

Expect Ringgit To Appreciate Further, Says Johari

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By MT Webmaster

Second Finance Minister says country has strong exports and foreign direct investments, with oil prices as well as capital market having improved a lot.

(FMT) – The ringgit can be expected to appreciate further against the greenback amid the country's positive economic outlook, says Second Finance Minister, Johari Abdul Ghani.

He was responding to the prediction of economists that the local note should be moving towards its fair value of between 3.50 to 3.70 to the US dollar.

“I personally think there is a lot more room for improvement. We have strong exports and foreign direct investments, with oil prices having improved a lot, as well as our capital market.

“This positive outlook will benefit us both economically and also benefit the currency,” Johari said.

He told reporters this after witnessing the signing of a memorandum of understanding (MOU) on property venture between Titijaya Land Bhd (Titijaya) and Tokyu Land Corporation (TLC) here today.

The ringgit ended the week stronger against the US dollar. As of Friday 6pm, it was traded at 3.9700/9730 compared to 3.9950/9000 the previous week.

Johari said the current trend of the ringgit reflected the positive outlook of the Malaysian economy, adding that it could appreciate even further, while hinting that economists may be wrong in even putting a limit to its strength.

“No one can (accurately) predict the performance of a currency. But, what we need to look at is the economic fundamentals of the country. The positive outlook for 2018 is there for Malaysia.

“To what level the ringgit can go or appreciate further, I cannot speculate. The market will take it through. It can appreciate even further. The country needs to ensure it continues to have a good economic environment and ecosystem as well as political stability, as these are among the factors investors look at,” he added.

Johari also said exports would stay competitive even with the stronger ringgit and that Bank Negara Malaysia’s current policy on the local unit was adequate and very clear.

He dismissed the notion however, that the current strength of the ringgit had anything to do with the upcoming 14th general election, saying, no government intervention was being undertaken to impact its current performance.

Earlier, in his keynote address, Johari said he hoped the alliance between Titijaya and TLC would mark the continuation of Malaysia and Japan’s 60 years of bilateral ties and economic cooperation.

As of the third quarter of last year, Japan was ranked as Malaysia’s fourth largest trading partner after China, Singapore and the United States, with total trade amounting to RM103.1 billion.

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