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Breather for Asian bourses, currencies

ASIAN stock markets surged yesterday in a welcome respite from a series of dismal declines, boosted by the yen's rally against the US dollar and a strong showing by Wall Street.

The yen surged to a high of 143.95 to the dollar in trade as Japan's Vice-Finance Minister Eisuke Sakakibara fired a new warning of imminent intervention by the Bank of Japan to lift the yen.

The Hong Kong Government's battle against speculators for the third straight trading day and hints by Prime Minister Datuk Seri Dr Mahathir Mohamad of intervention to boost share prices buoyed those bourses.

Tokyo's key 225-issue Nikkei stock average closed up 2.3 per cent or 342.55 points to 15,352.65.

Hong Kong's Hang Seng index surged 5.7 per cent or 411.66 points to 7,622.58, as dealers noted unusually heavy turnover in index heavyweights August futures contracts, fuelling suspicions of government buying.

Malaysia's key stock index soared 8.81 per cent or 27.81 points to 343.47, in line with major regional bourses.

Investors' sentiment was high after Dr Mahathir's comment on Tuesday that the Government might buy shares to boost the KLSE.

Singapore's key index however fell 0.5 per cent, reversing a 1.8 per cent gain in mid-session as a property unit of the Development Bank of Singapore group reported weak first-half results. The Straits Times Industrials index fell 4.58 points at 923.04.

But as the yen consolidated to end trading here at 144.35 to the dollar, up from its close on Tuesday of 145.78, Asian currencies too came off their highs, dealers said.

The Singapore dollar ended higher at 1.7560 from its close on Tuesday of 1.7683, while the ringgit was at 4.2100 from 4.2350.

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