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## Ringgit weakens with pressure on regional currencies

THE ringgit weakened further yesterday as regional currencies continued to be under pressure.

Despite having shown signs of stabilising earlier this week, the ringgit closed at 2.6350/00 to the US dollar from 2.6200/20 on Tuesday. It opened at 2.6265/75 yesterday morning.

"The ringgit is following the current weakening trend of other Southeast Asian currencies. Although there were some corrections, it failed to sustain the level because the downtrend persists elsewhere in the region," said a dealer.

Yesterday, the Thai baht fell to a record low as Thai corporate players scrambled to buy the US dollar amid fears of further losses in the currency and concerns over their ability to repay their huge foreign debt.

The baht fell to 31.80-32.10 to the greenback, its lowest level on record, from 30.90-31.00 late Tuesday, around 24 per cent below its level prior to the float on July 2.

In Manila, the Philippine monetary authorities issued a set of guidelines to banks earlier in the day to curb speculation on the peso. Despite that, the peso closed 1.2 per cent lower at 28.50 against the dollar.

The ringgit also ended lower against other major currencies yesterday.

Against the Singapore dollar, it closed at 1.7967/13 from 1.7902/28 and to 2.2844/07 per 100 yen from 2.2528/65.

It was also down against the pound sterling at 4.4318/29 from 4.3801/61 on Tuesday but higher against the deutschemark at 1.4418/49 against 1.4507/21 previously.

On the money market, the three-month Kuala Lumpur Interbank Offered Rates (KLibor) benchmark eased to 8.38 per cent from 8.91 per cent on Tuesday.

"The ringgit is still under speculative attack despite the lull a couple of days ago because it is being attacked as part of the basket of Southeast Asian currencies, and not as an individual currency," said a dealer.

Statements by Prime Minister Datuk Seri Dr Mahathir Mohamad and Economic Adviser to the Government Tun Daim Zainuddin have in some way helped the ringgit to stabilise to between 2.62 and 2.61 after falling to 2.63.

For the longer term, dealers said the market needed a boost from Bank Negara.

The central bank has not intervened since Monday indicating that it was happy with the local currency's current level.

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