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Shares see-saw to end a shade higher

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LAST week saw mixed trading on the Kuala Lumpur Stock Exchange (KLSE) as investors sea-sawed from bearish to bullish towards the end of the week pushing the Kuala Lumpur Composite Index (KLCI) to close marginally higher by 3.84 point to 578.76.

Following falls in other regional bourses, the KLSE started the week on a bearish note as investors remained cautious towards the end of the year when the KLCI fell 16.45 points to 558.47.

Analysts said investors were unwilling to take positions in the market last Monday as they preferred to remain sidelined due to a lack of fresh leads.

On Monday, they said the on-going currency turmoil in the region and further falls in the ringgit have further dampened sentiments. They added investors would be watching very closely for a statement on Asian currencies expected to be released during the three-day summit of the Association of South-East Asian Nations (Asean) taking place in Kuala Lumpur.

In their first formal statement on the currency issue, Asean leaders called on the International Monetary Fund (IMF) to act immediately to stabilise the region's currencies.

The leaders said, despite the economic fundamentals of the regional economies being corrected and improved through the support of the IMF, the region's currencies continued to depreciate.

Prime Minister Datuk Seri Dr Mahathir Mohamad, who chaired the meeting of Asean leaders, said the thinking of some of the leaders is that IMF must review some of the strategies it has been imposing on countries that have sought bailouts.

Despite opening higher last Tuesday, the KLSE's earlier gains were short-lived as it failed to spur follow-through buying, resulting in the KLCI closing 14.16 point lower to 544.31.

On Wednesday, tables were turned in favour of the stocks as strong institutional buying of blue-chip counters lifted the gloom over the exchange, pushing it to close 12.48 points higher to 556.79.

Analysts said the market viewed positively the run-up in other regional markets which reacted bullishly to the proposals by Japan and China to assist South-East Asian economies facing difficulties.

On Thursday, the KLCI jumped 20.79 points to 577.58 on continued follow through buying on selective blue-chip counters, riding high on the extended gains of other regional bourses.

Last Friday saw the KLSE bounce back from earlier lows due to selective buying of blue-chip counters to edge the KLCI higher by 1.18 points to 557.58.

The all main board Emas Index finished the week 28.83 points or 13.43 per cent lower at 185.79, while the second board index was 2.24 points or 1.46 per cent lower to 151.21 from the previous close.

Total turnover on the KLSE for the whole week amounted to 921.790 million shares valued at RM2.223 billion as compared with 1.165 billion shares amounted to RM4.037 billion the week before.

Main board turnover amounted to 783.211 million shares valued at RM1.970 billion while the second board saw a total of 90.277 million shares changing hands worth RM237.776 million.

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