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KLSE-INVESTORS

KEAT SENG: INVESTORS SHOULD TAKE LONGER TERM VIEW OF KLSE

By: Yong Soo Heong

KUALA LUMPUR, Sept 13 (Bernama) -- Investors, including retail players, should take a longer term view of the Kuala Lumpur Stock Exchange, says Yeoh Keat Seng, chief executive officer of Commerce Trust Bhd.

He said many players tended to be rather emotional and adopted a short term stance, especially when prices fluctuated on the high side.

For instance, he said investors who often took a short term view usually felt that they should have waited for prices to go even higher before cashing out when the market was going up or for prices to go down even further when buying if the market was going down.

Greed, he said, often clouded one's investment decisions.

Yeoh also shared the views of Prime Minister Datuk Seri Dr Mahathir Mohamad that the KLSE was for serious investors with a strategic outlook and sincere intention to make long term profitable investments.

The prime minister recently said Malaysia was striving hard to build a capital market that would be reflective of the strong form of the efficient-market hypothesis where prices of stocks in the market would fully reflect all available information and that there would not be any trading based on rumours.

Yeoh, who holds firm to the belief that the KLSE would be promising over the next three years, felt that the authorities had taken an appropriate step in closing the KLSE for one day yesterday.

Such a move had prevented a greater slide on the KLSE as a result of falls in other bourses following the terrorist attacks in New York and Washington.

The KLSE, which slid by as much as 46 points this morning, recovered to close the day at 664.62, down 26.02 points from Tuesday. The KLSE's Composite Index had opened 29.55 points lower at 660.99 points today.

Commerce Trust, a joint venture between the Commerce Group and the BT Financial Group, currently manages seven types of funds.

As at July 31 this year, Commerce Trust was managing more than RM785 million worth of funds on behalf of over 50,000 corporations and private individuals. -- BERNAMA

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