

Dollar steady in Asia as Ukraine tensions ease
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The dollar held steady in Asia today after rallying in US trade as fears of a conflict over Ukraine eased, boosting investor demand for riskier assets.

In Tokyo afternoon business, the greenback bought 102.22 yen (RM3.27667), against 102.24 yen yesterday in New York where the unit had risen from the mid 101-yen mark.

The euro bought 140.36 yen against 140.49 yen, while it also fetched US\$1.3733 (RM4.49982) from US\$1.3740.

The yen surged at the start of the week as dealers scurried to safer investments after Russian lawmakers voted to allow troops into Crimea, a mainly Russian-speaking peninsula in the southeast of Ukraine, following the ouster of the country's pro-Moscow government.

But yesterday troops were pulled back from the Russian-Ukraine border and President Vladimir Putin said he reserved the right to military intervention but such a move would only be a last resort.

However, while global investors breathed a sigh of relief, National Australia Bank said in a note: "We caution that the Ukraine situation has NOT been resolved and that risk asset markets...remain vulnerable to any renewed deterioration in news flow or rhetoric coming out of Kiev or Moscow."

Investors also have an eye on the annual National People's Congress, China's legislature – which opened Wednesday – looking for clues about the state of the world's number-two economy.

Later today the Federal Reserve will release its Beige Book report on current US economic conditions, which could provide some indication about the central bank's next move regarding its stimulus programme.

The dollar was mostly lower against other Asia-Pacific currencies.

It weakened to 11,573 Indonesian rupiah from 11,630 rupiah, to 61.83 Indian rupees from 62.08 rupees and to 44.75 Philippine pesos from 44.82 pesos.

The greenback also declined to 1,070.75 South Korean won from 1,072.54 won and to 32.38 Thai baht from 32.55 baht, while it rose to SG\$1.2708 from SG\$1.2703.

The Australian dollar rose to 89.60 US cents from 89.29 cents, after data showed Australia's economy expanded a better-than-expected 0.8% on-quarter in the last three months of 2013.

The Chinese yuan bought 16.65 yen against 16.50 yen. – AFP, March 5, 2014.

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