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Bursa Malaysia expects trading momentum to continue

Current momentum is good with boost from strong foreign inflows, says CEO

by NG MIN SHEN

TRADING momentum on Bursa Malaysia is expected to continue upwards this year, boosted by strong foreign inflows, said Bursa Malaysia Bhd CEO Datuk Seri Tajuddin Atan.

"The current momentum is

good. We saw a lot of trading within the first-quarter of the year and if I'm not mistaken, some RM4.7 billion of foreign funds have come in," Tajuddin said.

Speaking to the media after Bursa Malaysia's AGM in Kuala Lumpur yesterday, he also expects the trading velocity this year to exceed last year's 27% mark.

"The period of March 13 to March 17 this year alone saw a foreign inflow of around RM1.7 billion. Along with the rest of

foreign funds brought in so far, this has excited foreign investors as well as retailers so the momentum is there," he added.

According to Tajuddin, the funds may not be entirely fresh, but he remains optimistic that trading velocity will continue.

"There are many factors that drive the momentum such as strong dividend yield within our marketplace and also the ringgit stabilisation, which on a conversion basis provided fairly good discounted prices

to enter the market," he said.

The local bourse also monitors other factors, including initial public offerings (IPOs) which have given the market reason for excitement.

Tajuddin said eight IPOs have been approved thus far in 2017, of which HLT Global Bhd, Matang Bhd, KIP Real Estate Investment Trust and Serba Dinamik Holdings Bhd have been successfully listed.

"The next major listing will be EcoWorld International Bhd's listing on April 3, 2017,

which will have a market capitalisation of about RM2.8 billion. That is equivalent to the four listings we have seen thus far," he said.

He added that the Securities Commission of Malaysia has also approved two more IPOs, one on the Main Market and one bound for the ACE Market.

Last year saw a total of 11 IPOs raising about RM1 billion collectively, considerably lower than RM4.7 billion raised in 2015 and RM4.1 billion in 2014 on Bursa Malaysia.