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RINGGIT-WEEKLY  
RINGGIT TO TRACK YEN NEXT WEEK

KUALA LUMPUR, Aug 22 (Bernama) -- The outlook for the ringgit next week is expected to depend very much on the yen's movement against the greenback which has been a major factor in influencing sentiment for the local unit in previous weeks.

However, dealers expect movements on the dollar/ringgit to be less volatile compared with the week just ended.

The ringgit kicked off the week on a soft note as the yen slipped to the 146 level, against the dollar, from last Friday's closing of 145.

However, the ringgit rebounded on Wednesday as the yen strengthened to the 144 level coupled with the strong performance on the local bourse which drew heavy short-covering activity following Prime Minister Datuk Seri Dr Mahathir Mohamad's statement that the government might buy shares to prop up the exchange.

Nevertheless, the ringgit's recovery was short-lived as it turned easier on Friday prompted by the scramble for dollars by players after news of U.S. attacks on suspected terrorist bases in Afghanistan and Sudan.

The ringgit closed the week easier at 4.2020/2120 against the U.S. dollar from 4.1800/1900 last Friday.

It was however better against the Singapore dollar at 2.3894/3978 from 2.3920/4005, but was lower against the Japanese yen at 2.9352/9442 from 2.8851/8940, against the deutschemark, it eased to 2.3383/3446 from 2.3373/3442 and fell against the pound sterling to 6.8825/9022 from 6.7862/8054 previously.

On the money market, one-month Kuala Lumpur Interbank Offered Rates (KLIBOR) eased to 9.94 percent from 10.00 percent the previous Friday while three-month money was marginally lower by 0.1 basis points to 10.00 percent.

Meanwhile, Bank Negara intervened in the money market by lending RM200 million worth of two-week money at an average rate of 9.8 percent on Thursday.

Dealers said most of the activity was centred on short-term funds.

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