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ASIA WAITS DR ALAN GREENSPAN'S PLEASURE … AGAIN

The Stock Exchange of Hongkong Ltd fully opened its doors just before the luncheon break, last Monday, due to a rainstorm that landed on the 416 square miles, which make up the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), with between 100 millimetres of rain and 150 millimetres of rain within a period of just 4 hours.

When the stock market did open, fully, close to noon, it was to soggy brokers -- and the Hang Seng Index, also, limped in sympathy, it appeared.

The Index shed just 65.21 points to fall to 16,055.05 on a Total Turnover of about $HK8.97 billion, of which figure, trading in the scrip of Pacific Century CyberWorks Ltd (Code: 1186), Cheung Kong (Holdings) Ltd (Code: 1), and Hutchison Whampoa Ltd (Code: 13) represented about 35.56 percent.

In view of the rainstorm, the Total Turnover could not be considered indicative of true trading conditions, but what was indicative was the direction of the Index: Down.

The previous Friday, in New York, the Dow Jones Industrial Average had fallen 54.66 points to 10,614.06 points, about one half of one percent.

The NASDAQ Composite Index, the tech-laden index of Wall Street, shed about 1.29 percent (49.28 points), hitting 3,874.84

But the share price falls on Wall Street would have been much greater had it not been for just a handful of technology counters, the share prices of which managed to act as a stock-market buffer, of sorts.

And the world of Asia realised this, only too well last Monday, irrespective of inclement weather conditions.

What is of some concern to Asia is what the US Federal Reserve will do in the short term with regard to interest rates.

There have been conflicting reports about the US economy, with some people, maintaining that inflation is, now, fairly well controlled; others maintain that more interest-rate increases are on the cards in order to ensure that the US economy slows down and that pressure is lifted on wages and consumer prices.

Trading in stocks and shares in the HKSAR represented the view of this uncertainty, by and large, because, while *'popular'* issues managed to make material gains, some of the heavyweights lost considerable ground.

The Li Ka Shing Group of Companies -- Pacific Century Group, Hutchison and Cheung Kong, mainly -- were a mixed bag, with Pacific Century CyberWorks, gaining about 7.50 percent to hit $HK16.50 per share (for no particular reason), Cheung Kong was unchanged at $HK80.75 per share, while Hutchison lost 2.27 percent, falling to $HK96.75 per share.

Pacific Century CyberWorks was waiting to announce that it had succeeded in convincing shareholders of Cable and Wireless HKT Ltd (Code: 8) of its good intentions in taking over the telecommunications company.

A meeting of Cable and Wireless HKT shareholders was scheduled for last Tuesday, at which time the matter of the takeover would be put to a vote.

Cable and Wireless HKT scooted up 3.87 percent to hit $HK18.80 per share even though, in terms of profits and proven management inability, it should have been closer to $HK5 per share.

Any port in a storm.

China Telecom (Hongkong) Ltd (Code: 941) was the fourth most-active counter, but, unlike the Li Ka Shing Camp, the share price of this heavyweight fell to continued selling pressure as its price dropped to $HK65.25 per share, a fall of about 1.51 percent, compared with the previous Friday's closing level.

The reason for the fall in the share price of this PRC telephone company, Number Three in the world's most populous country, was due, in part, to the impending Initial Public Offering (IPO) of the Number Two telecommunications company in the PRC: China United Telecommunications Corporation.

China United will launch a $HK390-billion IPO of its offshoot, China Unicom Ltd, in both New York and the HKSAR on June 21 and June 22, respectively. The share price is being mooted at between $HK14 and $HK16, each.

With such an offering, any telecommunications company would be under siege since China Unicom must be among the plums, hanging on the PRC's many flowering trees.

Other interesting movers, last Monday, included Burlingame International Company Ltd (Code: 202), up 22.08 percent to 41.50 cents per share, China United Holdings Ltd (Code: 273), up 30 percent to 1.30 cents per share, Fourseas.com Ltd (Code: 755), up 15.38 percent to 6 cents per share, Fairform Holdings Ltd (Code: 943), up 18.39 percent to $HK1.03 per share, Hang Fung Gold Technology Ltd (Code: 870), up 19.05 percent to 22.50 cents per share, IDT International Ltd (Code: 167), up 14.10 percent to 89 cents per share, Joyce Boutique Holdings Ltd (Code: 647), up 14.83 percent to 24 cents per share and Tysan Holdings Ltd (Code: 687), up 13.78 percent to 33 cents per share.

