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Investors advised not to dampen KLSE sentiment

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LOCAL investors should not dampen sentiment on the Kuala Lumpur Stock Exchange (KLSE) if they value the positive direction the market is now taking, Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi said. He said if investors believe that the KLSE Composite Index's going above the 700-point level will help them manage their debts, then they should not do anything to create instability in the market.

"Please do not treat the KLSE like a casino. Excessive speculation in the shares listed on the KLSE will not help. If you have confidence in what you see today as signs of economic recovery, then I think we should maintain that confidence," Abdullah said.

Speaking at the CEO Luncheon organised by the National Chamber of Commerce and Industry Malaysia in Kuala Lumpur yesterday, the Deputy Prime Minister said there may be some investors who are looking to make a lot of money by overselling their shares.

"If this dampens the spirit and sentiment in the market, this is not going to be good for us. Be patient," Abdullah said.

He said Malaysian businessmen are more familiar with the local scene and should take the lead rather than follow the trends set by investors outside the country.

"Why must we wait for others to sell before we sell? Why must we wait for others to buy before we buy? Surely we must know our companies better and I think this is a time when we should lead the way. We know there is recovery that today is giving us some confidence. Let us hope that this recovery will be very good for us," he added.

Earlier, Abdullah gave the more than 200 corporate leaders present some insight into the workings of the National Economic Action Council (NEAC), of which he is deputy chairman.

He said the NEAC meets almost daily, except Sundays and Wednesdays (when the Cabinet meets) and takes a "hands-on" approach in managing the economic situation in the country.

"You can have good policies and strategies, but it is in the implementation that we will know for sure whether they are really good. We have to go through the details.

"What happens every day in the stock market, in the manufacturing and other sectors, what are the prices of the materials that the professionals will need in order to build cheaper houses - we take into account all these," Abdullah said.

He added that the NEAC will also look into how well passenger cars are selling. If sales are down it will want to know why. Is it because they are not produced on time, or because components manufacturers are not producing the parts required by the industry? If they are not doing that, why? Is it because they have no money?

"We just cannot assume that they have no money or that they face certain problems. We must know what the problems are, and in knowing this we can apply the right solutions," Abdullah said.

At the helm of the NEAC is Prime Minister Datuk Seri Dr Mahathir Mohamad, a medical doctor, who treats the economy like a doctor treats a patient, he said.

"He (Dr Mahathir) works as hard as anybody else. At his age it is admirable that he works so hard. If any one of you were to think that the Prime Minister is forgetful, please don't ever think that. He remembers

everything," Abdullah added.

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