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KLSE-WEEKLY
KL SHARES LIKELY TO RESUME UPWARD MOMENTUM NEXT

KUALA LUMPUR, Sept 4 (Bernama) -- Shares prices on the Kuala Lumpur Stock Exchange is likely to resume an upward momentum next week, now that the Sept 1, 1999 "episode" has come and gone without a bang.

"Prices are likely to stage a rebound next week on consistent buying activity," said a senior analyst with a local stockbroking company.

He said the current oversold position will be fully corrected by progressive buying of most stocks after last week's major sell-down.

The analyst also said with the outflow of portfolio funds tapering off after the lifting of levy on the repatriation of portfolio capital, the local bourse was now free from the threat of "hot-money".

The total amount of funds repatriated up to Sept 3, 1999 amounted to US\$456 million, according to data released by Bank Negara Malaysia on Friday.

"From now onwards, the fundamentals look good and it will definitely drive the market.

"The KLSE is now like a new born baby, wrapped with a clean white cloth, unbind from any possible distortions, disturbances...", he added.

The next major development which the market will be monitoring closely is the unveiling of the National Budget for fiscal year 2000, scheduled in October.

Meanwhile, a dealer said the local stock market will ride high next week on the prospects of Malaysia's reinstatement into the Morgan Stanley Composite Index (MSCI) Emerging Markets Free Index next February.

Also, Prime Minister Datuk Seri Dr Mahathir Mohamad, at a symposium to commemorate the first anniversary of the capital control imposed on Sept 1, 1998, expressed optimism that the KLSE was poised to begin its upward march once again.

Meanwhile, on a week-to-week basis, the 100-quality stocks Composite Index dipped 19.47 points to close at 745.32, the all-shares Emas Index lost 4.41 points to 193.26 and the Second Board Index eased 1.38 points to 162.07.

The Industrial Index, meanwhile fell 30.03 points to 1,329.1.

For this holiday-shortened week, prices were mostly lower on continued profit-taking activity and foreign selling following the end of the lock-in period of portfolio capital repatriation on Wednesday, Sept 1, 1999.

Another dealer said the initial euphoria over the Sept 1 deadline seems to have fizzled out especially when it turned out to be a "non-event".

Bank Negara Malaysia in fact said on Friday that the outflows of funds since Sept 1, 1999 has been minimal and limited in size.

The central bank said a total of US\$328.0 million (RM1.246 billion) left the country on Wednesday, US\$78 million (RM296.4 million) on Thursday and another US\$50 million on Friday.

On the KLSE, the mainboard volume on the normal market declined to 1.112 billion shares valued at RM2.19 billion against a total volume of 1.88 billion shares worth RM3.98 billion last week.

The main board's volume narrowed to 1.09 billion shares worth RM2.13 billion against 1.84 billion shares valued at RM3.89 billion while the second board volume slipped to 22.4 million shares amounting to RM63.2 million from 34.04 million shares valued at RM89.37 million, previously.

Direct-business deals rose to 72.78 million shares worth RM235.16 million against last week's 177.95 million shares worth RM449.02 million.

Malayan Cement Rights was the most active counter, down seven sen to 92 sen, Intria lost three sen to RM1.14, Magnum lost six sen to RM3.16, Berjaya Group - ICULS Rights dipped 11 sen to 92 sen, Avenue Assets ICULS dropped five sen to 85 sen, Berjaya Group eased three sen to RM1.06, Pan Malaysian Industries lost two sen to 94 sen, Suria, however added 11 sen to RM1.82, Malaysian Plantations ICULS 1997/2002 eased eight sen to RM1.59 and Renong lost four sen to RM2.43.

In terms of volume, Malayan Cement - Rights accounted for 184.93 million shares traded, Intria 27.94 million, Magnum 27.46 million, Berjaya Group - Rights ICULS 26.96 million, Avenue C 21.55 million, Berjaya 20.43, PMI 19.87, Suria 19.35 million, MPlant-C 18.53 million and Renong 17.93 million.

On a sectoral basis, consumer products accounted for 27.48 million shares traded, industrial products 78.03 million, construction 68.98 million, trading/services 257.91 million, infrastructure 3.84 million, finance 106.76 million, hotels 5.56 million, properties 137.29 million, plantation 22.76 million, mining 2.84 million, trusts 171,500, closed/fund 697,000, loans 80.8 million, TSR/warrants 83.72 and trading of rights 213.64 million.

Meanwhile, on the Malaysian Exchange of Securities Dealing and Automated Quotation, the Mesdaq Composite Index (MCI), however closed the week 11.87 points higher at 87.5-point, from 75.63 the previous Friday.

Supercomal, the only counter listed on Mesdaq, was up 38 sen at RM2.80.

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