SENTIMENT TAKES A 180-DEGREE TURN :
UP GO SHARE PRICES

While the statistics will show that many of the most important stock markets, throughout Asia, rose last Monday, the *'show'* was a very unconvincing, for the most part.

If anything, with US stock markets to be closed for the Memorial Day Weekend Celebrations, the previous Friday through to Monday, May 29, Asian bourses were looking for an indication, if any existed, as to the direction of the week's trading.

Nothing had, materially, changed over the previous weekend; and, the ghosts of higher interest rates, internationally, continued to dog stock markets, around the world.

On The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose 252.37 points -- about 1.84 percent -- to 13,975.07 on the lowest Total Turnover seen for some time: $HK7.33 billion.

But on The GEM, the Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, the Growth Enterprise Index was off about 5.41 percent to 466.45 points on a Total Turnover of $HK101.96 million.

The Main Board of the only stock exchange of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) was fairly dead for most of the morning's session, lasting 150 minutes, with the Hang Seng Index, just managing to squeeze out a 42.61-point gain as the luncheon bell rang.

The 90-minute afternoon session saw considerable interest in very select issues, especially China Telecom (Hongkong) Ltd (Code: 941), whose share price rose a little more than 7 percent to $HK52.25, just off its best for the day of $HK52.75 per share.

China Telecom, having been battered from pillar to post, during the previous fortnight's trading, could not be taken as an indication of the stock market, in general terms, because it was known that there had been a great number of investors, local and international, who had been shorting the stock for the previous 10 trading sessions.

Time to cover short positions.

China Telecom accounted for about 17.46 percent of the Total Turnover while the Ten Most Active issues (including China Telecom) were responsible for 58.25 percent of the total volume of activity.

The second, third and fourth positions of the Ten Most Actives were all in the Li Ka Shing Camp: Cheung Kong (Holdings) Ltd (Code: 1), Hutchison Whampoa Ltd (Code 13), and Pacific Century CyberWorks Ltd (Code: 1186).

Cheung Kong shed a fractional amount, compared with the previous Friday's closing level, to end the session at $HK70.25 per share, after touching $HK71.25. Hutchison closed at $HK83.25 per share, up 1.52 percent, after reaching $HK83.75 in late trading, and Pacific Century CyberWorks rose 4.90 percent to close at $HK14.05, after touching a low of $HK13 per share and seeing a high of $HK14.15 per share.

Regardless of the gains in the Li Ka Shing Camp, last Monday, it was a far cry from anything approaching a recovery from the losing streak, which the Camp had suffered, during the week ended May 26.

Henderson Land Development Company Ltd (Code: 12) was one of the stars on this market, as its share price rose 8.30 percent to $HK31.50, just about at the top of its rise for the day.

But gainers, such as Henderson, were few and far between because, in the main, property counters were under pressure on the not-so-slim chance that interest rates would rise again within the next month of so.

Property prices and interest rates are uncomfortable bed-fellows and rise or fall disproportional amounts, usually pulling in reverse directions: As interest rates rise, property prices fall; and, vice versa.

Henderson's gains came on the back of news that residential property transactions in the HKSAR, during the month of April, were at their lowest levels for the past 19 months.

While Henderson gained, one of the largest property moguls of the HKSAR, Sun Hung Kai Properties Ltd (Code: 16), did not fair well, at all. It lost about 2.50 percent of its market capitalisation to close at $HK43.40 per share, the lowest level for about the past 12 months.

An indication of how badly has the property sector of The Stock Exchange of Hongkong Ltd been hit may be seen by the fact that Sun Hung Kai has shed about 26 percent of its value in the past month, while Cheung Kong has watched about 17.50 percent of its market capitalisation fade in the same period of time.

Founder Holdings Ltd (Code: 418) was off 8 percent, to $HK3.15 per share, following the previous week's Financial Results announcement that it had lost about $HK223 million, during the 1999 Financial Year.

Some interesting issues, which appeared to be oblivious to the market's general sentiment, included City Telecom (Hongkong) Ltd (Code: 1137), down 9 percent to $HK1.38 per share (continuing the rout of the previous week), Companion Building Material International Holdings Ltd (Code: 432), up 15.79 percent to 8.80 cents per share, Daido Concrete (Hongkong) Ltd (Code: 544), up 11.90 percent to 14.10 cents per share, Fairform Holdings Ltd (Code: 943), up 16.30 percent to 72 cents per share, Great China Holdings Ltd (Code: 141), up 30.77 percent to 68 cents per share, and Li and Fung Ltd (Code: 949), up 10.61 percent to close at $HK31.80 per share.

Shares that made up some of the previous week's losses outnumbered those that lost ground by the ratio of about 1.24:One.

