

BULLS AND BEARS FIGHT IT OUT IN ASIA

On the back of a strong Wall Street, the previous Friday, Asia got off to a rather bullish start for the week of October 16.

The Hang Seng Index, the '*barometer*' of trading on the Main Board of The Stock Exchange of Hongkong Ltd, put on about 2 percent, rising to 14,973.40 on a Total Turnover of about \$HK8.81 billion.

With the volume of activity, still being relatively low, it was much too early to say that the worst was over, but a gain is a gain, as the saying goes, and Asian investors took a little heart as they headed home, last Monday night.

Still hanging over the stock markets of the world, however, was the Middle East Crisis, which had yet to be resolved.

The tally, as at last Monday's count, was 110 Jews and Palestinians dead after a fortnight of killing in Gaza and the West Bank. And the fighting was still continuing.

Last Monday, Israeli Prime Minister Ehud Barak and Palestinian Leader Yasser Arafat prepared to meet in the Egyptian Red Sea resort of Sharm el-Sheik, in the hope of reaching an agreement with regard to a truce.

US President Bill Clinton had been applying pressure on both sides to reach a peace accord, but, as the first step to such an accord, it was incumbent to have the Palestinians and the Jews stop killing each other.

The fighting between the Arabs and the Jews had been having a destabilizing effect on world stock markets and, especially, on the oil markets since the prospects, that another Middle East war would affect the flow of oil from the area, was only too real.

The Middle East Crisis was one of the main reasons that stock markets, round the world, went into reverse gear for the week, ended October 13.

The expectation of a resolution of the Middle East Crisis had caused Wall Street to rebound, strongly, on Friday, October 13, as the Dow Jones Industrial Average gained 157.60 points, about 1.57 percent, ending the week at 10,192.18.

This was in marked contrast to the previous day, Thursday, October 12, when the Dow was off about 379 points, at 9,655.58.

Also, on Friday, October 13, the hi-tech sector of The New York Stock Exchange had made a remarkable gain of about 7.88 percent, rising to 3,316.77 points.

But, questions were being asked as to whether or not investors were just looking around for bargains rather than the gains, signaling the end to a mini bear run.

As is common in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), it was follow the New York leader.

This makes good sense because the US is, still, the largest marketplace for Asia and Asian-produced goods.

In spite of the fact that the Hang Seng Index had gained about 2 percent, compared with the previous Friday's closing level, the ratio of gainers to losers was only about 1.13:One.

It was clear that not everybody was convinced that the stock market was out of the proverbial woods.

Pacific Century CyberWorks Ltd (Code: 8) again took the Number One Slot in the Ten Most Active list as more than 168.87 million shares changed hands. Its share price fluctuated between a low of \$HK7.10 and a high of \$HK8.50, a swing of nearly 20 percent, during the day.

The share price ended the session at \$HK7.20 with its volume of trading, being equal to about \$HK1.31 billion, or about 14.87 percent of the Total Turnover.

The continued interest (and, perhaps, disappointment) in Pacific Century CyberWorks was due to its agreement with Telstra Corporation in respect of their cooperative agreement, signed the previous week.

The essence of one of the main points with regard to this agreement was that the Australian giant would take control of the mobile telecommunications part of Pacific Century CyberWorks.

This appeared to delight HKSAR investors, one could reason.

Most of the '*darlings*' of the market recovered some of their losses of the previous week, but there were still quite a number of counters that could not recover.

This is a list of the double-digit gainers and losers of last Monday:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AV Concept Holdings Ltd	595		14.71	0.58
B-Tech (Holdings) Ltd	412	12.50		0.018
CIL Holdings Ltd	479	14.29		0.016
Coastal Realty Group Ltd	1124		13.46	0.225
Daiwa Associate Holdings Ltd	1037		10.00	0.45
DVN (Holdings) Ltd	500	12.82		1.78
E-LIFE International Ltd	370	29.17		0.124
Easyknit International Holdings Ltd	1218	14.00		0.228
Emperor (China Concept) Investments Ltd	296	23.33		0.037
Fairyong Holdings Ltd	231		19.08	0.14
Fourseas.com Ltd	755		12.05	0.014
Interchina Holdings Company Ltd	202	25.81		0.39
KG NextVision Company Ltd	516		12.86	0.61
Kong Sun Holdings Ltd	295	11.76		0.57
Multifield International Holdings Ltd	898		16.67	0.20
Nam Hing Holdings Ltd	986	10.29		0.225
Next Media Ltd	282		11.11	0.36
Raymond Industrial Ltd	229		16.67	0.80
renren Media Ltd	59		10.71	0.05
Savoy Concepts Ltd	680		12.40	0.106
South East Group Ltd	726		23.06	0.02
Swank International Manufacturing Company Ltd	663		20.00	0.048
Takson Holdings Ltd	918		11.25	0.71
Theme International Holdings Ltd	990		11.59	0.061
U-Cyber Technology Holdings Ltd	91		13.98	0.80
Wang On Group Ltd	1222	15.69		0.295
Wonson International Holdings Ltd	651		13.46	0.045
Ying Wing Holdings Ltd	1104	10.42		2.65

On The GEM, The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, the gains were not as dramatic as those on the Main Board although there were 3 double-digit losers with no double-digit gainers.

