

### **Ringgit extends gains against US dollar on brighter economic prospects**

KUALA LUMPUR (Oct 4): The ringgit extended its gains against the US dollar from last week to open firmer on Monday, backed by brighter economic prospects for the last quarter of the year.

At 9am, the local note had 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 help to bolster the local economy and domestic spending.

**According to the Department of Statistics Malaysia (DOSM) last week, several economic indicators posted a moderate year-on-year (y-o-y) 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 Ministry of Finance (MoF) also noted that the country's economy is expected to rebound in 2022, in line with an expected recovery in the global economy throughout the second half of 2021 (2H21), 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% in July 2021 from a high of 5.3% in May 2020, in addition to manufacturing-sector sales which grew by 0.6% 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 last Friday's close.

<https://www.theedgemarkets.com/article/ringgit-extends-gains-against-us-dollar-brighter-economic-prospects>