THE LI KA SHING CAMP IS BATTERED FROM PILLAR TO POST

It was nothing short of a bloodbath on Asian stock markets, last Monday, with South Korea and Indonesia, leading the retreat -- for completely different reasons.

Indonesia's Djakarta Stock Exchange saw its JSX Composite Index fall back 7.03 percent, following the previous Wednesday's bombing incident at The Djakarta Stock Exchange Complex, a bombing incident that resulted in at least 15 dead and caused The Exchange to close for 3 days.

The JSX Composite Index fell to its lowest level since April 8, 1999, last Monday.

And more losses were widely expected in view of the political unrest in the country.

The country is known to be going through a bit of a trauma, with the Muslim Government, stepping up measures to contain the situation.

In South Korea, The Seoul Stock Exchange witnessed an even greater loss than that experienced in Djakarta as its Composite Stock Price Index fell 8.06 percent due, in large part, to the determination of Ford Motor Company, the world's second-largest, motor vehicle manufacturer, not to buy into debt-laden Daewoo Motor of South Korea.

Add to these problems, the Arabs, holding the world to ransom over oil, and one has a very ticklish international situation.

New York was already skittish, the previous Friday, when The New York Stock Exchange went into reverses as the Dow Jones Industrial Average closed the week, down 160.47 points (about 1.45 percent) at 10,927.

The tech-laden NASDAQ Composite Index suffered even more than the Dow as it plunged 2 percent to 3,835.24 in heavy selling pressure.

New Yorkers were worried about a number of matters, the most important of which, of course, was the ever-increasing price of crude oil, a problem that had dogged the world for some months.

Last Monday, in early trade, oil prices eased from the high of $US36 per barrel, following the Organisation of Oil Producing Countries (OPEC), stating that it may increase supplies.

The Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) was not spared the bloodbath of Asia as its market fell out of bed.

The Stock Exchange of Hongkong Ltd witnessed its Hang Seng Index fall about 4.24 percent, ending the day at 15,560.16 points on a Total Turnover of about $HK11.51 billion.

Losers were far ahead of gainers by the ratio of about 10.13:One as everybody and his cat dumped stock in fear that more falls could be forthcoming in the near future.

The HKSAR stock market was simply following the rest of Asia because there was no fresh news that could have caused the second, most-important market in Asia to fall to such an extent.

The mighty HSBC Holdings plc (Code: 5) was very hard pressed to maintain its share price as it lost about 4.50 percent, falling to $HK106, after hitting a low for the day of $HK104.50 per share.

It was the leader of the Ten Most Active counters with a turnover in this counter of about $HK1.60 billion, equal to about 13.90 percent of the volume of activity on the market.

All the Li Ka Shing corporate entities were hit hard, led by Pacific Century CyberWorks Ltd (Code: 8), the second, most-active counter.

Pacific Century CyberWorks fell to a new, one-year low of $HK10.40 per share, following about 129.67 million of its scrip, changing hands.

The closing level of the share price of this Internet investor, which now owns, outright, the largest telephone company in the territory, was $HK10.50.

The total value of trades in this counter was about $HK1.42 billion, or about 12.34 percent of the Total Turnover.

With just 2 counters, accounting for about 26 percent of the entire volume of activity on the stock market, and with the share price of both counters in steep declines, it was hardly any wonder that the Hang Seng Index fell.

The following is a list of some of the largest losers and gainers on The Stock Exchange of Hongkong Ltd, last Monday:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price ($HK)
Beijing Yanhua Petrochemical Company Ltd	325		10.68	0.92
Buildmore International Ltd	108		23.08	0.50
C.P. Pokphand Company Ltd	43		11.76	0.15
CASIL Telecommunications Holdings Ltd	1185		11.67	0.53
CATIC International Holdings Ltd	232		14.17	0.103
CCT Telecom Holdings Ltd	138		12.06	1.24
China Aerospace International Holdings Ltd	31		13.33	0.91
China DigiContent Company Ltd	1197		11.34	0.086
China Everbright Technology Ltd	256		10.17	0.53
China Resources Beijing Land Ltd	1109		11.64	1.29
China United Holdings Ltd	2920		10.53	0.017
Dickson Concepts (International) Ltd	113	11.54		5.80
Dickson Group Holdings Ltd	313		16.00	0.147
Emperor (China Concept) Investments Ltd	296		16.33	0.041
Emperor Technology Venture Ltd	283		13.64	0.285
Fortuna International Holdings Ltd	530		11.11	0.056
Frankie Dominion International Ltd	704		10.71	0.25

G-Prop (Holdings) Ltd	286		10.64	0.42
Guangdong Investments Ltd	270	12.05		0.93
Guangdong Kelon Electrical Holdings Company Ltd	921		12.77	2.05
Hikari Tsushin International Ltd	603		13.79	0.25
HiNet Holdings Ltd	155		10.45	0.30
i-CABLE Communications Ltd	1097		15.00	2.975
ICG AsiaWorks Ltd	715		14.29	0.66
Interchina Holdings Ltd	202		14.29	0.39
iRegent Group Ltd	575		10.83	1.07
King Fook Holdings Ltd	280		11.43	0.31
Lamex Holdings Ltd	312		10.16	0.115
ManYue International Holdings Ltd	894		24.24	0.25
Matrix Holdings Ltd	1005		20.00	0.28
Medtech Group Company Ltd	1031		21.35	0.07
The Mingly Corporation Ltd	478		10.53	0.51
New World CyberBase Ltd	276		12.99	0.335
Next Media Ltd	282		10.13	0.71
Ocean Grand Holdings Ltd	1220		11.39	0.14
Ocean-Land Group Ltd	217		15.00	0.255
Oriental Union Holdings Ltd	1182		10.29	0.61
Paliburg Holdings Ltd	617		10.53	0.255
Peking Apparel International Group Ltd	761		24.00	0.38
Perennial International Ltd	725	16.22		0.43
Qualipak International Holdings Ltd	1224		11.29	0.11
Singapore Hongkong Properties Investment Ltd	245		11.11	0.016
South East Asia Wood Industries Holdings Ltd	1205		11.82	0.097
Sing Tao Holdings Ltd	233		12.28	1.00
Skyworth Digital Holdings Ltd	751		14.29	0.60
Star Cyberpower Holdings Ltd	1051		11.36	0.039

