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MONEY MARKET-WEEKLY

INTERBANK RATES TO REMAIN AT PRESENT LEVELS NEXT WEEK

KUALA LUMPUR, Oct 20 (Bernama) -- The Kuala Lumpur Interbank Offer Rates (KLIBOR) are expected to remain at their present levels next week as the market was still ample with liquidity, a dealer said.

Furthermore, Prime Minister Datuk Seri Dr Mahathir Mohamad had just indicated that interest rates in Malaysia were already low.

Dr Mahathir, who is also the finance minister, said, "If we lower it too much, then people will not save and there will be no fixed deposits."

The KLIBOR one-month money and three-month money each closed the week unchanged at 3.00 and 3.39 percent respectively since last Friday.

Bank Negara Malaysia entered the interbank market daily during the past week to mop up excess liquidity in the system in order to check the present interest rates level.

On Friday, the liquidity level in the interbank system was about RM2.537 billion, out of which RM803 million was from the conventional system and the remaining RM1.734 billion was from the Islamic banking system. -- BERNAMA

MK SHY