

**THE WAITING IS OVER ! GEORGE W. BUSH FOR PRESIDENT !
DOWN GO BOURSES, WORLDWIDE**

There was plenty of disappointing news, or news that could have been construed as being disappointing, last Monday, but Asia was in a mood to buy and disregarded negative sentiment, almost completely.

And buy it did.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), The Stock Exchange of Hongkong Ltd saw its Main Board index, the Hang Seng Index, rise by about 1.71 percent, closing the day at 15,408.54.

But it was noticeable that the stock exchanges of Singapore, Japan, South Korea and Indonesia all rose considerably more than the stock markets of the HKSAR.

On the international news front, it was still not clear who would lead the United States into the next half a decade: Al Gore or George W. Bush.

The US Supreme Court had scheduled another meeting, last Monday, in order to determine certain legal matters in respect of Vice President Al Gore's challenge with regard to the Florida vote count.

In London, last Monday, it was announced that Kuwait had warned the Organisation of Petroleum Exporting Nations (OPEC) that it was seeking to slash its crude oil output by about one million barrels per day, and that that proposal would be put to OPEC when the oil cartel meets on January 17, 2001.

Kuwait wants to keep a level and steady income, meaning that it wants to keep oil prices above \$US28 per barrel.

And, so, up went the price of oil, surplus or no surplus.

Brent crude for January delivery jumped about 49 cents (US) per barrel to \$US27.05 on the London International Petroleum Exchange.

The previous Friday, in New York, Wall Street had been booming as US investors went on a buying spree.

The New York Stock Exchange recorded plus figures across the board, with the Dow Jones Industrial Average, rising 95.55 points, or about 0.90 percent, ending the week at 10,712.91, while the broader-based NASDAQ Composite Index recorded a gain of about 5.98 percent, rising to 2,917.39.

Wall Street was bubbling, following statements, earlier in the week, from the Chairman of the US Federal Reserve, Dr Alan Greenspan, that it appeared that the Fed would look more lovingly on interest rates.

Translation: Interest rates are likely to fall in the new year.

In the HKSAR, it was announced that the gallant effort of Mr Jimmy Lai Chee Ying, Chairman of Next Media Ltd (282), had given up all of his efforts to take on the largest supermarket chains in the territory; he closed down his Internet retailer, AdMart.

That means that about 350 workers will hit the streets from this entity, in January 2001.

Mr Jimmy Lai, whose popularity in some circles is equal to the '*social disease*' of the 18th and 19th Centuries, had admitted, openly, that his losses in trying to crack the hi-tech world had cost him the best part of \$HK1 billion.

The Stock Exchange of Hongkong Ltd seemed unmoved by the announcement since it had been known for many months that AdMart had been a complete and utter failure, financially and otherwise.

The Total Turnover on The Stock Exchange of Hongkong Ltd was about \$HK10.58 billion, with the Li Ka Shing '*camp*', being responsible for about 23 percent of that figure.

Hutchison Whampoa Ltd (Code: 13) and Cheung Kong (Holdings) Ltd (Code: 1) were in the Number One and Number 2 slots, respectively, of the Ten Most Active counters, with the share price of Hutchison, rising about 3.06 percent to \$HK101, while Cheung Kong went in the other direction, losing about one quarter of a percentage point to close the day at \$HK98.50.

Banking counters were generally stronger, led by the HKSAR, Chinese banking subsidiary of HSBC Holdings plc (Code: 5), Hang Seng Bank Ltd (Code: 11).

Hang Seng Bank was the fifth, most-active counter as about 5.46 million of its shares were traded with its share price, rising about 3.39 percent to \$HK99, just 25 cents short of the highest level of the day.

The ratio of gainers to losers, last Monday, when the Hang Seng Index hit the highest mark in the previous 30 days or so, was almost equal at about 1.02:One.

About 54 percent of all counters were either untraded or saw their share prices hold firm at the previous Friday's closing levels.