The Growth Enterprise Index put on just 0.16 percent, rising to 355.15 points on a Total Turnover of \$HK121.67 million.

Unlike the Main Board, there was no pattern and it was very clear that investors on this market were playing it very close to their chests.

Gainers were ahead of losers by the slim ratio of 1.10:One.

In view of that which had transpired, the previous week, there was a great deal of apprehension in the minds of many investors as to whether or not The GEM could hold on to its slim gains of Monday.

The following is the list of the 3 double-digit movers of last Monday:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
36.com Holdings Ltd	8036		10.26	0.07
ePro Ltd	8086		12.26	0.465
Syscan Technology Holdings Ltd	8083		18.06	0.127

In Japan, The Tokyo Stock Exchange saw its Nikkei-225 rise about 182.01 yen to hit 15,512.32 yen, led, mainly, by blue chips.

Chipmakers came back into favour as the share price of NEC, Japan's biggest in the field, gained about 2.90 percent, while Fujitsu, Japan's largest manufacturer of personal computers and computer accessories, rose about 4.10 percent.

However, Fujitsu Business Systems, a subsidiary of the computer manufacturer that bears the Fujitsu name, suffered a humiliating retreat as about 14 percent was shaved off its market capitalisation.

Fujitsu Business Systems, the previous Friday, had announced that it was lowering its forecast profit for the Financial Year, ending March 31, 2001, to about \$HK29 million.

This is a decrease of about 80 percent, compared with previous estimates from the company.

The Tokyo Stock Exchange could not react to the news, last Friday, since the market was closed for a public holiday.

While the world waited to hear the outcome of the truce talks between the Jews and the Arabs, Asian stock markets held their fire as the following illustrates:

Thailand	Plus 1.50 percent
Indonesia	Plus 0.87 percent
Malaysia	Plus 2.15 percent
The Philippines	Minus 2.16 percent
South Korea	Plus 4.86 percent
Singapore	Plus 1.23 percent
Taiwan	Minus 4.17 percent
Japan	Plus 1.19 percent

Tuesday

Continued investor disappointment over the arrangements between Pacific Century CyberWorks Ltd (Code: 8) and Telstra Corporation of Australia caused investors in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) to continue to sell their holdings in the Li Ka Shing telecommunications and Internet-investment company.

As a result, the share price of Pacific Century CyberWorks fell to a new 12-month low of \$HK6.75 as more than 140.84 million of its shares changed hands.

It lost another 3.47 percent of its market capitalisation, adding to the perceived gloom and doom, surrounding this counter.

Since the beginning of this year, this counter has lost about 76 percent of its market capitalisation, calculated from the low point of last Tuesday.

Investors perceive that the Aussies got the better of the deal, having fought a tough battle and being fully aware that the Li Ka Shing Camp had to do something to relieve its high debt burden, brought about when Pacific Century CyberWorks picked up Cable and Wireless HKT Ltd from its London-based parent, Cable and Wireless plc, late last year.

But the Pacific Century CyberWorks's sell-off was not the main reason for the Hang Seng Index to lose part of its gains of Monday, falling to 14,873.43, a loss of about 0.67 percent, the real culprits were the Middle East talks and Wall Street.

After a hard day's negotiation between the leader of Palestine and the Israeli Prime Minister, it was agreed, only, that there should be a statement of condemnation of the killing on the West Bank and Gaza.

Other than that, little else had been accomplished as the Palestinian elected leader, Mr Yasser Arafat, played the role of hard-nose. (please see Monday's report on this subject)

The international concern, with regard to the tensions in the Middle East, is oil, its price – which gained about 72 cents (US) a barrel, last Monday -- and an interruption in supplies of the precious viscous 'gold' to the West.

On Wall Street, on Monday, New York time, hi-tech stocks went into retreat, yet again, pulling down the broader-based market.

The Dow Jones Industrial Average registered a gain of 46.62 points, about 0.46 percent, rising to 10,238.80 after a wild day of swings and roundabouts.

The NASDAQ Composite Index, however, lost 26.49 points, about 0.80 percent, falling to 3,290.28.

Trading on the world's largest bourse was relatively light as investors awaited third-quarter results from giants, such as Intel Corporation, which happened to be the focus of attention, last Monday in New York.

In anticipation for the worst, the share price of Intel Corporation shed 11.61 percent to hit near rock bottom at \$US35.69 (about \$HK278).

It was generally held that, if some of the giants of the technology world could turn in good results, then the bearish phase of the market could be behind us ... for the short term, at least.

But, when Microsoft Corporation's share price fell to its lowest level since October 1998, it tended to put the fear of God into a number of US investors. Microsoft finished last Monday's session at \$US50.38 per share (about \$HK392).

The big question was whether or not there would be another bloodbath, later in the week.

New York's woes are the world's woes, these days, and Asia was no orphan.

The Total Turnover on The Stock Exchange of Hongkong Ltd fell to a new year's low of about \$HK7.67 billion – which was, probably, a good thing, indicating that investors were in no hurry to sell – as the ratio of losers to gainers was high, at about 3.39:One.

