

**THE WEEK OF SACKINGS :  
HUNDREDS OF HI-TECH WORKERS HIT THE STREETS**

Further sackings of staff from hi-tech and Internet-related companies shook Asia, last Monday, with confirmation that chinadotcom Corporation, the NASDAQ-listed offshoot of chinadotcom.Group and the holding company of Hongkong.com Corporation (Code: 8006, The Growth Enterprise Market -- The GEM -- of The Stock Exchange of Hongkong Ltd), had sacked even more staff.

According to chinadotcom, a total of 48 more staff members had been given the Order of the Boot.

A breakdown of sackings was that 22 workers had been sacked in Beijing, the Capital City of the People's Republic of China (PRC), 16 workers had been sacked from the Shanghai facilities, and 10 more workers had been turfed out of the Guangzhou offices.

The workers were employed as marketing executives (10 in all), editorial staff (17 in all), and 21 workers from administration and support.

Whether or not Executive Councillor of the Hongkong Special Administrative Region (HKSAR), Mr Raymond K.F. Chi'en, had been apprised of the situation in the PRC with regard to the widespread sackings, TARGET has no idea because the encumbered Executive Councillor already had marks on his face of his last faux pas when he came out, on August 7, stating that none of the staff of Hongkong.com Corporation would be sacked -- just days before the axeman cometh.

(For more on this subject, please see last Wednesday's [TARGET Intelligence Report, Volume II, Number 165, dated August 30](#))

In Singapore, it was reported that about 50 percent of all of the dotcom, start-up companies were in serious financial trouble, with the chances of most of them recovering, being about zero or lower.

On The Stock Exchange of Hongkong Ltd, the news of the sackings at chinadotcom had not filtered down to the marketplace where the Hang Seng Index was struggling to try to shake off the effects of the previous week's losses.

The Hang Seng Index lost the battle, however, as the benchmark shed about 1.26 percent, falling to 17,019.76, a loss of 216.98 points, compared with the previous Friday's closing level.

On a positive note, however, was the fact that the Total Turnover fell nearly 33 percent, compared with the previous week's average Total Turnovers, to about \$HK8.21 billion.

When a stock market's index is falling, and its volume of activity follows suit, it usually means that investors are not willing to let go at the levels of the day.

However, how many HKSAR investors will be caught, having to put up margin calls, remains to be seen because, if the HKSAR stock market were to fall, fast and furiously, the situation could change in a big hurry.

Hutchison Whampoa Ltd (Code: 13) and HSBC Holdings plc (Code: 5) continued to be the leaders on the Main Board, with Hutchison's turnover, representing about 12.42 percent of the Total Turnover, while trading in the scrip of HSBC Holdings accounted for about 10.23 percent of the Total Turnover.

Hutchison finished the day at \$HK108 per share, down 3.14 percent, compared with the previous Friday's close, while HSBC Holdings shed 4.50 percent, falling to \$HK108.50 per share.

From Singapore, came an unconfirmed report that Hutchison may team up with Sun Hung Kai Properties Ltd (Code: 16) to buy into China Petrochemical Corporation when it floats off some shares to the public, later this year.

No comment from either company -- which is the normal modus operandi for their respective public relations' people.

Another of Mr Li Ka Shing's companies, listed on The Stock Exchange of Hongkong Ltd, Pacific Century CyberWorks Ltd (Code: 8) announced that it had agreed to take a \$HK40.46-million stake in Weathernews Incorporated.

This is a smallish investment for Pacific Century CyberWorks, the Internet investor that took over Cable and Wireless HKT Ltd, only one month prior.

Pacific Century CyberWorks was the eighth, most-active counter of the day with its trading volume, representing about 4.36 percent of the Total Turnover of the day.

The share price of this company stayed unchanged at the previous Friday's closing price of \$HK14.80 per share.

Hutchison, Pacific Century CyberWorks and Cheung Kong (Holdings) Ltd (Code: 1) all suffered investor sell-offs, with Mr Li Ka Shing's flagship company, Cheung Kong, taking it on the nose with a loss of 2.23 percent on the day, falling to \$HK98.75, per share.

The ratio of losers to gainers, last Monday, was 1.77:One.

