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## KLCI flat in volatile trade as China's stock markets plunge

KUALA LUMPUR: The FBM KLCI vacillated between gains and losses before ending almost flat. Fund managers said Malaysian shares took the cue from weak corporate financials as investors eyed domestic political uncertainties surrounding 1Malaysia Development Bhd.

At 5pm yesterday, the KLCI eked out a 0.51 point or 0.03% gain to settle at 1,755.56 as selling pressure persisted.

"The KLCI was not only pressured by blue chip counters like Tenaga (Tenaga Nasional Bhd), but investors also tend to factor in the second quarter weak (corporate) earnings performance," Areca Capital Sdn Bhd chief executive officer Danny Wong told theedgemarkets.com.

For comparison, the FBM Small Cap index fell 47.45 points or 0.29%. The FBM Small Cap comprises companies within the top 98% portion of Bursa Malaysia's Main Board but excludes stocks under the FBM Top 100 list.

Malaysian shares' volatility came amid substantial losses in China markets. *Reuters* reported that China's stock markets plunged yesterday, with indexes dropping over 6% in record high turnover as investors rushed to sell after more brokers tightened margin trading requirements for clients and the central bank drained money market liquidity.

Hong Kong's Hang Seng fell 2.23% while the Shanghai Composite declined 6.5%. Across Bursa Malaysia, there were 420 decliners versus 324 gainers while 333 counters remained unchanged. Total trading volume was 1.61 billion shares worth RM1.91 billion. — *by Chester Tay*

**World equity indices**