On the downside, making waves were Emperor International Holdings Ltd (Code: 163), down 24.32 percent to 56 cents per share, Gemzboh Holdings Ltd (Code: 1192), down 12.78 percent to 15.70 cents per share, and Guangdong Building Industries Ltd (Code: 818), down 16.67 percent to 50 cents per share.

The ratio of losers to gainers was just about even: 1.04:One.

One piece of trivia to hit the market was that the HKSAR Government has been very brave in issuing 2 summonses against a Li Ka Shing entity: Park'n Shop, the second biggest supermarket chain.

The Food and Environmental Hygiene Department of the Government is alleging that Park'n Shop has been operating a cooked food stall and bakery in one of the most densely populated areas of Hongkong Island -- without a valid licence.

Some HKSAR Government officials never seem to learn: How can you issue proceedings against one's master?

On The GEM -- The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd -- some brave investors took to widespread speculative buying, pushing up The Growth Enterprise Index by about 1.60 percent to 550.41 points.

The Total Turnover -- which could not be held to be representative since the Market did not open on time, due to the rainstorm -- was $HK87.63 million.

On such a low volume of activity, anything is possible; and, anybody, with just a little cash, had the ability to make any stock price move to higher ground.

The ratio of gainers and losers was, just about, spot on: One:One.

The lone counter to make any appreciable move on this market was Smartech Digital Manufacturing Holdings Ltd (Code: 8068), the share price of which rose 10.22 percent to $HK3.475 per share, In Tokyo, the Nikkei-225, the *'barometer'* of The Tokyo Stock Exchange, managed to rise 118.70 yen to 16,980 yen with most of the trading, being domestically generated.

Hi-tech and Internet-related issues did not do well, generally, led by Softbank, the share price of which fell 2.64 percent to 18,790 yen, and Sony, the world's largest producer of consumer electronics, whose share price shed 0.84 percent to hit 10,590 yen.

Large (actually, huge is a better description) industrials managed to head for higher ground as Ishikawajima-Harima Heavy Industries put on 3.16 percent to its market capitalisation, closing at 196 yen, and Hitachi Zosen's share price rose 2.17 percent to 94 yen.

Nippon Telegraph and Telephone Corporation (NTT), the Number One telecommunications operator in The Land of The Rising Sun, gained about 2.86 percent in its share price, rising to 1.44 million yen, following a statement by Prime Minister Yoshiro Mori, who said that the company must be *'completely privatised.'*

The Japanese Government, presently, owns about 53.15 percent of NTT.

Stand by for another large, international IPO.

Banking issues were under fire, however, following a statement by ailing departmental store operator, Sogo Company, which said that it wanted more Japanese banks to forgive some of its multi-billion-dollar, US-denominated loans.

Industrial Bank of Japan (IBJ), the largest creditor bank of Sogo, fell to selling pressure, losing about 3.07 percent of its market capitalisation, falling to 790 yen.

Other creditor banks to lose ground were Fuji Bank, down 2.79 percent to 800 yen, and Bank of Tokyo-Mitsubishi, down 2.55 percent to 1,300 yen.

Gainers were ahead of losers, however, by the ratio of about 1.87:One.

And this is how the situation sized up in Asia, last Monday, the day of the HKSAR deluge:

Thailand	Minus 0.19 percent
Indonesia	Minus 0.40 percent
Malaysia	Minus 0.28 percent
The Philippines	Minus 0.99 percent
South Korea	Plus 1.13 percent
Singapore	Minus 0.03 percent
Taiwan	Minus 0.90 percent
Japan	Plus 0.70 percent

Tuesday

As expected, Asian stock markets started to nosedive, last Tuesday, led by South Korea, whose Seoul Composite Index shed 4.89 percent in hectic trading.

The HKSAR stock market, The Stock Exchange of Hongkong Ltd, watched as 2.26 percent was shaved off the Hang Seng Index, which finished the quiet day's trading at 15,692.94.

