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Share trading turns bullish ahead of Budget

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SHARE trading on the Kuala Lumpur Stock Exchange (KLSE) turned bullish yesterday ahead of the 1999 Budget to be presented in Parliament on Friday.

Strong buying support from both institutional and retail investors lifted the KLSE Composite Index by 26.71 points, or 6.74 per cent, to 422.97 - the day's high - at the close.

The last time the benchmark index breached the 400-point level was on September 7 when it closed at 445.06.

The broader Emas Index put on 6.40 points at 111.57.

Analysts said players were obviously looking forward to a "people-friendly Budget", which is also expected to contain further measures to revitalise the economy, and specifically the banking sector.

This was reflected in the selective buying into finance blue chips, as investors were also encouraged by the strong participation by local corporations in providing funds for the sector's recapitalisation, a dealer said.

The Finance Index climbed 193.92 points to 2,674.13, the Industrial Index 40.06 to 828.15, and the Second Board Index 3.99 to 104.67.

Prime Minister Datuk Seri Dr Mahathir Mohamad's five-day trip to Japan also gave confidence a boost, said another analyst, amid signs of a shift in Tokyo's opinion towards Malaysia's capital control measures.

Dr Mahathir returned to Kuala Lumpur yesterday.

Gains overwhelmed losses 749 to 35 while 39 counters were traded unchanged.

Total turnover surged to 350.688 million shares worth RM567.049 million from Friday's 263.855 million shares and RM333.913 million.

Elsewhere in the region, Tokyo was up 1.8 per cent and Hong Kong 0.5 per cent, but Singapore eased 1.0 per cent on profit-taking.

Bangkok shares jumped 5.5 per cent, as did Seoul by 3.9 per cent, while Sydney and Jakarta barely moved. Manila was 1.5 per cent lower.

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