

THE HANG SENG INDEX MARKS TIME

While, technically, the Hang Seng Index made a 1.41-percent gain on The Stock Exchange of Hongkong Ltd, last Monday, rising to 17,834.78, had it not been for a handful of counters, that made headway amid the sea of sellers, the market would have registered negative figures.

Losers outperformed gainers by the ratio of 1.37: One, with some rather large losses.

The big news in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) was the matter of suggested interference of academic freedom at The University of Hongkong by alleged agents of the Office of the Chief Executive of the HKSAR, if not the Chief Executive, Mr Tung Chee Hwa, himself.

The Government of the HKSAR has, vigorously, denied any such interference, but a U of HK don, Dr Robert Chung Ting Yiu, had gone on record as to state that he was informed, in no uncertain terms, that the Office of Chief Executive, and the great man, himself, did not appreciate Dr Chung's surveys, which tended to paint an unfavourable picture of the HKSAR Government.

Dr Chung has named, after being challenged, openly, the Vice Chancellor of U of HK, Professor Cheng Yiu Chung, as the person who passed on the '*message*' to him about his department's findings: The Chief Executive's popularity is fast fading.

Professor Cheng Yiu Chung has denied that he was the '*channel*' of discontent, but U of HK students want his head; and, are trying to get him to resign.

The situation has all the hallmarks of trouble amid the 7 million inhabitants of the HKSAR.

As investors of the HKSAR went to work, last Monday, amid heavy rain as the impending threat of another typhoon receded in the 416 square miles, investors looked sheepishly at trading in stocks and shares.

HSBC Holdings plc (Code: 5) was the most-active counter as about 10.74 million HSBC shares changed hands, with the share price, fluctuating between a high of \$HK99 per share and a low of \$HK96.75 per share.

The share price closed the day at \$HK98.50. Its share-trading activities accounted for about 8.96 percent of the Total Turnover of about \$HK11.83 billion.

Hutchison Whampoa Ltd (Code: 13) was the second most-active counter, with a turnover in that company's stock of about \$HK954.49 million, or about 8.06 percent of the Total Turnover.

The share price of this Li Ka Shing company hit a high of \$HK121 before settling down to \$HK118 at the close of trading.

Hutchison, of course, was still riding the crest of the wave of the previous week when it announced that it had agreed to sell a 20-percent stake in its UK-based, third-generation, mobile telephone licence holder, 3G UK Holdings Ltd, to NTT Mobile Communications Network Incorporated (NTT DoCoMo) for about \$HK14 billion, and another 15-percent stake in the UK telephone licence holder to Royal KPN NV for another \$HK10.70 billion.

China Mobile (Hongkong) Ltd (Code: 941) was the third most-active counter as about 10.93 million of its shares traded, with the share price, running up about 3.77 percent to hit \$HK75.75, just off the day's high of \$HK76.25.

There was a juggling of the constituent stocks that make up the composition of the Hang Seng Index, with some investors, switching from one counter to another, for no particular reason other than the suggestion that institutional investors from abroad would prefer to pile into constituent Hang Seng Index stocks that those that do not rate, according to the powers-that-be in the HKSAR.

The major losers included:

Name of Company	Code	Decrease (%)	Closing Price (\$HK)
Akai Holdings Ltd	448	16.15	0.28
China Apollo Holdings Ltd	512	10.87	0.184
Fourseas.com Ltd	755	10	0.027
Goldlion Holdings Ltd	533	15.38	0.55
Guangdong Kelon Electrical Holdings Company Ltd	921	10.06	3.80
ING Beijing Investment Company Ltd	1062	10	0.315
South East Group Ltd	726	11.11	0.04
Wah Nam Group Ltd	159	20	0.24

And the biggest gainers were:

Name of Company	Code	Increase (%)	Close Price (\$HK)
Beijing Capital International Airport Company Ltd	694	22.09	2.10
Chi Cheung Investment Company Ltd	112	12	0.112
China Investments Holdings Ltd	132	10	0.275
Climax International Company Ltd	439	13.88	0.216
Fujian Group Ltd	181	12.97	0.13
G-Prop (Holdings) Ltd	286	11.84	0.85
Keck Seng Investments (Hongkong) Ltd	184	14.29	0.88
NPH International Holdings Ltd	182	10.17	0.65
SunCorp Technologies Ltd	1063	10.87	0.102
Wiltec Holdings Ltd	1169	25	0.95

The previous Friday, in New York, Wall Street had noted that technology counters continued to be the object of investor attention for the third day in a row.

