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RINGGIT DECLINES THIS WEEK

KUALA LUMPUR, Jan 13 (Bernama) -- The ringgit continued to decline on the strength of the US dollar and renewed worries on the country's current account imbalance.

The local unit closed the week at 2.5633/43 to the dollar as against 2.5550/60 a week arlier.

Dealers said the ringgit was tracking the greenback, which strengthened against other major currencies in overseas markets this week.

The old worries of Malaysia's wide balance of payments deficit also gave reasons for players to sell the ringgit for the US dollar, dealers said.

They said players preferred to hold back from taking positions on the local unit before the release of latest economic data expected any time now.

Prime Minister Datuk Seri Mahathir Mohamed said on Thursday said that Malaysia would not use monetary policy to correct the imbalance. Instead, Malaysia's policy to correct the imbalance was by way of more exports.

During the week, Bank Negara had "checked" the rates several times and that put a brake on the slide of the ringgit, dealers said.

Bank Negara had been in the foreign exchange market to smoothen the ringgit's fall and not to stop it, they explained.

The ringgit also closed lower against the Singapore dollar to 1.8004/24 from 1.7911/31 a week earlier, against the yen to 2.4373/99 from 2.4338/71, and against the deutchemark to 1.7766/77 from 1.7660/79.

The ringgit, however, rose against pound sterling to 3.9506/47 from 3.9597/38.

In the money market, Bank Negara came into borrow money one-month deposit on Friday at 6.50 percent to roll over maturing funds, a dealer said.

Throughout the week, the one-month deposit of Kuala Lumpur Interbank Offer Rates rose to 6.60 percent from 6.57 percent due to the tight supply.

Three-month deposits were unchanged at 6.76 percent. -- BERNAMA