

# Bank Negara: Economic outlook remains strong

## Governor says ringgit will reflect Malaysia's robust fundamentals

**KUALA LUMPUR:** Bank Negara expects Malaysia's economic outlook to remain strong despite the post-14th general election environment, given its resilient and robust financial system.

Governor Tan Sri Muhammad Ibrahim said the ringgit would reflect Malaysia's strong economic fundamentals in the medium and long-term.

"Our strength can be seen from the current account surplus, a strong reserves position, low level of external indebtedness and strong capital buffers in the banking system. We expect these strong conditions to persist.

"Our financial system is resilient and

robust. On numerous occasions in the past decade, we have been able to manage market volatility due to the continuous measures taken over the years to develop our financial markets," he said at the Asian Institute of Chartered Bankers Graduation Ceremony 2018 here on Saturday.

Muhammad said the market was balanced, deep and liquid to provide the structural support for orderly market conditions, adding that moving ahead, the central bank would continue to ensure orderly conditions in the onshore financial markets.

He pointed out that Malaysia was no stranger to short-term volatility, as the coun-

try's open economy was highly integrated with global markets.

However, he advised industry players not to overreact to market noises, especially when it was caused by factors which were temporary in nature.

"The negative but much reduced influence of the non-deliverable forward market should not detract the ringgit movements over the long-term," he added.

On May 10, Bank Negara's Monetary Policy Committee announced that it would maintain the overnight policy rate at 3.25% and reaffirmed the strong outlook of the Malaysian economy. — Bernama