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FOREIGN FUNDS EXPECT GOVT TO TAKE STEPS TO PREVENT RINGGIT FALL

KUALA LUMPUR, Sept 12 (Bernama) -- A foreign fund manager said today he expected the Malaysian government to take specific measures soon to stabilise the ringgit to a fair value of 2.80 to 2.90 against the US dollar.

David C. Roche of Independent Strategy, said the ringgit's present level of over 2.90 against the US dollar, is the lowest (level) the local unit could drop to.

He was speaking to newsmen after attending a dialogue between fund managers and Deputy Prime Minister and Finance Minister, Datuk Seri Anwar Ibrahim today.

The ringgit breached the 3.0000 psychological level last week but recovered this week to trade within the 2.90 level.

Today it ended the day easier against the US dollar as the greenback firmed against other regional currencies.

The local unit ended at 2.9500 against the US dollar, after opening at 2.9600/50 this morning. The dollar/ringgit closed at 2.9345/95 yesterday.

Yesterday, Prime Minister Datuk Seri Dr Mahathir Mohamad said the government will ensure that stability of the ringgit will be maintained despite having depreciated by about 20 percent against the US dollar since the recent currency debacle.

He said this to Malaysian journalists in Mongolio at the end of a four-day visit to that country.

Roche said the Malaysian government needed to show the international investors that it was taking steps to prevent the ringgit from slipping further, so that they would not feel that capital invested today would depreciate in value in the future.

"It is also important that wage and salary increase be controlled so that domestic inflation would not erode Malaysia's competitiveness as an exporter.

If the government undertakes these measures the ringgit would stabilise pretty soon with investors taking some time to regain confidence on the equities market," he said.

He feels there is not going to be a "boom or bull market in the next six months to one year...as confidence will rebuild slowly."

"But for the longer term investors ...with three to five years view... I will buy at today's value," he added. -- BERNAMA

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