

Bank Negara expects to hold key rate despite inflation
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Malaysia's central bank is expected to keep its key interest rate unchanged at 3% at a policy meeting on Thursday, despite a recent pickup in inflation, a Reuters poll showed.

The annual rate of inflation hit 3.4% in January, reflecting a rise in prices of food, transport and electricity. It was the highest since October 2011 and up from 3.2% in December 2013.

The last change in Malaysia's policy rate, a hike, was in May 2011 and the it has been on hold ever since. All 17 economists in the Reuters poll expected no change on Thursday.

Exports in January likely rose 8.2% from a year earlier, polls also showed, helped by a continued surge in overseas demand for the country's electrical and electronics products.

Imports were expected to fall 1.4%, however, resulting in a trade surplus of RM8.7 billion, slightly lower than in December. – Reuters, March 4, 2014

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