The following is a list of double-digit gainers and losers for the day:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Chevalier Construction Holdings Ltd	579		13.33	0.26
China Strategic Holdings Ltd	235	13.33		0.34
CIL Holdings Ltd	479		20.00	0.036
Emperor (China Concepts) Investments Ltd	296	16.28		0.05
GITIC Enterprises Ltd	340	13.51		0.42
Graneagle Holdings Ltd	147	13.33		0.034
Ming Pao Enterprise Corporation Ltd	685	21.62		2.70
Online Credit International Ltd	185	17.39		0.135
Plotio Holdings Ltd	499		10.10	0.89
PNF Food Holdings Ltd	702	12.73		3.10
South East Group Ltd	726		11.36	0.039
Star Cyberpower Holdings Ltd	1051		11.76	0.045
Tern Properties Company Ltd	277	14.29		1.60
Victory Group Ltd	1139	11.54		0.29

On The GEM, tom.com Ltd (Code: 8001) was top dog of the day as about 17.24 million shares changed hands, with the price, staying unchanged at the previous Friday's closing level of \$HK5.90 per share.

The volume of activity on this counter represented about 31.71 percent of the Total Turnover of about \$HK340.25 million.

There was no news from tom.com, news which could have stimulated trading in the counter, and the Li Ka Shing whips had not warned of anything untoward.

Losers on this market were, just about, 2:One with 8 counters, seeing no activity at all.

The Growth Enterprise Index shed another 0.48 percent, falling to 463.80 points.

No news is not always good news for this kind of market.

The following is a list of the 2 biggest movers on The GEM:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Computech Holdings Ltd	8081	10.09		1.20
Prosten Technology Holdings Ltd	8026	10.71		1.55

In Japan, the shocking news was that the headquarter offices and 2 factories of Mitsubishi Motors Corporation had been raided by Tokyo Metropolitan Police in an effort to uncover information in respect of the admitted 20-year, cover-ups in the company's production of defective motor vehicles.

The previous Sunday, August 27, it was announced that the Japanese Police Force had entered the homes of 2 senior Mitsubishi officials, searching the premises for information about the cover-ups.

Evidently, over the past 2 decades, not less than 64,000 complaints had been lodged by disgruntled owners of Mitsubishi vehicles, according to Mr Hajime Morita, Japan's Transport Minister.

Mitsubishi has recalled about 620,000 of its vehicles for defects, which include failing brakes, leaks and malfunctioning clutches.

The share price of Mitsubishi Motors Corporation lost about 12.40 percent of its value on the news, with widespread speculation that the company's President, Mr Katsuhiko Kawasoe, would have to resign in keeping the Code of Bushido.

(Luckily for President Kawasoe, hara-kari is not in fashion in The Land of the Rising Sun, today)

The Tokyo Stock Exchange seemed to be unmoved by the action of the Authorities, with the Nikkei-225, moving up 269.70 yen to close last Monday's session at 17,181.12 yen.

Electronic manufacturers were the targets of investors' attention as NEC Corporation gained about 3.50 percent, and Murata Manufacturing Company put on another 5.90 percent.

In both cases, the 2 companies announced, earlier, that they expected better result for this year than had, hitherto, been announced.

Sony Corporation, the largest consumer electronics manufacturer in the world, went along for The Tokyo Stock Exchange ride, tacking on another 7.10 percent to its market capitalisation.

This is the way that the rest of Asia appraised the situation on the first day of last week:

Thailand	Minus 0.37 percent
Indonesia	Minus 1.08 percent
Malaysia	Minus 0.36 percent
The Philippines	Plus 0.78 percent
South Korea	Plus 0.28 percent
Singapore	Plus 0.45 percent
Taiwan	Minus 2.25 percent
Japan	Plus 1.60 percent

## **Tuesday**

The stock markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) and the lone stock market of Thailand were the only 2 bourses that made any headway in what appeared

to be the prevailing wind of bearishness, sweeping Southeast Asia, last Tuesday.

The Total Turnover of The Stock Exchange of Hongkong Ltd continued to be relatively low, at \$HK9.17 billion, about one third of the volume that one saw when the market was running hot, not very long ago.

The Hang Seng Index gained about 1.30 percent, rising to 17,240.11 by the close of trading, but it had been up by about 318.71 points, or about 1.87 percent, at the luncheon close.

Profit-taking set in in the afternoon session, probably as a result of other Asian markets which came in for a bit of a hiding.

Hutchison Whampoa Ltd (Code: 13) continued to hug the headlines and was the second, most-active counter, with its share price, hitting a low of \$HK109 and a high of \$HK112.

It ended the session at \$HK108.50 per share, almost unchanged from Monday's closing level, after about 7.61 million Hutchison shares changed hands.

The trading in this one counter represented about 9.05 percent of the Total Turnover.

HSBC Holdings plc (Code: 5) continued its dominance, however, and stayed in the top slot as about 10.81 million of its scrip switched, representing a volume of activity on this counter of about \$HK1.20 billion, or about 13.09 percent of the Total Turnover.

