

THE STOCK MARKET
chedet.co.cc
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1. Lately we have been seeing rather rapid increases in the Kuala Lumpur Composite Index. Those who play the stock market must be feeling very happy. Much money must be made by investors from capital gains.

2. Some people believe that the rise of the KLCI is an indicator of the healthy state of the Malaysian economy. This may be true but let me throw some cold water in the belief that the index indicates that the economy is doing very well.

3. It is doing fairly well, no doubt, but that is not enough to push the KLCI to record highs. What is happening is that a lot of foreign money is coming in to buy Malaysian stocks.

4. In itself it is not bad. It is also a kind of foreign direct investment (FDI). But this kind of FDI is not about setting up industries to produce goods for export. The latter will not be easily liquidated to take the invested capital out. The plants which are set up cannot be easily sold. The Investors will have to manage them through good and bad times to get a return on their investments.

5. But FDI in stocks and shares can be sold any time and the proceeds taken out.

6. Just as increases in investments push up share prices and the KLCI, rapid or massive divestments will push down the share prices and index.

7. We read in the papers that the Federal Reserve Bank of the United States is pumping US600 billion Dollars into the US economy. A part of this money will no doubt be used to invest in stock and shares of the developing economies. The result of this FDI-financed purchases will be a rise in the share prices and the KLCI.

8. In 1997-1998 the foreign investors pulled out their investments and the KLCI dropped from 1,300 to 262. Naturally a lot of local investors lost money. They could not meet margin calls nor raise money to augment collaterals for their bank loans.

9. The banks found themselves burdened with large numbers of non-performing loans and had to face the threat of bankruptcy.

10. Should the banks collapse the economy of the country will go into a tailspin. It did in 1997-1998. It will happen again should the foreign investors dump their Malaysian shares to take profits from capital gains.

11. Foreign funds, especially from the US coming in to invest in Malaysia's stock market at this time must be considered as hot money. I would not be surprised when the KLCI peaks the foreign investors will dump their shares and collect capital gains. The share prices will fall rapidly and Malaysians who had chased the shares on their way up will be asked to meet margin calls. If they fail they will lose a lot of money.

12. I hope I am wrong. But sometimes my predictions about money and markets have proven to be right. In any case I only own 200 Malayan Tobacco shares bought before I became Education Minister. I have nothing to gain or to lose, but the country and the stock market investors will lose.

67 Comments

By HBTAuthor Profile Page on November 25, 2010 8:35 AM

Good morning Ayahanda Tun,

From REUTERS in SST on what have happened to the bonds hold by Republican politician:-

World

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Nov 25, 2010

DeLay convicted of money laundering

SAN ANTONIO (Texas) - FORMER Republican US House of Representatives majority leader Tom DeLay was found guilty on Wednesday of laundering money.

Nicknamed 'The Hammer' for his iron control of the Republican caucus in Congress as majority leader from 2003 to 2005, he was accused of conspiring to funnel corporate money through the Republican National Committee, which sent \$190,000 (\$248, 500) in campaign donations to seven for Republican candidates to the Texas (Bush punya County?) legislature in the 2002 elections.

A jury convicted DeLay after a trial in Texas District Court in Austin. 'The public officials people elect to represent them must do so honestly and ethically and if not, they will be held accountable,' said Travis County District Attorney Rosemary Lehmberg.

DeLay raised the possibility of an appeal. 'This is an abuse of power; it is a miscarriage of justice. I am very disappointed. But it is what it is ... and we will carry on.

Hopefully we can get this before people who understand the law,' DeLay said after the jury gave its verdict.

DeLay faces five to 99 years in prison for the money laundering conviction and two to 20 years for a conspiracy count as well, plus fines. He is free on bond until his sentencing on Dec 20. -- REUTERS

Good day Ayahanda Tun. Crime is a crime; and there is no way we can escape. It's either we PAY OFF FOR THE DEBTS (\$) incurred today so that our generations will have BETTER LIFESTYLES and LESSER DEBTS (\$), OR we DELAY by incurring additional debt(\$)today without knowing that our future generations will require pay for the act of money laundering through political party and general elections. I do not know who is Gerakan Tun Lim Chong Eu and what had he contributed to the Malaysian Community. Nevertheless, I believe his children and grand children today have inherited good deed of fortune done by him specially for them proudly with dignity and integrity as Gerakan members.

By kulupaliAuthor Profile Page on November 24, 2010 4:53 PM

Salam buat Tun sekeluarga.

Stock Market adalah antara kaedah yang juga boleh menjana ekonomi rakyat. Oleh itu kemasukan FDI dalam pasaran saham tempatan adalah merupakan satu kaedah yang dianggap dapat menjana ekonomi negara. Apabila FDI memasuki pasaran saham tempatan, sudah pasti akan melonjakkan nilai saham tempatan. Seterusnya, apabila nilai saham meningkat, secara tidak langsung pelabur tempatan akan mendapat keuntungan atas nilai saham yang telah dilabur dan dipegang dalam tempoh tertentu.

Keuntungan yang diperolehi pelabur tempatan itu akan dilaburkan semula ke dalam sektor lain yang lebih selamat dan kekal. Dengan kata lain, akan wujud pelabur DDI yang akan mengambil alih FDI secara cergas melabur semula dalam sektor lain seperti industri pembuatan atau perladangan yang secara tidak langsung akan mewujudkan peluang pekerjaan, perniagaan dan malahan menghasilkan barangan untuk tujuan domestik dan juga eksport.

Tun, Jika benar pelabur FDI sudah mula masuk ke dalam pasaran saham Malaysia secara aktif, itu adalah merupakan satu rahmat kepada para pelabur tempatan yang agak sekian lama menunggu kenaikan nilai saham mereka seperti mana era sebelum krisis tahun 1997. Ketika itu pelabur amat gembira kerana nilai modal pelaburan mereka meningkat berkali ganda, termasuk keluarga saya yang ada melabur serba sedikit dalam saham GLC, Blue Chip dan Perladangan.

Saya masih ingat ketika itu (semasa era DEB sedang rancak) dasar pengagihan saham korporat boleh dinikmati oleh syarikat Bumiputra yang bertaraf Sdn Bhd akan mendapat tawaran (pink form) sejumlah tertentu saham korporat (kalau tak silap kuota minima 10 lot) melalui penyenaiaan syarikat awan yang baru disenaraikan. Manakala ahli politik dan mereka yang berpengaruh mendapat kuota tidak kurang 200 hingga 300 lot seorang.

Tetapi itu cerita lama. Nukilan ini sekadar nak berkongsi pengalaman dan nostalgia, kerana zaman kegemilangan itu telah berlalu. Apabila pelabur asing mula lari dan index pasaran saham tempatan merundum, minat untuk melanggan saham mula berkurangan. Tawaran saham penyenaiaan baru kepada Syarikat Bumiputra bertaraf Sdn Bhd sudah tidak wujud lagi dan hanya tinggal legenda. Saya tidak pasti kuota tawaran kepada ahli politik masih lagi wujud atau tidak.

Jika FDI masuk semula, BSKL harus mencontohi S'pura yang bertindak segera memutuskan litar transaksi jika keadaan manipulatif agak luar biasa. Satu kaedah, iaitu apa yang dipanggil system Circuit Breaker harus diaplikasikan bagi mengekang aktiviti manipulatif merbahaya.

Tun kata ada 200 saham Malayan Tobacco, angka 200 itu adakah 200 lots atau 200 unit. Malayan Tobacco kalau tak silap saya telah diserap ke dalam BAT (British American Tobacco). http://www.batmalaysia.com/group/sites/BAT_7RYJ8N.nsf/vwPagesWebLive/DO7SU K8D?opendocument&SKN=1).
<http://www.batmalaysia.com/>).

Harganya agak tinggi sekarang sentiasa berkisar antara RM39.00 hingga RM49.00/unit. Jika dengan kedatangan FDI harganya meningkat, harganya lebih lumayan lagi, mungkin sekali ganda. Tun sudah boleh jadi salah seorang pelabur DDI yang dapat membantu Negara. Jika FDI benar-benar masuk semula pasaran kita, harga kaunter tersebut mungkin boleh mencecah RM90.00/unit seperti sebelumnya. Semoga ramai lagi orang kita yang boleh mengikuti jejak langkah seperti Tun.

***Pelabur DDI dan juga FDI yang berpotensi, amat di perlukan bagi merencanakan ekonomi Negara. Aktiviti ekonomi seharusnya melibatkan semua sektor, seperti pertanian, ternakan,

industri memproses, pembuatan, perkhidmatan, pelancungan, industri makanan, stock market, kewangan dan sebagainya yang membolehkan ekonomi berkembang secara sama rata kepada semua lapisan rakyat dibawah selogan 1Malaysia.

***Makanan adalah keperluan asas yang perlu dibekalkan secara berterusan. Negara mengimport berbilion ringgit hasil makanan dari luar negara setiap tahun. Peluang itu terlepas begitu sahaja tanpa dapat dinikmati oleh para petani dan para pengusaha tempatan.

Pengumuman Menteri Perusahaan Asas Tani – Noh Omar dalam akhbar arus perdana tentang satu konsep yang akan dilakukan bagi meningkatkan pendapatan petani adalah satu idea yang baik.
http://www.utusan.com.my/utusan/info.asp?y=2010&dt=1115&pub=Utusan_Malaysia&sec=Rencana&pg=re_01.htm).

Manakala program Groom Big anjuran MITI yang diumumkan Datuk Mukhris baru-baru ini juga satu idea yang baik dan bagus kepada pengusaha PKS.
<http://www.bernama.com/bernama/v5/newsbusiness.php?id=542884>).

Walaubagaimanapun berbagai usaha lebih keras perlu dilakukan lagi bagi melibatkan semua jentera dan agensi kerajaan yang berkaitan. Penglibatan agensi kerajaan, swastan dan yang paling penting komited daripada rakyat keseluruhannya. Rakyat harus mengamalkan satu bentuk budaya positif yang tinggi.

Budaya positif tinggi yang di maksudkan ialah harus mengamalkan budaya hidup berpemikiran tinggi bagi menghasilkan idea-idea baru dan juga sentiasa mengamalkan budaya kerja yang mendatangkan hasil beroutput tinggi bagi mencapai tahap berpendapatan tinggi. Oleh itu kerajaan dan rakyat harus bergerak secara bersepadu yang akan dapat merealisasikan cita-cita tersebut.

Bagi pihak kerajaan, secara positif, peluang-peluang harus dicipta melalui satu perancangan rapi dan teratur seperti yang pernah dilakukan sebelum ini. Contoh seperti rancangan MADA, FELCRA, FELDA, KADA, LADANG RAKYAT dan banyak lagi yang telah dilakukan dalam era para pemimpin terdahulu boleh dicontohi untuk menjana pendapatan rakyat, termasuk orang kampung dengan cara menambah sedikit kreativiti dan lebih inovasi.

Jika di Johor terkenal dengan tanaman NENAS nya yang dikawal selia oleh satu agensi perbadanan, di Kelantan dengan TEMBAKAU yang dikawal selia oleh LTN, koko oleh Lembaga Koko, juga konsep FELDA dan FELCRA yang dilihat telah banyak mengukir kejayaan. Kenapa konsep-konsep tersebut tidak diaplikasikan secara meluas kepada tanaman lain?.

