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RINGGIT TO CONTINUE TO BE CHOPPY NEXT WEEK

KUALA LUMPUR, Aug 2 (Bernama) -- The ringgit-US dollar movement is expected to continue to be choppy in wide spread trades next week, dealers said.

Basically, the sentiment was that the ringgit was weak, but Datuk Seri Dr Mahathir Mohamad's threat of action against "rogue currency speculators" should not be taken lightly, a dealer said.

Dealers said continued attacks by the prime minister against currency speculators since his return from a two-month holiday overseas two weeks ago, caused many players, mostly from offshore, to unload their long dollar positions for the ringgit.

Market watchers, however, were mixed as to their opinions on whether or not the government would take action to curb speculation on the ringgit.

Any stern action will be seen as contrary to the country's aim of becoming a financial centre for the region, said one of them.

Amid these uncertainties, rumours have been circulating in the market of actions to be taken, of which one was the possibility of a capital control by Bank Negara to make it expensive for offshore funds to borrow ringgit to fund their speculation.

On a weekly basis, the ringgit closed at 2.6260/90 to the US dollar compared to 2.6480/95.

It also gained against the Singapore dollar to 1.7871/04 from 1.8023/46, against the yen to 2.2080/24 from 2.2788/11, against the deutschemark to 1.4231/55 from 1.4438/54 and against the pound sterling to 4.3080/55 from 4.4094/49.

Meanwhile in the money market, the interbank rates were expected to stabilise next week after jumping in tight liquidity.

Dealers said Bank Negara was seen lending one month money only in the early days of the week, prompting beliefs that the central bank must have been satisfied with the liquidity level.

This week saw the maturity of RM500 million Bank Negara bills, with another RM1 billion bills to mature next week.

This week, one-month money on the Kuala Lumpur Interbank Offered Rates jumped to 8.69 percent from 8.13 percent and three-month money rose to 8.51 percent from 8.37 percent. -- BERNAMA

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