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PROTESTS SWEEP HONGKONG
TUNG CHEE HWA FALLS FROM GRACE

It was a day of protests on the streets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) as various, unrelated groups of people voiced their protests and frustrations at the Administration of Chief Executive Tung Chee Hwa.

Clearly, having forgotten what happened at Tiananmen Square, Beijing, on June 4, 1989, more than 2,000 medical practitioners protested outside the headquarters of the Hospital Authority over certain HKSAR Government acts with regard to the medical profession's new grading structure which, it is said, will undermine morale and the quality of service.

Another group of 1,500-odd welfare workers protested in Wanchai and Central over lump-sum financing arrangements for non-Government organisations.

Altogether, there were 5 separate and unrelated protests over the Administration's acts or non-acts.

This is the first time in living memory that such a large number of protests had taken place, simultaneously and spontaneously.

That the Government of Mr Tung Chee Hwa is in a little trouble is unquestioned.

The question is: If the protests continue, will the People's Liberation Army, some members of which are stationed in the HKSAR, move in with the guns and tanks as they were ordered so to do just 11 years ago in Beijing?

And while the streets were noisy with complaints against the Government of Mr Tung Chee Hwa, on the trading floor of The Stock Exchange of Hongkong Ltd, the Hang Seng Index moved to higher ground—for no good reason.

The US Federal Reserve was meeting the next day (last Tuesday, Washington time), and the question about the Fed, as has been mentioned so many times over the previous month, was whether or not interest rates in the US would be pushed to higher levels.

The Hang Seng Index tacked on 240.83 points, rising to 15,978.91 on a Total Turnover of $HK6.25 billion.

The very low Total Turnover, the lowest in the past 12 months, told the story: The stock market was uncertain of its direction; and, the rise in the value of the Hang Seng Index should be viewed with grave trepidation.

On Tuesday, more of the story would be told ... *'Who would fardels bear …?'*

The previous Friday, on Wall Street, the Dow Jones Industrial Average moved up 28.63 points to 10,404.75 points, but the NASDAQ Composite Index shed about 2.30 percent to fall to 3,845.39.

The US stock market and hi-tech stocks, especially, were concerned about interest rates because such entities need oodles and oodles and squillions and squillions of cash—just to get started.

Higher and higher interest rates will cramp their style, no end, to be sure.

For the stock exchange of the HKSAR, trading in a handful of counters dominated trading, almost completely.

They included Cheung Kong (Holdings) Ltd (Code: 1), China Unicom Ltd (Code: 762), HSBC Holdings plc (Code: 5), China Telecom (Hongkong) Ltd (Code: 941), and Hutchison Whampoa Ltd (Code: 13).

Trading in these 5 counters, the most active counters of the day, represented a little more than 32 percent of the Total Turnover for the day.

Cheung Kong, the most active counter, closed at $HK86.25 per share, up 2.37 percent, compared with the previous Friday's closing price, followed by China Unicom, which gave up another 0.63 percent of its value, falling to $HK15.75 per share.

HSBC Holdings edged up 0.87 percent to $HK87.25 per share and China Telecom vaulted about 3.91 percent to hit $HK66.50 per share. Hutchison Whampoa went along with the leading counters, gaining about 1.28 percent to rise to $HK98.75 per share.

In such a quiet market, there were few big movers or losers, aside from the handful of *'loved ones'* as had been the situation only one week prior.

In spite of the Index, being in positive territory, issues, which lost ground, outpaced those that rose by the ratio of 1.18: One.

One little piece of news came from China Telecom whose Management announced that it was having talks with its parent company in the PRC, a State-run entity, with a view to acquiring 7 mobile telephone networks in the PRC.

The deal was muted to be worth in the region of $HK150 billion.

The question, being asked: Where will China Telecom get the money to pay for such an acquisition?

And the answer came back: Another rights issue, of course!

China Unicom, which was listed only one week prior, watched as its share price zigzagged back and forth, from positive ground to negative ground, eventually closing at a price which represented a loss on the previous Friday's close, equal to 0.63 percent.

The Offer Price of China Unicom was $HK15.58 per share.

The biggest losers included: Digital World Holdings Ltd (Code: 109), down 10.71 percent to 2.50 cents per share; Fairform Holdings Ltd (Code: 943), down 22.22 percent to 77 cents per share; Savoy Concepts Ltd (Code: 680), down 21.88 percent to 17.50 cents per share; and, Wah Fu International Holdings Ltd (Code: 952), down 10.13 percent to 20.40 cents per share.