While the Dow Jones Industrial Average managed a 24.04-point gain, rising to 10,812.75, the NASDAQ Composite Index put on another show of strength, rising to 4,245.93, a gain of about 1.70 percent, compared with Thursday's closing level.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Growth Enterprise Index hardly moved, losing less than one point to hit 473.19 points on a Total Turnover of about \$HK259.82 million.

Li Ka Shing's gambling company, tom.com Ltd (Code: 8001), was the top dog as about \$HK66.31- million worth of tom.com shares switched owners, with the share price, rising to \$HK5.95. It was the high point of the day for this counter.

Trading in this counter represented about 25.52 percent of the Total Turnover.

Henderson Cyber Ltd (Code: 8023) continued to come under selling pressure as the share price fell to a low of \$HK1.19 after hitting a high of \$HK1.25. It was the second-most active counter, representing about 18.05 percent of the Total Turnover.

Gainers and losers were, just about, equal at 13:12.

One of the newest listings, Grandmass Enterprise Solution Ltd (Code: 8108), got hit very hard as the share price was felled 17.31 percent to 43 cents per share, down from the Placing Price of 50 cents per share. (please see [TARGET Intelligence Report, Volume II, Number 135, published on July 19, 2000](#) for an analysis of this company)

In Japan, it was, pretty much, the same story, as The Tokyo Stock Exchange watched its Nikkei-225 put on 143.93 yen, rising to 17,286.83 yen.

The big news in the Land of the Rising Sun was that the almighty The Bank of Japan had determined to leave good enough alone: It will not raise short-term interest rates off the zero level.

The collapse of Sogo Company Ltd, the second-largest bankruptcy in the history of Japan, continued to dog the market, especially banking issues which were caught short from Sogo's demise.

There were pockets of interest, such as Sony Corporation's share price, gaining 2.50 percent, and Fujitsu, putting on a small show of strength, gaining 1.80 percent, but, by and large, it was a tired and very dull trading day.

This was the way that other Asia stock markets performed, last Monday:

Thailand	Closed
Indonesia	Plus 0.53 percent
Malaysia	Minus 1.16 percent
The Philippines	Minus 0.47 percent
South Korea	Closed
Singapore	Plus 1.35 percent
Taiwan	Plus 0.79 percent
Japan	Plus 0.84 percent

Tuesday

With the lone exception of Malaysia, all major stock exchanges in Asia went into reverse gear, last Tuesday.

Wall Street could not be held responsible for Asia's obvious diminished interest in trading in stocks and shares in the most populous region of the world because The New York Stock Exchange had had a lacklustre session on the first trading day of last week.

The Hang Seng Index, the '*barometer*' of The Stock Exchange of Hongkong Ltd, lost about 2.21 percent of its value, falling to 17,440.83 points, a loss of about 393.95 points, compared with Monday's closing level.

The Total Turnover fell to about \$HK10.19 billion with the Top Ten Most Active issues, led by Hutchison Whampoa Ltd (Code: 13), accounting for about 57 percent of that figure.

Losers were ahead of gainers by the substantial statistic of 2.96:One.

There were a number of interesting developments that were announced, last Tuesday, the most important of which, no doubt, was confirmation from HSBC Holdings plc (Code: 5) that it had made a deal to sell its 20-percent stake in an inter-active television service to British Sky Broadcasting (BskyB), owned by Mr Rupert Murdoch.

The deal was worth about \$HK2.70 billion and will throw up a capital gain for HSBC Holdings of about \$HK1.74 billion -- which is not bad for an investment of 3 years.

The announcement of the deal did nothing for the share price of HSBC Holdings, however, in spite of the fact that it was the fourth, most-active counter with \$HK768.86-million worth of its shares, being traded.

The share price of HSBC Holdings shed about 2.03 percent, compared with Monday's close, falling to \$HK96.50 per share.

The other piece of news emanated from the US where the international credit rating company, Standard and Poor's, had another shot at one of Mr Li Ka Shing's companies: Pacific Century Insurance Holdings Ltd (Code: 65).