On The GEM, it was a very different story to the Main Board as The Growth Enterprise Index went into reverse for the entire session, eventually settling at 466.49 points for a loss, compared with the previous Friday's close, of about 5.41 percent.

The Total Turnover was $HK101.96 million with the Ten Most Active issues, accounting for 97 percent of that total figure.

tom.com Ltd (Code: 8001) continued to be the most-actively traded counter with a turnover in the counter, being $HK34.71 million, or about 34 percent of the Total Turnover.

But the share price continued to retreat, dropping to $HK4.225, having hit a low of $HK4.15 per share.

This is a share pullback of about 10.11 percent in a period of about 4 hours of trading, compared with the previous Friday's closing level.

As TARGET has stated in the past, playing with fire of this nature can cause one to burn one's fingers quite badly.

Sunevision Holdings Ltd (Code: 8008) was another big loser, falling to a low of $HK7.15 per share, down from a high of $HK8.30 per share, and, eventually, settling at $HK7.45 per share.

That represents a swing, in one day's trading, of about 13.86 percent from the high of the day. In all, it lost 11.31 percent on the day and was the biggest loser.

The ratio of losers to gainers was exactly even: 11 all.

In Japan, the Nikkei-225 Composite Index, the benchmark of The Tokyo Stock Exchange, gained 237.44 yen to close the session out at 16,245.55 yen, a gain of about 1.48 percent.

While in actual terms, the Nikkei-225 appeared to be showing some kind of strength, it was considered that it would be short-lived: Wall Street would not open until Tuesday (New York time, that is Wednesday, Tokyo time) and, between Monday, Tokyo time, and then, anything could happen.

It was noted that the Total Turnover was very thin, as was the Total Turnover on The Stock Exchange of Hongkong Ltd.

It appeared that Japanese investors, seeing how some share prices of some of the giant Japanese corporations had been shot down, of late, decided to jump in and get their feet wet.

But it was not all winners on this market, by a long shot.

The share price of NTT DoCoMo fell 4.04 percent to 2.85 million yen, and the share price of Hikari Tsushin was shot down by about 2.3 percent.

In the automotive sector of the market, Mazda lost 8.80 percent of its market capitalisation while Toyota shed another 2 percent of its value.

Electronics seemed to fare better, with Sony, up 4.34 percent to 10,100 yen, Hitachi, up 2.50 percent, Toshiba, up 3.40 percent, and Fujitsu rose about 1.90 percent.

The big *'star'* of the show was Yahoo Japan Corporation, the share price of which put on a spectacular show, rising daily limit 2 million yen -- about 6.78 percent -- to end the session at 31.50 million yen.

Gainers outnumbered losers by the ratio of 1.94:One.

What the Japanese stock market appeared to be forgetting, at least last Monday, was that more than 100 Japanese-domiciled companies had filed for protection under a new 2-month-old law.

The new Japanese Court protection amendment to its bankruptcy laws provides a small umbrella for companies, strapped for cash.

The passing of this new bankruptcy law, promulgated last April, gives more of a measure of protection to creditor banks as well as allowing Japanese companies to save face, simply by admitting, openly, as to their financial constraints.

This seems to be a better situation than the Chairman/President of a company, having to consider, committing seppuku.

Since the law was promulgated, the aggregate amount of protection, sought by the Japanese Court, amounts to about $SU6.48 billion (about $HK50.41 billion).

Japanese financial failures have been legend, during the past few months, with Friday, May 26, seeing Dai-Ichi Hotel Ltd go belly up. It was the sixth publicly listed company to file under the new law.

The only other worthwhile piece of news to hit the headlines came from the Vice President of Taiwan, Ms Annette Lu, who announced that the PRC's one-China policy was a relic of the Chinese Civil War, dating back to 1949.

The PRC Government has labelled Vice President Annette Lu as an extremist and *'a scum of the Chinese nation.'*

And in other parts of Asia, this is how the situation sized up:

Thailand	Minus 1.48 percent
Indonesia	Minus 4.29 percent
Malaysia	Plus 2.56 percent
The Philippines	Plus 3.89 percent
South Korea	Minus 0.11 percent
Singapore	Plus 0.71 percent
Taiwan	Plus 0.34 percent
Japan	Plus 1.48 percent

Tuesday

Just when the stock market of the HKSAR falls out of bed, the HKSAR Government announces plans that it will sell off between $HK20-billion and $HK30-billion worth of its August 1998 stock-market interference cache of blue chips, valued, as at December 31, 1999, at $HK218.80 billion.