Salah satu lagi cara ialah, melalui sistem INTEGRATOR dan system CONTRACT FARMING yang harus diperbanyakkan agar hasil yang dikeluarkan oleh rakyat(khususnya petani, penternak dan nelayan) mempunyai saluran tetap bagi memasarkan hasil keluaran mereka.

Ini ialah kerana; para petani tidak berupaya memasarkan secara bersendirian terus kepada PASAR RAYA BESAR seperti Tesco, Jusco, Giant, Econsave, The Store, Gold Storage, Carrefour dan sebagainya yang mempunyai margin jualan yang tinggi dan rangkaian pemasaran di luar negara. Oleh itu sistem Integrator dan Contract Farming harus diaplikasikan dan diperbanyakkan untuk memudahkan para petani fokus kepada sesuatu jenis pengeluaran.

Chonton, bagi penanam sayur umpamannya, FAMA mungkin boleh menjadi Integrator yang boleh mengendalikan sistem Contract Farming bagi memungut hasil keluaran sayuran daripada petani secara konsisten. Konsep satu kawasan satu produk pengeluaran adalah lebih baik agar tidak menimbulkan masalah lambakan dalam pasaran.

Walaupun FAMA telah melaksanakan sistem Contract Farming, tetapi tidak dilakukan secara menyeluruh dan berkesan. Melalui pengalaman, kebiasaannya FAMA mengambil hasil daripada petani tidak secara konsisten.

Di Malaysia terdapat beberapa INTEGRATOR dari syarikat swasta yang boleh dijadikan contoh bergiat secara bersungguh-sungguh dan berkesan melalui sistem perniagaan CONTRACT FARMING khususnya dalam ternakan Ayam Daging dan Telur. Antaranya seperti Pertanian Pertiwi, GSM, Leong Hup, Ayam Dinding, KFC, Ayamas, CAB, Phin Wee, Chaeron Pakhon, Farm Best dan banyak lagi.

Syarikat Integrator ini membekalkan benih anak ayam, ubat-ubatan, bimbingan dan seterusnya apabila sampai ke peringkat tuaian(harvest) mereka akan harvest semua hasil tersebut dengan harga kontrak ladang yang telah ditetapkan.

Baki keuntungan akan diserahkan kepada penternak setelah ditolak kos DOC(day one chick), ubat-ubatan dan makanan ayam. Manakala kos pengurusan seperti letrik, air, upah buruh dan lain-lain kos termasuk yang di luar jangka ditanggung oleh penternak sendiri.

Sistem ini menghasilkan pulangan yang lumayan dan berterusan kerana penulis sendiri juga terlibat dengan sistem perniagaan cara begini. Keuntungan boleh diperolehi pukol rata lebih kurang antara RM0.80sen hingga RM1.00/ekor.

Jika penternak berupaya menternak 40,000 ekor dengan nisbah kematian yang rendah(tidak lebih 5 peratus), bermakna hasil yang diperolehi antara RM30,000 hingga RM40,000(setelah ditolak kos yang dibekalkan oleh pihak Integrator seperti anak ayam, makanan dan ubat-ubatan) dalam masa 40 hari tempoh harvest.

Secara kasarnya pula, setelah ditolak kos pengurusan, para penternak boleh memperoleh pendapatan bersih antara RM20,000 hingga RM25,000/harvest dalam masa 40 hari. Seterusnya membersihkan reban semula untuk musim berikutnya.

Apa yang perlu, pengusaha harus ada pengetahuan, kemahiran dan pengalaman dengan menghadiri kursus sama ada di Jabatan Haiwan kawasan masing-masing atau di tempat lain atau dengan cara menghadiri praktikal atau bekerja secara sambilan di farm-farm yang berselerak diseluruh Negara sebagai usaha mencari pengalaman. Terutama dalam mengenalpasti penyakit. <http://www.smallstock.info/info/health/poultry-disease.htm>). Jenis penyakit

Para Pengusaha juga perlu menyediakan tempat(reban) untuk mengusahakan ternakan tersebut. Kawasan pula harus jauh daripada kawasan kediaman untuk mengelakkan pencemaran kepada penduduk setempat. Paling sesuai ialah kawasan lading kelapa sawit, kebun getah, dusun dan sebagainya yang jauh dari kawasan kediaman.

Keluasan tapak atau reban yang hendak dibina mengikut jumlah ayam yang hendak diternak. Untuk penyelesaian ayam ternakan, kebiasaannya lebih kurang satu kaki persegi bagi setiap ekor ayam daging. http://www.smallstock.info/reference/FAO/APHCA/Poultry_Eng_ebook.pdf). Binaan reban.

Jika ingin menternak 40,000 ekor, keluasan reban lebih kurang 50'lebarx400'panjang =20,000 kaki persegi x 2 tingkat. Mereka yang berminat boleh membuat pertanyaan dengan menghubungi Integrators tersebut... <http://layhong.com.my/website/>). Lay Hong Nutriplus <http://www.cab.com.my/poultry.htm>). CAB Cakaran. http://www.qsrbrands.com/English/NonFlashSite/BusinessUnits/BizU_Poultry_Integration.asp). Qsr & Kfc <http://www.ibcmalaysia.com/Leong-Hup-Contract-Farming-Sdn-Bhd-Poultry-Farms/>). Leong Hup <http://www.pwconsolidated.com/html/index-2.html>). PinWee http://www.cp-malaysia.com/2/index.php?option=com_content&task=view&id=436&Itemid=68). Charoen Pokphand(CP). http://www.tradema.com/global/index.php/id/15619/target/about/AYAMAS_FOOD_CORPORATION_SDN_BHD/index.html). Ayamas juga sedang mempromosi perniagaan produk Ayam, dengan melantik usahawan yang berminat menjadi Usahawan Bistari Ayamas.

Jadi disini antara lainnya, saya mengesyorkan supaya pihak INDUSTRI ASAS TANI secara lebih inovasi

mengkaji kearah sistem Integrator ini, yang mana dilihat lebih praktikal, berkesan dan berpotensi untuk diaplikasikan kepada petani/penternak/nelayan dan pengusaha lain-lainnya bagi meningkatkan pendapatan rakyat.*****

Selain dari itu, kaedah seperti yang dilakukan Felda yang ada kilang memproses dan ujud pula industry hiliran lainnya. Begitu juga perusahaan tanaman nenas di Johor yang juga ada kilang mengetin, membuat jus dan sebagainya, maka tanaman lain juga boleh dimajukan dengan cara ini jika ada kilang memproses dan menghasilkan pula industry hiliran lainnya, seperti barangan pengguna dari bahan tersebut.

Apa salahnya cuba dikembangkan pada tanam lain juga(selain yang sedia ada). Seperti tanaman sayur-sayuran, buah-buahan, ubi kayu, vanilla, kenaf, herbal, steavia, jarak, ternakan kambing, lembu, ikan, udang, burung unta dan banyak lagi yang berpotensi boleh dikenalpasti untuk diaplikasikan melalui cara Contract Farming ini, terutama dikawasan pedalaman yang belum menerima arus pembangunan.

Apa yang perlu ialah, kerajaan menggalakkan pertumbuhan syarikat(C.F) seperti ini sama ada dari DDI atau FDI atau dari agensi kerajaan sendiri yang berkaitan seperti FAMA, Veterina, RISDA, MARDI, MARA dan sebagainya mengubah strategi, agar limpahan ekonomi itu diageh samarata antara bandar dan luar bandar seperti di kampung tradisi dan kawasan-kawasan lain yang masih dalam keadaan mundur dan jauh dari arus pembangunan.

Jika sebelum ini agensi-agensi tersebut hanya bertindak sebagai penyelaras dan pemantau semata-mata, harus bergerak dan berfikir di luar kotak terlibat secara lebih jauh lagi. Atau mungkin boleh ditubuhkan satu agensi lain yang khusus berkaitan dengan pemprosesan, industry tambah nilai dan pemasaran hasil keluaran semua jenis hasil yang diusaha/dikelurakan petani/penternak/nelayan dan lain-lainnya mengikut kawasan.

Di negeri China, Thailand dan Vietnam industri mengetin hasil pertanian didirikan di kawasan di mana kegiatan pertanian itu sendiri dilakukan. Umpamanya kilang mengetin buah-buahan seperti rambutan, laychi, mata kucing, rebung buluh, cendawan, asparagus dan sebagainya didirikan di kawasan di mana para petani/nya banyak menanam dan mengusahakan tanaman tersebut.

Kawasan yang banyak ternakan ayam, ikan, babi, udang dan sebagainya, maka akan didirikan kilang mengetin bahan tersebut dan sisanya diproses menjadi baja dan bahan makanan ternakan dan binatang peliharaan seperti dilakukan di China, Thailand dan Vientnam juga.

Secara ringkasnya idea menjana ekonomi itu harus boleh melibatkan pertumbuhan industri hiliran, peluang perniagaan, peluang pekerjaan, menambah eksport negara dan lain-lain peluang atau rantaian perniagaan berkaitannya yang akan ujud dengan sendirinya. Tq.

By HBTAuthor Profile Page on November 24, 2010 12:37 PM

Ayahanda Tun,

From MI about DSAI,

Anwar likely to face censure over APCO-Israel jibe

By Clara ChooiNovember 24, 2010

Anwar had claimed that APCO was behind both the 1 Malaysia and 1 Israel concepts. — file pic KUALA LUMPUR, Nov 24 — Barisan Nasional (BN) is expected to use its majority to strike a blow against its Pakatan Rakyat (PR) rivals ahead of possible snap polls next year, by suspending Datuk Seri Anwar Ibrahim from Parliament next month.

The Malaysian Insider understands that on the final day of the ongoing parliamentary session this December 15, the opposition leader will be made to answer for his APCO-Israel jibe from earlier this year, under recommendation from the House's powerful Rights and Privileges Committee.

The committee is expected to recommend a suspension order against PR's de facto leader, said to be a thorn in the side of the ruling government which suffered severe losses in the last general election.

In Election 2008, Anwar had led the opposition pact in sweeping up five states and denying BN its customary two-thirds parliamentary majority.

It is believed that Anwar will be suspended for at least six months from the House but will continue to receive his MP's salary.

Najib was initially leery over the move to suspend Anwar. The Malaysian Insider understands, however, that Prime Minister Datuk Seri Najib Razak had initially been against the idea of meting out such a punishment to the opposition leader for fear of public backlash, but had relented after being convinced by his BN aides.

The prime minister is also scheduled to meet with Dewan Rakyat Speaker Tan Sri Pandikar Amin Mulia over the issue today.

The move is believed to be a strategic attempt by the ruling BN coalition to throw the opposition momentarily off guard ahead of an expected general election, believed likely to be held in the first quarter of next year.

It is also believed to be a form of reprisal by the federal government, after similar moves by PR administrations in Selangor and Penang to suspend BN opposition leaders from its state assemblies.