(It seems that Standard and Poor's has no respect for the great wealth of the Great Man)

Standard and Poor's claims that Pacific Century Insurance has a weak financial structure and, as such, it rates the company as being '*Bpi*'.

The share price of Pacific Century Insurance actually rose 0.98 percent to \$HK2.575 per share as 638,000 shares changed hands.

Since Standard and Poor's assigned this rating to Pacific Century Insurance, about 9 months ago, its share price has sunk by about 50 percent. From January 3 to July 10, this year, the share price of this Li Ka Shing company has sunk about 46.35 percent.

Such a poor rating makes it difficult for internationally managed funds to buy into Pacific Century Insurance.

Other Li Ka Shing publicly listed entities, also, got hit hard, last Tuesday, as Cheung Kong (Holdings) Ltd (Code: 1) shed about 2.33 percent of its market capitalisation, falling to \$HK94.50 per share.

Hutchison Whampoa Ltd (Code: 13) fell nearly one percent to \$HK117 per share.

Pacific Century CyberWorks Ltd (Code: 1186) was another one that got it in the neck as about 32.89 million of its shares changed hands, with its share price, falling about 3.11 percent to \$HK15.60 per share. It was the sixth most-active counter.

Pacific Century CyberWorks has a multi-billion-dollar, debt-service to consider, thanks to its acquisition of Cable and Wireless HKT Ltd (Code: 8) a month or so ago.

The following is a list of most of the major, double-digit gainers:

Name of Company	Code	Decrease (%)	Closing Price (\$HK)
Cedar Base Electronic (Group) Ltd	855	21.43	0.68
China Investments Holdings Ltd	132	10.91	0.305
Digital World Holdings Ltd	109	10	0.022
LifeTec Group Ltd	1180	17.11	0.178
Tem Fat Hing Fung (Holdings) Ltd	421	19.43	0.295
Tomorrow International Holdings Ltd	760	11.59	0.385
Victory Group Ltd	1139	10.26	0.43

There were only 2 double-digit losers of any note: Fourseas.com Ltd (Code: 755), down 11.11 percent to 2.40 cents per share; and, Hung Fung Group Holdings Ltd (Code: 1141), down 10 percent to 5.40 cents per share.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, things were relatively calm, compared with the Main Board, that is.

The Growth Enterprise Index was off just about 0.37 percent to 471.45 points on a Total Turnover of \$HK205.11 million.

Losing issues outnumbered those issues which bucked the trend by the resounding ratio of 4.17: One.

tom.com Ltd, another of Mr Li Ka Shing's listed babies, was the most-active counter as \$HK80.77-million of its stock switched, with the share price, rising from a low of \$HK5.65 to a high of \$HK6.10, ending the session at \$HK5.90 per share. This represented a fall of about 0.84 percent, compared with Monday's closing price.

The turnover in this one counter represented about 39.37 percent of the Total Turnover.

There was only one major loser on this market: Grandmass Enterprise Solution Ltd (Code: 8108), down 18.60 percent to 35 cents per share. (please see [TARGET Intelligence Report, Volume II, Number 135, published on July 19, 2000](#) for an analysis of this company)

In Japan, The Tokyo Stock Exchange watched as its Nikkei-225 Index fell 341.76 yen to 16,945.07 yen -- nearly 2 percent of its former value.

The Sogo Saga was still having an impact on the market because the failure of this departmental store operator is, after all, the second largest financial failure in the history of Japan.

The Bank of Tokyo made a statement about Sogo, stating that this bankruptcy was the main reason for Japan's Number One bank to maintain its 17-month, zero interest rate policy for short-term financing.

Banking issues continued to be felled, due to the collapse of Sogo, as The Industrial Bank of Japan shed 7.23 percent of its market capitalisation, falling to 680 yen. This bank is Sogo's largest, single creditor.

And then, as if Sogo's demise was not enough for the market to bear, real estate developer, Seiyo Corporation, announced that it was in financial trouble -- and had sought the protection of the Japanese Courts.

That was enough to send down the share price of Dai-Ichi Kangyo Bank by about 6.72 percent to hit 680 yen.

