

AND SMILES RETURN TO ASIAN INVESTORS' FACES

Stock exchange indices across Asia fell quickly, last Monday, but it was amid very quiet trading conditions.

The Hang Seng Index, the '*dip stick*' of the Main Board of The Stock Exchange of Hongkong Ltd, lost about 0.69 percent, falling to 14,799.90, but it was on reduced trading activities, which dropped to \$HK6 billion, on the nose.

Conflicting (and confusing) economic reports were thought to have been partially responsible for the quiet trading conditions as, on the one hand, it looked as though oil prices would retreat, but, on the other hand, it looked as though profits would be squeezed in the US, the world's largest consumer market.

From London, it was reported that the price of crude oil was falling as traders took note of an expected increase of half a million barrels of oil to hit the market on a daily basis.

Brent Crude, for December delivery, slipped back to about \$US30.85 per barrel on the International Petroleum Exchange in London.

That was a drop of about 6 percent in one week.

The President of OPEC – the Organisation of Petroleum Exporting Countries – had stated, just one week prior, that, effective last Monday, OPEC would increase exports of oil to the world if the price of a barrel of crude was more than \$US28.

At the same time, Iraq appeared to be softening its stance toward the US and had agreed to accept US dollars in payment for its oil exports during the first week of November, at least.

Iraq had stated that, effective November 1, it wanted to be paid in euros, not US dollars.

Nevertheless, the price of crude was still at a near, 10-year high.

That was the positive side of the economic news.

On the positive-negative side of the news was the fact that the US economy expanded in the third quarter of this year at the slowest pace in more than a year, according the US Commerce Department.

According to the Commerce Department, Gross Domestic Product – an aggregate of goods and services produced in the US – increased at an annual rate of about 2.70 percent in the third quarter of this year.

In the second quarter, the annual rate of increase was about 5.60 percent.

This compared with the second quarter of 1999 when records showed a 2.50-percent growth.

What this, all, means is that the US Federal Reserve's policy of raising interest rates, de jure, is having its desired effects in the US: Slowing down the economy.

But there is a downside to this: Higher borrowing costs – a situation which was, de facto, engineered by the Fed – means lower profits for companies; and, difficulty in finding funds for many expansion programmes.

In a separate report from the US Commerce Department, orders for durable goods showed the third monthly decline in demand for business equipment.

Back in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the number-crunchers were looking over the situation and wondering what it, all, meant, in terms of Asia and the near term.

With the US and European stock markets closed when the HKSAR stock markets were in operation on Monday – Asia sets the tone for the week's start due to the time differential – investors sat on their hands and waited to see which way the winds would blow.

About the only guide Asia had, last Monday, was the previous Friday's report about trading on The New York Stock Exchange.

On Friday, October 27, the Dow Jones Industrial Average rose 210.50 points to 10,590.62 points, a gain of about 2.03 percent on the day.

The NASDAQ Composite Index, though, hardly moved and registered a daily gain of just 6.18 points at 3.278.36.

For the previous week, ending October 27, therefore, the NASDAQ had lost about 5.90 percent of its value while the Dow had risen by about 3.60 percent.

In spite of the Hang Seng Index, losing 102.56 points, advancing issues were ahead of retreating issues by the ratio of about 1.14:One.

China Mobile (Hongkong) Ltd (Code: 941) was the most active counter, but its share price fell from a high of \$HK53 to \$HK50.50 at the lowest point of the day.

It ended the day at \$HK51 for a 3.32-percent loss, compared with the previous Friday's closing level.

Trading in this counter accounted for about 12.68 percent of the \$HK6 billion Total Turnover.

Pacific Century CyberWorks Ltd (Code: 8) continued to feel the wrath of investors, many of whom had lost heart in the Li Ka Shing company, but, after a short burst, the share price regained some ground, ending the day with a 0.83-percent gain to \$HK6.05, rising from a low of \$HK5.95.

On a turnover in this counter of about 66.76 million shares, Pacific Century CyberWorks accounted for about 6.67 percent of the entire volume of activity of the day.

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Orient Holdings Ltd	214	13.48		0.101
Capital Automation Holdings Ltd	493	13.95		0.49
CCT Multimedia Holdings Ltd	1169	13.73		0.232
China Development Corporation Ltd	487	12.50		0.315
China Insurance International Holdings Company Ltd	966	10.89		1.12
China Internet Global Alliance Ltd	235		10.00	0.27
China Southern Airlines Company Ltd	1055	11.11		1.80
Companion Building Material International Holdings Ltd	432	11.11		0.02
Dragonfield Holdings Ltd	578	14.29		0.024
eForce Holdings Ltd	943		13.11	0.265
Emperor Technology Venture Ltd	283		12.45	0.232
Fourseas.com Ltd	755	15.38		0.015
Guangdong Tannery Ltd	1058		37.04	0.17
HiNet Holdings Ltd	155	14.20		0.201

Interchina Holdings Company Ltd	202	10.00		0.55
Jingwei Textile Machinery Company Ltd	350	10.00		1.10
K.P.I. Company Ltd	605	13.93		0.139
KEL Holdings Ltd	681		16.67	0.25
King Pacific International Holdings Ltd	72	14.66		0.133
Kong Sun Holdings Ltd	295	22.22		0.44
Millennium Sense Holdings Ltd	724	31.25		0.42
Oriental Union Holdings Ltd	1182	20.00		0.51
Pacific Century Insurance Holdings Ltd	65	14.09		1.70
Prosper eVison Ltd	979	16.13		1.80
Singapore Hongkong Properties Investment Ltd	245	20.00		0.012
Solartech International Holdings Ltd	1166	15.38		0.015
Vantage International (Holdings) Ltd	15	12.20		1.38
Victory Group Ltd	1139		16.89	0.123
Yugang International Ltd	613	11.29		0.069

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the situation was not very dissimilar to trading conditions on the Main Board.