Last July, the Selangor state assembly had suspended former menteri besar Datuk Seri Dr Mohd Khir Toyo and four other BN assemblymen from the House for one year and six months each, respectively. Their privileges as assemblymen were also revoked for the period of their suspension.

According to news reports, the state assembly's Rights and Privileges committee had recommended Khir's suspension for failing to attend the Select Committee on Competency, Accountability and Transparency's (Selcat) inquiry for allegedly making disparaging remarks against the committee in the media.

The other four BN assemblymen — Datuk Warno Dogol (Sabak Bernam), Datuk Mohd Idris Abu Bakar (Hulu Bernam), Mohd Isa Abu Kassim (Batang Kali) and Datuk Marsum Paing (Dengkil) — were also suspended for the same reason.

Earlier this month in Penang, state opposition leader Datuk Azhar Ibrahim from Umno, who is also the Penaga assemblyman, was suspended for six months from the assembly after he refused to retract allegedly seditious remarks regarding the May 13 racial clash in 1969.

His suspension, effective August 17 to February next year, had also sparked a walkout by all the 11 BN assemblymen in the state legislature.

BN state opposition leaders had been suspended in Selangor and Penang. The lawmaker had apparently, during a speech to the assembly by Chief Minister Lim Guan Eng on May 7, warned of a likely repeat of the May 13 racial riots and had suggested the armed forces take over the functions of the police if the latter had lost the confidence of the people.

Azhar was referred to the assembly's Rights and Privileges Committee after a motion tabled by DAP's Jagdeep Singh Deo was accepted. The suspension order was subsequently conveyed to the state assembly and allowed.

In Anwar's case, the fiery opposition leader had been summoned to the House's committee on June 8 after he claimed that the supposedly Israeli-linked public relations consultancy APCO Worldwide employed by the Najib administration was behind both the 1 Malaysia and 1 Israel concepts.

His remarks had dominated the previous parliamentary session earlier this year and had been used incessantly by opposition leaders as campaign fodder during the Hulu Selangor and Sibu by-elections.

Anwar's hearing before the committee was, however, put off when the leader insisted on being accompanied by legal counsel — former Bar Council president Datuk Ambiga Sreenivasan.

He was later allowed to be accompanied by Ambiga under strict instructions that the latter would not be allowed to speak during the proceedings.

Despite this, Anwar's hearing was put off and the matter has not been raised since then.

COMMENT:

Will Anwar be suspended on APCO-ISRAEL issue pressured by Yes-men of BN Umnoputras who are blind and short-sight?

Will BN Umnoputras be lured by Anwar to gaduh in Parliament?

Will the APCO-ISRAEL be allowed to debate by the Speaker?

I doubt so they can succeed this time because these Umnoputra2 should know very well what BN Chairman wants for BN as National Front's Coalition.

Take care Ayahanda Tun.

By TAuthor Profile Page on November 24, 2010 8:09 AM

/// By checker on November 22, 2010 12:23 PM

Mr T or whoever you are, that explained why you are not a leader and will never be one for asking those questions to Tun and expect to be given answers on the platter . That's why we, Malaysians, should recognise Tun as a great leader. ///

checker - please check before you start licking and polishing.

Those statements were not made by me. Those statements and comments were made by TDM. If you have any beef, consult the great leader. And they are not questions - they were pronouncements made by TDM.

How do you know I am not a leader? Do you know me? So, non-leaders are not supposed to comment? Non-leaders are not supposed to comments? What is the "Comment" button here for? Why are you commenting here?

Yes, Adolf Hitler was a leader. Robert Mugabe is a leader. Kim Jong En is a great leader. By your logic, only these people can ask questions and make comments.

TDM don't need your help to defend himself. He is very capable of doing so. So, please stop grovelling. By borninthe80sAuthor Profile Page on November 24, 2010 12:44 AM

Dear Tun,

We saw the rift between the north and south koreans today. Is this the indication of a war coming in the far east? Are we becoming the next middle east? The US are fast to comment on the news, they are

creating a big news out of it and pledges their utmost support to the south koreans.

Will this lead to a big economy bubble burst in this region? As you know they are already getting China (their debtors) involve in this issue even at this stage.

BORNINTHE80s

By parameswara 2Author Profile Page on November 23, 2010 9:01 PM

Dearest Tun

may I..

// By AHMAD BADRI Author Profile Page on November 20, 2010 11:03 PM

.....Surely the Malaysian public financial institutions need to invest, that's their job, but please kindly learn the lessons how so much Malaysian public money had gone to waste due to lack of wisdom of exposure and experience, compounded by insensitive leaders. Please be accountable. Please listen to us, the people.//

dear AHMAD BADRI,

Another awesome comment from you that surely speak on my behalf. I hope that the leadership would start listening to us now because at the moment I don't really see him taking all these accountability thing we are demanding seriously.

Well,lets hope that he is not too late..

Thanks Tun.

By saatchamAuthor Profile Page on November 23, 2010 2:00 PM

salam Tun..

<http://peribadidrmahathir.blogspot.com/>

By andrewtayAuthor Profile Page on November 23, 2010 1:33 PM

golami

Why didn't IMF's bailout come to Malaysia you ask?

Well, its because the bailout was attached with terms and condition which are not appropriate for Malaysia. Most of the terms and conditions are generic. They are transparent government, economic liberalisation and tax increase.

But i reckon the main reason is because Malaysia would still like to bath in its old ways, the ways of the corrupt. The bald and ugly people at the top like their moolahs dirty.

By TuaChengAuthor Profile Page on November 23, 2010 11:20 AM

The way you've previously during the slide which that time KLCI is 800points.

On National TV you told Malaysian, our stocks now is cheap, you got to buy now.

But during that time, some young entrepreneurs that owns companies like Rekapac, Tongkah, Aokam, UEM and Konsortium Perkapalan, starts to dump their stocks.

While Petronas was directed to go to rescue, but rescue is for the Corporate levels only.

Small mens on the road, was the worst hit. Yet, I remember you told Malaysian it is cheap to buy.

So, honestly your prediction onto stocks were not accurate but very biased to your liking.

If without foreign equity to play in our fields, then only the cronies of certain political party controls the market as the top ten of the KLCI companies are GLC.

So be it some call me ignorant. Yet ignorance to your call, had saved me a lot.
By fbmAuthor Profile Page on November 23, 2010 1:27 AM

Assalamualaikum Tun,

1. Foreign funds are hot moneys; people who gave these capitals are only interested in gaining more. KLCI should be stern on FDI selling and buying. We can't just ignore the FDI either as volatile traded shares or as solid investments with agreements.
2. On market traded shares, we can't stop the trading as they are liquid-able sources. In the same time, I do think that the circuit breaking system should be more comprehensive to cover to a certain cooling time frame for the investors and the listed entities. At least a gradual outflow will dampen the fall and preparation could be made accordingly exclusively and nationally.
3. Share wise, things like bonds and sukuk might suit better for a long term stable investments for companies who required investments.
4. Most of the local retail share traders are short termed or should I say more focused on gain only, they will certainly follow the trends than the company progress. Some calculated risk players can even gain on both bullish and bearish markets (with ethical or unethical ways).
5. For those who should I say gambling rather than trading, they might not even know what they have invested on.
6. Options on investments are wide through Islamic banking. These options are more stable and more cautious in many ways.
7. Currently non-performing loan does not just involving loans on investments like stocks and shares. Even youngsters as early as 21 are burdened with study loans and some are worsened with their credit card spending. While on the third hand (if I may), if what the current reported news are right, we should also look at the current housing loans nationally as they seems to follow the loan trends in US financial system before they collapsed; as you say, we can't just print our money in our 'bangsal' like they do.
8. By the way Tun, 200 units on tobacco are quite some numbers.
9. Keep healthy!

PS: I do think you should have a calendar in your blog showing where and when you going to be (give a talk, etc). So people like me can schedule our time to listen to your talk maybe when you are in UK or somewhere else.

By kulupaliAuthor Profile Page on November 22, 2010 3:39 PM

Salam untuk Tun.

Alhamdulillah, sekadar hendak berkongsi pengalaman dan nostalgia.

Tun, Jika benar pelabur FDI sudah mula masuk ke dalam pasaran saham Malaysia, itu adalah merupakan satu rahmat kepada para pelabur tempatan yang agak sekian lama menunggu kenaikan nilai saham mereka mana era sebelum krisis tahun 1997. Ketika itu pelabur amat gembira kerana nilai modal

pelaburan mereka meningkat berkali ganda, termasuk keluarga saya yang ada melabur serba sedikit dalam saham GLC, Blue Chip dan Perladangan.

Saya masih ingat ketika itu (semasa era DEB sedang rancak) dasar pengagihan saham korporat boleh dinikmati oleh syarikat Bumiputra yang bertaraf Sdn Bhd akan mendapat tawaran (pink form) sejumlah tertentu saham korporat (kalau tak silap kuota minima 10 lot) melalui penyenaraian syarikat awan yang baru disenaraikan. Manakala ahli politik dan mereka yang berpengaruh mendapat kuota tidak kurang 200 hingga 300 lot seorang.

Tetapi itu cerita lama. Zaman kegemilangan itu telah berlalu. Apabila pelabur asing mula lari dan index pasaran saham tempatan merundum, minat untuk melanggan saham mula berkurangan. Tawaran saham penyenaraian baru kepada Syarikat Bumiputra bertaraf Sdn Bhd sudah tidak ujud lagi dan hanya tinggal lagenda. Saya tidak pasti kuota tawaran kepada ahli politik masih lagi ujud atau tidak.

Jika FDI masuk semula, BSKL harus mencontohi S'pura yang bertindak segera memutuskan litar transaksi jika keadaan manipulatif agak luar biasa. Satu kaedah, iaitu apa yang dipanggil system Circuit Breaker harus diaplikasikan bagi mengekang aktiviti manipulatif merbahaya.

Tun kata ada 200 saham Malayan Tobacco, angka 200 itu adakah 200 lots atau 200 unit. Jika 200 lots, wooww.. lumayan tu. Malayan Tobacco kalau tak silap saya telah diserap kedalam BAT (British American Tobacco).

http://www.batmalaysia.com/group/sites/BAT_7RYJ8N.nsf/vwPagesWebLive/DO7SUK8D?opendocument&SKN=1).

<http://www.batmalaysia.com/>).

Harga sentiasa berkisar antara RM39.00 hingga RM49.00/unit. Katakan hendak dijual pada harga RM49,00. Jika 1 lot sudah ada RM49,000, so 200 lots (49,000x200=.....???) sungguh lumayan.

Tun sudah boleh jadi salah seorang pelabur DDI yang dapat membantu Negara. Jika FDI benar-benar masuk semula pasaran kita, harga kaunter tersebut mungkin boleh mencecah RM90,00/unit seperti sebelumnya. Semoga ramai lagi orang kita yang boleh mengikuti jejak langkah seperti Tun. Sekian dan sekadar nak berkongsi pengalaman dan nostalgia. Tq.

By ssyAuthor Profile Page on November 22, 2010 1:55 PM

salam tun,

1) Padangan saya hanyalah sebagai orang awam yang tidak mempunyai latarbelakang pendidikan ekonomi, hanya sekadar lontaran buah fikiran.