The slide in share prices was right across the board as the Japanese stock market hit a 3-week low.

Here is how other Asian bourses fared last Tuesday:

Thailand	Minus 0.69 percent
Indonesia	Minus 2.21 percent
Malaysia	Plus 0.05 percent
The Philippines	Minus 1.15 percent
South Korea	Minus 1.89 percent
Singapore	Minus 0.07 percent
Taiwan	Minus 2.52 percent
Japan	Minus 1.98 percent

Wednesday

Hutchison Whampoa Ltd (Code: 13) continued to be right up there with the leaders, as more than \$HK931.71-worth of its scrip changed hands in an otherwise fairly subdued marketplace.

The Stock Exchange of Hongkong Ltd watched as its Hang Seng Index gained about 1.54 percent, 269.24 points, rising to 17,710.07 points on a Total Turnover of \$HK10.80 billion.

Hutchison was still riding high due to its confirmed tie-up with NTT Mobile Communications Network Incorporated (NTT DoCoMo) and Royal KPN NV with regard to its London-based, mobile telephone operations

(please see Monday's report on this subject).

Hutchison's share price rose to a high of \$HK120.50, but ended the session at \$HK119.50, which was still a gain of about 2.14 percent, compared with Tuesday's closing level.

It was the most active counter of the day, representing about 8.61 percent of the Total Turnover.

There was little in the way of special news to stimulate trading in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) so that attention was turned afield, especially to the US where, last Thursday, Dr Alan Greenspan, Chairman of the mighty Federal Reserve, addressed the US Senate Committee on the state of play in the largest economy of the world.

Last Wednesday, in Asia, nobody knew what the great man would say, and so there was a great deal of speculation as to what would be contained in his address.

There were hints, however, as to some of the subject matter of his report, following the release of the US Consumer Price Index (CPI) which pointed to a 0.60 percent rise in June. This statistic included energy prices, however, so that, on adjustment, the so-called '*core CPI*' registered a 0.20 percent gain, month-over-month.

In New York, Wall Street was in retreat with the Dow Jones Industrial Average off about 0.60 percent (64.35 points) to 10,739.92. The hi-tech sector of the market, plotted by the NASDAQ Composite Index, was off much more: By about 2.30 percent to 4,177.17.

Wall Street was starting to get the jitters about the August 22 Federal Reserve Open Market Committee Meeting, at which time, US interest rates would be fixed, yet again.

In the HKSAR, whenever there is no '*hard*' news, investors start to manufacture it so that any excuse to buy or to sell a counter is good enough to start a run.

HSBC Holdings plc (Code: 5) continued to be the most sought-after banking counter -- for good reason -- as it took the Number 3 slot in the Most Active List.

The share price of HSBC Holdings regained some lost ground, hitting \$HK98 per share, a gain of about 1.55 percent, compared with Tuesday's closing level.

The ratio of gainers to losers was 1.47:One.

Here is a list of the some of the biggest movers:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Beijing North Star Company Ltd	588	10.98		0.91
Cedar Base Electronic (Group) Ltd	855		14.71	0.58
Celestial Asia Securities Holdings Ltd	1049	10.71		0.62
China Eastern Airlines Corporation Ltd	670	11.82		1.23
EBiz.hk.com Ltd	384	12.00		0.28
Gold Peak Industries (Holdings) Ltd	40	10.00		2.20
Golden Resources Development International Ltd	677	18.00		0.59
Guangdong Tannery Ltd	1058		19.35	0.15
Guangshen Railway Company Ltd	525	15.85		0.95
Huangeng Power International Incorporated	902	11.40		3.375
Interform Ceramics Technologies Ltd	1060	20.35		0.207
Matrix Holdings Ltd	1005	21.54		0.395
Multifield International Holdings Ltd	898		15.48	0.355
Savoy Concepts Ltd	680	17.19		0.15
Shun Cheong Holdings Ltd	650	13.92		0.45
SunCorp Technologies Ltd	1063	15.69		0.118

Ta Fu International Holdings Ltd	1041	50.00		0.36
Top Form International Ltd	333	17.65		0.16
Victory City International Holdings Ltd	539	13.86		1.15
Yizheng Chemical Fibre Company Ltd	1033	10.92		1.93

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Growth Enterprise Index shed 1.64 percent, in sympathy with NASDAQ, no doubt.

