

NY Times 11/11

Ringgit slumps with won on Trump win

MALAYSIA'S ringgit slumped to a nine-month low and the South Korean won extended losses as speculation Donald Trump will enforce protectionist US policies hurt demand for emerging-market (EM) currencies.

Most developing-nation currencies weakened a day after a gauge of exchange rates posted its biggest drop in two months on Wednesday when Trump won the US presidential election. He had pledged to clamp down on immigration to the US and renegotiate free-trade agreements. US Treasuries plunged on concern a Republican-led Congress will boost spending, spurring inflation.

"There's still a lot of uncertainty in global trade policy coming from the new administration," said Stephen Innes, a senior trader at Oanda Asia Pacific Pte Ltd in Singapore. "There'll be less vigour for investors to go into EM currencies now given the more

attractive yields in the US."

The ringgit depreciated 0.5% to 4.2467 per dollar as of 8:20am in Hong Kong yesterday, according to prices from local banks compiled by *Bloomberg*. It earlier reached 4.2580, the lowest since January and has lost 1.1% in the past two days.

The won declined 0.5% to 1,155.25 per dollar and reached a four-month low of 1,158.10. The currency plunged 1.3% on Wednesday. Thailand's baht weakened 0.5% to 35.112, headed for the biggest drop in a month.

Bank Negara Malaysia will ensure there's ample liquidity to support an orderly market, its Financial Markets Committee said on Wednesday after the outcome of the US election.

South Korea's central bank said it'll closely monitor trends in financial and foreign-exchange markets and will take steps with the government to stabilise markets if "nervousness" intensifies. — *Bloomberg*