2) Pada masa sekarang terdapat banyak industri pembuatan dalam pelbagai sektor dalam mengerakkan ekonomi negara. Walaubagaimanapun sektor ini semakin banyak menghadapi masalah terutamanya apabila kos tenaga buruh semakin meningkat dan menyebabkan pelabur asing menghentikan operasi. Dalam masa yang sama, kemasukan tenaga buruh asing juga bertambah kerana bertujuan untuk mengurangkan kos tenaga buruh tempatan yang tinggi.

3) Sektor industri kita sepatutnya sudah mula beralih kepada bidang RnD dan menghasilkan produk berjenama tempatan. Dalam masa yang sama meningkatkan eksport produk tempatan ke luar negara supaya lebih banyak wang dibawa masuk kedalam negara. Tetapi malangnya usaha ke arah ini tidak dapat dilihat dengan jelas, kita lebih suka menumpukan kepada industri pembuatan semata2 setelah RnD dilakukan diluar negara. Malahan banyak industri pembuatan tidak membangunkan kelengkapan-kelengkapan yang diperlukan didalam negara sebaliknya mengimport masuk peralatan-peralatan canggih dari luar negara seperti dari Jepun, Korea, China, Europe dan US untuk kegunaan industri pembuatan di dalam negara.

4) Malaysia perlu meningkatkan produk tempatan yang berdaya saing diperingkat global, bukan sahaja produk kegunaan harian, tetapi termasuk ilmu pengetahuan, kemahiran dan tenaga pakar. Ilmu dan

teknologi merupakan satu sumber pendapatan yang tidak akan berkurangan seperti produk komoditi dan hasil bumi yang lain.

5) Diharap negara kita dapat menjadi mengubah statusnya sebagai negara membangun kepada negara maju menjelang 2020.

By HHilmiAuthor Profile Page on November 22, 2010 1:53 PM

Dear Tun,

This subject, I disagree partly with Tun. Yes, the outflow of money can do damage to the country. But the inflow of cash so far is benefiting me, the partime investor, as well as the country (I think so). I call it a "calculated risk" profiting scam. It is legal as you said. If someone wants to give you money, just take it Lah! I sold my shares, make some profit, keep the money in gold, go home and sleep....

So, for the big local investors, you know what to do.....

Tun, in the game called poker, with the cards shown on the table, never trust your set of cards is the best bet. When you walk in, you must have limits to your investment. Walk off and SWEAR if you lose...Similarly, if the chips are flowing to your side, don't ever count it!! There will be time enough for counting, when the deal is done. Go back home quickly and eat Kenny Rogers!!!

Tun, please don't spoil the market now.....I still have plenty of shares in my hand. Wait after election Lah.....

I pray to God to give you good, good and very good health.

Take care Tun.

By Netizen-1Author Profile Page on November 22, 2010 12:52 PM

As'kum Tun,

A little correction on the terms used. 'Hot money' is not FDI. Purchasing Stocks/Shares on the Exchange is not an FDI.

All in all, you're right in the sense that margin calls will be asked should investor (not investor), stock TRADERS to be exact uses leverage to multiply their earnings, hence, their risk also.

KLCI, Singapore Index, even USD Indices (DJIA, NASDAQ) are growing at relatively fast pace. Quantitative Easing method used to expand holdings of OWN securities have definite longer-term inflation expectations thus destabilizing economy again. But whatever it is, it's Bernanke's and the Fed's decision we just wait and see what happens (we already know what's going to happen though).

It is only a matter of time before the 'air' pumped into these Exchanges be pulled out and ALL prices plummet again. Stock Investors WATCH OUT for the signal! Steep rise in the Stock Markets almost always followed suit with a sharp decline.

By checkerAuthor Profile Page on November 22, 2010 12:23 PM

Salam Tun & fellow bloggers,

May I...

// by Amin Tan on 20th Nov

Thanks for a very well-explained brief on investment in stock market.

// by T on 21st Nov

Mr T or whoever you are, that explained why you are not a leader and will never be one for asking those questions to Tun and expect to be given answers on the platter . That's why we, Malaysians, should recognise Tun as a great leader. When in crisis, as critical as a national crisis, he being THE leader must be willing and able to apply his great wisdom and NOT blindly following the so-called experts' advices. This is a national security and survival issues. Advice is cheap.

Tun usually has to put on new cap to THINK OUTSIDE THE BOX, to think something what the so-called expert NEVER THINK BEFORE. (That's why I like to hear his speeches whenever I have the opportunity)Such decision requires great wisdom, courage, belief, commitment and determination and lastly A PRAYER too. Sometime, it requires a mere common sense which after all, as always been mentioned, IS NOT COMMON after all. Do you get it Mr T?

By sykesAuthor Profile Page on November 21, 2010 11:15 PM

Dear Tun,

You are right, stock market is not the only answer to Malaysian economy (not sustainable, where investor can just pull the plug). In Malaysian formative years we were lucky there was high demand fo tin, rubber, oil palm and maybe cocoa. Probably you have predicted these commodities wont last long or it will not spur our country to greater height. You brought in electronic, semi heavy industries and manufacturing. These too have its days. Almosat all electronic manufacturing have gone to China (look at Bayan Lepas industrial estate). Soon oil palm production will be taken over by Indonesia. Our so call high value oil will also disappear soon at the rate everybody who is somebody clamouring for its revenue. BUT I have not seen or read any strategies by the government of where or what our economy is going to be based in the future. Singapore have change their strategy to bio..whatever. Thailand and even Vietnam have surpass us in agriculture. Where are the think tank in Najib's arsenal?

By orang kampungAuthor Profile Page on November 21, 2010 7:58 PM

Salam Tun yang di hormati,

1. Sejarah Jepun menjadi lakaran, jangan jadi bodoh sombong, belajar dari pengalaman, jangan rasa kita pandai sangat, dan juga belajar dari kesilapan diri sendiri atau orang lain.
2. Bila nak berdagang pasaran saham, belajar berdagang pasaran saham. Bila nak berdagang komoditi, belajar berdagang komoditi, dan bila nak berdagang matawang, belajar berdagang matawang.
3. Konsep nya sama; beli semasa harga rendah, jual semasa harga tinggi. Dapat untung.
4. Peluang sentiasa lalu da hadapan mata, sesiapa yang cepat, sesiapa yang buat kerja, selalu dapat.
5. Bila berdagang buat analisa, jangan berdagang dengan 'rumors' sahaja.
6. Tapi itu yg berlaku di KLSE, "rumors" melebihi analisa.
7. Bila terkena, semua di salahkan, kecuali diri sendiri.
8. Betul kata Tun; "Melayu mudah lupa".

By WaraAuthor Profile Page on November 21, 2010 5:31 PM

My Salam to Tun and Tun Dr Hasmah.

May you both be in the best of health.

To jeff: You don't trust anyone, do you? You think everyone is a liar and a cheat? Tun took very good care of this country while he was PM and I'm sure you benefited from his policies. Otherwise you would have left this country. You are still around enjoying life here. It is people like you who cannot be trusted. You are just like the opposition. The so called angels who are really the devils waiting to plunder the wealth of this great nation.

Thank you Tun. Thank you for taking good care of this beloved country.

By parameswara 2Author Profile Page on November 21, 2010 5:26 PM

Dearest Tun

May I..

//By amin tanAuthor Profile Page on November 20, 2010 10:58 AM

Dear Tun,

I agree with your analysis on the stock market and its impending disaster if foreign investors dump our shares at one go.

This should never happen if the banks know what they are doing. The central bank should have learnt their lesson from 1997 crisis. NEVER LEND MONEY TO BUY SHARES AND NEVER TAKE SHARES AS COLLATERAL. If commercial banks hold on to this basic principle, we should be safe. Anybody wants to buy shares it has to be from their own savings. //

Dear Amin Tan

1-I concur absolutely.Share investments should be by using own cash only so that you can hold for as long as it takes.

2-Borrowings to play the stock markets usually come in the form of margin financing whereby banks will allow investors to purchase shares up to a certain leverage maybe of 10 x their security (may be many times more depending on your financial standing etc)

3-So if they have 50,000 cash they may be able to buy shares up to rm500,000-00.The problem is once the margin of loss almost reach the cash value the investor must top up his cash security (margin call) or the banks will liquidate his shares.

4-Usually during bad bear runs the chances is that the banks will just force liquidate the shares because most of the margin players are gamblers not stupid to risk any more and this is what that exacerbate the stock market crash..

5-From what I see it as a layman its the investors who will be losing all of his secured portion but the banks only make money from all the fees involved in buying and purchasing of shares not including the interest on loans.

6-But what is obvious is stock market investing is more of gambling than anything else.It is really not about fundamentals but more of speculation and manipulation.The authorities could just pass a haram edict to this and save the people from unnecessary risk.

7-Warren Buffet is only the world's greatest investor because the FED helped with all the bailouts of all his investments, otherwise that Sage of Omaha would have already been a Disgrace of Omaha by now.

Thanks Tun

By TAuthor Profile Page on November 21, 2010 2:35 PM

Tun,

What exactly do you want Malaysia to do or NOT to do? Look at some of your recent posts.

You don't want to use the US Dollar.

You don't want Foreign Direct Investments.

You don't want forex trading.

You don't want foreign money going into the stock market.

You don't want Free Trade Agreement.

So, are you suggesting that Malaysia should follow North Korea's example and be self sufficient?
By checkerAuthor Profile Page on November 21, 2010 1:35 PM

Salam Tun & fellow bloggers,

I am not well versed at this subject however with little knowledge on it, I believe the stock market is the biggest gambling den legally established where the greeds will dominate and are convinced as the fastest way to create great wealth....then for what? It must be acknowledged that the winners selfishly enough will accept that as their wisest decision but we are fully aware that every winners there will losers ... meaning suffering. The rule of the game, if you win it is OK but if you lose, too bad for you. This is the best and shrewed way by the "big powers" to economically destroy even a country.

It is not really a coincidence that usually the new players will be given the taste of winning and become addicted. He then using all the resources they have, will blindly continue to play with little knowledge of the game but will only hope for a bigger bounty.....

Hope that we should not fall into this trap. That's all I can say, a 2-cent worth of advise.
By zamanAuthor Profile Page on November 21, 2010 1:10 PM

Salam Sejahtera Tun dan Keluarga.

I cant fathom why the present government does not heed your concrete advice.

I vividly still remember during the financial crisis.The so call economist seems do not know how to solve this huge problem.They simply look at each other and make comment which is unreliable and disasterous.

Some say why not loan from IMF, its come handy.

That point in time we are blighted.Inmagine what had happened we just blindly get the so call "loan" from IMF.Disasterous for our local company and Malaysia.

Then come your macnificent idea to solve the crisis.Although at the beginning people redicule your move but finally its a flying colour sucess.You should have been awarded Nobel Price.Unfortunately our skin colour remain brown.

The only reason I would like to vehemently asserts here why the present government does dot heed your advice.Really dont understand they seems to stiiil prefer foreign adviser.Apasal ya Tun orang Melayu begini.TAF FAHAM LAH TUN.

