

**Dollar edges up after Crimea breakaway vote**  
**Malaysian Insider**  
**17 March, 2014**

The dollar edged higher in Asia today as investors track events in Eastern Europe after Crimeans voted to break away from Ukraine and join Russia, sparking threats of sanctions from the West.

The yuan also softened against the dollar after the Chinese central bank loosened its control of the currency as part of an overhaul of the financial system.

In Tokyo afternoon trade, the greenback fetched 101.54 yen (RM3.27), compared with 101.36 yen in New York Friday.

The euro bought US\$1.3899 (RM4.56) compared with US\$1.3906 in US trade while rising to 141.14 yen from 140.73 yen.

The yen, considered a safe haven in times of uncertainty, has been edging higher against the dollar and euro in recent weeks on growing tensions over Crimea as well as concerns about the Chinese economy.

Partial results with more than half the ballots counted in Crimea showed 95.5% of voters were in favour of leaving Ukraine, in the most radical redrawing of Europe's map since Kosovo's 2008 declaration of independence from Serbia.

US President Barack Obama hinted at possible additional sanctions on Russia, warning his counterpart Vladimir Putin that the United States and its allies would "never" recognise Crimea's breakaway vote.

The European Union is also preparing sanctions against Moscow.

The news on Crimea's vote to break away from Ukraine, "though hardly unexpected, imparts a 'risk'-off tone to early week market proceedings", National Australia Bank (NAB) said.

But "focus will now be on the extent of sanctions to be imposed on Russia by the West, how Russia responds to that... and whether Russia limits its ambitions in the Ukraine simply to Crimea.

"Globally, the fall-out from the weekend referendum in the Crimea will be front and centre at the start of the week," it added.

Investors are also keeping an eye on the Federal Reserve's policy meeting on Tuesday and Wednesday to see if it will announce any more cuts to its stimulus programme.

In China the yuan eased against the dollar after Beijing at the weekend widened the currencies' trading band as it slowly embarks on long-anticipated reforms.

The move by the People's Bank of China follows years of international pressure on Beijing to loosen its control of the yuan.

The dollar was at 6.1558 yuan today afternoon against 6.1502 on Friday.

"Given that the widening comes at a time of CNY (Chinese yuan) weakness, we think the implicit message is that the authorities are comfortable with further currency weakness, as well as greater two-way movements in the exchange rate," said a report by Brown Brothers Harriman.

Against the Japanese currency the yuan fetched 16.49 yen against 16.51 yen on Friday.

The dollar was lower against other Asia-Pacific currencies.

It fell to 61.19 Indian rupees from 61.47 rupees on Friday, to 44.67 Philippine pesos from 44.69 pesos, and to 1,068.45 South Korean won from 1,072.78 won.

The greenback also dipped to SG\$1.2651 from SG\$1.2666, to 11,267.50 Indonesian rupiah from 11,418.80 rupiah, and to 32.24 Thai baht from 32.32 baht.

The Australian dollar rose to 90.54 US cents from 90.05 cents. – AFP, March 17, 2014.

Hakcipta © 2014 The Malaysian Insider

Source: <http://www.themalaysianinsider.com/business/article/dollar-edges-up-after-crimea-breakaway-vote>