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MR INVESTOR :
WHAT WENT UP, MUST COME DOWN

It was another booming session on The Stock Exchange of Hongkong Ltd as the Hang Seng Index, the barometer of the market, rose 2.86 percent to hit 18,292.86 on a Total Turnover of $HK15.50 billion.

But the stock market was off its high since, at one point, during the morning session, there were questions, being raised, as to whether or not the Hang Seng Index would break through the 19,000 level, too.

There are always dreamers in every community.

The Top Ten Most Active issues accounted for about 42.71 percent of the entire trading session, with HSBC Holdings plc, the Number One on the leader board, closely followed by Pacific Century CyberWorks Ltd.

These 2 counters represented about 16.71 percent of the volume of activity on the market.

HSBC Holdings hit a high of $HK95.50 while Pacific Century CyberWorks barely moved in spite of heavy trading in the counter. The closing price of this counter was $HK20.35 per share.

An interesting industrial, which suddenly leapt to prominence, was Peace Mark Holdings Ltd, the share price of which gained about 36 percent, compared with the previous week's closing level, hitting 24.50 cents.

This watchmaker is known to be doing very nicely, but has, like many *'solid'* companies, been neglected for too long a period of time.

Some of the principal reasons for the large increase in the Hang Seng Index, experienced last Monday, were the Government's announcement with regard to domestic exports and Wall Street's seeming switch, back into stocks and shares with strong fundamentals -- banks, finance houses, manufacturers of motor-cars and accessories, etc.

It was reported over the weekend of March 24-25 that domestic exports of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) had risen 20.30 percent in February 2000, compared with the like period in 1999.

The value of domestic exports and re-exports for February 2000 was $HK95.20 billion.

On The Growth Enterprise Market (The GEM), trading was down, considerably, as only $HK611.38-million worth of scrip changed hands.

Sunevision Holdings Ltd, the Sun Hung Kai Properties Ltd supposed hi-tech *'arm'*, was the most active issue, with 14.37 million shares switching as the price per share fluctuated between a high of $HK16.40 and a low of $HK15.45.

tom.com Ltd was in second place with about 19.20 million shares changing hands. Its share price hit a high of $HK12.25 and a low of $HK11.40.

These 2 counters represented about 74.34 percent of the total value of the action on this market -- about $HK454.51 million.

In Japan, The Tokyo Stock Exchange, like The Stock Exchange of Hongkong Ltd, witnessed increased activity as the Nikkei-225 Index, that market's barometer of trading activity, rose 322.95 points to hit a 32-month high of 20,281.03 yen.

This is that Index's highest level since July 1997.

And, like Wall Street and the HKSAR, emphasis, to some extent at least, was on what the Japanese call, *'Old Japan stocks'* -- the deadbeats: The unattractive, but fundamentally sound but not sexy companies.

Taiwei Corporation was one such counter as its share price rose 6.21 percent to 171 yen, and Mitsui Fudosan Company saw its share price run away with an 8.11-percent increase to 1,000 yen.

The high-flying Internet investment company of Hikari Tsushin saw its share price drop daily limit 5,000 yen to 73,800 yen. Softbank Corporation's shares also went down limit 5,000 yen to 81,500 yen.

(There were reports in the previous week that Softbank was to tap the marketplace for some more money)

Sony Corporation, after taking a battering for the past month, managed to recover 2.72 percent of lost ground, hitting a high of 26,400 yen. In early trading, this giant's share price was felled by about 3 percent,

The former old favourite, Mitsubishi Motors Corporation, witnessed a bit of a revival to former glory with a share-price rise of 12.17 percent to hit 470 yen. This gain was due, in part, to confirmation that it had reached an agreement with DaimlerChrysler to be part of the world's third, largest manufacturer of motor cars.

The terms of the announced agreement was that DaimlerChrysler would take up 34-percent of the Issued and Fully Paid-Up Share Capital of Mitsubishi Motors for about $HK16 billion. Mitsubishi Motors is top heavy with debt.

On this market, gainers outnumbered losers by a ratio of about 3:One.

With the exception of South Korea, all important Asian stock markets followed the leaders, with Singapore, making the most impressive gain:

Thailand	Plus 1.01 percent
Indonesia	Plus 0.65 percent
Malaysia	Plus 1.87 percent
The Philippines	Plus 0.92 percent
South Korea	Minus 0.28 percent
Singapore	Plus 3.30 percent
Taiwan	Plus 3.43 percent
Japan	Plus 1.62 percent

Tuesday

The Stock Exchange of Hongkong Ltd was a very dull bourse, last Tuesday, as the Total Turnover shrank to about $HK11.90 billion with the Hang Seng Index, hardly moving from Monday's closing level.