HSBC Holdings plc (Code: 5) was the most active counter as about \$HK1.02-billion worth of its scrip changed hands, with the share price, fluctuating within a \$HK2 range the entire session.

It ended the day at \$HK108.50 for a gain of about 2.36 percent over Monday's closing level.

Most of the Li Ka Shing publicly traded entities, however, were not as lucky as HSBC Holdings, and came in for a bit of a thrashing as Hutchison Whampoa Ltd (Code:13) lost 3.31 percent, falling to \$HK95, but Cheung Kong (Holdings) Ltd (Code: 1) managed to hold its price at \$HK89.50.

China Mobile (Hongkong) Ltd (Code: 941) was not spared the sell-off as about 12.98 million of its shares were switched, with its share price, falling to \$HK49.80, during the day, but ending the session at \$HK50.75. It was the fourth most-active counter.

With no positive news to stimulate trading, and with the Middle East, still in a state of turmoil, last Monday in Asia, it was hardly any wonder that the HKSAR stock market was very quiet.

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Logistics Technologies Ltd	862		15.15	0.14
Asia Satellite Telecommunications Holdings Ltd	1135		12.38	13.80
CCT Multimedia Holdings Ltd	1169		10.82	0.206
China Merchants China Direct Investments Ltd	133	15.25		1.35
China Sci-Tech Holdings Ltd	985		13.64	0.095
China United Holdings Ltd	273	14.29		0.016
E-LIFE International Ltd	370	26.61		0.157
Ecopro HI-Tech Holdings Ltd	397		16.67	0.015
eForce Holdings Ltd	943		26.04	0.071
EganaGoldpfeil (Holdings) Ltd	48	18.08		0.209
Fairyoung Holdings Ltd	231	17.14		0.164
First Pacific Company Ltd	142		12.69	1.72
Fong's Industries Company Ltd	641	12.82		0.44
IFTA Pacific Holdings Ltd	371		11.11	0.40
Interchina Holdings Company Ltd	202	10.26		0.43
Netalone.com Ltd	336		14.55	0.188
Pearl Orient Cyberforce Ltd	988		16.92	0.054
Simsen International Corporation Ltd	993		15.66	0.07
Soundwill Holdings Ltd	878	10.14		0.062
Sunway International Holdings Ltd	58		15.49	0.60
Swank International Manufacturing Company Ltd	663	12.50		0.054
Tung Fong Hung (Holdings) Ltd	279		18.57	0.171
U-Cyber Technology Holdings Ltd	91	11.25		0.89
Wireless InterNetworks Ltd	261		12.50	0.014
Zhu Kuan Development Company Ltd	908		10.53	0.34

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, sellers hunted round for buyers, but the buyers were few and far between.

The Total Turnover fell, yet again, to about \$HK71.05 million as apathy appeared to reign.

And, again, it was the Li Ka Shing Camp that took a thumping as Internet investor, tom.com Ltd (Code: 8001), saw its share price fall to \$HK2.975 at one point during the session.

On a turnover of about \$HK13.89 million, tom.com hugged the Number One Slot of the most-active list: There appeared to be no bottom to the share price of this Li Ka Shing 'wild card'.

The share price recovered some of its losses and ended the session at \$HK3.10, but there was a widespread belief that it would crack the \$HK3 level, again, before the end of the week – and stay below that price.

The ratio of losers to gainers was exactly 7:One as The Growth Enterprise Index finished the day at 345.04 points.

There were just 2 double-digit movers:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
ePro Ltd	8086		20.43	0.37
Qianlong Technology International Holdings Ltd	8015	13.33		0.85

In Japan, The Tokyo Stock Exchange reversed its direction of Monday, falling 172.10 yen to 15,340.22 yen.

Chipmakers NEC and Fujitsu led the losers as Japanese investors took careful note of the suggestions that Intel Corporation's third quarter profits would not meet market expectations.

Fujitsu lost about 3.10 percent of its value while NEC shed about 1.30 percent of its market capitalization.

Advantest, a manufacturer of chip-testing devices, was felled to the extent of about 3.90 percent.

The uncertainty in the Middle East was the over-riding reason that this market fell because the thinking was that that which affected the US, affected Asia -- and Japan, especially.

The supermarket giant of Japan, known simply as Daiei, saw its share price plunge another 9.70 percent as investors wondered whether or not it would turn out to be another Sogo Company, the departmental store company that went belly up, earlier this year, chalking up a record for being the largest bankruptcy in the history of the country.

The share price of Daiei had lost about 33 percent of its value in the previous 20 days.

And so it went on as one after another counter started to lose ground on the most important bourse in Asia.

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

Thailand	Plus 0.72 percent
Indonesia	Plus 1.38 percent
Malaysia	Minus 0.13 percent
The Philippines	Minus 1.80 percent
South Korea	Minus 6.77 percent
Singapore	Minus 3.45 percent
Taiwan	Plus 1.27 percent
Japan	Minus 1.11 percent

Wednesday

Wall Street went into free fall for much of last Tuesday's trading session, as the Dow Jones Industrial Average shed 149.09 points, about 1.46 percent, hitting 10,089.71. The broader-based NASDAQ Composite Index gave up 76.32 points, about 2.43 percent, falling to 3,213.96.

