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KLSE-WEEKLY
KLSE COULD AGAIN TEST 800-POINTS LEVEL

KUALA LUMPUR, June 12 (Bernama) -- Positive economic indicators coupled with regional bullishness could propel the Kuala Lumpur Stock Exchange (KLSE) to test the 800-points psychological level next week, dealers said.

A dealer, while expressing optimism that the composite index could break the level, however said that it would be brief due as profit taking is expected to set in quickly.

"I foresee the CI to retreat by 20 to 30 points on profit-taking," he said.

The CI came close to breaking the 800-points level on May 18 at 780.29 points reaching a 19-month high on strong buying support.

This time, the dealer said the KLSE had a greater chance aided by stronger fundamentals and better regional bourses owing to the peaceful democratic elections in Indonesia since early this week.

International research house SG Research's remarks on Monday that Malaysia's Gross Domestic Product (GDP) was expected to grow by two to three percent in the second quarter of this year buoyed sentiment.

SG Research said low inflation and low interest rates, improved import and export growth numbers, higher manufacturing production indices as well as higher loan disbursements should allow the GDP to grow by that quantum.

The release of a positive April Industrial Production Index data on Tuesday also enticed buying.

Prime Minister Datuk Seri Dr Mahathir Mohamad's announcement that the government will go ahead with the Bakun hydro-electric project but on a smaller scale with Tenaga Nasional leading the project was bullish to the market.

It boosted share prices of TNB as well as the previous developer, Ekran Bhd and related companies.

Amid such positive conditions, construction-based Ahmad Zaki Resources Bhd (AZRB) made its debut on the Second Board at RM3.00, posting a 35 sen premium over its issue price of RM2.65. It ended the week at RM3.00.

MAA Holdings Bhd's increase in price also hogged the limelight when it closed the week nearly RM2 higher at RM6.90.

On a week-on-week basis, the CI soared 32.96 points to 772.96 on Friday, from 739.80, while the Emas index was up 10.57 points to 192.11.

The Industrial Index gained 47.6 points to 1,321.1 while the Second Board index added 6.85 points to 159.98.

Total turnover on the normal market and direct business improved to 2.877 billion shares valued at RM5.867 billion, against a volume of 1.383 billion shares valued at RM2.71 billion the previous week.

On the main board, volume transacted on the normal market amounted to 2.351 billion shares worth RM4.42 billion, from 1.231 billion shares valued at RM2.324 billion.

Second board turnover, however declined to 94.905 million shares valued at RM236.75 million from 115.23 million shares valued at RMRM267.737 million.

Off-market deals rose sharply to 430.394 million shares worth RM1.21 billion versus 35.826 million shares worth RM111.89 million the previous week.

Topping the list of active counters for the week on the normal market was Renong, which ended 32 sen up at RM1.75 with 100.828 million shares traded.

Other actives include Malaysian Plantations which gained 77 sen at RM2.31 (87.359 million), KCB was up 41 sen to RM1.22 (74.164 million), UEM firmed 95 sen to RM5.05 (63.71 million), Time rose 21 sen to RM1.19 (50.204 million), MRCB added 30 sen to RM1.98 (48.360 million), Intria rose 14 sen to 73 sen (41.546 million), Magnum peaked 21 sen to RM2.77, Insas Warrants inched up four sen to 38 sen (37.362 million) and MPHB Iculs 1997/2002 soared 16 sen to 54 sen (36.571 million).

On a sectoral basis, consumer products accounted for 75.626 million shares transacted on the main board, industrial products 522.124 million, construction 271.537 million, trading/services 713.475 million, infrastructure 10.179 million, finance 316.261 million, hotels 12.408 million, properties 313.697 million plantations 29.497 million, mining 5.509 million, trusts 440,000, closed/fund 2.263 million, Loans 142.349 million, TSR/Warrant 389.506 million.

Meanwhile, on the Malaysian Exchange of Securities Dealing and Automated Quotation (Mesdaq), the Mesdaq Composite Index (MCI) remained stagnant week-on-week at 103.12 on Friday.

Its single component stock, Supercomal Technologies Bhd was unchanged at RM3.30, with a total volume of 600 shares worth RM1,980 on Friday. --

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