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TIME FOR LOCAL FUNDS TO BUY SHARES, SAYS DR MAHATHIR

By: Ahmad Zukiman Zain

KUALA LUMPUR, Aug 7 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said he expected local funds to come in now and buy shares on the Kuala Lumpur Stock Exchange (KLSE) which closed broadly lower today.

He said he was not worried with the lower closing of the KLSE because it was usual for fund managers to pull out at such time as they were afraid of further declines.

"But I should expect local funds to come in and buy up cheap shares now," he told reporters after launching a fair and exhibition company here today.

He was asked to comment on the drop in share prices on the KLSE amidst renewed selling pressure. Foreign players did not provide much support to the market today. The Composite Index lost 23.41 points or 2.46 percent to finish at 928.33.

"If I were a player on the stock exchange, I will be buying shares now but I don't buy shares," the Prime Minister said.

"In any case even if I buy, I wouldn't make any impact," he added.

He, however, said domestic funds should come in now to buy because they "could get a bargain."

On the Bank Negara's recently-introduced US\$2 million limit on non-commercial swap transactions with foreign customers, Dr Mahathir said it would be carried out as long as it was necessary.

He said the ruling was not a restriction but merely a differential rate of interest that had always been practised in the country.

Asked to comment on rumours that Tan Sri Ahmad Mohd Don had resigned as Bank Negara governor, Dr Mahathir replied, "No such rumour."

Earlier today a Bank Negara spokesperson also denied rumours circulating in various financial markets that Ahmad had tendered his resignation. -- BERNAMA

AZZ SHY