All but 0.18 of a point of the Index's losses came in the morning session, lasting 150 minutes, with the 90-minute afternoon session, seeing almost no action at all.

The Total Turnover fell to \$HK177.85 million, with losers outpacing gainers by a ratio of 2.63:One.

tom.com Ltd (Code: 8001), the Li Ka Shing GEM 'card', was the most active counter as about 11.66 million shares changed hands with the share price, fluctuating between a low of \$HK5.75 per share and a high of \$HK6.20 per share. It closed the day at \$HK5.95 per share, up 0.85 percent, compared with Tuesday's close.

The trading in this one counter represented about 39.51 percent of the Total Turnover.

Timeless Software Ltd (Code: 8028) was the second most-active counter; it got hit very hard.

Its share price slumped 4.55 percent to \$HK3.15 per share, after hitting a low of \$HK3.05 per share.

Timeless Software has lost about 64 percent of its market capitalisation since the beginning of this year: That is just 6 months.

There were 2 big losers on this market: GreaterChina Technology Group Ltd (Code: 8032); and, Grandmass Enterprise Solution Ltd (Code: 8108).

GreaterChina Technology lost 13.33 percent of its market capitalisation while Grandmass shed another 14.29 percent of its value.

On The Tokyo Stock Exchange, the premier Japanese bourse was, once more, a quiet market, as the Nikkei-225 gained just 38.50 yen, rising to 16,983.57 yen.

There were some bargain hunters, but Japanese investors were wary, following the Sogo Saga and the newest company to hit the skids: Real estate developer, Seiyo Corporation.

Applying pressure on Japan was Wall Street, where NASDAQ had come unstuck.

In spite of this, however, selective Japanese, Internet-related issues gained ground, led by Hikari Tsushin, which continued its 3-day run, putting on another 10.71 percent on to its market capitalisation, rising to 5,170 yen.

In regard to Hikari Tsushin, there was an unconfirmed report that the company was going through some kind of corporate restructuring with a view to trying to restore investor confidence in the company.

Also, an interesting light on this market was Sharp, the world's largest manufacturer of Liquid Crystal Displays (LCDs). It regained some of its lost territory, rebounding about 6.05 percent to 1,735 yen per share. It had lost about 40 percent of its market capitalisation in the past 6 months or so.

Canon, Japan's largest and most important manufacturer of cameras and accessories, put on a decided show of strength, gaining about 3.72 percent to hit 5,300 yen. Its claim to fame was a Management statement to the effect that profits will be about 125 billion yen (about \$HK9 billion) for the Financial Year, ended December 31, 1999.

The most important news item to hit Japan, last Wednesday, was a resolution between Nippon Telegraph and Telephone Corporation (NTT) and the US Government over connection fees.

After 9 days of slogging, an acceptable agreement had been reached between the US Government and the Japanese State monopoly whereby NTT would cut its fees by 20 percent of the prevailing rate over the next 2 years.

The Japanese telecommunications market is ranked highly in world terms, grossing about \$HK1,011 billion, annually.

The US-Japanese deal will open the doors of Japan to international competition and will, no doubt, cut a swarth in NTT's Bottom Line.

The share price of NTT fell 1.40 percent to 1.41 million yen on the news.

Losers were ahead of gainers on The Tokyo Stock Exchange by the ratio of about 1.17:One.

This was the situation, last Wednesday, on other Asian stock markets:

Thailand	Plus 0.37 percent
Indonesia	Plus 1.33 percent
Malaysia	Plus 0.34 percent
The Philippines	Minus 0.78 percent
South Korea	Minus 1.85 percent
Singapore	Plus 1.46 percent
Taiwan	Plus 0.52 percent
Japan	Plus 0.23 percent

Thursday

Had it not been for a spurt of activity in share trading in certain entities, controlled by the Li Ka Shing Camp, bulls, trading on The Stock Exchange of Hongkong Ltd, would have suffered a resounding trashing.

As it was, the Hang Seng Index, the '*barometer*' of The Stock Exchange, registered a fractional gain of 0.27 percent, rising to 17,758.51 on a Total Turnover of about \$HK13.73 billion.

But the big news was not in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), but in Beijing, the Capital City of the Middle Kingdom.

