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CAUTIOUS OUTLOOK FOR RINGGIT

KUALA LUMPUR, Sept 13 (Bernama) -- The ringgit is expected to be traded cautiously next week unless positive news emerge over the weekend.

The local currency will draw support from any "piece" of news emerging from the scheduled talks between Prime Minister Datuk Seri Dr Mahathir Mohamad and fund managers on Sunday.

Elsewhere, dealers are forecasting a dollar/ringgit level of between 2.80 and 2.90 to the dollar in the near term.

One dealer said he firmly believed the dollar/ringgit has seen its peak and would strengthen from now except for some occasional "hiccups".

"The ringgit is fundamentally strong but the foreign exchange market is not trading based on fundamentals right now," he added.

Meanwhile, the week just ended saw the ringgit finish marginally lower at 2.9500/75 to the dollar against 2.9425/75 last Friday.

The ringgit rebounded to a high of 2.8820 on Tuesday after breaching 3.0520 to the dollar on September 4. Since early July, the ringgit has depreciated nearly 20 percent of its value.

Meanwhile Deputy Prime Minister Datuk Seri Anwar Ibrahim, who addressed fund managers at a dialogue on Friday, said the government's decision to defer big projects also applied to projects approved by the state governments.

He said state governments would have to get approval from the Federal government first, a move aimed at getting all parties concerned to cut down costs in efforts to reduce the current account deficit.

Meanwhile, the ringgit ended mixed against other currencies.

It ended at 1.9475/07 to the Singapore dollar from 1.9383/29 previously, higher against the yen at 2.4471/06 from 2.4238/83, easier against the mark at 1.6549/70 from 1.6204/36, and lower against the pound at 4.7277/54 from 4.6632/41 yesterday.

In the money market, interbank rates continued to remain flat with one-month money and three-month money each ending the week 0.01 percent lower at 7.47 percent and 7.59 percent respectively against 7.48 percent and 7.58 percent last Friday. -- BERNAMA

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