Starlight International Holdings Ltd	485		14.58	1.23
Stone Electronic Technology Ltd	409		10.08	1.07
Sun Man Tai Holdings Company Ltd	433		12.26	0.64
Sun Television Cybernetworks Holdings Ltd	307		13.11	0.265
SUNDAY Communications Ltd	866		10.00	0.81
Vanda Systems and Communications Holdings Ltd	757		10.50	1.62
Wah Tak Fung Holdings Ltd	297		13.27	0.085
Wiltrec Holdings Ltd	1169	14.71		1.17
Wireless InterNetworks Ltd	261		11.11	0.032
Wonson International Holdings Ltd	651		12.70	0.055
Yanion International Holdings Ltd	82		15.15	0.84

On The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index fell in line with the previous Friday's NASDAQ Composite Index, shedding 4.69 percent to hit the lowest level in the past year: 414.78.

Losers outpaced gainers by the ratio of about 8.50:One as the Total Turnover shrank to $HK154.77 million.

The most-active counter was Phoenix Satellite Television Holdings Ltd (Code: 8002) as about 12.94 million Phoenix Satellite shares switched owners, representing a dollar value of about $HK25.30 million, or about 16.35 percent of the Total Turnover.

The share price of Phoenix Satellite settled at $HK1.92 at the close of trading, for a loss of about 5.19 percent, compared with the previous Friday's closing level.

As with the Main Board, there was no news that could have affected this speculative marketplace, either way: It was just following the general trend as investors became more and more worried about international events.

There were just 2 double-digit losers for the day: Beijing Beida Jade Bird Universal Sci-Tech Company Ltd (Code: 8095) and Shanghai Fudan Microelectronics Company Ltd (Code: 8102)

Beijing Beida lost 14.88 percent of its market capitalisation, falling to $HK18.30 per share, while Shanghai Fudan shed 14.22 percent of its value, settling at $HK1.78 per share at the close of trading.

In Japan, it was a similar story, but not to the extent of many other parts of Asia.

Tokyo's Nikkei-225 Composite Index lost 152.12 yen, falling to 16,061.16 yen, as investors on The Tokyo Stock Exchange began to worry about a potpourri of perceived problems and real threats to the major economies of the world.

Tokyo is Asia's most important single market, but it appeared to be holding up relatively well in what was, clearly, a meltdown in some of the other Asian bourses.

The previous Friday, The Tokyo Stock Exchange was shut for a public holiday so that the Nikkei's loss of last Monday could only be compared with the previous Thursday.

One of the biggest losers was Softbank Corporation, which had to bite the bullet due to the fact that it is heavily invested in no less than 7 hi-tech companies, listed on the NASDAQ.

Softbank succumbed to selling pressure with a share-price loss of nearly 10 percent -- and it all happened in the first half an hour of trading.

There were unconfirmed reports about Softbank's alleged poor cash position, but there have been persistent rumours about this company for many a month.

This is how other parts of Asia fared, last Monday:

Thailand	Minus 2.21 percent
Indonesia	Minus 7.03 percent
Malaysia	Minus 1.51 percent
The Philippines	Minus 0.74 percent
South Korea	Minus 8.06 percent
Singapore	Minus 1.82 percent
Taiwan	Minus 2.03 percent
Japan	Minus 0.94 percent

Tuesday

Last Tuesday was considered to be a very unconvincing show of strength in Asia, but it was a show of strength that caused key Asian stock-market indices to recover part of last Monday's losses.

In view of what was taking place in the US, in view of the continued high price of crude oil, the more sophisticated stockbrokers wondered just how long the stock markets of Asia could go it alone.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), The Stock Exchange of Hongkong Ltd saw its Hang Seng Index lose ground in the morning session, as 85.49 points came off the Index, only to see a 202.53-points surge in the 90-minute afternoon session.

At the end of last Tuesday's session, the Hang Seng Index stood at 15,677.20, a gain of about three quarters of one percent over Monday's closing level.

The Total Turnover was about $HK11.77 billion, not very different from Monday's volume of activity.

The HKSAR stock market's Main Board was dominated by the early losses in one counter: Pacific Century CyberWorks Ltd (Code: 8), the Li Ka Shing company that took over Cable and Wireless HKT Ltd, a month or so ago.

Pacific Century CyberWorks accounted for about 16.65 percent of the Total Turnover as about 186.83 million of its shares changed owners with the share price, fluctuating between a new low of $HK9.75 and a high for the day of $HK11.05.

At the close of trading, the share price of this Internet investment company had chalked up a gain of 2.38 percent on the day, closing at $HK10.75.

This represented an intra-day swing of about 10 percent.

What had yet to hit the HKSAR market was that this Li Ka Shing company had just lost a major legal battle in Singapore, a battle which could cost Pacific Century Regional Developments Ltd (PCRD) more than $HK300 million at the end of the day.

