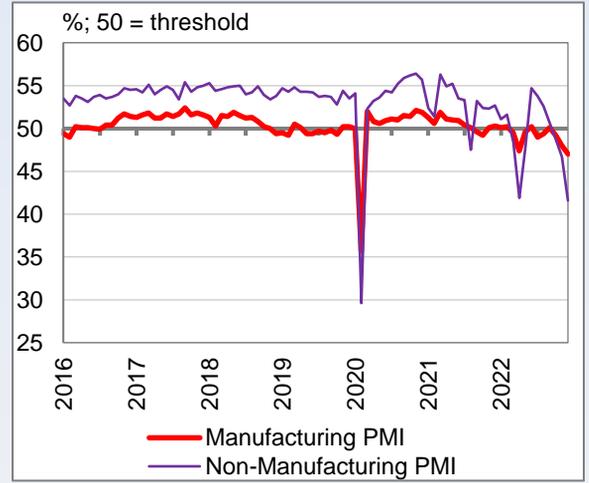
Source: Economic and Social Research Institute (ESRI), Cabinet Office of Japan; Bank of Japan (BOJ); Ministry of Economy, Trade and Industry (METI), Japan; Japan Customs; Statistics Bureau, Japan

China – Ending of zero COVID-19 policy

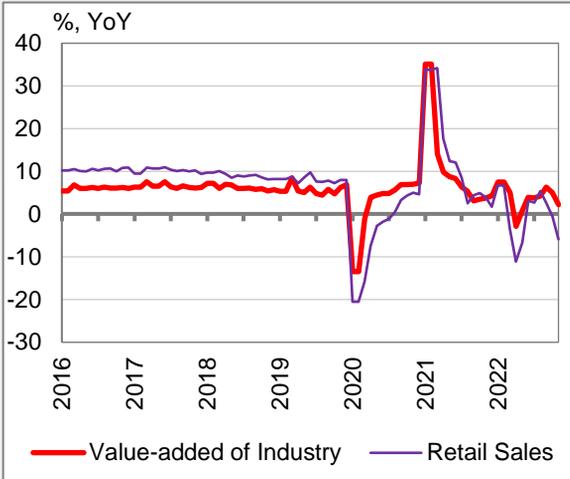
Better economic prospects in 2H 2023



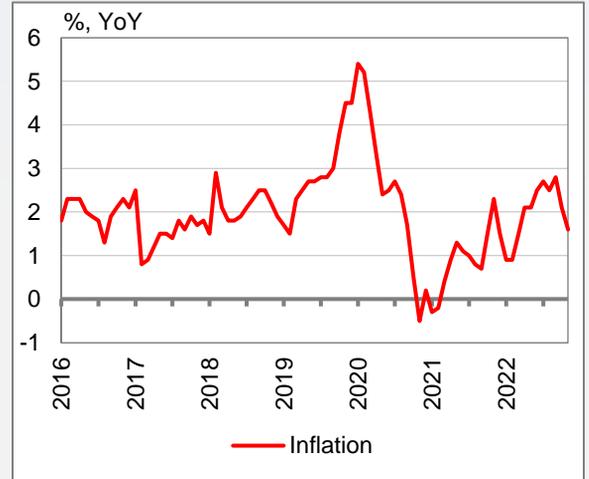
The reopening will lift higher manufacturing and services output



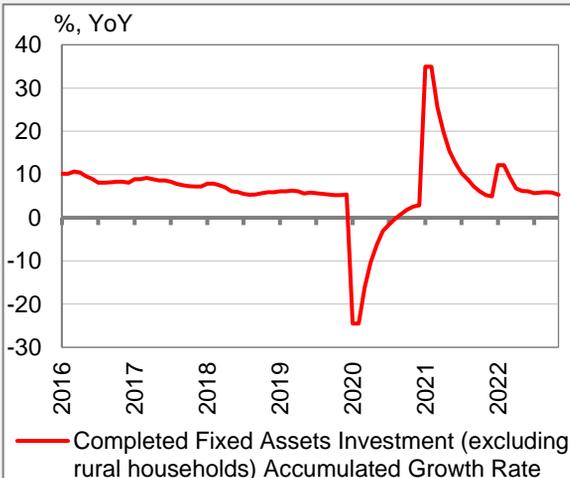
Industrial and retail trade growth will improve



