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CI FUTURES TO BE HIGHER NEXT WEEK

KUALA LUMPUR, Aug 30 (Bernama) -- The Composite Index Futures on the Kuala Lumpur Options and Financial Futures Exchange (KLOFFE) are expected to be higher next week on local institutions buying.

The futures market would be supported by most major local institutions in tandem with the cash market following a directive by Prime Minister Datuk Seri Dr. Mahathir Mohamed.

Analysts said foreign selling is expected to cease within the next two or three trading days and local institutions would then dominate the futures market.

"The ringgit, which is expected to improve its performance next week, also promises good potential for the futures market," one analyst said.

At 5.04 pm on Friday, the local currency ended at 2.8949/95 against the US dollar from Thursday's close of 2.8850/00. The local unit improved almost 160 points when compared to Friday's opening of 2.9480/30.

This week, spot month August fell 109.4 points to 794.3 from 903.7 points the previous Friday while September dropped 166.0 points to 735.0 from 901.0 points.

Total turnover increased to 18,102 contracts from 9,144 contracts the previous week while open interest was 8,982 contracts on Friday against 6,123 contracts the previous Friday.

The underlying cash Composite Index ended the week at 804.40 points, down by 100.60 points from 905.00 points the previous Friday.

During the week, the futures market moved closely with the cash market, where it fell sharply on Thursday as the cash market was very much affected by KLSE's new rule on "delivery before sale" announced late Wednesday.

The futures market was pressured by foreign selling where spot month August closed at 767.0 points on Thursday against 842.0 on Wednesday while September fell to 744.0 points from 839.5 points the previous close.

However, the futures market was supported by local institutions buying on Friday and it showed some signs of recovery for next week. -- BERNAMA
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