Pacific Century Regional Developments is the holding company of many of Mr Richard Li Tzar Kai's investments in Asia, Mr Richard Li, being the Number Two son of Mr Li Ka Shing.

According to reports, a Canadian company, Canadian Imperial Investments Ltd, claimed that PCRD had breached its agreement in that it failed to inform it when PCRD sold its major stake in their Singapore joint-venture company, Quinliven Ltd.

PCRD, in April 1999, transferred its 75-percent stake in Quinliven, a carpark development company, to Tricom Holdings Ltd.

Tricom Holdings became the high-flyer, Pacific Century CyberWorks Ltd, when it changed its name and obtained the world's attention for its aggressiveness in taking over Cable and Wireless HKT Ltd.

Canadian Imperial Investments owned the other 25 percent of the Issued and Fully Paid-Up Share Capital of Quinliven, but was not afforded the same treatment as Mr Richard Li's 75-percent interest and, as a result, lost an equal opportunity, resulting in a financial loss, it was successfully argued in the Singapore High Court.

PCRD was ordered to pay damages and costs to its former Canadian partner.

On Wall Street, on Monday, the NASDAQ Composite Index continued to lose substantial ground, falling another 108.71 points (about 2.83 percent) to close the day at 3,726.52.

The Dow Jones Industrial Average gave up another 1.08 percent, falling to 10,808.52 points.

While Asia took note of what was happening on the world's largest bourse, vested interests were, clearly, doing all that they could to stem the flood of sellers.

Up to last Monday, New York time, since the beginning of this month, the NASDAQ had shed about 12 percent of its value while The Dow had given up the ghost to the extent of about 4.50 percent.

There was no other news of any importance that influenced Asian stock markets and the same problems of Monday continued to dog major Asian trading centres.

The ratio of losers to gainers was about 1.13:One.

The following is a list of some of the major gainers and losers of last Tuesday:

Name of Company	**Code**	**Increase (%)**	**Decrease (%)**	**Closing Price ($HK)**
Asia Satellite Telecommunications Holdings Ltd	1135		15.38	18.15
CIL Holdings Ltd	479		10.87	0.041
Dongfang Electrical Machinery Company Ltd	1072		12.64	0.38
Emperor Technology Venture Ltd	283	22.81		0.35
Gay Giano International Group Ltd	686		64.86	1.52
Golden Harvest Entertainment (Holdings) Ltd	1132		11.49	0.77
Huaneng Power International Incorporated	902		10.29	3.05

ICG AsiaWorks Ltd	715	21.21		0.80
imGO Ltd	67	10.53		0.84
Le Saunda Holdings Ltd	738		14.89	0.40
Lippo Ltd	226		21.62	1.45
Lippo China Resources Ltd	156		22.73	0.153
MAE Holdings Ltd	851	13.04		0.13
Oriental Union Holdings Ltd	1182	16.39		0.71
Plotio Holdings Ltd	499	10.20		0.54
Soundwill Holdings Ltd	878	13.73		0.116
South China Information and Technology Ltd	175	14.63		0.94
Styland Holdings Ltd	211		12.50	0.014
Tingyi (Cayman Islands) Holdings Corporation	322		10.59	0.78
UDL Holdings Ltd	620	11.11		0.07
Wiltec Holdings Ltd	1169	21.37		1.42

On The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd (The GEM), the 2 dominant counters were Mr Li Ka Shing's tom.com Ltd (Code: 8001) and Mr Rupert Murdoch's Phoenix Satellite Television Holdings Ltd (Code: 8002).

With a Total Turnover on this market of $HK159.63 million, these 2 counters represented about 58.59 percent of the volume of activity, equal to about $HK58.59 million.

tom.com Ltd regained 0.58 percent of its market capitalisation, rising to $HK4.35 per share, after hitting a low of $HK3.95 per share.

Phoenix Satellite went along with the ride, gaining 1.56 percent of its value, climbing back to $HK1.95 per share, after it hit a low of $HK1.84 per share.

While tom.com's losses could be explained, considering its track record, never having earned a dime, in the case of Phoenix Satellite, it was strictly a matter of following the market up and down, in sympathy with other counters.

The ratio of losers to gainers on this market was about 1.24:One as The Growth Enterprise Index fell to 410.21 points, another loss of about 1.10 percent.

The following is a list of the 2 biggest gainers on this market (there were no double-digit losers):

Name of Company	**Code**	**Increase (%)**	**Decrease (%)**	**Closing Price ($HK)**
CyberM International (Holdings) Ltd	8017	10.57		1.36
GreaterChina Technology Group Ltd	8032	14.29		0.32

In Japan, there was little movement on the most-important bourse in Asia.

The Tokyo Stock Exchange saw its Nikkei-225 Index gain 0.40 percent, rising to 16,124.19 yen.

This market recovered, quite spectacularly, since, in early trading, the Nikkei-225 was off more than 2 percent.

Softbank, once again, captured investors' attention after its share price plunged nearly 10 percent, only to recover more than 12 percent, ending the session with a gain of about 3.10 percent, compared with Monday's closing level.

Hi-tech and Internet-related issues were in vogue, last Tuesday, as Japanese investors ploughed into them, causing many of the blue chips to put on gains, amounting, on average, to about 3 percent.

But it was noticeable that some of the blue chips, Toshiba and Hitachi, especially, did not fare as well as one may have expected in the mini-rally.

It was suggested that, in view of the bloodbath on Wall Street, on Monday, New York time, it might be required for US investors on the Japanese and other Asian stock markets to sell Asia in order to cover positions in the US markets.