The Total Turnover, at $HK8.60 billion, was relatively extremely low, not dissimilar to Monday's volume of activity when the market opened late due to a rainstorm.

The low Total Turnover was probably to the credit of the HKSAR since it indicated that there was no undue pressure on prices; and, investors were not too concerned about the Hang Seng Index's downturn, probably on the assumption that it is just a temporary phenomenon.

Asia was reacting to what transpired on Wall Street on Monday, New York time, when the Dow Jones Industrial Average retreated 49.85 points, about 0.47 percent compared with the previous Friday's closing level, while the NASDAQ Composite Index shed 106.92 points, equivalent to about 2.76 percent, to hit 3,767.92.

As the US economy cools -- as many people hope -- it means that business will not be as good in the coming months as it was in the comparable period, one year earlier.

And, if interest rates in the US rise again, it will cramp the style of many businesses that depend on financial support from creditor banks, etc.

What is bad for the largest economy in the world is doubly bad for Asia where a lot of goods are produced *'to feed'* the colossal US consumer market.

Add to this, the uncertainty of the new-age stocks and shares, and traditional investors start to feel very uncomfortable.

This must be especially so for companies, such as Pacific Century CyberWorks Ltd (Code: 1186), which is about to go into debt in a big way in order to finance its recent acquisition of Cable and Wireless HKT Ltd (Code: 8) plus a huge housing/commercial development, the HKSAR Cyberport Project.

If interest rates in the HKSAR hit, say, 12 percent, it would cramp Mr Li Ka Shing's style, immensely, since his cost of funds would be almost unsustainable.

With regard to Pacific Century CyberWorks, on Tuesday, it was the most-active counter as more than 61.26 million of its scrip change owners, with the share price, ranging between a low of $HK15.65 and a high of $HK16.70.

And this company has yet to record a penny in profits.

Pacific Century CyberWorks ended the session at $HK16.50 per share with investors all agog at the prospects of it having complete possession of Cable and Wireless HKT Ltd.

But Cable and Wireless HKT is not doing well, also, so that it stands to reason that there will be asset sales in order to turn the HKSAR's largest telecommunication's company back on track.

The Ten Most Active issues accounted for about 55.12 percent of the Total Turnover, with all of the Li Ka Shing entities, all well represented, and all shedding *'fat'*.

Some of the biggest losers included Emperor (China Concept) Investments Ltd (Code: 296), down 24.32 percent to 5 cents per share, Gemzboh Holdings Ltd (Code: 1192), down 12.78 percent to 15.70 cents per share, and Guangdong Building Industries Ltd (Code: 818), down 16.67 percent to 50 cents per share.

The biggest gainers were: CM Telecom International Ltd (Code: 989), up 12.50 percent to $HK2.70 per share, Elec and Eltek International Holdings Ltd (Code: 33), up 14.71 percent to $HK1.17 per share, China Resources Beijing Land Ltd (Code: 1109), up 11.94 percent to 75 cents per share, China United Holdings Ltd (Code: 273), up 30 percent to 1.30 cents per share, CIL Holdings Ltd (Code: 479), up 10.26 percent to 4.30 cents per share, Fairform Holdings Ltd (Code: 943), up 18.39 percent to $HK1.03 per share, Fourseas.com Ltd (Code: 755), up 15.38 percent to 6 cents per share, Hang Fung Gold Technology Ltd (Code: 870), up 19.05 percent to 22.50 cents per share, IDT International Ltd (Code: 167), up 14.10 percent to 89 cents per share, Joyce Boutique Holdings Ltd (Code: 647), up 14.83 percent to 24 cents per share, and Tysan Holdings Ltd (Code: 687), up 13.79 percent to 33 cents per share.

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

On The GEM, The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, the situation was much better than on the Main Board -- because The Growth Enterprise Index fell 3.49 percent to 531.19 points.

The Total Turnover was $HK120.24 million with Timeless Software Ltd (Code: 8028), on the top of the leader board as $HK39.76-million worth of its scrip changed hands, pushing the price down to $HK4.25 per share, a loss of 1.18 percent on the day.

tom.com Ltd (Code: 8001) was the second most active counter as about 4.42 million of its shares changed hands, representing about $HK26.55 million of the Total Turnover. Its share price rose 1.63 percent to $HK6.25 per share.