Mr Kent Chen Chih Yang, Corporate Development Manager of the (HKSAR) Exchange Fund Investment, said this last Tuesday, adding:*' We are currently studying what method we will use to sell the shares.'*

Wonderful stuff, Government interference in an open-market economy!

This was one of 2 pieces of information that hit The Stock Exchange of Hongkong Ltd, last Tuesday:

The other piece of news was that, for the second time in 4 months, the computer at The Stock Exchange of Hongkong Ltd broke down.

It only took about 2 hours for things to be righted, in spite of the shutdown, lasting just about 40 minutes.

Wonderful stuff!

Aside from not knowing a Hell of a lot about what was going on in the morning session of The Stock Exchange of Hongkong Ltd, it was a fairly reasonable market, all things considered.

The Hang Seng Index ended the session at 13,990.90 points, up about 15.83 points for a gain of about one tenth of one percent.

The Total Turnover was about $HK8.01 billion, but one cannot assume that this was an accurate figure, due to the computer failure.

In spite of the stock market, moving to slightly higher ground, the ratio of losers to gainers was 2.17:One.

New York was still out to lunch (please see Monday's report) so investors in Asia were swinging in the dark.

Had it not been for some late buying in the counter, China Telecom (Hongkong) Ltd (Code: 941), there is no doubt that the market would have been in negative territory.

China Telecom was the second most active counter, accounting for about 11.61 percent of the Total Turnover.

The share price of this PRC heavyweight closed at $HK52.50 after hitting a low of $HK50.

The Li Ka Shing Camp continued to be right up there with the leaders on the Ten Most Active list, with Cheung Kong (Holdings) Ltd (Code: 1), being the top dog, Hutchison Whampoa Ltd (Code: 13), being in the Number Three Slot, and Pacific Century CyberWorks Ltd (Code: 1186), being fourth best.

Cheung Kong ended the day down 25 cents per share to $HK70, Hutchison lost 50 cents to close at $HK82.75 per share while Pacific Century CyberWorks gained 35 cents per share to close at $HK14.40.

With regard to Hutchison, there was a Tokyo report, which stated the NTT DoCoMo Incorporated, the largest mobile telephone provider in that country, was talking to VoiceStream Wireless Corporation, a US cellular telecommunications company, with a view to taking a 20-percent stake in the loss-maker.

It would cost NTT DoCoMo about $US4.68 billion (about $HK36.41 billion) for this stake, in spite of the published results of VoiceStream, being known, it, having lost about $US3.70 billion (about $HK29 billion) for the Financial Year, ended December 31, 1999.

Hutchison invested about $HK7.45 billion in this US-based company, last year, and it owned about 30.67 percent of its Issued and Fully Paid-Up Share Capital, as at December 31, 1999, records indicate.

Hutchison closed the session at $HK82.75 per share after hitting a high of $HK86 per share and a low of $HK81 per share.

In all, Hutchison lost about 0.60 percent of its market capitalisation by the close of trading, compared with Monday's close.

The Li Ka Shing Camp accounted for nearly 29 percent of the Total Turnover.

Who said Mr Li Ka Shing does not rule the waves?

There are quite a number of counters, other than the Li Ka Shing-controlled counters, but nothing can compare to his hold on the market -- and that is the reason that his counters make the Most Active list so often.

Also, there were quite a number of counters, which saw their share price give up extraordinarily high numbers. This was due, in the main, to investors, robbing Peter in order to pay Paul.

In most cases, the 10-percent-plus losses of many counters were unsustainable, considering the earnings of the companies involved.

In such a relatively quiet market, many investors were, clearly, standing in the wings, waiting to see how Wall Street would open on Tuesday, New York time.

On The GEM, The Growth Enterprise Market, the situation was, just about, a repeat performance of Monday's Market, with The Growth Enterprise Index, shedding another 4.15 percent, falling to 447.12 points.

The Total Turnover was down to $HK99.56 million, with tom.com Ltd (Code: 8001) and Sunevision Holdings Ltd (Code: 8008) dominating trading, the aggregate market value of their respective trades, being $HK32 million and $HK26.47 million, respectively.

These 2 counters represented nearly 59 percent of the volume of activity.

tom.com shed another 5.33 percent of its market value, ending the session at $HK4 per share while Sunevision lost 6.71 percent of its value, closing at a new low of $HK6.95 per share.

The big loser on this market was iSteelAsia.com Ltd (Code: 8080), the share price of which shed 16.67 percent to hit another low-water mark of 35 cents per share.

The ratio of losers to gainers on this market was 1.33:One.

On The Tokyo Stock Exchange, the Nikkei-225 fell 16.54 yen to 16,228.90 yen in fairly quiet trading.

