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RINGGIT WEEKLY REPORT

KUALA LUMPUR, Feb 22 (Bernama) -- The ringgit, traded cautiously throughout the week, could stay in ranges next week, dealers said.

They said Deputy Prime Minister Datuk Seri Anwar Ibrahim's announcement that "bullish and prosperous" economic growth figures to be released today could be a major factor in determining the direction of the ringgit next week.

The "bullish and prosperous" figures referred to by Anwar, also the Finance Minister, could only mean that the data was within expectation and, thus, would not affect the ringgit's movement which has been quite steady towards the end of the week, a dealer said.

Other major determinants of the direction of the ringgit would be the weekend performance of the US dollar in overseas markets, particularly after the death of China's paramount leader Deng Xiaoping on Wednesday.

A dealer said although all major currencies reacted calmly to Deng's demise, players would remain cautious on fear of possible negative repercussions.

Players would also remain cautious on possible changes in the Cabinet although Prime Minister Datuk Seri Dr Mahathir Mohamad had said that he was comfortable with the present line up.

Some analysts said results of the last UMNO general elections in which a few ministers lost their party posts would suggest that some few faces would be seen in the new Cabinet.

This week, the ringgit ended sharply higher at 2.4785/95 to the dollar compared with 2.4865/75 a week earlier, mostly due to late short covering after Anwar's announcement.

The ringgit also rose against the deutschemark to 1.4700/14 from 1.4715/24, against pound sterling to 4.0050/91 from 4.0276/17 and against the Singapore dollar to 1.7404/23 from 1.7519/39.

However, it fell against the Japanese yen on profit taking to 2.0152/77 from 1.9946/62.

Meanwhile, in the money market, the rates which had stayed firm this week, were expected to track downwards on increasing liquidity.

A dealer said cash withdrawn from the banking system, estimated at RM3 billion, for the festive celebrations, had started to flow back into the system.

Flush liquidity would put pressure on the rates but players would be cautious as Bank Negara was expected to maintain a tight monetary policy to manage the liquidity.

The Kuala Lumpur Interbank Offered Rates of one-month money fell to 7.34 percent from 7.38 percent although there were some borrowings by small institutions.

Three-month money fell to 7.38 percent from 7.40 percent last week. --

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