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KLSE WEEKLY REPORT: SHARES TO BE HIGHER NEXT WEEK

KUALA LUMPUR, Feb 28 (Bernama) -- The uptrend on the Kuala Lumpur Stock Exchange is expected to continue next week backed by a firm ringgit and stable regional markets.

The benchmark Composite Index is likely to test the 750 points level after failing to breach it on Friday. The closest it came near to the level was on Friday when it rose to 749.36.

If that level is breached, dealers expect the market to move between 750 and 780 points.

The outcome this weekend of both the Asean finance ministers meeting in Jakarta as well as discussions between Prime Minister Datuk Seri Dr Mahathir Mohamad and the Sultan of Brunei could also have an impact on the market.

Dealers said the ringgit, having ended the week higher at 3.6600/6800 aided by favourable developments, could inch up further to the 3.500 level, which could spur further buying support.

A dealer said telecommunication stocks could be boosted by the raising of foreign shareholding ceiling to 49 percent from 30 percent.

Speculation has been rife that several foreign telecommunication companies would raise their equities in local firms especially those in need of funds to expand their infrastructure capabilities.

For the week, the market opened lower on lack of fresh leads but recovered on Tuesday after the economic adviser to the government Tun Daim Zainuddin said non-Bumiputera firms would be allowed to buy stakes in Bumiputera companies especially those which face financial difficulties.

However, the market gave up its gains thereafter over uncertainty on the terms that non-bumiputera firms would be able to buy bumiputera shares.

Deputy Prime Minister Datuk Seri Anwar Ibrahim's clarification on Thursday that the changes announced might be permanent in nature lifted sentiment.

The spillover effect was felt on Friday morning as investors bought generously but in the afternoon many counters were down on profit taking, with the composite index maintaining its morning's gains due to surges in several bluechips such as Maybank, which rose 90 sen to RM14.30 and Tenaga Nasional up 75 sen to RM9.70.

Telecommunication companies benefitted from the raising of the foreign equity ceiling to 49 percent from 30 percent.

The benchmark 100-bluechips stock Composite Index ended the week 17.3 points to 745.36 from 728.06 the previous week while the all share Main Board Emas Index gained 6.01 points to 191.26 from 185.25.

The Industrial Index rose 38.48 points to 1,344.99 from 1,306.51 while the Second Board Index rose to 6.33 points to 201.10 from 194.77.

Johor Port was the most active stock this week with 62.535 million shares transacted. It closed 10 sen higher at RM1.58.

Other counters on the top 10 list were Ekran (46.884 million), Commerce Asset (46.364 million), Intria (42.816 million), Suria Capital (38.173 million), Time Engineering (37.563 million), KUB (33.898 million), Arus Murni (33.379 million), RHB Capital (32.967 million) and MBf Capital (31.514 million).

Ekran added 25 sen to RM1.47, Commerce down 34 sen to RM3.18, Intria up 11 sen to RM1.00, Suria Capital up 26 sen to RM1.59, Time Engineering rose seven sen to RM2.10, KUB added 54 sen to RM1.71, Arus Murni rose 73 sen to

RM1.77, RHB Capital added 20 sen to RM3.48 and MBf Capital rose five sen to RM1.75.

Total turnover for the week increased to 2,567.189 million shares valued at RM6,087.504 million from 1,972.866 million valued at RM4,972.526 million in the previous week.

Main board turnover increased to 2,280.371 million valued at RM5,124.585 million from 1,664.304 million valued at RM3,842.174 million previously but Second Board volume decreased to 220.142 million valued at RM689.142 million from 234.637 million valued at RM643.966 million.

Off-market turnover fell to 66.676 million shares valued at RM273.777 million from 73.924 million valued at RM486.384 million.

On a sectoral basis, consumer products accounted for 134,468 million shares traded on the main board, industrial 155.540 million, construction 195.278 million, trading/services 533.253 million, infrastructure projects 11.309 million, finance 508.921 million, hotels 8.536 million, properties 323.794 million, plantations 86.155 million, mining 18.165 million, trusts 746,375, closed/fund 1.123 million, loans 76.539 million and TSR/warrant 282.121 million.

On the second board, consumer products accounted for 42.050 million shares traded, industrial products 87.141 million, construction 50.402 million, trading/services 20.669 million, finance 1.357 million, loans 671,000 and TSR/warrant 28.948 million. -- BERNAMA

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