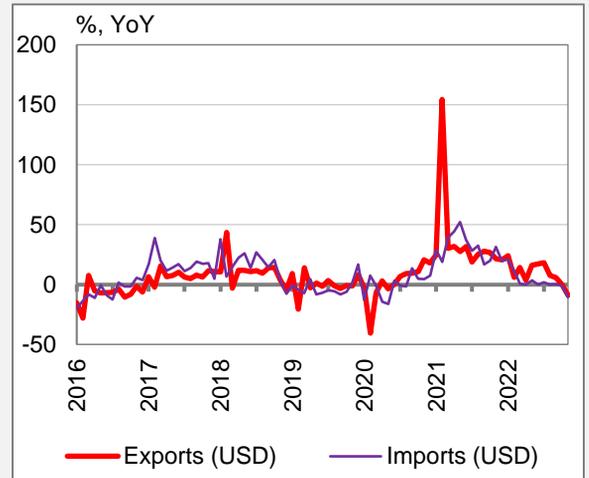
Inflation is manageable



Fixed investment growth continued to moderate



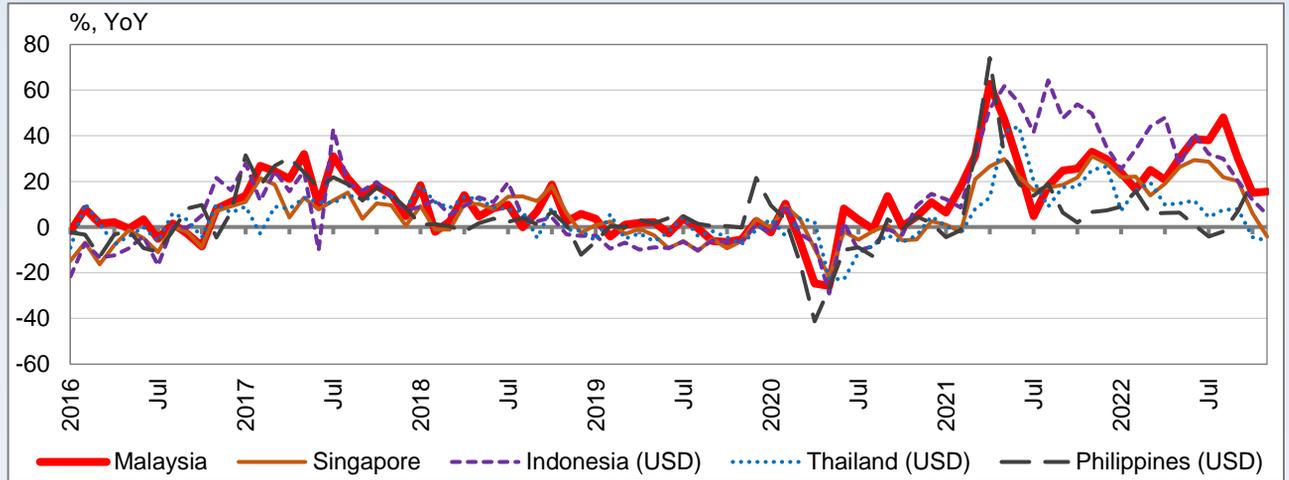
Exports contracted for two straight months in Nov 2022



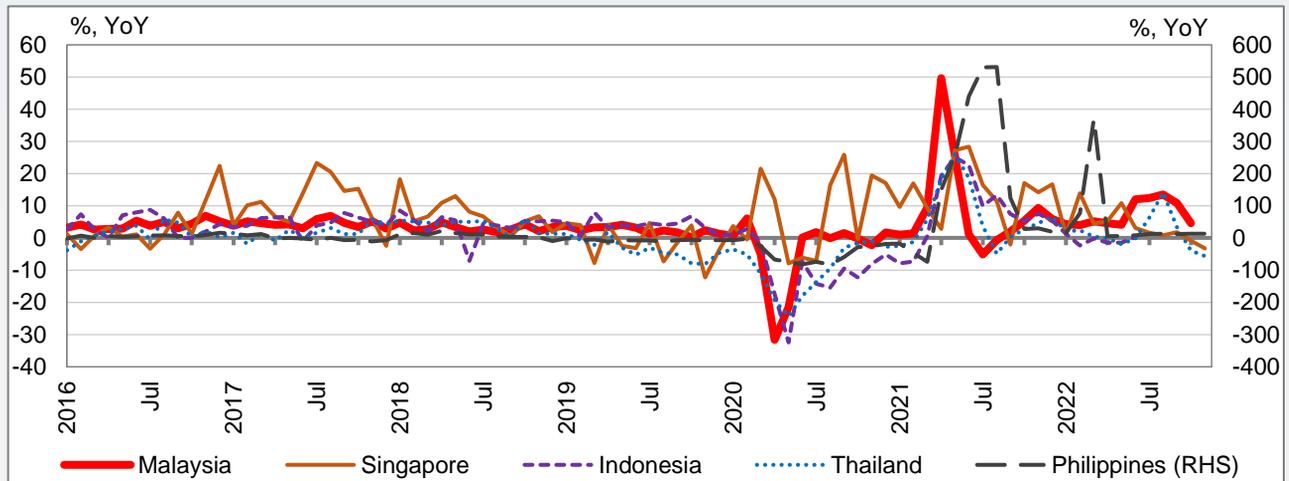
Source: National Bureau of Statistics of China; General Administration of Customs, China

ASEAN Economies

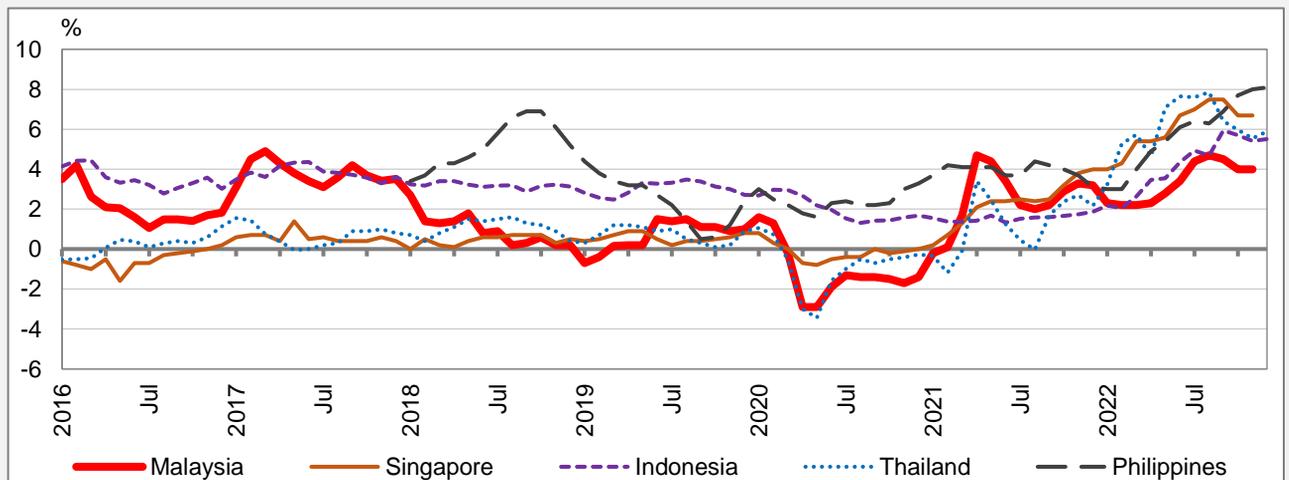
Export growth trend



Industrial production growth trend



Inflation trend



Source: Department of Statistics, Malaysia; Singapore Department of Statistics; Statistics Indonesia; Bank Indonesia; Bank of Thailand; Office of Industrial Economics, Thailand; Ministry of Commerce, Thailand; Philippine Statistics Authority



A STRONG RECOVERY YEAR IN 2022

- The Malaysian economy has staged a strong recovery to grow by an average economic growth of 9.3% yoy in the first nine months of 2022, partly attributable to low-base effect and is estimated to end the year at 8.5% (3.1% in 2021). The engines of growth were buoyant domestic demand and sustained expansion of exports.

