

LONG BULL RUN

BULLISH ON BURSA AFTER STRONG RUN

Fund outflow in last 3 years has been reversed, says CEO

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BURSA Malaysians among stock exchanges with the longest bull run in Asean, said chief executive officer Datuk Seri Tajuddin Atan.

He said the outflow of fund in the last three years had been reversed this year with total foreign fund inflows having breached the RM10 billion mark.

"I believe and, hopefully tomorrow, there is a little bit more news (from the 2018 Budget announcement) that will continue to support the industry.

"Given the momentum and the numbers that have been forecast in terms of gross domestic prod-

uct (GDP) by Bank Negara Malaysia, Malaysian Institute of Economic Research and the World Bank, the fundamentals are strong and the economy is tracking very well," he said after the launch of the Real Estate Investment Trust (REIT) Index, here, yesterday.

Tajuddin said the budget would most probably have more incentives to ensure the strong economic growth was sustained.

"I believe this year, the stock market would most probably be on the positive side," he said.

As to the heavy selling activities in the past two months, Tajuddin said from a momentum perspective, the relative strength index (RSI) and moving average convergence divergence (MACD) were bearish.

"But, if you look at cyclical stochastic, it is turning into bullish. In short, I think there are some profit-taking definitely took place. Currently, from a chart perspective, I believe it is a range trading."

Tajuddin said unless there was a turn of momentum, given the fundamental, technical and some positive budget announcements, "we should be tracking quite well".

He said the equity market remained buoyant, with the benchmark FTSE Bursa Malaysia KLCI registering a seven per cent gain in the first nine months of the year on the back of positive market sentiment and net inflows from foreign investors.

"My reading on Asean alone shows that the number of funds



Bursa Malaysia chief executive officer Datuk Seri Tajuddin Atan with Malaysian REIT Managers Association chairman Datuk Jeffrey Ng at the launch of the Real Estate Investment Trust Index in Kuala Lumpur yesterday. BERNAMA PIC

is tracking into this direction. Since January, Asean markets have quite high numbers.

"If you look at the whole of Asia, there may be movements in other places. But, in terms of index and market cap (capitalisation), all others in Asean, if not most, except Malaysia, are experiencing lower growth in index performance," said Tajuddin.

Meanwhile, Malaysian REIT Managers Association chairman Datuk Jeffrey Ng said emerging markets would continue to gain traction.

"Funds managers have to balance their portfolio when they need to. There are many other factors such as interest rate in the West versus the East," he said.