The Growth Enterprise Index did manage to make a fractional gain of about 0.56 percent, rising to 343.89 points, but it was on a Total Turnover of about \$HK137.61 million.

For the eighth consecutive day of trading on this speculative marketplace, Town Health International Holdings Company Ltd (Code: 8138) was the most active counter, accounting for about 34.88 percent of the Total Turnover.

But investors appeared to be getting tired of trading in this counter as its share price fell back to \$HK3.50. It closed the day after about 13.43 million of its shares found new owners.

Phoenix Satellite Television Holdings Ltd (Code: 8002) was one of the star performers as its share price zigzagged more than 5 percent, during the day, closing the day at \$HK1.80 after hitting a high of \$HK1.81.

It was reported in New York, on Sunday, that Microsoft Corporation, the world's largest producer of computer software, is to pump about \$US1 billion (about \$HK7.75 billion) into Mr Rupert Murdoch's international holdings, of which Phoenix Satellite is but a small part.

The biggest gainer of the day was 36.com Holdings Ltd (Code: 8036), the share price of which rose 73.68 percent to 6.60 cents on a turnover of about 560,000 shares.

Gainers outnumbered losers on this market by the ratio of about 1.43:One.

In Japan, investors in The Land of The Rising Sun were shocked to learn that their premier stock market's index had hit a 19-month low point.

The Nikkei-225 sank a further 117.64 yen to 14,799.90 yen, dragged down by electronics and uncertainties, surrounding the political front.

Oil no longer played such a dominant role in the determination of share prices since that factor had already been discounted.

And the Dow's gains of the previous Friday did not appear to be stirring investors' hearts on Asia's most important single market.

Sony Corporation continued to be on the firing line as its share price suffered another 4-percent fall, following a 7.50-percent drop in its market capitalisation the previous Friday.

Sony had, the previous week, announced a Net Loss of about \$HK81 billion for the first half of this year, to September 30.

Sony's archrival, Toshiba Electric, fell in sympathy with Sony, losing about 4.20 percent of its value.

Kenwood, a manufacturer of specialised electronics, announced that its earnings would be in the red of the first half of this year, to September 30.

It announced that it would be taking a loss of about \$HK222.45 million.

Earlier in the year, Kenwood's Management had said that it expected to realise a Net Profit of about \$HK71.76 million for the first half.

Kenwood's share price was shaved down by about 9.40 percent.

Another disappointment to hit the Japanese market came from Sega Enterprises. It announced that it expected to suffer a loss of about \$HK1.58 billion for its Financial Year, ending March 31, 2001.

It had announced that it was expecting a Net Profit of about \$HK107.64 million for the Year.

Its share price plunged nearly 10 percent, during last Monday's session.

Top Internet players, Softbank and Hikari Tsushin, lost heavily, with Softbank, off about 7.30 percent, while Hikari Tshushin gave up about 5.10 percent of its value.

One bright spot in the market was an announcement from Matsushita Electric Industrial Company, the world's largest producer of consumer electronics.

It announced that, for the first half of this Financial Year, to September 30, it recorded an Operating Profit of about \$HK7 billion, up about 53 percent, compared with the comparable period in 1999.

But it was about the only bright spot in a relatively quiet market.

The following is a list of the major losers in Asia, last Monday:

Thailand	Minus 1.46 percent
Indonesia	Minus 1.88 percent
Malaysia	Minus 2.12 percent
The Philippines	Minus 0.02 percent
South Korea	Minus 2.06 percent
Singapore	Minus 0.17 percent
Taiwan	Minus 2.52 percent
Japan	Minus 0.81 percent

Tuesday

China Mobile (Hongkong) Ltd (Code: 941) was the most active counter on the Main Board of The Stock Exchange of Hongkong Ltd, last Tuesday, following the company's announcement that it had raised about \$HK51 billion from equity markets by issuing new shares.

The price that the shares were sold was \$HK48 each.

That put the cat among the pigeons.

The largest mobile telecommunications operator in the People's Republic of China (PRC) stated that it sold about 1.07 billion shares as well as issuing 5-year Convertible Bonds.

The money is required to permit China Mobile to acquire 7 mobile networks from its PRC parent company. The sale price is about \$HK264 billion.

The information, relating to the cash-raising exercise, was hardly news because it had been known for the best part of this year, but the price, a deep discount to the market's price, was a bit of a shock to some people.

After a total of about 18.12 million China Mobile shares changed hands, the share price settled at \$HK50.25 after hitting a low of \$HK49.70.

The volume of activity in this counter represented nearly 11 percent of the Total Turnover of about \$HK8.41 billion.

The Hang Seng Index, after rising 204.81 points in the morning session, saw profit-taking shave down the gains so that, by the close, the Index stood at 14,895.34, an improvement of just 95.44 points, or about 0.65 percent, over Monday's close.

It could not hold through the magical 15,000 level.

In New York, on Monday, New York time, the Dow Jones Industrial Average put on another booming day, ending the session at 10,835.77, a gain of about 2.31 percent over the previous Friday's closing level.

The tech-laden NASDAQ Composite Index, however, fell back 86.96 points, or about 2.65 percent, to end the hectic day at 3,191.40.

However, during Monday's trading session, the tech-market had been off by much more than the 87-point drop, with the NASDAQ down about 4 percent, at one point in the proceedings.

