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KLSE EXPECTED TO SUSTAIN TECHNICAL REBOUND

KUALA LUMPUR, Nov 22 (Bernama) -- The technical rebound on the Kuala Lumpur Stock Exchange on Friday this week was expected to be extended to Monday, aiming for the 600 level before stabilising on continued strong buying support, analysts said.

They said with the market having been oversold over the past four days the apparent massive forced selling was expected to ease.

The benchmark Composite Index ended the week 117.38 points lower at 560.09, the all Main Board shares Emas Index eased 35.58 points to 154.09, the Industrial Index dipped 207.53 points to 1,118.58 while the Second board Index fell 65.92 points to 262.25.

A decline in the ringgit, rising interest rates, concerns over corporate deals and year-end factors, made investors jittery and they would be watching these factors closely next week, they said.

Prime Minister Datuk Seri Dr Mahathir Mohamad's announcement on the formation of the National Economic Action Council (NEAC) to deal with the current economic problems supported the market on Friday.

The analyst said the CI opened lower but rebounded after two minutes of trading and maintained its level in the first hour before it dropped to 512.41 points, down 24.21 points.

Meanwhile, the improved ringgit against the US dollar following the improvement of regional currencies on Friday, supported the market.

The ringgit settled the week at 3.4750/50 to the greenback from 3.3150/25 the previous Friday, while three-month Klibor rose to 9.29 percent from 9.07 percent.

The KLSE turned bearish on Tuesday as investors were selling their positions on concerns over United Engineers (M) Bhd's acquisition of 32.6 percent stake in its parent company, Renong Bhd.

DRB-Hicom Group's Hicom Holdings and Perusahaan Otomobil Nasional Bhd, which released impressive results for six months ended Sept 30, 1997, on Wednesday saw a mixed reaction from investors.

Total volume traded increased to 1.905 billion valued at RM5.664 billion from 1.078 billion shares worth RM4.687 billion the previous week.

Main Board turnover rose to 1.704 billion valued at RM4.790 billion from 760.462 million shares value at RM2.574 billion, while that of the Second Board increased to 201.003 million shares valued at RM874.195 million from 152.311 million stocks worth RM957.966 million.

Off-market deals were at 239.909 million worth RM2.206 billion from 167.062 million valued at RM1.155 billion.

Fiamma Holdings Bhd which made its debut on the main board Tuesday ended the week at RM1.84, below its offer price of RM2.35. Established in 1979, the company is involved in the distribution, assembly and manufacture of quality household appliances and home finishing products.

Analysts said with the current situation, any new listings will be very much affected and opening prices are anticipated to open below their offer price.

Consumer products accounted for 102.111 million shares traded, industrial products 152.441 million, construction 276.225 million, trading/services 408.136 million, infrastructure companies 9.269 million, finance 400.766 million, hotels 14.740 million, properties 318.300 million, plantation 76.381 million, mining 11.420 million, trusts 3.010 million, closed end funds 1.883 million, loan stocks 45.659 million, transferrable

subscription rights/warrant 103.334 million and rights 2,000.--BERNAMA
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(attn editors, top 10 was not available from the KLSE)