At the sound of the closing bell at 4 p.m., The Index had recorded a gain of just 8.83 points, rising to 18,301.69.

The most actively traded counter was Pacific Century CyberWorks Ltd where about 39.34 million shares changed hands with the share price, fluctuating between a low of $HK19.70 and a high of $HK20.65.

HSBC Holdings plc, which had been the market's *'darling'* on Monday, shed about 1.60 percent of its charm, as the share price slumped to $HK93, after touching, briefly, $HK92.50.

Cable and Wireless HKT Ltd, the largest telecommunications carrier in the HKSAR, now controlled by Pacific Century CyberWorks, shed all of Monday's gains, ending the session at $HK21.75 per share, a fall of about 2.50 percent compared with Monday's closing price.

As there was no reason for this company to have made such a gain on Monday, so there was no logical reason for the sell-off on Tuesday.

The HKSAR is well into its reporting season for companies, listed on The Stock Exchange, and many investors appeared to be waiting to see which way the wind would blow.

On The GEM -- The Growth Enterprise Market -- the Turnover fell to about $HK421 million as many investors determined that this was not the market for them due to its obvious lack of liquidity.

The market is dominated by just 2 counters, most of the time: tom.com Ltd and Sunevision Holdings Ltd.

These counters represented about 52 percent of the volume of activity, last Tuesday, as the Growth Enterprise Index fell about 2 percent to 979.44.

In Japan, The Tokyo Stock Exchange saw its index, the Nikkei-225, gain another 93.31 points to hit the newest high point since 1997.

Softbank Corporation, which had been the share to sell on Monday and most of the previous week, for a change, rose the daily limit of 5,000 yen to hit 86,500 yen per share.

'Old Japan' stocks continued to be in demand, with the share price of Sumitomo Metal Industries Corporation, rising 11.43 percent to 78 yen, and Nippon Steel Corporation, gaining 4.20 percent to hit 248 yen per share.

Losing issues outnumbered gainers by a ratio of about 1.15:One.

In other parts of Asia, it was, generally, the same story, with very little action on major stock markets as the following statistics indicate, clearly:

Thailand	Plus 1.03 percent
Indonesia	Plus 0.60 percent
Malaysia	Minus 0.69 percent
The Philippines	Plus 0.23 percent
South Korea	Plus 0.52 percent
Singapore	Minus 0.43 percent
Taiwan	Plus 0.50 percent
Japan	Plus 0.46 percent

Wednesday

Thump!

Down went the Hang Seng Index with a thump, which reverberated throughout the business district of the Hongkong Special Administrative Region (HKSAR).

It happened almost at the start of trading, last Wednesday, and this put the fear of Dracula into the hearts of many investors who had long, open positions -- using borrowed money.

The question: How long would the bears continue to chew up the bulls?

The Index, which fell by more than 351 points within the first hour of trading, recovered 146 points of the earlier losses, but it still could not make up for negative investment sentiment, which cut The Index down by 205.32 points by the 4 p.m. closing bell.

The Hang Seng Index ended the session at 18,301.69 on a Total Turnover of about $HK13.42 billion.

But one has to remember that The Stock Exchange of Hongkong Ltd had witnessed record-breaking sessions on both Monday and Tuesday.

For the first time in many a decade, the *'Top Dog'* on The Stock Exchange was trading company Li and Fung Ltd, which saw about 69.71 million of its scrip change hands with its share price, rising from a low of $HK35.70 to a high of $HK41.70.

Trading on this counter, alone, amounting to a dollar value of about $HK2.33 billion, represented about 17.36 percent of the Total Turnover.

Li and Fung had announced, earlier in the week, that it has successfully placed 60 million of its shares, raising nearly $HK2 billion in the process.

Other than newcomer, Li and Fung, the Top Ten Most Active issues were the same old bunch and, together, trading in these popular counters accounted for about 55 percent of the total volume of activity.

The stock market of the Hongkong Special Administrative Region (HKSAR) was following Wall Street's antics, quite closely, especially noting that the NASDAQ Composite Index had fallen by about 2.51 percent on Tuesday, to 4,833.89.