Between Timeless Software and tom.com, trading in these counters represented about 52.65 percent of the total volume of activity on this speculative bourse.

On this market, losers outpaced gainers by the ratio of about 2.67:One.

It is only too clear that the direction of many, if not most, of the world's stock markets look to the direction of Wall Street, from which they take their cues.

In Japan, The Tokyo Stock Exchange witnessed another lacklustre day as the Nikkei-225 slipped 65.66 yen to 16,914.95 yen.

On this market, the largest in Asia, gainers outnumbered losers by the ratio of about 1.28:One.

But there were some very large losers as hi-tech and Internet-related issues got pounded.

The share price of Sony Corporation lost 2.93 percent of its market capitalisation, falling to 10,280 yen, while Softbank Corporation got pounded to death, shedding 8.25 percent of its value, falling to 17,240 yen.

Nippon Telegraph and Telephone (NTT) took it on the nose on very reasonable investor fears of an impending Government sales of stock in this telecommunications company (please see Monday's report on this matter).

NTT lost about 2.08 percent of its value, falling to 1.41 million yen.

The mobile telephone unit of NTT, known as NTT DoCoMo, also was felled, this one to the extent of about 4.36 percent, settling at 3.07 million yen..

The world appeared to be waiting for the latest economic data from the US, and especially Tuesday's (Washington time) report of US retail sales for May, to be followed by a report, the following day, as to the Consumer Price Index's gyrations.

The US Federal Reserve is due to meet again on June 27 so that these 2 pieces of economic data could well set the stage, determining how the Fed will view the matter of interest rates in the near term.

Asia waited for Dr Alan Greenspan, the Chairman of the Fed, to make his determination.

This was the state of play in Asia, last Tuesday:

Thailand	Minus 1.68 percent
Indonesia	Minus 1.61 percent
Malaysia	Plus 0.76 percent
The Philippines	Plus 0.01 percent

South Korea	Minus 4.89 percent
Singapore	Minus 1.15 percent
Taiwan	Minus 0.72 percent
Japan	Plus 0.39 percent

Wednesday

Last Wednesday's trading on The Stock Exchange of Hongkong Ltd was representative of exactly nothing.

On a very low Total Turnover of about $HK9.27 billion, the Hang Seng Index gained about 1.05 percent, rising to 15,857.07 points.

The featureless stock market appeared to be limping along for most of the session as blue chips bolstered the flagging sentiments of most investors.

Cheung Kong (Holdings) Ltd (Code: 1), Hutchison Whampoa Ltd (Code: 13) and HSBC Holdings plc (Code: 5) all conspired, unwittingly, to boost the Index as Cheung Kong's share price gained 3.79 percent to $HK82.25, Hutchison's share price scooted up 2.08 percent to $HK98 per share, and HSBC Holdings, not to be outdone, ran up 1.64 percent to hit $HK92.75 per share.

Without these 3 biggies, it is unlikely that the Hang Seng Index would have been in positive territory.

The stock market of the Hongkong Special Administrative Region (HKSAR) was directionless, by and large, with just a few patches of interest, but mostly it was dull and lifeless as investors waited to see what would happen in the US when important economic data would be released by various US Governmental agencies (please see Tuesday's report).

What investors appeared to be seeking was some safe port in the event that a storm was brewing in the West.

Banks were hotly sought after, not just HSBC Holdings, but also good quality banks, such as The Bank of East Asia Ltd (Code: 23) and Hang Seng Bank Ltd (a subsidiary of HSBC Holdings) (Code: 11).

The 2, above-named bank stocks made healthy gains with The Bank of East Asia, up 4.97 percent to $HK16.90 per share, and Hang Seng Bank, up 3.91 percent to $HK73 per share.

Dao Heng Bank Group Ltd (Code: 223) was an exception to the norm of the day, however, as its share price lost 1.19 percent, falling to $HK33.30.

The last-named banking group is considered to have had its share price run to unsustainable high levels, of late, taking into consideration its record of profitability ... or the lack of it.

There were quite a number of companies that saw their share prices rise by double digit figures, but the one which stood out, over all the rest was Chung Hwa Development Holdings Ltd (Code: 1051) -- because it gave up 50 percent of its market capitalisation.

