

Individuals have 'small chance' to manipulate the ringgit, says Najib
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By Eileen Ng

An individual has a very "small chance" to manipulate the ringgit as the average daily transaction is huge, said Putrajaya, following allegations on anonymous blogs that businessman and owner of The Edge Media Group Datuk Tong Kooi Ong was betting against the Malaysian currency for personal profit.

Finance Minister Datuk Seri Najib Razak said, last year the daily average activity for the ringgit stood at US\$11.8 billion, which he described as a "huge" amount.

"As such, based on such a huge transaction, the probability of an individual to influence the value of the ringgit is very small," he said in a written reply to Lim Lip Eng (DAP - Segambut).

Lim had asked Najib the status of the investigation of Tong who was accused by blogs of betting on the ringgit, and who were the people behind the anonymous blogs.

In his written reply however, Najib did not mention Tong at all and did not directly answer Lim's queries.

Tong, the group's executive chairman, had denied the allegations and had said Bank Negara Malaysia would have contacted him if he was indeed involved in currency speculation.

"I vehemently and absolutely deny the accusations. I did not at any time short the ringgit.

"I am an equity analyst, besides being an established entrepreneur. I am a value investor. I have never shorted currencies or equities. I acquire and build companies, create value for shareholders and create employment through ideas and innovation. My track record speaks for itself.

"I am certain Bank Negara Malaysia will be aware if there is such a heinous crime. Bank Negara has not contacted me and I pledge to cooperate fully with Bank Negara if my assistance is needed at any time," he had said early last month.

The blogs had claimed that Tong had taken a US\$1.4 billion short position on the ringgit through a proxy in transactions from August last year and to January this year.

Najib said today the decline of the ringgit against the US dollar is not an isolated case, as other regional currencies also saw a drop of between 1.1% and 10.1% against the greenback between September last year and March 5 this year.

This is due to strengthening of the US economy and expectations of an interest rate hike, as well as the impact of the plunge in global oil prices on commodity-driven

economies, which included Malaysia.

Najib said the government, through Bank Negara, is always on guard against activities that cause disturbances at the foreign exchange market to ensure the ringgit is not exposed to speculative attacks.

As such, he said the central bank daily monitored the currency market.

"Malaysian banks are also prohibited to allow any individual or corporation from short selling the ringgit under the Foreign Exchange Administration rules," he said, adding that Bank Negara also had related legal provisions to prohibit speculations on the ringgit both within and outside of the country.

Najib assured that the country's economy is not affected by any financial sabotage activities despite the movements of the ringgit, due to the country's stable and growing economy.

"Moreover, enforcement and regulators, including government agencies and Bank Negara are always on the alert and monitor the actions of those who wanted to sabotage the country's finances and economy," he added. – March 16, 2015

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