

### THE RETURN OF THE GROWTH ENTERPRISE MARKET TO PROMINENCE

For no apparent or logical reason, the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) witnessed its beloved gambling hall return to favour.

Many members of the investing public of the 416 square miles that constitute the HKSAR let caution be blown by the winds of change as that ploughed in, boots and all.

Excuses for buying ranged from US statistics, released over the previous weekend, indicating that the US Federal Reserve was unlikely to increase interest rates at its August 22 Open Market Committee Meeting, to claims that some issues were undervalued.

The Hang Seng Index, the '*barometer*' of The Stock Exchange of Hongkong Ltd, rose 1.73 percent to 17,727.25 on a Total Turnover of about \$HK12.23 billion.

The banking giant, HSBC Holdings plc (Code: 5), was the leader in the Ten Most Active issues as about 13.40 million HSBC shares changed hands, with the price, rising from a low of \$HK106.50 to a high of \$HK108.

It closed at \$HK108, its highest point of the day, for a gain of 2.37 percent, compared with the previous Friday's closing level.

Trading in this one counter accounted for about 11.77 percent of the Total Turnover.

All of the Li Ka Shing mob were in the Top Ten, with Pacific Century CyberWorks Ltd (Code: 1186), slated to be a constituent member of the Hang Seng Index, the following day, being in the Number 2 Slot as about 68.96 million of its shares changed owners, with the share price, rising to \$HK17.70, a gain of 1.72 percent on the day.

Trading on this counter represented just shy of 10 percent of the entire volume of activity on the Main Board of The Stock Exchange of Hongkong Ltd.

Hutchison Whampoa Ltd (Code: 13) was right behind Pacific Century CyberWorks as about 6.50 million of its shares were traded, with the share price rising to \$HK116.60. Its volume represented about 5.72 percent of the Total Turnover.

All in all, Mr Li Ka Shing's top, publicly listed '*vehicles*' accounted for nearly 25 percent of the entire '*action*' on The Stock Exchange of Hongkong Ltd.

Coupled with the gains in HSBC Holdings, it was clear that these 5 counters were pulling up the bootstraps of the market.

There was no news of any import to affect the stock market, other than that which had already been announced, the previous week.

Hutchison was still riding high on expectations of such things as landing another Third Generation (3G) mobile telephone licence in Europe. But that was all known the previous week.

And so it went on because, while the HKSAR and Tokyo made gains, the rest of Asia was doing little to nothing.

The ratio of gainers to losers was about 1.71:One.

The following are the double-digit gainers and losers:

Name of Company	Code	Increase (%)	Decrease(%)	Closing Price (\$HK)
Anex International Holdings Ltd	723	10		0.209
Angang New Steel Company Ltd	347	12.37		1.09
Cedar Base Electronic (Group) Ltd	855		21.69	0.65
Chongqing Iron and Steel Company Ltd	1053	13.04		0.52
CIL Holdings Ltd	479	10		0.055
Coastal Realty Group Ltd	1124	17.65		0.40
Dongfang Electrical Machinery Company Ltd	1072	20.69		0.70
First Sign International Holdings Ltd	933	14.81		0.31
Fortei Holdings Ltd	79		16.67	0.25
Guangnan (Holdings) Ltd	1203	10		0.33
Guanzhou Shipyard International Company Ltd	317	12.07		0.65
Kong Sun Holdings Ltd	295	11.76		0.57
Medtech Group Company Ltd	1031	15.76		0.096
Paladin Ltd	495		11.63	0.19
Pam and Frank International Holdings Ltd	431	18.64		0.35
Shenyang Public Utility Holdings Company Ltd	747	10.48		1.87
Shougang Concord Century Holdings Ltd	103	15.85		0.285
Star Cyber Power Holdings Ltd	1051	17.65		0.04
Sun Television Cyberworks Holdings Ltd	307	15.25		0.34
UDL Holdings Ltd	620		14.29	0.06
Unity Investments Holdings Ltd	913	11.11		0.90
vLink Global Ltd	563	12.12		0.185
Wonson International Holdings Ltd	651	12.73		0.062
Zhu Kuan Development Company Ltd	908	21.43		0.68

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Growth Enterprise Index chalked up a fractional gain of 0.28 percent, rising to 449.70 points.

The Total Turnover on this market was about \$HK541.76 million with advancing issues, being ahead of declining issues by the ratio of just about 2:One.

The most active counter on this speculative market was the relative newcomer, Shanghai Fudan Microelectronics Company Ltd (Code: 8102).

