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#### KL STOCKS MAY SEE FURTHER UPSIDE POTENTIAL

KUALA LUMPUR, July 26 (Bernama) -- The Kuala Lumpur Stock Exchange ended higher this week on improved buying sentiment and dealers expect further upside potential next week.

Property, finance and plantation counters recorded much gains this week.

The return of Prime Minister Datuk Seri Dr Mahathir Mohamad and his stern warning against rogue currency speculators had restored the confidence of investors, which subsequently saw them trade aggressively.

Next week, the market is expected to dip slightly first before bouncing to break the 1,050 points level level for the KL Composite Index (KLCI). The KLCI rose 39.71 points to end the week at 1,041.26.

The EMAS Index added 12.35 points to 296.23, the Second Board Index firmed 22.49 points to 550.29 and the Industrial Index surged 55.85 points to 2,053.67.

The currency picture in South East Asia improved this week after heavy currency speculation had forced both Thailand and the Philippines to float their baht and peso, and this later had a domino effect on other regional currencies such as the rupiah, Singapore dollar and ringgit.

The KLCI even sank to its lowest level of 990 points this week on rising interest rates in the previous week despite Wall Street surging to break its record 8,000-mark.

Dr Mahathir's tough statement against rogue speculators that Asean would consider formulating laws to curb currency speculations, his meeting with Bank Negara and top finance ministry and bank officials, all helped to strengthen sentiment amidst falling interest rates and a more stable ringgit.

The lower currency also attracted more foreign players into the market as the shares were made cheaper and foreign funds were also switching into equities from the money market.

Foreign funds traded on the broader market with interest on bluechip laggrds instead of heavyweights.

Dealers said local funds were also strongly supporting trading to restore the market to a comfortable level.

With three consecutive days of gains, the market finally succumbed to profit-taking at the week's close but amidst an improved sentiment.

Trading was expected to be cautious until the currency woes were fully resolved and the outcome of a meeting between regional central banks in Shanghai was made known.

The mainboard volume was 1.107 billion shares worth RM6.236 billion from 754.688 million shares valued at RM4.311 billion last week.

The second board turnover stood at 270.760 million shares valued at RM3.091 billion against 172.179 million shares worth RM2.073 billion previously.

Off market deals amounted 277.088 million shares worth RM1.993 billion compared with 241.535 million shares valued at RM1.415 billion last Friday.

Two counters made their debut, Capetronics Consumer on Monday which offered its shares at RM7.80 each, and Eupe Corporation on Thursday at RM2.00. They ended the week at RM14.90 and RM2.87 respectively.

MPHB-C led the 10 most active counters and was up six sen to RM0.78. It was followed by Anson which added 32 sen to RM5.00, MBf Capital rose 30 sen to RM4.20, Taiping inched up 12 sen to RM3.02 but Pohmay was down 20 sen to

RM11.40.

MPHB-C accounted for 54.539 million shares traded, Anson 49.040 million shares, MBf Capital 40.793 million shares, Taiping 36.077 million, Pohmay 33.206 million, Samanda 25.899 million, Renong 24.919 million, Sinora 24.425 million, CP Bhd 24.098 million and P&D 23.560 million shares.

Consumer products accounted for 40.625 million shares traded, industrial products 178.492 million shares, construction 107.956 million, trading/services 162.723 million, infrastructure 8.414 million, finance 148.213 million, hotels 11.203 million, properties 248.842 million, plantation 41.456 million, mining 19.437 million, trusts 808,000 and loan stocks 137.373 million shares. -- BERNAMA

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