It was clear that investors were steering clear of hi-tech and Internet-related issues in favour of choosing counters that were, fundamentally, sound.

But, as investors have seen, the NASDAQ has a tendency to bounce back with a vengeance – and it was being strongly favoured in the short term, actually.

The stock markets of the Hongkong Special Administrative Region (HKSAR) followed the New York lead.

HSBC Holdings plc (Code: 5) saw its share price regain some of its lost glory, rising to a high of \$HK109.50, up from a low of \$HK107.

It closed the day at \$HK108.50 per share, an improvement of about 1.40 percent, compared with Monday's closing level.

Trading in the shares of this bank's stock represented about 8.92 percent of the Total Turnover.

The shallow trading pattern of the market put a number of investors off because there is an old saying that goes along the lines that a market with very light volume and a creeping index is a market that is vulnerable.

The Stock Exchange of Hongkong Ltd had both of these attributes, last Tuesday, to be sure. In fact, that had been the situation for the previous few weeks.

The ratio of gainers to losers was about 2.07:One.

With little to spur the market, many investors just watched ... and waited.

They were watching New York and waiting to see whether or not the situation in the Middle East would be resolved, quickly.

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (SHK)
401.com Ltd	401	12.50		0.018
Asia Orient Holdings Ltd	214	16.83		0.118
Beijing Datang Power Generation Company Ltd	991	10.71		1.86
Coslight Technology International Group Ltd	1043	11.48		0.68
Culturcom Holdings Ltd	343	10.42		0.53
DCP Holdings Ltd	497	12.50		0.243
e-Kong Group Ltd	524	12.50		0.54
eForce Holdings Ltd	943		26.42	0.195
Global China Technology Group Ltd	1105	13.46		0.59
Great Wall Cybertech Ltd	689	13.07		0.199
Hang Fung Gold Technology Ltd	870	13.04		0.078
Hikari Tsushin International Ltd	603	12.96		0.183
Honko International Holdings Ltd	673		10.05	0.17
Karce International Holdings Company Ltd	1159	15.15		0.57
LifeTech Group Ltd	1180	14.00		0.285
Logic International Holdings Ltd	1193	15.52		0.67
Leading Spirit High-Tech (Holdings) Company Ltd	606	14.75		0.14
Multifield International Holdings Ltd	898	15.06		0.191
Nam Fong International Holdings Ltd	1176		12.50	0.07
OSK Asia Corporation Ltd	555	16.67		0.28
Prime Success International Group Ltd	210	14.81		0.093
Quality Food International Ltd	735	10.00		0.33
renren Media Ltd	59	22.22		0.066
South East Asia Wood Industries Holdings Ltd	1205	20.73		0.099
Sino InfoTech Holdings Ltd	205	10.30		0.182
Softbank Investment International (Strategic) Ltd	648	18.03		0.72
South East Group Ltd	726	19.05		0.025
Star Cyberpower Holdings Ltd	1051	15.79		0.022
Stone Electronic Technology Ltd	409	10.84		0.92
Swank International Manufacturing Company Ltd	663	12.50		0.072
Tem Fat Hing Fung (Holdings) Ltd	661	10.89		0.275
Universal Appliances Ltd	419	10.71		0.062
vLink Global Ltd	563	21.05		0.115
Wah Lee Resources Holdings Ltd	1215		18.63	0.166
Yugang International Ltd	613	14.49		0.079

On The GEM, The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, Tong Ren Tang Technologies Company Ltd (Code: 8069) made its entrance for the first time, following a company announcement that its 72.80-million Share Placement had been 20.10 times oversubscribed.

(Please see [TARGET Intelligence Report, Volume II, Number 207](#), for full analysis of this company)

On a turnover in this counter of about 27.72 million shares, the share price leapt to \$HK5.20, a 43.65-percent premium over the Placement Price of \$HK3.62 per share.

The share price never cut through the \$HK4 level from the moment that this speculative market opened its doors. It ended the day at \$HK4.30 per share.

With the Total Turnover of The GEM at about \$HK260.93 million, trading in Tong Ren Tang accounted for about 47.73 percent of the entire volume of activity.

A poor second on the Most Active List was the (now) old favourite, Town Health International Holdings Company Ltd (Code: 8138).

The share price of this health provider had started to get bruised as about \$HK41.20-million worth of its scrip changed hands, with the share price, falling to a low of \$HK3.075, where it closed the day.

This closing price represented a drop of about 12.14 percent over Monday's closing level.

The Growth Enterprise Index was fractionally higher at 344.90 points, a gain of just 0.29 percent over Monday's close.

The ratio of advancing issues to declining ones was about 1.22:One.

On The Tokyo Stock Exchange, to the delight of Japanese investors, the market made a comeback, but only a wisp of a gain, amounting to just a tad over the one half-a-point mark.

The Nikkei-225 gained 75.04 yen, rising to 14,539.60 yen, breaking the mould of the Monday record of a 19-month low.

What gave this market a bit of a boost was an announcement from International Business Machines Corporation (IBM) to the effect that it intended to enter into an agreement with the giant Japanese telecommunication conglomerate, Nippon Telegraph and Telephone Corporation (NTT).

According to reports, IBM had secured major services agreements with NTT whereby IBM would link up with NTT Comware Corporation, a subsidiary of NTT, to provide information technology services – consulting services, systems integration, etc – to NTT.

The deal, over the next decade, is valued at between \$US12 billion and \$US14 billion (between about \$HK93 billion and \$HK109 billion).

Aside from the telecommunications sector of the premier Japanese stock market, Nissan Motor Company, owned as to about 37 percent by the French automobile manufacturer, Renault, added about 9.50 percent to its share price after revising its profit forecast for the year, to March 31, 2001.