The share price of this bank, one of the largest in the world, rose from a low of \$HK109 to \$HK112 before settling down at the close at \$HK111. The closing price represented a bounce-back of about 2.30 percent, compared with Monday's closing price.

The ratio of gainers to losers was about 1.24:One with nearly 52 percent of the total listings on The Stock Exchange of Hongkong Ltd, being unchanged in their Monday's share prices.

In New York, the largest stock market in the world did very little, with The Dow Jones Industrial Average, moving up just 60.21 points, or about 0.54 percent, to finish the session on The New York Stock Exchange at 11,252.84.

The heavily weighted NASDAQ Composite Index, on the other hand, did a little better, rising 0.69 percent to 4,070.59.

In spite of the Dow, being higher, the ratio of losers to gainers on this market was 1.09:One.

There was very little news, during trading on The Stock Exchange of Hongkong Ltd, with gains and losses, restricted, in the main, to fractions.

In the PRC, it was announced that there had been a bit of a problem in the Jaingxi Province where farmers were said to have been protesting over tax impositions.

It was reported that about 2,000 farmers had ransacked offices of the Yuandu Township Government on August 17.

It was said that dozens of the protestors had been taken into custody.

Other than this little matter, in the HKSAR, the French retail store operator, Carrefour SA, announced that it was packing up shop and leaving the territory.

Effective September 18, the operator of 4 HKSAR stores will be closing their doors for good, putting another 490 people out of work. It had been in the territory for just 4 years ... with 4 years of losses.

Carrefour is the second largest such operator in the world and the HKSAR will be hard pressed to replace this powerhouse European operator that earns \$HK4 billion-plus, annually.

The following is a list of some of the biggest, double-digit gainers and losers of last Tuesday:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CIL Holdings Ltd	479	11.11		0.04
Dong Jian Tech.Com Holdings Ltd	649	20.59		0.41
Fortuna International Holdings Ltd	530		10.26	0.07
FPB Bank Holdings Company Ltd	717	11.58		2.65
Peaktop International Holdings Ltd	925	12.50		0.81
PNF Food Holdings Ltd	702	22.58		3.80
South China Information and Technology Ltd	175	15.38		0.90
Sun Television Cyberworks Holdings Ltd	307	15.55		0.276
Tomorrow International Holdings Ltd	760	13.58		0.46
Tsingtao Brewery Company Ltd	168	11.90		2.35
United Power Investment Ltd	674	17.07		0.48

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the market was moved very little.

The Growth Enterprise Index gained 0.06 percent, rising to 464.09 points on a Total Turnover of about \$HK323.89 million.

Beijing Beida Jade Bird Universal Sci-Tech Company Ltd (Code: 8095) was the most active counter as about 4.81 million of its scrip changed hands, representing a value of about \$HK103.02 million, or nearly 32 percent of the Total Turnover.

The share price of this counter gained 6.97 percent, rising to \$HK22.25.

Phoenix Satellite Television Holdings Ltd (Code: 8002) was the second, most-active share, and its volume of activity represented about 11.39 percent of the Total Turnover.

Its share price fluctuated between a low of \$HK2.025 and a high of \$HK2.175, ending the session at \$HK2.05, unchanged from Monday's closing price.

There were just 2 counters that recorded double-digit figures:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Computech Holdings Ltd	8081	15.83		1.39
CyberM International (Holdings) Ltd	8017	10.18		1.19

The ratio of gainers to losers on this market was 1.29:One, with an equal number of counters, seeing no share price movement as those that went into reverse.

In Japan, trading conditions on The Tokyo Stock Exchange were very dull as the Nikkei-225 lost 39.37 yen, about one quarter of one percent, falling to 17,141.75.

The one counter that stuck out like a soar thumb was Yahoo Japan, the share price of which shed about 14.30 percent. This company is owned as to about 33 percent by Yahoo Incorporated of the US.

In 2 days of trading, Yahoo Japan was shed about 23 percent of its market capitalisation.

The concern of many investors, in considering an investment in such Internet portal companies, is that these companies depend on advertising -- and that could be drying up since competition for the advertising dollar is fierce.

Bridgestone/Firestone Incorporated continued to be in the news with suggestions that the Japanese *'parent'*, Bridgestone, may have to bite the bullet even more than the suggested couple of billion Hongkong dollars due to its manufacturing killer tyres.

Since early August, when the killer tyres were first admitted, openly, by Management, the share price of Bridgestone has been shaved by about 38 percent.

