

17/06/1999

Strong buying interest pushes KLCI closer to 800

BULLS took heart yesterday from the recent stream of strong economic data, low interest rates and a widely expected general elections to lift the Kuala Lumpur Stock Exchange (KLSE) benchmark index ever closer to the 800-level.

Both local institutions and retail players were active buyers, which saw the KLSE Composite Index rising 11.98 points, or 1.5 per cent, to 791.91. Analysts said the market had attempted to breach 800 a number of times but they expect the current assault on the key resistance will succeed, probably in the next few sessions.

"The market is generally upbeat and buying interest remains strong ... intermittent profit-taking has also been well-absorbed," a dealer said. If the market breaches the mark, it will likely set off another rally, he added, noting that the KLCI's uptrend is already some six months "ahead of schedule", as many analysts had forecast earlier that it would approach 800 only by the end of the year.

Investors are also eagerly awaiting Prime Minister Datuk Seri Dr Mahathir Mohamad's address at the Umno general assembly this weekend, the dealer said.

News reports had earlier said Dr Mahathir would make a "surprise" announcement then.

Elsewhere in the region, Tokyo's Nikkei Index fell 71.82 points to 17,210.18, but Hong Kong's Hang Seng jumped 219.71 points to 13,155.12, and Taiwan's Weighted Index 99.02 points to 8,059.02.

In Singapore, the Straits Times Industrial Index dipped 3.03 points to 2,043.80, while Bangkok's SET index edged up 1.22 points to 509.84 and Manila's Composite Index 5.85 to 2,391.30.

Jakarta shares were 8.308 lower at 661.852.

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