

Analysts: Investors will see red if BN's seat share dips below mid-50%
TheStarOnline
February 27, 2013

PETALING JAYA: If Barisan Nasional gets below the mid-50% level in parliamentary seat share in the general election, investors will see this as a "negative risk event", which could have implications for leadership and government stability, said analysts at Morgan Stanley Research.

Barisan winning more than 63% of parliamentary seats would be seen as a positive surprise for investors, according to the recently released research report.

They said that since Prime Minister Datuk Seri Najib Razak came to the helm, reforms had been implemented to make the private sector the engine of growth again and kick-start private investment.

"The political landscape will determine the momentum of reform agenda," they noted.

Feel-good measures and Economic Transformation Program (ETP) investment projects in the election run-up, they said, had led domestic demand to "decouple" from exports, supporting economic growth in the past few quarters.

Materialisation of election risks could have implications for leadership and government stability, potentially dampening near-term business and consumer sentiment, they said.

"The reform agenda might also take a back seat in the near term until political stability is restored," they said.

Noting that the broad economic thrust of policy proposals put out by Pakatan Rakyat was fairly similar to that of Barisan, they said Pakatan's election campaign proposals had a somewhat more leftist slant.

Copyright © 1995-2013 Star Publications (M) Bhd (Co No 10894-D)

Source:

<http://thestar.com.my/news/story.asp?file=/2013/2/27/nation/12765776&sec=nation>