Chung Hwa, which is a bust company, trying to rise from the mire of insolvency via a Scheme of Arrangement with creditors, watched as its share price fell from about 15.80 cents per share to close the day out at 7.30 cents per share.

It was the biggest loss for the day -- naturally.

The ratio of gainers to losers was about 1.84:One.

On The GEM -- The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd -- The Growth Enterprise Index regained some of the lost ground of Tuesday, rising about 0.97 percent to 536.32 points on a Total Turnover of about $HK121.61 million.

Like the Main Board, gainers outmatched losers by the ratio of about 1.83:One, with few counter, making any appreciable gains or losses.

Timeless Software Ltd (Code: 8028) was the most active counter and one of the exceptions to trading, last Wednesday.

It was, also, the counter to lose the most, shedding a large chunk of its market capitalisation as its share price fell to a low of $HK3.70, down from Tuesday's close of $HK4.25 -- a fall of nearly 13 percent.

In 2 trading days, Tuesday and Wednesday, Timeless Software gave up nearly 15 percent of its value.

Other than Timeless Software, there was nothing about which to write home to mom.

In Japan, The Tokyo Stock Exchange continued its retreat as the Nikkei-225 lost 260.53 yen to hit 16,654.42 yen, a loss of another 1.54 percent.

The fall in Tokyo was in spite of a booming day in New York where the Dow Jones Industrial Average gained about one half of one percent while the NASDAQ Composite Index put on about 2.20 percent.

But the toing and froing of the NASDAQ is starting to take its toll of investors' confidence in that index, especially in Asia's largest stock market.

Japanese investors, being more cautious than most other investors in Asia, are only just coming to grips with prices, rising spectacularly one day, only to fall off the next.

Sony Corporation, one of the few, real power-houses in Japan in the consumer electronics market (in fact, it is the leader), is an example of this point as its share price fell, last Wednesday, by about 4.18 percent to 9,850 yen.

There appeared to be no real reason for the fall in the price of this giant because it is as solid as Mount Fujiyama (when it is not a volcano, that is).

Telecommunication stocks took the brunt of the sell-off as Nippon Telegraph and Telephone (NTT) lost 2.13 percent of its value, falling to 1.38 million yen for the same reasons as were mentioned in Monday's and Tuesday's reports.

NTT's mobile unit, NTT DoCoMo, witnessed a sell-off in its stock price, which fell to 3.02 million yen, down about 1.63 percent.

Motor-car manufacturers were hard hit, too, as Honda Motor shed about 5.50 percent of its market capitalisation, and Toyota Motor fell in sympathy, shedding about 5.80 percent of its value.

In the Internet-related sector of the market, the share price of Softbank Incorporated gained about 6.30 percent, and its running mate, Hikari Tsushin, went along for the ride, rising about 4.50 percent.

In other parts of Asia, it was a mixed bag:

Thailand	Plus 3.12 percent
Indonesia	Plus 1.62 percent
Malaysia	Minus 0.38 percent
The Philippines	Plus 0.16 percent

South Korea	Plus 1.84 percent
Singapore	Plus 0.87 percent
Taiwan	Plus 0.50 percent
Japan	Minus 1.54 percent

Thursday

South Korea watched as its Seoul Composite Index gave up 5.90 percent; Asia held its breathe, agog as to what was happening in stock markets, around the world.

And, in true character, the HKSAR stock market seemed oblivious as to what was taking place in other parts of Asia, with the Hang Seng Index, the *'barometer'* of The Stock Exchange of Hongkong Ltd, gaining 223.27 points in a market which was dominated by just a handful of blue chips.

In the US, the US Labour Department reported that the Consumer Price Index (CPI) had inched up just 0.10 percent in May while the so-called *'Core CPI'* -- which excludes food and energy prices -- rose 0.20 percent.

These results had been awaited, anxiously, in Asia as well as in the US, but they came too late in the day (Thursday, Hongkong time) to make any appreciable difference to Thursday's equities trading pattern.

The figures appear to indicate, conclusively, that the US economy is cooling, but it remains to be seen as to whether or not the US Federal Reserve will hold its fire in boosting interest rates, for the second time this year.