It was a given that, if Wall Street continued to lose ground, Japan and the HKSAR stock markets would feel the after-effects.

With these thoughts, clearly in the minds of many investors in Asia, this was how investors in the stock markets in the most populous area of the world went home to watch the Olympics where meritocracy pays dividends:

Thailand	Plus 0.12 percent
Indonesia	Plus 3.43 percent
Malaysia	Plus 0.04 percent
The Philippines	Minus 1.11 percent
South Korea	Minus 1.11 percent
Singapore	Minus 0.09 percent
Taiwan	Minus 2.54 percent
Japan	Plus 0.39 percent

Wednesday

If Monday's and Tuesday's stock markets of the HKSAR could be termed as suffering from a dearth of news, then Wednesday's trading pattern had to be labelled as being directly influenced by a plethora of news, both local and international.

Probably, the most important piece of news came from Washington, the US, where the US Senate passed a trade bill, regularising trade with the Government of the People's Republic of China (PRC), granting the most populous country in the world, Permanent Normal Trade Relations (PNTR).

US President Bill Clinton, immoral as he has been found to be with his inability to keep his pecker in his pants, with regards to employees of his various offices, he appears to have won the day with regard to regularising international trade relations with a country which, in years to come, could rival the US in respect of international trade.

President Clinton had a lot of support in the US Senate, as was evidenced by the Senate vote of 83:15 in favour of PNTR.

PNTR will mean opening up the PRC markets to US companies and, at the same time, making it unnecessary for the PRC Government to have to beg for what used to be termed, Most Favoured Trading Nation Status.

The Senate vote paves the way, with no apparent obstacles in view, for the PRC to enter the World Trade Organisation (WTO), the 135-member international trading *'club'*, which has more clout than Mr Li Ka Shing, who has threatened to reduce his and his companies' investments in the Hongkong Special Administrative Region (HKSAR) if he is attacked by the HKSAR Press Corp.

The second, most-important piece of news was, once again, crude oil prices.

They rose to a new decade high of $US37.16 per barrel, following confirmation that US oil inventories fell in the previous week.

For the week ended September 15, the American Petroleum Institute announced that US crude oil stocks had dropped 2 million barrels to 286.60 million barrels, which is about 8 percent lower than the inventories that were held about one year earlier.

Asian equity markets took stock of the news, but, also, noted what was taking place on Wall Street, on Tuesday, New York time.

On Tuesday on The New York Stock Exchange, bargain-hunting appeared to the in-thing to do, as the NASDAQ Composite Index rang up a gain of 139.12 points, about 3.73 percent, ending the seemingly bullish session at 3,865.64.

But it was at the expense of stocks that comprise the Dow Jones Industrial Average that caused the NASDAQ to rise because the Dow shed 9.23 points, equal to about 0.18 percent, falling to 10,789.29.

On The Stock Exchange of Hongkong Ltd, Main Board investors were in 2 minds as to what to do as the Hang Seng Index, after gaining about 51 points in the morning session, lost nearly 63 points in the 90-minute afternoon session, to end the day down 11.58 points at 15,665.62.

The Total Turnover was a miserable $HK8.07 billion, down about 31.44 percent, compared with Tuesday's volume of activity.

What was hurting the HKSAR stock markets was confirmation that Cable and Wireless plc had appointed an international merchant bank to unload about one quarter of its holdings in publicly listed Pacific Century CyberWorks Ltd (Code: 8).

In what was surely the worst-kept secret in the history of the world, the British telecommunications giant, Cable and Wireless plc, confirmed what everybody and his cat knew more than one month ago: It was not enchanted with the Li Ka Shing Camp; it wanted out.

Pacific Century CyberWorks requested a suspension of trading, immediately on hearing the news. It suspended trading in its scrip when it was stuck at $HK10.75 per share.

Cable and Wireless stated that it would be raising about $HK10.40 billion by selling 4.90 percent of its stake in Pacific Century CyberWorks.

Cable and Wireless's Management, also, confirmed that the price at which it was selling its stake was about 37 percent below the price that it notionally paid for the stock in the Li Ka Shing Internet-investment vehicle.

After the sale, Cable and Wireless will own about 15.30 percent of Pacific Century CyberWorks -- which means that, at any time in the future, this tranche, too, could be dumped onto the marketplace.

What was, perhaps, shocking to some people, was that the share sales had to be on an international basis since insufficient takers could be located in Asia.

Where was the Li Ka Shing Faction?

If Mr Li Ka Shing would make a fuss about buying shares in Cheung Kong (Holdings) Ltd (Code: 1), his flagship company on the Main Board, for what reason would he not expand his influence in Pacific Century CyberWorks?

In the past 7 months, the share price of Pacific Century CyberWorks has shed about 62 percent of its market value: It hit a high of $HK28.50 per share, earlier this year.

More losses were widely expected in view of what everybody knew about this ticklish situation.

Cable and Wireless acquired 20.20 percent of the Issued and Fully Paid-Up Share Capital of Pacific Century CyberWorks on August 17, 2000 in exchange for its interest in Cable and Wireless HKT Ltd, the largest telephone operator in the HKSAR.

The price that Cable and Wireless roughed out with the Li Ka Shing Camp equated to about $HK15.80 per share.

But last Wednesday, Cable and Wireless plc was more than willing to let go of 4.90 percent in the Share Capital of Pacific Century CyberWorks at between $HK9.98 per share and $HK9.68 per share.

Questions were being raised as to the reason that Cable and Wireless had lost confidence -- or so it appeared -- in the Li Ka Shing Camp.

