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Parliament-Shares

MALAYSIAN STOCK MARKET PERFORMS BETTER THAN OTHERS

KUALA LUMPUR, Oct 24 (Bernama) -- The Malaysian stock market generally performed better compared to other regional markets like Thailand, Indonesia, South Korea and Japan, the Dewan Rakyat was told today.

Deputy Finance Minister Datuk Dr Shafei Mohd Salleh said the market's performance in 2000 increased from 262.7 points in 1998 to 1,013.27 points to 2000.

However, the Kuala Lumpur Stock Exchange (KLSE) dropped to 765.20 points on Oct 17 due to internal and external factors such as the effect of crude oil price increase on performance of the world economy and market uncertainty ahead of the U.S. presidential election from Nov 7, he said in reply to Robert Lau Hui Chew (BN-Sibu) during question and answer session.

Shafie said other influencing factors were increase in U.S. interest rate, possible drop in corporate profits for U.S. gaint computer corporations, political instability in West Asia and foreign investors turning to China.

He said the internal factors affecting market performance included slow restructuring process of cooperate activities and the possibility of reclassification of Morgan Stanley Capital International (MSCI) index for Far East Ex-Japan market scheduled before the end of 2000 based on the free float concept and market capitalisation.

On the actual entry of foreign investors, Shafei said the percentage of value of trading of foreign investors in the KLSE for 1997 was 23.7 per cent compared to 27.4 per cent in 1998 and 16.9 per cent in 1999.

He said efforts were also being carried out to strengthen the KLSE share market including ensuring that the Malaysia's economy was strong, besides the country enjoying political stability, peace and harmony.

Efforts were also been made to enhance corporate governance standard with the purpose of strengthening corporate governance regulatory framework, enhancing self-regulatory mechanism as well as training and education.

To a supplementary question from Fong Kui Lun (DAP-Bukit Bintang), Shafei said the ups and downs of the KLSE were not due to overseas trips of Prime Minister Datuk Seri Dr Mahathir Mohamad.

To another question from Lau, he said the percentage of trading value of foreign investors at the KLSE from January to June 2000 were 18.53 per cent (Jan), 14.67 per cent (Feb), 14.38 per cent (March), 19.95 per cent (April), 34.38 per cent (May) and 39.81 per cent (June).

He said the KLSE reached its highest level this year on Feb 18 at 1,013.27 points.

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