With such quiet trading conditions and very little to spark interest, Asia went to bed, last Tuesday. Here is how other Asian bourses fared:

Thailand	Plus 1.15 percent
Indonesia	Minus 2.25 percent
Malaysia	Minus 0.26 percent
The Philippines	Plus 0.06 percent
South Korea	Minus 0.03 percent
Singapore	Minus 0.43 percent
Taiwan	Minus 0.36 percent
Japan	Minus 0.23 percent

### **Wednesday**

Dull trading conditions were the marks of last Wednesday's markets in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) as The Stock Exchange of Hongkong Ltd recorded that its Hang Seng Index had shed another fraction of a point.

The Hang Seng Index ended the session at 17,095.88, a loss of about 0.84 percent on a Total Turnover of about \$HK9.21 billion.

At the halfway point at 12:30 p.m., the Index was off 255.45 points to 16,984.72, but bargain hunting propped up the Index in the 90-minute afternoon session.

The fact that the Index had dipped below the 17,000 level was considered ominous, according to some pundits.

While the Li Ka Shing mob continued to rank, right up there in the Ten Most Active counters, it was China Mobile (Hongkong) Ltd (Code: 941) that was the most-active counter, as about 16.20 million of its shares changed hands.

The dollar value of these trades, amounting to about \$HK973.86 million, represented about 10.56 percent of the Total Turnover.

The closing price of China Mobile was \$HK60.25, a loss of 2.03 percent, compared with Tuesday's closing level.

There were fears that last Thursday's announcement as to the China Mobile's trading results for the first half of this Financial Year would not meet expectations, plus further fears that its management could pitch another share issue in order to fund its ambitious expansion plans.

HSBC Holdings plc (Code: 5) came in as the second, most active counter with about 7.28 million of this bank's scrip, changing hands.

This bank's share price has been held in a very tight band for some time, now, and last Wednesday was no exception as its share price stayed within a \$2-band, ending the session at \$HK110, for a 0.90 percent haircut on

the day.

Hutchison Whampoa Ltd (Code: 13), Cheung Kong (Holdings) Ltd (Code: 1) and Pacific Century CyberWorks Ltd (Code: 8) were next in line in the most-active list, with the share price of Hutchinson, gaining 1.84 percent, rising to \$HK110.50, Cheung Kong's share price rose to \$HK100.50, up about 1.26 percent, but Pacific Century CyberWorks, had its share price felled 1.01 percent, falling to \$HK14.65.

The ratio of losers to gainers was 1.43:One with 380 counters, being completely unmoved, and that statistic exceeded the losing issues by exactly 29 counters.

Wall Street had little affect on trading in Asia as The New York Stock Exchange recorded only a fractional loss on the Big Board (0.34 percent), and just a fractional gain on the NASDAQ Composite Index (about 0.28 percent).

The following is a list of some of the biggest, double-digit gainers and losers of last Wednesday:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Cheuk Nang Technologies (Holdings) Ltd	131	11.86		0.066
China Internet Global Alliance Ltd	235	16.44		0.425
Global Applied Technologies Holdings Ltd	930	10.00		2.475
Northern International Holdings Ltd	736	10.58		0.042
Pacific Ports Company Ltd	659	10.17		0.65
Rockapetta Holdings Ltd	1003	10.34		0.32
Sime Darby Hongkong Ltd	249	12.28		3.20
Skyworth Digital Holdings Ltd	751	11.38		0.98
TCL International Holdings Ltd	1070	11.38		2.45
Yip's Hang Cheung (Holdings) Ltd	408	12.77		0.53

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, it was a similar pattern to that of the Main Board, as The Growth Enterprise Index fell about one half of one percent, dropping back to 461.74 points.

The Total Turnover fell slightly to \$HK329.72 million.

Beijing Beida Jade Bird Universal Sci-Tech Company Ltd (Code: 8095) was, once again, the most-active counter with 4.48 million of its shares, changing hands -- almost identical to the number of shares, traded on Tuesday.

Its share price was held to a very narrow trading range, from a low of \$HK2.20 to a high of \$HK22.80. It closed at \$HK22.50, representing a gain on the day of about 1.12 percent.

The volume of activity on this counter represented about 30.50 percent of the Total Turnover of the day.

Declining issues outpaced advancing issues by the ratio of about 1.19:One.

The biggest movers included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025	36.23		0.47
Digitalhongkong.com	8007		17.91	0.55
Grandmass Enterprise Solution Ltd	8108	10.77		0.216
Shanghai Fudan Microelectronics Company Ltd	8102	17.24		2.55

In Japan, it appears that, if it is not one scandal, it is another.

