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MAYBANK-KLSE

KLSE IS STILL BULLISH, SAYS MAYBANK INVESTMENT DIVISION

KOTA KINABALU, June 29 (Bernama) -- Maybank Investment Banking Group is still bullish with the performance of the Kuala Lumpur Stock Exchange (KLSE) on the back of the strong economic fundamentals and recent development in the capital market, said its head Agil Natt.

Maybank Investment Banking Group comprised of Aseambankers Malaysia Bhd, Mayban Securities Sdn Bhd, Mayban Discount Bhd, Mayban Investment Management Sdn Bhd, Mayban Ventures Sdn Bhd and Mayban Futures Sdn Bhd.

Agil said there are several factors that made Malaysia an attractive investment namely a well diversified economy, friendly business environment, growing entrepreneurial population, dynamic infrastructure development, strong ability to generate foreign exchange, accepted system to ensure currency convertibility and a well regulated banking and financial system.

The slight decline in the market early this week was due to the US-listed telecommunication giant Worldcom Inc scandal and the announcement by Prime Minister Datuk Seri Dr Mahathir Mohamad to resign from party posts during the UMNO General Assembly, he told reporters at a media briefing here.

"However, in the last couple of days the market began to improve. Yesterday, it went up 13 points and now trading above the 780 mark and Maybank Securities believe KLSE is still a good buy."

Agil also said that the increasing activities in the market especially with the expected initial public offering by Maxis and PLUS Expressway Bhd augurs well for the stock exchange.

"It will be a good thing because there will be a better distribution (of the composite index proforma weighting in the future), he said.

At the moment, Maybank, Tenaga Nasional and Telekom represented 10.4 percent, 9.9 percent and 8.8 percent of the KLCI weighting, respectively and according to Mayban Securities estimates this might change once both companies were listed and the Composite Index (CI) basket were readjusted, he said.

According to its estimate after the adjustment in the CI basket, PLUS weighting in the index would be at four percent and MAXIS at 3.6 percent, while Maybank, Tenaga Nasional and Telekom would decreased to 9.3 percent, 8.9 percent and 7.7 percent, respectively.

Hence, the impact of any selldown on Maybank, Telekom Malaysia and Tenaga Nasional would be less because their weighting on CI have been reduced, he said.

Asked on the foreign fund managers' sentiment on the KLSE, Agil said: "There was a recent poll by fund managers and from what I heard they decided to go overweight on Malaysia now because Malaysia offers value (to their investment)."

"These fund managers' area looking for stock market that are attractively valued. I think they have come to a conclusion that Malaysia offers them a good value at the current price," he added. -- BERNAMA

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