

BURSA MALAYSIA: KL Shares Slip In Early Trade, Finance Stocks Lead Losses
Bernama
August 25, 2011

KUALA LUMPUR, Aug 26 (Bernama) -- The market barometer, the FTSE Bursa Malaysia KLCI (FBM KLCI) dipped in early trade today, with losses led by finance stocks as investors opted to reduce their exposure against the backdrop of a volatile global market.

The FBM KLCI fell 11.14 points to 1,453.6 within 16 minutes of trading. It had opened at 1,460.3, down 4.44 points.

HwangDBS Vickers Research said the FBM KLCI could pull back from its support level of 1,465, as investors may want to lighten their exposure, ahead of the holiday-shortened trading sessions next week.

This comes even as Wall Street was hit by renewed overnight selling activity.

"Major US equity indices fell between 1.5 per cent and 1.9 per cent amid mixed expectations on whether the Federal Reserve chairman would be proposing any fresh policy measures to stimulate the weak US economy at a meeting tonight," HwangDBS Vickers Research added.

On the domestic front, corporate earnings have not been attractive, in continuing to slide, with both big and small caps sharing the disappointments and downgrades.

Hence, OSK Research said with fundamentals now appearing uncertain not just globally but also affecting Malaysia, it would appear again that the equity market has been extremely efficient in predicting this with the large sell-off in August that triggered its early downgrade of the market.

"We remain neutral on the Malaysian market with a 2012 FBM KLCI fair value of 1,466 points based on a one time price earning ratio (PER).

"We note though that our earnings growth forecast of 12.8 per cent is likely to be pared down and thus cause our FBM KLCI fair value to be pegged against a higher PER in the coming months," it added.

However, OSK said that it is not yet time to aggressively bottom fish with a potential downside target of 1,378 points, advising investors instead to look into defensive counters.

Bursa Malaysia's Finance Index fell 182.56 points to 13,642.08 and the Plantation Index shed 45.78 points to 7,313.03 but the Industrial Index added 7.43 points to 2,719.99.

The FBM Emas Index shed 63.14 points to 9,952.28, the FBM70 Index was down 35.75 points to 10,867.64 and the FBM Ace lost 8.71 points to 3,718.73.

Decliners led advancers by 156 to 47 while 100 counters were unchanged and 1,183 others untraded.

A total of 39.19 million shares worth RM83.21 million were traded.

The most active, CIMB, shed 24 sen to RM7.01 while Hong Leong Finance which was also listed as the top loser dipped 56 sen to RM11.58 and Maybank eased six sen to RM8.67.

RHB Capital declined eight sen to RM8.24, Public Bank lost six sen to RM13.02 and Hong Leong Bank slid 10 sen to RM12.68.

Among other actives, Eden inched up 2.5 sen to 31 sen, Trinity was flat at six sen and Axiata slipped eight sen to RM4.55.

For the heavyweights, Sime Darby was flat at RM8.80, Petronas Chemicals shed seven sen to RM6.23, Maxis edged down one sen to RM5.41 and Tenaga declined five sen to RM5.27.

-- BERNAMA

Copyright © 2011 BERNAMA

Source: <http://www.bernama.com/bernama/v5/newsindex.php?id=610502>