

Ringgit seen rebounding to 4.1 vs US dollar in Q3

KUALA LUMPUR: Deputy Finance Minister I Datuk Othman Aziz agrees with bankers' forecast that the ringgit will rebound to a fair value of 4.1 against the US dollar in the third quarter of the year.

Bankers had forecast the rebound based on improving commodity prices such as rubber and palm oil, as well as steady economic fundamentals, he said.

At 4.00pm, the ringgit stood higher at 4.4830/4870 against the greenback, after opening at 4.4870/4900 at 9am, following improved oil prices which was expected to rake in

higher revenue for the Government. Brent crude futures, the international benchmark for oil prices, is still hovering above US\$55 per barrel.

"This is a cycle and it is not the first time we are experiencing this because we have seen worse levels before," he told a press conference after visiting the Credit Counselling and Debt Management Agency.

Othman said investors would continue to remain on the sidelines until US President-elect Donald Trump's swearing-in cere-

mony on Jan 20.

"Some people say something worst will be coming but we will first wait for Trump's swearing in. What you are hearing now is not a firm thing, it's just hearsay," he added.

In a related development, Finance Ministry secretary-general Tan Sri Dr Mohd Irwan Serigar Abdullah said the ringgit was expected to strengthen in the second half of the year.

He reiterated that the Government would not resort to capital control.

The decline in the ringgit and other emerging market currencies is due to Trump's promise to revive the US economy by bringing back more jobs to the country.

"It is a short-term phenomena," he told reporters in Putrajaya.

However, he hoped with the various steps taken by Bank Negara, the ringgit would be much better in the coming months.

Asked whether issues related to 1Malaysia Development Bhd contributed to the ringgit's decline, he said it was a perception created by certain quarters. — Bernama