Robust consumer spending (+12.7% in Jan-Sep 2022), largely pent-up demand induced by cash/financial assistance stimulus (a total of RM145 billion EPF withdrawals; Bantuan Keluarga Malaysia (BKM); loan repayment assistance). Aided by a favourable low-base effect, private investment also strengthened from 3.3% in 1H 2022 to 13.2% in 3Q 2022 amid increased business costs and the shortage of workers.

Buoyant exports continued for two consecutive years (26.1% in 2021; 27.2% in Jan-Nov 2022), thanks to both volume and price effects as reflected in higher demand of electronics and electrical products, chemicals, metal products, crude petroleum and liquefied natural gas.

Bank Negara Malaysia has embarked on interest rate normalization on a measured pace as it balances between containing inflation risk and ensuring firm economic recovery. The benchmark overnight policy rate (OPR) was hiked by a cumulative 100 basis points in four successive times to 2.75% at end-December 2022.

NAVIGATING THE ECONOMY IN 2023

- **The Malaysian economy is likely to see weaker economic growth estimated 4.1% in 2023** compared to estimated 8.5% in 2022, reflecting largely the normalization of technical high base effects. **Moderating exports, the normalization of domestic demand, continued dampening impact of inflation and higher cost of living, and the lagged effects of interest rate increases will weigh on domestic economic growth.**

Certainly, the interplay of weakening external environment, new government's macro-narratives, domestic inflation, and interest rate will ultimately shape Malaysia's economic growth outlook for 2023.

- **Exports moderation to drag growth in 2023.** Export growth momentum has seen softening in Sep-Nov 2022 due to weakening demand of major manufactured goods such as electronics and electrical products, chemical and chemical products, machinery equipment as well as lower prices of crude oil and palm oil.

We estimate exports to slow to 1.8% in 2023 from estimated 26.5% in 2022, reflecting the dampening impact of weakening global demand, easing prices of energy and commodities as well as being challenged by the high base effects. Lower Brent crude oil price (US\$95/bbl in 2023 vs. US\$100/bbl in 2022); and CPO price (RM3,850/metric tonne (MT) in 2023 vs. RM5,123/MT in 2022).

The risks of caution ahead in 2023 is the risk of global recession. We expect weaker global economic growth estimated 2.5%-2.7% in 2023, with a mild recession in the US and Europe. China's better economic prospect in 2H 2023 estimated 4.5%, will act as a global stabilizer as Beijing authorities unwind the zero COVID-19's movement restrictions.

The forces that weigh on the global economy are: (a) Continued dampening impact of inflation and cost of living crisis though inflation risk will cool off due to higher interest rates; (b) The lagged impact of higher interest rate and tighter global liquidity conditions; and (c) Bloated retail inventories adjustment as consumer demand slows.

- **What to watch in 2023?** (1) When will the Fed pivot on its interest rate hikes? What could be a turning point? While the Fed will shift to smaller magnitude of rate hikes (2023F: 5.00%-5.25% Fed funds rate), the higher interest rate level will stay longer throughout 2023 until the inflation risk is anchored and come down to 3%-4%; (2) Geopolitical concerns surrounding the Russian-Ukraine conflict remain; will it come to an end or develop into a new round deepening rift?; (3) Geopolitical tensions between the US and China is likely to get more intense as both Democrat and Republican lawmakers will continue to up the ante in domestic policies to counteract against China in the run up to the US Presidential Elections in 2024.
- **Domestic demand will normalize to more sustainable pace. Household spending is expected to normalizing towards its medium-term growth trajectory from 2023-2024, estimated 5.5%-6.0%** after expanded "significantly on pent-up demand" by estimated 11.0% in 2022. During the 2020's COVID-19 pandemic, private consumption declined by 4.2% before recovering slowly to 1.9 in 2021.

Consumer spending's growth migration to sustainable levels is due to: (a) Post the COVID-19 pent-demand normalizes as the extraordinary cashflow assistance measures, such as RM145 billion EPF withdrawals and loan repayment assistance ended; (b) Continued impact of rising inflation and higher cost of living will erode purchasing power; (c) Higher interest rate (borrowing cost) for high debt borrowers means that consumers do not have as much disposable income and must cut back on spending. Good news is that labour market conditions have improved to 3.6% at end-Oct 2022 with increasing labour participation rate nearing pre-pandemic level.

Private investment has regained growth traction to expand by 6.3% in Jan-Sep 2022, and **will likely to expand by 4.0% in 2023** (estimated 5.8% in 2022), reflecting the continued investment in the manufacturing sector and some services sub-sectors such as telecommunication related to 5G network as well as the climate related green investment. Increased business costs; the shortage of workers; and external uncertainties as well as businesses' and investors' anxieties over domestic policies landscape post the GE-15.

- **Will inflation worries subside? Headline inflation is estimated to increase between 2.8% and 3.3% in 2023** (estimated 3.5% in 2022), following stable commodity prices as well as a gradual move towards targeted subsidies mechanism.

With the government's focusing on tackling the impact of inflation and higher cost of living on the low- and middle-income households, we expect the targeted subsidies rationalization will be implemented on a measured pace.

- **Domestic interest rates normalization continues.** Going into 2023, Bank Negara Malaysia (BNM)'s policy rate is firmly weighted to the upside as domestic price pressures will likely remain higher than the historical average of 2.2% in 2011-2019 amid real interest rates remain negative. **We maintain our view that BNM will raise interest rates by an additional 50 basis points (bps) back to its pre-COVID level of 3.25% in 2023** to safeguard macroeconomic stability.

What could offer positive surprises to Malaysia's economic growth?

- **The Unity Government has to ensure a stable and good governance political system and economic ecosystem**, the key precondition to rebuild businesses and investors' confidence.

