



January 07, 2012

## **FBM KLCI WEEKLY: FBM KLCI Likely To Trend Better Next Week**

KUALA LUMPUR, Jan 7 (Bernama) -- The FTSE Bursa Malaysia KLCI (FBM KLCI) is likely to climb over the walls of worry and trend better next week on a new year liquidity, rising portfolio inflows, Chinese New Year speculative play and an improving United States economic data, dealers said.

However, the local market is expected to see a tug-of-war between the negative external fundamentals and positive local technicals.

"The equity market will face the European turmoil and the ripple effects on global economy versus the feel good Chinese New Year sentiment and small cap speculative play next week," head of retail research at Affin Investment Bank, Dr Nazri Khan told Bernama.

He believed that the direction of the Italian bond market, a crucial issue for now and the credit rating downgrades which may happen anytime following the December warnings, would be major concerns that could limit any near-term upside.

"However, we believe the stronger US economic data seen is likely to cushion downside concerns on Europe," Nazri added.

At the local level, he expects positive news flow and impressive leadership from technology and plantation sectors as well as talks on Proton management buy-outs and Tabung Haji potential bids for QSR to sustain the local equity momentum.

"In line with the new year positioning, our local market should also get excitement from newly listed warrants such as Malaysia Building Society, IGB Corporation Bhd, OSK, Proton Holdings, Genting & Genting Malaysia," he said.

Bursa was closed on Monday for the New Year holiday.

Despite a choppy first week in 2012, testing the fragile investor confidence amid euro zone's debt

crisis, the FTSE Bursa Malaysia KLCI Index (FBM KLCI) managed to end the week above the 1,500 level.

The market barometer fell 16.6 points to 1,514.13 from last Friday's 1,530.73.

On a week-to week basis, the Finance Index dipped 315.04 points to 13,387.71, the Plantation Index gained 274.23 points to 8,436.93 and the Industrial Index added 13.8 points to 2,756.85.

The FBM Emas went down 72.26 points to 10,416.81, FBM TOP100 decreased 87.9 points to 10,224.84, FBM Ace Index edged up 61.34 points to 4,129.92 and the FBM70 Index advanced 7.12 points to 11,583.03.

Total weekly volume increased to 6.399 billion shares worth RM5.785 billion from 6.21 billion shares worth RM6.74 billion last week.

Main Market turnover dwindled to 4.162 billion shares, valued at RM5.363 billion from 4.85 billion shares worth RM6.55 billion previously.

Warrants increased to 1.418 billion units worth RM298.669 million from 471.09 million units worth RM51.44 million last Friday.

Volume on the ACE market slipped to 799.692 million shares valued at RM109.488 million from 855.73 million shares valued at RM124.33 million last week.

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