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KLSE-WEEKLY

KLSE TO REMAIN ACTIVE AS MARKET SET TO STAGE PRE-CNY RALLY

KUALA LUMPUR, Feb 2 (Bernama) -- Trading on the Kuala Lumpur Stock Exchange (KLSE) is likely to remain active as the market is set to stage another pre-Chinese New Year rally, said dealers.

Dealers said focus will be on selective bluechips in the earlier part of next week, but further gains may be capped by profit-takings later in the week.

At the same time, interest for the second and lower liners as well as on cheap stocks will emerge during the later part of next week.

The local bourse is expected to be livelier when fund managers and foreign investors, who went on buying spree a few weeks ago, would be selling their position this week.

They added that fund managers are likely to sideline leaving the retailers to take part in most of the trading activities.

Dealers said for the past 10 years there was a trend where serious investors will sell their position one week before the Chinese New Year celebrations while retailers will play up the market until two to three days before the Lunar day.

Thus, dealers are looking at 730-point level the most the Composite Index could reach, as volume for next week is unlikely to expand to the average of 500 million.

Currently, volume in the market managed to reach only between 200 and 260 million.

However, market sentiment is expected to remain bullish amid ample liquidity on the domestic front, which was reflected by the increasing external reserves.

"Among the stocks to watch is gaming stocks and also IT-related companies," said a dealer.

For the just ended week, market was aided by some corporate news including efforts to restructure the country's debt-laden corporate sector, which are already gathering pace.

Among the major news were concerning the national carrier, Malaysia Airlines (MAS) which Prime Minister Datuk Seri Dr Mahathir Mohamad has clarified that MAS will not be delisted from the Main Board of the KLSE as part of a proposed reorganisation of the group.

Interest was also seen on Telekom Malaysia following confirmation from Dr Mahathir that the utility giant has been interested to take over Technology Resources Industries Bhd (TRI) for quite sometime.

Eyes were also on Cahya Mata Sarawak Bhd (CMSB) as the prime minister confirmed that Utama Banking Group, which is owned by CMSB, has been given extra time for its proposed merger with RHB Bank, "wishing to complete the deal".

Rashid Hussain Bhd ended the week higher by seven sen to RM2.36, RHB Capital lost two sen to end the week lower at RM2.69.

Technology Resources Industries (TRI) surged 16 sen to close higher at RM3.28, Malaysia Airlines was unchanged at RM3.84, Cahya Mata Sarawak Bhd added six sen to RM2.23 and Utama Banking Group gained eight sen to RM1.79.

During the just ended week, two companies were listed each on the Main Board and the Second Board of the KLSE.

LBS Bina, a debutant on the Main Board and a property developer, was listed on the Main Board by taking over the listing status of construction-based Instangreen Group Bhd.

Meanwhile, London Biscuits Bhd, a debutant on the Second Board of the KLSE is mainly involved in the manufacturing of extruded corn snacks, cakes and other snacks products which are mainly based on local materials.

LBS Bina ended the week lower by seven sen to RM1.38 and London Biscuits rose 52 sen to RM2.02.

The benchmark CI added 25.24 points to close the week higher at 718.82 from 693.58 on the previous Friday.

The Emas Index rose 5.34 points to 172.20, the Second Board Index eased 0.37 of a point to 134.66, the Technology Index rose 1.30 points to 58.34, while the Industrial Index surged 34.73 points to 1,356.66.

Turnover on the Main board was higher at 1.194 billion shares valued at RM2.562 billion compared with 900.216 million stocks worth RM1.786 billion last week.

Volume on the second board, was however lower at 195.733 million shares valued at RM2.928 million compared with 307.061 million shares worth RM663.331 million in the previous week.

Direct business deal stood at 54.550 million shares compared with RM90.561 million compared with 119.218 million shares worth RM123.695 million previously.

On a sectoral basis on the Main Board, consumer products accounted for 76.982 million shares traded on the main board during the week, industrial products accounted for 101.822 million; construction 82.095 million; trading/services 263.686 million; technology 9.263 million; infrastructure 7.714 million; finance 250.784 million; hotels 16.118 million; properties 99.448 million; plantation 23.706 million; mining 2.888 million; trusts 458,000; closed/fund 336,600; loans 20.780 million and TSR/Warrant 237.465 million.

Topping the most active counters is Arab Malaysian Corporation Bhd with 73.420 million shares traded, followed by Commerce-Asset warrants with 55.226 million shares, CSM Corporation Bhd 45.760 million shares, Magnum Bhd 32.799 million shares and AMMB 31.493 million shares.

Others were RHB-warrants B with 31.099 million shares, Intria 28.709 million shares, Ho Wah Genting Bhd 26.621 million shares, Metroplex 24.586 million shares and Technology Resources Industries (TRI) 21.958 million.

Arab Malaysian Corporation closed the week higher by three sen to 89.5 sen, Commerce-Asset warrants rose 10 sen to 67.5 sen, CSM Corporation fell two sen to RM1.32, Magnum Bhd eased eight sen to RM2.46 and AMMB rose 22 sen to RM4.48.

RHB warrants B gained two sen to 46 sen, Intria was unchanged at RM1.09, Ho Wah Genting Bhd fell 12 sen to RM1.37, Metroplex eased a sen to 28 sen and TRI rose 16 sen to RM3.28.

Meanwhile on the Malaysian Exchange of Securities Dealing & Automated Quotation, the Mesdaq Composite Index added 7.92 points to 96.18.

Its component stock, Kotra Pharma added 10 sen to close slightly higher at RM1.05 with 22,00 lots traded valued at RM22,470 and Palette rose eight sen to 80 sen with 1,000 lots traded worth RM761.

Meanwhile, its newly-listed Disccomp Bhd closed higher by 10 sen at 60 sen with 35,000 lots traded worth at RM30,650.

The fifth counter on MESDAQ, Disccomp recorded a 100 percent premium at RM1.00 after 48 minutes of trading, from its offer price of 50 sen with 24,000 lots traded.

Meanwhile, Supercomal Technologies and Intelligent Edge remained untraded today. -- BERNAMA

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