



Five strongest stocks

STOCK	CLOSE (JAN 7)	WEEKLY CHG	% CHG	1-YR HIGH	1-YR LOW
TELEKOM	11.90	0.30	2.59	12.10	8.39
STAR	7.00	0.20	2.94	7.00	5.91
MAXIS	9.50	0.15	1.60	9.50	7.56
LKT IND	1.50	0.12	8.70	1.98	1.21
D PREP	0.89	0.11	14.19	1.81	0.65

Five weakest stocks

STOCK	CLOSE (JAN 7)	WEEKLY CHG	% CHG	1-YR HIGH	1-YR LOW
MPI	14.30	-0.70	-4.67	18.52	12.92
DIGI	6.05	-0.15	-2.42	6.20	3.08
KOBAY	1.23	-0.15	-10.87	1.45	1.10
VADS BHD	4.22	-0.10	-2.31	4.32	2.07
AKNTECH	3.40	-0.08	-2.30	5.42	3.40

KLCI: 916.28
RHBTECH: 138.96

Overview

The Kuala Lumpur Composite Index (KLCI) ended the week at a high of 916.28 points. Investor confidence returned in the middle of the week, buoyed by buying interest from foreign funds, which snapped up large blue chips such as Genting, Sime Darby and Maxis. The KLCI rose by almost 1%, outperforming the RHB Technology Index, which recorded a decline of 0.57% from a week ago.

Dragging the RHBTECH down was MPI (-4.7%) on the negative outlook for the semiconductor industry. On the telecommunications side, investors remained positive that cellular growth would continue to be strong, benefiting the two largest telecommunica-

tion companies, namely Telekom Malaysia (+3.6%) and Maxis Communications (+1.6%). There was some profit-taking in DiGi.Com (-2.4%) given the recent steep increase in its share price.

Outlook

We remain positive on the outlook for 2005, and the year has certainly got off to a good start. Our six-month target for the KLCI is 980 points and 1,005 points for 12 months. Despite expectations of slower GDP growth this year, we believe our market price-earnings ratio target of 16 times is sustainable because corporate earnings will continue to record double-digit growth for the next two years. — By RHB