May ALLAH Bless You Always AMIIN
By lebaikudinAuthor Profile Page on November 21, 2010 12:21 PM

Salam Tun & Bloggers,

- 1.Stock market was based on the basic principal of demand-supply,which favors capitalist
- 2.Bursa Malaysia,formerly known KLSE is merely a tool to keep in touch with the modern economic model/system
- 3.Often FDI were misconstrued as a real investment but in reality it's normally backed by a few scoundrel to make a quick buck
- 4.Hence,it is riddled with flaws/loop holes,such as manipulator & hedge fund taking advantage of these weaknesses

5. Tun you should offer an alternative to this system

6. Wassalam

By mgpunya Author Profile Page on November 21, 2010 10:07 AM

YABhg,

Stock market is too "big" for people with little money like us....

We'll just stick around at race courses....

By nahar Author Profile Page on November 21, 2010 9:51 AM

Maaf Tun, salam untuk semu keluarga.

Disini saya ingin memberi sedikit tambahan pandangan dan pendapat melalui pengalaman dan pembelajaran yg telah dilalui.

1. Aktiviti pelaburan dengan cara membeli saham, adalah antara kaedah yang boleh meningkat modal para pelabur dalam jangka masa tertentu. Jika diurus dengan baik dan serious melalui pemantauan dan pengawalan berterusan para pelabur akan berupaya meraih keuntungan, terutama kaunter-kaunter yang berpotensi.

2. Kemasukan FDI dalam pasaran saham tempatan adalah merupakan satu kaedah yang juga dianggap dapat menjana ekonomi negara. Apabila FDI memasuki pasaran saham tempatan, sudah pasti akan melonjakkan nilai saham tempatan. Seterusnya, apabila nilai saham meningkat, secara tidak langsung pelabur tempatan akan mendapat keuntungan atas nilai saham yang telah dilabur dan dipegang dalam tempoh tertentu.

3. Keuntungan yang diperolehi pelabur tempatan itu akan dilaburkan semula kedalam sektor lain yang lebih selamat dan kekal. Dengan kata lain, DDI akan mengambil alih FDI secara cergas melabur semula dalam sektor lain seperti industri pembuatan atau perladangan yang secara tidak langsung akan mengujudkan peluang pekerjaan, perniagaan dan menghasilkan barangan untuk tujuan domestik dan eksport.

4. Saya adalah antara pelabur lainnya yang amat gembira jika FDI kembali semula ke dalam pasaran saham tempatan kerana akan melonjakkan harga saham, mungkin hampir sekali ganda, terutama saham GLC, blue chip dan saham-saham berpotensi lainnya (pelaburan keluarga yang disimpan agak lama).

5. Apa yang perlu BSKL harus berupaya memantau kegiatan spekulatif melampau pelabur FDI ini, agar peristiwa 1997~1998 yang telah memberi pengajaran dan pengalaman kepada negara, khususnya BSKL sendiri supaya sentiasa keadaan berhati-hati dan berwaspada.

6. Pastinya BSKL telah mempunyai mekanisma tertentu yang boleh diguna pakai sebagai alat pemantau untuk bertindak sebagai CIRCUIT BREAKER apabila ada unsur-unsur atau bentuk manipulatif melampau yang cuba hendak dilakukan oleh aktiviti pelaburan FDI ini. <http://www.sec.gov/answers/circuit.htm>).

7. Mereka yang berminat untuk membeli secara CONTRA harus bijak mengawal dan monitor pelaburan setiap masa. Lakukan pembelian sesuatu kaunter ketika harga sedang rendah dan volume pembeli sedang meningkat (aktif). Jangan membeli kaunter-kaunter yang sudah meningkat naik terlalu tinggi. http://www.klse.com.my/website/bm/trading/equities/contra_transactions.html).

8. Bermain pada kaunter berharga murah (bawah RM1.00) mempunyai kelebihan, dimana pembelian mampu dibuat pada margin yang lebih besar, paling minima 50k dan keatas, iaitu pembelian paling ekonomik dan dijangka boleh meraih sedikit keuntungan setelah ditolak kos komisyen. Dengan syarat jangan bersikap terlalu tamak.

9. Pembelian contra membenarkan penangguhan bayaran dalam masa tiga hari. Jika pada HARI

PERTAMA pembelian dilihat telah boleh membuat sedikit keuntungan (katakan 0.3 sen/unit atau lebih sedikit), langkah melepaskan semua pembelian harus dibuat dengan segera. Jika tidak peluang hari kedua harus diambil tindakan segera. Hari ketiga mungkin telah terlambat dan bergantung pada keadaan. Harus ingat jauhkan bersikap terlalu TAMAK di dalam diri.

10. Oleh kerana harga (kaunter aktif itu) sentiasa TURUN/NAIK dalam satu hari, (melalui pengalaman sendiri) pelabur jenis contra ini harus bijak bertindak dengan membuat langkah PURATAKAN (average) harga pembelian (mengikut turun/naik harga) bagi tujuan pengawalan (iaitu untuk minimakan kerugian atau maksimakan keuntungan).

11. Jika beli saham bertujuan untuk disimpan, ada lebih baik membeli kaunter GLC, Blue Chip dan kaunter berpotensi lain yang lebih kukuh. Kebaikan yang diperolehi mungkin dalam bentuk Dividen, Bonus ataupun Rights issue, disamping mungkin akan berlaku peningkatan harga. Tq Tun.
By fairuzstone Author Profile Page on November 21, 2010 4:52 AM

Assalamualaikum YABhg. Tun and All

Yuppp., it's okay to be very careful with anything we achieve ("Be Careful of the Axes"),

everyone likes to achieve the highest point as he can, but some of it are quite deceiving and just luring us to feel good and easily satisfied ,

if we fail to have adequate "back-up" to face any untoward trend that came from within or without...

as stated in item 8

"8. In 1997-1998 the foreign investors pulled out their investments and the KLCI dropped from 1,300 to 262. Naturally a lot of local investors lost money. They could not meet margin calls nor raise money to augment collaterals for their bank loans."

Is there any mechanism to prevent sudden undesired outflow of funds or at least we have some monitoring for early detection and take necessary action to counter potential threats????

I don't know i ain't no expert.... hihhi

fairuz kamarulzaman

By AHMAD BADRI Author Profile Page on November 20, 2010 11:03 PM

Dear Sir,

Malaysians like to be praised (high growth, good investment climate, good fundamentals, emerging markets etc), and forget that with high praises there are opportunists reaping profits.

High growth? Not anymore, we are already behind Indonesia and Vietnam.

- Good investment climate? Well now we know the international investors' affinity are the other Asian emerging markets, which also have good investment climate.

- Good fundamentals? Let's believe it's true

- Emerging market? It was true before the 1997 financial crises, then with change of administration our position is now even worse than what we could ever imagined.

Much of the foreign industries that were here in the 1980's and early 90's had left for China. Now stuck with high labour and production costs, we are hoping for the K-economy as the saviour, but that's far from reachable, or whether it's happening or not nobody seems to know. Now it looks like, with the excess international liquidity, hedge fund managers can smell quick profits from way across the oceans. Yes I think they will come here, buy up shares of Malaysian PLCs, and when capital gains are good enough then they go to other easy to penetrate emerging markets. And our local investors, attracted to the rising share prices, and possible greed, will face another round of miserable music when prices go down, a possible repeat of the 1998 crises. That's what I think can happen, hopefully I am wrong.

It's most possible that individual local investors had learnt the bitter lessons of 1998. They lost their own money. However, those handling public money had better be well guarded by rules, and not guided by dumb and greedy politicians. Firstly, in 1998 they were still very young, or still students somewhere, with no firsthand knowledge of 1998 crises. Secondly, as often happen in GLCs and institutions, they feel the need to prove their worth (read: daring, risk taking, hey I got an MBA) and may, if not well safeguarded by wisdom, get into highly risky investment mode as in raring bulls. They must be told that they are handling public money, not their own money.

We should be reminded many times of losses of TM investment abroad (Africa, Indonesia), losses by Bank Negara, carelessness of Sime Darby in Bakun and elsewhere, and long ago, a Malaysian banker was even murdered in Hong Kong due to someone's carelessness in the Bumiputra Finance scandal. Remember also prior to RHB, the Sime Bank had to close shop after losing hundreds of millions. In spite of the billions lost, there is no sign accountability, and even the public is not well explained of what had gone wrong. And in the case of Sime Darby, even the Chairman is still re-elected, when we thought he will be wise enough to give way and share part of the blame. He is not dumb, apparently.

Hence with the incoming foreign funds buying up Malaysian shares, and our KLCI rising, some Malaysians will be happy and proud to be given praises that our economy is on the rise, that foreigners are buying our shares, so called "investors" are coming, that our share prices are up, etc. People like me, who are not trained in economics, are not too blind to see or too dumb to understand simple economics. We are definitely not happy to be given praises of how good our economy is, or that it is well run and managed, or that we have good growth rates, or the Governor of Bank Negara had been receiving so much "medals", with all due respect.

People like me are only happy when the Mak Cik nasi lemak by the roadside or the Char Koeay Teow seller can save enough money for the children's schooling, when this huge number of unemployed local graduates can find jobs, when home owners don't have to lose their homes from the ever increasing home auctions, when our SMEs can employ more locals, when our local professional consultants have enough jobs to keep going, when our class F contractors can find enough jobs to get them moving. Face it, there is still so much actual poverty in the land, and so many Malaysian people who need to bring food home everyday for their families to eat. All these require money in the country to well distributed, to filter down to where they are much needed. Government needs to spend money well, and reach the targets.

Unlike the US, Malaysia can't simply print money, and our revenues, as we all know are limited. So we can't spend the public money recklessly. Please don't sell GLC assets and declared them as profits. Hopefully those in the government, parliament and GLCs who are decision makers will give a hoot to us the common man in the street.

The US Govt will flood the world with their printed money because (1) midterm elections saw them losing the Congress, (2) China's cheap money is stealing them of jobs, (3) their unemployment rate, people who vote, had not come down. They have serious economic problems. And they have two years left to the next elections, and need to do it, period. Who are we to complain? And the hedge funds are coming, face it.

Surely the Malaysian public financial institutions need to invest, that's their job, but please kindly learn the lessons how so much Malaysian public money had gone to waste due to lack of wisdom of exposure and experience, compounded by insensitive leaders. Please be accountable. Please listen to us, the people.
By FXSpecAuthor Profile Page on November 20, 2010 11:01 PM

Salam Tun,

Hot money will leave when theres a crisis of confidence, like what happened in 1997. Portfolio managers scan the horizons for places to put money to get the best returns. If they pour it into Bursa Malaysia now it only means that they perceive Malaysia to be among the countries offering the best returns. Perhaps this perception came about after DSNajib started making the right noises, meeting the right people from the

right places.

These managers base their decision to come in mostly on macroeconomics and fundamental analyses, and time their entry on technical and other statistical analyses. They use these because they mostly worked for them over time and elsewhere. Once they are in, they will manage the portfolio based on normal portfolio management techniques to buy and sell individual stocks to optimise the returns - as long as there's no crisis of confidence. Without the crisis of confidence there's no reason for them to leave and they will stay on to reap the rewards of investing in a transforming economy (from a middle of the road income economy to a high income one).