Both micro- and macro-narratives must be backed by good execution of institutional and economic reforms while consider the timing and pace of reforms to smoothen the transitory impact on the economy, households and businesses.

The implementation of moderate, sustainable and pro-business friendly policies is expected to increase economic growth and drive both domestic and foreign investment. It is important to have something concrete to regain confidence and secure investments.

It is reckoned that some policies under previous administration could be subjected to review and fine-tuning, the overall policy thrusts shall still be ensuring the policies, initiatives and projects are adding value (measurable multiplier impact) on the domestic economy.

- In broad sense, both Pakatan Harapan (PH)'s and Barisan Nasional (BN)'s manifesto address and provide structural solutions for the rakyat's concerns about immediate economic issues (cost of living, income, jobs), education, healthcare and climate change-related impact.

Governance and institutional reforms also featured prominently, underscoring the importance of reforming political and public institutions to ensure effective governance, transparency and accountability of the Government administration.

Both manifestos have some notable common offerings though we believe that some initiatives can be implemented immediately, in particular concerning people-centric measures to ease the impact of inflation and higher cost of living on B40 households.

We view positively the laid-out pledges to ensure good governance practices and to undertake institutional reforms. **With a convincing two-thirds majority, we hope that the Unity Government can front-load as well as prioritize the implementation of governance and institutional reforms. Political reforms do not incur any fiscal costs compared to economic and social reforms.**

Faced with public and investors' lack of confidence and distrust, **effective governance and credible institutional reforms are deemed critical to improving state institutional capacity as the precondition to build capable, transparent, efficient and trust as well as confidence in government and public institutions.**

As institutions affect the economy through the creation of an environment necessary for economic growth, prosperity and development, **the effectiveness of political and economic institutional reforms would not only have positive impact on economic growth but also increase the level of investment** because it gives more confidence to investors and businessmen and the business environment is more competitive for economic potential.

Real GDP growth (% , YoY)

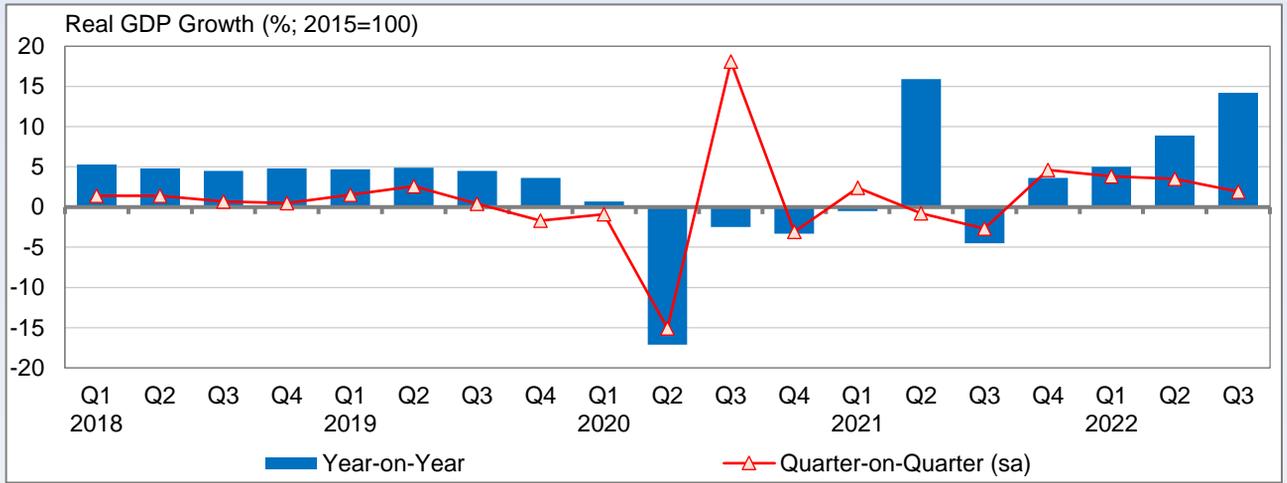
Economic Sector [% share to GDP in 2021]	2020	2021	2022 Q1	2022 Q2	2022 Q3	2022E (MOF)	2022E (SERC)	2023F (MOF)	2023F (SERC)
By kind of economic activity									
Agriculture [7.1%]	-2.4	-0.2	0.1	-2.4	1.2	0.1	0.5	2.3	0.5
Mining & Quarrying [6.7%]	-9.7	0.3	-1.1	-0.5	9.2	2.1	2.6	1.1	1.0
Manufacturing [24.3%]	-2.7	9.5	6.6	9.2	13.2	6.3	8.1	3.9	4.0
Construction [3.7%]	-19.3	-5.2	-6.2	2.4	15.3	2.3	3.2	4.7	5.2
Services [57.0%]	-5.4	1.9	6.5	12.0	16.7	8.2	10.6	5.0	5.0
By type of expenditure									
Private Consumption [58.8%]	-4.2	1.9	5.5	18.3	15.1	8.7	11.0	6.3	5.9
Public Consumption [13.8%]	5.0	5.3	6.7	2.6	4.5	1.0	4.0	2.0	2.6
Private Investment [15.6%]	-11.9	2.6	0.4	6.3	13.2	3.0	5.8	3.7	4.0
Public Investment [4.5%]	-21.2	-11.3	-0.9	3.2	13.1	2.2	4.8	2.1	1.7
Exports of Goods and Services [69.1%]	-8.6	15.4	8.0	10.4	23.9	8.8	13.2	1.6	1.6
Imports of Goods and Services [63.1%]	-7.9	17.7	11.1	14.0	24.4	8.7	15.0	1.4	2.4
Overall GDP	-5.5	3.1	5.0	8.9	14.2	6.5-7.0	8.5	4.0-5.0	4.1

