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Bullish dollar sentiment hits ringgit

Adeline Ong

WEAK market sentiments and a continued bullish US dollar sentiment affected the regional currencies including the ringgit yesterday.

The ringgit, which opened at an easier 3.9300/400 yesterday, closed at 3.9450/550 from Monday's close of 3.9250/450. It was traded at a high of 3.9250 and a low of 3.9800 yesterday.

"It is the announcement of the GDP figure and interest rates too. People were caught unaware about the GDP figures. Therefore, they are making their move now," a dealer said.

Meanwhile, another dealer said market is long on dollars and they are willing to take profits faster.

"The market is buying and dumping currencies fast. The wider spread of about 500 points is no big deal.

"Meanwhile, market did not react positively to Prime Minister Datuk Seri Dr Mahathir Mohamad's statement in Tokyo," he added.

Dr Mahathir in his speech at a Tokyo Symposium called for a system to set currency rates based on countries economic, political and social indicators, rather than letting them be decided freely by the market.

The regional currencies were also affected by the worry on the performance of the yen, another dealer said.

The baht was traded at 4250.00 against the greenback, the rupiah at 11,800 and the Singapore dollar at almost 1.70 to the US dollar. Meanwhile, the greenback was trading at 139.25 yen on the Tokyo foreign exchange market yesterday, up 0.13 yen from late Monday.

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