The turnover in this PRC, would-be, hi-tech company topped \$HK273 million, representing about 50.39 percent of the Total Turnover.

No other counter even came within 100 miles of the volume of this counter.

The share price of Shanghai Fudan bounced around between a low of \$HK1.93 per share and a high of \$HK3 per share, a swing of 55.44 percent within a period of just 240 minutes of trading.

The share price of this company closed at \$HK2.35, a gain of about 23.04 percent, compared with the closing level of the previous Friday.

As with the Main Board, there was no news to stimulate activity on this market, which drifting aimlessly with the exception of certain counters which enjoyed a brief moment of glory.

In Japan, the Nikkei-225, the benchmark of The Stock Exchange of Tokyo, gained 335.35 yen, rising to 16,002.71 yen, an increase of 2.14 percent, compared with the previous Friday's closing level.

The Japanese stock market and the HKSAR stock market were the only 2 Asian areas where gains were registered.

It was the top electronics issues, which caught Japanese investors' attention, as Mitsubishi Electric's stock gained 6 percent while TDK outdid Mitsubishi with a 7.40-percent run-up.

Itochu Techno-Science, which rarely makes the news, scrabbled with a 7.60-percent rise, following a company announcement which stated that its profit forecast for the first half of this Financial Year, ending September 30, 2000, would be about \$HK2.62 billion, up about 15.56 percent, compared with the comparable 1999 period.

Even Internet investor, Hikari Tsushin, rallied with a fast spurt of about 7.50 percent, compared with its closing level, the previous Friday.

Softbank Corporation, also a major Internet investor, saw its share price jump 1,000 yen to hit 8,820 yen, a gain of about 12.80 percent on the day.

This is the way that other parts of Asia fared last Monday:

Thailand	Minus 1.04 percent
Indonesia	Minus 0.44 percent
Malaysia	Minus 0.05 percent
The Philippines	Minus 0.07 percent
South Korea	Minus 4.85 percent
Singapore	Minus 0.04 percent
Taiwan	Minus 1.60 percent
Japan	Plus 2.14 percent

## **Tuesday**

Share prices retreated on a wide front on The Stock Exchange of Hongkong Ltd, last Tuesday, for the same reasons that they rose on Monday.

The Hang Seng Index shed 515.41 points, or about 2.91 percent, falling to 17,211.84.

The Total Turnover was about \$HK15.53 billion, an increase of about 27 percent over Monday's volume of activity.

(It is never a good sign for turnovers to increase on a seemingly falling market)

Interestingly, the fall in the Hang Seng Index came on the back of very positive sentiment from the largest single economy in the world, with stock-market pundits, seemingly, quite sure that the US Federal Reserve would leave good enough alone.

In the US, last Monday, New York time, Wall Street put on a stunning performance as the Dow Jones Industrial Average shot to the highest level in the previous 3 months: Up another 0.92 percent to 10,867.01.

The tech-laden NASDAQ Composite Index rose about 2 percent to hit 3,862.99 as investors poured into hi-tech and Internet-related issues, clearly unafraid of what may come out of the August 22 Fed Meeting.

The Dow was, as at last Monday's level, New York time, at its highest level since the end of May 2000.

A piece of very positive HKSAR news came from ITVentures, which put forth a proposal to the Provisional Liquidator of bust HKSAR Internet bookstore, Chinese Books Cyberstore (CBC), to rescue the financially ailing entity.

According to confirmed reports, ITVentures had put up a proposal to pump in about \$HK30 million into CBC.

ITVentures holds 52 percent of CBC and, by its actions, it means that it would end up in total control of the Internet book retailer -- which could not raise \$HK27.50 million, just one week prior, in order to stave off the wolves from its doors.

LibertyOne, the Australian Internet investor, listed on the US NASDAQ, invested about \$HK100 million into CBC last September, securing a 25-percent stake.

About 100 employees of CBC have, already, hit the streets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) due to the financial collapse of CBC.

But, on a negative note -- and this hurt the sentiment of the HKSAR investing community -- it was announced in Beijing that The China Education Science and Technology Trust and Investment Corporation (CESTTIC) had been ordered by Beijing Authorities to close its doors.

The PRC Government announced that creditors should stake their claim, now, before the books close on this insolvency.

How many HKSAR companies would get hurt by this closure was still unknown, last Tuesday, but people still recall the 1998 collapse of Guangdong International Trust and Investment Corporation (GITIC), which cost companies in the neighbourhood of \$HK37 billion, with many of those companies and banks, domiciled in the HKSAR.