First, there was the Sogo Company Ltd financial failure (the second, largest bankruptcy in the history of the country), then the case of corrupt Japanese Government official, asking and taking bribes, then came the Bridgestone/Firestone Incorporated killer tyres, then, there were the attempts by Mitsubishi Motors to hide

deficiencies in their motor cars, and, last Wednesday, it was the turn of Snow Brand Company, a food-processing company, listed on The Tokyo Stock Exchange.

Some months ago, there had been reports of some people, getting sick after drinking alleged contaminated Snow Brand milk.

But that report was swept under the mat even though the share price of Snow Brand got a bit of a roasting in the process.

Last Wednesday, however, the Japanese Metropolitan police raided the headquarters of Snow Brand in both Tokyo and Osaka.

Following reports of about 14,000 people, being affected after drinking Snow Brand milk products, of which number, 160 people had to be hospitalised, it was discovered that the Snow Brand milk contained bacteria which caused diarrhoea and nausea.

The evidence in hand, the Authorities moved in, in what is considered the worst outbreak of food poisoning in the past 3 decades.

This is not the first time that poor standards of hygiene in Japanese prepared foods have raised their ugly heads for public view, but it appears that the Government of Japan of today is trying to clean up its act so that its food products may be accepted, internationally.

On The Tokyo Stock Exchange, the Nikkei-225 lost about 1.40 percent of its value, falling to 16,901.67.

The actions of the Authorities with regard to Snow Brand did not affect the premier stock market in the Land of the Rising Sun, overly, since attention was focused on telecommunication counters, many of which suffered a resounding hiding.

Fujitsu, especially, Japan's largest manufacturer of personal computers and a leading systems integrator and Internet service provider, took it on the nose with a 6.80 percent haircut to its market capitalisation.

NEC lost about 4.70 percent of its value, Toshiba shed 3.40 percent of its market capitalisation, and KDD's share price fell 7.40 percent.

Internet investor, Softbank, was not spared the sell-off as its shares shed about 8.20 percent.

The situation in Japan did not look healthy because it was only too apparent that, eventually, all of the scandals of the past few months would take their toll.

After all, there must come a time when questions must be raised as to whether or not one may trust a motor-car, manufactured in Japan, or motor-car tyres, manufactured in the largest and most important economy in Asia, or suspect food products, exported from Japan, or even the solvency of certain Japanese banks.

On such a sour note, this is how other Asian bourses ended their respective sessions, last Wednesday:

Thailand	Plus 0.14 percent
Indonesia	Minus 0.38 percent
Malaysia	Minus 0.33 percent
The Philippines	Plus 0.72 percent
South Korea	Minus 1.73 percent
Singapore	Minus 0.06 percent



Taiwan	Minus 3.50 percent
Japan	Minus 1.40 percent

## **Thursday**

Although Mr Li Ka Shing is the richest man in the world -- maybe the richest man in the universe! -- he is not beyond criticism, as he discovered last Thursday when a bevy of 260 people, many prominent academics and a couple of politicians, took out an advertisement in the Chinese Press of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) in what could only be construed as a protest at what they perceived as Mr Li's high-handedness.

As readers will recall, the previous week, Mr Li came out, publicly, warning the HKSAR that, if the Press attacked him over allegations that one or more of his companies had received secret and privileged information from a disgraced law-maker in the HKSAR in respect of that which the HKSAR was planning, he and his companies would consider reducing investments in the 416 square miles that comprise the HKSAR.

The advertisement, that appeared in select Chinese newspapers, last Thursday, expressed '*Anger and Regret*' at Mr Li's statements, claiming that Mr Li was attempting to muzzle the Press and constrain free speech.

But Mr Li is correct: He can hurt the HKSAR economy if he chose so to do.

In short, the HKSAR would be well advised to listen to him in order to ensure the financial health of the territory.

As Mr Li sees the situation, that is one of his roles that he has to play as the richest man in the universe.

It is unknown whether the 260-person resistance and protest to the veiled threat of Mr Li Ka Shing affected trading on The Stock Exchange of Hongkong Ltd, last Thursday, because crazies are, normally, taken at their worth.

The Hang Seng Index ended the session at 17,097.51, up just 1.63 points, equal to about 0.01 percent.

The Total Turnover was, again, on the low side at \$HK8.56 billion, with the ratio of losers to gainers, being 1.38:One.

It was only too obvious that fresh investment money had stopped coming into the territory.

