

KLSE expected to move range-bound this week

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THE Kuala Lumpur **Stock Exchange** (KLSE) is expected to move range-bound this week with follow-through buyings based on the positive outlook of the Malaysian economy, an analyst says.

"There are lots of positive news for the market next week. The Composite Index may test the 730-level again," he said.

Last Friday, Prime Minister Datuk Seri Dr Mahathir Mohamad said the economic growth for the second quarter should be better than expected, thus enabling Malaysia to achieve its targeted gross domestic product (GDP) growth of 4.5 per cent in 2003.

He said the second-quarter GDP **should** be better than the 4 per cent achieved in the first quarter.

Besides local fundamentals, the dealer said the positive US

second-quarter GDP growth will also help boost the market further.

The US, Malaysia's largest trading partner, registered a GDP growth of 2.4 per cent for its second quarter, an increase from 1.4 per cent in the previous two quarters, exceeding the consensus forecast of 1.5 per cent.

"We may see some strong institutional participation this week compared to the week just ended which saw retailers' participation," he said.

The market's current strong support level is at 710 level and if it can move forward to break the 730-level, the next target will be 740, he said.

For the week just ended, the market was firmer despite lack of fresh leads due to the continued participation of retail investors and local funds.

Blue-chip, second board as

well as Mesdaq Market counters also saw many movements during the week with equal buying and selling.

There were five new listings last week, out of which three were on the Mesdaq Market and two on the second board.

Newly-listed Infotech Alliance, LNG Resources, IFCA MSC, Caely Holdings and Premium Nutrients ended the week at 67 sen, 70 sen, 33.5 sen, 91 sen and 62 sen, respectively. All the counters ended the week higher than their offer prices.

On a week-to-week basis, the KLSE Composite Index (KLCI) rose 12.5 points to 723.03 from 710.53 in the previous Friday.

The Emas Index gained 3.47 points to 179.87 from 176.40, and the Second Board Index increased 2.81 points to 120.14 from 117.33 previously.

The Industrial Index was 18.7

points higher at 1,532.66 versus 1,513.96, while the Finance Index increased 173.87 points to 5,971.77 from 5,797.90 previously.

The weekly main board volume declined to 1.53 billion shares valued at RM2.53 billion from 1.87 billion shares worth RM2.81 billion previously. The second board turnover shrank to 549.54 million shares worth RM746.74 million from 568.48 million worth RM835.41 million.

The Mesdaq Market's volume increased to 393.35 million shares valued at RM221.38 million from 269.11 million shares worth RM155.78 million.

Off-market deals went down to 222.79 million worth RM430.38 million from 400.68 million shares worth RM795.91 million. → Bernama \