But the close of The New York Stock Exchange was an improvement from earlier losses, which had seen the Dow dip more than 212 points – about 2.06 percent.

Wall Street had the jitters over the forthcoming corporate earnings of some of the biggies, such as Intel Corporation and IBM.

But, after Wall Street went to bed, both Intel and IBM announced trading results that should have delighted even the deepest skeptics as to the ability of these 2 giants of industry to beat out the competition.

But, for the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), New York's head cold is, always, Asia's pneumonia.

The Stock Exchange of Hongkong Ltd witnessed another huge sell-off as the Main Board took quite a licking: The Hang Seng Index shed 2.79 percent, falling to 14,458.52.

And The Growth Enterprise Market (The GEM) saw its Growth Enterprise Index lose about 4.34 percent, dropping back to 330.06 points.

The Middle East Crisis had not deepened, so that that was one obstacle out of the way, but, as soon as one obstacle is removed, it appears another one pops up to cause even more fears, real and imagined, in the hearts of Asian investors.

Pacific Century CyberWorks Ltd (Code: 8) continued to take a shellacking as its share price fell to a one year's low of \$HK6.30.

Pacific Century CyberWorks is being perceived as having been beaten up by Telstra Corporation, the Australians, having taken the upper hand in the highly leveraged Li Ka Shing company.

It fell to being the third, most-active counter whose turnover represented about 10 percent of the Total Turnover of about \$HK9.69 billion.

The 8.60-percent loss in the share price of Pacific Century CyberWorks worried the market that, hitherto fore, had perceived a Li Ka Shing company as being invulnerable to any major defeat of this nature.

But investors had come to realize that Mr Li Ka Shing, like most of us, at times, has feet of clay.

With losers outnumbering gainers by the ratio of about 8.59:One, many investors scrambled for cover, where possible, but for many, there was no place to run.

Quite a number of investors had purchased shares on margin accounts (financing the share purchases with borrowed money) and they were being called to put up margins (top up the shortfall between the current market price and the original purchase price).

For those investors, who were financially stretched, it meant that they had to sell out, even at the then current low levels – or be sold out by creditors.

And this became a further pressure on the HKSAR stock market.

Few counters were spared the sell-off as the following table illustrates:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139		13.16	0.033
401.com Ltd	401		11.76	0.015
Asia Logistics Technologies Ltd	862		15.00	0.119
Asia Tele-Net and Technology Corporation Ltd	679		11.11	0.064

Automated Systems Holdings Ltd	771		13.00	2.175
B-Tech (Holdings) Ltd	412		11.11	0.016
Bestway International Holdings Ltd	718	20.00		0.048
CASIL Telecommunications Holdings Ltd	1185		12.05	0.365
CCT Multimedia Holdings Ltd	1169		10.19	0.185
Central China Enterprises Ltd	351		12.83	0.163
China DigiContent Company Ltd	1197		16.00	0.042
China Internet Global Alliance Ltd	235		12.28	0.25
China Star Entertainment Ltd	326		12.66	0.20
China United Holdings Ltd	273		12.50	0.014
CIL Holdings Ltd	479		12.50	0.014
Continental Mariner Investment Company Ltd	119		16.52	0.96
Culturcom Holdings Ltd	343		12.28	0.50
Deson Development International Holdings Ltd	262		20.00	0.04
DVN (Holdings) Ltd	500		10.06	1.52
e-Kong Group Ltd	524		13.83	0.405
Ecopro Hi-Tech Holdings Ltd	397	20.00		0.018
First Pacific Company Ltd	142		11.05	1.53
FT Holdings International Ltd	559		12.50	0.49
Global Link Cyber International Ltd	140		19.30	0.184
Graneagle Holdings Ltd	147		11.78	0.015
Great Wall Technology Company Ltd	74		11.82	1.94
Hang Fung Gold Technology Ltd	870		13.24	0.059
Hikari Tsushin International Ltd	603		10.23	0.158
Hong Kong Fortune Ltd	121		25.53	0.07
Hon Kwok Land Investment Company Ltd	160		11.11	0.28
Hung Fung Group Holdings Ltd	1141	17.65		0.02
ICG AsiaWorks Ltd	715		13.89	0.465
KEL Holdings Ltd	681		20.41	0.39
Lippo China Resources Ltd	156		10.00	0.126
Leading Spirit High-Tech (Holdings) Company Ltd	606		11.59	0.122
Magnum International Holdings Ltd	305		10.71	0.15
Mei Ah Entertainment Group Ltd	391		20.31	0.51
Multifield International Holdings Ltd	898		14.14	0.17
Netalone.com Ltd	336		10.64	0.168
Northeast Electrical T&T Machinery Manufacturing Company Ltd	42		12.50	0.28
Oriental Union Holdings Ltd	1182		11.32	0.47
Pacific Century Insurance Holdings Ltd	65		10.00	1.53
Pearl Oriental Cyberforce Ltd	988		25.93	0.04
Peking Apparel International Group Ltd	761		17.07	0.34
Pico Far East Holdings Ltd	752		10.81	0.66
Plotio Holdings Ltd	499		14.47	0.325
Quality Food International Ltd	735		10.47	0.77
Sen Hong Resources Holdings Ltd	76		10.00	0.036
Simsen International Corporation Ltd	993		15.71	0.059
Sino InfoTech Holdings Ltd	205		10.00	0.18
Sinopec Kantons Holdings Ltd	934		10.17	0.53
Sun Man Tai Holdings Company Ltd	433	10.20		1.08
Swank International Manufacturing Company Ltd	663	12.96		0.016
Technology Venture Holdings Ltd	61		14.89	2.00
Tonic Industries Holdings Ltd	978		20.45	0.35
Truly International Holdings Ltd	732		11.11	1.52
U-Cyber Technology Holdings Ltd	91		25.84	0.66
Universal Appliances Ltd	419		14.63	0.07
Vanda Systems and Communications Holdings Ltd	757		13.46	0.90
vLink Global Ltd	563		11.34	0.086