Source: Department of Statistics, Malaysia (DOSM); SERC estimates and forecast

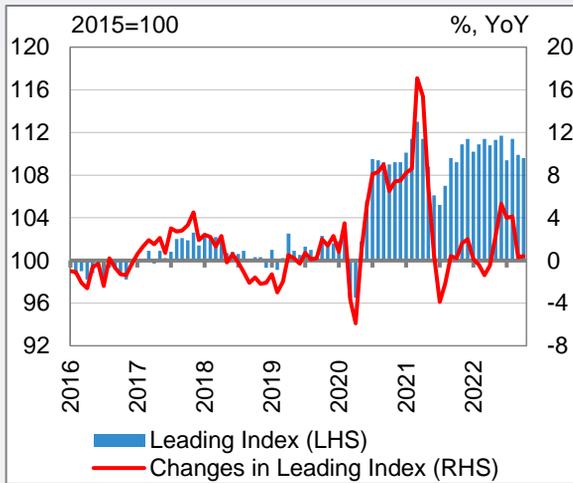


Spotlight on the Malaysian Economy

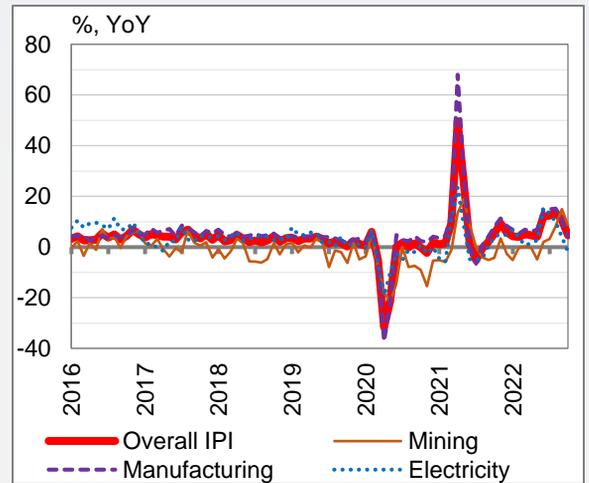
Malaysia's GDP growth of 9.3% yoy in Jan-Sep 2022, underpinned by continued expansion in domestic demand



Leading Index (LI) in Oct 2022 suggests moderated economic outlook

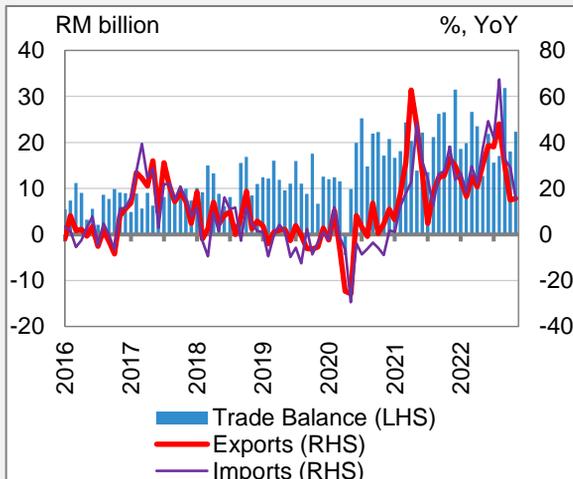


Industrial production growth normalised in Oct 2022

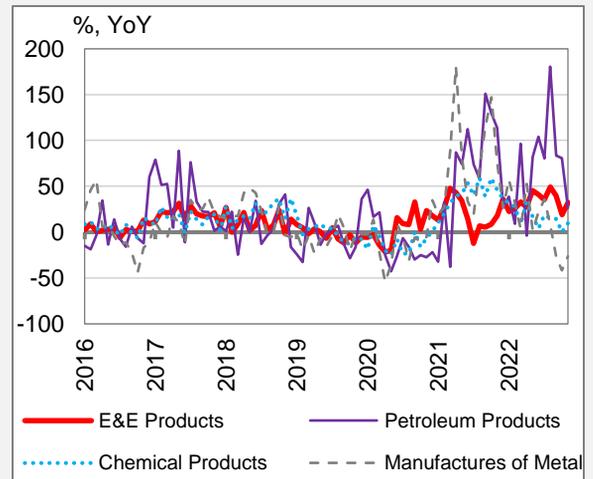


External Sector

Exports still growing at slower pace; some products have weakened



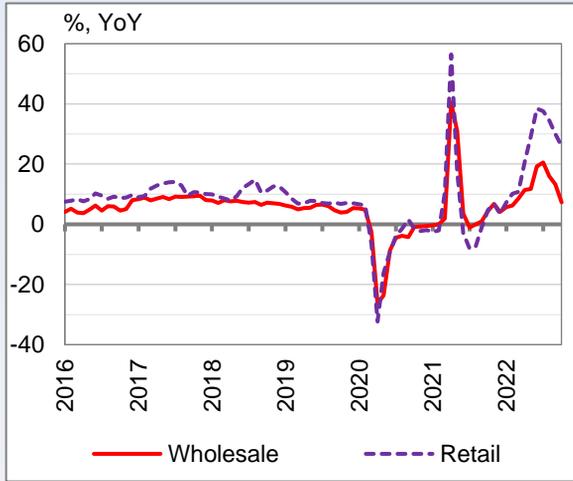
Exports by major products



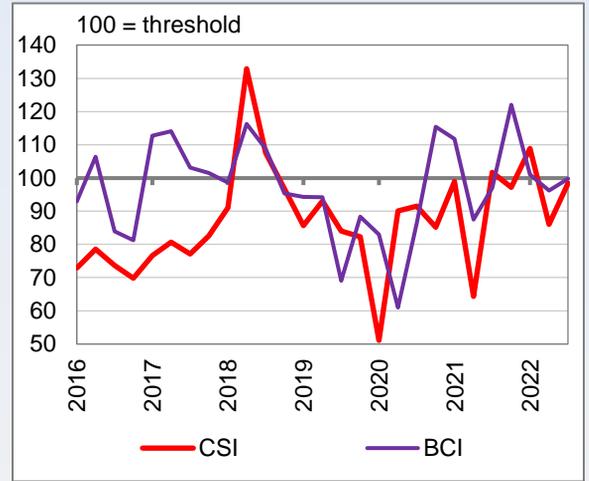
Spotlight on the Malaysian Economy (cont.)

