

PM hits out at some local mart players

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PRIME Minister Datuk Seri Dr Mahathir Mohamad has taken to task local players of the stock market who attach more importance to sentiments on the foreign bourses instead of the performance of listed companies. He blamed this attitude for the bearish Kuala Lumpur Stock Exchange (KLSE) which runs counter to the strong performance of most listed companies and the buoyant national economy.

"I don't understand this. Most of our companies are doing well and our economy is growing by about 8 per cent. But yet when share prices fall in the New York market, so do the value of our shares," he told a news conference yesterday after officiating at the opening of the Third Bumiputera Economic Congress in Kuala Lumpur.

Datuk Seri Dr Mahathir noted that even companies which reported record profits are not immune to the inexplicable drop in their share values. He cited the experience of Cycle & Carriage whose shares dropped on overseas leads a day after the company announced an extraordinarily strong performance.

Similar experiences have been faced by other compa-

nies, some of which have reported more than a 50 per cent increase in profits. Sime Darby, for instance reported its highest ever profit of \$600 million last year but its share value is listless.

Expressing disappointment over the situation, he pointed out that much capital is wiped out when stock market players dispose of their shares.

"A lot of capital is wiped out when people sell off their shares. The capital is lost for no reason. This is unfortunate."

He regretted that the sterling performance of these companies is being neglected by many participants of the share market. This group seem to be more influenced by the performance of Wall Street and other major centres. "We are the victims of our own attitude." Other than obtaining capital gains, he said, stock market players should hold their issues.

Acknowledging that foreign fund managers are especially prone to developments in the major overseas centres, the Prime Minister said: "The foreign fund managers can invest anywhere. But I blame local investors in the stock market for following foreign sentiments."