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## International

Tuesday August 19, 1:06 PM

# Malaysia shares up midday, Nova makes strong debut

KUALA LUMPUR, Aug 19 (Reuters) - Malaysian shares were higher by midday on Tuesday, helped by overnight gains on Wall Street and led by a strong debut for Nova MSC .

At lunch break, the benchmark Kuala Lumpur Composite Index was up 0.38 percent at 731.58 points.

Overall volume stood at 433 million shares, 74 percent higher than Monday's level. Gainers led decliners 465 to 201.

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Shares of Nova, a software solutions provider, doubled on their debut, opening at 56 cents against its initial public offer (IPO) price of 28 cents.

The stock then rose to 69 cents before falling back to end the morning session at 61 cents. It was the most active counter with 69 million shares traded, accounting for 16 percent of total market volume.

Nova's public issue was 40 times oversubscribed, the highest ever oversubscription rate among companies listed on Kuala Lumpur Stock Exchange's Mesdaq market for technology and high growth sectors .

Analysts said the main index could test further upside as stocks get a boost from second quarter corporate earnings, which were likely to surprise on the upside given signs Malaysia's economy weathered the SARS virus outbreak better than expected.

Malaysian firms are due to report financial results for the April-June quarter by the end of this month.

"The 738-740 level will be closely watched. If it shows ability to move decisively above 740, we may see upward move to 770," said Teoh Cheng Guan, technical analyst at brokerage K & N Kenanga.

Shares in Cycle & Carriage Bintang (CCB) jumped more than nine percent after a report said the auto firm is expected to make a special dividend or capital repayment of at least 100 million ringgit (\$26 million).

The stock settled at 5.80 ringgit by midday, a gain of 7.4 percent or 40 cents.

The local Business Times daily said CCB, the exclusive Malaysian distributor of Mazda and Peugeot vehicles, is likely to trim its cash pile because it will have stable earnings after its 2003 financial year with no borrowings or significant capital expenditure.

CCB, the former franchise holder of Mercedes Benz vehicles, has cash reserves of 205.3 million ringgit as at June 30, which is equivalent to 2.09 ringgit a share.

Hong Leong Bank rose 4.9 percent to 5.40 ringgit after it reported a 15 percent rise in net profit for the year to end-June.

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