The Premier of the most populous country in the world sounded a warning note that will, no doubt, be heard round the world: The PRC Government will not bail out its ailing State-run entities from now on.

Premier Zhu Rong Ji said that consideration was being given to the closure of ailing Hainan International Trust and Investment Corporation (HITIC).

HITIC missed a \$HK1.04-billion payment to its Japanese creditor banks.

HITIC has known foreign liabilities of not less than \$HK2.88 billion, excluding the accumulated interest factor.

The statement by, what should be considered, the bossman of the PRC Government, appears to be proof positive that PRC Provincial Governments can no longer expect the Central Government to come to their aid whenever they run into trouble.

This matter, no doubt, also means that international lenders will be more careful before they extend large credit facilities to PRC entities -- if at all.

The financial failure of HITIC follows the financial failure of Guangdong International Trust and Investment Corporation (GITIC), which saga started back in 1998 and is still going through the courts.

GITIC's failure shook the HKSAR marketplace when it became known that its foreign liabilities tipped the \$HK37-billion mark.

There are known to be about 200 entities in the PRC, all State-controlled, in financial trouble.

But the HKSAR stock market had not got wind of the HITIC situation, during trading last Thursday.

Trading on the HKSAR's stock market was dominated by Hutchison Whampoa Ltd (Code: 13) and Cheung Kong (Holdings) Ltd (Code: 1). These 2 counters accounted for about 15.15 percent of the Total Turnover.

The share price of Hutchison gained about 1.67 percent, rising to \$HK121.50, while Cheung Kong's share price gained 2.86 percent, going up to \$HK99.

The ratio of gainers to losers was 1.30:One.

An interesting aspect of last Thursday's trading pattern was the emphasis of counters with the PRC-Government '*flavour*.'

The following is a list of the big movers, last Thursday:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Angang New Steel Company Ltd	347	10.57		0.94
Anhui Expressway Company Ltd	995	10.81		0.82
Beijing Datang Power Generation Company Ltd	991	13.58		2.30
Beijing Yanhua Petrochemical Company Ltd	325	12.77		11.05
CATIC International Holdings Ltd	232		25	0.27
Cedar Base Electronic (Group) Ltd	855	15.52		0.67
China Apollo Holdings Ltd	512		10.40	0.112
China Resources Beijing Land Ltd	1109	11.48		1.46
Chongqing Iron and Steel Company Ltd	1053	10.77		0.36
First Tractor Company Ltd	38	15.94		0.80
Good Fellow Group Ltd	910	10.84		0.92
Guangshen Railway Company Ltd	525	10.53		1.05
Harbin Power Equipment Company Ltd	1133	12.88		0.445
Jiangxi Copper Company Ltd	358	17.81		0.86
Jilin Chemical Industrial Company Ltd	368	12.24		0.55
Northeast Electrical T&T Machinery Manufacturing Company Ltd	42	10.77		0.36
Shandong International Power Development Company Ltd	1071	11.03		1.51
Trans-Ocean (International) Ltd	1207	12.50		1.08
Tsingtao Brewery Company Ltd	168	14.69		1.64
Victory Group Ltd	1139		12.20	0.36
Yanzhou Coal Mining Company Ltd	1171	13.99		2.20
Yizheng Chemical Fibre Company Ltd	1033	10.10		2.125
Zhejiang Expressway Company Ltd	576	10.14		1.52

The small gains on The Stock Exchange of Hongkong Ltd was against a background of great international concern, notwithstanding the HITIC situation: Of concern as to what Dr Alan Greenspan, Chairman of the US Federal Reserve, would tell the world within 24 hours of the HKSAR, stock market doors closing; and, concern over what took place on Wall Street, on Wednesday, when the Dow Jones Industrial Average was felled 43.84 points to 10,696.08 while NASDAQ was shot down to the extent of 2.91 percent, falling to 4,056.63.

In New York, it was hi-tech bashing, and this spilled over into the HKSAR where The GEM -- The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd -- suffered another roasting to the extent of a fall of 2.64 percent, dropping back to 451.47 points.

On The GEM, Panda-Recruit Ltd (Code: 8073) made its debut -- and down and down and down went the share price.