Chairman of the Fed, Dr Alan Greenspan, is known to be ultra-cautious and may opt to have the US economy bear suspenders, as well as a belt -- just to be on the safe side.

If that is his determination -- and TARGET believes that this is a distinct probability when the Fed meets later next week -- then the world may expect to see another 25 basis points added to interest rates.

Based on the CPI figures, the Dow Jones Industrial Average put on another 0.62 percent, rising to 10,687.95, last Wednesday, while the NASDAQ shed about 1.40 percent, going, completely, in the opposite direction.

In the HKSAR, the Hang Seng Index gained 286.93 points in the morning session, but the 90-minute afternoon session saw profit-taking, knocking down the earlier gains by 63.66 points, bring the Index back to 16,080.34 by the close of trading.

The Total Turnover gained, considerably, rising to $HK11.29 billion.

China Telecom (Hongkong) Ltd (Code: 941) was responsible for about 9.23 percent of the entire volume of activity as about 16.41 million China Telecom shares changed hands between a low of $HK62 per share and a high of $HK64.50 per share.

The share price ended the session at $HK63.75 per share for a gain of 2.82 percent, compared with last Wednesday's closing level. It was the most active counter on the market.

For some unknown reason, property stocks appeared to be in favour despite a report, which indicated that the property market is on its knees.

According to Government statistics, property prices in the HKSAR have fallen about 50 percent from the 1997 peak levels -- when the Government of the PRC assumed control of the 416 square miles that comprises the HKSAR -- and, although there are signs that the HKSAR economy is on the mend, property prices have not gone up, appreciably.

The HKSAR is being pressured by big business to do something about the situation: Stop selling land to developers; stop selling Government Home Ownership flats to the lower classes; intercede in the marketplace.

The HKSAR Government, last year, interfered in trading on The Stock Exchange of Hongkong Ltd, buying up blue chips and what-have-you, it was being pointed out, so for what reason will it not, now, intercede in the property market?

Then, the HKSAR may be seen in its true colours.

While the HKSAR stock market was rising, Asia was weak -- and it seemed obvious that The Stock Exchange of Hongkong Ltd could not go it alone for very long.

Some of the popular movers included Cheung Kong (Holdings) Ltd (Code: 1), up 2.13 percent to $HK84 per share (it was the second most active counter), The Bank of East Asia Ltd (Code: 23), up 2.37 percent to $HK17.30 per share, Pacific Century CyberWorks Ltd (Code: 1186), down 1.58 percent to $HK15.60 per share (it was the fourth most active counter), Cable and Wireless HKT Ltd (Code: 8), down 2.49 percent to $HK17.60 per share (it was the sixth most active counter), and Sun Hung Kai Properties Ltd (Code: 16), up 6.82 percent to $HK58.75 per share.

The ratio of gainers to losers was 1.19:One.

But somewhat of a record was made, last Thursday, when the share price of Buildmore International Ltd (Code: 108) rose about 74.55 percent to 96 cents per share on a volume of 41.83 million shares.

And this is not a new listing.

But the biggest losers continued to surprise some investors as Chung Hwa Development Holdings Ltd (Code: 1051) continued its price decline, shedding another 21.92 percent to hit 5.70 cents per share.

In 2 days of trading, this counter has shed just about 64 percent of its market capitalisation (please see Wednesday's report on this company) -- which must, also, be somewhat of a record.

Another big loser was Hang Fung Gold Technology Ltd (Code: 870) whose share price fell 24.35 percent to 17.40 cents per share.

A major winner, however, was Dragonfield Holdings Ltd (Code: 632) which saw its share price rise 33.33 percent to 8.40 cents per share.

On The Growth Enterprise Market (The GEM), it was a completely different story as The Growth Enterprise Index fell just short of one percent, ending the session at 531.02 points on a Total Turnover of about $HK113.05 million.

The ratio of losers to gainers on this market was near equal at 11:9.

Timeless Software Ltd (Code: 8028) continued its decline, falling another 5.58 percent to close at $HK3.55 per share after about 11.44 million of its scrip changed hands. It was the most active counter on the GEM, accounting for about 36 percent of the trading volume.

tom.com Ltd (Code: 8001) was the most active issue, but it was felled, too, dropping to $HK6 per share on a volume of activity, equal to about $HK21.22-million worth of its shares, changing hands.

