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KLSE may move again to chase out bears

WHILE the Kuala Lumpur Stock Exchange benchmark composite Index fell to a new 50-month low yesterday, KLSE executive chairman Datuk Nik Mohamed Din Nik Yusoff said the bourse may introduce more measures to check bearish sentiments.

"We will let you know if there are more measures to be introduced," he said after calling on Deputy Prime Minister Datuk Seri Anwar Ibrahim, who is also the Finance Minister, at his office.

On the call made by Prime Minister Datuk Seri Dr Mahathir Mohamad for local funds to enter the share market, Nik Din said more time was needed before any result could be seen.

"We do not know to what extent they (the funds) have gone in. Give them some time ... We cannot do everything overnight."

At the local bourse, the KLSE CI fell to a low of 747.68 points before recovering to close at 750.76, down 44.97 points from Tuesday. Trading volume was also lower at 329.77 million shares, from 425.25 million Tuesday.

An analyst at a local brokerage firm said foreign investors continued selling their shares especially during the morning session, and they were expected to do so through the week.

Another analyst said that as in the previous sessions, local funds would subsequently enter the market to convince retail players that the support was still there.

He said institutions like Lembaga Tabung Angkatan Tentera yesterday were the most aggressive among the "big five" local institutions to support the market.

But LTAT was only concentrating on its own counters, he stated.

He said other "big five" institutions namely Permodalan Nasional Bhd, Employees Provident Fund, Tabung Haji and Kumpulan Wang Amanah Pencen "were also around there, ... but I'm not sure how aggressive they were".

On whether Socso was seen intervening, the analyst said it could not for now enter either the equity or capital markets directly due to regulations which governed it.

But the organisation could indirectly enter the markets via its insurance arm, he said, adding that the Government could come up with some "initiatives" to allow it get into the market directly.

"With about RM5 billion, Socso is almost as large as the 'big five'," he added.

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