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Share prices close marginally higher

SHARE prices on the Kuala Lumpur Stock Exchange closed marginally higher yesterday on last minute support for index-linked heavyweight counters although the undertone of the market remained bearish.

Initially, the market reacted positively in the morning, buoyed by sharp gains on Wall Street on Tuesday night but came off sharply thereafter as follow through support faltered.

Analysts said genuine buying interest was thin and trading was mainly dominated by aggressive selling, evident every time the benchmark Composite Index moved into plus territory. KLSE's assurance that no brokerage had defaulted or had been suspended did not help improve sentiment.

At 5pm the Composite Index improved 1.11 points to 1,087.78. It recorded a mid-day low of 1,069.86 and an intra-day high of 1,102.11.

The Emas Index was 0.30 of a point better at 311.86 and the Industrial Index erased 17.39 points to 2,037.97 while the second board index rose 1.27 points to 537.11.

Advancers led decliners 356 to 287 with 131 counters unchanged and 89 others untraded.

Volume rose to 348.313 million shares valued at RM2.065 billion from 312.677 million shares worth RM2.014 billion on Tuesday.

Main board volume increased to 301.989 million shares valued at RM1.642 billion against Tuesday's 269.478 million shares worth RM1.594 billion.

Turnover on the second board rose to 46.324 million shares worth RM423.134 million compared with Tuesday's 43.199 million shares valued at RM419.442 million.

Direct business deals expanded to 42.583 million shares valued at RM363.610 million from 30.616 million shares worth RM260.702 million previously.

Analysts likened yesterday's share movements to that of a "yo-yo" with prices moving within minutes.

"Investors are very jittery," one analyst said, adding that they preferred to watch from the sidelines, still not confident that the market had bottomed out.

He also said investors were concerned over the political situation after Prime Minister Datuk Seri Dr Mahathir Mohamad reportedly said a replacement has not been found for the Selangor Menteri Besar's post.

"Investors usually do not react to such news but a weak market has heightened investor sensitivity to any news that can be perceived as negative," he added.

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