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KLCI breaches 1,040 resistance level

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THE Kuala Lumpur Stock Exchange Composite Index (KLCI) yesterday breached the 1,040-point resistance level to close at 1,045.89, extending its bullish run for the second day.

Analysts said the improved performance on the local bourse may have been aided by the return of Prime Minister Datuk Seri Dr Mahathir Mohamad and his comments about ringgit speculators.

Dr Mahathir returned from a two-month overseas working vacation on Tuesday, and immediately hit out at "rogue speculators" for undermining South-East Asian economies by destabilising their currencies.

He also gave his assurance that any dispute over the Bakun hydroelectric dam project can be resolved.

Dr Mahathir repeated his comments about currency speculators when opening the Asean Ministerial Meeting in Petaling Jaya yesterday, calling for a common stand among member economies to support South-East Asian currencies.

Analysts said on Wednesday that there was a general feeling that "the worst is over" after the Prime Minister's return to the country, and that the ringgit will strengthen and issues such as Bakun dam should be resolved.

The KLCI ended 16.06 points up at 1,034.07 on Wednesday, with gainers outpacing losers 526 to 109.

Yesterday the local bourse extended its gains with a mix of local and foreign buying, breaching the 1,040.00 resistance level and closing higher for the second day in a row.

The KLCI ended 11.82 points higher at 1,045.89. Gainers led losers 611 to 84, while 82 counters were unchanged.

Analysts said there was some measure of confidence in the market, amid a slightly recovering ringgit, lower interest rates and renewed buying interest.

According to TA Securities Bhd, the technicals on the KLCI remain positive as the market pushed up its opening level to close at its high.

Support is seen at 1,024.00 followed by 1,017.00, while resistance is at 1,043 and then 1,055.

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