The ratio of losers to gainers was about 1.05:One in what was described by many as a very dull marketplace.

There is an old adage, which goes along the lines that a market that cannot rise must fall because no market stays pat for long.

The following is a list of some of the biggest movers of the day:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price ($HK)
Asia Satellite Telecommunications Holdings Ltd	1135	15.70		21.00
B-Tech (Holdings) Ltd	412		10.00	0.018
Beijing Capital International Airport Company Ltd	694	10.00		1.65
China Eastern Airlines Corporation Ltd	670	11.83		1.04
Far East Technology International Ltd	36		10.45	0.60
Great Eagle Holdings Ltd	41	10.33		13.35
Hop Hing Holdings Ltd	47		11.11	0.32
ICG AsiaWorks Ltd	715		10.00	0.72
imGO Ltd	67		10.71	0.75
Le Saunda Holdings Ltd	738	10.00		0.44
Lippo Ltd	226	13.78		1.65
Perennial International Ltd	725		10.64	0.42

Soundwill Holdings Ltd	878		10.34	0.104
South China Information and Technology Ltd	175		10.64	0.84
Sun Man Tai Holdings Company Ltd	433	20.00		0.78
Theme International Holdings Ltd	990		13.68	0.082

The GEM, The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, followed, just about, the same pattern as the Main Board.

The Growth Enterprise Index ended the day, off about 0.17 percent, falling to 409.50 points.

The Total Turnover fell further to $HK140.04 million, down about 12.27 percent, compared with Tuesday volume of activity.

Declining issues were slightly ahead of advancing issues by the ratio of 1.29:One.

There was just one double-digit mover: techpacific.com Ltd.

The share price of this company closed at 33 cents on a volume of 720,000 shares. The closing level represented a gain of about 10 percent, compared with Tuesday's close.

In Japan, The Tokyo Stock Exchange had a booming day in spite of more scandals, hitting the most important marketplace in Asia.

The Nikkei-225 gained 2.07 percent, rising to 16,458.31 yen, as gainers swamped losers by the ratio of 4.22:One.

Tokyo was reacting, directly, to NASDAQ's gains of Tuesday in New York, of course, but the somewhat shocking facts about Honda Motor Company had not been realised -- and that was expected to be felt on Thursday's market, if at all.

Honda, Japan's Number Two motor vehicle manufacturer, announced that it would have to recall at least one half a million of its vehicles due to potential oil leaks and faulty wiring in the sound systems, installed in the vehicles.

The vehicles to be recalled affect those sold in the US market as well as in Japan.

Evidently, the audio equipment, supplied by Alpine Electronics and installed in Honda vehicles between 1991 and 1997 -- Accord, Prelude and Legend Models -- could overheat and cause speakers to burst into flames.

The company, also, admitted that there had been installed defective oil seals in 231,214 of its 1993 and 1995 models that includes the Odyssey minivan and Accord motor car.

Thus far, nobody had been killed by the Alpine audio system or the defective oil seals, Honda's management stated.

And this is how the other Asian markets reacted on this note of the unearthing of yet another Japanese corporate scandal:

Thailand	Minus 1.72 percent
Indonesia	Minus 1.36 percent
Malaysia	Plus 1.15 percent

The Philippines	Plus 0.74 percent
South Korea	Plus 6.11 percent
Singapore	Minus 0.39 percent
Taiwan	Plus 2.16 percent
Japan	Plus 2.07 percent

Thursday

Confirmation of the Cable and Wireless report, regarding the sales of its interest to the extent of about 24 percent in Pacific Century CyberWorks Ltd (Code: 8) (please see Wednesday's report on this subject) helped to send stocks tumbling on The Stock Exchange of Hongkong Ltd, last Thursday.

This *'little'* matter, coupled with the seemingly ever-increasing price of crude oil, put the fear of God into many parts of Asia.

The Hang Seng Index lost about 3.20 percent of its value, falling to 15,164.45, a 4-month low for the Main Board of The Stock Exchange of Hongkong, the principal market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

The Total Turnover was a shocker, at $HK21.27 billion.

The high volume of activity was due to the fact that about 66.46 percent of that figure had been brought about by resumed trading in the scrip of Pacific Century CyberWorks.

Pacific Century CyberWorks's Management watched as about 1.44 billion of its shares changed hands, with the result that the share price fell to a new low of $HK8.95.

As at last Thursday's lowest level for the price of these shares, the company's market capitalisation had been reduced by nearly 69 percent from its high of just 7 months previously.

As the Americans say: *'Y'all pays y'all money, and y'all takes y'all chances.'*

Pity the pension funds that invested in this Li Ka Shing entity!

The closing price of Pacific Century CyberWorks was $HK9.05, off about 15.81 percent, compared with Wednesday's level, prior to its suspension from trading.

It was, needless to say, the most-active counter of the day.

With losers, outpacing gainers by the ratio of 12:One, investors were, without question, getting very cold feet.

Which must be stating the obvious.

Aside from the Cable and Wireless matter, oil prices continued to dog the market since HKSAR oil distributors announced another round of price increases -- even for Liquid Petroleum Gas (LPG), which many households continue to use for cooking and heating water, etc.

In the US, the Dow Jones Industrial Average gave up 0.94 percent to hit 10,687.92 at the close of trading on The New York Stock Exchange, last Wednesday, New York time.

The hi-tech sector of the market, the NASDAQ Composite Index, being the *'barometer'* of this marketplace, rose 31.80 points, or about 0.80 percent, to 3,897.44 points.