Taking its cue from New York, China Telecom (Hongkong) Ltd lost $HK1.75 per share, about 2.30 percent of its market capitalisation, compared with Tuesday's closing level, to end the session at $HK74.75.

Another big loser was Cable and Wireless HKT Ltd, the share price of which shed about 3.70 percent of its lustre, falling to $HK20.95.

Talk about sucking up, the Board of Directors of Cable and Wireless HKT, led by Mr Linus Cheung, put out a statement, during the trading session, applauding Mr Li Ka Shing's publicly listed *'vehicle'*, Pacific Century CyberWorks Ltd, in its public intentions to take over the largest telecommunications company in the HKSAR.

And this was even before the Cable and Wireless HKT Board of Directors had determined under what conditions it would recommend the Pacific Century CyberWorks's $HK129-billion, merger/takeover bid to shareholders.

That may be one way to try to hold onto a job, one may be inclined to comment.

As for Pacific Century CyberWorks, its share price slumped about 4.50 percent, compared with Tuesday's closing price, to $HK19.50.

On The Growth Enterprise Market, the GEM, it was the same old story, with Sunevision Holdings Ltd and tom.com Ltd, dominating the trading session.

These 2 counters accounted for about 71.50 percent of the total volume of activity.

The range in the share prices of these issues was quite substantial, with Sunevision's share price, hitting a low of $HK14.30 and a high of $HK15.15, while the range of trading for tom.com was a low of $HK10.75 per share to a high of $HK11.20 per share.

The Growth Enterprise Index shed about 3.77 percent to 942.48, a fall of nearly 37 points, compared with Tuesday's closing level.

It was announced in Beijing, last Wednesday, that Chinese Premier Zhu Rong Ji and European Union (EU) Trade Commissioner, Mr Pascal Lamy, had held '*substantive*' talks on certain trade issues, issues that had been of some concern to EU members. The EU, of course, form part of the illustrious World Trade Organisation (WTO).

These issues are thorns in the side of the PRC's avowed intentions to try to persuade the WTO to admit the PRC as a full member of this international trading club -- after 14 years of trying.

The EU would like the PRC Government to relax limits on foreign ownership of domestic insurance companies and telecommunication companies.

In Japan, The Tokyo Stock Exchange decided to take no notice of either Wall Street or the HKSAR, resulting in the Nikkei-225 Index, rising 332.31 points to 20,706.65 yen.

The Nikkei-225 hit a 40-month high, last Wednesday, as excitement was most evident on that bourse. This is the highest level since December 10, 1996.

There were some old-timers, however, who commented to TARGET that Japan could not go it alone and that, if there is to be a major, international market correction, Japan will get hit like anybody else.

The reason that this market appeared to be unflappable, at least last Wednesday, was that the Japanese economy appears to be booming.

Helping this sentiment was an announcement from the Japanese Government, emanating directly from the well respected The Ministry of International Trade and Industry (MITI), which stated that Japan's industrial production continued to make new inroads.

In February, MITI announced, industrial output in the Land of the Rising Sun rose by about 3 percent, compared with statistics, compiled by MITI for the month of January.

In terms of one year earlier, MITI announced that industrial production had risen by 8.40 percent.

This is the biggest increase in more than a decade, it was quick to point out.

And shares, listed on The Tokyo Stock Exchange, were the first to reap the benefits of MITI's prognostications for the Japanese economy.

Softbank Corporation and Hikari Tsushin both saw their share prices rise daily limit 5,000 yen, to 91,500 yen and 73,800 yen, respectively.

'Old Japan' issues continued to be in demand with the share price of NKK Corporation, rising 3.13 percent to 66 yen, and the giant conglomerate, Ishikawajima-Harima Heavy Industries, gaining about 4.17 percent to hit 125 yen.

Sony announced, officially, that it was holding talks with Sakura Bank and another foreign bank with a view to developing an Internet bank to be launched in 2001.

The share price of this heavyweight rose 4.65 percent to 13,730 yen.

The ratio of gainers to losers was nearly 2.20:One.

This is the way that other major players in Asia saw the situation last Wednesday:

Thailand	Minus 0.42 percent
Indonesia	Plus 0.50 percent
Malaysia	Plus 0.36 percent

The Philippines	Minus 0.58 percent
South Korea	Plus 1.93 percent
Singapore	Minus 1.19 percent
Taiwan	Minus 0.52 percent
Japan	Plus 1.63 percent

Thursday

If there ever were thoughts to the contrary, they were dispelled last Thursday as the Hang Seng Index went into overdrive -- in reverse gear.