Wang On Group Ltd	1222		18.21	0.229
Wo Kee Hong (Holdings) Ltd	720		19.17	0.097
Yau Lee Holdings Ltd	406		14.22	0.35
Yue Fung International Group Holdings Ltd	965		13.00	0.087

Trading on The GEM was marked by new listing, Town Health International Holdings Company Ltd (Code: 8138), whose share trades were responsible for about 56.53 percent of the Total Turnover of about \$HK221.14 million.

With 42.20 million Town Health shares changing hands, last Wednesday, it represented about 85 percent of the float of 49,624,000 shares, those that were Offered Shares, Placed Shares and Sale Shares.

Town Health was one of the very few success stories of last Wednesday since its Offer Price of \$HK1.25 per share was doubled, almost immediately, as investors chased the shares up.

After hitting a high of \$HK4.70 per share (about 2.76 times the Offer Price), the share price ended the session at \$HK3.025.

(For an analysis of this company, please see [TARGET Intelligence Report, Volume II, Number 197](#) of last Wednesday)

While Town Health was running to higher and higher levels, Rupert Murdoch's GEM offering, Phoenix Satellite Television Holdings Ltd (Code: 8002), took quite a thumping, hitting a low of \$HK1.41 per share before ending the day at \$HK1.53.

Phoenix Satellite was the second, most-active counter, accounting for about 6.24 percent of the Total Turnover.

There appeared to be no news from Phoenix Satellite which had, over the previous few weeks, seen a great deal of investor support for the company.

But it was noticeably absent, last Wednesday.

The ratio of losers to gainers was about 6.60:One.

On The Tokyo Stock Exchange, the Nikkei-225 fell 467.74 yen to 14,872.48 yen, about 3.05 percent, as investors continued to follow Wall Street's lead even though there was little reason for Japanese investors to follow the American Judas goat.

Not since March of 1999 had the Nikkei-225 hit this level.

Advantest, a manufacturer of test-making equipment for chipmakers, primarily, saw its share price tumble about 11.60 percent, while chipmaker Rohm gave up another 6.20 percent.

Another manufacturer of chip-making equipment, Tokyo Seimitsu, fell to selling pressure as it lost about 10.60 percent of its market value.

Very few hi-tech companies were saved from the hiding of last Wednesday and even Yahoo! Japan was marked down about 16 percent.

Technically, nothing had happened on the economic front to warrant the drubbing, it was, simply, that Tokyo was concerned about Wall Street.

In other parts of Asia, this was how the situation looked as investors went home, last Wednesday:

Thailand	Plus 3.17 percent
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Indonesia	Minus 0.12 percent
Malaysia	Plus 0.89 percent
The Philippines	Minus 0.64 percent
South Korea	Plus 0.26 percent
Singapore	Plus 0.56 percent
Taiwan	Minus 4.74 percent
Japan	Minus 3.05 percent

Thursday

China Petroleum and Chemical Corporation (Code: 386) made its debut on The Stock Exchange of Hongkong Ltd, last Thursday, amid very quiet and worrying conditions, as far as investors of The Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were concerned.

China Petroleum, contrary to what many people had expected, was not the hottest issue of the day: That was reserved for HSBC Holdings plc (Code: 5).

China Petroleum (known commonly as Sinopec), the second, most-active counter, was responsible for about \$HK1.74-billion worth of the entire volume of business, with its share price, fluctuating between a low of \$HK1.50 per share and a high of \$HK1.62 percent.

It ended the session at \$HK1.54 after about 1.10 billion shares changed hands.

The share price never reached Maximum Offer Price of \$HK1.77 per share.

All the hype came to nothing.

HSBC Holdings, only, edged out Sinopec by the relatively small amount of about \$HK140 million, as about 18.03 million of its shares, changed hands.

Its share price fluctuated between a low of \$HK102 and a high of \$HK107, closing the day at \$HK105, representing a loss of about 1.87 percent, compared with Wednesday's close.

With the Total Turnover at about \$HK13.17 billion, trading in these 2 counters accounted for about 27.49 percent of the entire volume of activity.

The Hang Seng Index was just one quarter of a percentage point better than Wednesday's closing level, at 14,422.52.

