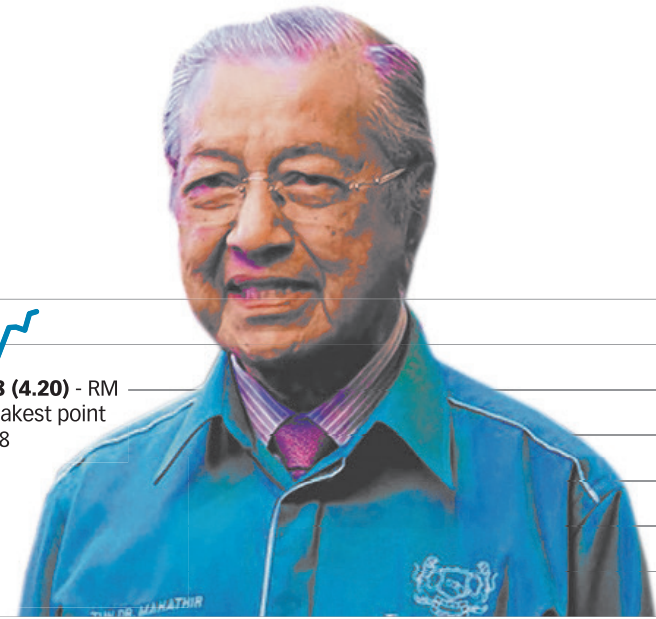
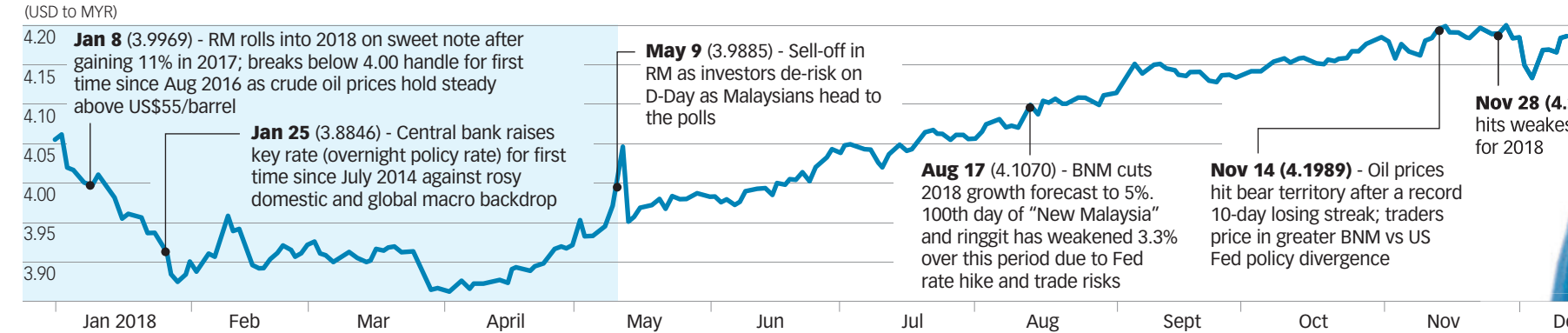


Before and after May: Politics of the ringgit

THE seismic shift following the stunning outcome of Malaysia's May elections – out with the old Barisan Nasional and in with the new Pakatan Harapan led by Prime Minister Mahathir Mohamad – was by far, the most pivotal event in 2018.

It was a major influencer on the ringgit although external factors such as stronger US dollar, EM currency rout and trade war woes played no lesser role. **BY ANITA GABRIEL**



Source: Bloomberg

BEFORE MAY 9

Jan 23 - Former PM Najib Razak brags to foreign investors about country's economic model, quashes scare mongering over rising FDI from China

Feb 7 - Asian equities swoon after US rout but ringgit holds on to near year's highs

Feb 14 - Malaysia says 2017 GDP grew by stellar 5.9% vs 4.2% in 2016 - fastest rate since 2014 - fuelling expectation that elections may be called soon



March 21 - Jerome Powell, in his first meeting as US Federal Reserve chairman, approves a rate hike as widely expected

April 2 - Ringgit hits year's high of 3.8615 versus 4.8 some 18 months ago and is top performing Asian currency so far for the year

April 5 - Bank Negara Malaysia (BNM) projects GDP growth of 5.5%-6% in 2018

April 6 - Mr Najib announces dissolution of Parliament, paving the way for elections.

April 10 - Election date set for May 9; analysts generally expect Najib's Barisan Nasional to lose some ground but retain overall control

April 23 - RM weakens as greenback strengthens on prospect of rising US rates and political jitters as elections loom

AFTER MAY 9

May 10 - Dawn of new era - Pakatan Harapan led by Dr Mahathir triumph at polls, BN gets the boot. Knee-jerk reaction expected when market reopens after two-day holiday post-elections

May 11 - Dr M reassures investors of a business-friendly regime: "We would like to tell the business people to push up the value of the stock market. And on the currency, there is no cause to devalue the ringgit".



May 14 - RM displays surprising resilience to election shock on back of smooth transition of new leadership

May 28 - Malaysia scraps landmark KL-Singapore high speed railway project to cut debt. A month later, it says project is postponed, not scrapped

June 1 - Unpopular goods and services tax (GST) scrapped

June 5 - BNM governor Muhammad Ibrahim quits, becomes latest casualty of 1MDB scandal in relation to a land sale

June 11 - Historic US-North Korea summit in Singapore – improved risk sentiment a boon for EM currencies

June 13 - US Fed raises rates for second time this year, signals two more rate hikes before end-year

June 20 - Asian currencies (ex-Japan) give up year's gains amid rout in global stocks; US dollar rises and trade tension escalates. RM crosses 4.00 mark on June 19 but remains in the black for the year

June 22 - Nor Shamsiah Mohd Yunus who left BNM in 2016 and had led the probe into 1MDB earlier, is appointed central bank governor

June 28 - Concerns that US-China trade war could blow into currency war. RM set to join Asian peers and erase year's gains

July 4 - Mr Najib is first charged with several offences linked to 1MDB. He would eventually be slapped with over 20 charges including criminal breach of trust and money laundering

July 9 - External reserves slip for the second straight month in June amid continued net foreign selling in Malaysian equities and bonds

July 11 - BNM stands pat on rates

Aug 10 - Turkish Lira plunges 20%, sending tremors through global currencies

Sept 1 - Sales and services tax to replace GST kicks in

Sept 18 - Risk aversion rises as US finalises additional tariffs on US\$200b of Chinese goods

Oct 4 (4.1450) - World Bank sharply trims 2018 GDP forecast for Malaysia to 4.9% from 5.4%

Oct 18 - Malaysia cuts GDP growth target, ditches goal of balancing its budget

Nov 2 - After six decades, a new Government tables first Budget 2019 in Parliament; pushes its budget deficit to the highest in five years and announces one-off dividend from Petronas

Nov 7 - BNM holds on a neutral policy at final meeting for year, keeping key rates on hold since January's hike

Nov 16 - Malaysia Q3 GDP growth slips for a 4th straight quarter

