



DEPARTMENT OF STATISTICS MALAYSIA

PRESS RELEASE

MALAYSIAN ECONOMIC INDICATORS: LEADING, COINCIDENT & LAGGING INDEXES OCTOBER 2020



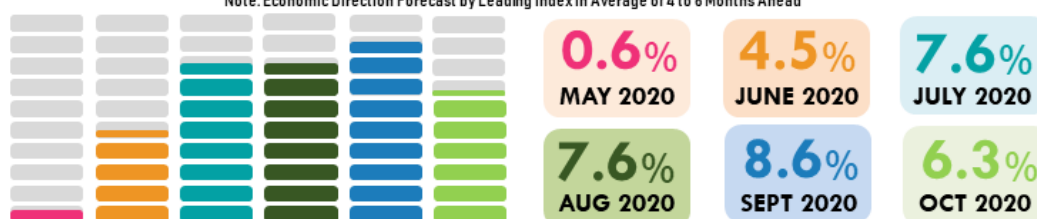
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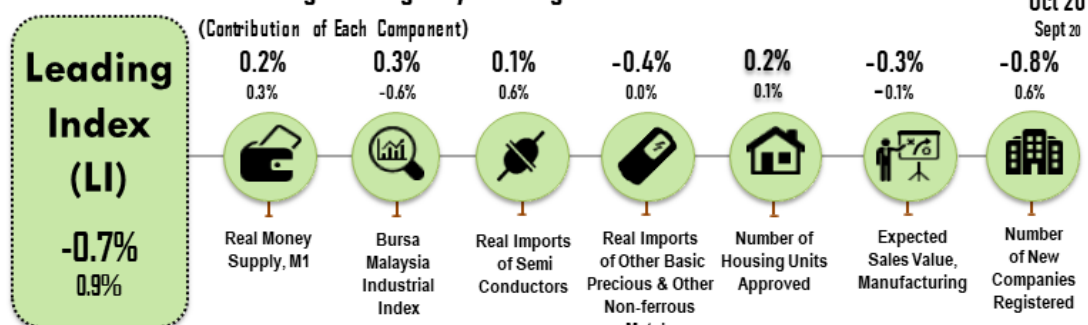
MALAYSIAN ECONOMY IS BOUND TO CONTINUE ITS JOURNEY TO RECOVERY

Leading Index, October 2020 (Year on Year)

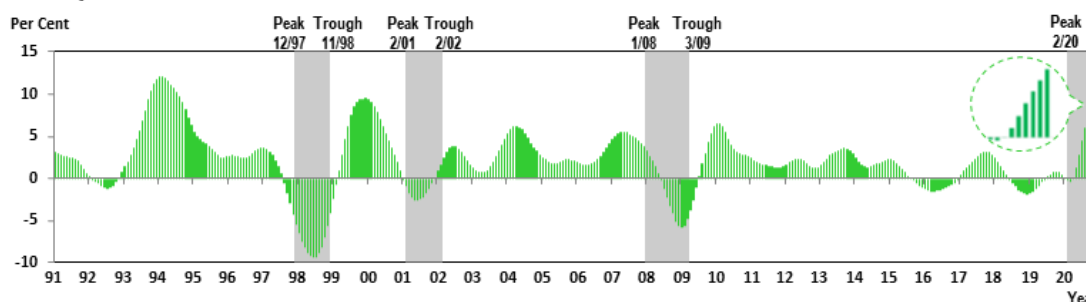
Note: Economic Direction Forecast by Leading Index in Average of 4 to 6 Months Ahead



Month on Month Percentage Change by Leading Index



Annual Growth Rate of Leading Index (Smoothed) and Business Cycle (Grey Shaded Areas), January 1991 to October 2020





## Malaysian economy is bound to continue its journey to recovery

The Leading Index (LI) acts as an indicator on the future movement of the overall economy. The annual change of LI augmented in October 2020, posting a growth of 6.3 per cent to attain 108.7 points from 102.3 points in October 2019. The momentum was mainly driven by Bursa Malaysia Industrial Index with the Health Care Index as the catalyst to the growth. Although the year-on-year LI increased, the LI on a monthly basis decreased by 0.7 per cent. Among the major components that influenced the decrease were Number of New Companies Registered (-0.8%) and Real Imports of Other Basic Precious & Other Non-ferrous Metals (-0.4%). Despite the softening LI for the reference month, the growth rate of smoothed LI was consistently above trend. This suggests that the Malaysian economy is bound to continue its journey to recovery in the early months of 2021. Furthermore, the hope of COVID-19 vaccine has boosted the waves of optimism globally and sparked a better impact to the economic prospect.




The Coincident Index (CI) down by 1.1 per cent month-on-month to reach 112.0 points in the reference month as against 113.3 points in September 2020. Four out of six components weighed down the performance of CI particularly the Volume Index of Retail Trade (-0.6%). Similarly, the performance of CI which examines the current economic activity decreased to negative 2.4 per cent in October 2020 from 114.8 points in a year earlier.

The Diffusion Index for LI and CI in October 2020 posted 100.0 per cent, respectively. This shows that all components are increasing as against the previous six month.

(The complete indicators on Leading, Coincident and Lagging Indexes are shown in the following Table 4  .)

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