We need them, don't we? Otherwise why would we go around making roadshows and the likes, spending good money to woo them? It's good for local investors and fund managers who can see the value of their portfolios rise. It's good for ASN and other floating unit trusts holders who will see a gradual rise in the value of their holdings. It's good for us. For the daytraders, at last they will see some profits especially in those shaky penny stocks they were stuck with for months now (talk about daytrading...haha!). Now, they can really do some real daytrading.

So, it's imperative that we manage our economy in such a way that there will be no surprises for the hot money managers. These people rely on predictability and policy consistency. They are kind of jumpy, these people and they will really jump if suddenly the economy behaves funny. They will then rush for the exit on the first plane available or even the last plane out, as long as they can leave, whether they already made money or not.

The crisis of confidence may not emanate domestically but from other markets. Thailand was the one they lost confidence in back in 1997, but it became contagious to other countries including us Malaysia whose economy was hailed as a beacon of success six months earlier by no less than the then mighty IMF. In 2008 it was the US. We suffered because they can't come out to invest here or they had to leave because they need the money to paper the holes that kept popping up all over the place over there.

This crisis of confidence seems to recur every ten years or so. The next one could be in 2017/18 (before this: 1987; 1997; 2008). Knowing this we should just be careful. Individually, we should manage our own portfolio accordingly - cash out the moment the market becomes kind of jittery, go back in when it settles down. Just don't get caught, and don't get stuck. Most importantly, don't get greedy. With your capital intact, you still can invest when the good time returns.

Daytraders should scalp like crazy while you can. When the tide went up, every floating thing goes up too, even the craps. Portfolio managers should not get wrong footed, again. Based on 1997 and 2008 crises, their diversified stocks holding may not be enough for winners to balance out losers. The whole market went down. Their total portfolio value plummeted with it, winners and losers included. Only difference was, some winners bounced back within days or weeks, the losers stayed down. But most continued to go down. The total value recovered to about half or less of its value before the crisis, or did not recover at all.

In time of crisis the only survivors were the real hedge funds with skilled managers and diverse strategies. Some even prosper. Yes, this is a different subject altogether best discussed elsewhere.

Enough lessons should have been learned over the years. We should be more prepared. There's absolutely no reason to refuse the hot money. It's how we manage the economy...and then pray that others (especially the neighbours) will manage theirs well, as well. But surprises, like the discovery of "black swans" come unanticipated, when you least expect them.

By MeiAuthor Profile Page on November 20, 2010 10:53 PM

Dear Tun,

I fully agreed with you. Such an extreme analysis which is so convincing. Thanks for the advice Tun and hope that the current government may do something about this, at least some preventive measures.

By golamiAuthor Profile Page on November 20, 2010 4:32 PM

a'kum Tun

why did you not took the money that the IMF has already allocate for our country in 1997-19998. i heard a lot of bad story and bad mouth about IMF.

but im still curious about it. i dont believe from sources that are'nt true. why dont you tell all of us what made you decide not to take the money? this matter can happen to our present government if the situtation is under pressure and desperate. but i still have faith and i believe our present government is not stupid, in fact they are good although there are still lack in certain field. hope you can write an article about IMF and other things out there that we dont know after this. it can help the next generation from making mistakes and aware.

GOD bless you Tun n Family

By wannabeAuthor Profile Page on November 20, 2010 2:26 PM

Thank you very much for allowing me to share precious information with the Malaysian readers. You are absolutely right on your assertion about FDI especially on US Dollar pouring in into the country.

Just when China are taking intensive safety measures about US paper print monies, Malaysian should be very careful about losing their stakes thru this kind of investment.

Truth is very contagious for some. However, allow me to share some interesting view written by David Chu ... to hell with the best interest of US.

<http://www.rense.com/Currency%20Wars%20For%20Dummies.pdf>

Have a nice day ayahanda Tun, and again please take care.

By milshahAuthor Profile Page on November 20, 2010 12:52 PM

Assalamualaikum Tun,

Agreed with your article. I would just like to add that instead of relying on foreign investors, why not rely on local investors, both retail and institutional investors?

Just look at the recent Petronas Chemicals Group (PCG) Initial Public Offering :

Share offered to public : 80,000,000 units

Share price per unit : RM5.05

Oversubscribed : 5 times

Total available funds from pubic : RM2,020,000,000.00

Since it was oversubscribe, many from the public were unhappy since many did not get the shares.

Mind you this is only this only the retail investors excluding the bumiputra portion and institutional investors.

Clearly there is great demand for GLCs shares from the public due to their stability and strong fundamentals.

Why not transfer some of the GLCs share to the public as a source of getting funds to finance their expansion and operational activities?

This is also in line with the current government policy for Khazanah to divest it's shareholdings.

The government is burden with expenses to finance national development. I would suggest the government create GLCs or existing GLCs, give the GLC the development project, and the GLC go for

IPO for financing.

Net impact will be less burden to the government, demand by the public for GLCs shares will be met, public get stable shares which should pay good dividends.

Domestic investors are not like foreign investors that will dump the shares and leave the country just to make a quick profit.

Even if domestic investors were to sell the shares, they most probably put the money in ASB, Tabung Haji, or FDs (for non muslims). In other words, the money is still in the country but transferred to another form of asset.

Just my opinion.

By DEE insan kerdil Author Profile Page on November 20, 2010 11:59 AM

smekom tun

terima kasih diatas nasihat tun ini, moga pelabur2 yang terlibat lebih berhati2 dan peka di setiap tindakan mereka, tun boleh ke kalau tun selitkan peringatan tentang KEMATIAN? supaya mereka yang ego, tamak, sombong, pentingkan diri, dan macam2 lagi agar tersentuh hati mereka, kalau tidak tersentuh pun xpe, mungkin sebagai pedoman pada kami ini (pemuda), islam/bukan (sbb semua akan mati) insaf dan lebih jujur memperjuangkan AGAMA, bangsa & negara. DEMI MASA SESUNGGUHNIA MANUSIA SENTIASA DALAM KERUGIAN KECUALI ORG YANG BERPESAN2 KEPADA KEBAIKAN DAN BERAMAL SOLEH. saya doakan tun sihat sentiasa demi memperjuangkan AGAMA, bangsa & negara.

By truthseeker Author Profile Page on November 20, 2010 11:34 AM

Salam Tun and fellow bloggers,

TUN THANK YOU AGAIN FOR TRYING TO SAVE OUR PEOPLE!

1. I think there are some other people out there knows bout this but not saying anything due to several reasons...greedy maybe...

2. The people in the government, some I think knows bout this but are not telling us, also due to several reasons...they're looking at najib, if he cautions us, then...they will do the same...

Please don't give up to educate us Tun, tqvm

By nahar Author Profile Page on November 20, 2010 11:23 AM

Salam untuk Tun sekeluarga;

Kemasukan FDI kedalam pasaran saham adalah merupakan satu kaedah yang juga dianggap dapat menjana ekonomi negara. Apabila FDI memasuki pasaran saham tempatan, sudah pasti akan melonjakkan nilai saham tempatan.

Seterusnya, apabila nilai saham meningkat, secara tidak langsung pelabur tempatan akan mendapat keuntungan di atas nilai saham yang telah dilabur dan dipegang sekian lama.

Keuntungan yang diperolehi pelabur tempatan itu akan dilaburkan semula kedalam sektor lain yang lebih selamat dan kekal. Dengan kata lain, DDI akan mengambil alih FDI secara cergas melabur semula dalam sektor lain seperti industri pembuatan atau perladangan yang secara tidak langsung akan mengujudkan peluang pekerjaan, perniagaan dan menghasilkan barangan untuk tujuan domestik dan eksport.

Saya adalah antara pelabur lainnya yang amat gembira jika FDI kembali semula ke dalam pasaran saham tempatan kerana akan melonjakkan harga saham mungkin hampir sekali ganda, terutama saham GLC, blue chip dan saham-saham berpotensi lainnya (pelaburan keluarga yang disimpan agak lama).

Apa yang perlu BSKL harus berupaya memantau kegiatan spekulatif melampau pelabur FDI ini, agar peristiwa 1997~1998 yang telah memberi pengajaran dan pengalaman kepada negara, khususnya BSKL sendiri supaya sentiasa berhati-hati dan berwaspada.

Pastinya BSKL telah mempunyai mekanisma tertentu yang boleh diguna pakai sebagai alat pemantau untuk bertindak sebagai CIRCUIT BREAKER apabila ada unsur-unsur atau bentuk manipulatif melampau yang cuba hendak dilakukan oleh aktiviti pelaburan FDI ini. <http://www.sec.gov/answers/circuit.htm>).

Mereka yang berminat untuk membeli secara contra harus bijak mengawal dan monitor pelaburan setipa masa. Oleh kerana harga sentiasa turun/naik maka pelabur jenis ini harus bijak bertindak dengan membuat langkah puratakan(average)harga pembelian bagi tujuan mengawal(iaitu untuk minimakan kerugian atau maksimakan keuntungan). Tq.

http://www.klse.com.my/website/bm/trading/equities/contra_transactions.html). Tq.

By amin tan Author Profile Page on November 20, 2010 10:58 AM

Dear Tun,

I agree with your analysis on the stock market and its impending disaster if foreign investors dump our shares at one go.

This should never happen if the banks know what they are doing. The central bank should have learnt their lesson from 1997 crisis. NEVER LEND MONEY TO BUY SHARES AND NEVER TAKE SHARES AS COLLATERAL. If commercial banks hold on to this basic principle, we should be safe. Anybody wants to buy shares it has to be from their own savings. But political interference may cause the banks to loosen this mandatory rule. Majority of shares owners are genuine investors but the speculators and hedge fund investors backed by consortium of banks that may cause havoc to share markets, especially off shores banks. That is the nature of share markets. Our innocent local banks may be vulnerable if they lend to local unsuspecting so called speculators or green horns.

Tun has given a timely warning. Those in the authority should put in necessary measures to prevent such economic disaster from ever taking place again. In 1997 we were bitten. We should be wiser now.

amin tan

By Rimba Emas Author Profile Page on November 20, 2010 10:05 AM

SALAM BUAT TUN BERDUA MOGA DIRAHMATI ALLAH S.W.T

1) ALLAH S.W.T PERNAH MENCERITAKAN KISAH SEPERTI DALAM SURAH AL-KAHFI BAGAIMANA PEMUDA-PEMUDA BERIMAN TELAH TERTIDUR BEBERAPA RATUS TAHUN YANG PADA SANGKAAN TERLELAP SEDETIK SAHAJA.

2) KAITAN DARI BABAK CERITA INI KITA BOLEH AMBIL BILA KUASA ALLAH S.W.T MENYEDARKAN MEREKA DARI TERTIDUR DAN KEMBALINYA MEREKA KE TEMPAT ASAL DENGAN MEMBAWA SYILING YANG LAMA DAN TIDAK BERNILAI LAGI PADA ZAMAN YANG BERUBAH.

