

28 MAY 1999
KLSE-WEEKLY
INVESTORS LIKELY TO BE CAUTIOUS NEXT WEEK

KUALA LUMPUR, May 28 (Bernama) -- The Kuala Lumpur Stock Exchange (KLSE) might see most investors adopting a cautious stance next week with the lack of fresh market directions, a dealer said.

The market is also likely to be influenced by the ups and downs of the Dow Jones Industrial Index on Wall Street, the dealer added.

"If Wall Street rebounds Friday, share prices are likely go up in the week ahead as the buying interest on cheap second liners is still there," he said.

Apart from Wall Street, players are also waiting for the release of Malaysia's first quarter GDP (Gross Domestic Product) data.

The Statistics Department said the data are expected to be released by end of June or in July.

Prime Minister Datuk Seri Dr Mahathir Mohamad had said GDP growth for the first quarter of 1999 will contract by a smaller margin of 1.5 percent, after having contracted by 8.1 percent in the last quarter of 1998.

During the week, the market came under selling pressure as most investors, especially retailers who had contributed to the huge volume on Tuesday and Wednesday the week before, were selling their stocks within the five-day settlement period (T+5), most of which were due during the week.

Under this T+5, the trade has to be settled five days from the transaction date.

On Tuesday and Wednesday the week before, more than one billion shares had changed hands.

KLSE appeared to lack direction this week and most players used the Dow Jones Average Industrial Index as the lead.

However, the tone on Wall Street during the week was bearish on fears of rising US interest rates, following the rise in inflation that had pulled down most of the bourses in the region, including the KLSE.

Wall Street will be closed on Monday due to Memorial Day in the United States.

Despite the selling pressure, the market was well cushioned by some bargain hunting by local institutions, which prevented share prices from plunging further.

Malaysia's success in offering its US\$1 billion 10-year sovereign bonds in the New York bond market on Wednesday, amid concerns that the Federal Reserve would hike US interest rates, boosted market sentiment early on Thursday.

However, the upward momentum fizzled out when forced selling and profit taking came into play.

The bond, with a coupon rate of 8.75 percent, was priced 330 basis points above comparable US Treasury bonds to give 8.862 percent yield.

There were two new listings on the KLSE Second Board this week - Malaysian AE Models Holdings Bhd on Wednesday and Seacera Tiles Bhd on Thursday.

Both counters registered a premium - Malaysian AE gained 50 sen and Seacera 40 sen - upon their listing despite weak market sentiments.

On Friday, Malaysian AE closed four sen lower to RM2.65 with 192,000 shares traded while Seacera rose one sen to RM1.99 with 436,000 shares traded.

On a week-on-week basis, the 100 quality stocks Composite Index fell 20.76 points to 749.03, the all-share Emas Index dropped 7.41 points to

184.05, the Second Board Index shed 15.58 points to 157.84 and the Industrial Index dipped 56.25 points to 1,276.03.

On the KLSE, the weekly Main Board volume fell to 1.799 billion shares valued at RM3.662 billion from 3.940 billion shares worth RM7.049 billion in the previous week.

The Second Board turnover dropped to 153.396 million shares amounting to RM393.558 million from 288.659 million shares worth RM731.160 million.

Off-market deals, however, rose to 46.817 million shares valued at RM137.373 million from 36.840 million shares worth RM120.232 million.

Berjaya Group, which topped the list of active counters, ended Friday at RM1.10, down four sen with 70.861 million shares traded, followed by United Engineers which fell 22 sen to RM3.98 (62.661 million), Renong eased five sen to RM1.44 (56.750 million), and Insas-Warrants declined one sen to 36 sen (44.671 million).

Magnum lost 10 sen to RM2.60 (34.706 million), PMI eased two sen to 55 sen (31.725 million), MRCB dipped five sen to RM1.75 (29.338 million), Intria slipped one sen to 62 sen (29.254 million), Bolton-Warrants decreased 12 sen to RM2.07 (29.217 million) and Bolton shed seven sen to RM2.89 (27.664 million).

On a sectoral basis, consumer products accounted for 68.182 million shares transacted on the Main Board, industrial products 215.926 million, construction 202.834 million, trading/services 416.763 million, infrastructure 8.301 million, finance 228.902 million, hotels 13.846 million, properties 227.220 million, plantations 37.099 million, mining 9.788 million, trusts 972,500, closed/fund 2.638 million, loans 34.932 million and TSR/Warrant 332.343 million.

Meanwhile, on the Malaysian Exchange of Securities Dealing and Automated Quotation (Mesdaq), the Mesdaq Composite Index stood at 105.00 on Friday, 0.62 of a point lower from the previous week.

Its single component stock, Supercomal Technologies Bhd, remained unchanged at RM3.36 since the previous week, with total volume surging to 132,600 shares from 54,400 previously. -- BERNAMA

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