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KLCI WEEKLY REPORT
MORE UPWARD POTENTIAL FOR KLCI FUTURES NEXT WEEK

KUALA LUMPUR, April 10 (Bernama) -- With the ground set for an upward movement, the Kuala Lumpur Composite Index (KLCI) futures prices could breach the 600-mark next week, dealers said.

The market should gain impetus from better local and foreign factors, they said.

This is especially so with further weakening of local interest rates as well as rates cut in Europe. Such developments are expected to encourage more funds to flow into shares and futures trade in the face of declining fixed income yields.

For the week just ended, futures contracts ended firmer on the Kuala Lumpur Options and Financial Futures Exchange (KLOFFE) with prices at over 20-point premiums to the cash index.

Spot April jumped 35.7 points to 591.7 from last week, nearby May rose 32.9 points to 595.8 while quarterly June and September settled at 602.8 and 594.7 respectively.

This week's turnover increased to 13,521 lots from 8,057 lots last week while open interests stood at 3,640 contracts against 2,738 contracts.

As for the cash market, the underlying Composite Index managed to breach two key resistance levels this week before ending at 568.10.

During the week's trading, both the futures and cash markets had their rises capped by profit-taking while volume was shallow.

The local rates cut may have spurred investors to enter the market but subsequent concerns over the health of Prime Minister Datuk Seri Dr Mahathir Mohamad somewhat put a dampener on a greater surge of buying midweek. But confidence gradually returned when Dr Mahathir appeared on TV on Thursday looking all right.

KLOFFE received more buying support from local institutions and retailers while foreign funds were "in and out" but not in a big way, dealers disclosed. -- BERNAMA

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