

IJM, Gamuda and SP Setia may enter new index

KUALA LUMPUR: IJM Corp Bhd, Gamuda Bhd and SP Setia Bhd may be included in a new country benchmark stock index next month after their market values rose, Credit Suisse Group AG said.

Stocks that may be excluded are Malaysian Airline System Bhd, RHB Capital Bhd and Petronas Dagangan Bhd because of their low free-float percentage, according to the report.

"With US\$83bil worth of domestic funds benchmarked to the stock index, changes in the weightings and components could impact stock prices," Stephen Hagger, an analyst at Credit Suisse, said in a report yesterday.

Bursa Malaysia Bhd will cut the number of companies in its share index to 30 from 100 on July 6,

removing the smallest and most tightly held companies in a bid to lure investors.

The KL Composite Index will become the FTSE Bursa Malaysia KLCI.

The companies may enter the new index because of their higher free floats, Hagger said.

The new gauge would mirror the FTSE Bursa Malaysia 30 Index, which comprised the 30 largest stocks and free-float adjusted, Hagger said.

IJM, Gamuda and SP Setia were among the top 35 stocks by market value in Malaysia and among the top 25 in the MSCI weightings, he said.

As such, they could possibly be included in the new index, he added.
— Bloomberg