Also, it was only a fortnight prior that it was announced that another PRC entity, The Hainan International Trust and Investment Corporation (HITIC), had defaulted on its commitment to pay the interest on a Samurai Bond, owed to a Japanese bank.

And Beijing had made it clear, at that time, that the Central Government would not bail out Provincial insolvencies.

The Hongkong Stock Exchange was taken by surprise at the PRC announcement of the failure of CESTTIC.

But the losses of the Hang Seng Index of last Tuesday could not be chalked up to CESTTIC's failure, at least, not in total, because the share price of Cable and Wireless HKT Ltd (Code: 8) tumbled 11.64 percent on its last day of trading on The Stock Exchange of Hongkong Ltd, following its takeover by Pacific Century CyberWorks Ltd (Code: 1186), thus ending its tenure as a member of The Stock Exchange.

Pacific Century CyberWorks, the most active counter for the day, accounted for about 15.58 percent of the Total Turnover. Cable and Wireless HKT accounted for about 14.23 percent of the total volume of activity.

Pacific Century CyberWorks saw its share price tumble nearly 8 percent to \$HK16.30, after hitting a low of \$HK16.15 per share and a high of \$HK18 per share.

It was unquestionable that these 2 counters dragged down The Hang Seng Index, considerably.

HSBC Holdings plc (Code: 5) was the third most active counter as about 11.36 million of its shares changed hands with the price staying within a narrow \$HK2 bracket.

HSBC Holdings ended the day at \$HK106.50 per share, a drop of 1.39 percent, compared with Monday's closing level.

The ratio of losers to gainers was about 2.27:One.

The following are the double-digit gainers and losers:

Name of Company	Code	Increase (%)	Decrease(%)	Closing Price (\$HK)
Akai Holdings Ltd	448	18		0.029
Computer and Technologies Holdings Ltd	46		11.65	4.55
Fortei Holdings Ltd	79	20		0.30
FPB Bank Holdings Company Ltd	717	13.57		1.59
Kin Dong Holdings Ltd	208		15.50	0.109
Pam and Frank International Holdings Ltd	431		10	0.315
Shangri-La Asia Ltd	69		10.47	7.70
Shenyin Wanguo (Hongkong) Ltd	218	10.61		0.73
Sinopec Kantons Holdings Ltd	934	10.47		0.95
Stelux Holdings International Ltd	84	10		0.33
Tsingtao Brewery Company Ltd	168	10.87		2.175
UDL Holdings Ltd	620	28.33		0.077
Zida Computer Technologies Ltd	859		10.59	0.76

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, it was, once again Shanghai Fudan Microelectronics Company Ltd (Code: 8102) which hugged the top spot.

The Total Turnover on this market was about \$HK421.54 million, with Shanghai Fudan Microelectronics Company Ltd, being responsible for about 36.67 percent of that figure.

Once again, also, the share price of this counter fluctuated widely, between a low of \$HK2.375 and a high of \$HK2.725, a swing of nearly 15 percent from the low mark.

The share price of this counter closed at \$HK2.675, for a gain of about 13.83 percent, compared with Monday's closing level.

Phoenix Satellite Television Holdings Ltd (Code: 8002) was in second spot with a volume of activity of about \$HK96.56-million worth of trades.

The share price of this television broadcaster, controlled by the Australian media magnate, Mr Rupert Murdoch, rose from \$HK1.78 to \$HK1.94, a swing of about 9 percent during the day, but ended the session at \$HK1.87 for an improvement of just 3.31 percent on Monday's close.

The share price of this counter had gained more than 13 percent in 2 trading days and looked to be headed for bigger and better things.

Gainers outpaced losers on this market by the ratio of about 1.15:One as The Growth Enterprise Index rang up a 0.71-percent improvement, hitting 452.88 points.

In Japan, The Tokyo Stock Exchange's benchmark, the Nikkei-225 shed about 1.10 percent of its value, falling to 15,820.11 yen.

It was the hi-tech sector of the market that came under the greatest pressure as Sony Corporation led the losers with its share price, falling 0.60 percent, outdone by Hikari Tsushin, the share price of which fell 3.20 percent.

The financially ailing construction company, Hazama, continued to grab attention with Dai-ichi Kangyo Bank, catching the brunt of it as its share price shed 4.70 percent.

Dai-ichi Kangyo Bank got it in the neck when Hazama defaulted on some payments: The bank will have to bite the bullet ... or lose all the money that it lent to Hazama.