Gains in the share price of HSBC Holdings plc (Code: 5) no doubt offset the losses in the telecommunication sector of the market.

HSBC Holdings, the fourth, most-active counter, stayed within its \$HK2 band, but made headway against a sea of sellers, rising to \$HK111, a gain of about 0.91percent, compared with Wednesday's closing level.

The leader on the Ten Most Active issues was PetroChina Company Ltd (Code: 857) as more than \$HK727.28-million worth of its scrip changed hands.

The share price fluctuated between a low of \$HK1.83 and a high of \$HK2, an intra-day movement of about 9.29 percent.

The share price of this giant, PRC oil producer ended the day at \$HK1.86, almost unchanged from last Wednesday's closing level.

Trading in this one issue accounted for about 8.49 percent of the Total Turnover.

China Mobile (Hongkong) Ltd (Code: 941) was on the sellers' list of many investors, with its share price, falling to a low of \$HK58, down from a high of \$HK61, as about 10.87 million of its shares, changed hands.

The company, one of the largest providers of mobile telecommunications in the PRC, lost 0.41 percent of its market capitalisation, ending the session at \$HK60 per share.

The reason for the selling pressure on this counter was due to the Company's Interim Report, which stated that, though profits for the first half of this Financial Year were about \$HK8.23 billion, there was an accompanying fast drop in the revenue per subscriber.

When the PRC is a full member of the World Trade Organisation (WTO), there will be further and tougher competition in the PRC, as foreign operators move in on the monopoly that the PRC Government has arranged for its chosen '*sons*'.

Then, feathers will start to fly, to be sure.

In Paris, France, the French super-retailer, Carrefour SA, the second largest such company in the world, announced that its profits for the first half of this year had risen 11 percent.

This was in spite of the closures of its 4 stores in the HKSAR (please see Wednesday's report on this topic)

The profits from operations were put down at about \$HK2.10 billion for the first half; this figure included a charge against the closures of HKSAR operations.

While it was clear that the HKSAR stock market was undecided as to which way was the correct direction, banking issues continued to be strong, with most conservative investors, opting for the strongest: HSBC Holdings; Hang Seng Bank Ltd (Code: 11); and, The Bank of East Asia Ltd (Code: 23).

In New York, Wall Street's '*barometer*' to trading on The New York Stock Exchange, the Dow Jones Industrial Average, shed 112.09 points, about one percent, falling to 11,103.01 points, while the hi-tech NASDAQ Composite Index gained 0.53 percent, coming to rest at 4,103.81.

It was clear that New York, also, was uncertain of direction, last Wednesday (New York time), but there were signs that the markets of the largest economy of the world was getting ready to head for new highs.

The following is a list of some of the biggest, double-digit gainers and losers of last Thursday:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Capital Automation Holdings Ltd	493		11.11	0.56
Dickson Group Holdings Ltd	313	10.38		0.202
Emperor (China Concept) Investments Ltd	296		10.64	0.052
Emperor Technology Venture Ltd	283	13.89		0.41
FT Holdings International Ltd	559	11.32		0.59
King Fook Holdings Ltd	280	12.31		0.365
Medtech Group Company Ltd	1031		10.23	0.079
Millennium Sense Holdings Ltd	724		12.50	0.42
Ngai Hing Hong Company Ltd	1047	15.63		0.37
Peace Mark (Holdings) Ltd	304		11.54	0.115
Rivera (Holdings) Ltd	281	30.63		0.29
The Sincere Company Ltd	244		10.11	0.40

On The GEM -- The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd -- the Growth Enterprise Index put on 1.40 percent to rise to 468.22 points on a Total Turnover of about \$HK480.21 million.

Advancing issues outnumbered declining issues by the ratio of about 1.40:One.

The most-active counter was Shanghai Fudan Microelectronics Company Ltd (Code: 8102), the share price of which rose from a low of \$HK2.40 to a high of \$HK2.775, ending the session at \$HK2.425, just above its low point.

Compared with Wednesday's closing level, this company had lost about 4.90 percent of its market capitalisation.

The turnover in this company's shares, equal to about 15.63 percent, intra-day trading, represented about 25.81 percent of the Total Turnover.

The GEM, probably, was looking to the New York NASDAQ Composite Index for direction -- but it was not to be.

The following are the biggest movers on The GEM for last Thursday:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025		12.77	0.41
Excel Technology International Holdings Ltd	8048	20.27		0.89
Vodatel Networks Holdings Ltd	8033	14.89		1.62

Losses continued on the premier stock exchange of Japan as The Tokyo Stock Exchange watched its Nikkei-225 shed about 40.41 yen, just short of one quarter of one percentage point.

