

Bank Negara monitoring speculative activities on ringgit

Star 29/11
KUALA LUMPUR: Bank Negara is continuously monitoring speculative activities on the ringgit within Malaysia that can harm the country's financial market, says governor Datuk Muhammad Ibrahim.

He reiterated that the central bank would take the necessary actions under its framework should there be any offence against the law as such activities might jeopardise the right pricing of the ringgit.

"We are against speculative activities as these would not reflect the actual trade transaction of the real economy and it is critical for us that the ringgit level reflects the economic fundamentals.

"We are monitoring the situation, the pricing mechanism is extremely important," he told reporters after launching the Asian Banking School Global Banking Leaders Programme here yesterday.

At the event, Muhammad also witnessed the signing of a Joint Declaration between the Asian Institute of Chartered Bankers (AICB) and Malaysian banking industry.

He was asked to comment on the reported attempts by employees of two of Australia's largest bank, ANZ Bank and Macquarie Group, back in 2011 to manipulate the benchmark rate of the ringgit.

Muhammad said the attempt occurred outside Malaysia's jurisdiction and actions were being taken by regulators from other countries.

"It did not happen in Malaysia, it happened outside Malaysia. It occurred in 2011. Bank Negara is always monitoring all activities in Malaysia, but not outside Malaysia.

"So, if there is any wrongdoing or violation against Bank Negara's laws or rules, we will take the necessary actions," he said.

It was reported that the Australian Competition and Consumer Commission had launched legal action against the two banks, claiming the banks attempted to engage in a cartel conduct over the Malaysian currency.

Several of their employees in Singapore were said to be trying to manipulate the daily fixing of a price for forward contracts of the ringgit. — Bernama



Muhammad: 'The pricing mechanism is extremely important.'