

**Small-time investors 'burnt by PM's advice'**  
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Prime Minister Abdullah Ahmad Badawi would have got himself badly burnt should he put his money where his mouth is after the dramatic fall in the stock market over the past two days.

Last week, when the market was running high, Abdullah - who unusually took on the role of a punter - had advised Malaysians to "ride the momentum" after predicting that the Kuala Lumpur Composite Index (KLCI) would "soon" hit the all-time record of 1,350 points.

According to Opposition Leader Lim Kit Siang, small investors who had acted on Abdullah's Chinese New Year advice to enter the stock market would have borne the brunt of the massive RM70 billion losses in the stock exchange.

Yesterday, Bursa Malaysia saw panic selling yesterday morning causing the stock market to shed as much as 101.07 points to 1,136.01 - the biggest fall in recent history - before recovering to close at 1,196.45.

The index nevertheless fell by 40.63 points, or 3.28 percent - the second day in a row in which KLCI was hit by significant losses.

On Tuesday, the index shed 2.8 percent, closing at 1,237.08. The fall wiped out RM38 billion in market value of listed companies, while yesterday it amounted to RM31.07 billion.

The last time the KLCI had its biggest single day loss was five years ago - on Sept 21, 2001 when it declined 3.5 percent.

### **Throwing caution to the wind**

Lim said that there had been widespread skepticism about "the slew of 'good economic news' which had been trotted out by the government in the previous two weeks".

This included the record trillion ringgit total trade last year, the spike in foreign and domestic investments and the rise in the ringgit.

"However, small investors cast aside their doubts, reservations and skepticism and entered the stock market in a big way after the Chinese New Year holidays, lifting the KLCI to close at 1,283 points last Friday - with the Star carrying the screaming headline 'KLCI poised to break record' for this week," lamented Lim.

"KLCI did 'break record' in the past two days but of a different kind - suffering the biggest drop in five years yesterday, plunging by 35.79 points to 1,237.08 and another 40.63 points to 1,196 points at the close of market yesterday.

"The bulk of the RMRM69.45 billion losses in the past two days have been borne by the small investors who had been persuaded by Abdullah to enter the market..."

Lim suggested the cabinet, which is meeting tomorrow, to find ways to "cushion the massive losses suffered by the small investors who had acted on the prime minister's advice"

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