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MIA APPLAUDS LATEST MEASURES ON SHARE TRADE

KUALA LUMPUR, Aug 29 (Bernama) -- Malaysian Investors' Association (MIA) today praised the government for enforcing tight measures to stop foreign funds from driving down the local share market through manipulative short-selling.

The association said it appreciated the prime minister's call to government financial institutions and local investors to support the stock market.

"We welcome the latest measures to arrest the declining trend as the Kuala Lumpur Stock Exchange's Composite Index had lost more than 499.54 points or 39.1 percent from 1,277 points as in February this year to 777.46 intra day low yesterday," said MIA president Dr PHS Lim in a statement today.

Datuk Seri Dr Mahathir Mohamad yesterday announced several measures, including stopping lending of securities, to prevent manipulation on the share market.

Local institutions such as the Employees Provident Fund, Kumpulan Wang Amanah Pencen and Permodalan Nasional Bhd were asked to buy shares in a concerted effort to fight manipulators trying to destabilise the economy.

To stop short selling, the KLSE resolved on Wednesday that shares of the 100 component counters that make up the Composite Index be declared designated stocks, which means that only those who have valid shares in their Central Depository System accounts will be able to sell shares.

Lim said MIA had objected to the move legalise short selling, adding that the association felt that the move could be misused by big institutions to manipulate the market.

"These hedge fund managers could put as much as US\$100 million or more in stock broking companies as collateral and implement programme short selling activities," he said.-- BERNAMA

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