There were exactly 3 major gainers: Hongkong Fortune Ltd (Code: 121), up 30.27 percent to 24.10 cents per share; Ocean Shores Group Ltd (Code: 764), up 11.94 percent to 75 cents per share; and, Paladin Ltd (Code: 495), up 22 percent to 30.50 cents per share.

On The GEM, The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, the bears took complete control of trading, pushing down The Growth Enterprise Index by 2.79 percent to 489.48 points.

The Total Turnover on this market was about $HK108.52 million.

The top 4 counters, in terms of the aggregate volume of activity, were Wah Sang Gas Holding Ltd (Code: 8035), Sunevision Holdings Ltd (Code: 8008), Smartech Digital Manufacturing Holdings Ltd (Code: 8068) and tom.com Ltd (Code: 8001). These counters' trading activities represented about 77.18 percent of the total trading for the day.

Wah Sang Gas ended the day at $HK7.25 per share, up 2.11 percent, while Sunevision watched as its share price slid 5.41 percent to $HK7 per share. Smartech Digital was on the same wavelength as the other losers and shed about 0.69 percent of its market capitalisation, falling to $HK3.60 per share. tom.com fell another 2.70 percent to $HK5.40 per share.

The ratio of losers to gainers was about 1.88:One.

In Japan, that market was much more cautious than that of the HKSAR.

The Tokyo Stock Exchange watched a very quiet trading day, with the Nikkei-225, shedding just 37.81 yen, falling to 16,925.40 yen.

Tokyo was more than a little concerned about its major customer, the US, and, on the eve of the Fed's Open Market Committee Meeting, it seemed reasonable that caution should be the operative word.

Losers were ahead of gainers by the slim margin of 1.22:One.

Sony Corporation lost ground, giving up about 1.40 percent of its market capitalisation, falling to 9,850 yen per share.

Sony is due to announce its first-quarter results in exactly one month's time from last Monday.

Internet-investor, Softbank, was a big loser as it shed nearly 8 percent of its value, falling to 15,850 yen.

Softbank has invested in 7 NASDAQ Internet companies and, since the NASDAQ was seen to be in free-fall, Softbank fell under the weight of public opinion.

The Internet-related counter, Morningstar Japan KK, listed on Japan's Nasdaq sector of the market, followed Softbank with a loss of nearly 12 percent, falling to 7.50 million yen at ask-only. This company is controlled by Softbank and its Offer Price was 7 million yen.

Another of Softbank's investments, Yahoo.Japan, 40 percent controlled by Softbank, fell out of bed, too, losing 7 percent of its value.

Bust departmental store operator, Sogo, watched as its share price rose a little more than 18 percent on news that it shall not be wound up, after all, with creditors, willing to take a *'bath'*. It closed at 98 yen per share.

Nippon Telegraph and Telephone (NTT) continued to be under pressure and lost another 2.10 percent of its value, while its mobile telephone unit, NTT DoCoMo, shed 3.6 percent of its market capitalisation.

In other Asian markets, this is the way that last Monday came to a close:

Thailand	Minus 0.77 percent
Indonesia	Plus 0.87 percent
Malaysia	Minus 1.03 percent
The Philippines	Minus 0.70 percent
South Korea	Plus 1.62 percent
Singapore	Minus 0.35 percent
Taiwan	Minus 1.79 percent
Japan	Minus 0.22 percent

Tuesday

Share prices rose in continued subdued trading on The Stock Exchange of Hongkong Ltd, last Tuesday, with concerns about the Fed's determination in respect of interest rates, seemingly only a distant prospect.

With a 24-hour countdown before it was expected that an announcement would be made in Washington from the Fed's Chairman, Dr Alan Greenspan, it appeared that optimists threw caution to the wind.

As a result, the Hang Seng Index rose about 1.11 percent to 16,155.77 points.

But the Total Turnover was, still, very low, at about $HK8.79 billion—which is a far cry from the $HK36-billion Turnovers of a few months prior.

Just 2 counters accounted for about 28.33 percent of the Total Turnover: China Telecom (Hongkong) Ltd (Code: 941); and, new listing Hongkong Exchanges and Clearing Ltd (Code: 388).

China Telecom, of course, was on a roll due to confirmation that it was in negotiations with its PRC, State-run *'parent'* company with a view to acquire 7 mobile telephone networks, all within the PRC (please see Monday's report).