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B-Tech (Holdings) Ltd	412	10.00		0.011
Bestway International Holdings Ltd	718	13.33		0.034
China DigiContent Company Ltd	1197	21.88		0.039
China Everbright International Ltd	257	11.67		0.335
Frankie Dominion International Ltd	704	11.54		0.29
Guangdong Building Industries Ltd	818	15.25		0.68
I-Wood International Holdings Ltd	162	15.00		0.46
Lam Soon (Hongkong) Ltd	411	11.54		1.45
Northern International Holdings Ltd	736		20.00	0.028
Pacific Challenge Holdings Ltd	166	12.12		0.58
Solartech International Holdings Ltd	1166	11.11		0.02
South East Group Ltd	726		10.53	0.017
Star Cyberpower Holdings Ltd	1051	20.00		0.018
Termbray Industries International (Holdings) Ltd	93	13.73		0.58
UDL Holdings Ltd	620	20.00		0.09
Wo Kee Hong (Holdings) Ltd	720	13.04		0.104
Zida Computer Technologies Ltd	859	12.12		0.74

On the speculative end of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Market (aka The GEM), The Growth Enterprise Index fell about 0.18 percent, dropping back to 332.98 on a Total Turnover of about \$HK107.91 million.

The same 2 counters dominated trading, last Monday, as they did the previous week: Trasy Gold Ex Ltd (Code: 8063) and Phoenix Satellite Television Holdings Ltd (Code: 8002).

Trasy, for reasons known to certain insiders, no doubt, rose about 13.46 percent to 29.50 cents, up from the its debut price of last week of 21 cents per share.

This company, which has developed one product in its entire life, an Internet platform from which it is able to trade 4 precious metals, internationally, has yet to earn a nickel; and, there are grave doubts as to whether or not it will ever trade in the black.

Totally, 113.43 million Trasy shares changed hands, representing about 46.72 percent of the total number of shares that had been Placed, the previous week.

As for Phoenix Satellite, it saw a total of 7.15 million of its shares change hands as the share price fluctuated between a low of \$HK2.10 and a high of \$HK2.175, almost the same price as the previous Friday's closing level. It ended the day at \$HK2.15 per share.

Declining issues were exactly 2:One on this market, with about 45 percent of the total market, seeing no action at all.

On the premier Japanese stock market, investors on The Tokyo Stock Exchange were treated to the news that the British telecommunications giant, Vodafone Group plc, would be considering lashing out about \$US2.50 billion (about \$HK19.40 billion) to buy up a 15-percent chunk of Japan Telecom.

The share price of Japan Telecom rose daily limit, 300,000 yen, about 16.85 percent, to 2.08 million yen on the news.

Share prices on The Tokyo Stock Exchange were generally higher as the Nikkei-225 gained about 319.19 yen, about 2.17 percent, to hit 15,015.70 by the close of trading.

Riding, no doubt, on the back of a strong NASDAQ Composite Index of the previous Friday in New York, Sony Corporation's share price rose about 5.20 percent to 8,980 yen, with the country's biggest producer of personal computers, Fujitsu, putting on about 7.72 percent to rise to 1,967 yen.

Chipmaker NEC was not neglected in the run-up as its share price gained about 6.13 percent to 2,425 yen.

Most other counters, that made appreciable moves, saw their share prices held to a couple of points, at most.

The ratio of gainers to losers on this market was about 3.04:One.

And in other parts of Asia, this was the situation, last Monday night:

Thailand	Closed
Indonesia	Minus 2.39 percent
Malaysia	Plus 0.35 percent
The Philippines	Minus 0.47 percent
South Korea	Plus 3.74 percent
Singapore	Plus 2.25 percent

Taiwan	Plus 0.60 percent
Japan	Plus 2.17 percent

Tuesday

No news may be good news for some people, but for a stock market, no news is bad news.

That was the way that things were last Tuesday on The Stock Exchange of Hongkong Ltd, as share prices slowly drifted south on the back of a paucity of news of materiality – of any description.

The Hang Seng Index, the guide to the Main Board of The Stock Exchange of Hongkong, fell about 0.51 percent to end the session at 15,329.60.

The Total Turnover dipped, again, back to about \$HK8.47 billion – a sure-shot sign of a market that is, slowly, dying on its feet.

Very few counters made any appreciable headway in the dull stock market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) with HSBC Holdings plc (Code: 5), Hutchison Whampoa Ltd (Code: 13) and Cheung Kong (Holdings) Ltd (Code: 1), hugging the top spots as the most active counters of the day.

The share price of HSBC Holdings gained 0.43 percent to climb to \$HK116, having been trapped the entire session within a \$HK1.50 bandwidth.