New York was concerned about 2 matters: Oil prices and lower oil inventories; and, declining corporate profits and the potential for lower profits, mainly.

But a third element reared its head, last Wednesday, when it was announced that corporate America suffered a record trade deficit for the month of July.

According to the US Commerce Department, the July trade deficit with the rest of the world was $US31.90 billion (about $HK248.18 billion).

Annualising the July figure would indicate a rate of about $US353.70 billion (about $HK2,751.79 billion).

Whenever a country buys more than it sells, it is inflationary, but, of late, with oil prices, reaching a decade high, the new record trade imbalance is hardly of grave concern.

There was little else to report about the Main Board of The Stock Exchange of Hongkong Ltd, last Thursday.

The number of counters, which lost heavily, was too many to report so that this table is a partial list of the biggest losers and the lone double-digit gainer:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price ($HK)
Asia Tele-Net and Technology Corporation Ltd	679		10.00	0.072
B-Tech (Holdings) Ltd	412		11.11	0.016
Beiren Printing Machinery Holdings Ltd	187		13.64	0.57
CCT Telecom Holdings Ltd	138		10.00	1.08
China Rare Earth Holdings Ltd	769		10.71	1.00
China Star Entertainment Ltd	326		10.71	0.025
Daido Concrete (Hongkong) Ltd	544		13.33	0.078
Dongfang Electrical Machinery Company Ltd	1072		10.26	0.35
e-New Media Company Ltd	128		11.84	0.67
First Shanghai Investments Ltd	227		10.20	0.44
Founder Holdings Ltd	418		11.67	2.65
FT Holdings International Ltd	559		12.07	0.51
G-Prop (Holdings) Ltd	286		11.39	0.35
Gay Giano International Group Ltd	686		24.32	1.12
Goldlion Holdings Ltd	533		10.64	0.42
Great Wall Technology Company Ltd	74		10.92	2.65
Lamex Holdings Ltd	312		11.00	0.089
Lippo Ltd	226		18.18	1.35

Luen Cheong Tai International Holdings Ltd	1190		10.61	0.295
Pearl Oriental Cyberforce Ltd	988		10.62	0.101
Plotio Holdings Ltd	499		10.91	0.61
Quality HealthCare Asia Ltd	593		12.31	1.71
S.A.S. Dragon Holdings Ltd	1184		12.50	0.56
Shougang Concord Grand (Group) Ltd	730		11.76	0.30
Suwa International Holdings Ltd	567		10.00	0.27
Vanda Systems and Communications Holdings Ltd	757		12.26	1.36
Vision Tech International Holdings Ltd	922		11.70	0.415
Vitasoy International Holdings Ltd	345		10.24	1.14
Yoshiya International Corporation Ltd	193	11.11		0.45
Zida Computer Technology Ltd	859		11.32	0.94

The Growth Enterprise Market (The GEM), the highly speculative sector of The Stock Exchange of Hongkong Ltd, continued its retreat, too, with The Growth Enterprise Index, falling another 2.81 percent, dropping back to 398.01 points.

Investors on this market noted that the fall went right through the psychological 400 level.

How much further this market would fall remained to be seen because there are more rubbish entities, listed on this market, than there are quality companies.

The Total Turnover on this market was $HK159.18 million, with tom.com Ltd (Code: 8001), being the most popular counter -- as far as sellers were concerned, that is.

On a volume of activity in this counter, amounting to about $HK37.03 million (about 23.26 percent of the Total Turnover), the share price of tom.com fell 8.24 percent to a new low of $HK3.825 before recovering slightly to close the day at $HK3.90.

Since the beginning of this year, tom.com Ltd has lost 74.59 percent of its market capitalisation.

The ratio of losers to gainers was 6.40:One as counter after counter fell to sellers.

The following is a list of the 4 major losers on this market:

Name of Company	**Code**	**Increase (%)**	**Decrease (%)**	**Closing Price ($HK)**
36.com Holdings Ltd	8036		12.00	0.11
Computech Holdings Ltd	8081		11.27	1.26
Shanghai Fudan Microelectronics Company Ltd	8102		14.55	1.41

Systek Information Technology Holdings Ltd	8103		12.55	0.77

In Japan, The Tokyo Stock Exchange reversed its direction and followed other major Asia bourses -- down.

The Nikkei-225 lost 147.26 yen, hitting 16,311.05 at the close.

Investors on this market, the most important in Asia, were of 2 minds as to what to do since, with oil prices, continuing to hit decade-high levels, every couple of weeks or so, and with no respite on the horizon, such matters had to start chipping away at company profits.

Transportation companies around the world have long been complaining that nothing is being done about the situation of ever-rising oil prices at the pumps.

Such a situation is tantamount to the world, being held to ransom by the large oil producers of the world, namely OPEC -- the Organisation of Petroleum Exporting Countries.

There were few large gainers on The Tokyo Stock Exchange although Softbank Corporation staged a 6.50-percent recovery, following along with gainers on Wall Street.

In other parts of Asia, there was a great deal of doom and gloom since South Korea's KOSPI -- The Korea Composite Stock Price Index -- was into its tenth straight day of losses, topped only by Singapore, whose Straits Time Index was enjoying its thirteenth consecutive day of losses.

This was the way that things looked in other parts of Asia, last Thursday:

Thailand	Plus 0.32 percent
Indonesia	Minus 0.40 percent
Malaysia	Minus 0.38 percent
The Philippines	Minus 0.84 percent
South Korea	Minus 1.66 percent
Singapore	Minus 0.89 percent
Taiwan	Plus 0.59 percent
Japan	Minus 0.89 percent

Friday

It was a bloodbath throughout Asia, last Friday, as stock-market indices fell, fast and furiously.

