

# PM says stock exchange correction

temporary  
NST 14 JAN 1994

KANGAR, Thurs. — Prime Minister Datuk Seri Dr Mahathir Mohamad said the correction in the Kuala Lumpur Stock Exchange (KLSE) was only temporary, adding he believed the market would rebound because "Malaysian companies have strong fundamentals".

He said although the market suffered a downturn after a super bull run, Malaysian companies chalked up profits and enjoyed sound business.

"The stock prices may have fallen but the companies' performances are good ... sooner or later the prices will rise again," he said at a Press conference after opening the Pens Travelodge here today.

Dr Mahathir was asked for his views on the fall of prices in the KLSE for the past few days. The downturn was described by analysts as a major correction period.

Dr Mahathir advised investors not to dispose of their stocks when the market is down and that they should wait until the prices recover.

On whether the Government would bail out the losers if the market continued its downtrend, he said: "No bail out ... we have advised them earlier.

"This is a stock exchange. We (the Government) get nothing. Capital appreciation is not taxed.

"When they make money, they never say they want to help the Government," he said, adding that many had become millionaires (from stock investment).

Dr Mahathir also denied that the trend in the share market was influenced by what many see as the possibility of a general election this year.

"I think if we hold to the fundamentals, we will not lose. We should study the performance of the companies. If a company makes profit and its share goes down, sooner or later it will rise again. We have to be confident."

In a lighter vein, Dr Mahathir said: "I don't play shares, even for the weekend ... I don't."