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News of Cabinet line-up announcement will give mart a boost

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NEWS that Prime Minister Datuk Seri Dr Mahathir Mohamad will announce his Cabinet line-up today led to a positive sentiment on share prices yesterday.

Investors had remained cautious and stayed on the sidelines for the early part of the week as they awaited for the Cabinet announcement.

Yesterday's news however led to share prices moving up broadly across the range.

The Kuala Lumpur Stock Exchange benchmark Composite Index (KLCI) rose 1.02 per cent or 7.45 points to close at 737.13 while the Emas Index put on 1.75 points at 187.94.

The Second Board Index meanwhile rose 2.25 points to close at 153.88.

According to analysts, the local bourse also seemed to expect that Tun Daim Zainuddin will remain as Finance Minister although he had given indications that he would like to retire from the post.

The corporate and business community is comfortable with Daim and they can expect continuity of current economic policies, said one dealer.

The star performers yesterday were the technology stocks in the wake of similar interest in technology counters in the region and on Wall Street.

"Malaysian technology stocks are benefiting from regional play in such stocks in Japan and South Korea," said one analyst.

Mesiniaga Bhd, the exclusive agent and distributor for IBM computers in Malaysia was the top gainer of the day, rising RM1.40 to close at RM7.10 while MCSB Systems rose 61 sen to close trading at RM3.16.

Dataprep meanwhile put on 38 sen to close at RM2.32 while Lityan rose 36 sen at RM4.06.

Another top gainer for the day was new listing UE (M) Warrants which hit limit-up of five times at 10.00am, up RM1.20 to close at RM1.50 from its initial price of 30 sen.

In line with the positive sentiment in the local bourse, trading volume yesterday also rose to 156.902 million shares worth RM470.656 million as compared to 124.159 million shares worth RM412.641 million on Wednesday.

Gainers outperformed losers 395 to 140 with 177 counters were unchanged and another 229 counters were untraded.

Across the region, the Hang Seng put on 2.39 per cent, the Singapore STI Index 0.88 per cent, the All Ordinaries 0.89 per cent and Jakarta 1.70 per cent.

The Nikkei meanwhile lost 0.76 per cent.

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