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Shares close broadly lower

THE stock market closed broadly lower yesterday, with the benchmark Kuala Lumpur Composite Index (KLCI) dropping to a seven-week low as persistent rumours of the Finance Minister's resignation continued to rattle investors.

"The market is extremely nervous due to the rumour that's been flying around. It has also been keeping a lot of retailers out of the market," said a dealer.

Finance Minister Tun Daim Zainuddin yesterday brushed off talk of his resignation saying that a rift between him and the Prime Minister Datuk Seri Dr Mahathir Mohamad were merely rumours.

Overall, trading on the stock market was lacklustre, dealers said. Counters that fell overwhelmed counters that gained six to one.

The KLCI dropped 1.1 per cent or 9.86 points, to close at 881.39. The last time it saw this level was April 18.

The Emas Index fell 1.2 per cent or 2.70 points to finish at 222.45. The Second Board Index was the worst performer yesterday losing almost 2 per cent or 4.12 points to close at 232.33.

The total number of shares traded dwindled by 3.4 per cent to 142.540 million shares valued at RM719.161 million compared with 147.749 million shares worth RM666.153 million transacted last Friday.

Shares of Malayan Banking were the most actively traded yesterday, with 8.8 million shares changing hands. It lost 3.23 per cent or 50 sen, to RM15.00.

Second most active counter was newly-listed Unico-Desa Plantations Bhd with 5.7 million shares done. Its share price fell 3 per cent or 5 sen to RM1.52.

Out of the top five most active counters traded yesterday, only Tenaga managed to show gains, rising almost 1 per cent or 10 sen to end at RM13.70.

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