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KLOFFE WEEKLY REPORT: FUTURES TO MOVE HIGHER

KUALA LUMPUR, Feb 28 (Bernama) -- The Kuala Lumpur Composite Index futures traded on the Kuala Lumpur Options & Financial Futures Exchange is expected to be steadier as the ringgit firms further and due to stable regional markets.

The spot month March futures will likely test the resistance level of 750 level, which the futures was unable to breach this week.

Dealers said the market would also depend on the outcome of the Asean finance ministers meeting on Saturday and announcements of changes to some government policies on investment and equity purchases.

"If the investors, particularly the foreign investors, see something positive is being done, the equity market and ringgit will strengthen, he added.

The outcome of the meeting between the Prime Minister Datuk Seri Dr Mahathir Mohamad and the Sultan of Brunei may also provide some clues for the market.

Players were still optimistic following the government's move to liberalise equity ownership in Malaysian companies, he said.

Standard & Poor's lowering of its rating of six Malaysian banks may only have short impact at the opening next week as the agency has not revealed anything new to the investors.

The bank mergers will be more interesting to the investors, he added.

This week, the market opened lower on lack of fresh leads but rebounded on Tuesday on announcement by government adviser Tun Daim Zainuddin that non-Bumiputera would be allowed to buy Bumiputera shares to help out companies facing financial difficulties.

The market was also aided by the firm ringgit which rose up to 3.6 against the US dollar.

February futures which expired on Friday, ended the week higher by 9.6 points to settle at 743.6 as compared to 734.0 at the end of the previous week while March futures ended 13.0 points higher at 744.7 from 731.1.

June and September which were not traded settled at 750.7 and 757.7 respectively from 743.0 and 750.0 respectively the previous week.

The highly volatile market enabled turnover to soar to 23,320 lots from 15,199 lots the previous week

Open interest at the close of the week stood at 16,052 contracts. --

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