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KLSE SHOULD BE RE-RATED UPWARDS, SAYS STOCKBROKER

KUALA LUMPUR, Sept 2 (Bernama) -- The Association of Stockbroking Companies Malaysia (ASCM), says there should be an upward revision of the Kuala Lumpur Stock Exchange (KLSE).

Its chairman, Datuk Tony Tiah Thee Kian, said the market, which has been declining in recent months, has bottomed out and should be re-rated upwards.

With the average market price earnings around 10 times -- which is a four or five-year low and also an all-time low -- the market should be moving upwards, Tiah, who is also the executive chairman of TA Securities Bhd, told a press conference here today.

Expressing full support for the Prime Minister's call for local investors to support the market, he said the market should move ranging from between 800 and 1,000 points at least.

He said the market was down earlier because of weak sentiment caused by false rumours and foreign media reports which created a bad image for the market.

"We are not in the same position as Thailand...we have better fundamentals," he said.

"It is time for investors and unit trusts to buy shares," he said, but declined to comment on how aggressive Khazanah Nasional Bhd, Permodalan Nasional Bhd (PNB) and the Employees Provident Fund (EPF) or other institutions had been in supporting the KLSE.

Prime Minister Datuk Seri Dr. Mahathir Mohamad had last week told Khazanah, PNB and EPF to actively pick up shares to support the market.

Tiah also said that the association was in full support of the various restrictions imposed by the government to flush out manipulators as well as the government's decision to allow buy-back of shares by companies.

All these measures would help to stabilise and bring confidence back into the market, he said.

"We are confident that with all the government's encouragement, investors will have renewed confidence in the market.

"Once the confidence returns, the market should be going upwards," said Tiah.

On talk of a directive to stockbroking firms to slow down or even stop margin calls, he said that on the contrary, "we ourselves have taken the initiative (to slow down)."

Tiah would not say that there was no forced selling imposed at the moment, adding that all brokers have the right to make margin calls.

Asked whether some stockbroking firms were facing liquidity problems, he said it was a terrible rumour, adding that "this is again another attempt to push down the market." -- BERNAMA

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