Investors on The Stock Exchange of Hongkong Ltd witnessed a very fast erosion of prices of stocks and shares, led by China Telecom (Hongkong) Ltd, which experienced wild swings in its share price, during the day.

The range in the share price of this counter, the most active on The Stock Exchange, was a low of $HK67.75 and a high of $HK74. This is a swing of something approaching 9 percent.

It closed at its lowest level, and it was said to have accounted for about 60 percent of the fall in the Hang Seng Index.

The Hang Seng Index shed a total of 3.48 percent, 629.22 points, sinking to 17,467.15. It was the fifth heaviest fall in the Index in the past few years.

About 60 percent of those losses occurred in the 90-minute afternoon session.

The Total Turnover of $HK13.78 billion was an ominous sign since it indicated that, on a rapidly falling market, investors were agreeable to selling out as prices dropped.

The Top Ten Most Active issues accounted for about 51.38 percent of the total volume of activity, with China Telecom and Hutchison Whampoa Ltd, representing about 21.84 percent of that figure.

Li and Fung Ltd, which had been the most-active counter on Wednesday, witnessed a fast retreat in its share price as about 7.49 percent was wiped off its market capitalisation.

About 5.72 million Li and Fung shares changed hands, with the price of the stock, falling to $HK38.30, down from Wednesday's level of $HK41.70.

The company announced that it had placed 12 million shares with institutions at a price, which was about $HK6 per share lower than the closing level, last Thursday.

Losers outnumbered gainers by a ratio of nearly 2:One.

On The GEM, The Growth Enterprise Market, it was, just about, the same old story with Sunevision Holdings Ltd and tom.com Ltd, the leaders of the Most Active Issues.

Together, these 2 counters represented about 76.44 percent of the total volume of activity on that speculative market.

The Growth Enterprise Index was shaved by about 4.54 percent, falling to 899.74 points.

Losers outnumbered gainers on this little bourse by a ratio of 15:One.

And like the Main Board of The Stock Exchange of Hongkong Ltd, there were wild swings in share prices, in spite of the fact that the Total Turnover was only $HK438.87 million.

One of the main reasons for the sell-off, not just in the Hongkong Special Administrative Region but also in most other Asian stock markets, was in response to what happened in Wall Street on Wednesday, New York time.

There, the NASDAQ Composite Index tumbled nearly 4 percent, with telecommunication issues and hi-tech counters, leading the charge, backwards.

There was a generally accepted belief, last Wednesday in New York, that the gold leaf was falling off the very popular hi-tech counters, internationally, because it is only too obvious that the *'money tree'* cannot bear fruit, forever, without some *'fertiliser'* (profits in this case) added to the tree's soil.

On The Tokyo Stock Exchange, the news came fast and thick: Japan had suffered, badly, due to the strong yen vis-a-vis other *'hard'* currencies.

Motor-car manufacturers, especially, were feeling it in their Bottom Lines.

Nissan Motor Corporation lost about 7.60 percent of its market capitalisation and its arch rival, Honda Motor, shed about 5 percent of its market capitalisation.

The Nikkei-225 dropped 265.15 points to end the session at 20,441.50 yen after 8 straight days of gains, which saw the Nikkei-225 hit its highest levels since December 1996.

Sony Corporation was a big loser with its share price, falling 5.61 percent to 14,500 yen in spite of an announcement that it had cemented its deal with 2 partners to form an Internet bank.

Sakura Bank has agreed to take a 16-percent stake in the new Sony enterprise and the US investment bank, J.P. Morgan, has agreed to take a 4-percent stake in the 37.50-billion-yen concept (about $HK28 billion).

But for the hi-tech sector of the Tokyo Stock Exchange, it was, generally, not good news although Softbank Corporation did manage to buck the trend, gaining daily limit 5,000 yen to 96,500yen, a rise of about 5.46 percent.

Losers outnumbered gainers by the ratio of 2.34:One.

And this is the way that it looked on other Asian stock markets:

Thailand	Minus 2.70 percent
Indonesia	Minus 1.42 percent
Malaysia	Minus 1.39 percent
The Philippines	Plus 0.39 percent
South Korea	Minus 2.04 percent
Singapore	Minus 2.96 percent
Taiwan	Plus 1.29 percent
Japan	Minus 1.28 percent

Friday

Trade talks between representatives of the Government of the People's Republic of China (PRC) and the European Union (EU), with regard to the PRC's wish to join the World Trade Organisation (WTO), broke down, completely, last Friday.