Its share price rose 3.38 percent to $HK68.75 per share on a volume of 19.61 million shares.

Hongkong Exchange and Clearing Ltd was the star performer, rising from its Issue Price of $HK3.88 per share to hit $HK9.20 per share.

This company operates the only stock exchange and futures exchange in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC). It was *'Listed by Introduction'*.

New York appeared, on Monday, to take the view that Dr Alan Greenspan and his merry men in the Fed would leave interest rates untouched and, that being the case, it was time to pick up shares on The New York Stock Exchange.

That sent the Dow Jones Industrial Average up 138.24 points to 10,542.99 points, equal to about 1.33 percent.

The NASDAQ Composite Index, not to be outdone, rose in seeming sympathy with the Dow, gaining about 1.74 percent to hit 3,912.12 points.

What was interesting about Wall Street was that just 3 counters' gains accounted for about 65 percent of the Dow's movement upwards.

The HKSAR stock market appeared not to have taken note of this fact.

Two pieces of corporate news were announced in the HKSAR, both of which pushed up the share prices of the 2 counters involved: CDL Hotels International Ltd (Code: 557) and Hang Fung Gold Technology Ltd (Code: 870).

CDL announced a $HK6.10-billion deal to transfer certain European hotel assets and, at the same time, engage in a capital restructuring exercise. The entity to acquire the European hotels is the parent company in Malaysia/Singapore (take your pick).

CDL's share price rose 37 percent on the news, hitting $HK3.425.

Hang Fung Gold announced that it would pick up 49.90 percent of the Issued and Fully Paid-Up Share Capital of New Epoch Information (BVI) Ltd and, at the same time, give this British Virgin Islands's company a credit line (a loan by any other name) of up to $HK50 million.

New Epoch Information is a PRC, e-commerce-trading portal.

The deal involves issuing 1.63 billion Hang Fun Gold shares to New Epoch Information. The value of the transaction: About $HK187 million.

Hang Fung's share price gained 36.84 percent on the news, rising to 23.40 cents per share.

Despite the Hang Seng Index, managing to record a 1.11-percent gain over the previous Monday's closing level, losers continued to outpace gainers by the ratio of 2.18:One.

Some of the biggest losers, last Tuesday, included: Capital Automation Holdings Ltd (Code: 493), down 22.22 percent to $HK1 per share; Chung Hwa Development Holdings Ltd (Code 1051), down 7.50 percent to 3.70 cents per share; Interform Ceramics Technologies Ltd (Code: 1060), down 15.45 percent to 18.60 cents per share; Midas Printing Group Ltd (Code: 1172), down 10.71 percent to 50 cents per share; Ocean Shores Group Ltd (Code: 764), down 12 percent to 29.50 cents per share; Plotio Holdings Ltd (Code: 499), down 10.38 percent to 95 cents per share; and, Vision Tech International Holdings Ltd (Code: 922) down 11.43 percent to 62 cents per share.

Gainers of any merit, worth reporting, included Fong's Industries Company Ltd (Code: 641), up 23.26 percent to 53 cents per share, Multifield International Holdings Ltd (Code: 898), up 11.11 percent to 50 cents per share, and New Asia Realty and Trust Company Ltd 'A' (Code: 49), up 13.19 percent to $HK8.15 per share.

On The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index shed another 2.04 percent, hitting a low for the year of 479.48 points.

The Total Turnover was about $HK107.41 million.

There was little to stimulate trading on this marketplace with just 4 counters, accounting for about 62.63 percent of the total volume of activity.

The counters were Wah Sang Gas Holding Ltd (Code: 8035), tom.com Ltd (Code: 8001), Smartech Digital Manufacturing Holdings Ltd (Code: 8068), and Sunevision Holdings Ltd (Code: 8008)

Wah Sang Gas lost 3.45 percent of its value, falling to $HK7 per share, and tom.com followed in Wah Sang Gas's footsteps, shedding 2.78 percent of its value, falling to $HK5.25 per share. Smartech Digital gained 7.64 percent of its market capitalisation, rising to $HK3.875 per share, and Sunevision fell to sellers, dropping back another 2.14 percent to end the session at $HK6.85 per share.

Losers were ahead of gainers by the ratio of 1.67:One.

In Japan, the Nikkei-225 put on a stunning performance, all things considered, rising 353.66 yen to 17,279.06 yen, equal to about 2.09 percent.