The Offer Price of the shares was 28 cents, but it did not take long before the share price was being traded at 18.50 cents, a fall of just about 34 percent.

A total of 87.19 million Panda-Recruit shares were traded, representing about 39.64 percent of the number of shares, offered for sale and Placed.

The Total Turnover on this market was about \$HK223.55 million, with trading in AcrossAsia Multimedia Ltd (Code: 8061) and tom.com Ltd (Code: 8001) dominating the direction of the market.

AcrossAsia lost 2.86 percent of its market capitalisation to hit \$HK3.40 per share while trading in tom.com resulted in the share price falling 4.20 percent to \$HK5.70.

Timeless Software Ltd (Code: 8028) continued to lose ground, falling another 17.50 cents at the low water mark, a fall of about 5.55 percent, compared with Wednesday's closing level. It closed the day at \$HK3.125.

It was the fifth most-active counter on The GEM with about 5.22 million shares changing hands.

The ratio of losers to gainers on the market was 2.44:One.

Japan was on holiday.

Here is how the other Asian stock markets closed, last Thursday:

Thailand	Minus 2.13 percent
Indonesia	Plus 0.27 percent
Malaysia	Minus 0.66 percent
The Philippines	Minus 1.81 percent
South Korea	Minus 2.31 percent
Singapore	Minus 0.19 percent
Taiwan	Minus 2.29 percent
Japan	Closed

Friday

Stock markets in Asia were, with one exception, all in negative territory, last Friday, following what most analysts maintained was a very reasonable assessment of the US economy by Dr Alan Greenspan, Chairman, US Federal Reserve.

Dr Greenspan, delivering his testimony before the US Senate Banking Committee in Washington on Thursday, Washington time, said that there was not enough evidence to conclude that the US economy had slowed down to a point that one might say that it was, today, non-inflationary.

This was taken by some observers as indicating that the Fed might, after all, increase US interest rates at its meeting, scheduled for August 22.

But Dr Greenspan, also, said that it was '*much too soon to conclude*' that the threat of a destabilising surge in prices and wages had abated.

He, then, went on to state that he saw no reason for there to be a prolonged series of interest-rate increases because this could result in the US economy, flirting with recession.

The testimony omitted, and this was caught by the more perspicacious observers, a definitive statement about interest rates.

The venue would have been a perfect opportunity for Dr Greenspan to issue a warning, but he opted not to do so.

On the strength of his testimony, Wall Street took heart and the Dow Jones Industrial Average rose 147.79 points, about 1.38 percent, to hit 10,843.87, while the NASDAQ Composite Index gained back 128.93 points, about 3.18 percent, to end Thursday's trading session at 4,184.56.

The Stock Exchange of Hongkong Ltd, however, was not the recipient of the good news from Washington, or did not appear so, in any event, and the Hang Seng Index rose just 0.91 percent to 17,920.86.

At the luncheon bell, however, the Hang Seng Index was registering a gain of 330.34 points, about 1.86 percent, compared with Thursday's closing level.

The profit taking in the 90-minute afternoon session was ominous since it appeared to indicate something else: HITIC's demise and how it may impact on a number of listed companies was, by far, the most important '*something*'. (please see Wednesday's report on this subject)

The Total Turnover on The Stock Exchange was much higher than Thursday's, at about \$HK20.30 billion, an increase of nearly 48 percent, day-over-day.

Once again, it was just a handful of counters that dragged up The Index, led, once again, by one of the world's largest banks, HSBC Holdings plc (Code: 5).

A total of about 24.05 million HSBC shares changed hands, with the share price, hitting a high of \$HK102 and a low of \$HK99.25, settling the week out at \$HK100 even, which represented a gain of about 1.52 percent, compared with Thursday's close.

HSBC Holdings is due to announce its Interim Statement at the end of this month; many investors are speculating as to what that could be.

The turnover on this counter represented nearly 12 percent of the Total Turnover for the day.

Hutchison Whampoa Ltd (Code: 13) continued to be right up there with the leaders of the Ten Most Active counters as its trading turnover topped the 10.75-million share level, representing a dollar value of about \$HK1.33 billion.

The trading on this issue represented about 6.55 percent of the Total Turnover.

