

PM advised not to 'talk up' the market
Malaysiakini.com
March 6, 2007

As the Kuala Lumpur Composite Index (KLCI) suffered another massive plunge yesterday - the highest since the September 11, 2001 terrorist attacks - the prime minister came under another round of attacks for urging investors to enter the market.

March 5, 2007
Asian bourses decline

Country	Bourse	%
Malaysia	KLCI	- 4.64
Philippines	Manila CI	- 4.54
Hong Kong	Hang Seng	- 4.00
Indonesia	Jakarta CI	- 3.48
Japan	Nikkei	- 3.34
Singapore	ST Index	- 3.13
China	Shanghai CI	- 1.63

Azlan Zamhari / Malaysiakini

The stock market saw its sharpest decline in nearly seven years, falling 53.99 points - or 4.64 per cent - to close at 1,110.69, wiping out RM51.52 billion of market capitalisation. While bourses in the region suffered the same fate, Kuala Lumpur was hardest hit.

In the wake of yesterday's fall, Opposition Leader Lim Kit Siang again reminded Prime Minister Abdullah Ahmad Badawi about his advice to investors to enter the stock market to "ride on the momentum" of the good economic times during a Feb 18 Chinese New Year open house.

Abdullah had suggested that KLCI could surpass its historic high of 1,350 points "soon" following positive indicators of the country's economic growth - namely the trillion ringgit total trade last year, the increasing foreign and domestic investments and the rising ringgit.

Subsequently, the KLCI - bolstered by small-time investors who had cast aside their inhibitions following Abdullah's prediction - surged to a new high in the days after the stock market reopened following the Chinese New Year holidays.

However, the stock market plunged on Feb 27 as a result of panic selling fueled by the sharp fall in Wall Street, and the KLCI has since been heading south.

You can't be a stock punter too

In the five trading days from Feb 27 to yesterday, the KLCI shed 162.18 points from 1,278.7 to 1,110.69, wiping out a colossal sum of RM149.11 billion in the value of listed companies.

How the market lost RM150 billion

Date	Points	Amount (in billion RM)
Feb 27	35.79	38.38
Feb 28	40.63	31.07
March 1	15.54	14.84
March 2	16.23	13.30
March 5	53.99	51.53
Total	162.18	149.11

Azlan Zamhari / Malaysiakini

"It is deplorable that Abdullah, who was visiting Yemen at the time, did not immediately learn the lesson that as prime minister and finance minister, he should not double up as stock market adviser as he persisted in advising Malaysians 'to have confidence and be prepared to invest in the KLSE to attract bigger foreign participation'," decried Lim.

The opposition leader said that government leaders should contribute to enhancing investor confidence in the economy and the stock exchange by "positive, productive and creative actions and not indulge in empty and irresponsible talk causing small investors to suffer massive losses".

He said while no one blame Abdullah for causing the fall in the stock market, the prime minister cannot shirk responsibility for "inducing and misleading" small investors to enter the stock market.

"With the KLCI plunging to 1,110.69 at the close yesterday, it has virtually wiped out all the gains of this year. It is going to be quite a haul to reach the 1,350-points KLSE which Abdullah had promised only a fortnight ago."

KLCI recovered slightly today, closing 20.27 points up at 1,130.96.

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Source : <http://www.malaysiakini.com/news/64127>