Caution was thrown the wind as Japan determined that the Fed would not touch interest rates, at this juncture, at least.

The volume of activity on this bourse rose just about 40 percent, compared with Monday's activity.

Toshiba was the most active counter and it gained 4.53 percent of its market value to close at 1,201 yen after hitting a high of 1,217 yen.

It was announced in Tokyo that 2 of the countries largest cable television operators had agreed to merge.

This will create a $HK39-billion conglomerate, the largest of its kind in the history of the country.

The 2 cable operators are Jupiter Telecommunications Company and Titus Communications Corporation.

Microsoft Corporation has a 60-percent stake in Titus, while AT&T Corporation has a 40-percent interest in Jupiter with the Sumitomo Bank/trading group, owning the remaining 60 percent.

Sumitomo's share price jumped 7.12 percent on the news, hitting 1,144 yen.

Nippon Telegraph and Telephone (NTT) had a good day (for a change), rising to 1.42 million yen, a gain of about 2.16 percent, compared with Monday's close.

Its mobile telephone unit, NTT DoCoMo, put on 4.14 percent to 3.02 million yen.

This is the way that things came to a rest, last Tuesday, in other parts of Asia:

Thailand	Plus 1.04 percent
Indonesia	Minus 1.07 percent
Malaysia	Plus 1.69 percent
The Philippines	Minus 0.19 percent
South Korea	Plus 2.31 percent
Singapore	Plus 0.46 percent
Taiwan	Minus 1.24 percent
Japan	Plus 2.09 percent

Wednesday

Only one major bourse was in negative territory, last Wednesday, as everybody and his dog was betting that the US Federal Reserve Board would not touch interest rates.

There was no special news from any quarter in Asia to be responsible for the ocean of pluses on just about every stock market in the most populous area of the world, but that is the weight of public opinion: If a sufficient number of people say something, then it must be correct.

In the HKSAR, The Stock Exchange of Hongkong Ltd watched its Hang Seng Index rose for the third day in a row, scoring a plus 282.65 points—about 1.75 percent—to hit 16,438.42 points.

The Total Turnover, however, remained low at $HK11.28 billion.

Just 3 counters were responsible for about 37.15 percent of the Total Turnover. They were Hongkong Exchanges and Clearing Ltd (Code: 388), China Telecom (Hongkong) Ltd (Code: 941) and China Unicom Ltd (Code: 762). They were, also, the 3 most active issues, respectively.

The aggregate of the turnovers of these 3 counters amounted to $HK4.19 billion.

China Telecom, the second most-active counter, roared ahead with a 5.09-percent gain to $HK72.25 per share as investors waited to learn of the outcome of talks with its parent company (please see Monday's report).

China Unicom, the second most-active counter, went along with the ride, gaining about 2.72 percent to hit a high of $HK17 per share.

But the star of the show was the most active counter, Hongkong Exchanges and Clearing Ltd, the share price of which went through the roof to $HK10.90 per share, up about 32.12 percent, compared with Tuesday's closing level.

These 3 issues, no doubt, helped push up the Hang Seng Index, no end, and some analysts were quick to point out that the ratio of gainers to losers was tight at about 1.08:One.

Also, the Total Turnover does not have the appearances of indicating a bullish market because there is insufficient volume.

One piece of corporate news was released by the Jardine Matheson Group of Companies: Henry Keswick and Family and friends.

Jardine International Motor Holdings Ltd (Code: 100) informed The Stock Exchange of Hongkong Ltd that it has been informed that the *'parent'* company, Jardine Matheson Holdings Ltd, has determined that Jardine International Motor should be privatised.

As such, Jardine Matheson is willing to offer $HK4.295 per share for the outstanding Share Capital of the Company, not owned by it.

This is a $HK520-million deal which will see the last vestiges of the Jardine Matheson Empire leave the ranks of The Stock Exchange of Hongkong Ltd.

There is no question that the Company Resolution will be passed, one way or the other: The Keswicks, always, have their way.

The share price of Jardine International Motor rose 62 percent to hit $HK4.05 on the strength of the news.

