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Turnover falls to 3-month low

THE number of shares traded on the Kuala Lumpur Stock Exchange (KLSE) fell to a three-month low as the market reacted to a regional slump and fear that technology stocks are overvalued.

Yesterday was a quiet day for the local stock market, dealers said, with the value of trading falling below RM1 billion as investors reacted to Prime Minister Datuk Seri Dr Mahathir Mohamad's warning about "dotcoms" that are not making any profits.

The benchmark Kuala Lumpur Composite Index (KLCI) fell 3.78 points or 0.4 per cent, to finish at 932.05 compared with Monday's close of 935.83. The Second Board Index similarly lost 1.90 points to 264.38.

The Emas Index of all Main Board shares fell 1.53 points to close at 243.24.

Total turnover was at a level not seen since December 29 last year. A total of 251.770 million shares worth RM842.749 million, a drastic drop from Monday's 585.765 million shares worth RM2.068 billion.

Losers beat gainers 513 to 193 while 128 counters remained unchanged.

Malaysian Pacific Industries Bhd (MPI) and Unisem Bhd, the darling technology counters of the market, were big losers yesterday. MPI fell 3.8 per cent or RM1.75 to close at RM44.25 while Unisem lost 2.8 per cent or RM1 to RM34.75.

Linear, which said it was approached by a company with an opportunity for an Internet venture, saw its shares falling 75 sen or 10.5 per cent to RM6.35.

Warrants of Tongkah Holdings was the most active with over 8.30 million traded. It lost 4 sen to close at RM1.42. Renong was the second most active but the price fell by 9 sen to RM2.85 as dealers said investors have already factored in the news of PLUS' flotation on the KLSE.

(END)