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Valuecap helps stocks appreciate in value

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THE creation of Valuecap Sdn Bhd, with a war chest of RM10 billion to trade in the local market, has seen many undervalued stocks beginning to appreciate in value.

"Many undervalued stocks are beginning to show the value of what they are worth for. The Government is monitoring (Valuecap's) performance, whether it has a good impact (on the market)," Finance Minister II Datuk Jamaludin Jarjis said.

The Government will continue to monitor the situation in the stock market and find ways to revitalise it, he told reporters after officiating

at the National Knowledge Management Summit in Kuala Lumpur yesterday.

According to Jamaludin, the National Economic Action Council and the Finance Ministry are studying all sectors of the economy, including the capital market.

"We have our own screen in our office. We are always monitoring," he said.

To a question whether the Government is involved in Valuecap's decision

on stocks to buy, he said: "Leave it to them (Valuecap) on how to invest.

They are professionals, their investment will be based on price-earnings ratio and net tangible assets (of the stocks)."

To another question, Jamaludin said the Government will not borrow from overseas for the next economic stimulus package.

"We have enough liquidity in the system. We have more than 4 per cent growth for last year. The issue is not liquidity, but we want to create enough speed," he said.

Jamaludin said Prime Minister Datuk Seri Dr Mahathir Mohamad, who is also Finance Minister, will announce the stimulus package at the end of next month.

He said the Government is also monitoring developments in foreign direct investments, new sources of growth, and managing the deficit.

Earlier in his speech, Jamaludin said all Malaysians should have a stake

in the knowledge-economy. Organisations need to identify their knowledge assets, and how they can help foster closer ties with customers.

There is also a need to build learning organisations and emphasise on continuous learning as an integral part of effective knowledge management, he added.