The Bank of Japan had scheduled a meeting for last Friday and speculation was rife, last Tuesday, that the Monetary Policy Committee could see its way clear to ending the zero, interest-rate policy for short-term loans.

For the past decade, Japan has kept interest rates low as an emergency measure, but it has been only too apparent, with collapse of Sogo Company Ltd, that it has not been having the desired effect.

Economic artificiality rarely pays off in the long run.

The slow pace of recovery in Japan has not gone down well with many international investors who have other fish to fry.

This is the way that other Asian stock markets viewed the situation, last Tuesday:

Thailand	Plus 3.73 percent
Indonesia	Minus 1.11 percent
Malaysia	Plus 1.38 percent
The Philippines	Minus 0.78 percent
South Korea	Minus 1.41 percent
Singapore	Minus 0.69 percent
Taiwan	Plus 1.06 percent
Japan	Minus 1.14 percent

### **Wednesday**

The story, making the rounds of stockbrokers and merchant bankers of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), last Wednesday, was that FPB Bank Holdings Company Ltd (Code: 717) was the target of a takeover bid from Singapore.

Managements of First Pacific Company Ltd (Code: 142) and FPB Bank flatly denied the suggestion (First Pacific Company Ltd is the holding company of FPB Bank).

However, in Singapore, OCBC Bank was named as the prospective banking bridesmaid for FPB Bank, with OCBC said to be wanting a 41.25-percent stake in the HKSAR Bank, which is controlled by the Indonesian family of Salim.

While Management of First Pacific Company Ltd pooh-poohed the suggestion, it is well known that the First Pacific Group of Companies likes to trade -- anything, and just about everything.

The price of FPB Bank had risen about 13.57 percent on Tuesday's market for no special reason.

The Hang Seng Index, the '*barometer*' of The Stock Exchange of Hongkong Ltd, was not impressed by the suggestion of a new owner for this smallish bank since few people consider the First Pacific Group very much.

The Index shed 0.17 percent on a Total Turnover of about \$HK16.10 billion; it was as though nothing was happening in the Salim Family's little banking unit.

Pacific Century CyberWorks Ltd (Code: 1186) was very heavily traded on its first day as a constituent stock of the Hang Seng Index; it accounted for about 33.48 percent of the entire volume of activity.

Pacific Century CyberWorks, now strengthened by the acquisition of Cable and Wireless HKT Ltd -- which is no longer a listed company -- is a different '*animal*' from before.

But it, also, has a lot of debt to service.

With squillionaire paterfamilias Li Ka Shing, supporting his son, Richard, who is the titular head of Pacific Century CyberWorks, this investment company is unlikely to do badly ... as long as daddy has money and unofficial political clout.

The share price of Pacific Century CyberWorks fluctuated between a low of \$HK16.10 per share and a high of \$HK17.05 per share, ending the session at \$HK16.70, representing a gain of 2.45 percent on the day.

What hurt the HKSAR stock market, last Wednesday, was the gradual sell-off of telecommunication counters, led by China Mobile (Hongkong) Ltd (Code: 941) and China Unicom Ltd (Code: 762), the second and third most-active counters, respectively.

Between these 2 counters, HKSAR investors ploughed in and out about \$HK2.31 billion. The volume of trades in these 2 heavyweights represented about 14.35 percent of the Total Turnover.

The share price of China Mobile lost 2.37 percent, \$HK61.75, while China Unicom shed 3.16 percent of its value to end the day at \$HK18.45.

The ratio of losers to gainers was 1.21:One.

On Tuesday, in New York, there was little to spur Asian stock markets, with the Dow Jones Industrial Average, up about one percent to 10,976.89 points, and the NASDAQ Composite Index, down about 0.40 percent to 3,849 points.

News from the PRC Government was that it expects continued increases in the sales of computers in the coming year. The PRC Government said that it was looking for growth in the neighbourhood of about 26 percent, year-on-year.

The PRC's Information Ministry said that domestic and foreign computer makers would, most likely, sell about 6.20 million units in the PRC, this year.

Meanwhile, the PRC's National Statistics Bureau announced that industrial output in the world's most populous country, in the month of July, grew at the fastest rate of the past 3 years.

According to the Ministry, July's production rose about 12.80 percent, compared with the like period in 1999.

In the HKSAR, China Internet Global Alliance Ltd (a privately run company) said that it was going to spend about \$HK533 million in making strategic investments in selected HKSAR companies, including taking a stake in the Kerry Group (Kerry Properties Ltd (Code: 683) and Shangri-La Asia Ltd (Code: 69), being the 2 publicly listed entities in the HKSAR).