Led by South Korea, whose The Korea Composite Stock Price Index (KOSPI) shed another 7-plus percent, the Hongkong Special Administrative Region's stock market fell completely out of bed.

The Hang Seng Index, the benchmark of The Stock Exchange of Hongkong Ltd, lost 551.57 points, falling to 14,612.88 on a Total Turnover of about $HK11.65 billion.

The bloodbath was not confined to the Li Ka Shing Camp, although losses in this sector of the market were very noticeable, without question, because the meltdown was right across the board.

The Cable and Wireless matter (please see Wednesday's report) still worried the market, but there were a few new considerations, last Friday -- all coming from the US.

And these considerations worried the markets of Asia, even more than the Cable and Wireless situation.

It was announced in the US that Intel Corporation, the largest chipmaker in the world, was forecasting much lower third-quarter earnings.

The share price of Intel fell 18.50 percent on The New York Stock Exchange as the technology sector of the world's largest bourse dropped like a rock in a still pool.

The NASDAQ Composite Index gave up 68.57 points to end last Thursday's session at 3,828.87, a fall of about 1.76 percent, day-to-day.

The Dow Jones Industrial Average, on the other hand, managed to pull off a 77.60-point improvement, equal to about 0.73 percent, ending last Thursday's session at 10.765.52.

Investors in the US were determined to sell hi-tech and Internet-related issues and move back into old economy stocks.

But, in Europe there was another factor to add to the international equation: For the first time in the history of the world, 4 of the world's most powerful banks had come together to try to protect a single currency.

The currency was the euro, the single currency of the European Union (EU).

The European Central Bank, the US Federal Reserve, Bank of Japan and Bank of England stood shoulder to should in their joint determination to support the euro.

The result: The euro put on 3 cents against the US dollar, rising to 0.8936 euros.

The euro has fallen about 27 percent against most *'hard'* currencies since January 1999.

With so many events, all interdependent, affecting the world's largest economies, to a greater of lesser degree, it was hardly any wonder that Asia came under intense pressure because Asia, with its large human population, is the manufacturing base for many other parts of the world where labour costs are a determinant factor in the attempts by governments to control inflationary evils.

As prices of hi-tech stocks fell double-digit figures, telecommunications issues caught a cold, with counters, such as China Mobile (Hongkong) Ltd (Code: 941), coming under a great deal of selling pressure, so much so that it pushed down its share price by 7.45 percent, ending the week at $HK47.20.

A total of about 28.19 million China Mobile shares changed hands with the dollar value, being about $HK1.36 billion, equal to about 11.67 percent of the Total Turnover.

It was the second, most-active counter.

With Pacific Century CyberWorks Ltd (Code: 8), the most-active issue, representing about 16.65 percent of the Total Turnover after about 219.89 million of its scrip changed hands, between these 2 counters, investors watched a fast erosion of the Hang Seng Index.

Pacific Century CyberWorks hit a new low of $HK8.30 per share, during last Friday's trading session, before recovering to end the week at $HK8.75.

Another of Mr Li Ka Shing's counters, Hutchison Whampoa Ltd (Code: 13) caught the flu, too, as about 10.69 million of its scrip found new owners, pushing down its share price by 3.92 percent to $HK98.

At one point, during trading, Hutchison was down to $HK97.50 per share.

Hutchison was the third, most active counter.

Cheung Kong (Holdings) Ltd (Code: 1) did not get off unscathed, either, as its share price fell to $HK89.25 after about 7.75 million of its shares changed hands.

Cheung Kong was the fifth, most-active counter.

The Li Ka Shing Camp came in for more stick than just investors, selling shares in entities, listed on The Stock Exchange of Hongkong Ltd, when AXA China Region Insurance Company Ltd, formerly known as National Mutual Insurance Company Ltd and Sentry Insurance Company Ltd, and AXA China Region Insurance Company (Bermuda) Ltd issued legal proceedings about Pacific Century Insurance Company Ltd in the Court of First Instance of the HKSAR.

The giant, French insurance company is seeking, at this point, injunctive relief from Pacific Century Insurance.

In addition to taking legal action against Pacific Century Insurance, AXA, a member of France's AXA Group, hit 9 of Pacific Century Insurance's agents with Writs in order to stop them from perpetrating acts which, according to AXA, amount to stealing AXA's clients.

The 9 agents formerly worked for AXA.

Pacific Century Insurance Holdings Ltd (Code: 65) saw a total of about 1.15 million of its shares change hands with its share price, falling 4.35 percent to end the week at $HK2.20.

It seems that, when it rains, it pours, as the old adage goes.

The ratio of losers to gainers was about 7.29:One.

The following is a list of some of the biggest losers and gainers of last Friday:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price ($HK)
Asia Orient Holdings Ltd	214		12.31	0.114
ASM Pacific Technology Ltd	522		15.98	16.30
B-Tech Holdings Ltd	412		12.50	0.014
Chaifa Holdings Ltd	139		13.58	0.051
China DigiContent Company Ltd	1197		14.81	0.069
Culturecom Holdings Ltd	343		16.05	0.68
e-Kong Group Ltd	524		14.71	0.58
Ecopro Hi-Tech Holdings Ltd	397		11.54	0.023
Emperor Technology Venture Ltd	283		10.94	0.285
Gay Giano International Group Ltd	686		11.61	0.99
Global Applied Technologies Holdings Ltd	930		10.00	1.80
Glorious Sun Enterprises Ltd	393		12.78	1.16
Goldlion Holdings Ltd	533		11.90	0.37

