

Excerpt



CLOB International was launched to address the delisting of Singapore-listed Malaysian companies.

CLOB International makes impressive debut

HIGH VOLUME RAISES FEARS OF KLSE REACTION

CLOB international, the newly installed over-the-counter market for selected Malaysian and foreign shares, staged an impressive debut yesterday with a whopping turnover of 88 million shares.

"The volume is incredible. The top active stocks are mostly Malaysian penny stocks," a foreign stockbroker said. "There's genuine interest in Malaysian stocks by Singapore investors which will continue right through January barring negative actions by the KLSE (Kuala Lumpur Stock Exchange)," he said.

The Stock Exchange of Singapore main board, trading for the first time in almost three decades without Malaysian counters, paled by comparison with a turnover of 46 million shares. However, the revised Straits Times Industrials Index rose a sharp 18.13 points to 1499.46. The all-time high of the STII is 1505.

The SES launched CLOB International to offset the delisting of 182 Malaysian stocks from the main board on Sunday. It selected

133 active Malaysian stocks, including some that were not originally listed on the SES, and six Hongkong blue chips for trading through local brokers. But the success of CLOB International, which uses the same efficient computerised order matching system as the main board, has raised new fears.

It can be expected that the KLSE, which said last Friday that it would not recognise CLOB International, will not be supplying company announcements to the SES. In fact, CLOB International had a taste of it yesterday when it continued to allow trading in Malaysian-listed MCB Holdings in the morning even though it had been suspended on the KLSE. SES dismissed the incident as a "teething problem" which will soon be sorted out.

Even as Singapore stockbrokers quietly applauded CLOB International, they are bracing themselves for moves by the KLSE to make it difficult, if not impossible, for Malaysian shares to be traded in Singapore.

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SEPTEMBER 18, 1990

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