3) BEGITU JUGA KISAH SEJARAH KITA BAGAIMANA WANG JEPUN POKOK PISANG TIADA NILAI BILA IA JATUH. SEMUA INI PERLU MENJADI IKTIBAR KEPADA KITA UNTUK MENYAMAKAN KEADAAN SEMASA KEGAWATAN EKONOMI KEJATUHAN MATAWANG.

4) JADI BETUL PENDAPAT TUN NILAIAN WANG KERTAS WALAU PUN BANYAK AKAN BERKURANGAN KALAU NILAINYA JATUH. BEGITU JUGA KENAIKAN DALAM BURSA SAHAM SAMALAH NILAINYA DENGAN WANG KERTAS INI. TAMBAH LAGI YANG MENAIKKANNYA IALAH WANG WARGA ASING.

5) PELABORAN YANG BERBENTUK FIZIKAL DALAM BENTUK BARANGAN AKAN MELIBATKAN

URUSNIAGA YANG LEBIH NYATA MAKA AKAN MENGUNTUNGGAN INDUSTRI-INDUSTRI YANG KITA DIRIKAN.

6) MUDAHKAN FAHAMAN SESUATU SIMPANAN KALAU DALAM BENTUK WANG KERTAS TIDAKLAH SELAMAT KALAU NILAINYA SENTIASA TURUN NAIK. SIMPANAN ATAU PUN RIZAB SEELOK-ELOKNYA SATU NILAI YANG KUKUH. APAKAH SESUATU NILAI YANG TINGGI PADA ZAMAN SEKARANG DALAM PEMERHATIAN KITA SENTIASA NAIK, KUKUH, TERJAMIN DAN SENTIASA NAIK KADARNYA? EMAS?

7) SEBUAH RIMBA AKAN BERNILAI KALAU BERDAUNKAN EMAS KERANA GUGURNYA TIDAK AKAN KERING SERTA KUKUH. MENCARI SESUATU YANG KUKUH SEKURANG-KURANGNYA MELAMBATKAN USAHA-USAHA PEROSAK-PEROSAK YANG BERNAFSU SERAKAH.

WALLAHU'ALAM

By SeposenAuthor Profile Page on November 20, 2010 9:39 AM

Good insights Tun. Despite the 'happy news' we should always check all the possibilities that might turn out.

Thank you very much.

I was born on 1981, and i do feel the diference when you was the PM...

By HBTAuthor Profile Page on November 20, 2010 6:50 AM

Good morning Ayahanda Tun,

Z. According to news during the spat between China and Japan over the capture of Chinese captain, Mr Wen Jiabao told the press that he is very happy with the current improved bilateral relationship of People's Republic of China and ROC Taiwan.

A. He further said that one of the state owned company (if I'm not mistaken) was allowed to be public listed in Taipei (Capital city located in north) Index.

B. Due to keen competition in newspaper and portal news industry, local news are used to practice ½ full and ½ empty glass of water, and the news that were reported tend to be biased and twisted to favour their target market and main advertisers, hence the news reported may not reflect the real situation of what is happening in Malaysia.

C. If Ayahanda Tun asks me, do I trust politicians?

E. I can say 90% of the politicians in the world cannot be trusted because most of them tend to choose the easiest way out, and under Bush leadership, the Big Apple Dream (BAD) has made us see the most unfortunate terror caused by mankind due to fear and greed.

D. Most of our local politicians and newspaper owners are influenced by US media and politicians' styles, but today, US politicians and lawmakers are having difficulty to tame and get support from their citizens.

E. I am now beginning to respect Zaid Ibrahim though he is labelled as maverick by local western media; and he has chosen the most difficult path to solve Malaysia politics crisis to show our politicians the meaning of real politics that is "Dia Melayu Juga"; and money politics is not the solution to win general elections.

F. The final question will be why should we continue to support politicians who only care how much they can get from money politics from general elections for their own political parties' survival and not the country?

G. These politicians should know very well what are the tasks and responsibilities of MPs and lawmakers, don't they?

H. I sincerely do not want BN to end up as BAD that have caused so much grievances to the world and their citizens.

I. Kedah may be re-captured by BN due to emotional Pas MB but if the MB decided to step down and replaced by a more accountable Kedahan Pas leader, BN may not re-capture the state.

J. Developed territories in Selangor will not be re-captured by BN because Chinese citizens 'hate' MCA and they do not rely on government subsidies.

K. Due to reckless and greedy MCA leaders of the past, Chinese in KL, Penang and Perak will never want MCA to lead them.

L. To develop Greater KL or not at the time period of political crisis, I will leave it to Ayahanda Tun to advise PM; just like what MM Lee and SM Goh are doing to assist current PM and his Cabinet.

Today, some of Produk Buatan Malaysia like Bonia, Secret Recipe, Marrubown Fried Chicken and others are expanding their wings and market share into Teheran, Iran under government halal product initiatives and programme.

Good day Ayahanda Tun.

P.S: What clear conscience commented in Currency War 2 proved that he supports BAD due to democracy. TuaCheng thinks that only he has suffered financially during the 97 crisis, and today he still think it was the ruling government, I am wondering is he a CC members of MCA?
By CommonerNinetyNineAuthor Profile Page on November 20, 2010 6:32 AM

to me, i see a relationship between "positive" news of the current administration and the number of "sell out" activities being done by the current administration.

for example, right after controversial money and land "deals" from here goes to our "south", i could see "positive" reviews from their leaders about the current administration being covered on our local media. coincidence?

another thing, once the current administration start pushing for "open" market related policies here, i could see a lot of american personalities coming here, saying all sorts of "positive" stuff about the current administration. coincidence?

the biggest gainer i see in these "coincidences" is 1man, his lead "enemy" is like being "dump" by the "coordinated" foreign media now.

i'm thinking, just "sell out" public properties in exchange for private "favours", why not? any better "deal" than this?

of course 1man said people like me are behind time, things has to be "transformed". i can fully support such suggestion when, and only when they make wrong, they are held responsible. but sime darby lost billions, khazanah also, and i believe there are more, and yet nobody are held responsible!

so i can see 1man just do whatever he likes since no need to be responsible when shits happen. so of course he can "sell out" whatever he likes.

when many countries trying to control funds and refrain from "free" market, this 1man, and now even the 2man, shout "open"!

when one after another western countries worry about bankruptcy, 1man here should "strong foundation"

here, no need to worry!

sendiri pun tak faham, nak cakap besar tak ada masalah!

sendiri pun tak cukup nak bagi orang!

sendiri pun tak kuat nah lawan dengan orang!

i find it amazing that how similar is the current administration comparing to the previous one, a bunch of cunning no "brainers" hiring "foreigners" to run their own country.

of course this is just my personal view. but 1man, prove me wrong! i bet you are just another traitor!

By faudziAuthor Profile Page on November 20, 2010 12:31 AM

Salam TUN dan semua

Saya bersetuju dengan pandangan TUN. Itulah bezanya antara FDI dan porfolio investement yang begitu senang tanam dan cabut..ianya amat rapuh..so hati hati..saya berharap kerajaan Malaysia dan badan badan yang berwajib harus juga perhatikan trend ini. Kita tidak mahu sejarah 1998-1999 berulang lagi, akibatnya rakyat yang buta soal soal kewangan akan terima padah dan kemarahan biasanya akan diarahkan kepada kerajaan sebagai tempat melepas geram. Walaupun salah sendiri kerana tamak. Itulah sikap orang Malaysia

By kamaliuk1973Author Profile Page on November 19, 2010 11:48 PM

Dear Tun,

I normally do not agree with a lot of things that you write in your blog due to ideological differences.

However in this case I am in 100% agreement with you.

Sadly the greed of those who see their stock investments continuing to rise are happy to have even more hot money come in to push our currency higher and set the country up for another huge fall when the money leaves.

If things continue this way we will see 1997/98 happen in Malaysia again very soon.

Kamaliuk1973

By NOM AirbusAuthor Profile Page on November 19, 2010 11:23 PM

Salam Tun and Selamat Hari Raya Qurban.Semoga di panjangkan umur

I use to make money for weekend spending of the stock Market before the 97-98 surge and today some of the stock I had were only value only 10 % of the purchase price.I will never invest in stock market anymore. May those got burn before be very careful and be wise.

I wonder what happen to Anuar Ibrahim with his stock?? Make tonnes of money!!!

Getting rich this way is not for those fail to understand the fundamentals

By azmanyAuthor Profile Page on November 19, 2010 10:40 PM

Whilst the analysis is true, we should also look at why it's so easy for the 'hot money' to manipulate the market.

We should look at our own shortcomings. The obvious reason is that our stock market size is small. But there are also many other markets where the size is small but the see-saw effect not so great.

But the other thing is the stock market player itself. Many retail players consider the stock exchange as nothing more than a casino. They revel in chasing trends and rumors. Very few actually studied the economic and financial details of the counters before making decisions. Lemmings, some people say.

If we can somehow educate the investors to do so. I believe that the effect of the hot money can be curtailed and the capital market can be more dynamic.

By sheain89Author Profile Page on November 19, 2010 10:15 PM

Salam Tun,

Thank you for this, made me think twice to invest in KLCI.

I am just learning the rope of trading.

Though I can say,if your speculation/predictions is >50% correct, some investors might go short with the index.

I believe many young professionals are not equipped with adequate knowledge of finance, investments, stock markets etc. Many know how to consume and dont save. Pension is not going to be enough (when or if we achieve our target of high income economy with higher inflation).

Anyway, I just dont think if Im studying in Malaysia, I would get the chance to learn about all these things.

This definitely should be introduced some what in the school curriculum. Not poison the young minds with gossips and unnecessary indulgent spending at a young age.

By pakbelalangAuthor Profile Page on November 19, 2010 9:41 PM

Dear Tun,

It is good to advise the Malaysian public to be cautious when dabbling with the stock market because as usual Malaysians "mudah lupa"!! The banks particularly should also be cautious when extending facilities to their clients especially to those stock market "gamblers". This time around if the banks go bust, the govt. must not bail them out. Enough is enough!!

By jeffAuthor Profile Page on November 19, 2010 9:31 PM

Dr M, only 200 shares in BAT? Are you kidding your self? Maybe 200 in your name, but in others' names? Come clean please.

By aad10Author Profile Page on November 19, 2010 8:57 PM

Dear Tun,

You are absolutely right. Westerners come and rob the money of the locals. I just dont believe in stock market. Blindly no basis for genuine investment.

By sygchedetAuthor Profile Page on November 19, 2010 8:05 PM

Salam Tun...

U as always, are writing out of concern. One of your best qualities. So Tun, if you hint that there's some sort of a pattern here that the 97-98 tailspin may recur, then what is your advice on this? Any guide?

(And really Tun? U only own 200 shares as we speak? :) no worries.. i love u anyway... ;)

By al-DinAuthor Profile Page on November 19, 2010 7:58 PM

The axis of satan (to borrow Bush's) has nowhere to go. It has to win at all costs otherwise bite the dust. It

is on rampage to inflate the world and make real fast money from unbacked printed money. The currency war is an act of brinkmanship to see how far others can take the economic disheaval and survive.