Hutchison was still riding high on the previous week's confirmed tie-up with '*Japan Incorporated*' and the Dutch telephone giant. (please see Monday's report on this subject)

The ratio of gainers to losers was about 2.12:One.

There were 2 other pieces of news to hit the HKSAR, last Friday, both of which were of a political nature.

The University of Hongkong confirmed that it had met with one the Chief Executive's top aides, but denied that that meeting could be construed as being indicative of putting pressure on U of HK to stop publishing

unfavourable reports about Chief Executive Tung Chee Hwa.

The other pieces of news were 2 protests, staged in both the HKSAR and Beijing, by members of the cultist movement, Falun Gong. The protests were aimed at bringing to the attention of the world the determination of the Government of the PRC to outlaw members of this group.

Neither of these pieces of news had any direct impact on trading in the HKSAR's stock markets.

Here are the big movers for the day:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Allied Group Ltd	373	18.75		0.76
Artfield Group Ltd	1229	18.44		1.67
Brilliance China Automotive Holdings Ltd	1114	26.47		2.15
China Apollo Holdings Ltd	512	25		0.14
China Resources Beijing Land Ltd	1109	17.12		1.71
Concord Land Development Company Ltd	1121	18.48		1.08
Fortuna International Holdings Ltd	530	11.76		0.095
Jiangxi Copper Company Ltd	358	19.77		1.03
KEL Holdings Ltd	681		12.50	0.07
KTP Holdings Ltd	645		11.11	0.40
Kunming Machine Tool Company Ltd	300	23.26		0.53
Multifield International Holdings Ltd	898	17.19		0.375
Nanjing Panda Electronic Company Ltd	553	10.40		3.45
Pacific Concord Holding Ltd	438	18.48		1.09
Silver Grant International Industries Ltd	171	18.33		0.71
Tsingtao Brewery Company Ltd	168	12.20		1.84
Wah Fu International Holdings Ltd	952		10.81	0.165
Wong's Kong King International (Holdings) Ltd	532		10.53	0.34
Zhenhai Refinery and Chemical Company Ltd	1128	18.44		1.67

On The GEM, The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, investors appeared to take heart from the surge of the NASDAQ Composite Index, pushing up The Growth Enterprise Index by about 2.80 percent to end the week at 464.10 points.

The Total Turnover on this market was about \$HK309.87 million.

The 2 counters that dominated this market's movement were tom.com Ltd (Code: 8001) and Phoenix Satellite Television Holdings Ltd (Code: 8002). These 2 counters accounted for about 60.79 percent of the Total Turnover.

tom.com ended the session at \$HK5.90 per share, up 3.51 percent over Thursday's closing level, while Phoenix Satellite rose 17.39 percent to \$HK1.35 per share.

The ratio of gainers to losers on this market was about 2.88:One.

In Japan, The Tokyo Stock Exchange was relatively quiet since many of the brokers had not returned, following Thursday's national holiday.

The Nikkei-225 fell 172.08 yen to 16,811.49 yen while the hi-tech sector of the market seemed completely unimpressed with the gains on Wall Street.

An example of the apathy of Japanese investors to NASDAQ's gains was exemplified, to some extent, by the share price of Softbank, which fell about 2.15 percent to 11,840 yen. Softbank has investments in 8 major NASDAQ's counters.

There had, also, been reports about a shift in the top Management drawer of Softbank plus some tax problems with regard to its chairman.

Sony Corporation, the largest manufacturer of consumer electronics in the world, was not spared the sell-off as its share price was knocked down by about 2.47 percent to 10,680 yen.

Fujitsu, a big-time computer and software producer, followed Sony, losing 4.76 percent of its market capitalisation as its share price fell to 3,200 yen.

And, lastly, Canon, Japan's biggest camera manufacturer, was felled to the extent of 2.08 percent to 5,190 yen.

And this was how things came to an end for the week, ended July 21, 2000, in other Asian stock markets:

Thailand	Minus 0.71 percent
Indonesia	Minus 0.90 percent
Malaysia	Minus 0.51 percent
The Philippines	Minus 0.67 percent
South Korea	Plus 0.53 percent
Singapore	Minus 0.31 percent
Taiwan	Minus 0.63 percent
Japan	Minus 1.01 percent

-- E N D --

If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to targnews@hkstar.com. TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.