What is affecting Asia, it appears, is that the quality of economic growth is in question.

According to The World Bank, although there is some economic improvement in East Asia, it does not appear to have the '*stuff*' that is long-lasting.

The following are the double-digit gainers and losers:

Name of Company	Code	Increase (%)	Decrease(%)	Closing Price (\$HK)
Buildmore International Ltd	108		12	0.66
Burlingame International Company Ltd	202	11.67		0.67
CATIC International Holdings Ltd	232	10		0.44
CEC International Holdings Ltd	759	14.49		1.58
Computer and Technologies Holdings Ltd	46	24.18		5.65
e-New Media Company Ltd	128	10.96		0.81
Founder Holdings Ltd	418	11.04		4.275

Hikari Tsushin International Ltd	603	10.98		0.455
HiNet Holdings Ltd	155	10.14		0.38
Honko International Holdings Ltd	673		16.92	0.216
i100 Ltd	616	15.58		0.89
K.P.I. Company Ltd	605	16.56		0.19
Leading Spirit High-Tech (Holdings) Company Ltd	606	10		0.165
netalone.com Ltd	336	10.45		0.74
Singapore Hongkong Properties Investment Ltd	245	10		0.022
Savoy Concepts Ltd	680	10.39		0.17
South East Asia Wood Industries Holdings Ltd	1205	11.19		0.159
Shanghai International Shanghai Growth Investment Ltd	770	45.45		8.00
Softbank Investment International (Strategic) Ltd	648	13.33		1.53
Star Cyberpower Holdings Ltd	1051	11.90		0.047
TCL International Holdings Ltd	1070	11.49		2.425
Vanda Systems and Communications Holdings Ltd	757	15.79		2.20

On The GEM, The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, the call went out: Buy! Buy! Buy!

And buy they did as investors spent about \$HK780.54 million in pushing up share prices of some of the most speculative counters, ever conceived in the history of the world.

Shanghai Fudan Microelectronics Company Ltd (Code: 8102) was, yet again, the most active counter, representing a turnover of about \$HK224.24 million, or about 28.73 percent of the Total Turnover on this market.

Shanghai Fudan's share price hit a high of \$HK3.525 after touching a low of \$HK2.75, a swing of 28.18 percent, intra-day.

It ended the session at \$HK3.45, 28.97 percent higher, compared with Tuesday's close.

Mr Li Ka Shing's *'wild card'*, tom.com Ltd (Code: 8001), regained some of its former glory and became the second most-active counter as about 26.06 million tom.com shares changed hands.

The share price of this counter rose 11.32 percent to \$HK5.90 for no good or apparent reason, considering that, late last month, it announced increased losses with the widespread sacking of staff in order to try to keep overheads in check.

Television broadcaster, Phoenix Satellite Television Holdings Ltd (Code: 8002), continued to ride neck-to-neck with the Li Ka Shing mob as its share price hit the record level of \$HK2.025 before falling back to \$HK1.89, which was still up about 1.07 percent, compared with the closing level on Tuesday night.

Gainers outran losers by the ratio of about 5.17:One, during this booming session.

On The Tokyo Stock Exchange, the Nikkei-225 rose 214.49 yen to 16,034.60 yen, an improvement of about 1.40 percent.

There was a bit of ruckus in Tokyo as the news filtered down that the US Authorities were investigating the tyres of Bridgestone Tire due to the suspicion of defects, following a number of deaths of people whose motor cars were graced with Bridgestone tyres.

Bridgestone's share price fell 8.20 percent on the news since it was confirmed that the major tyre maker would have to recall millions of its tyres.

From the point of view of the hi-tech and Internet-related counters, it was good news, as the share price of Softbank put on 10.30 percent, rising to 10,750 yen, and running mate, Hikari Tsushin, rose 11 percent.



From the corporate world, Itochu Techno-Science announced that it was raising its profit forecast for the Interim stage, to September 30, 2000, to about \$HK187 million, an increase of nearly 16 percent, compared with earlier statements.

And this was, just about, how Asia viewed the situation, last Wednesday:

Thailand	Minus 0.98 percent
Indonesia	Minus 0.36 percent
Malaysia	Minus 0.78 percent
The Philippines	Plus 1.38 percent
South Korea	Plus 6.63 percent
Singapore	Closed
Taiwan	Plus 3.21 percent
Japan	Plus 1.36 percent

### **Thursday**

It was confirmed: Mr Richard Li Tzar Kai, the Number Two son of mogul Li Ka Shing, had pocketed nearly \$HK4 billion by selling some of his holdings in Pacific Century CyberWorks Ltd (Code: 8).