Double-digit gainers on last Wednesday's market, included: Asia Standard International Group Ltd (Code: 129), up 14.71 percent to 78 cents per share; Chinney Investments Ltd (Code: 216), up 10.59 percent to 47 cents per share; Dong-Jun (Holdings) Ltd (Code: 412), up 11.76 percent to 1.90 cents per share; Hang Fung Gold Technology Ltd (Code: 870) up 11.11 percent to 26 cents per share; IFTA Pacific Holdings Ltd (Code: 371), up 11.59 percent to 77 cents per share; Interform Ceramics Technologies Ltd (Code: 1060), up 17.20 percent to 21.80 cents per share; Plotio Holdings Ltd (Code: 499), up 18.95 percent to $HK1.13 per share; S.A.S. Dragon Holdings Ltd (Code: 1184), up 11.59 percent to 77 cents per share; South East Asia Wood Industries Holdings Ltd (Code: 1205), up 18.18 percent to 32.50 cents per share; The Sincere Company Ltd (Code: 244), up 14.29 percent to 48 cents per share; Technology Venture Holdings Ltd (Code: 61), up 11.75 percent to $HK3.325; and, Wah Fu International Holdings Ltd (Code: 952), up 16.58 percent to 21.80 cents per share.

Some of the biggest losers were: Fourseas.com Ltd (Code: 755), down 10 percent to 2.70 cents per share; FT Holdings International Ltd (Code: 599), down 14.29 percent to 60 cents per share; and, GZITIC Hualing Holdings Ltd (Code: 382), down 10 percent to 27 cents per share.

On The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, the Growth Enterprise Market continued to lose steam, dropping to 472.09 points, down about 1.54 percent, compared with Tuesday's closing level.

The Total Turnover was about $HK130.66 million with the same 4 counters, dominating trading: tom.com Ltd (Code: 8001); Sunevision Holdings Ltd (Code: 8008); Smartech Digital Manufacturing Holdings Ltd (Code: 8068); and, Wah Sang Gas Holding Ltd (Code: 8035).

Trading on these 4 counters represented about 71 percent of the Total Turnover.

tom.com lost another 2.86 percent of its value, falling to $HK5.10 per share, Sunevision stayed even at $HK6.85 per share, Smartech gave up 1.29 percent, falling to $HK3.825 per share, and Wah Sang Gas shed 0.71 percent to hit $HK6.95 per share.

The ratio of losers to gainers was about 1.86:One.

In Japan, The Tokyo Stock Exchange saw its Nikkei-225 Index rise another 91.11 yen to 17,370.17 yen.

Trading was cautious since the Fed had yet to make any announcement as to whether or not interest rates would rise in the largest economy of the world.

Also, the market was waiting to see what kind of prognostication Dr Alan Greenspan would give about the US economy.

What upset many investors on Asia's biggest stock market were Wall Street's activities on Tuesday, New York Time.

Many traders on The New York Stock Exchange was somewhat amazed to note that the Dow Jones Industrial Average had shed about 0.37 percent of its value, falling to 38.53 points.

The NASDAQ Composite Index, on the other hand, fell much harder, down about 1.36 percent to 3,858.96 points.

The losses were in spite of everybody stating that the Fed would leave well-enough alone and not touch interest rates.

That, being the case, if it were good enough for Wall Street to show concern, for what reason should not Tokyo feel some concerns.

Internet investment company, Softbank, stole the show, so to speak, in Tokyo, as its share price continued to decline for the fifth straight day, following the sell-off of hi-techs in New York and concern about its 8 NASDAQ investments, all of whose share prices have been on the downside.

Softbank lost another 8.04 percent of its market capitalisation, falling to 14,290 yen.

Nippon Telegraph and Telephone (NTT) fared reasonably well, rising 2.10 percent, but its mobile telephone unit, NTT DoCoMo, shed another 2.32 percent to hit 2.95 million yen.

Sicky departmental store operator, Sogo, added another 31 percent to its market value, rising to 142 yen (please see Monday and Tuesday's report). It was the biggest gainer of the day.

The ratio of gainers to losers on this market was 1.34:One.

And this is how other Asian markets fared, last Wednesday, just hours before the Fed was to unleash its interest-rate determination:

Thailand	Plus 0.09 percent
Indonesia	Plus 1.61 percent
Malaysia	Plus 2.95 percent
The Philippines	Plus 0.11 percent
South Korea	Plus 1.09 percent
Singapore	Plus 1.21 percent
Taiwan	Minus 0.69 percent
Japan	Plus 0.53 percent

Thursday

Well, for a change, nearly everybody was correct: The Federal Reserve decided not to touch interest-rate levels for the time being.

But that did little to allay fears of the multitude of investors, who saw into the Fed's announcement that, within about 2 months or so, it would increase interest rates.

