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KLSE-WEEKLY  
KLSE SEEN MOVING ON EXTERNAL FACTORS NEXT WEEK

KUALA LUMPUR, June 20 (Bernama) -- The movement of the Kuala Lumpur Stock Exchange (KLSE), next week, would be determined by external factors, said brokers.

They expect the yen to weaken further if the deputy finance ministers of the Group of Seven (G7) nations, which meet in Japan on Saturday, fail to reach an agreement on how to stabilise the yen.

"In the absence of positive leads coupled with the uncertain direction for the yen against the US dollar, would see share prices moving sideways," said a broker.

He added that some bargain hunting into next week was possible as stocks were "cheap and right for the picking".

"But, many retail investors still prefer to stay out and conserve their cash resources during difficult times like now," said another dealer, adding that many investors were of the view that "cash is king" right now.

An analyst said the government's announcement on Thursday that it planned to allocate an additional RM7.031 billion to put the economy back on its feet was being viewed as positive by the market.

"However, more information on the plans should be forthcoming," he added.

Until then, buying activity is expected to remain subdued as investors wait for additional information.

Deputy Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim had said on Thursday that details of the counter cyclical programme would be announced on Sunday.

For the week just ended, the market went through a volatile trading week with prices coming off sharply for two consecutive days, at the beginning of the week, followed by a sharp rebound on Wednesday and Thursday.

The sharp decline of the yen against the US dollar, which slipped as low as 147 to the greenback, mid-week, saw regional stock markets and currencies, including the ringgit and the KLSE nosedive.

Anxiety was also mounting as the UMNO general assembly drew closer as many players were looking for more positive clues from the Prime Minister, who is also UMNO president, as to the state of the economy.

Datuk Seri Dr Mahathir Mohamad had said on Friday, during the UMNO assembly, that foreign powers were trying to recolonise Malaysia by undermining its economy and seeking to destabilise the government.

Profit taking on Friday and continued weakness in regional stock markets dragged values lower which dealers said is a clear indication that the underlying economic problems are far from being resolved.

"There was no follow-through buying support as the country's economic fundamentals have not changed," said a dealer pointing out to the fact that a major worry plaguing the local bourse was the region's economic problems.

Meanwhile on the trading pit this week, the KLSE Composite Index fell 4.76 points to 467.61 and the all main board EMAS Index shed 2.32 points to 119.70.

The Industrial Index gave up 40.84 points to 909.51 while the Second Board Index dropped 2.73 points to 103.63 points.

The main board volume rose to 664.250 million shares valued at RM1.488 billion from last week's 511.681 million shares worth RM1.209 billion.

The second board turnover was slightly higher at 33.186 million shares

worth RM49.817 million against 32.906 million shares valued at RM48.698 million previously.

Off-market volume rose sharply to 109.565 million shares valued at RM150.961 million versus 42.287 million shares worth RM140.447 million registered last week.

Among the counters that were suspended during the week were Farlim Group, Timbermaster Industries and Best World Land Bhd.

The top 10 stocks for the week included Magnum, which rose eased 13 sen to RM1.42 on a turnover of 53.911 million shares. Tenaga Nasional gained 20 sen to RM5.75 (27.394 million shares), Maybank was flat at RM4.60 (24.347 million shares), Telekom gained 35 sen to RM7.00 (23.872 million shares), RHB Capital gave up two sen to RM1.83 (23.249 million shares).

Sime Darby added 16 sen to RM2.99 (20.831 million shares), UE(M) erased nine to RM1.82 (19.592 million shares), Commerce Asset added seven sen to RM1.82 (13.076 million shares), MRCB gained four sen to RM1.09 (11.739 million shares) while Renong gave up two sen to RM0.71 sen (10.118 million shares).

The main board sectoral basis, consumer products accounted for 43.504 million shares, industrial products 47.870 million shares, construction 65.268 million shares, trading/services 241.694 million shares, infrastructure 5.174 million shares and finance 128.341 million shares.

Hotels accounted for 1.399 million shares traded, properties 61.875 million shares, plantation 23.958 million shares, mining 2.140 million shares, trusts 594,000 shares, closed/fund 185,200 shares, loans 13.113 million shares and TSR/Warrant 29.130 million shares. -- BERNAMA

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