

07 NOV 1998
KLSE-WEEKLY
KLSE SET TO MOVE HIGHER NEXT WEEK

KUALA LUMPUR, Nov 7 (Bernama) -- The Kuala Lumpur Stock Exchange (KLSE), which ended the week on a bullish note after surpassing the 450-resistance, is set to move higher on the back of positive leads.

Dealers said the market's undertone, aided by strong regional bourses and Wall Street, is bullish enough to limit sharp falls.

At the week's close, the 100-quality Composite Index rose 47.96 points to 453.29, the all-shares Emas Index added 13.68 points to 119.80, the Second Board Index gained 17.41 points to 116.07 while the Industrial Index was 78.37 points higher at 868.16.

The week saw players accumulating stocks ahead of year-end's window dressing activities and interests were mostly on bluechips, second boarders, finance, plantations and property stocks.

Apart from positive local leads, the market also gained impetus from the better Wall Street and regional markets performance.

Trading was smooth throughout the week without untoward incidence during the trial of former deputy Prime Minister Datuk Seri Anwar Ibrahim.

The market opened Monday with warrants dominating trade after reports that its exercise period was extended to a maximum 10 years. The extension was viewed favourably as warrant-holders tend to benefit in the long run when companies performed better.

Finance, banking and related stocks emerged gainers on Tuesday following news that Pengurusan Danaharta Nasional Bhd (Danaharta) will be taking up the non-performing loans (NPL) of troubled stockbroking companies.

Apart from removing uncertainties from especially stockbroking companies which were under trading restrictions, the acquisitions of the NPLs will also help recover the loan exposure of the banking sector.

The market then continued to ride on the wave of rises in Singapore and other regional bourses following the return of foreign funds, while plantation, known to be defensive stocks, captured interests on possibility of higher prices of palm oil.

At the same time, dealers said, "the tax holiday in 1999 as announced in the recent Budget had far outweighed the windfall levy imposed on palm oil-based companies".

Sentiment was lifted further on Thursday following favourable outcome from a meeting between Prime Minister Datuk Seri Dr Mahathir Mohamad and Singapore's Prime Minister Goh Chok Tong.

Apart from working to improve ties that have been strained in the past few months, Singapore had agreed to assist Malaysia overcome its financial problems and help the latter raise funds in the republic.

The market then defied a brief profit-taking on Friday to trade higher. Among markets talk that prop the last day's trading was that banks have been told to loan out while a big local fund was said to be actively buying to pay out dividends.

The mainboard volume rose to 1.116 billion shares valued at RM1.420 billion from 558.578 million shares worth RM999.013 million last week.

The second board turnover increased to 173.282 million shares valued at RM285.011 million against 41.314 million shares worth 63.207 million.

Direct business deals contracted to 21.207 million shares valued at RM31.204 million compared with 75.331 million shares worth RM148.293 million.

The week saw no new issue being listed but five counters requested for temporary suspension of their shares, namely, Intria, U-Wood, Far East Holdings, Public Finance and Khong Guan.

TA-W was the most active counter at 20 sen, up six sen, followed by MBf Holding which added three sen to 36 sen, Ekran gained 10 sen to RM1.15, Magnum rose 22 sen to RM1.29, MBf Capital added 13 sen to 86 sen, United Engineers gained 25 sen to RM2.44, Time Engineering was up eight sen to 95 sen, IGB-T gained nine sen to 14 sen, MPHB-W added 17 sen to 10 sen while Berjaya was up eight sen to 63 sen.

In terms of volume, TA-W accounted for 60.990 million shares traded, MBf Holding 30.527 million, Ekran 30.423 million, Magnum 18.814 million, MBf Capital 18.498 million, United Engineers 16.582 million, Time Engineering 16.014 million, IGB-T 15.549 million, MPHB-W 14.493 million and Berjaya 13.838 million.

On a sectoral basis, consumer products accounted for 51.183 million shares traded, industrial products 100.808 million, construction 74.771 million, trading/services 228.238 million, infrastructure 3.254 million, finance 186.697 million, hotels 4.720 million, properties 154.366 million, plantation 54.205 million, mining 5.822 million, trusts 647,010, closed/fund 672,000, loans 21.067 million and tsr/warrants 228.525 million.

-- BERNAMA

SHO MFJ