

Ringgit strength reflects country's robust growth
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The strengthening ringgit reflects the underlying sentiment and the country's robust growth in the first-half of the year, said Bank Negara governor Zeti Akhtar Aziz.

Malaysia registered a superlative 9.5 per cent Gross Domestic Product (GDP) growth in the first six-months but it contracted by 5.1 per cent in the same period last year.

"We saw the Ringgit strengthening during this period (the growth in the first-half) which reflected on domestic developments, the region and developments arising in major financial markets," she said.

The ringgit has risen to a 13-year high versus the US dollar.

At 9.19am today, the ringgit was trading at 3.1340/1370 against the greenback compared with Monday's close of 3.1310/1330.

As Malaysia becomes more open, it was likely to be vulnerable to external developments, she said on the sideline of the Islamic Development Bank's RM1 billion Sukuk listing on Bursa Malaysia in Kuala Lumpur today.

The significant volatility in the international financial market would continue due to the uncertainties mainly arising from developments in advanced economies, said Zeti.

However, given the fact that maintaining an orderly market was important, the central bank would only intervene if there was any sudden or excessive movements.

"We will be there to ensure orderly market conditions (but) we have no target and we do not affect the underlying trend of the currency," said Zeti.

On other developments, she said the central bank did not see a need to make any changes in the country's currency reserves composition.

"We remain very comfortable with our currency composition. We do not see the need for any changes based on the current environment.

"We believe it is important to take a medium to longer-term outlook and not be distracted by the developments that have taken place recently," the governor added.

- Bernama

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