

Election play in the stock market

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Years ago during elections, politically-linked companies such as Putera Capital Bhd (which has since been de-listed), KUB Malaysia Bhd or Malaysian Resources Corp Bhd (MRCB) were always sure bets with their stocks usually surge during the campaigning period.

Also viewed closely were companies linked to Umno vehicles such as Fleet Group, Hati Budi Sdn Bhd, Realmild and Altima Inc, or private companies linked to politicians such as Batu Bara Resources Sdn Bhd which is controlled by the family of the former Perlis chief minister Shahidan Kassim.

Since then it has become more difficult and more discreet with Umno's shareholding now reportedly restructured and held under a new holding company Temasek Padu Sdn Bhd.

Nevertheless there seem to be some stocks that have performed exceptionally well over the election period, and analysts and punters alike have sought these stocks out every election, looking to make a killing.

Mercury Securities head of research Edmund Tham said, "Our advice is to strictly buy when there are dips... buy property counters, CPO (crude palm oil) and construction," he said.

He mentions three stocks for each category. "For construction, look at Naim Holdings Bhd, Gamuda Bhd and WCT Bhd; as for CPO, TDM Bhd, IOI Corp Bhd and TH Plantations Bhd.

"I like Mah Sing Group Bhd, SP Setia Bhd and Glomac Bhd for development counters," he added.

Although he does not elaborate, Naim is 41.05 controlled by Hasmi Hasnan and Abdul Hamed Sepawi, both linked to the Sarawak Chief Minister Abdul Taib Mahmud.

Gamuda meanwhile has the Perak royal family as the third largest shareholder with 6.21 percent.

TDM is 62.34 percent controlled by the Terengganu state, via Terengganu Inc Sdn Bhd and Perbadanan Kemajuan Iktisad Negeri Terengganu.

Glomac meanwhile is about 34 percent controlled by Mohamed Mansor Fateh Din and his son Fateh Din Iskandar Mohamed Mansor. Iskandar is an Umno strongman and was tipped to head the political party in Selangor.

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