

## Asian Currencies Fall Most in 6 Months as Yen Fuels Intervention 2013-01-25 09:04:28.112 GMT

By David Yong and Yumi Teso

Jan. 25 (Bloomberg) -- Asian currencies fell this week by the most since July as a slide in the yen fanned concern regional central banks will intervene to prevent gains that may hurt exports.

Officials from Russia to Thailand have voiced concern that Japan's intention to weaken the yen will stoke competitive devaluations. The Bloomberg-JPMorgan Asia Dollar Index retreated from a 16-month high as the yen headed for an 11th weekly loss.

Samsung Electronics Co. said today that gains in the won, which strengthened 8.3 percent in 2012, may cut operating profit by 3 trillion won (\$2.8 billion) this year.

"The authorities are getting more uncomfortable with sharp appreciation against the dollar and the yen," said Wee-Khoo Chong, a strategist in Hong Kong at Societe Generale SA. The uncertainty surrounding global growth, currency gains and the risk of intervention are prompting retreats in regional currencies, he said.

The Asia Dollar Index, which tracks the region's 10 most-active currencies excluding the yen, fell 0.4 percent this week after touching 118.89 on Jan. 18, the highest level since September 2011. The won declined 1.6 percent to 1,074.05 per dollar in Seoul, according to data compiled by Bloomberg. The Thai baht dropped 0.5 percent to 29.89 and the Philippine peso lost 0.2 percent to 40.658.

### Intervention Talk

The baht ended a seven-week rally, the won slumped by the most since May and Malaysia's ringgit had its worst week since June. South Korean authorities have sold the won this month and Taiwan's central bank did the same on most days in the past nine months, according to traders. The Philippines' record-high foreign-exchange reserves show the extent of central bank intervention, Deputy Governor Diwa Guinigundo said on Jan. 15.

The won fell as overseas investors pulled more than \$500 million from Korean stocks in the last four days as the government hinted at more measures to curb appreciation. Finance Minister Bahk Jae Wan said on Jan. 23 that gains in the won were too steep after the currency rose 8.3 percent in 2012 and reached a 17-month high of 1,054.49 per dollar on Jan. 15.

Taiwan's Premier Sean Chen asked the central bank and economic affairs ministry to closely monitor the effects of the Bank of Japan's monetary easing measures aimed at weakening the yen. The Taiwan dollar fell 0.7 percent this week to N\$29.25, the most since the five days to June 1.

### Malaysia Elections

Malaysia's ringgit slipped 1.1 percent to 3.0458 per dollar for the week amid concern investors will sell local stocks as a general election approaches. The FTSE Bursa Malaysia Composite Index of shares dropped 2.3 percent this week, the worst performance since May.

"Investors could also be pricing in uncertainty ahead of the general elections that must be called by end-April," according to a research note today from Kuala Lumpur-based Malayan Banking Bhd.

The baht completed its biggest weekly loss since June amid concern its appreciation to a 17-month high will hurt exports.

Finance Minister Kittiratt Na-Ranong said yesterday he would like to see the baht "a little bit" weaker as appreciation was putting pressure on exporters.

Elsewhere in Asia, China's yuan fell 0.1 percent this week to 6.2205 per dollar, halting a three-week advance. Indonesia's rupiah weakened 0.2 percent to 9,653. India's rupee was little changed at 53.6850 after reaching a three-month high of 53.3800 on Jan. 22.

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