"Poor" Malaysia is going to loose (X billions RM) from its USD reserves in Bank Negara. Alongside that some heads may roll including Zeti's and the Finance Minister's.

If I have half-a-chance to make fast money I will jump into the stock market, let the devil take the hindmost! Afterall, it is a way to be in the high income economy as the PM wants us to be. Alas, I don't have access to the tips or insiders' information.

By shahrulAuthor Profile Page on November 19, 2010 7:27 PM

hope our watch dogs learned their lessons....

By AzahariAuthor Profile Page on November 19, 2010 7:12 PM

Dear Tun,

I never look at it from that perspective. Your opinion is surely useful. Thank you Tun.

Azahari

By jalil7Author Profile Page on November 19, 2010 6:42 PM

Salam Tun,

What the US government is saying, by way of allowing (or knowing) some of the US dollars will be used for large investments in developing nations, is ...

" Here, there is money, so go do your bsuiness ". This is seen (though i fail to see the truth of it) as economic incentives. Designed to restore confidence, when people have lots of money they are more confident to do business.

If the receipient of these money knows that it is actually of imaginary value, papers printed by specialised controlled printers, they will know to be extremely careful. They will know the fundamental of the business itself, the market, and the sustainability of the business is more important than the instant money as capital.

But for those who do not know or do not understand, or who solely rely upon these maggi mee financing, i feel real sorry for them. If the government does not understand, i feel sorry for the people. If the people do not understand, i feel sorry for the government !

I now begin to see why the hurry to have an election. One does not want to have an election towards the end of or after this cycle of "quantitative easing", it is suicidal.

By lclckAuthor Profile Page on November 19, 2010 6:12 PM

Dear Sir,

I totally agree with your reminders of ho0w stock makrets in 1997/1998 fell, I agreed that those investors were just manipulators, they will not reflect the true purposes of why we have shares to be listed---To share the opportunities to make money as partners, indeed these speculators had been 'robbing' many Malaysians of thousands, and thus with those so called Big Time Players like George Soros, they had also manipulated currencies, and double blew the whole South East Asian's economies in 1997/1998. Dismantling the Indonesian Political Master Suharto, and divided UMNO into what had been the real challenges of BN on 8th March, 2008 when BN lost 2/3 majority, and also 4 state governments.

Unless KLSE and SC can work closely with Bank Negara on the flow of HOT MONEY, what you had predicted will repeat--They all reminded us about : History repeats itself!!

Warmest regards,

Peter Leow

By ekomputeAuthor Profile Page on November 19, 2010 6:08 PM

QUOTE: [The Malaysian economy] is doing fairly well, no doubt, but that is not enough to push the KLCI to record highs. What is happening is that a lot of foreign money is coming in to buy Malaysian stocks.

Well, I think it just means that GE13 is round the corner, period. Foreign money or our EPF money, I know not.

By hotspur11Author Profile Page on November 19, 2010 4:06 PM

Dear Tun,

The issues you said is true. But i remembered you have already placed measures for this i.e anti dumping laws, anti manipulation laws, etc This sort of conditions should not re occur. And i think Bursa Saham is smarter than that(to allow this situation).

By Prabakaran GopalakrishnanAuthor Profile Page on November 19, 2010 3:47 PM

Yes Tun it is hot money coming to the market and everyone seems to know about it.

Tun, what is your take on property prices as it seemed to have spiraled to prices which many ordinary Malaysians can't afford.

By HajarAuthor Profile Page on November 19, 2010 3:40 PM

Dearest YAB Tun,

You're right Tun. Now the CI is already above 1,500 points and I doubt that our economy is better than when the CI was below 1,000 points.

I am one of those investors that Tun mentioned. Only last week I saw my shares (existing shares) increased in value, and I thought the time was right to invest more. Luckily, I only invest within my means. I will just keep the stocks.

Thanks Tun.

** May Allah SWT bless Tun & family **

By parameswara 2Author Profile Page on November 19, 2010 3:12 PM

Dearest Tun

// 12. I hope I am wrong. But sometimes my predictions about money and markets have proven to be right. In any case I only own 200 Malayan Tobacco shares bought before I became Education Minister. I have nothing to gain or to lose, but the country and the stock market investors will lose. //

1-Tun you have achieved the age of a master.You know what you are talking about.

2-Its already over 10 years after the last crash in 1997-8 and 10 years before that in 1986-7.Another one is due now too.

3-Yes the QE2 has contributed to these FDIs that they could use to jack up the local market before shorting them to destroy us after they have made tons of money as Tun has mentioned.

4-To all you big investors out there I know you would have a big headache to decide to buy or not to buy or sell or not to sell..

5-For me its very easy to decide to buy/not to buy or sell/not to sell because I have no money to buy ,or no shares to sell anyway.

6- This time I believe that Tun will be righter than ever before so be extra cautious if Tun has come out to warn us like this.

7- Don't say you have not been warned.

Thanks Tun

By AthanAuthor Profile Page on November 19, 2010 2:41 PM

Dear Tun,

Finally after reading your post, now I fully understand what is actually happening in the market, physical and share market. I keep asking around with similar minded person about our local physical market, has it gone quite slow compare years back? Most of them tell me their stories of how good business it was back then but recent year non of this is actually happening but funny part is the local share market is keep going high, all this doesn't make sense, when the share market is good will directly effected to local physical market but is not happening.

Athan

By sarjan hassanAuthor Profile Page on November 19, 2010 2:17 PM

Assalamualaikum Tun,

two days in a row regarding monetary matters?something fishy must be cooking and the stench's coming from the great champions of democracy.USA.

Tun,your reputation of being anti American is well known world wide..but then your accuracy in matters of financial manipulation has always been true to the word.

DSNajib must take note of this situation and make whatever preventive measure ready.Re-pegging the Ringgit doesn't sound that bad.

We,the Malaysian Rakyat can't afford another financial meltdown.DSnajib has been saying about knowing the Rakyat need better with his "turun padang"concept.One of our biggest fear is financial loses.Help to assure us,financial stability.

The media should pick up Tun's concern and try to get the government to Tun respond.Maybe Tun is wrong this time,but at least assure us.

Tun still carry alot of weight with the Rakyat.Tun's action in the nineties drew international criticism but saved Malaysia from a total meltdown.

Just take some pre empt steps to keep us afloat during this volatile times.Some media attention to pacify the masses.Any action is better than no action because when rumour and gossips takes precedence over truth...all hell will break lose.

To Tun and family,may you all be blessed and protected by ALLAH SWT always.Wassalam

By rakyat_biasaAuthor Profile Page on November 19, 2010 2:10 PM

Salam Tun,

Semoga usaha anda diberkati dan diberi petunjuk oleh-Nya.

Saya mohon maaf kerana terpaksa 'hijack' comment ini untuk menarik perhatian tuan terhadap sistem pendidikan sekarang.

saya baru sahaja balik dari sekolah anak saya untuk anugerah pelajar cemerlang. memang tidak dapat dinafikan usaha memupuk ikatan muhibah antara kaum sangat jelas terpapar. saya rasa sangat gembira. Dalam masa saya terbuai dalam kegembiraan, saya menoleh kiri, kanan, depan dan belakang...

kemudian, saya berasa sangat TERKEJUT!

rata-rata ibubapa yang hadir adalah masyarat cina sangat sedikit, melayu dan india nampak agak seimbang. TETAPI kebanyakan kaum Melayu adalah daripada golongan pendapatan rendah/sederhana. tiada langsung daripada pendapatan tinggi! Kaum Cina boleh dikira dengan jari... Jadi saya berfikir semula kenapa ini berlaku?

dalam perjalanan pulang, saya lihat sungguh ramai pelajar cina kini menjauhi sekolah2 kerajaan dan cenderung untuk masuk ke SEKOLAH RENDAH JENIS KEBANGSAAN... kemudian terdapat pula sekumpulan warga melayu elit yang cenderung untuk menghantar anak mereka ke sekolah integrasi (bagi mengurangkan beban anak mereka daripada terpaksa pergi ke 2 sekolah yang berlainan setiap hari!)

Dua golongan sasar ini, besar kemungkinan akan menjadi peneraju kepimpinan negara akan datang. amat sukar untuk golongan ini memahami erti sebenar toleransi antara kaum! ini amat merbahaya kepada negara...

saya telah lama mendengar 'memperkasakan sekolah kebangsaan' tetapi ia tidak lebih daripada slogan sesetengah pemimpin untuk mencari populariti... hasil nya jauh daripada apa yang dapat dibanggakan. harap Tuan boleh memberi sedikit pandangan terhadap senario yang bagi saya sangat merbahaya kepada negara jika tindakan segera tidak diambil.

By A.H.Author Profile Page on November 19, 2010 11:47 AM

afterall, its just a game.

By OnnAuthor Profile Page on November 19, 2010 11:47 AM

The crooks from the West are trying their luck again.....to rip us out.....and worse using the same old trick. Are we gullible and greedy enough to take the bait? I guess some will.

By Hazman Abu BakarAuthor Profile Page on November 19, 2010 11:16 AM

Time bomb ticking

By desaarshadAuthor Profile Page on November 19, 2010 10:47 AM

Salam buat yang dihormati TUN....

Seperti yg Tun perkatakan bahawa kenaikan dalam KLCI memang menggembirakan tetapi jika hakikat kenaikan itu adalah kerana pelaburan asing yg hanya ingin membuat keuntungan maka ianya amat merbahaya buat ekonomi Malaysia sebagaimana yang berlaku pada 1997-1998.

Diharap pakar-pakar ekonomi negara ini dapat melihat dengan lebih jelas dan segera serta mengambil tindakan dan langkah sewajarnya untuk melindungi ekonomi negara kita. Pandangan dan kepakaran yg telah TUN perlihatkan dahulu boleh menjadi panduan.

By Jentayu Emas TradingAuthor Profile Page on November 19, 2010 10:29 AM

Assalamualaikum Ayahanda Tun,

I agreed, we have been seeing rather rapid increases in the Kuala Lumpur Composite Index (KLCI). Those who play the stock market must be feeling very happy. Much money must be made by investors from capital gains.

The stock market is one of the most important sources for companies to raise money. This allows businesses to be publicly traded, or raise additional capital for expansion by selling shares of ownership of the company in a public market. The liquidity that an exchange provides affords investors the ability to quickly and easily sell securities. This is an attractive feature of investing in stocks, compared to other less liquid investments such as real estate.

An economy where the stock market is on the rise is considered to be an up-and-coming economy. In fact, the stock market is often considered the primary indicator of a country's economic strength and development.

But what we afraid most is the stock market bubble, a type of economic bubble taking place in stock markets when market participants drive stock prices above their value in relation to some system of stock valuation.

Foreign investors may dump their Malaysian shares to take profits from capital gains. Therefore, Bursa Malaysia and Securities Commision has to keep an eye on the control and behavior of the stock market and, in general, on the smooth operation of financial system functions. BNM has to ensure a stable and secure financial system, a catalyst to economic transformation and growth.

Jentayu Emas Trading

Source : <http://chedet.co.cc/chedetblog/2010/11/the-stock-market.html>