

TOKYO (XFN-ASIA) - The US dollar advanced against the yen and euro following news that North Korea had launched missiles, including one long-range Taepodong-2, dealers said.

A senior South Korean government official said North Korea launched three missiles early today, including one which might be a long-range Taepodong-2 missile.

But a senior US government official in Washington said the US detected six missile launches, only to add later that the 'the sixth launch has not been confirmed.'

The White House said that Pyongyang was in violation of a missile launch moratorium unilaterally declared in 1999 on long-range weapons.

'The dollar reacted quickly to news of the missile launches from North Korea, but market participants are now beginning to take a wait-and-see stance, as they wait for fresh developments,' Athena FX director Takashi Kudo said.

'Whether the dollar/yen moves further depends on geopolitical developments surrounding North Korea.

'If the US takes some military action following the missile launches, the dollar may be bought more actively,' Kudo said.

The dollar rose to as high as 115.22 yen and to 1.2780 usd against the euro following the news.

At 8.25 am Tokyo, the dollar was at 115.13 yen, against 114.56 yen in late London deals overnight, while the euro was quoted at 1.2781 usd, down from 1.2794 usd.