Nissan stated that it expected its profits to be about \$HK18 billion (about \$US2.30 billion).

Mitsubishi Motors Corporation went along for the ride with Nissan, regaining another 5 percent of its market capitalisation, extending Monday's gains when its share price rose about 3.50 percent.

Mitsubishi Motors is owned as to 34 percent by the German motor-car giant, Daimler-Chrysler AG.

Sony, however, did not fare well as investors still recalled the previous week's warning about its loss situation. Its share price continued to fall, losing about 5.10 percent.

In just 4 trading days, Sony had lost about 16 percent of its total value.

And this is how other Asia bourses saw the situation, last Tuesday:

Thailand	Plus 0.55 percent
Indonesia	Plus 0.30 percent
Malaysia	Minus 2.83 percent

The Philippines	Plus 0.25 percent
South Korea	Plus 1.93 percent
Singapore	Plus 0.96 percent
Taiwan	Minus 2.03 percent
Japan	Plus 0.52 percent

Wednesday

The stock markets of Asia climbed aboard the New York bandwagon, sending up indices, throughout the region.

The lone exception was Taiwan, where there is growing political unrest.

The Stock Exchange of Hongkong Ltd saw both of its markets go screaming higher, with the Main Board's Hang Seng Index, up about 3.05 percent to 15,349.01 points, while The Growth Enterprise Index, the index of the speculative Growth Enterprise Market, rose 3.43 percent, hitting 356.72 points.

The volume of activity was, still, low on both markets, but there was a noticeable improvement over the previous few weeks of trading.

The Asian rally followed on from Wall Street where, on Tuesday, The New York Stock Exchange continued to be on a roll.

The Dow Jones Industrial Average rose about 1.25 percent to 10,971.14 points, but the NASDAQ Composite Index, the index which plots a broader range of companies than does the Dow, moved up smartly to 3,396.63, a gain of about 5.58 percent on the day.

The turnabout situation – at least, that is what it appeared to be, last Tuesday, New York time – marked the end of a spate of negative news from some of the former '*darlings*' of the marketplace.

The Total Turnover on the Main Board of The Stock Exchange of Hongkong Ltd was, still, on the low side, at about \$HK12.87 billion.

But one counter, China Mobile (Hongkong) Ltd (Code: 941), accounted for 18.57 percent of the entire volume of activity.

Investors were still trying to work out exactly what to do about China Mobile, following its cash-raising exercise (please see Tuesday's report on this subject), so there was a great deal of toing and froing in this counter.

Its share price fluctuated between a high of \$HK51.75 and a low of \$HK48.50, ending the day at \$HK50.50 after about 47.51 million shares changed hands.

One of the star performers of the day was HSBC Holdings plc (Code: 5), the share price of which hit \$HK113.50 at one stage of the proceedings.

It closed at \$HK113 per share on a volume, in terms of dollars and cents, of about \$HK1.13 billion, representing 8.78 percent of the Total Turnover.

The closing share price represented a gain of about 4.15 percent over Tuesday's close.

The Li Ka Shing Camp, the market capitalisation of which is greater than \$HK850 billion, was a recipient of the boom-let as Hutchison Whampoa Ltd (Code: 13) saw its share price rise 6.46 percent to hit \$HK103.

Hutchison was the third, most-active counter and accounted for about 7.07 percent of the Total Turnover.

Cheung Kong (Holdings) Ltd (Code: 1) was next in line on the Ten Most Active List as more than 8.15 million of its shares were traded, with the Li Ka Shing flagship company, finding its share price hitting a high of \$HK90.75, after touching a low of \$HK86.75.

The closing price was \$HK90.50 per share, which represented a gain of 4.93 percent on the day.

But Pacific Century CyberWorks Ltd (Code: 8) was not on the list of companies to be adored: Its share price remained unchanged at \$HK6 in spite of Pacific Century CyberWorks, being the sixth, most-active counter of the day.

Next Media Ltd (Code: 282) announced that it had sacked 90 of its staff.

This was, originally, made known when some disgruntled workers let out the secret to other members of the HKSAR Press.

This necessitated Management of Next Media, issuing an announcement, clarifying the situation and explaining that the sacked workers had been employed in website design.

The sackings will save the company about \$HK36 million per year, it was announced.

The share price of Next Media closed at 38 cents, a loss of about 2.56 percent for the day.

The ratio of gainers to losers was about 4.29:One, but it was noted that more than 55 percent of all the trading was in just 10 counters.

Some of the biggest double-digit gainers and losers included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139	14.29		0.04
Asia Logistics Technologies Ltd	862	17.57		0.174
Asia Standard International Group Ltd	129	17.39		0.27
AV Concept Holdings Ltd	595	11.29		0.69
Buildmore International Ltd	108	14.58		0.55
Carry Wealth Holdings Ltd	643	26.67		0.76
CCT Telecom Holdings Ltd	138	10.53		1.05
Celestial Asia Securities Holdings Ltd	1049	12.90		0.35
Central China Enterprises Ltd	351	13.07		0.225
Champion Technology Holdings Ltd	92	10.47		0.19
Cheuk Nang Technologies (Holdings) Ltd	131	18.07		0.065
China United Holdings Ltd	273	12.50		0.018
Chuang's Consortium International Ltd	367	10.71		0.31
City Telecom (Hongkong) Ltd	1137	12.90		0.70
Companion Building Material International Holdings Ltd	432		10.53	0.017
Computer and Technologies Holdings Ltd	46	10.28		5.90
Culturecom Holdings Ltd	343	13.21		0.60
DCP Holdings Ltd	497	23.46		0.30
Deson Development International Holdings Ltd	262	10.42		0.053
Dongfang Electrical Machinery Company Ltd	1072	21.21		0.40
DVN (Holdings) Ltd	500	22.83		2.125
e-Kong Group Ltd	524	12.96		0.61
Far East Technology International Ltd	36	28.83		0.52
First Tractor Company Ltd	38	12.00		0.56
Founder Holdings Ltd	418	16.94		2.175
Great Wall Technology Company Ltd	74	14.89		2.70
Guangdong Building Industries Ltd	818		10.00	0.36