The Nikkei-225 ended the session at 16,861.26 yen as Japanese investors unloaded some of their hi-tech stocks.

Nippon Telegraph and Telephone (NTT) led the way for the losers; Toshiba Electric was not far behind. NTT shed about 2.30 percent of its market capitalisation while Toshiba gave up 3.70 percent of its value.

Bridgestone continued to get a hiding from investors as its share price was cut down by another 6.30 percent due, in the main, to confirmation of its killer tyres.

One month ago, the share price of Bridgestone was 45 percent higher than last Thursday's closing price, or, put another way, shareholders of this company, one of the largest manufacturers of tyres in the world, have seen their company's value eroded by about 45 cents on the dollar since the end of July, this year.

There are horrid suggestions, emanating from Venezuela, that that country's legal authorities are considering taking out Proceedings against the US branch of Bridgestone: Firestone Tire.

It seemed only too clear that Japan was watching for its cue from New York where, with no apparent incentive, investors were looking afield for stimulus.

This is the way that other Asian markets viewed stock-market proceedings, last Thursday:

Thailand	Minus 0.59 percent
Indonesia	Minus 0.57 percent
Malaysia	Closed
The Philippines	Plus 0.81 percent
South Korea	Minus 4.22 percent
Singapore	Minus 0.81 percent
Taiwan	Plus 0.97 percent
Japan	Minus 0.24 percent

**Friday**

There is clear and convincing evidence, now, indicating that the US economy is slowing down.

But there are fears that it could be slowing too quickly, not allowing sufficient time for adjustment to the slowdown.

The Index of Leading Economic Indicators fell 0.10 percent in July to 105.80.

This would appear to indicate that things in the US economy are definitely changing, from the hot, rapid growth of last year, to a mere trickle, relatively speaking.

This Index has been flat for most of this year, but the July statistic indicates a decline.

The US Commerce Department, however, appears to be coming out with reports that, on the surface, seem to be in conflict with the Index of Leading Economic Indicators.

Last Thursday, Washington time, the US Commerce Department reported that new, single-family home sales in July rose about 14.70 percent.

This is the largest increase in new, single-family home sales in any month since about April 1993.

The lag-time of contracts, being signed, and contracts, being part of the statistics of the US Government, could account for some of the seeming conflicting reports.

Time will tell the tale.

The New York Stock Exchange appeared to be very happy with the news from the Commerce Department, however, as the Dow Jones Industrial Average put on 112.09 points, about one percent, rising to 11,215.10.

The tech-saturated NASDAQ Composite Index, on the other hand, gained even more, rising about 2.50 percent, to close last Thursday's session at 4,206.35.

What helped to propel Wall Street out of its apathy of the early part of last week was yet another report from Washington, a report that appeared to indicate that the US economy was on course for a very soft landing, after all.

(More conflicting reports)

The Labour Department announced that unemployment rose to 4.10 percent in August and that total payrolls fell 105,000.

These statistics are the largest on record for the past 9 years, it was announced.

All this is grist for the mill, without doubt.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the 2 stock markets were shaken when tom.com Ltd (Code: 8001 -- The Growth Enterprise Market (The GEM)) -- reported that it had sacked another tranche of its workers.

The company announced that 50 more of its workers had been axed from its subsidiary, iTravel Ltd. That number of workers represents about 84 percent of the total workforce in that subsidiary.

In early August, tom.com announced that it was laying off 80 of its hi-tech staff.

Little by little, it appears that the realisation of the situation is hitting home to would-be, hi-tech, start-up companies: It is not easy to earn money from ideas, alone.

In the past 7 weeks, a total of not less than 700 workers have hit the streets of the HKSAR, and all of them are from start-up companies or hi-tech, would-bes.

And, if that was not enough, the PRC's largest oil company, listed on The Stock Exchange of Hongkong Ltd, PetroChina Company Ltd (Code: 857), announced that it was cutting out 50,000 jobs in the PRC.

The PRC's State-run entities have always been *'fat'* on staffing, in any event, since that is the Communist way of running a country/company: Employment for all, regardless of the Bottom Line.

Now, as the PRC embraces, more and more, a free-market economy, things have to change with regard to the policy of hiring and firing.

In the case of PetroChina, just last year, it employed about 480,000 workers and, today, it hopes to cut down the Establishment to about 10,000 workers by the year 2005.

What effect this type of action will have on the population of the PRC remains to be seen -- but it will not be positive for the generation of workers which is used to State-run, hand-outs.