He sold about one percent of the Issued and Fully Paid-Up Share Capital of Pacific Century CyberWorks, equal to 240 million shares.

BNP Prime Peregrine was the legal buyer of the shares, it was confirmed, but for whom this merchant bank was buying had not been established, last Thursday.

It was said that the news -- interpreted to mean that Pacific Century CyberWorks is, now, an accepted investment 'vehicle', in international terms -- propelled trading on The Stock Exchange of Hongkong Ltd, to some extent, at least.

The Hang Seng Index rose 151.22 points to 17,333.21 on a reduced Total Turnover of about \$HK9.73 billion.

Share prices that rose were slightly ahead of those that lost ground by the ratio of about 1.11:One.

China Mobile (Hongkong) Ltd (Code: 941) was responsible for a large part of the gains on The Hang Seng Index, as the second, most-active counter gained about 2.02 percent to close at \$HK63 after about 12.28 million shares were traded.

HSBC Holdings plc (Code: 5) continued to be a dominant force in the HKSAR marketplace as \$HK858.47-million worth of its scrip changed hands, with the share price, fluctuating within the narrow band of \$HK107 and \$HK108. It ended the session at \$HK108 for a gain of about 0.93 percent.

All but 13 points of the 151.22-point gain, recorded on the Hang Seng Index, last Thursday, was incurred in the 150-minute morning session.

There was no other news of any great importance, news, that is, that could have affected trading on Asia's second biggest bourse.

It was reported that one Immigration officer had died as a result of injuries, which were inflicted on them the previous week by PRC residents, trying to force the Tung Chee Hwa Administration to allow them the right to stay in the HKSAR even though they had no legal right so to do.

This horrified many residents of the territory; sympathy for the plight of the Right-of-Abode Seekers had waned, considerably.

In the US, the Commerce Department announced that US wholesale inventories rose one percent in June to a seasonally adjusted \$US323.45 billion (about \$HK2,516.44 billion).

This represented the 17<sup>th</sup> consecutive month that stockpiles in the largest single economy of the world have risen.

The following are the major, double-digit gainers and losers:

Name of Company	Code	Increase (%)	Decrease(%)	Closing Price (\$HK)
Akai Holdings Ltd	448		10.34	0.026
AV Concept Holdings Ltd	595	25		1.15
Honko International Holdings Ltd	673	10.65		0.239
i-CABLE Communications Ltd	1097	19.30		3.40
Luk Fook Holdings (International) Ltd	590	16.48		0.53
Management Investment and Technology (Holdings) Ltd	618	10.71		1.55
Ocean Grand Holdings Ltd	1220	25		0.175
PNF Food Holdings Ltd	702	13.08		1.21
Quality HealthCare Asia Ltd	593	15.34		1.88
Shanghai International Shanghai Growth Investment Ltd	770		18.13	6.55
Shougang Concord Grand (Group) Ltd	730	14.29		0.44
Shougang Concord International Enterprises Company Ltd	697	10.61		0.365
The Sincere Company Ltd	244	15		0.46
Sino InfoTech Holdings Ltd	205	11.61		0.25
Sinocan Holdings Ltd	1095		10.09	0.098
Soundwill Holdings Ltd	878	13.97		0.155
South East Group Ltd	726	25.64		0.049
Sun Man Tai Holding Company Ltd	433	11.69		0.43
Ta Fu International Holdings Ltd	1041		19.44	0.29
Yeebo (International Holdings) Ltd	259	10.61		0.365

While the Main Board of The Stock Exchange of Hongkong Ltd was in positive territory for all of the trading session, not so for The GEM, The Growth Enterprise Market of The Stock Exchange of Hongkong.

The Growth Enterprise Index shed 0.78 percent, falling to 468.81 points on an improved Total Turnover, which was about 17.93 percent better than Wednesday's volume of activity.

Shanghai Fudan Microelectronics Company Ltd (Code: 8102) was the most active share, once again, as about 123.15 million of its shares changed hands, with its price, fluctuating between a low of \$HK3.60 and a high of \$HK5.05, representing a swing, intra-day, of about 40.28 percent from the lowest point.

The turnover in this counter, amounting to about 57.33 percent of the Total Turnover of about \$HK920.49 million.

