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THUMBS UP TO GOVT'S DECISION TO DELAY BIG PROJECTS

KUALA LUMPUR, Sept 5 (Bernama) -- Investors today, heaved a sigh of relief, as the Kuala Lumpur Stock Exchange (KLSE) benchmark the Composite Index rebounded 90.47 points or 12.37 percent to end the day at 821.59, after experiencing an intra-day low of 675.15 points yesterday.

The ringgit too, strengthened after falling through a psychological support level of 3.0000 to the US dollar and was trading at 2.9425/75 at around 5.00 p.m.

Dealers said the announcement by the government to delay big projects and the lifting of T+5 trading restrictions, helped perked up the mood in the market, which saw foreigners taking opportunity to cover their short-selling.

A dealer said the government's move to delay some of the big infrastructure projects is seen as "admitting there is a need to slow economic growth."

Prime Minister Datuk Seri Dr Mahathir Mohamad yesterday announced, among the projects that would be affected would be the Bakun Dam, while the North Regional International Airport in Kedah and the Kuala Lumpur Linear City project may also be delayed.

While the local market is seen on its way to recovery, the dealer cautioned that there were still some foreigners who were awaiting to sell more shares when prices are higher.

Buying waves had set in among the retail players but the foreign fund managers are still cautious to participate in the market," he said.

Furthermore, foreign funds were still looking at the development in the New York stock market which would be celebrating its "10th year anniversary of the Black Monday" of which in Sept 1987, the Dow Jones crashed to its lowest level.

"It will take some time for foreign funds to recover from the recent events and to re-examine their investment portfolio," he said. -- BERNAMA

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