But, in spite of the Hang Seng Index, being in the black, so to speak, losers still outpaced gainers with the wide margin of 2.65:One.

Wall Street, on Wednesday, was a wild arena for US investors as The New York Stock Exchange pundits witnessed a somewhat confusing toing and froing on indices.

More than 440 points were sliced off the Dow Jones Industrial Average in early trading, representing a fall of about 4.44 percent, but, then, bargain-basement buying pulled up the Dow to 9,975.02, which represented a loss of about 114.69 points, or about 1.34 percent.

But the NASDAQ Composite Index continued to lose ground, falling to 3,171.56 points, a loss of about 1.32 percent, compared with Tuesday's closing level.

With the Middle East Crisis, seemingly out of the way (for the time being, at least), investors were going back to trying to second-guess how badly would be the results of this company or that company.

The US Labour Department put some cats among the pigeons when it reported that consumer prices had jumped about one half of one percent, during the month of September.

This factor was seen, by some economists, as meaning that the Federal Reserve Board was quite likely to keep interest rates at their current levels.

Some people had been hoping for a bit of a reprieve, with the Fed, actually, lowering the discount rate, the interest rate at which banks in the US lend money overnight to themselves.

There was one piece of rather surprising news when it was announced, officially, that Mr Jimmy Lai, the founder of Giordano International Ltd (Code: 709) and Next Media Ltd (Code: 282), would desert the HKSAR in favour of Taiwan.

Mr Lai stated that he had lost about \$HK936 million in trying to crack in the Internet 'egg'.

He said he regretted ever being involved in the industry.

As for the Li Ka Shing Camp, it continued to come under intense pressure, led by Pacific Century CyberWorks Ltd (Code: 8), which was unable to shake off negative investor vibes, causing its share price to hit another new low of \$HK5.90, during the session.

It ended the day at \$HK6.25 after 205.24 million shares switched owners, representing a further deterioration in its share price of about 1.57 percent.

It was the third, most-active counter and accounted for about 9.57 percent of the Total Turnover.

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Ananda Wing On Travel (Holdings) Ltd	1189		15.38	0.11
Bestway International Holdings Ltd	718		14.58	0.041
CATIC Shenzhen Holdings Ltd	161		10.87	0.41
China Assets (Holdings) Ltd	170		10.20	1.32
Chinney Alliance Group Ltd	385		23.08	0.06
Computer & Technologies Holdings Ltd	46	17.71		5.15
Continental Mariner Investment Company Ltd	119		12.50	0.84
Ecopro Hi-Tech Holdings Ltd	397		11.11	0.016
Evergo China Holdings Ltd	631		11.36	0.078
Global Link Cyber International Ltd	140		22.28	0.143
Global Tech (Holdings) Ltd	143	10.45		7.40
Good Fellow Group Ltd	910		10.53	0.51
Group Sense (International) Ltd	601		10.29	0.305
Guangzhou Shipyard International Company Ltd	317		15.38	0.33
HiNet Holdings Ltd	155		10.20	0.132
Hudson Holdings Ltd	758		10.34	0.78
Hung Fung Group Holdings Ltd	1141		10.00	0.018
KG NextVision Company Ltd	516		13.33	0.52
Kin Don Holdings Ltd	208		10.00	0.036
Lai Sun Development Company Ltd	488	12.97		0.27
Medtech Group Company Ltd	1031		24.53	0.04
Midas Printing Group Ltd	1172		11.11	0.32
MUI Hongkong Ltd	542		13.79	0.10
Nam Fong International Holdings Ltd	1176		15.00	0.068

Next Media Ltd	282	11.76		0.38
Northern International Holdings Ltd	736		10.00	0.027
Oriental Union Holdings Ltd	1182		10.64	0.42
Prime Success International Group Ltd	210		12.63	0.083
QPL International Holdings Ltd	243	14.48		4.15
Quality Food International Ltd	735	16.08		0.166
Rivera (Holdings) Ltd	281		11.85	0.238
Solartech International Holdings Ltd	1166		13.33	0.013
Soundwill Holdings Ltd	878		11.67	0.053
Truly International Holdings Ltd	732		14.47	1.30
U-Cyber Technology Holdings Ltd	91	15.15		0.76
Universal Appliances Ltd	419		11.43	0.062
Vanda Systems and Communications Holdings Ltd	757	11.11		1.00
Whimsy Entertainment Company Ltd	1188		12.24	0.43
Wo Kee Hong (Holdings) Ltd	720	13.40		0.11
Yau Lee Holdings Ltd	406		18.57	0.285

On The GEM, The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, the leading light was, again, Town Health International Holdings Company Ltd (Code: 8138).

After Wednesday's successful debut, investors continued to pile into the health-provider, in which Mr Li Ka Shing's outfit has a 9.90-percent stake.

The result was that the share price hit a new high of \$HK3.30.

However, it could not buck the general trend of the market and ended the day at \$HK2.975 after about \$HK63.05-million worth of its stock were traded – down 1.65 percent on the day.

The volume of activity in this one counter represented about 38.82 percent of the Total Turnover of \$HK162.42 million.