On The Stock Exchange of Hongkong, as expected, with the *'good'* news, seemingly pouring out of the US, it was a sufficient-enough fillip for the Hang Seng Index to gain 236.10 points, rising to 17,333.61.

The Total Turnover, however, stayed on the very low side of \$HK9.83 billion.

No stock market can move very far without a goodly volume of activity.

And The Stock Exchange of Hongkong Ltd does not seem to have that ingredient ... at least, not yet.

As commented on Thursday, it is evident that little foreign investment is finding its way into the HKSAR stock markets, of late.

The ratio of gainers to losers was 1.88:One.

The one counter that was responsible for a large proportion of last Friday's gains was, once again, HSBC Holdings Ltd (Code: 5), the share price of which rose to a high of \$HK114, after touching a low of \$HK112.

The volume of activity on this one counter was equal to about 9.36 percent of the Total Turnover as about 8.16 million HSBC shares changed hands.

The closing price of HSBC Holdings, at \$HK113.50 per share, represented a gain of about 2.25 percent, compared with Thursday's closing level.

Blue chips and the Li Ka Shing group made the most gains, leaving many of the smaller capitalised companies out in the rain.

The following is a list of some of the biggest, double-digit gainers and losers of last Friday:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
C.P. Pokphand Company Ltd	43	10.92		0.193
Coastal Realty Group Ltd	1124		10.53	0.34
Dragonfield Holdings Ltd	632	13.64		0.05
Egana Jewellery and Pearls Ltd	926	10.70		0.238
FPB Bank Holdings Company Ltd	717	14.74		2.725
Haywood Investments Ltd	905	10.00		0.55
Interform Ceramics Technologies Ltd	1060	14.49		0.158
iQuorum Cybernet Ltd	472	11.63		0.048
Jackin International Holdings Ltd	630	16.22		0.86
Medtech Group Company Ltd	1031	13.92		0.09

Perennial International Ltd	725		19.09	0.445
Sun Television Cyberworks Holdings Ltd	307	12.50		0.315
Wonson International Holdings Ltd	651	22.22		0.077

On The GEM, there was a little bit of activity as The Growth Enterprise Index rose about 1.25 percent to end the week at 474.05 points.

The Total Turnover on this market was \$HK269.06 million with no one counter, seeming to dominate the market, overly.

The most popular counter, in dollar value, was Smartech Digital Manufacturing Holdings Ltd (Code: 8068), followed by the ever-popular Phoenix Satellite Television Holdings Ltd (Code: 8002).

Smartech rose 4 percent to \$HK4.65, while Phoenix Satellite was hit by profit taking and shed 2.22 percent, ending the week at \$HK2.20 per share.

tom.com Ltd (Code: 8001) was not ranked since trading in that counter was suspended.

The ratio of gainers to losers on this market was 2.20:One.

In Japan, The Tokyo Stock Exchange went against the US and HKSAR grain as the Nikkei-225 shed 121.48 yen to end the week at 16,739.78 yen, disappointing many Japanese investors, no doubt.

The stock markets of Japan have been hit, during the past few months, with one catastrophe after another.

Legal proceedings were confirmed to be in hand against Bridgestone/Firestone Incorporated and, perhaps, Ford Motor Company of the US over the killer tyres scandal.

The Government of Venezuela confirmed that action was to be taken against the giants of industry because it said that it had evidence to indicate, conclusively, that the tyres were responsible for deaths in that country (Ford is alleged to have known, for some time, of the problem, but Management did nothing ... and said nothing).

In addition, it appears that the US regulatory Authorities are getting in on the act, too, with an investigation underway in order to determine the extent of the carnage, brought about by the killer tyres.

The share price of Bridgestone fell, yet again, this time just 4.10 percent to close out the week at 1,323 yen.

This was a 5-year low for the shares.

And, if that was not enough, Toyoda Gosei, a resin and rubber parts producer, had a Judgement lodged against it by the Tokyo District Court for patent infringements.

Toyoda Gosei was ordered to pay about \$HK7.78 million to Nichia Chemical Industries for theft of intellectual property.

The share price of Toyoda Gosei fell nearly 10 percent on the news of the Court Order.

To be sure, Japan has been having more than a small pickle of troubles.

This is how Asia ended the week of September 1, 2000:

Thailand	Plus 0.94 percent
Indonesia	Plus 0.87 percent
Malaysia	Minus 3.62 percent

The Philippines	Minus 0.51 percent
South Korea	Plus 0.52 percent
Singapore	Plus 0.60 percent
Taiwan	Minus 2.59 percent
Japan	Minus 0.72 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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