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AMMB, EON Capital share prices close mixed

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SHARES of AMMB Holdings Bhd and EON Capital Bhd were traded mixed yesterday after saying last week that they are starting merger talks that

would create the country's third-largest bank by assets.

AMMB gained 6 sen or 1.9 per cent to close at RM3.30 with 1.2 million shares done. The stock rose 8 sen or 2.4 per cent to open at RM3.42 with 41,400 shares traded.

Meanwhile, EON Capital lost 10 sen or 3.4 per cent to close at RM2.80 with 957,000 shares done. The stock rose 6.8 per cent or 19 sen to open at

RM3 with 55,000 shares done.

Arab Malaysian Corp Bhd, which owns a 34.2 per cent stake in AMMB, jumped 7.7 per cent or 6.5 sen with 179,000 shares done upon requotation yesterday. It ended yesterday higher at 87.5 sen and was the most active stock on the Kuala Lumpur Stock Exchange (KLSE) yesterday with 19.1 million shares done.

It was reported that EON Capital is expected to lead the merger to create Malaysia's third biggest banking group with combined assets of more than RM88 billion.

Details of the merger, which were largely expected last Friday, have yet to be announced.

The AmBank Group is currently Malaysia's fifth largest banking group, while EON Bank ranks seventh among the 10 core banking groups operating today. As at February 2003, AMMB has total assets worth RM56.7 billion while EON Capital has RM30.6 billion.

Currently, Malayan Banking Bhd is the biggest bank in the country with total assets valued at RM160.75 billion while Commerce Asset-Holding Bhd, through its commercial bank arm Bumiputra-Commerce Bank Bhd, is second with RM91.2 billion.

Dealers also said that most investors are staying out of the market until the long-awaited package to boost the economy is unveiled, expected to be announced by Prime Minister Datuk Seri Dr Mahathir Mohamad this Wednesday.

Meanwhile, Scomi Group Bhd fell for the first time yesterday after being listed last Tuesday. It lost 7 sen or 3.3 per cent to close at RM2.08 yesterday.

An institutional dealer said that the successful listing of Scomi could probably see renewed interest in other KLSE second board companies seeking to list.

However, a research manager said that Scomi managed to do so well on its

listing day due to its prominent board of directors. The company is controlled by Kamaluddin Abdullah, son of Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi.

Scomi surged 45.7 per cent or 63 sen on its listing day, making it the second most successful listing this year after Symphony House Bhd.