Hang Fung Gold Technology Ltd	870	17.95		0.092
Hanny Holdings Ltd	275	12.50		0.315
Harbin Power Equipment Company Ltd	1133	18.90		0.415
Hikari Tsushin International Ltd	603	22.40		0.224
i100 Ltd	616	17.54		0.67
ICG AsiaWorks Ltd	715	11.11		0.60
Interchina Holdings Company Ltd	202	19.30		0.68
iQuorum Cybernet Ltd	472	12.12		0.037
KEL Holdings Ltd	681	26.00		0.315
Kin Dong Holdings Ltd	208	25.00		0.06
Kunming Machine Tools Company Ltd	300	10.91		0.61
Logic International Holdings Ltd	1193	13.43		0.76
Medtech Group Company Ltd	1031	17.65		0.06
Mei Ah Entertainment Group Ltd	391	13.95		0.49
Millennium Sense Holdings Ltd	724		10.53	0.34
Nanjing Panda Electronic Company Ltd	553	10.76		1.75
Netalone.com Ltd	336	22.05		0.238
New World Cyberbase Ltd	276	10.38		0.234
ONFEM Holdings Ltd	230	11.86		0.33
Oriental Explorer Holdings Ltd	430		13.33	0.052
OSK Asia Corporation Ltd	555	21.43		0.34
Pacific Century Insurance Holdings Ltd	65	12.07		1.95
Peace Mark (Holdings) Ltd	304	13.73		0.058
Plotio Holdings Ltd	499	18.64		0.35
Prime Success International Group Ltd	210	18.28		0.11
QPL International Holdings Ltd	243	15.91		5.10
S.A.S. Dragon Holdings Ltd	1184	11.63		0.48
Savoy Concepts Ltd	680	32.22		0.119
Sino InfoTech Holdings Ltd	205	11.54		0.203
Sino-i.com Ltd	250	16.40		0.22
Softbank Investment International (Strategic) Ltd	648	26.39		0.91
Solartech International Holdings Ltd	1166	13.33		0.017
Soundwill Holdings Ltd	878	35.94		0.087
Star Cyberpower Holdings Ltd	1051	22.73		0.027
Stone Electronic Technology Ltd	409	19.57		1.10
Sunway International Holdings Ltd	58	13.56		0.67
TCP International Holdings Ltd	1070	10.24		1.40
Theme International Holdings Ltd	990	11.67		0.067
Tomorrow International Holdings Ltd	760	10.20		0.27
Universal Appliances Ltd	419	33.87		0.083
Vanda Systems and Communications Holdings Ltd	757	11.97		1.31
Wing Lee International Holdings Ltd	899	31.82		0.116
Wireless InterNetworks Ltd	261	21.43		0.017
Wong's King Kong International (Holdings) Ltd	532	11.11		0.30
Yeebo (International Holdings) Ltd	259	28.57		0.54
Yoshiya International Corporation Ltd	193	16.92		0.38
Yue Fung International Group Holdings Ltd	965	21.74		0.112
Yunnan Enterprises Holdings Ltd	455	11.53		0.48
Zhu Kuan Development Company Ltd	908	14.71		0.39

The GEM market saw its Total Turnover rise to about \$HK213.19 million as advancing issues outnumbered retreating ones by the ratio of about 2.17:One.

The leading light of the day was, again, Tong Ren Tang Technologies Company Ltd (Code: 8069), the latest company to hit the speculative market.

The share price of this Chinese medicine company hit a new high of \$HK4.50 before coming back down to earth at the price of \$HK4.00, the closing level. That represented a loss over Tuesday's closing level of about 6.98 percent.

Trading in this one counter represented about 21.43 percent of the Total Turnover.

Town Health International Holdings Company Ltd (Code: 8138) continued to be up there with the leaders and trading in this health provider (Mr Li Ka Shing's mob has about 9.90 percent of the Issued Share Capital of the company) represented about 17 of the entire volume of activity of the day.

Town Health's share price ended the day at \$HK3.15 after 11.50 million of its shares changed hands. That closing price represented a gain over Tuesday's level of about 2.44 percent.

The 3 biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
hkcyber.com (Holdings) Ltd	8118		30.00	0.35
Shanghai Fudan Microelectronics Company Ltd	8102	11.19		1.59
tom.com Ltd	8001	10.18		3.525

To the delight of Japanese investors, for the second day in a row, The Tokyo Stock Exchange recorded a plus figure, thus breaking the 19-month, low-tide figure of the previous week.

The Nikkei-225 managed to put on a 2.28-percent spurt, rising to 14,872.30 yen.

The gains cut back the year's losses to just about 21 percent.

The share price of Sony Corporation, after being battered for the previous week, recovered some of its losses, rising a little more than 6 percent. That cut its previous 2 weeks of losses down to about 11 percent.

Helping the market, tremendously, was a report from Hitachi Ltd, chipmaker, mostly, but with an arsenal of other products, including digital cameras.

