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Ringgit lower against major currencies

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THE ringgit closed lower against most major currencies, but up against the yen, in trading that was said to be preoccupied with news over the Prime Minister taking a long leave.

The local currency closed at 2.5120/30 against the US dollar yesterday against 2.5070/80 on Tuesday. It also fell against the pound sterling, closing at 4.0980/90 compared with 4.0630/40 on Tuesday.

Dealers cited another reason for the stronger pound, and this was the move by the UK Government to increase interest rates to 2.65 per cent from 2.50 per cent.

The ringgit was lower, at 1.7370/80, against the Singapore dollar compared with 1.7325/35 on Tuesday. It also closed weaker, at 1.4580/90, against the Deutschemark compared with 1.4510/20 on Tuesday. Dealers said while the ringgit's movement was a continuation of last week's trend, it was also affected by news that Datuk Seri Dr Mahathir Mohamad will be taking an unprecedented two months vacation.

"The Prime Minister seldom goes on a long break. The market is nervous and was trying to play it safe," one dealer said.

Bank Negara was said to have intervened in forex markets last month, selling US\$100 to US\$200 million when the ringgit fell to a three-month low of 2.5120 to the dollar. After the intervention, the ringgit recovered 50 points to around 2.5060/70 a dollar.

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