With no guide from Wall Street, Japanese investors were waiting to see how the largest stock market in the world would fare at its opening, after being shut for the 3-day Memorial Day Weekend holidays.

NTT DoCoMo was the talk of the trading floor, but its share price shed 5.26 percent to end the session at 2.70 million yen.

The reason for the fall was that there were conflicting reports as to how the giant would be able to pay for its stake in VoiceStream: Another issue of shares; a rights issue; or, increasing its debt service?

Losers outnumbered gainers on this market by the ratio of about 2:One.

A big loser was Internet investment company, Hikari Tsushin, the share price of which gave up nearly 11 percent, compared with Monday's close, and its running mate, Softbank, lost 1.50 percent of its market capitalisation.

After The Tokyo Stock Exchange closed for the day, it was announced that unemployment in The Land of the Rising Sun had fallen for the first time in 7 months, to 4.80 percent in the month of April.

The Japanese Government, also, stated that salaried employees were on a bit of a spending spree in April, as figures indicated that consumer spending in this sector rose 6.70 percent in April, compared with March, all figures, being seasonally adjusted.

Looking good, *'Japan Incorporated'*!

And this was how other parts of Asia viewed last Tuesday:

Thailand	Minus 0.20 percent
Indonesia	Plus 1.59 percent
Malaysia	Minus 0.45 percent
The Philippines	Minus 0.86 percent
South Korea	Plus 5.39 percent
Singapore	Minus 1.87 percent
Taiwan	Plus 2.05 percent
Japan	Minus 0.10 percent

Wednesday

For those people who enjoy Las Vegas, Nevada, and Atlantic City, New Jersey, they fell in love with Wall Street, last Tuesday (New York time) -- because the NASDAQ Composite Index had the best day in its entire history, dating back to 1971.

And Asia caught the fire of Wall Street.

On The New York Stock Exchange, the NASDAQ rose almost 8 percent higher, compared with the closing level of Friday, May 26, while the not-so-laden with hi-tech and Internet-related issues, the Dow Jones Industrial Average, managed to put on more than 2 percent.

The figures: NASDAQ -- up 254.37 points, 7.94 percent, to 3,459.48 points

The Dow -- up 227.89 points, 2.20 percent, to 10,527.13 points

However, on a more sobering note, it was realised that the NASDAQ was still off about 31 percent, compared with its March 10 high spot.

On the back of the gains on Wall Street, The Stock Exchange on Hongkong Ltd went for one of the fastest rides, seen in many a moon.

The Hang Seng Index gained about 5.17 percent to rise to 14,713.86 on a Total Turnover of about $HK17.96 billion.

It was a similar story on The GEM -- The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, the market which caters, mainly, for extremely high-risk companies, most of which are start-up companies which have nothing more than hot air and a well-constructed business plan.

On the Main Board of The Stock Exchange, China Telecom (Hongkong) Ltd (Code: 941) was the star performer; trading in its shares represented about 17.26 percent of the Total Turnover.

This counter witnessed a 10.95-percent swing back to popularity as the share price went to $HK58.25 on a volume of about 54 million shares, representing a turnover on the counter of about $HK3.10 billion.

The reason for the renewed popularity of this counter was due to a confirmed link-up between a Li Ka Shing company, Hutchison Whampoa Ltd (Code: 13), and a rival of China Telecom.

According to an announcement from Hutchison, it will form an alliance with China United Telecommunications, the Number Two telecommunication provider in the People's Republic of China (PRC).

In addition, Hutchison has agreed to purchase about $US400-million (about $HK3.11 billion) worth of shares in the Issued and Fully Paid-Up Share Capital of China Unicom Ltd, this month.

China Unicom, an indirect subsidiary of China United, will be seeking a listing on The New York Stock Exchange as well as The Stock Exchange of Hongkong Ltd, this month.

The share price of Hutchison rose to $HK90, after hitting a high of $HK91.50, up from the low point of $HK85.

The volume of trading in Hutchison, the third Most Active issue, was about 21.64 million shares, representing, in cash terms, about $HK1.93 billion.

Hutchison's share trades represented about 10.75 percent of the Total Turnover.

While the Hutchison-China United deal is likely to assist the Li Ka Shing Camp, somewhere down the road, for the next few years, at least, it is difficult to see how it will make a difference to the company's Bottom Line.

Having said that, it is noted that Mr Li Ka Shing knows when to sell scrip and, no doubt, the China Unicom shares will be in the trading drawer -- unless a *'sweet-heart'* deal has been agreed.

What the deal did do, however, was to instill some life into telecommunication issues, generally.

Also, it was noted that the Ten Most Active issues accounted for about 68.37 percent of the Total Turnover.