Domestic demand

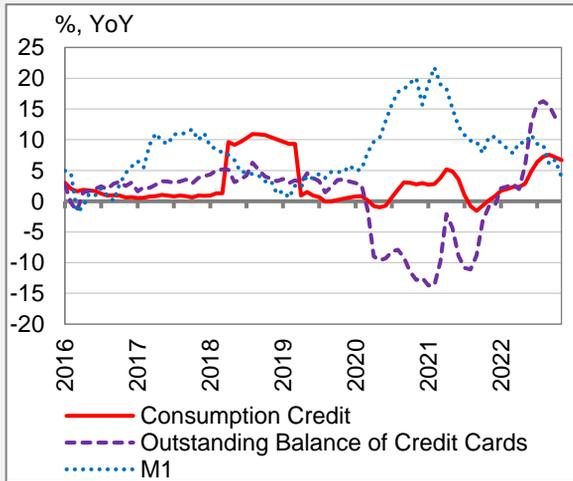
Distributive trade continued to expand, albeit slightly more moderate



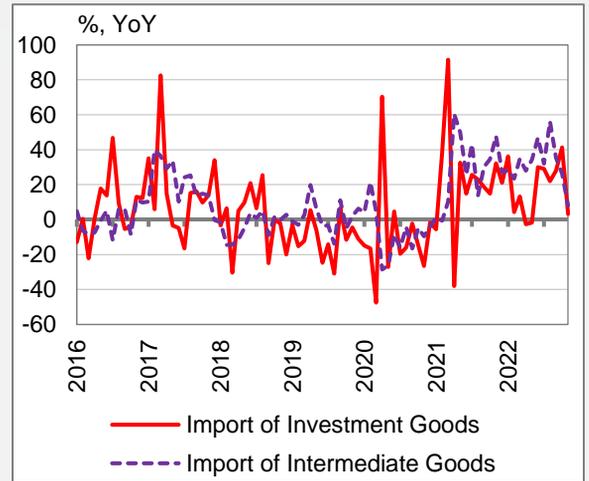
Both consumer sentiments and business confidence a tad lower than optimism threshold



Selected private consumption indicators



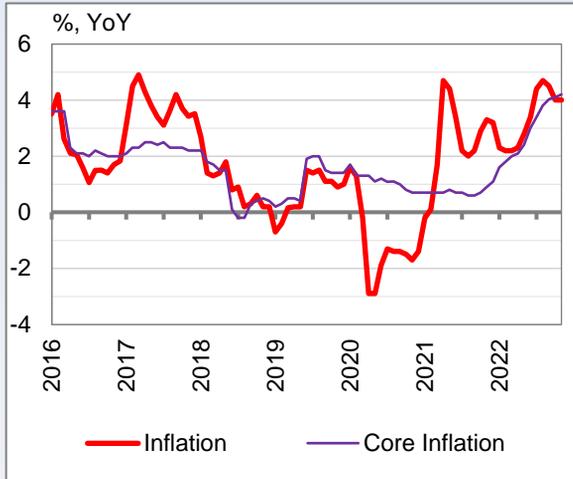
Selected private investment indicators



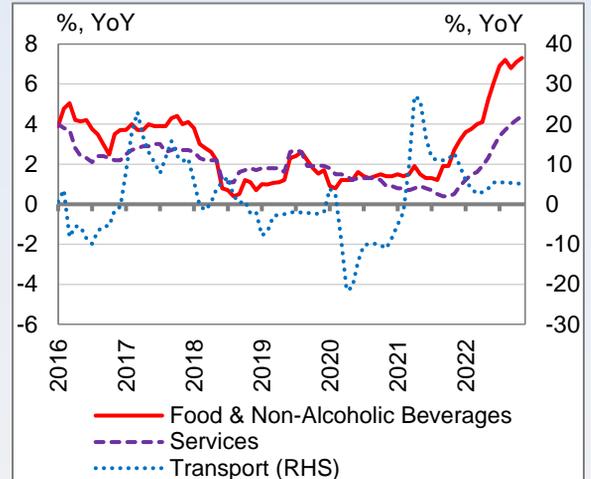
Spotlight on the Malaysian Economy (cont.)

Price Indicators and Labour Market

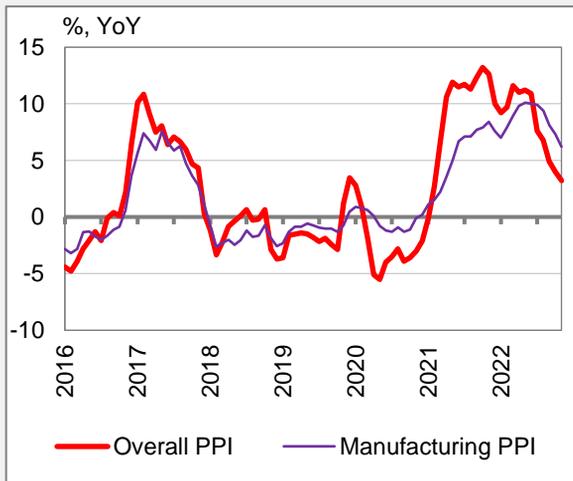
Headline inflation peaked in 3Q; core inflation seems peaking, subjecting to domestic policy changes



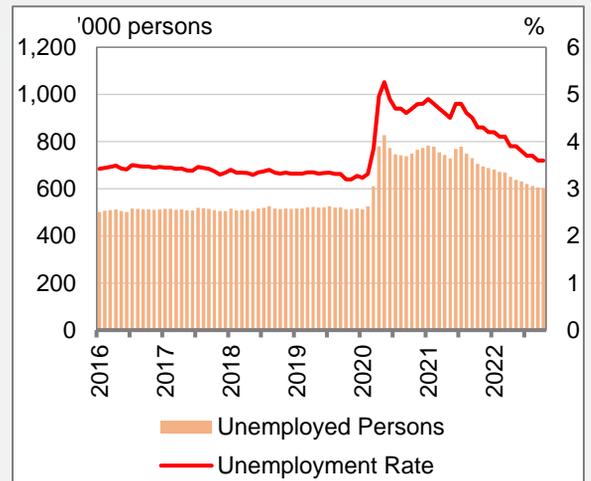
But, food prices continued rising, especially "Food Away From Home" category



