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KLSE TO RECOVER IN ABOUT A WEEK: AFFIFUDDIN

AIR HITAM, Aug 29 (Bernama) -- The local stock market is expected to recover in about a week if local fund managers enter the market in a big way, said the deputy minister of finance, Datuk Dr Affifuddin Omar, today.

He said they should be active on the Kuala Lumpur Stock Exchange in view of the current relatively low prices and they should not follow the ways of some foreign fund managers who tended to be manipulative.

"If all local fund managers entered the market now with big investments, we are confident that the KLSE will recover in about a week," he told reporters after opening an economic and entrepreneur development seminar organised by Wanita UMNO in the Jerlun division here.

Citing the example of the Employees Provident Fund which has RM18 billion worth of funds to invest in the stock market, he said it should take the lead to buy those share prices which were now at low prices.

"When foreign fund managers see a positive reactive by local institutions, they will also return to the KLSE. We should reverse the trend," he added.

He said renewed confidence in the market would also be due to the strong profile of the companies listed on the KLSE which possessed good fundamentals, coupled good management, rising profits and bright outlook ahead.

"In addition, some of those companies are world class companies," he said.

Dr Affifuddin said the problem now was that local fund managers were a bit hesitant to go in after the withdrawal of foreign fund managers.

He was confident that local institutions would be more active on the KLSE following the directive from Prime Minister Datuk Seri Dr Mahathir Mohamad yesterday.

"This is the best time to invest because of the low prices and this sort of situation may happen only once in 10 years," he said. -- BERNAMA

MZM SHY