

# Don't rely on rumours, Pak Lah advises investors

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**KUALA LUMPUR:** Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi said on Saturday he hoped fund managers would consider economic fundamentals rather than rumours when looking to invest in Malaysia.

"I hope that these fund managers will, from now onwards, base their market evaluation on the facts and fundamentals of the Malaysian economy rather than on rumours and unconfirmed market rumblings," he said.

Speaking at the opening of the new headquarters for American International Group's Malaysian unit, Abdullah said the government was not against foreigners taking positions in the KLSE.

In fact, he said the recent bull run in the stock market had been driven by the return of foreign portfolio investments.

"While investors must be cognisant of real economic risks, they must also be aware of speculative movements that may lead to the ignition of herd mentality as seen during the run on Asian currencies in 1997," he said.

Abdullah said governments must ensure they attract the right investors, namely those who study a country's fundamentals and place long-term strategic investments.

Abdullah later told reporters that there were bound to be rumours from time to time spread by those who were unhappy that the Malaysian economy and stock market were performing well.

Rumours that Prime Minister Datuk Seri Dr Mahathir Mohamad had fallen ill during his holiday in Argentina and the Caribbean drove down prices on the KLSE on Wednesday.

Mahathir, on a private visit to London, said on Thursday that he was in good health. - Reuters