Beijing Beida Jade Bird Universal Sci-Tech Company Ltd (Code: 8095) was the second, most-active counter as about \$HK107.96-million worth of its stock were traded, with the share price, gaining 1.20 percent to close the session at \$HK16.80.

The turnover on this counter represented about 11.73 percent of the Total Turnover.

Between the 2 top performers, in terms of share trades, that is, they dominated the activity on The GEM to the extent of about 69 percent.

The 2 other big movers were DigiTel Group Ltd (Code: 8030), up 14.71 percent to \$HK1.17 per share, and Vodatel Networks Holdings Ltd (Code: 8033), up 13.73 percent to \$HK1.16 per share.

Advancing issues were, just about, neck to neck with declining issues.

In Japan, Asia's largest, single economy and, definitely, the most impressionistic economy, the Capital City, Tokyo, was somewhat surprised to learn that its second largest motor-car manufacturer, Honda Motor Company, was not doing as well as had been expected.

Honda announced that its profits had fallen about 12.40 percent in the first quarter, compared with the comparable period in 1999, due in part to the strength of the Japanese yen vis-à-vis the US dollar.

While the company reported improved sales in North America, the improvement was pared back by the strength of the yen on the international market.

The results for the April-June 2000 quarter were about \$HK4.61 billion.

The Tokyo Stock Exchange suffered slightly from the news as the Nikkei-225 fell about 0.37 percent to 15,975.65 yen.

The Governor of the mighty Bank of Japan, Mr Masaru Hayami, had been under pressure to take interest rates off the zero floor level for some weeks, and indications, last Thursday, seemed to indicate that he was caving in to this pressure.

Tokyo was in 2 minds about the immediate direction of its stock markets because, on Wall Street, the Dow Jones Industrial Average had fallen 71.06 points, on Wednesday, New York time, to 10,905.83 points.

The NASDAQ did nothing.

Bridgestone Tire continued its fall from grace with confirmation of the recall of millions of its tyres from the US market, following confirmation that they had been responsible, in part, at least, for the deaths of some motor-car drivers who experienced their tyres' casings, separating from the outer rim.

Bridgestone shed another 10.90 percent of its market value after Management said that the recall would result in a \$US350-million, one-time loss (about (about \$HK2.72 billion).

Some of the big movers on this market included computer manufacturer, Fujitsu, whose share price put on 10 percent, Internet Investor, Hikari Tsushin, up 2.60 percent, and Internet investor, Softbank, up 1.40 percent.

Specialty chip manufacturer, Trend Micro, saw its share price rise 12.70 percent.

This is how other Asian markets fared last Thursday:

Thailand	Minus 1.78 percent
Indonesia	Plus 1.09 percent
Malaysia	Minus 1.28 percent
The Philippines	Plus 0.73 percent
South Korea	Plus 2.68 percent
Singapore	Plus 1.92 percent
Taiwan	Minus 0.29 percent

Japan	Minus 0.37 percent
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## Friday

Thin trading marked the situation on The Stock Exchange of Hongkong Ltd, last Friday, as the Hang Seng Index slid 118.79 points to 17,214.42 on a Total Turnover of about \$HK9.50 billion.

As was the situation on Thursday, the 90-minute afternoon session was one, big yawn as The Index moved down just about 10 points.

Pacific Century CyberWorks Ltd (Code: 8) was the most popular stock as about 74.86 million of its shares took flight as the price fluctuated between a low of \$HK15.85 and a high of \$HK16.60, ending the week at \$HK16, for a loss of 3.32 percent on the day.

The volume of trades on this market represented about 12.63 percent of the Total Turnover.

Once again, HSBC Holdings plc (Code: 5) was right up there with the biggest movers, taking the Number Two Slot of the Ten Most Active counters.

A total of about 10.40 million HSBC Holdings's shares were traded, with the price, once again, seesawing back and forth with the \$HK1-bandwidth. Trading in this one counter represented about 11.89 percent of the entire volume of activity on Asia's second biggest stock exchange.

At the end of the day, the share price of this bank, one of the biggest in the world, stood at \$HK109, equal to the last record level, set in December 1999.

The ratio of losers to gainers was about 1.39:One.

It was as though a great many investors had lost a certain amount of interest in the HKSAR market, so dull was the activity.

In the US, there was little to recommend trading on the stock markets of the world's largest economy.

The New York Stock Exchange witnessed its Dow Jones Industrial Average rise 2.93 points to 10,908.76, with the tech-laden NASDAQ Composite Index shedding about 2.40 percent of its value, finishing last Thursday's session (New York time) at 3,759.99.

