




ISSUE #4




ECONOMIC INDICATORS

Raine&Horne.






1. Markets

-  KLCI INDICATOR
-  10-YR MGS
-  CURRENCY (MYR/USD)





2. GDP

-  ANNUAL GDP GROWTH RATE
-  QUARTERLY GDP GROWTH RATE
-  GDP PER CAPITA






3. Labour

-  UNEMPLOYMENT RATE
-  JOB VACANCIES
-  LABOUR FORCE PARTICIPATION RATE
-  WAGES IN MANUFACTURING
-  POPULATION

4. Prices

-  INFLATION RATE
-  CONSUMER PRICE INDEX
-  IMPORT PRICES
-  PRODUCER PRICES






5. Money

-  INTERBANK RATE
-  INTEREST RATE
-  LOANS TO PRIVATE SECTOR
-  MONEY SUPPLY
-  FOREIGN EXCHANGE RESERVES







6. Trade

-  EXPORTS
-  IMPORTS
-  BALANCE OF TRADE
-  CURRENT ACCOUNT
-  CURRENT ACCOUNT TO GDP
-  EXTERNAL DEBT




7. Government

-  CREDIT RATING
-  GOVERNMENT SPENDING
-  GOVERNMENT BUDGET VALUE
-  GOVERNMENT DEBT TO GDP
-  GOVERNMENT BUDGET TO GDP




8. Business

-  BUSINESS CONFIDENCE
-  INDUSTRIAL PRODUCTION
-  MANUFACTURING PRODUCTION
-  CHANGES IN INVENTORIES
-  CAPACITY UTILIZATION
-  BANKRUPTCIES

9. Consumer

-  CONSUMER CONFIDENCE
-  CONSUMER SPENDING
-  BANK LENDING RATE




10. Taxes

-  CORPORATE TAX RATE
-  PERSONAL INCOME TAX RATE
-  SALES TAX RATE / VAT

11. Housing

-  HOUSE PRICE INDEX

LEGEND

-  IN ACCORDANCE TO TREND
-  REVELAL OF TREND
-  POSSIBLE THREAT

Classification of Indicators

For the purpose of assessing the current domestic economy, various economic indicators were grouped into 11 main categories as depicted in the previous page which include:-

- | | | |
|------------|---------------|-------------|
| 1. Markets | 5. Money | 9. Consumer |
| 2. GDP | 6. Trade | 10. Taxes |
| 3. Labour | 7. Government | 11. Housing |
| 4. Prices | 8. Business | |

Ranking of Indicators

There are a total of 44 individual indicators that were grouped accordingly as above. They were rated separately using a simple ranking system:-

- i. **Green** = In accordance to trend (Good / Normal)
- ii. **Yellow** = Reversal of trend (Intermediate)
- iii. **Red** = Possible Threat (Unhealthy)

Performance of Indicators

- 24 out of the total 44 indicators were rated as Green (54%)
- 14 out of the total 44 indicators were rated as Yellow (32%)
- 6 out of the total 44 indicators were rated as Red (14%)

Conclusion

Some of the indicators that require reasonable attention (classified as yellow) include:-

- Falling bond price
- Weakening of the Ringgit against USD
- Slowdown of quarterly (near-term) GDP growth rate
- Falling job vacancies
- Rising interest rate
- Slowdown in money supply growth rate (tightening of liquidity)
- Diminishing foreign exchange reserves
- Increasing external debts
- Increasing government debt to GDP
- Reduction in number of inventories
- Rising bankruptcies
- Decelerating house price index

While the indicators that require additional attention (classified as red) include:-

- Deteriorating balance of trade
- Dwindling current account surplus
- Sticky government budget deficit
- Plummeting business confidence
- Falling consumer confidence

Nonetheless, the current economic condition of Malaysia is still considered somewhat healthy. While 2015 will be a challenging year for Malaysia; adjusting to local economic reforms. For a more comprehensive explanation of each indicator and challenges, please visit our website at the back of the page for the full article.

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