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KLSE-WEEKLY

KLSE TO LOOK TOWARDS REGIONAL DEVELOPMENTS FOR CUE

KUALA LUMPUR, Aug 22 (Bernama) -- Regional developments will have a big say in which direction the local stock market moves next week.

Investors are expected to adopt an extremely cautious stance and adopt a wait-and-see attitude on the possibility of further weakness expected in regional fundamentals.

"The market is expected to be quiet as players prefer to remain sidelined, while prices are anticipated to move sideways with a slight downward bias coupled with mild selling activity, said one dealer.

He said the Kuala Lumpur Composite Index will enjoy strong support at the 300 points index level but it would depend on the extent of selling pressure.

Currency and developments on regional bourses would weigh heavily on market sentiment with attention focused on the yen, which weakened to the 144.25 level against the US dollar on Friday.

"Investors will also look at Hong Kong, whose's stock market received a boost from the buying of shares by its government," added another dealer.

Locally, the market lacks fundamentals and is looking towards more clues on measures to be taken to boost the economy.

For the week just ended, Prime Minister Datuk Seri Dr Mahathir Mohamad's statement that the government may buy shares to boost the ailing stock market spurred heavy buying activity on Wednesday and Thursday.

But it turned easier on Friday, as players began to off-load their shares after regional stocks market fell, as a result of an 80 points fall on Wall Street on Thursday.

The 100-stocks benchmark Composite Index closed the week at 324.06, for a 3.92 points fall compared with last Friday's close of 327.98.

Meanwhile, the all Main Board Emas Index shed 0.24 of a point to 84.44, the Industrial Index lost 17.12 points to 669.56, but the Second Board Index was up 2.29 points to 79.61.

The mainboard volume this week soared to 1.024 billion shares valued at RM1.424 billion from 523.682 million shares worth RM851.167 million last week.

Second board volume increased to 45.084 million shares valued at RM43.485 million from 17.660 million shares worth RM20.056 million previously.

However, off-market deals decreased to 11.425 million shares valued at RM20.982 million from 13.216 million shares worth RM38.167 million a week ago.

MBf Capital was the most active stock for the week with 62.498 million shares traded and it managed to close 10 sen higher at 42 sen.

Other active stocks included Technology Resources Industries (with 44.078 million shares traded) which was two sen better at 77 sen, Sime Darby (41.591 million shares) lost 16 sen to RM1.94, Magnum (41.002 million) added 10 sen to 91 sen, Tenaga Nasional (34.193 million) lost 15 sen to RM2.35, RHB Capital (31.208 million) rose 16 sen to RM1.00, United Engineers (30.112 million) added eight sen to 94 sen, Nylex (21.638 million) dropped a sen to 63 sen, Renong (20.022 million) added 10 sen to 39 sen and Telekom (18.636 million) dropped 20 sen to RM6.10.

On the main board sectoral basis, consumer products accounted for 38.613 million shares traded, industrial products 100.596 million, construction 78.710 million, trading/services 356.219 million, IPC 6.159

million, finance 254.159 million, hotels 3.908 million, properties 92.273 million, plantation 32.537 million, mining 3.121 million, trusts 468,000, closed/fund 295,000, loans 11.738 million and TSR/warrants 44.848 million shares.

On the second board, consumer products accounted for 10.104 million shares traded, industrial products 10.665 million, construction 13.528 million, trading/services 8.796 million, finance 284,000, loans 26,000 and TSR/warrants 1.681 million. -- BERNAMA

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