

22 AUG 1998
KLOFFE-WEEKLY
KLCI FUTURES TO MOVE SIDEWAYS

KUALA LUMPUR, Aug 22 (Bernama) -- The Kuala Lumpur Composite Index (KLCI) futures contract is expected to trade sideways early next week with players keeping a cautious eye on further regional developments.

Regional factors to look out for include the performance of the yen against the US dollar, the trend of major regional bourses and further intervention by the Hong Kong government to boost its currency and stock market.

"In the absence of local fundamentals, players will shift their focus to regional developments," said Davinder Singh of AOF Futures Sdn Bhd.

He expects spot futures to maintain above the 317 points level early in the week, but added that the market was also watching out for more market recovery measures to be announced by the government.

Davinder added that uncertainty prevailed over the government's financial ability to intervene in the local stock market following Prime Minister Datuk Seri Dr Mahathir Mohamad's remark recently that the government was considering buying shares as a market boosting effort.

For the week just ended, the futures market came under selling pressure but staged a rebound on Tuesday until Thursday, aided by Dr Mahathir's statement that government intervention was possible to boost the stock market.

Thereafter, profit taking set in to trim earlier gains.

This week, spot August futures finished 0.6 of a point higher at 322.2, September futures was up 1.3 points to 322.2 while December settled 0.4 points lower at 322.5.

Total turnover rose to 30,287 lots from 18,113 lots previously while open position increased to 30,064 contracts on Friday against 21,289 contracts recorded the previous Friday. -- BERNAMA

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