

02/03/1998

Shares end higher after reacting to measures

Lokman Mansor

TRADING on the Kuala Lumpur Stock Exchange (KLSE) last week saw the market reacting both positively and negatively towards news of economic liberalisation measures by the Government, but finally rallying to breach the 740-resistance level.

The week began on a cautious note as investors were sidelined ahead of results announcements by gaming counter Genting and utility giant Telekom Malaysia.

On the international front, United Nations Secretary General Kofi Annan had successfully brokered a peaceful settlement to the US-Iraq crisis, but this had little impact on the local bourse.

For that matter, neither did the G7 finance ministers meeting in London, which failed to produce any concrete moves to address the economic problems in this region, analysts said.

Share prices began rising last Tuesday following comments by Economic Adviser to the Government Tun Daim Zainuddin that the real economy in Malaysia is doing well and that the Government aims to restore confidence in local markets.

He also said companies in trouble would not be spared, and that the Government is willing to allow non-Bumiputeras to take up Bumiputera shares in companies.

The local bourse moved the opposite direction on Wednesday, dragged down by Genting's lower share price and as foreign investors took note of Prime Minister Datuk Seri Dr Mahathir Mohamad's comments that the move announced by Daim would be a temporary measure.

The KLSE recovered some ground on Thursday on improved support for selected blue-chips and a strengthening ringgit, following Deputy Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim's statement that the Government will liberalise foreign equity ownership and that details for the sale of Bumiputera equity to other races will be worked out.

Week-on-week, the benchmark KLCI advanced 17.3 points or 2.37 per cent to 745.36 from the previous Friday's close.

The all-main board Emas Index finished the week 6.01 points or 3.24 per cent higher at 191.26, while the second board index was up 6.33 points or 3.25 per cent to 201.10.

Total turnover on the KLSE for the whole of last week amounted to 2.567 billion shares valued at RM6.087 billion, which gave an average daily volume of 513.4 million shares.

This was compared with a total turnover of 1.899 billion shares valued at RM4.486 billion for the previous trading week, which gave an average daily volume of about 379.8 million shares.

(END)