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KLSE-WEEKLY
KL SHARES TO SEE POSITIVE TREND NEXT WEEK

KUALA LUMPUR, Aug 9 (Bernama) -- The Kuala Lumpur Stock Exchange (KLSE) is likely to be on a positive trend next week as institutional and foreign investors entered the market, a market analyst said.

He said that next week the market is expected to hover between the 725-735 level.

The analyst said that although the market went on a downtrend for three consecutive days this week due to weaker sentiment on Wall Street, and later dampened by the Jakarta bombing incident, the Composite Index (CI) managed to pick up on the last day of trading.

"This is because of positive reports on the country's economy and backed by investors who are now more matured with the current scenario in the country," the analyst said.

He said that views by investment consultant, Morgan Stanley, who stated that Malaysia's equities market was ready for a pick up in the second half of the year, was a booster to investors confidence.

In its latest equity research report, the consultant expects Malaysia's growth in the second quarter to be higher than 4.0 percent and that gross domestic product (GDP) for the full year to grow at 4.0 percent, surpassing the rates for Singapore, Indonesia and the Philippines.

The analyst said that remarks by Prime Minister Datuk Seri Dr Mahathir Mohamad, who is also Finance Minister, that Tuesday's bombing incident in Jakarta would not affect the country's gross domestic product (GDP), projected at 4.5 percent this year, also boosted investors confidence.

The analyst also said that it was not denied that the incident was one factor which led to the decline in volume, as many investors sidelined, but this was only a temporary phenomena.

Another positive remark was by National Economic Action Council (NEAC) executive director, Datuk Mustapa Mohamed, who said that the blast at Jakarta's Hotel JW Marriot, was not expected to greatly impact investment and tourism flow into the region.

He said that the Asean region, particularly Malaysia, was still seen as a country with big potential for foreign investments.

Another analyst said that the recently announced RM7.3 billion economic package, including the cut down of intervention rate by 50 basis points, was still considered a factor that pushed up confidence.

He said that the impact from the package has yet to be seen.

Overall although the market volume would be low, it would remain strong, the analyst said.

If there are some decline, it would be due to profit taking, he added.

On Friday-to-Friday basis, the CI eased 0.82 of a point to 722.21 from 723.03 at the end of last week.

The Emas Index declined 0.99 of a point to 178.84 from 179.83 and the Second Board Index shed 4.18 points to 115.96 from 120.14 previously.

The Industrial Index increased 14.06 points at 1,546.72 versus 1,532.66 points previously while Finance Index dropped 83.16 points to 5,888.61 from 5,971.77 previously.

The weekly main board volume reduced to 1.409 billion shares valued at RM2.439 billion from 1.534 billion shares worth RM2.533 billion previously.

Second board turnover rose to 232.462 million shares worth RM321.084 million from 213.767 million worth RM177.027 million.

The MESDAQ market's volume increased to 39.708 million shares valued at

RM18.366 million from 10.024 million shares valued at RM21.405 million.

Off market deals reduced to 153.644 million valued at RM219.535 million from 1.425 billion shares worth RM331.680 million.

On the top 10 list, MCM Technologies declined one sen to 27 sen, Malaysian Resources Corporation rose five sen to 98 sen, IFCA MSC shed one sen to 42 sen, Willowglen MSC eased one sen to 31 sen, Premium shed three sen to 60 sen, and Oilcorp declined seven sen to RM2.04.

Poly Glass Fibre added one sen to 49 sen, Kai Peng shed 22 sen to RM1.70, Eastern & Oriental - Warrant advanced 22 sen to 44 sen, GHL Systems rose two sen to 50 sen.

In terms of volume, MCM Technologies transacted 101.360 million shares, Malaysia Resources Corporation 98.466 million shares, IFCA MSC 91.504 million shares, Willowglen MSC 77.972 million shares, Premium 67.693 million shares.

Oilcorp 50.976 million shares, Poly Glass Fibre 44.666 million shares, Kai Peng 42.032 million shares, Eastern & Oriental - Warrant 39.428 million shares, and GHL Systems 38.502 million shares traded.

On a sectoral basis, consumer products accounted for 47.749 million shares traded on the main board, industrial products 171.5 million, construction 137.069 million, trading/services 394.556 million, technology 7.364 million, infrastructure 18.555 million, finance 146.840 million, hotel 20.716 million, property 194.753 million, plantation 46.248 million, mining 1.214 million, trusts 195,100, closed/fund 1.775, PN4 condition 21.330 million, loans 10.901 million, TSR/Warrants 187.606 million, and TSR/Warrants (PN4) 34,000. -- BERNAMA

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