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Trading volume on KLSE hits 545.67m units

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THE Kuala Lumpur Stock Exchange's benchmark Composite Index went through another see-saw pattern yesterday but managed to close above the psychological 800-point mark ahead of the long weekend.

The index of 100 quality stocks closed at 804.40, down 7.78 points from Thursday's close.

With most local investment funds like Permodalan Nasional Bhd and Employees Provident Fund entering the market in a big way, trading volume ballooned to 545.67 million shares valued at RM2.05 billion - a volume that was higher than the 487 million shares traded on the New York Stock Exchange Thursday.

Other institutions were also believed to have entered the market after Prime Minister Datuk Seri Dr Mahathir Mohamad gave them the green light on Thursday to move in and buy up quality stocks for keeps.

Market talk had it that among these institutions were the Pensions Fund, the Armed Forces Trust Fund and the Pilgrims Management and Fund Board.

These institutions' buying activities also helped prop up the KLSE CI, which had fallen to a low of 777.96 in the morning on negative sentiment - influenced by another sharp fall in the ringgit's value to RM2.96 against the US dollar.

At the midday break, the KLSE CI was at 811.17 points or 1.01 points lower than Thursday's close of 812.18.

The KLSE CI again took the downward path in the afternoon session, falling to 779.93 before recovering towards the end of the day's trading. The ringgit also recovered sharply to RM2.89 against the US dollar.

A similar pattern was shown by the Emas Index, which tracks all the KLSE Main Board counters and the KLSE Second Board Index.

The Emas Index fell to a low of 212.04 points before recovering and closed the day 3.96 points lower at 219.48, while the Second Board Index dipped to an intra-day low of 358.31 points before closing 11.95 points down at 373.74.

To some extent, regional forces were also at play as currencies came under renewed attacks and prices tumbled in other bourses.

Prospects of a slowdown in the US economy led to a 92.90 point fall in the Dow Jones Industrial Average to 7,694.43. The Japanese benchmark Nikkei Index was also down 222.03 points to 18,229.42.

The Hong Kong Hang Seng Index fell 740.85 points to 14,135.25, yo-yo trading saw the Singapore's Straits Times Industrials Index fall 40.98 points to close at 1,805.64, and the Australian Stock Exchange's benchmark All Ordinaries Index eased 27.3 points to 2,593.0.

The Jakarta Stock Exchange Composite Index was down 36.404 points at 493.962, Thai share prices ended 9.53 points lower at 502.23, while the Philippine Stock Exchange Composite Index lost 50.45 points to settle at a four-year low of 2,021.52.

On the currency front, the Indonesian rupiah plummeted to an all-time low of 3,050 against the greenback from the 2,945 close Thursday before recovering to 2,975 while Singapore's dollar dived in early trading to a 38-month low of 1.5370 against the US dollar from 1.5175, but strengthened to the 1.5095 level.

The baht also dipped to a record low of 34.50 from 34.20 Thursday, while the Philippines peso closed at 30.29 to the greenback, compared to 30.07 before.

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