Producer prices have moderated



Jobless rate continues to improve in 2H 2022



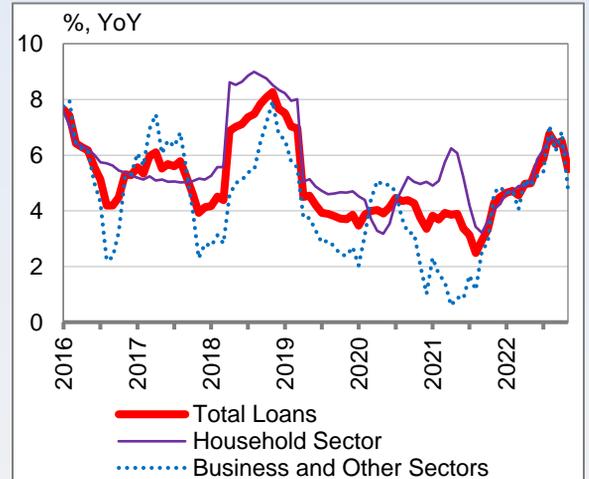
Spotlight on the Malaysian Economy (cont.)

Banking and Financial Indicators

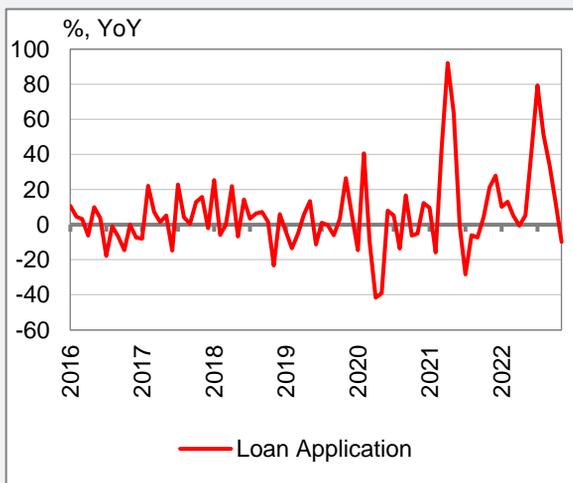
Banking deposit growth slowed in Nov 2022 due to lower foreign currency deposit



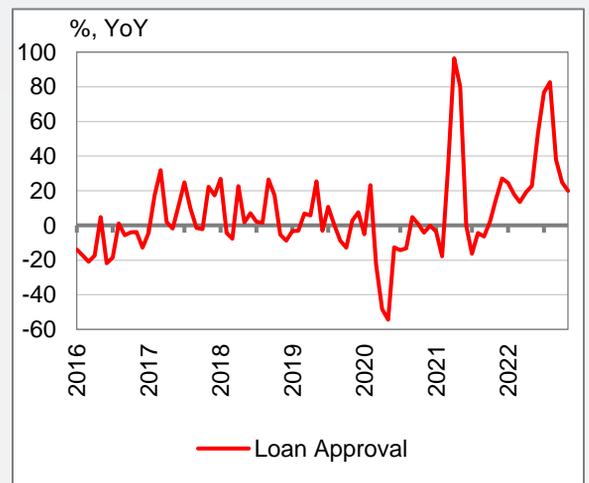
Overall loan growth moderated in Nov 2022 as loan repayments growth outpaced that of disbursements