Inflation is creeping in in the US, not just due to petroleum prices, but prices of many durables are rising, fanning inflationary fears, the Fed stated.

The Stock Exchange of Hongkong Ltd watched as its Hang Seng Index shed 0.92 percent to 16,286.80 on a Total Turnover of about $HK11.18 billion.

Had it not been for trading in just 3 counters, the stock market of the Hongkong Special Administrative Region (HKSAR) would have fallen much further.

The 3 counters were those of China Mobile (Hongkong) Ltd, formerly known as China Telecom (Hongkong) Ltd (Code: 941), Hongkong Exchanges and Clearing Ltd (Code: 388) and China Unicom Ltd (Code: 762).

The aggregate volume of activity on these 3 counters totalled about $HK3.17 billion, or about 28.35 percent of the Total Turnover.

Another factor, which helped to keep the losses on the market low, was the gain in the newest stock to grace the rolls of The Stock Exchange: China Insurance International Holdings Company Ltd (Code: 966).

With regard to China Insurance, its share price rose on the first day of trading to $HK2.025, up nearly 42 percent from the Offer Price of $HK1.44 per share. A total of 345.51 million China Insurance shares changed hands, representing about 5.81 percent of the Total Turnover.

The share price fell to heavy profit taking, later in the day, however, ending the session at about $HK1.67 per share, not taking into account late trading activities.

The 3 leaders, however, China Mobile, Hongkong Exchanges and China Unicom, all fared poorly.

China Mobile stayed pat at $HK72.25 per share, Hongkong Exchanges was felled by profit-takers, who pushed down the price by about 6.42 percent, ending the session at $HK10.20 per share after hitting a high of $HK11.40 per share, while China Unicom shed about 1.47 percent to hit $HK16.75 per share.

The brunt of the selling pressure appeared to be in property issues, however, the most vulnerable sector of the market when there is a question about interest rates.

The biggest, double-digit losers were the lone duo of S. Megga International Holdings Ltd (Code: 261), whose share price fell 13.43 percent to 5.80 cents per share and Styland Holdings Ltd (Code: 211), the share price of which shed 10 percent to 1.80 cents per share.

The double-digit gainers were: Chinney Alliance Group Ltd (Code: 385), up 12.12 percent to 14.80 cents per share; Dragonfield Holdings Ltd (Code: 578), up 10.17 percent to 6.50 cents per share; Far East Holdings International Ltd (Code: 36), up 10.45 percent to 74 cents per share; G-Prop (Holdings) Ltd (Code: 286), up 13.79 percent to 68 cents per share; and, Takson Holdings Ltd (Code: 918), up 17,32 percent to 1.49 cents per share.

One interesting piece of news, which resulted in the biggest gain for the day, came from normally quiet RNA Holdings Ltd (Code: 501), whose management announced that it and its *'parent'* company, Tem Fat Hing Fung (Holdings) Ltd (Code: 661), had cut a deal with the Li Ka Shing Camp.

According to the official announcement, Tem Fat Hing Fung has granted an option to a 49-percent-owned associated company of Cheung Kong (Holdings) Ltd (Code: 1) to allow it to acquire a little more than 42 percent of the Issued and Fully Paid-Up Share Capital of RNA at a cost of about $HK312.54 million, or 60 cents per share.

While the share prices of RNA and Tem Fat Hing Fung both rose, on the other side of the coin, it must be acknowledged that the reason for the deal was that Tem Fat Hing Fung needs more cash … and Mr Li is known by another name, too: Li The Cash.

The share price of RNA Holdings rose by 41.67 percent to 85 cents per share while the share price of Tem Fat Hing Fung lost about 1.69 percent to close at 29 cents per share.

There was no other special news to stimulate trading, either way, with the ratio of losers to gainers, being about 2.59:One.

On The GEM—The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd—the Growth Enterprise Index fell another 1.06 percent to 467.11 points on a Total Turnover of about $HK88.16 million.

Losers were ahead of gainers by 1.57:One in what was described as a bit of a yawn.

tom.com Ltd (Code: 8001), Smartech Digital Manufacturing Holdings Ltd (Code: 8068) and Sunevision Holdings Ltd (Code: 8008) were the leaders on this market with tom.com, losing just short of one percent to hit a low since its listing of $HK5.05 cents per share.

Smartech Digital gained 0.65 percent to $HK3.85 per share and Sunevision continued with its losing streak, shedding another 2.19 percent of its value to hit $HK6.70 per share, also the lowest levels since being listed on The GEM.