EU Trade Commissioner, Mr Pascal Lamy, literally walked out on his PRC counterpart, Mr Shi Guang Sheng.

And, in a final slap in the face for the PRC Government, Mr Lamy stated publicly: *'We are hopeful we will be able to finalise a deal in the coming period.'*

In diplomatic jargon, this means that we (the EU) don't need you (the PRC), you need us; and, until you buckle under, you shall not be a member of the 135-strong, world trade club.

The EU is demanding that the PRC open up its telecommunication and financial services markets to outside competition as a prerequisite to joining the WTO.

In keeping with the PRC Government's usual stance: *'Bugger you!'*

The news broke in the Hongkong Special Administrative (HKSAR) during lunchtime on Friday, following a horror morning session on The Stock Exchange of Hongkong Ltd when the Hang Seng Index had fallen by more than 2 percent, compared with Thursday's closing level.

The afternoon session pushed the Hang Seng Index into positive territory, however, ending the week at 17,604.54, a loss of just 60.61 points compared with Thursday's close.

The Total Turnover on The Stock Exchange was about $HK10.41 billion, down considerably from a few weeks ago when the volume of activity hit $HK36 billion a day.

The leader of the Most Active issues was China Telecom (Hongkong) Ltd, which saw about 16.63 million of its shares change hands, representing, in dollar terms, a volume of activity in this stock of about $HK1.13 billion, or nearly 11 percent of the Total Turnover.

The price of the shares of this heavyweight swung from a low of $HK65 per share to a high of $HK70 per share, and then finishing the session, up 25 cents per share to $HK68.25.

The Ten Most Active issues represented just under 45 percent of the Total Turnover, with China Telecom, Pacific Century CyberWorks Ltd and Hutchison Whampoa Ltd, being responsible for about 25 percent of all the business transacted.

This was the third day in a row that the Hang Seng Index had been sliding backwards; and, it was frightening to investors, sporting heavy long positions on borrowed money.

Losers outnumbered gainers by the ratio of 1.93:One.

The reason for the falls on The Stock Exchange was in response to what was happening, worldwide: Hi-tech stocks had lost their glamour, with Wall Street, dumping stocks of a hi-tech temperament.

On The GEM -- The Growth Enterprise Market -- The Growth Enterprise Index fell about 1.21 percent to 888.89 on a Total Turnover of about $HK672.42 million.

iMerchants Ltd made its debut and was the most active issue on this market, with $HK290.18- million worth of its stock, changing hands. Trading in this counter accounted for about 43.15 percent to the Total Turnover.

The wild price-swing in this counter was equal to about 24 percent, a real roller-coaster ride for those investors, holding onto this stock since they were required to have a strong constitution in order to stay with this counter, which hit a low of $HK1.44 per share and a high of $HK1.90 per share.

The share price was pitched at $HK1.48 per share so that one could say that it was hardly the *'darling'* of investors.

Between trading in the shares of Sunevision Holdings Ltd and iMerchants -- Sunevision was the second most-active stock -- they represented about 71.73 percent of the activity on this speculative marketplace.

The number of issues that advanced was just about equal to those, which declined.

In the Land of the Rising Sun, The Tokyo Stock Exchange witnessed another sell-off as the Nikkei-225 shed 182.15 points, ending the week at 20,259.35.

Losers and gainers were, just about, equal.

Many counters experienced a dull session with prices, staying firm for the most part.

At the end of the session, it was announced that Japan's unemployment level had hit a record level in February of 4.90 percent of the labour pool.

This is an increase of about one fifth of a percentage point compared with January.

The reason for the higher unemployment rate in Japan: Corporate restructuring and economies of scale, being realised in large conglomerates, have resulted in putting workers on the streets.

With the exception of the Seoul Composite Index in South Korea, which slipped back another 3.26 percent, Asian bourses were comparatively quiet, last Friday night, as the following indicates:

Thailand	Plus 0.18 percent
Indonesia	Closed
Malaysia	Plus 0.30 percent
The Philippines	Minus 0.95 percent
South Korea	Minus 3.26 percent
Singapore	Plus 0.75 percent
Taiwan	Minus 0.78 percent
Japan	Minus 0.51 percent

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