Thus, the stock market for the Hongkong Special Administrative Region (HKSAR) was being very selective, and it was seen that many issues lost a great deal of ground, too.

Some of the biggest losers included Esprit Holdings Ltd (Code: 330), down 4.24 percent to $HK7.90 per share, Hongkong Aircraft Engineering Company Ltd (Code: 44), down 7 percent to $HK10.50 per share, Regal Hotels International Holdings Ltd (Code: 78), down 15.60 percent to 21.20 cents per share, Rivera (Holdings) Ltd (Code: 281), down 19.10 percent to 36 cents per share, South China Industries Ltd (Code: 413), down 15.56

percent to 38 cents per share, Tai Cheung Holdings Ltd (Code: 88), down 7.63 percent to $HK1.09 per share, and Wing Lee International Holdings Ltd (Code: 899), down 15.38 percent to 33 cents per share.

The ratio of gainers to losers was exactly 3:One.

On The GEM, The Growth Enterprise Index put on 4.68 percent, rising to 468.04 points on a Total Turnover of about $HK138.59 million.

The 4 Most Active issues, tom.com Ltd (Code: 8001), Timeless Software Ltd (Code: 8028), Sunevision Holdings Ltd (Code: 8008), and Smartech Digital Manufacturing Holdings Ltd (Code: 8068) represented just about 78 percent of the Total Turnover.

Tom.com gained back 10 percent of the market capitalisation to close at $HK4.40 per share, Timeless was unchanged at $HK4 per share, Sunevision managed a rise of 2.16 percent to return to the $HK7.10 level, and Smartech put on about 4.69 percent to rise to $HK3.35 per share.

Gainers were ahead of losers by the ratio of 17:One, exactly.

There was only one loser in the entire bunch. That was Digitalhongkong.com, the share price of which slumped by 2.44 percent to $HK1.20 per share.

To say that this market, like the Main Board, was being selective would have been a gross understatement.

Due to the selectivity of the stock market in the HKSAR, it was difficult to say that the worst was over because, it was still possible that the gains of last Wednesday could be reversed on Thursday's opening or Friday's opening.

Also, it was clear that Wall Street was still a bear, at least statistically.

The next few trading sessions would tell the tale.

On The Tokyo Stock Exchange, the Nikkei-225 rose just 103.55 yen to close at 16,332.45 yen: Japan was not convinced that Wall Street was for real.

Mainly, this selective market sent hi-tech and Internet-related share prices to higher levels as NTT DoCoMo gained nearly 3 percent, recovering some of last Monday's and last Tuesday's losses (please see Tuesday's report for the reasons) to close at 2.78 million yen.

Other gainers included Nippon Telegraph and Telephone, the *'parent'* of NTT DoCoMo, the share price of which put on about 3.30 percent.

Japan Telecom's share price rose in line with other telecommunication issues, gaining about 2.40 percent.

But highly speculative issues, such as battered and bruised Hikari Tsushin, lost daily limit 1,000 yen to close out the session at 5,100 yen, a loss of about 16.39 percent.

Hikari is being hit with one problem after another.

The latest problem is that one of its franchised agents, selling cellular telephones, has sought the protection of the court (see Tuesday's report for more on this subject).

This is the third time that a Hikari agent has gone to the wall.

On February 15, the share price of Hikari was 214,000 yen, a far cry from last Wednesday's price of 5,100 yen.

Softbank, the Internet investing company, was another loser, shedding about 8.44 percent of its market value to end the session at 16,500 yen.

One counter, which is rarely considered as a market leader, Japan Airlines (JAL), suddenly shot to prominence -- as it reported a forecast 34-percent fall in Net Profits Attributable to Shareholders for the Financial Year, ending March 31, 2001, compared with the comparable period in 2000, at about 13 billion yen (about $HK101 million).

JAL lost about 6 percent of its market capitalisation on the news.

High fuel prices and cutthroat competition, throughout Asia, are being blamed for the expected lower profits.

JAL is the largest airline in Asia.

On this market, it was losers, which had the upper hand, being ahead of gainers by the ratio of about 1.36:One.

For the remaining part of the week, it appeared that the direction of stock markets, both in the US and Asia, depended on economic data, expected to be released by the US Government.

There was the US Labour Department's May unemployment statistics -- which will show how tight is the US job market which, in turn, will indicate that amount of pressure on prices, in general -- and there will be released, also, what is known as the Consumer Confidence Gauge -- which is a mark of how much, and how quickly, US consumers are spending money.

