

Ringgit likely to be in tight range against greenback next week

KUALA LUMPUR, Oct 23 — The ringgit is expected to trade in a tight range against the US dollar next week, given that the currency pair is nearing the overbought condition, an analyst said.

Bank Islam Malaysia Bhd chief economist Mohd Afzanizam Abdul Rashid said forex markets would also be watching the impending announcement of Budget 2022 on Oct 29 to decide on their next move.

“So, it is going to be a wait-and-see attitude next week,” he told Bernama.

As such, he said the local note would continue to hover around RM4.15 to RM4.16 next week.

Meanwhile, OANDA Asia Pacific senior market analyst Jeffrey Halley said with the possible reopening for international tourism next month, the news should uplift the sentiment of investors next week.

“I believe that the reopening story will continue to dominate Asean short-term sentiment with a slew of similar announcements over the past two weeks,” he said, adding that the market would continue to find support from the commodity space.

For the week just ended, the ringgit was mostly higher versus the US dollar except on Monday due to technical correction but strengthened thereafter, supported by higher commodity prices and positive economic prospects.

Meanwhile, on the homefront, the Department of Statistics Malaysia announced Friday that the Consumer Price Index (CPI) grew 2.2 per cent year-on-year in September 2021 to 122.8, compared to 120.1 in the same month last year.

The market was closed on Tuesday for the Maulidur Rasul holiday.

On a weekly basis, the ringgit rose 70 basis points to 4.1490/1520 versus the greenback on Friday from 4.1560/1590 a week earlier.

However, the local unit was traded lower against other major currencies compared to the previous Friday.

It dipped against the euro to 4.8307/8342 from 4.8222/8257 a week earlier and fell against the Japanese yen at 3.6436/6466 compared to 3.6341/6368.

The local note also shrank against the Singapore dollar to 3.0825/0849 from 3.0824/0849 a week before and depreciated vis-a-vis the British pound to 5.7269/7310 from 5.7049/7091 previously. — Bernama

<https://www.malaymail.com/news/money/2021/10/23/ringgit-likely-to-be-in-tight-range-against-greenback-next-week/2015367>