

23 JAN 1999
KLSE-WEEKLY
FOLLOW THROUGH BUYING TO CONTINUE ON KLSE

KUALA LUMPUR, Jan 23 (Bernama) -- Continued speculation that capital controls, imposed in September last year, would be eased further coupled with an anticipated Chinese New Year rally is expected to boost the local bourse in the coming week.

The speculation is also rife following reports that Prime Minister Datuk Seri Mahathir Mohamad is scheduled to meet up with fixed income investors and fund managers next week, an analyst said.

The most talked about change which has circulating in the market is the imposition of an exit tax on short-term foreign equity investment.

When capital controls were introduced last year, it included pegging of the ringgit to the US dollare at 3.80 and a curb on repatriating funds out of the stock market for one year from the date of purchase.

The analyst added that the government has to relax some of the capital controls if it wishes to reactivate the aggressive participation of foreigners players in the local bourse.

On the outlook for the Composite Index, he said the index could test the 625 points level and even breach pass the 650 points level.

Gains, however, could be capped by sporadic profit taking, he added.

Another analyst said finance and gaming stocks would continue to garner more interest especially among retail investors, after having seen strong interest when the market resumed trading on Thursday.

The market was closed from Monday to Wednesday for the Hari Raya Aidil Fitri festival.

Thursday and Friday saw local institutional and foreign funds flooding the market on renewed buyign activity.

Meanwhile, the 100-stocks benchmark Composite Index accumulated 19.57 points to end at 618.54 this week compared with 598.97 previously.

Troute? he all Main Board Emas Index gained 5.90 points to 157.82, the Second Board Index added 2.38 points to 167.93 and the Industrial Index rose 32.78 points to 1,124.21.

The finance index rose 342.78 points to 4,123.29.

Total turnover on the normal market and direct business deal stood at 601.272 million units valued at RM1,294.426 million.

On the Main Board, normal market volume for the two trading days amounted to 531.951 million shares worth RM1,093.674 million while on the Second Board, turnover stood at 51.434 million shares valued at RM148.557 million.

Off-market transactions totalled 17.887 million shares valued at RM52.195 million.

The most active stock for this week was Magnum with 38.432 million shares traded. It rose 33 sen to end at RM2.34.

The other active stocks were MBf Holdings (19.959 million shares), Multi Purpose (18.74 million), MBf Capital (17.131 million), RHB Capital (12.764 million), United Engineers (11.945 million), Malayan United Industries (11.728 million), Pan Malaysian Industres (11.139 million), Technology Resources Industries (10.603 million) and Suria Capital (10.413 million).

MBf Holdings rose five sen to 34 sen, Multi Purpose added 32 sen to RM1.75, MBf Capital lost a sen to 78 sen, RHB Capital gained 42 sen to RM2.78, United Engineers was 15 sen higher at RM3.12, Malayan United Industries fell a sen to 81 sen, Pan Malaysian Industries increased one sen

to 59 sen, Technology Resources Industries increased 12 sen to RM2.15 and Suria Capital ended 12 sen better at RM1.57.

On a sectoral basis, consumer products accounted for 19.700 million shares traded on the main board, industrial products 61.267 million, construction 35.991 million, trading/services 145.785 million, IPC 3.327 million, finance 149.352 million, hotels 1.782 million, properties 53.179 million, plantation 11.515 million, mining 596,400, trusts 207,000, closed/fund 475,000, loans 12.606 million, TSR warrants 35.266 million and trading of rights 902,500.

On the Second Board normal market, consumer products saw 5.847 million shares traded, industrial products 22.4 million, construction 14.910 million, trading/services 6.895 million, finance 686,000, loans 5,000 and TSR/warrants 691,000. -- BERNAMA

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