And this was how the ball bounced, last Wednesday, in Asia:

Thailand	Plus 5.03 percent
Indonesia	Minus 3.07 percent
Malaysia	Plus 0.92 percent
The Philippines	Plus 0.59 percent
South Korea	Plus 5.88 percent
Singapore	Minus 0.23 percent
Taiwan	Plus 2.00 percent
Japan	Plus 0.64 percent

Thursday

Share prices on The Stock Exchange of Hongkong Ltd continued to consolidate their gains of last Wednesday's booming market as the Hang Seng Index gained another 1.55 percent to rise to 14,941.19 on a Total Turnover of about $HK11.67 billion.

The lowish volume of activity appeared to indicate that the gains could be of a nebula character, however, according to market observers.

But that would depend on Wall Street, which is calling the shots, these days.

The gains on the stock market of the HKSAR was in spite of the NASDAQ Composite Index, falling back 1.70 percent to 3,400.98, while the Dow Jones Industrial Average was shot down by about 4.80 percent to 10,522.33.

These losses wiped out a great portion of the gains, made on Tuesday, the first day of trading for last week.

It appeared that *'something'* else was pushing prices on The Stock Exchange of Hongkong Ltd.

Vested interests, perhaps?

The 4 big movers, in terms of volume, were Cheung Kong (Holdings) Ltd (Code: 1), China Telecom (Hongkong) Ltd (Code: 941), Hutchison Whampoa Ltd (Code: 13), and Pacific Century CyberWorks Ltd (Code: 1186).

These 3 counters accounted for nearly 39 percent of the Total Turnover.

By far, Cheung Kong was the most sought-after counter as 35.68 million Cheung Kong shares changed hands, propelling the share price to $HK74.75, up 4.91 percent on the day.

Hutchison, another of Mr Li Ka Shing's companies, continued its return to fame, putting on another 3.61 percent to rise to $HK93.25 per share, after gaining 8.76 percent on Wednesday.

China Telecom, on the other hand, while it was the second, most-active counter, with about $HK1-billion worth of its stock, changing hands, only managed a fractional gain, rising to $HK58.75 per share.

Investor interest on the market, at least for last Thursday, was, again, very selective, and, if anything, it was based on emotion rather than anything else.

But, then again, speculation is that which drives a market, in any event.

It was of interest to more sophisticated investors to note that, of the 227.33-point gain on the Hang Seng Index, last Thursday, 215.35 points were made in the last hour of trading.

For certain, there had been a great deal of short covering, but the spurt in the afternoon session made many investors very wary of the market.

Friday would tell the tale, one supposed.

Again, it was not all winners on this market as a number of companies were hit very hard by speculators who, seemingly, and for no apparent reason, were shifting out of the more solidly based companies in order to try to catch the faster-moving *'buses'*.

Some of the losers included UDL Holdings Ltd (Code: 620), down 43.33 percent to10.20 cents, New World Development Company Ltd (Code: 17), down 6.41 percent to $HK7.30, Nam Hing Holdings Ltd (Code: 986), down 9.94 percent to 27.50 cents, Kong Sun Holdings Ltd (Code: 295), down 15 percent to 42.50 cents, KEL Holdings Ltd (Code: 681), down 16.83 percent to 8.40 cents, and Joyce Boutique Holdings Ltd (Code: 647), down 12.50 percent to 12.50 cents.

There were quite a number of counters whose share prices were able to make gains of more than 9 percent, but considering the bashing that these counters have enjoyed over the past few weeks, such gains hardly put a dent in the losses of the preceding week's trading pattern.

Gainers were ahead of losers by the ratio of 1.73:One.

On The Growth Enterprise Market (The GEM), it was a return to popularity, as The Growth Enterprise Index rose 5.68 percent to 494.61 points on a Total Turnover of $HK207.44 million.

STAREASTnet.com Corporation (Code: 8010) made its debut, but the share price did little for the Asian movie stars who own the company, by and large.

About 28.36 million STAREASTnet shares changed hands on the first day of trading, with the share price, ranging between a low of $HK1.22 per share and a high of $HK1.31 per share.

The Offer Price of these shares was $HK1.18 per share so that one could say that the share is not going to be another tom.com Ltd (Code: 8001) flyer.

However, the company should be happy that the share price did not fall below the Offer Price.

Trading in tom.com shares represented nearly 47 percent of the entire trading for the day as $HK96.84-million worth of that scrip changed hands, with the share price, ranging between a high of $HK5.30 per share and a low of $HK4.30 per share -- that is a swing of about 19 percent from the high-water mark.

The share price closed at $HK5.15 for a gain of about 17.05 percent. It was the biggest gainer on this market.

There were only 2 losers of any materiality on this market: Asian Information Resources (Holdings) Ltd (Code 8025) and iSteelAsia.com Ltd (Code: 8080).

