

05 SEP 1997

SHORT SELLING STILL PROHIBITED, SAYS KLSE

KUALA LUMPUR, Sept 5 (Bernama) -- Regulated short selling and securities borrowing and lending activities are still prohibited until further notice, the Kuala Lumpur Stock Exchange (KLSE) said here today.

The ruling designating the 100 components stocks of the KLSE Composite Index however would be lifted effective 9.30 am, Sept 5, 1997, the exchange said.

This means that the securities of these companies would be traded on "ready basis," i.e. with delivery and settlement on T+5 pursuant to the rules of the exchange.

Prime Minister Datuk Seri Dr. Mahathir Mohamad last night announced these changes as the measures introduced only recently have been successful in curbing share manipulation and short selling activities.

On Aug 27, the KLSE had declared that the 100 blue chip stocks would be "designated" effective the next day and would be restricted to "delivery before sale" at the directive of the Prime Minister.

With its lifting, the T+5 (trading plus five market days) settlement system would apply under which delivery and payment would be effected for both sell and buy trades. -- BERNAMA

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