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KLSE-WEEKLY

SPECULATIVE INTEREST WILL PUSH KLSE HIGHER NEXT WEEK

KUALA LUMPUR, Oct 9 (Bernama) -- Speculative interest is expected to spark further buying on the local bourse next week, but after this week's significant uptrend some profit-taking may also take place, analysts said.

An analyst said that the benchmark Composite Index (CI) is likely to move above the 750 level in the early part of the week.

However, there would be tendency for players to turn cautious and take profit after the big gains this week, he said.

Another analyst said that if there were continued interest and no strong selling pressure, the CI would be able to stay at above the 750 level.

He also said that there obviously would be some speculation on the Budget, with most expecting it to be a friendly one with cuts in personal and corporate taxes.

Players are also keeping a close watch on when the general election is going to be held, the analyst added.

All these factors would continue to be of interest to players next week, analysts said.

This week, except on Tuesday, the market ended the day higher on speculation about the expansion of the number of anchor banks, the general election and the pending Budget.

On Oct 6, Prime Minister Datuk Seri Dr Mahathir Mohamad said that the government has not ruled out the possibility of revising the number of anchor banking groups now standing at six if the banks concerned can make a clear case that they are having problems with the proposed merger process.

The six anchor banks identified are Malayan Banking, Multi-Purpose Bank, Bumiputra-Commerce, Perwira Affin Bank, Public Bank and Southern Bank.

There has been speculation that Arab-Malaysian Bank and Hong Leong want to break away from their arrangements in the proposed merger into six anchor banking groups.

Meanwhile, White Horse, a tile manufacturer, made its debut on the main board on Monday, opening at RM1.80, a 30 sen premium over its initial public offering price of RM1.50. It ended the first day at RM1.88.

On Friday, it closed at RM2.05.

The benchmark 100-stock CI ended the week at 743.84, after peaking at a high of 748.36 during the week. The close was 63.77 points higher than the previous week's close.

The all main board Emas Index rose 16.20 points to 192.07, against 175.87 at the close last week, while the Industrial Index rose 71.59 to 1,294.94 from 1,223.35.

With strong speculative interest following the speculation about the increase in the number of anchor banks, the Finance Index surged 720.18 points to 5,977.77 from 5,257.59, while second board index added 6.41 points to 159.79 from 153.38.

Total turnover, covering normal market and direct business deals amounted to 1,419.245 million shares valued at RM3,436.512 million.

Turnover on the main board normal market rose to 1.218 billion shares valued at RM3.016 billion from 605.557 million shares worth RM1.559 billion in the previous week.

Second board turnover increased to 24.049 million shares valued at RM61.552 million from 19.589 million shares valued at RM53.257 million.

Off-market transactions increased to 176.963 million worth RM358.677 million from 75.256 million shares worth RM169.242 million.

On sectoral basis, consumer products accounted for 25.840 million shares transacted on the main board (normal market), industrial products 97.997 million, construction 120.628 million, trading/services 317.703 million, infrastructure 5.627 million, finance 237.096 million, hotels 7.596 million, properties 133.960 million, plantation 20.433 million, mining 7.529 million, trusts 206,734, closed/fund 1.635 million, loans 95.463 million, TSR/Warrants 144.658 million and trading rights 1.86 million.

On the second board normal market, consumer products accounted for 7.682 million shares traded, industrial products 7.975 million, construction 3.53 million, trading/services 3.885 million, loans 16,000 and TSR/warrant 961,171.

Malaysian Resources was the most active counter this week with 43.974 million shares traded. It rose two sen for the week to close at RM3.04.

Other active counters were Renong with 35.987 million shares traded, RHB Capital (35.364 million), MBf Capital (30.131 million), Arab-Malaysian Corporation (29.619 million), Intria (28.997 million), Renong ICULS 1996/2001 (24.498 million), Malaysian Plantation ICULS 1997/2002 (24.32 million), Intria warrant (24.276 million) and Land & General (23.394 million).

Renong ended the week five sen higher at RM2.30, RHB Capital added eight sen to RM3.40, MBf Capital gained four sen to RM1.22, Arab-Malaysian Corporation shed four sen to RM2.23, Intria was unchanged at 72 sen, Renong ICULS 1996/2001 rose three sen to 76 sen, Malaysian Plantation ICULS 1997/2002 added seven sen to RM1.61, Intria warrant lost two sen to 36 sen and Land & General fell a sen to RM2.00.

Meanwhile, on the Malaysian Exchange of Securities Dealing and Automated Quotation, the Mesdaq Composite Index closed at 59.69, down 5.31 from last week's closing.

Supercomal, the only counter listed on Mesdaq traded 2,800 shares valued at RM5,332. It closed at RM1.91, down 17 sen from the previous week.

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