The Growth Enterprise Index ended the session at 329.18 points, down about 0.27 percent, compared with Wednesday's close.

The ratio of losers to gainers was 3:One, exactly.

With so little volume in this market, share prices can move up or down on the slimmest of volumes.

There were quite a number of double-digit movers on The GEM, relative to the number of counter that are registered.

The double-digit movers included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025		15.17	0.246
China Agrotech Holdings Ltd	8011		23.46	0.62
Digitalhongkong.com	8007		16.13	0.26
hkcyber.com (Holdings) Ltd	8118		28.47	0.50
STAREASTnet.com Corporation	8010		13.04	1.00
Vodatel Networks Holdings Ltd	8033		22.43	0.83

In Japan, The Tokyo Stock Exchange saw trading, being quite subdued, but Nippon Telegraph and Telephone (NTT) hit a one-year low of 990,000 yen, representing a 'haircut' of about 5.70 percent for the day.

NTT has already announced that it intends to sell up to 1.30 million of its shares in November.

That was enough for Japanese investors – who promptly round looked for other counters.

Most of the other losses, last Thursday, were of no great shakes and few people were very concerned.

There were pockets of interest, but the thin trading conditions caused a big yawn for many of the large stockbrokerage houses.

This is the way that other Asian stock markets behaved, last Thursday:

Thailand	Plus 2.99 percent
Indonesia	Plus 1.39 percent
Malaysia	Plus 0.28 percent
The Philippines	Minus 0.53 percent
South Korea	Plus 0.17percent
Singapore	Plus 3.03 percent
Taiwan	Minus 6.46 percent
Japan	Minus 0.41 percent

Friday

On the back of a booming Wall Street on Thursday, New York time, Asia took off – and share prices in the major bourses in the region shot up.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gained 4.31 percent, rising to 15,044.53 points on a Total Turnover of about \$HK11.43 billion.

On the more speculative Growth Enterprise Market (The GEM), The Growth Enterprise Index put on 4.60 percent, moving back to 344.32 points on a Total Turnover on that market of \$HK311.39 million.

Asia was reacting, of course, to what had taken place on The New York Stock Exchange, during trading on Thursday.

Lifting the spirits of investors were corporate earnings reports, which put smiles on the faces of the most skeptical of investors and analysts.

And these earning's reports put a rocket up the arse of many technology stocks, which took off, being hotly chased by investors, hungry for the scrip which, only 24 hours earlier, were deemed to be pariahs.

The NASDAQ Composite Index finished last Thursday's session at 3,418.60, a gain of about 7.79 percent, compared with Wednesday's closing level.

It was the third highest, single movement in the history of the index.

The Dow Jones Industrial Average moved up 167.96 points, equal to a gain of about 1.68 percent, ending the day at 10,142.98.

What touched off the Wall Street bull run was a report from Nokia of Finland, the world's leading manufacturer of mobile telephones.

Nokia reported a 40-percent gain in third quarter profits, a far stronger improvement than had been expected.

Nokia said that third-quarter profits were about \$US749 million (about \$HK5.83 billion) on a sales increase of about 50 percent.

It, also, announced that it expected a further increase in sales of between 25 percent and 35 percent for the 2001 year.

Nokia's share price rose about 27 percent on the news.

That was enough for Wall Street to be pumped up with energy and, as a direct result, share prices started to fly.

Asia took careful note of what was happening on the world's largest stock market and disregarded continued fighting between the Jews and the Arabs over olive trees, etc.

China Mobile (Hongkong) Ltd (Code: 941) came back with a vengeance as its share price scooted up 8.15 percent to hit a high of \$HK54.25 before settling back to \$HK53.75 at the close.

Trading in this giant telecommunications company, soon to be the Number One in the People's Republic of China (PRC), was responsible for about 13.30 percent of the Total Turnover.

Even cash-strapped Pacific Century CyberWorks Ltd (Code: 8) managed to put on a little bit, rising to \$HK6.50 at the close. This represented a gain of 4 percent, compared with Thursday's closing level.

For a change, the Li Ka Shing Camp had a fairly good day, with Hutchison Whampoa Ltd (Code: 13), gaining 3.49 percent to end the week at \$HK96.25, while Cheung Kong (Holdings) Ltd (Code: 1) managed to see its share price rise to \$HK89.75, an improvement of about 3.46 percent, compared with Thursday's closing level.

Hutchison was the third, most-active counter while Cheung Kong was in the Number 6 Slot.

All in all, the major Li Ka Shing holdings accounted for nearly 25 percent of the total volume of activity for the day.

The ratio of gainers to losers was about 4.46:One.

