



Headline : Market Open KLCI stages mild rebound, but gains seen limited
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Market Open* KLCI stages mild rebound, but gains seen limited



By Surin Murugiah of theedgemalaysia.com | The Edge Malaysia – Wed, Feb 27, 2013

KUALA LUMPUR (Feb 27): The FBM KLCI edged up in early trade on Wednesday, in line with the higher overnight close at Wall Street and positive start at most regional markets, but the gains are seen limited with investor sentiment still on tenterhooks given the looming general election uncertainties.

At 9.05am, the FBM KLCI added 1.12 points to 1.625.30, lifted by gains at select blue chips including UMW, RHB Capital and Hong Leong bank.

Gainers led losers by 78 to 55, while 82 counters traded unchanged. Volume was 37.16 million shares valued at RM19.48 million.

The top gainers in early trade included Dutch Lady, Carlsberg, AirAsia, UMW, BAT, Star, RHB Capital, Hong Leong Bank and Deleum.

BIMB Securities Research in a market preview Wednesday said shares in Europe ended three month lows after an Italian election renewed concerns about the future of the euro zone.

Meanwhile in Wall Street, stocks ended near their best levels, recovering from their worst one-day drop in 2013, largely due to better than expected housing and consumer confidence data, it said.

The DJIA and S&P500 gained 0.84 percent and 0.61 percent respectively to end at 13,900.13 and 1,496.94 respectively.

It said that regionally, markets closed lower as investors concerns over Italy's general election.

"Back home, FBM KLCI lost 3.17 points to 1,624.18, mainly dragged down by plantation stocks.

Based on technical analysis, the local benchmark has returned to sideways with immediate support at 1,620 followed by 1,615 while resistance will be seen at 1,630," it said.

Asian shares rebounded on Wednesday, tracking U.S. stocks higher as the Federal Reserve Bank reassured markets of its commitment to strong monetary stimulus, but investors remained wary of political gridlock in Italy reigniting the euro zone financial crisis, according to Reuters.

Federal Reserve Chairman Ben Bernanke strongly defended the Fed's bond-buying stimulus before Congress on Tuesday, assuaging worries that monetary policymakers might be getting cold feet, it said.