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KLSE-WEEKLY

SENTIMENT-FRIENDLY PRE-BUDGET 2001 NEWS MAY PERK UP KLSE

KUALA LUMPUR, Sept 30 (Bernama) -- Sentiment-friendly pre-Budget 2001 news could help to uplift prices on the Kuala Lumpur Stock Exchange (KLSE) next week.

There are strong expectations that the KLSE, which had been in a lethargic mood, would hop for a positive knee-jerk reaction over any sentiment-friendly news about the 2001 Budget.

Prime Minister Datuk Seri Dr Mahathir Mohamad in the week had indicated that next year might record a surplus budget amidst a growing economy.

If this happens it would mark the first surplus budget for Malaysia after two years of deficit.

Investors would follow closely and continue to track any new developments or announcements regarding the Budget scheduled to be presented on Oct 27.

"If it is a surplus (budget), it will be good news for Malaysia, because it will further stem Malaysia's position into a new economic growth cycle," a senior dealer with a local brokerage said.

Other factors that could impact market sentiment include the still undecided retail oil price.

The performance of the U.S. stock markets, both on the Wall Street and Nasdaq, could also be the lead for local investors.

During the week under review, the market was broadly lower in continued thin trading as players remained sidelined on lack of strong incentives that could spur buying interest.

Another stock market dealer said that the low volume also encouraged players to sell, although local institutional funds were in the market supporting mostly bluechips.

Gaming counters were also affected following a sell down by foreign investors.

The benchmark Composite Index (CI) slipped throughout the week within a trading range of between 719.0-point to 740.0-point level.

The dealer also noted that the market's turnover had narrowed along the way since March while the market had lost about 10 percent of its market capitalisation since the beginning of the year.

On a Friday-to-Friday basis, the barometer CI closed at 713.51 for the week, down 26.06 points from 739.57 in the previous week.

The all-share Main Board Emas Index closed at 179.94, down 1.13 points, while the Industrial Index fell 36.7 points to 1,307.9. The Second Board Index fell 5.88 points to 172.31.

The Main Board normal market volume was little changed at 454.876 million shares totalling RM1.387 billion from 454.625 million shares totaling RM1.433 billion in the week before.

Turnover on Second Board however rose slightly to 38.749 million shares worth RM80.821 million versus 35.232 million shares amounting to RM83.368 million in the preceding week.

Direct business deals reduced sharply to 25.723 million shares worth RM79.056 million from 208.975 million shares worth RM677.112 million previously.

On a sectoral basis, consumer products accounted for 11.779 million shares traded on the main board (normal market), industrial products 33.381 million, construction 23.055 million, trading/services 143.817 million, technology 5.445 million, infrastructure 3.712 million, finance 55.776

million, hotels 1.032 million, properties 21.361 million, plantation 13.329 million, mining 3.770 million, trusts 271,000, closed/fund 1.202 million, loans 10.225 million and TSR/Warrant 87.970 million and trading of rights 5,000.

Malaysian Resources Corporation was the most active counter for the week with 13.882 million shares traded worth RM27.834 million, Pan Malaysian Industries 13.117 million (4.099 million), Tenaga Nasional 11.256 million (RM130.192 million).

Pembinaan YCS 10.504 million (RM9.442 million), Berjaya Group-warrants 10.444 million (RM1.710 million), Pan Malaysian Industries warrants 10.058 million (RM1.217 million), Renong warrants 9.486 million (RM335,210), Telekom 9.419 million (RM93.401 million), Technology Resources Industries 9.223 million (RM28.910 million), and Resorts World 9.216 million (RM58.130 million).

On the Malaysian Exchange of Securities Dealing & Automated Quotation Bhd (Mesdaq), the Mesdaq Composite Index eased 0.21 of a point to 90.23.

Supercomal Technologies Bhd remained unchanged at RM3.00 but Intelligent Edge Bhd fell by one sen to RM1.33. -- BERNAMA

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