Hitachi reported a 13-fold increase in profits for the first half to September 30, compared with the like 1999 period.

Management said that it had achieved a Net Profit of about \$HK4.40 billion for the period.

Hitachi finished the session up just 2.10 percent.

Telecommunications issues were generally stronger, powered by heavyweights, such as Japan Telecom, the share price of which rose 14.60 percent.

The gains on Asia's most important single stock market were right across the board, but the blue chips were, by and large, in strong demand.

This is the way that things looked in other parts of Asia, last Wednesday:

Thailand	Plus 2.92 percent
Indonesia	Plus 0.99 percent
Malaysia	Plus 0.77 percent
The Philippines	Closed
South Korea	Plus 6.60 percent

Singapore	Plus 3.21 percent
Taiwan	Minus 2.15 percent
Japan	Plus 2.29 percent

Thursday

To be sure, the magic, surrounding Mr Li Ka Shing's Internet investor and telecommunications company, Pacific Century CyberWorks Ltd (Code: 8), had disappeared and, in its place, investor apathy had been substituted.

Pacific Century CyberWorks was but one of the many companies to fall out of bed in last Thursday's trading on The Stock Exchange of Hongkong Ltd.

The company watched its share price hit a new 12-month low of \$HK5.70, down from a high of \$HK6. It ended the session at \$HK5.75, a loss of 4.17 percent over Wednesday's close.

The Hang Seng Index, the *'barometer'* of the Main Board, fell just 57.47 points, or about 0.37 percent, ending the day at 15,291.54, but the Index's smallish loss did not, in any way, indicate the losses in some counters.

Although, having said that, there was ample evidence to indicate that Thursday was just a little hiccough and that things would turn positive within 24 hours: Investors appeared to maintain a more positive, intermediate term outlook.

The Total Turnover, also, fell back to just below \$HK11 billion, which had to be considered positive in view of everything.

Trading on just one counter was responsible for about 20.38 percent of the Total Turnover. That counter was China Mobile (Hongkong) Ltd (Code: 941).

A total of about 44.82 million China Mobile shares changed hands, last Thursday, as the share price of the biggest and most important mobile telephone operator in the People's Republic of China (PRC) fell by about 1.78 percent, ending the day at \$HK49.80.

The most active counter was still suffering from its call for more cash in order to purchase 7 mobile networks from its PRC parent company. (please see Tuesday's report on this subject)

With 2 of the biggest telecommunications operators, Pacific Century CyberWorks and China Mobile, in the dogs, it was only natural that other players in the telecommunications field should follow suit: SmarTone Telecommunications Holdings Ltd (Code: 315) lost 5.51 percent, falling to \$11.15, while SUNDAY Communications Ltd (Code: 866) gave up 2.63 percent, falling to 74 cents per share.

Quiet trading conditions still haunted investors on the Main Board of The Stock Exchange of Hongkong, the largest marketplace for securities in the Hongkong Special Administrative Region (HKSAR), and this was driven home, most pointedly, when one noted that about 700 counters were responsible for about \$HK8.75-billion worth of trading (cutting out the turnover of China Mobile, of course).

Whether or not the quiet trading conditions would persist for very long depended, to a great extent, on what would happen on Wall Street.

On The New York Stock Exchange, last Wednesday, New York time, the Dow Jones Industrial Average went into reverse as many investors took their profits and ran for cover.

The Dow ended the day at 10,899.47 for a loss of about 71.67 points, or about 0.65 percent.

The final count, however, was an improvement over earlier intra-day losses, which saw the Dow off by about 139-plus points.

The NASDAQ Composite Index followed the Dow, shedding 36.24 points, or about 1.08 percent. However, like the Dow, the NASDAQ had been in a much worse situation, during the day, as it had fallen more than 80 points, or about 2.37 percent.

Like Asia, trading was subdued on Wall Street, the largest bourse in the world.

The ratio of losers to gainers on Asia's second, most-important market was about 1.53:One.

The following is a list of the double-digit gainers and losers on The Stock Exchange of Hongkong Ltd, last Thursday:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CATIC International Holdings Ltd	232	10.31		0.107
Cheuk Nang Technologies (Holdings) Ltd	131		13.85	0.056
China Elegance International Fashion Ltd	476	20.00		0.012
China Star Entertainment Ltd	326	11.66		0.249
Chuang's Consortium International Ltd	367		12.90	0.27
Corasia Group Ltd	875	10.53		0.315
Dah Hwa International (Holdings) Ltd	600	10.13		0.174
Dan Form Holdings Company Ltd	271		13.79	0.25
Elec and Eltek International Holdings Ltd	33	10.00		0.99
Ecopro Hi-Tech Holdings Ltd	397	15.79		0.022
eForce Holdings Ltd	943		15.38	0.176
Fujian Group Ltd	181	30.43		0.06
Graneagle Holdings Ltd	147	10.00		0.022
Guangnan (Holdings) Ltd	1203	15.00		0.161
Hang Fung Gold Technology Ltd	870	10.67		0.102
Hikari Tsushin International Ltd	603		12.05	0.197
i100 Ltd	616		10.45	0.60
ING Beijing Investment Company Ltd	1062	10.50		0.20
Kin Dong Holdings Ltd	208		13.33	0.052
Kunming Machine Tool Company Ltd	300	13.11		0.69
Lamex Holdings Ltd	312		14.75	0.052
Medtech Group Company Ltd	1031		10.00	0.054
Millennium Sense Holdings Ltd	724	11.76		0.38
netalone.com Ltd	336		11.76	0.21
Next Media Ltd	282	11.84		0.425
Oriental Explorer Holdings Ltd	430	11.54		0.058
Pacific Century Insurance Holdings Ltd	65	11.54		2.175
Pearl Oriental Cyberforce Ltd	988	20.93		0.052
Pioneer Global Group Ltd	234	10.64		0.52
Plotio Holdings Ltd	499		10.00	0.315
Quality Food International Ltd	735		11.76	0.30
Soundwill Holdings Ltd	878		17.24	0.072
Sun Man Tai Holdings Company Ltd	433	12.17		1.29
TCL International Holdings Ltd	1070	10.71		1.55
Vision Tech International Holdings Ltd	922		10.26	0.35
vLink Global Ltd	563		11.48	0.108
Yau Lee Holdings Ltd	406	14.06		0.365
Yoshiya International Corporation Ltd	193	14.47		0.435