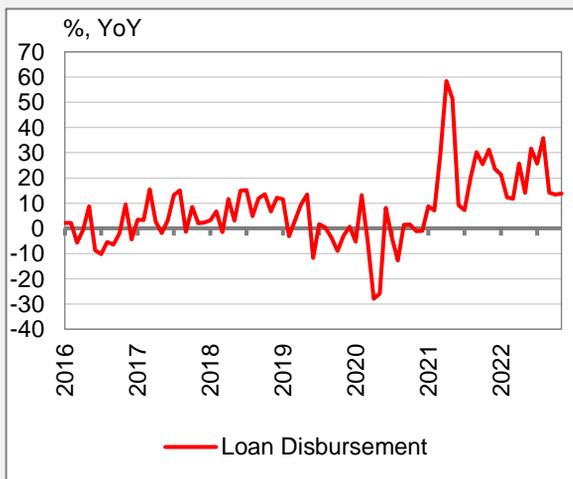
Loan applications growth



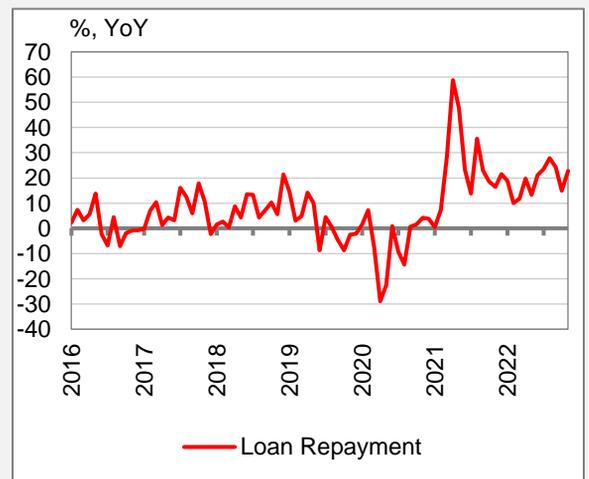
Loan approvals growth



Loan disbursements growth



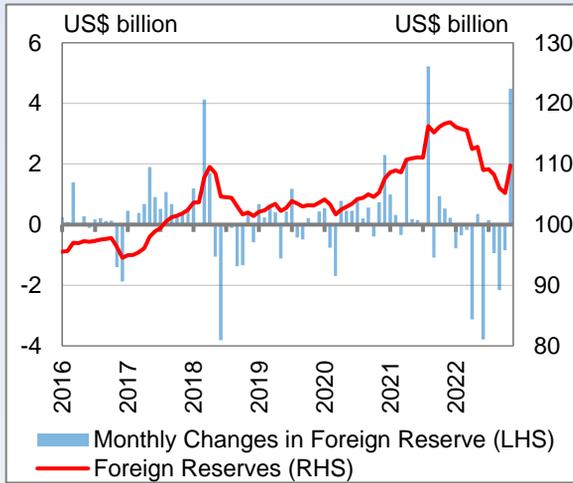
Loan repayments growth



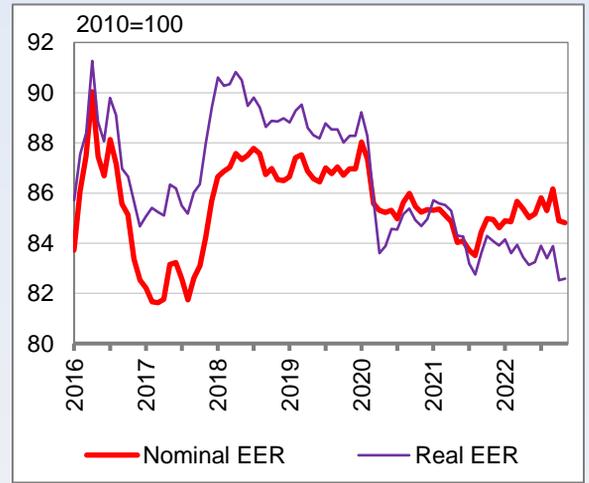
Note: Loan data from July 2022 onwards was revised and expanded based on the latest requirements with more accurate data definition and reporting methodology.

Spotlight on the Malaysian Economy (cont.)

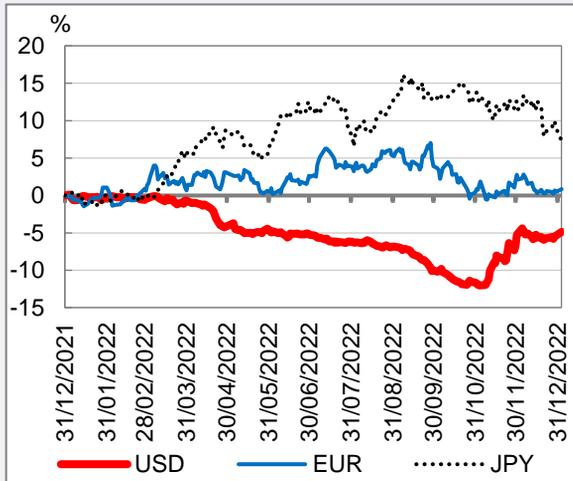
Foreign reserves position strengthened in Nov 2022



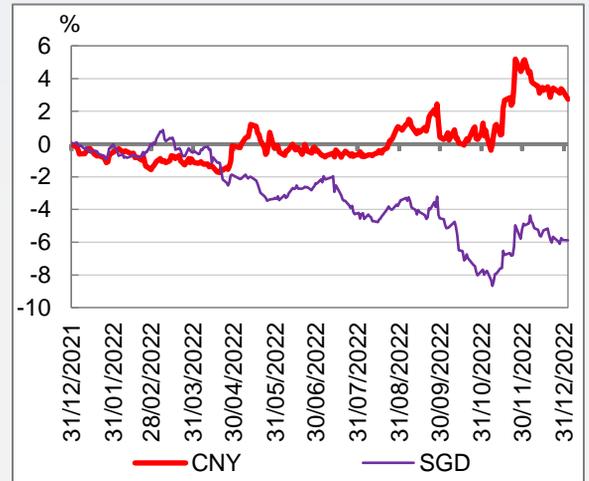
Ringgit's Effective Exchange Rate (EER)



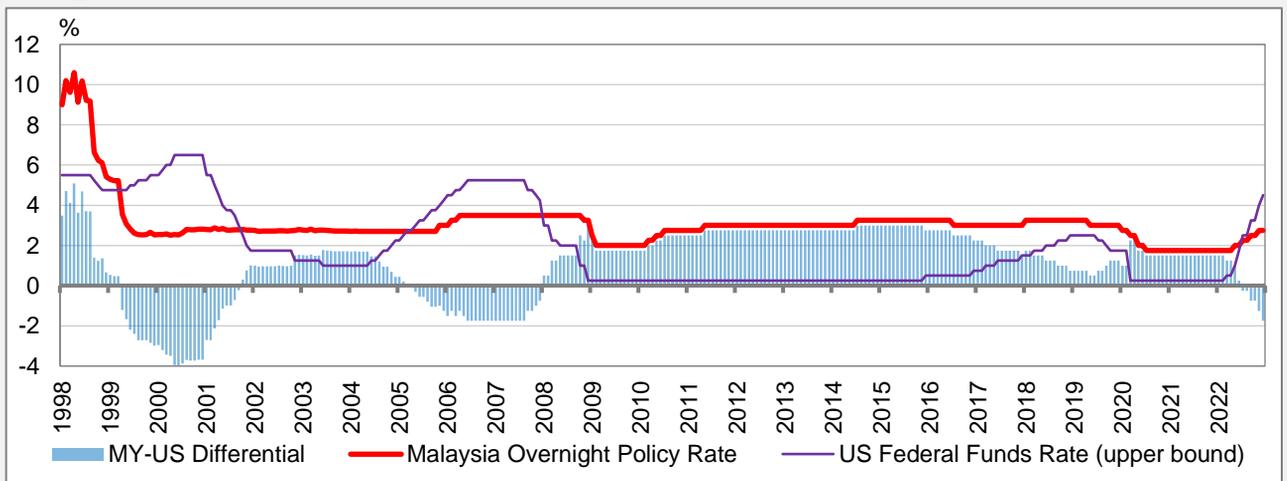
The Ringgit against the US dollar, euro and Japanese yen



The Ringgit against the Chinese renminbi and Singapore dollar



Malaysia-US's interest rate differentials



Source: Department of Statistics, Malaysia (DOSM); Malaysian Institute of Economic Research (MIER); Bank Negara Malaysia (BNM); Bank for International Settlements; Federal Reserve



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The Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM)'s Socio-Economic Research Centre (SERC Sdn. Bhd.) was established as an independent and non-profit think tank on 19 October 2010. Officiated by YAB Prime Minister on 28 April 2011, SERC is funded by ACCCIM SERC Trust.

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