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Volatile day on local bourse

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INDEX-linked counters on the Kuala Lumpur Stock Exchange (KLSE) had a rather tumultuous ride yesterday, with the benchmark Composite Index (CI) posting a dramatic turnaround in late afternoon trading.

Trading sideways for much of the first trading session, the CI plunged nearly 2 per cent when the market opened in the afternoon touching 545.63 at about 3.00pm.

An analyst said lingering concerns over the health of Prime Minister Datuk Seri Dr Mahathir Mohamad was playing on the minds of many investors. A statement by the Prime Minister's Office that Dr Mahathir was "showing positive and encouraging signs", was a much needed shot in the arm and boosted the CI in the last hour to close the day's trading at 556.57 points, down just 0.36 of a point.

The intraday high was 563.33 with investors bargain hunting on blue-chip stocks.

The broader Emas Index closed 0.66 of a point lower at 137.32, while the second board shed 3.54 points at 126.94.

Losers overwhelmed gainers 526 to 125, with 99 counters unchanged and 160 untraded. Turnover reached 157.459 million shares worth RM327.837 million against 164.287 million valued at some RM336.904 million on Tuesday.

However, the finance index bucked the prevailing trend in share prices posting a gain of 36.44 points to close at 3,757.33, reflecting prospects of better earnings in the face of lower interest rates.

Lower rates encourage the repayment of loans and attract businesses to borrow money, an analyst said.

Maybank - the most active counter of the day with 18.316 million shares - posted a gain of 15 sen to close at RM7.70; Commerce-Asset gained 24 sen to RM4.84 and Hong Leong Bank 2 sen to RM2.62.

Affin Holdings rose 25 sen to RM2.03 on plans to merge its banking subsidiary, Perwira Affin Bank, with BSN Commercial Bank.

However, Public Bank dropped 5 sen to RM2.28 while RHB Capital and Suria Capital remained unchanged at RM2.68 and RM1.14 respectively.

Across the region, share prices were generally higher with the Tokyo Nikkei index up 0.45 per cent, Hang Seng 4.89 per cent, Singapore 1.01 per cent and Seoul 0.99 per cent.

Bangkok's SET gained 2.51 per cent, while both the Manila and Jakarta bourses were up 1.31 per cent and 0.10 per cent respectively.

Sydney and Taiwan Weighted lost 0.11 per cent and 0.39 per cent respectively.

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