Wall Street was waiting to see what new earnings' news would be unleashed by some of the US listed '*darlings*'.

One interesting piece of news came from Beijing, the Capital City of the People's Republic of China (PRC), where it was announced that there would be no barriers erected to Taiwanese banks, wanting to establish branches in the country.

The news appeared to indicate that, perhaps, the PRC Government was softening its stance with regard to Taiwan, a territory, which the PRC Government has always maintained, is part of the '*motherland*'.

Taiwan has been stating it wants to achieve an independence status.

Fat chance!

The following, rather short list, are the major, double-digit gainers. There were no double-digit losers, last Friday:

Name of Company	Code	Increase (%)	Decrease(%)	Closing Price (\$HK)
Cedar Base Electronic Ltd	855	10.29		0.75

CNT Group Ltd	701	14.29		0.28
Deson Development International Holdings Ltd	262	10		0.11
Hanny Holdings Ltd	272	16.13		0.54
ING Beijing Investment Company Ltd	1062	12.50		0.135
Luk Fook Holdings (International) Ltd	590	11.32		0.59
MAE Holdings Ltd	851	14.29		0.144
Mei Ah Entertainment Group Ltd	391	13.79		1.98
PNF Food Holdings Ltd	702	15.70		1.40
Sega.com Asia Ltd	1196	12.50		2.25
Sino InfoTech Holdings Ltd	205	20		0.30
Star Cyberpower Holdings Ltd	1051	19.15		0.056

On The GEM (The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd), it was '*about face*'.

The market direction reversed Thursday's course and rose about one percent, with The Growth Enterprise Index, reaching 473.52 points to end the week.

Phoenix Satellite Television Holdings Ltd (Code: 8002) was the biggest mover although it was not the most-active counter.

The share price of the television broadcaster hit a new high of \$HK2.275, after touching, briefly, the price of \$HK1.91.

It ended the session at new its high of the day: \$HK2.25, an 18.05-percent increase over Thursday's closing level.

A total of exactly 137 million Phoenix Satellite shares were traded, with the dollar value of these trades, representing about 32 percent of the Total Turnover of \$HK897.18 million.

While Phoenix Satellite took the Number Two Slot on the Ten Most Active issues, in terms of the value of its trades, the top spot was reserved for Shanghai Fudan Microelectronics Company Ltd (Code: 8102).

The volume of activity on this counter was exactly 87.90 million shares, representing, in dollar-value terms, about \$HK349.77 million, or just shy of 39 percent to the Total Turnover.

Between Shanghai Fudan and Phoenix Satellite, their aggregate trades represented about 71 percent of the Total Turnover.

Thus indicating how this market can be manipulated by a handful of counters.

The biggest loser of the day was Fortune Tele.com Holdings Ltd (Code: 8040), the share price of which shed 19.25 percent, falling to \$HK1.51 per share on trades, aggregating to about 6.23 million shares.

While The Growth Enterprise Index registered a gain of one percent over Thursday's closing level, it was noted that losers were ahead of gainer by the ratio of 1.11:One.

In the Land of the Rising Sun, the big news was that The Bank of Japan had succumbed to pressure, scrapping the zero interest-rate policy for short-term loans.

Thus ended the 18-month policy, brought in as an emergency measure in an effort to kick-start the Japanese economy.

The Monetary Policy Board of The Bank of Japan met for 8 hours on Friday, resulting in the history setting determination.

The Bank of Japan promptly announced a 25 basis-point interest rate for short-term loans.

The Nikkei-225, the 'barometer' of the premier Japanese stock market, rose about 0.90 percent to 16,117.50 yen - but that was before the announcement from The Bank of Japan had made its announcement with regard to interest rates.

Bridgestone Tire regained some of the previous days' losses, due to the recall of millions of tires, thought to have been the main reason for 50-odd deaths on roads in the US.

The share price rose about 2.80 percent after Firestone Tire and Rubber, a subsidiary of Bridgestone, said that it was recalling about 6.50 million tyres.

Share prices stayed in a fairly narrow range with no section of the market, standing out.

And this is the way that Asia went to bed, last Friday night:

Thailand	Plus 2.32 percent
Indonesia	Plus 3.51 percent
Malaysia	Minus 0.75 percent
The Philippines	Plus 0.38 percent
South Korea	Minus 0.97 percent
Singapore	Plus 0.80 percent
Taiwan	Minus 0.62 percent
Japan	Plus 0.89 percent

***While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.***

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