On The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index gave up just short of one half of one percent, to 355.05 points.

The Total Turnover on this market was \$HK210.31 million with just 3 counters, accounting for about 55.22 percent of that figure.

The 3, most-active counters were Tong Ren Tang Technologies Company Ltd (Code: 8069), Phoenix Satellite Television Holdings Ltd (Code: 8002) and Town Health International Holdings Company Ltd (Code: 8138).

Tong Ren Tang ran into profit-taking as its share price shed 52.50 cents at one point in the trading session, falling to \$HK3.475, a drop of about 13 percent, compared with Wednesday's closing level.

It ended the day at \$HK3.50 after a total of about 11.82 million shares changed hands.

Trading in this counter accounted for about 20.94 percent of the Total Turnover.

Mr Rupert Murdoch's GEM listing, Phoenix Satellite, was only a tad behind Tong Ren Tang, but, unlike its leader, the share price of Phoenix Satellite rose about 15.50 cents, or about 8.07 percent, during the height of trading.

It ended the day at \$HK2.025 after about \$HK41.26-billion worth of its stock changed hand. Trading in this counter represented about 19.62 percent of the entire volume of activity for the day.

Town Health, trading in its shares, remaining consistently high, represented about 14.66 of the Total Turnover. But continued to get a roasting from investors as its share price sank to \$HK3, during the day.

It ended the session at \$HK3.025, representing a loss on the day of about 3.97 percent.

Losers and gainers were, exactly, even at 19:19 in what was, by and large, a very uneventful day.

In Tokyo, Japan's premier market was even duller than many other parts of Asia.

The Nikkei-225 ended the day in negative territory, at 14,837.78 yen, a loss of about 34.61 yen, or just less than one quarter of a percentage point.

Mitsubishi Heavy Industries was one of the stars of the day as its share price rose about 6.70 percent. The 'story', making the rounds on the trading floor, was that there was to be a restructuring of the company.

Nissan Fire and Marine, Taisei Fire and Marine and Yasuda Fire and Marine, 3 biggies in the Japanese insurance industry, were said to be in talks with a view to merging some of their operations: In unity we stand.

As a result, Nissan Fire's shares gained 6.20 percent, Taisei Fire's shares put on 11.60 percent, while Yasuda Fire's share price edged up just 0.40 percent.

Most counters on Asia's bourses were quiet as investors preferred to wait in order to see what would happen in Wall Street on Thursday, New York time.

This is the way that things looked in Asia, last Thursday night:

Thailand	Plus 0.53 percent
Indonesia	Minus 0.34 percent
Malaysia	Minus 1.15 percent
The Philippines	Closed
South Korea	Plus 1.70 percent
Singapore	Plus 0.02 percent
Taiwan	Plus 3.71 percent

Japan	Minus 0.23 percent
-------	--------------------

Friday

Smiles returned to the faces of investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) as the yardstick of the Main Board of The Stock Exchange of Hongkong Ltd headed for higher ground.

The Hang Seng Index put on about 1.98 percent, rising to 15,594.12 on a Total Turnover of just shy of \$HK12 billion.

HSBC Holdings plc (Code: 5) was the most active counter with a little more than 13.72 million shares, changing hands.

Investors in this bank, one of the biggest in the world, must have been delighted to see their bank's stock hit a high of \$HK117.50 at one stage of the proceedings. The closing price of \$HK116.50 was, still, a 3.10-percent improvement over Thursday's closing level.

Trading in HSBC Holdings represented about 13.26 percent of the Total Turnover.

Next on the Ten Most Active List was China Mobile (Hongkong) Ltd (Code: 941), trading in the shares of which represented about 12.84 percent of the entire volume of activity for the day.

China Mobile, the largest, cellular telecommunications operator in the People's Republic of China (PRC), had been under pressure, during most of the week, but last Friday, its share price regained some of its former lustre, ending the day at \$HK51.25 after hitting a high of \$HK51.75.

The closing price meant a gain of about 3.33 percent, compared with Thursday's closing level.

The Li Ka Shing Camp made reasonable gains, with Hutchison Whampoa Ltd (Code: 13), up 1.45 percent to \$HK105 per share, while Mr Li Ka Shing's flagship company, Cheung Kong (Holdings) Ltd (Code: 1), made a 1.36-percent spurt to end the week at \$HK93.25 per share.

Hutchison was the third, most-active counter while Cheung Kong took the fifth spot.

The ratio of gainers to losers was about 2.77:One with about 40 percent of the securities that were traded, during the day, making no movement, at all.

The Hongkong Special Administrative Region (HKSAR) was watching closely what was taking place in New York where, on Thursday, New York time, The New York Stock Exchange was in a very bullish mood.

The Dow Jones Industrial Average was up only about 18.96 points (about 0.17 percent) to 10,880.51, but the NASDAQ Composite Index ran up 95.63 points (about 2.87 percent) to close last Thursday at 3,429.02 in very heavy trading conditions.