The biggest loser was Smartech Digital Manufacturing Holdings Ltd (Code: 8068) which witnessed its share price decline about 8.82 percent to hit $HK3.10 per share.

In The Land of the Rising Sun, The Tokyo Stock Exchange was another Asian stock-market, which exemplified, to a great extent, the fears that the Orient held for the short-term future of equities.

The Nikkei-225 shed another 315.72 yen, falling to 16,338.70 yen, in a market that was marked by the absence of Japanese investment houses.

Sony Corporation's share price seemed to shock many investors as it lost about 3 percent, falling to 9,550 yen. This was the third day in a row that it has shed some of its *'fat'*.

It was not that long ago that Sony's share price was well over the 20,000-yen mark.

Other hi-tech shares to lose ground included Murata Manufacturing, down about 5.29 percent to 16,100 yen, and Rohm, off 5.09 percent to 30,750 yen.

Banking stocks were the talk of this market, following a confirmed report that the merger plan of 3 Japanese banks, aimed at forming the world's third largest bank, was off, with Asahi Bank announcing that it was opting out of the plan.

Asahi Bank's share price fell 6.56 percent to 427 yen while another of the proposed members of the triumvirate, Sanwa Bank, shed 6.12 percent to 752 yen.

Other banks to fall in sympathy included Fuji Bank, off 4.70 percent to 750 yen, Industrial Bank of Japan, down 6.16 percent to 731 yen, and Dai-Ichi Kangyo Bank slid 6.06 percent to 728 yen.

Also, noticeable about this market was that foreign institutions were letting go of holdings in Nippon Telegraph and Telephone (NTT) stock for obvious reasons, following the Japanese Government's determination to fully privatise the largest telecommunications company in the country (please see Tuesday's report).

NTT lost another 7.25 percent of its market capitalisation, falling to 11.28 million yen, while its mobile telephone unit, NTT DoCoMo, shed about 3 percent of its value, dropping down to 2.85 million yen.

Losers were ahead of gainers by the ratio of about 2.46:One.

The only other piece of news of any great significance in Asia was a report from the Capital City of the PRC, a report that appears to paint a very interesting picture of the PRC's economy for the first 5 months of this year.

According to The Ministry of Foreign Trade and Economic Cooperation, imports into the most populous country, between January and May this year, rose 35.40 percent, compared with the comparable period in 1999.

At the same time, exports gained 36.80 percent in the same period.

If one may believe, completely, this report, it appears to indicate that the PRC's economy is booming.

And this raises the same question and the US Fed is pondering: What about inflation?

Anyway, this is what happened in other parts of Asia:

Thailand	Minus 0.04 percent
Indonesia	Closed
Malaysia	Closed
The Philippines	Plus 2.70 percent
South Korea	Minus 5.90 percent
Singapore	Minus 0.03 percent
Taiwan	Minus 1.01 percent
Japan	Minus 1.90 percent

Friday

While just about every stock market in Asia was retreating, The Stock Exchange of Hongkong Ltd went it alone, with the Hang Seng Index, rising about 2.20 percent to end the week on the very strong note of 16,434.38.

The Total Turnover continued to be more respectable at about $HK12.82 billion, but still a long way from being representative of a bullish market.

The stock market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) was the strongest bourse in Asia, last Friday.

Gainers outpaced losers by the ratio of about 1.92:One.

The stock market was, probably, given a bit of a helping hand as the HKSAR Government announced that it was to accede to the demands of big business by not selling some 16,000 low-cost houses; but, instead, rent them out.

The Government was careful to point out, however, that its decision was not predicated by demands from big business (please see Thursday's report).

As a result, property-related counters made a strong comeback.

Some of the big gainers included Henderson Land Development Company Ltd (Code: 12), up 7.83 percent to $HK37.20, Sun Hung Kai Properties Ltd (Code: 16), up 7.66 percent to $HK63.25 per share, Sino Land Company Ltd (Code: 83), up 13.22 percent to $HK3.425 per share, and Cheung Kong (Holdings) Ltd (Code: 1) -- it was the most active counter -- gained 3.87 percent, rising to $HK87.25 per share, just about at its zenith price.