Grand Field Group Holdings Ltd	115		13.00	0.194
Great Wall Technology Company Ltd	74		10.38	2.375
Kin Dong Holdings Ltd	208		10.84	0.074
Kingboard Chemical Holdings Ltd	148		10.71	3.125
Kong Sun Holdings Ltd	295		14.89	0.40
Legend Holdings Ltd	992		11.11	6.00
Lippo Ltd	226	15.56		1.56
Leading Spirit High-Tech (Holdings) Company Ltd	606		11.56	0.13
Nanjing Panda Electronic Company Ltd	553		14.46	1.42
netalone.com Ltd	336		11.76	0.375
Peace Mark (Holdings) Ltd	304		31.25	0.066
Pioneer Industries International (Holdings) Ltd	224		12.15	0.60
QPL International Holdings Ltd	243		12.50	5.25
renren Media Ltd	59		11.25	0.071
Singapore Hongkong Properties Investment Ltd	245		18.75	0.013
Sen Hong Resources Holdings Ltd	76		16.98	0.044
Shenzhen International Holdings Ltd	152		10.45	0.30
Shougang Concord International Enterprises Company Ltd	697		10.64	0.21
Sino-i.com Ltd	250		11.86	0.26
Solartech International Holdings Ltd	1166		10.53	0.017
Star East Holdings Ltd	198		11.76	0.30
Sun Man Tai Holdings Company Ltd	433	13.75		0.91
U-Cyber Technology Holdings Ltd	91	16.67		1.26
Vanda Systems and Communications Holdings Ltd	757		11.03	1.21
Varitronix International Ltd	710		10.38	12.95
Wiltec Holdings Ltd	1169		14.88	1.03
Wing Lee International Holdings Ltd	899		15.70	0.102
Wireless InterNetworks Ltd	261		23.33	0.023

World Houseware (Holdings) Ltd	713		11.20	0.222

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the meltdown continued as The Growth Enterprise Index lost another 3.18 percent, falling to 385.36.

The Total Turnover shrank to $HK109.17 million as losers outpaced gainers by the ratio of 11:One.

The Li Ka Shing *'wild card'*, tom.com Ltd (Code: 8001), was the most-active counter as well as being up there as one of the biggest losers as its share price hit another low of $HK3.60.

The share price closed at $HK3.70 which compared with a high this year of $HK15.35, a drop of about 76 percent in a period of just 8 months.

Trading in this company, which has yet to earn a nickel, saw investors bail out of about 6.36 million shares, which had a dollar value of about $HK24.17 million, equal to about 22.14 percent of the total volume of activity on the market.

Investors on this market were having a very rough ride -- and there appeared to be no telling where it would end, considering the state of matters, internationally.

The double-digit losers were (there were no double-digit gainers):

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price ($HK)
ePro Ltd	8086		16.67	0.50
Hongkong.com Corporation	8006		12.12	0.58
Systek Information Technology (Holdings) Ltd	8103		12.99	0.67
Timeless Software Ltd	8028		11.45	1.47

While there was a great deal of doom and gloom in Asia, generally, and the HKSAR, specifically, in view of the almost certainty of the PRC Government, joining the World Trade Organisation (WTO) in the next few months, it should mean that things should be on the mend in short order. (please read Wednesday's report for more on the historic US Senate vote, leaving the WTO door wide open for the PRC Government)

US interest rates appear to be holding steady and there is every reason to believe that they will continue to hold at their present levels -- or, even, come down a notch.

That being the case, logic appears to dictate that the Hang Seng Index could be in for a bit of a boost in the last quarter of this year.

But that is provided there are no more international bombs, economic and the killing kind.

On The Tokyo Stock Exchange, the Nikkei-225 lost 492.80 yen, equal to 3.02 percent, falling to 15,818.25 yen at the close of trading, last Friday.

Japan was struck by a piece of local news when Nippon Telegraph and Telephone Corporation (NTT), the largest telecommunications company in the world, announced that it was going to sack about 6,500 of its staff

The staff cuts are equal to about 2.71 percent of the total number of people that NTT currently employs, it was announced.

In November 1999, TARGET reported that it had information to the effect that NTT planned to slash at least 21,000 jobs by March 2003.

NTT's share price ended down about 4 percent to 1.21 million yen on the news of confirmation of the job losses.

NTT DoCoMo, the mobile telephone subsidiary of NTT and Japan's largest company in terms of market capitalisation, shed 8.40 percent of its value.

But it was the warning from Intel that did the most damage to share prices on Asia's most-important bourse.

Hi-tech companies suffered the most, with NEC, the world's second largest manufacturer of chips, losing nearly 8 percent of its value on fears that its products would be less likely to find a market if Intel's warning spelled a waning demand for such products.

Fujitsu, one of the world's largest manufacturers of personal computers and computer components, lost about 7.60 percent of its market capitalisation.

Tokyo Electron, a producer of chip-making equipment, suffered miserably as its share price was shaved down by about 8.20 percent.

And so the bloodletting continued as Asia worried itself sick of what was thought to be the possibility of weaker demand, internationally, for hi-tech products, much of which is produced in part or in total in the most populous part of the world.

This is the way that Asia saw its lot, last Friday night:

Thailand	Minus 3.18 percent
Indonesia	Minus 2.58 percent
Malaysia	Minus 1.02 percent
The Philippines	Minus 0.15 percent
South Korea	Minus 7.17 percent
Singapore	Minus 2.81 percent
Taiwan	Minus 4.46 percent
Japan	Minus 3.02 percent

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