The double-digit gainers and losers included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
ASM Pacific Technology Ltd	522	10.32		13.90
Automated Systems Holdings Ltd	771	15.29		2.45
AV Concept Holdings Ltd	595	28.30		0.68
CCT Telecom Holdings Ltd	138	10.98		0.91
Cheung Tai Hong Holdings Ltd	199		49.69	0.08
China DigiContent Company Ltd	1197	36.84		0.052
China Everbright Technology Ltd	256	21.21		0.40
China Internet Global Alliance Ltd	235	17.39		0.27
China Sci-Tech Holdings Ltd	985	25.00		0.125
China Star Entertainment Ltd	326	16.41		0.227
Chinney Alliance Group Ltd	385	16.67		0.07
Chu Kong Shipping Development Company Ltd	560	11.11		0.60
City Telecom (Hongkong) Ltd	1137	14.55		0.63
Climax International Company Ltd	439	13.21		0.30
COCSO International Holdings Ltd	517	13.10		0.95
Deson Development International Holdings Ltd	262	31.71		0.054
Egana Jewellery and Pearls Ltd	926	10.88		0.265
First Pacific Company Ltd	142	10.53		1.68
Founder Holdings Ltd	418	13.64		1.75
eForce Holdings Ltd	943	11.11		0.08

Global Link Cyber International Ltd	140	18.88		0.17
Global Tech (Holdings) Ltd	143	14.19		8.45
Great Wall Technology Company Ltd	74	11.28		2.125
Hang Fung Gold Technology Ltd	870	10.00		0.066
ING Beijing Investment Company Ltd	1062		11.22	0.19
Interchina Holdings Company Ltd	202	19.23		0.465
K. Wah International Holdings Ltd	173	10.94		0.355
Kin Dong Holdings Ltd	208	27.78		0.046
Li and Fung Ltd	494	10.26		15.05
Leading Spirit High-Tech (Holdings) Company Ltd	606	10.17		0.13
Lung Cheong International Holdings Ltd	348		11.76	0.90
Magician Industries (Holdings) Ltd	526		30.30	0.115
Medtech Group Company Ltd	1031	10.00		0.044
Midas Printing Goup Ltd	1172	12.50		0.36
Quality Food International Ltd	735	20.48		0.20
MUI Hongkong Ltd	542		10.00	0.09
New Rank City Development Ltd	456	18.50		1.02
Ngai Hing Hong Company Ltd	1047	12.33		0.41
Northern International Holdings Ltd	736	22.22		0.033
Ocean Shores Group Ltd	764	13.41		0.465
ONFEM Holdings Ltd	230	11.54		0.29
Orient Power Holdings Ltd	615	10.00		0.44
Shandong International Power Development Company Ltd	1071	13.13		1.12
Singamas Container Holdings Ltd	716	14.04		0.325
Sino InfoTech Holdings Ltd	205	10.12		0.185
SiS International Holdings Ltd	529	11.48		0.68
SmarTone Telecommunications Holdings Ltd	315	11.62		11.05
South East Group Ltd	726	21.05		0.023
Stone Electronic Technology Ltd	409	13.89		0.82
Tianjin Development Holdings Ltd	882	10.55		2.20
Tonic Industries Holdings Ltd	978	15.07		0.42
Vanda Systems and Communications Holdings Ltd	757	14.00		1.14
vLink Global Ltd	563	15.00		0.092

GEM stocks were, once again, dominated by trading in the newest listing: Town Health International Holdings Company Ltd (Code: 8138).

A total of about 54.39 million Town Health shares found buyers and sellers, representing, in dollar terms, about \$HK196.46 million, or about 63.09 percent of the Total Turnover of about \$HK311.39 million.

The share price of Town Health closed the week at \$HK3.575 after hitting a high of \$HK3.85, last Friday. This represented a gain of 20.17 percent for the day.

Gainers were 4.71:One in a market that was reacting, directly, to what was taking place in New York.

The big question was whether or not last Friday's trades were a flash in the pan or the end of the bearish sentiment that had been dogging the market, on and off, for the past few weeks.

Fundamentally, things had not changed, causing the rises and falls in the price of GEM-listed stocks; and, it was well known that the companies, worthy of their salt, are few and far between.

In Japan, it was a similar pattern to that of most of Asia as The Tokyo Stock Exchange witnessed a return to investor favour.

The Nikkei-225 gained 387.65 yen, rising to 15,198.73 yen in heavy trading volume.

Nippon Telegraph and Telephone (NTT), which lost about 5.70 percent of its market capitalisation on Thursday, falling to 990,000 yen, regained about 2 percent of its earlier losses, cutting its 19-month plunge.

As with the stock markets of the Hongkong Special Administrative Region (HKSAR), Japan rode the waves of enthusiasm, initiated on the largest bourse in the world.

Examples of hi-tech and Internet-related counters that rose, rapidly, included Sony Corporation, the largest consumer manufacturer in the world, the share price of which rose more than 7 percent.

Fujitsu, easily Japan's premier manufacturer of personal computers, etc, saw its share price rise about 8.32 percent, while chipmaker, NEC, went along with the winners, putting on nearly 8 percent.

It was the first day in 4 trading days that the Japanese market had not gone into retreat.

On that positive note, Asian investors trudged home, praying, no doubt, that the worst of the falls in stock markets in Asia were over.

The following is a list of other Asian stock markets and how they fared, last Friday:

Thailand	Plus 0.15 percent
Indonesia	Minus 0.57 percent
Malaysia	Plus 0.62 percent
The Philippines	Minus 0.46 percent
South Korea	Plus 6.01 percent
Singapore	Plus 2.10 percent
Taiwan	Plus 6.37 percent
Japan	Plus 2.62 percent

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