With regard to Mr Li Ka Shing's flagship company, its volume of activity, alone, represented about 8.89 percent of the Total Turnover as about 13.27 million Cheung Kong shares were traded.

Last Friday, it was the strength of property counters that aided the stock market since, without the HKSAR Government's benign interference in the property market, it is highly unlikely that the HKSAR stock market could have risen to the extent that it did -- if, indeed, it would have risen, at all.

The biggest loser, again, was Chung Hwa Development Holdings Ltd (Code: 1051) which shed another 15.79 percent of its market capitalisation, falling to 4.80 cents per share.

The biggest gainer was K.P.I. Company Ltd (Code: 605), the share price of which shot up about 39.30 percent to 28 cents per share.

There were quite a number of counters that saw their share prices rise double digit. They included: Beijing Yanhua Petrochemical Company Ltd (Code: 325), up 22.58 percent to $HK1.02 per share, China Overseas Land and Investment Ltd (Code: 688), up 20.83 percent to 87 cents per share, Henderson China Holdings Ltd (Code: 246), up 19.35 percent to $HK3.70 per share, Midland Realty (Holdings) Ltd (Code: 1200), up 24.19 percent to 77 cents per share, and New World China Land Ltd (Code: 917), up 23.26 percent to $HK2.65 per share.

On The GEM -- The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd -- The Growth Enterprise Index shed another 0.26 percent, falling to 529.63 points.

The Total Turnover, of about $HK68.96 million, was the lowest volume of activity seen in many a month.

Timeless Software Ltd (Code: 8028) continued to be hotly sought after, but it managed to stay pat its share price fell held firm at $HK3.55, after hitting a low of $HK3.475 at one point in the trading session.

A total of about 4.83 million Timeless Software shares changed hands, representing just shy of 25 percent of the Total Turnover. It was the most active counter.

tom.com Ltd (Code: 8001) was in second place on the Most Active list as $HK12.95-million worth of its stock changed hands, with its share price dropping to $HK5.95, after hitting a low of $HK5.90 per share.

While the Index was down, there were, nevertheless, 10 gainers for every 8 losers.

It was clear that Wall Street, once again, was affecting trading on The Stock Exchange of Hongkong Ltd as well as every other bourse in Asia.

On Thursday, in New York, the Dow Jones Industrial Average gained 26.87 points, rising to 10,714.82, while the tech-weighted NASDAQ Composite Index rose 48.33 points to hit 3,845.74.

But the smallish spurt of power in the US stock market -- if one may call it that -- was totally unconvincing since it was noted that, compared with the start of this year, both the Dow and the NASDAQ are well below their year's highs: About 6.80 percent and 5.50 percent, respectively.

In Japan, The Tokyo Stock Exchange witnessed another bearish session, the fourth in a row.

The Nikkei-225 shed another 20.39 points to hit 16,318.31, helped greatly by the small Wall Street gains.

From last Tuesday to last Friday, the Nikkei-225 had given up nearly 4 percent of its value -- and Japanese investors were well aware of that situation.

What was happening in Tokyo was that many investors were still having to sell Japan in order to shore up the impossible situation in Wall Street where the (formerly) thought-to-be solid hi-tech counters, such as Microsoft Corporation, had lost more than 50 percent of their values.

Add to that, the losses, experienced in Japanese hi-tech and Internet-related issues, such as Softbank Corporation and Hikari Tsushin, and one has a pretty sad situation.

Nippon Telegraph and Telephone (NTT) continued to be a big loser, but the world's largest manufacturer of consumer electronics, Sony Corporation, managed to buck the trend, rising 1.15 percent to 9,660 yen.

However, Sony has a lot of lost ground to cover because, as at last Friday's closing level, Sony had had about 15 percent shaved off its market capitalisation in just 2 weeks of trading on The Tokyo Stock Exchange.

Japan's premium stock market, other than a few interesting highlights, was fairly featureless.

This is how other Asian stock markets ended the week of June 16, 2000:

Thailand	Minus 0.23 percent
Indonesia	Plus 1.70 percent
The Philippines	Plus 0.27 percent
South Korea	Minus 1.54 percent
Singapore	Minus 1.15 percent
Taiwan	Minus 0.14 percent
Japan	Minus 0.12 percent

-- END --

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