Investors appear to be very tired of The GEM which, day after day after day, manages to lose ground, with its listings, moving erratically for no particular reason, other than wild speculation.

In short, many investors look to The GEM as having little to no substance.

In Tokyo, The Tokyo Stock Exchange went its own way, with the Nikkei-225, climbing back another 105.73 points to 17,475.90 yen.

Tokyo was not reacting to the US Fed's decision not to raise interest rates, but to the gyrations of the Wall Street NASDAQ, which, on Wednesday, New York Time, gained 2.11 percent to regain lost ground, ending the Wednesday session of The New York Stock Exchange at 3,940.34 points.

The Dow Jones Industrial Average, also, made up for lost ground, regaining 23.33 points to hit 10,527.79 points.

The ratio of gainers to losers on this market was about 2.06:One.

Nippon Telegraph and Telephone (NTT) continued with its losing streak, dropping its share price by about 1.40 percent to 1.43 million yen, while its cellular unit, NTT DoCoMo, saw its share price rise 2.03 percent to 3.01 million yen.

Sogo continued to do the impossible, rising another 8.40 percent on further confirmation that some of its debts would be forgiven, and that the bust departmental-store operator would not be headed for the scrap heap, after all.

And this is the way that things came to a halt, last Thursday, in Asia:

Thailand	Minus 3.33 percent
Indonesia	Plus 0.49 percent
Malaysia	Minus 1.34 percent
The Philippines	Plus 0.11 percent

South Korea	Plus 0.02 percent
Singapore	Minus 0.56 percent
Taiwan	Minus 2.93 percent
Japan	Plus 0.61 percent

Friday

With the lone exception of the stock market in Taipei, Taiwan, share prices hardly moved throughout Asia, with bourses either enjoying fractional gains or suffering fractional losses.

The Stock Exchange of Hongkong Ltd was among the dullest of Asian stock markets as the Total Turnover shrank to about $HK8.16 billion on the back of the Hang Seng Index, the *'barometer'* of trading, falling 0.80 percent to 16,155.78.

Most of the losses on The Stock Exchange of Hongkong came in the morning session, with the 90-minute afternoon session, seeing a small recovery of just 11.94 points.

China Mobile (Hongkong) Ltd (formerly known as China Telecom (Hongkong) Ltd) (Code: 941) was the most active counter as more than 15.86 million of its shares changed hands, with the price, shedding about 4.84 percent, falling to $HK68.75 per share.

The volume of activity in this one counter accounted for about 13.48 percent of the Total Turnover.

There was no particular reason for the slump in this share's price, other than general sentiment that it had had a good run, and last Friday was the time to take profits.

Of course, on Wall Street, things were not all that good, too, as The New York Stock Exchange watched as its benchmark, the Dow Jones Industrial Average, be felled by about 1.23 percent to 10,398.04.

At one point in the trading session, last Thursday, New York time, the Dow was off nearly 2 percent before recovering in late trading.

The technology-laden NASDAQ Composite Index, however, slid further than the Dow, losing another 1.60 percent to hit 3,877.23.

The reporting season is upon US stock markets and American (that is, the USA and Canada) investors are beginning to wonder whether or not certain issues, especially hi-tech and Internet-related issues, are a little—or much too much—overbought.

With all the hype about the new economic factors that makes for a healthy economy, one has to remember that, at the end of the day, profit is, still, the operative word.

Computer manufacturers and retailers were hit, especially, in New York, with Compaq Computer, off about 15 percent to $US24.50 (about $HK190.61) per share, and Dell Computer, off about 1.28 percent to $US48.375 (about $HK376.36) per share.

In the Hongkong Special Administrative Region (HKSAR), those people, who remarked about the *'remarkable underlying strength'* of the stock market on Thursday, got egg on their faces as popular issues took it on the nose.

Hutchison Whampoa Ltd (Code: 13) fell quickly as reports circulated that the bossman of the Swedish mobile telephone company, Ericsson, one of the largest mobile telephone manufacturers in the world, had made negative statements about the potential growth of the mobile telephone industry, world-wide.

Mr Kurt Hellstrom was reported to have stated that the high cost of third generation mobile telephone licences was likely to slow the pace of the industry's growth.

Hutchison is heavily involved in the new (to come) 3G European mobile telephone network, having spent billions of Hongkong dollars on the project.

