

22/09/1997

## Lack of fresh leads dampens sentiment

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IT WAS a turbulent week for the Kuala Lumpur Stock Exchange (KLSE) with the Kuala Lumpur Composite Index (KLCI) falling 64.24 points or 7.5 per cent to 787.84 as sellers dominated the market.

Analysts said selling pressure from both foreign and local funds helped push down the market and dampened sentiment.

They said investors were hesitant to commit themselves as most of them preferred to remain sidelined while awaiting the 1998 Budget which is to be announced in October.

All these factors and a lack of fresh leads are dampening market sentiment and over shadowing buying interest, they added.

Last Monday saw the KLCI starting its slide when it ended 8.02 points lower at 844.06 from the previous close of 852.08.

For the next three days the KLCI continued to fall with the biggest drop on Thursday when it closed 24.44 points lower to 786.68.

Only on Friday did the market recover its composure and the KLCI rebounded 1.16 points to 787.84. It was only after four days of selling that share prices were beginning to look attractive and some bargain-hunting crept in.

One analyst contacted said, even though investors preferred to stay on the sidelines while awaiting the 1998 Budget announcement, he believes that at current levels share prices are very attractive.

"How much can the shares go down. I believe at current levels investors will find it very attractive and this will induce some buying activity which will in turn help spur the market," he said.

He added that the market is moving sideways to consolidate and has more or less bottomed out.

However, another analyst said that even though the market looks like it is stabilising, investors still remained cautious pending the Budget announcement and the weak ringgit.

Another analyst said that the late buying interest last Friday could be due to investors' anticipation of the Prime Minister Datuk Seri Dr Mahathir Mohamad's keynote address at the World Bank and the International Monetary Fund meeting in Hong Kong during the weekend.

This is seen as fresh moves by the Government to restore foreign investor confidence in Malaysia rocked by the recent currency and stock market turmoil.

The benchmark KLCI declined 64.24 points or 7.5 per cent from the previous Friday's close.

The all-main Emas Index finished the week 16.88 points lower or 7 per cent at 226, while the second board index dropped 31.33 points or 7.3 per cent from the previous week to 414.58.

Total turnover on the KLSE for last week amounted to 887.95 million shares valued at RM3.79 billion, which gave an average daily volume of 177.59 million shares.

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