

Ringgit extends gains against US dollar on brighter economic prospects

KUALA LUMPUR, Oct 4 — The ringgit has extended its gains against the US dollar from last week to open firmer today, backed by brighter economic prospects for the last quarter of the year.

At 9 am, the local note improved to 4.1730/1755 versus the greenback from last Friday's closing of 4.1770/1810.

A dealer told Bernama that the transition of many states into the next phase of the National Recovery Plan (NRP) would bolster the local economy as well as domestic spending.

According to the Statistics Department last week, several economic indicators had posted a moderate year-on-year improvement in July 2021 as the nation transitioned into the first phase of the NRP on June 15, 2021.

Meanwhile, in the second Fiscal Policy Committee meeting, the Finance Ministry had also noted that the country's economy is expected to rebound in 2022, in line with the expected recovery in the global economy throughout the second half of 2021, particularly as more countries step up their vaccination efforts.

The economy has also been supported by the labour market's recovery as the unemployment rate improved to 4.8 per cent in July 2021 from a high of 5.3 per cent in May 2020, in addition to manufacturing sector sales which grew by 0.6 per cent to RM119.8 billion in July 2021.

At the opening bell, the ringgit was traded mostly lower against a basket of major currencies.

It declined versus the British pound to 5.6578/6611 from 5.6373/6427 last Friday and slipped against the Japanese yen to 3.7612/7637 from 3.7580/7616 previously.

The local currency depreciated vis-a-vis the euro to 4.8415/8444 from 4.8361/8408, but was slightly better against the Singapore dollar at 3.0754/0775 compared with 3.0756/0788 at Friday's close.

— Bernama

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