There was little in the way of special news to stimulate trading in Asia and, with Japan and the Philippine stock markets, closed for holidays, most of the 'action' was centred on trading in the HKSAR stock markets.

From Europe, there was a report that stated that the European Central Bank (ECB) had intervened in the money markets in order to prop up the euro. That was the second time in the previous 2 months that the ECB had been forced to take such definitive action.

A weak euro benefits nobody.

What many investors, the world over, were starting to sense was that the bout of interest-rate increases might be coming to an end.

The US economy was showing definite signs of slowing down, thus abrogating the requirement for the Federal Reserve to continue to raise short-term, interest rates in order to keep US inflation under check.

That pervasive sense caused banking counters, listed on The Stock Exchange of Hongkong Ltd, to make a move up.

The Bank of East Asia Ltd (Code: 23) was a recipient of the bullish sentiment as its share price gained 3.86 percent, rising to \$HK18.85.

Dao Heng Bank Group Ltd (Code: 223) followed suit with its share price, rising 3.34 percent, ending the week on the strong note of \$HK40.20.

The list of double-digit gainers and losers included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
401.com Ltd	401	11.76		0.019
Asia Logistics Technologies Ltd	862	17.98		0.21
Asia Satellite Telecommunications Holdings Ltd	1135	15.43		20.20
B-Tech (Holdings) Ltd	412	12.50		0.018
CCT Multimedia Holdings Ltd	1169	22.64		0.325
CCT Telecom Holdings Ltd	138	14.00		1.14
Champion Technology Holdings Ltd	92	10.40		0.223
Chevalier iTech Holdings Ltd	508		11.48	0.425
China United Holdings Ltd	273	11.11		0.02
Chinney Alliance Group Ltd	385	28.06		0.315
City Telecom (Hongkong) Ltd	1137	13.85		0.74
Dan Form Holdings Company Ltd	271	14.00		0.285
DCP Holdings Ltd	497	10.71		0.31
DVN (Holdings) Ltd	500	14.32		2.275
e-Kong Group Ltd	524	10.53		0.63
eForce Holdings Ltd	943		11.36	0.156
Founder Holdings Ltd	418	15.85		2.375
Fourseas.com Ltd	755	20.00		0.018
Great Wall Technology Company Ltd	74	13.73		2.90
Guangdong Kelon Electrical Holdings Company Ltd	921	15.29		1.81
Hang Fung Gold Technology Ltd	870	13.73		0.116
Hanny Holdings Ltd	275	13.79		0.33
ICG AsiaWorks Ltd	715	12.28		0.64
Kin Don Holdings Ltd	208	17.31		0.061
Kwong Hing International Holdings (Bermuda) Ltd	1131	25.00		0.085
Logic International Holdings Ltd	1193	12.33		0.82
Midas Printing Group Ltd	1172		10.14	0.31
Millennium Sense Holdings Ltd	724	10.53		0.42
Netalone.com Ltd	336	10.48		0.232
Oriental Explorer Holdings Ltd	430	10.34		0.064
Oriental Union Holdings Ltd	1182	13.31		0.60
OSK Asia Corporation Ltd	555	13.43		0.38
Prosper eVision Ltd	979	15.66		2.40
QPL International Holdings Ltd	243	10.20		5.40
renren Media Ltd	59	21.54		0.079
Shaw Brothers (Hongkong) Ltd	80	11.11		6.50
Skyworth Digital Holdings Ltd	751	19.10		0.53
South East Group Ltd	726	23.81		0.026

Star Cyberpower Holdings Ltd	1051		29.63	0.019
Stone Electronic Technology Ltd	409	24.76		1.31
Styland Holdings Ltd	211	20.00		0.012
Sun Man Tai Holdings Company Ltd	433	10.08		1.42
Sunway International Holdings Ltd	58	11.94		0.75
Tak Sing Alliance Holdings Ltd	126	15.18		0.22
TCL International Holdings Ltd	1070	23.23		1.91
Theme International Holdings Ltd	990	30.77		0.085
TPV Technology Ltd	903	10.47		0.95
Universal Appliances Ltd	419	15.58		0.089
Vanda Systems and Communications Holdings Ltd	757	15.45		1.42
Wireless InterNetworks Ltd	261	23.53		0.021
Wonson International Holdings Ltd	651	12.20		0.046

On The GEM, The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, Phoenix Satellite Television Holdings Ltd (Code: 8002) was the top-traded counter as 13.03 million of its shares were switched.

But the share price could not move very much and fluctuated between a low of \$HK1.97 and a high of \$HK2.075, closing out the week at \$HK2.05.

The trading in this one counter, at about \$HK26.43 million, represented about 13.96 percent of the Total Turnover of about \$HK189.39 million.

Trading conditions were restrained, somewhat, on this marketplace as The Growth Enterprise Index gained just 0.83 percent, rising to 358.15 points.

In view of the boomlet on the NASDAQ, it had been expected that the HKSAR's speculative market would run with the hi-tech and Internet-related pack of The New York Stock Exchange.

It did not come to pass, however.

The ratio of gainers to losers on The GEM was 2.40:One.

And this was how Asia went home, last Friday night:

Thailand	Plus 2.69 percent
Indonesia	Plus 0.46 percent
Malaysia	Plus 1.45 percent
The Philippines	Closed
South Korea	Plus 0.41 percent
Singapore	Plus 1.03 percent
Taiwan	Plus 3.02 percent
Japan	Closed

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

-- E N D --

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

 [Site Meter](#)