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RINGGIT PUTS UP ITS BEST SHOW THIS YEAR

KUALA LUMPUR, May 11 (Bernama) -- The ringgit put up its best performance so far this year when it hit a nine-month high level of 2.4795 on Thursday to the US dollar, mainly triggered by fresh fund buying from Singapore investors.

However, the "bullish streak" was shortlived when it eased gradually on the dollar's strength in Asia but players were still confident that demand for the ringgit would remain intact as expectations for it to go higher were still there.

Moving in a cautious range of between 20 to 100 basis points, the local unit ended the week at 2.4888/98 to the US dollar against last Friday's close of 2.4968/78.

One dealer said some of the players were expected to use the better-than-expected February trade figures released late Thursday as an excuse to get rid of their long dollar positions and getting back into the local unit.

Malaysia recorded a smaller trade deficit of RM747.1 million in February compared with RM1.1 billion a month earlier.

Another dealer said the market could also be uncertain next week if players were reluctant to take positions as they would like to first see the central bank's stance in monitoring the ringgit's movement.

The ringgit was said to be able to move further but sentiment was dampened by rumours that Bank Negara came into the market at the 2.4850 on Thursday, which was later found to be untrue.

Earlier of the week, the ringgit's movement was rather cautious over continued concerns on the level of February's trade data.

It was then discounted as most players felt that the larger-than-expected deficit trade would not be as large as what being speculated in the market.

The Seventh Malaysia Plan tabled in the Parliament by Prime Minister Datuk Seri Dr Mahathir Mohamad on Monday gave little impact to the market.

The reaction to the Seventh Malaysia Plan would not be that soon, said one dealer.

The local unit was also higher against other major currencies.

It was higher against the Singapore dollar at 1.7711/31 from 1.7777/97, against the Japanese yen at 2.3755/87 per 100 yen from 2.3904/25, at 1.6383/95 against Deustschemark from 1.6326/43 and against the pound sterling at 3.8004/44 from 3.7809/50 last Friday.

In the money-market, rates were further eased on Friday following large fund inflows over the last two days.

There were talks that Bank Negara had borrowed overnight funds to support the rate but it could not be confirmed.

On Friday, the Kuala Lumpur Interbank Offer Rates (KLIBOR) for the one-month and three month stood at 7.06 percent and 7.15 percent respectively. -- BERNAMA

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