Its share price fell to $HK97.50 per share, but recovered in late trading to close the week out at $HK98 per share. This represents a loss of about 1.51 percent, compared with last Thursday's closing level.

Hutchison was the seventh most active counter.

China Insurance International Holdings Company Ltd (Code: 966) fell 4.19 percent to $HK1.60 per share. It was first listed the previous Thursday and has never done very much.

One counter, which propped up the market, considerably, was HSBC Holdings plc (Code: 5) as investors piled into the stock, pushing up the share price to $HK89 on a volume of $HK500.24 million.

The 2-percent gain over Thursday's closing level caused it to be the third most-active counter of the day.

The double-digit losers of the day included: Crocodile Garments Ltd (Code: 122), down 12.23 percent to 17.60 cents per share; Man Sang International Ltd (Code: 938), down 12.05 percent to 35 cents per share; The Sincere Company Ltd (Code: 244), down 12.50 percent to 42 cents per share; and Yunnan Enterprises Holdings Ltd (Code: 455), down 13.10 percent to 73 cents per share.

The biggest winners were: Artfield Group Ltd (Code: 1229), up 10.38 percent to $HK1.17 per share; Kantone Holdings Ltd (Code: 1039), up 21.05 percent to 69 cents per share; Solartech International Holdings Ltd (Code: 1166), up 10 percent to 3.30 cents per share; Styland Holdings Ltd (Code: 211), up 11.11 percent to 2 cents per share; and, Wang On Group Ltd (Code: 1222), up 13.43 percent to 38 cents per share.

The ratio of losers to gainer was about 1.09:One.

On The Growth Enterprise Market (The GEM), the Growth Enterprise Index continued its retreat, losing another 2.73 percent to hit the lowest level of the year, at 454.38 points.

The Total Turnover shrank again, back to $HK723.18 million (this market breaks one record after another).

Two new listings hit The GEM, last Friday: Phoenix Satellite Television Holdings Ltd (Code: 8002); and, Excel Technology International Holdings Ltd (Code: 8048).

Phoenix Satellite managed to finish the day at its Offer Price of $HK1.08 per share while Excel Technology, after hitting an intra-day high of $HK1.93 per share, slumped back to $HK1.41 per share, up 3 cents on its Offer Price.

Excel Technology was the most active counter, accounting for about 45.68 percent of the Total Turnover.

Phoenix Satellite was not far behind Excel Technology, in terms of its volume of trading, accounting for about 37.60 percent of the Total Turnover.

With 2 counters, being responsible for about 83 percent of the total volume of activity on The GEM, it was hardly any wonder that investors were not too interested in proceedings in this marketplace.

The volume of losers to gainers was exactly 2:One.

On The Tokyo Stock Exchange, the Nikkei-225 shed 64.85 yen, falling to 17,411.05 yen, thus breaking a 3-day winning streak.

Tokyo was having a knee-jerk reaction to Wall Street's losses.

Once again, investors' attention was focussed on issues, such as Nippon Telegraph and Telephone (NTT) which shed another 1.40 percent of its market capitalisation, while the share price of NTT DoCoMo, NTT's mobile telephone unit, the largest in Japan, fell 4.65 percent to 2.87 million yen.

Another telephone manufacturer, Matsushita Communication, also had a rough day as its share price was pulled down about 4 percent to 12,380 yen.

Japan had paid heed to the warnings of Mr Kurt Hellstrom of Ericsson.

Sogo Company Ltd, after all of the week's talk, came out trumps as a bailout of the bust departmental store operator was agreed: It is the biggest financial rescue in the history of Japan.

A total of 97 billion yen (about $HK716 million) will be wiped off Sogo's books of outstanding creditors, which are confirmed to be owed 197.70 billion yen (about $HK1.45 billion).

The departmental store will continue to operate with the 72 creditors, praying for the best.

The Sogo share price fell to 128 yen on the news, a drop of about 17 percent, compared with the closing price on Thursday.

In spite of the Nikkei-225, losing ground, gainers outpaced losers by the ratio of nearly 3:One.

And this is the way that Asia went to bed, last Friday, June 30, 2000:

Thailand	Plus 0.72 percent
Indonesia	Plus 0.49 percent
Malaysia	Plus 0.38 percent
The Philippines	Plus 0.08 percent
South Korea	Plus 0.28 percent
Singapore	Minus 0.57 percent
Taiwan	Plus 1.78 percent
Japan	Minus 0.37 percent

-- END --

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