Asian Information dropped 5.68 percent of its market capitalisation, closing at 50 cents per share, while iSteelAsia fell 7.45 percent to end the session at 43.50 cents per share.

The ratio of gainers to losers on this market was 1.57:One, with losers being exactly equal to those counters whose share prices remained unchanged.

In Japan, The Tokyo Stock Exchange was on the move as the Nikkei-225 rose 361.85 yen to 16,694.30 yen in a booming marketplace.

Technology counters were in favour as the share price of Alps Electric rose 8 percent to 1,810 yen, Pioneer Corporation gained 9.42 percent to 3,600 yen, Sanyo Electric Company was up 6 percent to 844 yen, Matsushita Communication Industrial climbed 6 percent, and TDK put on 3.30 percent to 13,700 yen,

But cash-strapped, investor-disappointed Hikari Tsushin lost another 19.60 percent of its value to sink to a new low of 4,100 yen (please see Wednesday's report about this company's tenth largest franchise agent, going belly up).

This means that Hikari Tsushin had lost all but 2 percent of its entire market capitalisation since the share price hit its high point of 241,000 yen, back in February, this year.

But the biggest loser on The Tokyo Stock Exchange was, without question, Akai Electric, the share price of which sank 41 percent after the company unveiled bleak earnings and bleaker profits' forecasts for the immediate and intermediate-term future.

While Tokyo and the HKSAR were winners, it was not like that in other parts of Asia, as the following indicates:

Thailand	Plus 1.33 percent
Indonesia	Closed
Malaysia	Minus 0.77 percent
The Philippines	Minus 0.56 percent
South Korea	Plus 0.90 percent
Singapore	Plus 2.35 percent
Taiwan	Minus 1.08 percent
Japan	Plus 2.22 percent

Friday

Wall Street was optimistic that interest rates in the US had peeked.

It said so, loud and long -- and the world listened.

And the Hang Seng Index welcomed the return of the bulls.

The Stock Exchange of Hongkong Ltd was abuzz with all kinds of suggestions as to how the economy of the Hongkong Special Administrative Region (HKSAR) would benefit from stable interest rates and the strength of The New York Stock Exchange.

As with all excitement of this genre, it begot excitement, and more excitement … and then a frenzy.

The Index rose again, putting on another 342.91 points, about 2.30 percent, to end the week on the high point of 15,284.10.

The Total Turnover of about $HK12.60 billion.

But, once more, it should be pointed out that the volume of activity did not have the hallmarks of a bullish market.

Without sufficient volume, the market will come to a halt, eventually.

In the meantime, it was Buy! Buy! Buy!

As with the first 4 days of the week, Mr Li Ka Shing's corporate entities were right up there on the leader board, with Cheung Kong (Holdings) Ltd (Code: 1), being the most-active counter, as about 24.63 million Cheung Kong shares changed hands.

The turnover in this counter, alone, represented about 15 percent of the Total Turnover.

The share price of Cheung Kong ended the week at $HK77.50 after hitting a low of $HK76.25 and a high of $HK77.75. The closing price represented a gain of about 3.68 percent over Thursday's closing level.

It was China Telecom (Hongkong) Ltd (Code: 941) which held the Number 2 Slot, however, as this company caught the fire of international investors, who saw telecommunication issues as being the hot tamales of the near future.

Trading in China Telecom shares represented about 9.76 percent of the Total Turnover as the PRC's Number Two telecommunications' provider watched a total of 19.97 million of its shares change hands, pushing the price up by about 5.53 percent to $HK62.

From an earring's point of view, the increase in the share price of China Telecom makes little sense: The company has already announced that it shall reduce the charges of some of its services in the PRC by as much as 50 percent.

Clearly, this indicates that the company has little choice in the matter if it is determined to stay competitive.

The 10 Most Active issues represented about 52.24 percent of all the action on The Stock Exchange of Hongkong Ltd, last Friday.

Most of the action, which had propelled the Index to the highest ground, took place in the morning session as the Index rose to 15,308.86 in the first 150 minutes of trading -- 367.67 points higher than Thursday's closing level.

It was profit-taking in the 90-minute afternoon session that brought the Index down, slightly.

The ratio of gainers to losers was about 2.81:One.

Wall Street was feeling very frisky, last week, with suggestions, issuing forth from a number of US-based stockbrokerage companies, that the Federal Reserve was unlikely to hit the US with many more interest rates of any real materiality.

The Dow Jones Industrial Average gained, last Thursday, New York time, 129.87 points to rise to 10,652.20 points, while the NASDAQ Composite Index put on 5.34 percent, about 181.59 points, to close the day out at 3,582.50.

Wednesday's losses on the NASDAQ were all but forgotten, as it became time for the boys to get on with their games on The New York Stock Exchange.

But it was not all good news for all the companies, listed on The Stock Exchange of Hongkong Ltd, especially for the likes of the Cheng Yu Tung Family, one of the richest families in the HKSAR, the Family which controls the New World Group of Companies.

It was reported that New World Development Company Ltd (Code: 17) is not too happy with its would-have-been Australian partner, Davnet, after the Australian publicly listed company broke off relations with New World over the sale of New World's fixed telephone business to Davnet.

The cessation of negotiations is thought to have been one of the reasons that the share price of New World had fallen to a decade low of $HK7.15 before making a small recovery to end the week at $HK7.30.

Davnet was not very polite when it pulled out of the talks, making statements that New World's Management claims were untruths.

The matter is now in the hands of solicitors, reports suggest.

In other news in the 416 square miles that make up the HKSAR, Pacific Century CyberWorks Ltd (Code: 1186), another Li Ka Shing entity, as expected, is passing round the hat, looking for about $US6 billion (about $HK47 billion) in order to finance its proposed takeover of Cable and Wireless HKT Ltd (Code: 8).

The Li Ka Shing company, headed by Number Two son, Richard, confirmed that it was seeking advice from 6 banks in respect of refinancing its $US12 billion (about $HK93 billion) bridge financing loan, which is due in 8 months.

Nice to have a powerful daddy because, without Mr Li Ka Shing, this company would not have had a hope in Hell of raising such a huge amount of money, especially with little to no real collateral.

On The GEM -- The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd -- it was a repeat performance of Thursday's market as the Growth Enterprise Index rose another 5.84 percent to close the day out at 523.47 points.

The Total Turnover rose to $HK295.61 million, nearly 3 times the volume of activity of just one week prior.

Trading in Mr Li Ka Shing's start-up company, tom.com Ltd, once more dominated the trend of trading as about 25.85 million tom.com shares changed hands, pushing the price up to $HK5.85 per share, on a volume of about $HK155.34 million.

This gain in the price of the shares of this company amounted to about 13.59 percent, compared with Thursday's closing level.

The activity in this one counter represented about 52.55 percent of the Total Turnover.

With gainers outpacing losers by the ratio of 3.17:One, one could be forgiven for thinking that all was wonderful on this market, when, in fact, it is not: This market is one of the most dangerous venues, ever established in the HKSAR.

It is a market that has the ability to bankrupt he who is not wary.

And most investors in the HKSAR are, basically, rank amateurs.

On The Tokyo Stock Exchange, proceedings were much more subdued.

But, even so, the Nikkei-225 managed another gain, this time of 105.76 yen, climbing to 16,800.06 yen.

It was apparent that some Japanese investors were worried as to what the weekend would bring and so, rather than take the chance on the unknown, they sold out part of their holdings, putting their profits in the bank.

Some of the highlights on this market included Sony Corporation, up 5.54 percent to 10,290 yen, Pioneer, up 9.17 percent to 3,930 yen, TDK, up 7.81 percent to 14,770 yen, and Fujitsu, up 2.60 percent to 3,160 yen.

In telecoms, NTT DoCoMo, Japan's largest cellular telephone operator, put on a bit of a spurt, rising 3.23 percent to hit 2.88 million yen, while its *'parent'*, Nippon Telegraph and Telephone Corporation, posted a 7.69-percent rise to hit 1.40 million yen.

Gainers outran losers by the ratio of 1.35:One.

After Asia went to bed, so to speak, it was announced by The (US) National Association of Purchasing Management that manufacturing in the largest single economy of the world expanded in May at the slowest pace of the past 13 months.

The Monthly Factory Index fell to 53.20 in May, down from 54.90 in April, it was announced.

For the Fed, it is hoped that it will ameliorate their concerns for higher interest rates.

And topping off this report, the San Francisco President of the Fed, Mr Robert Parry, said last Thursday -- Friday, Hongkong time -- that the policy of the Fed is to take a slow approach to slowing down the US economy.

Speaking in Salt Lake City, Utah, Mr Parry is quoted as saying: *'Though we* (the Fed) *did take a bigger step at our last meeting, I still think it's in keeping with the gradual approach of raising rates.'*

The Fed is due to meet again this month: The world will see.

And this is how Asia finished the week of June 2, 2000:

Thailand	Plus 3.57 percent
Indonesia	Minus 2.17 percent
Malaysia	Minus 1.47 percent
The Philippines	Plus 2.87 percent
South Korea	Plus 3.01 percent
Singapore	Plus 3.98 percent
Taiwan	Plus 0.46 percent
Japan	Plus 0.63 percent

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