Hutchison Whampoa gave up 0.99 percent, falling to \$HK100, exactly, while Mr Li Ka Shing's flagship company, Cheung Kong, gained 1.27 percent, rising to \$HK99.75 per share.

Gainers and losers were randomly picked, as investors seemed to be playing with the market, rather than making informed decisions.

Mr Jimmy Lai's decision to put a halt to his companies' forays into the world of hi-tech and the Internet, with the closure of AdMart (please see Monday's report), had some effect on trading, but not much.

Everybody knew, long before last Monday, that the writing was on the wall for many, if not most, of the hi-tech start-ups of the HKSAR – Jimmy Lai's '*rubbish*', notwithstanding.

There appeared to be no rime or reason for the HKSAR's market's lethargy, last Tuesday, because, in New York, things continued to bubble over.

The US Supreme Court, the highest court in The Land of The Free and The Home of The Brave, continued to struggle with the Al Gore v. George W. Bush Presidential Election problems, but that had become rather passé: One month is a long time to watch the toings and froings of legal arguments.

On The New York Stock Exchange, last Monday, New York time, the Dow Jones Industrial Average rose 12.89 points to 10,725.80, a gain of an insignificant 0.12 percent.

The hi-tech and Internet-related sector of the world's largest bourse, however, was another story: The NASDAQ Composite Index put on 97.27 points, about 3.33 percent, ending the day at 3,014.70.

Wall Street was awaiting the pleasure of the US Supreme Court in the expectations that its determination would end the month-long blockade with regard to the US Presidential race.

The ratio of losers to gainers on The Stock Exchange of Hongkong Ltd was about 1.51:One, with about 54 percent of all the counters, either not trading or holding on to Monday's levels.

The double-digit movers for the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Beiren Printing Machinery Holdings Ltd	187		10.14	0.62
Bestway International Holdings Ltd	718	29.41		0.044
China DigiContent Company Ltd	1197	12.82		0.044
China Everbright International Ltd	257	10.45		0.37
COSCO International Holdings Ltd	517	10.59		0.94
Giordano International Ltd	709	10.98		4.05
Graneagle Holdings Ltd	147	10.00		0.022
Hung Fung Group Holdings Ltd	1141	10.53		0.021
Kin Don Holdings Ltd	208		19.15	0.038
Mandarin Resources Corporation Ltd	70		11.58	0.84
Northern International Holdings Ltd	736	14.29		0.032
Oriental Press Group Ltd	18	12.50		1.08
Shougang Concord Century Holdings Ltd	103	10.67		0.415
Tse Sui Luen Jewellery (International) Ltd	417	15.00		0.23
Wah Lee Resources Holdings Ltd	1215		67.24	0.057
Zida Computer Technologies Ltd	859		10.81	0.66

On The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, share prices drifted lower, for the most part, as The Growth Enterprise Index gave up about 1.60 percent, falling to 327.66 points.

The Total Turnover of the day was about \$HK108.36 million.

The same 2 counters, that had dominated the Most Active list since the previous Thursday, continued to do their *'things'* as Trasy Gold Ex Ltd (Code: 8063) fell about 3.39 percent while Phoenix Satellite Television Holdings Ltd (Code: 8002) followed Trasy's lead, dropping back 1.16 percent to end the day at \$HK2.125.

Trading in these 2 counters represented just a tad under 38 percent of the entire volume of business for the day.

Declining issues outpaced advancing ones by the ratio of about 2.17:One with about 32 percent of all counters, seeing their share prices unchanged from Monday's levels.

The GEM was suffering, of course, from the decision of Mr Jimmy Lai and the closure of AdMart.

Up until last Tuesday, there had been no advertised closures of GEM-listed, hi-tech/Internet-related companies, but it was only too obvious that a number of them were in financial trouble.

The writing was on the wall, so to speak, and financial failures in GEM-listed companies were bound to surface in due course: It was an event still to come, no doubt, but come it would.

Everybody knew this.

In The Land of the Rising Sun, Japanese investors took heart from the gains on the NASDAQ, pushing up share prices on The Tokyo Stock Exchange.

The Nikkei-225, the benchmark of conservatism in Tokyo, rose 98.94 yen, about 0.66 percent, to hit 15,114.64 yen by the close of trading.

The ratio of gainers to losers was about 1.03:One.

Japan Telecom continued to be the market's '*darling*' on the news that London-based Vodafone Group plc was talking about buying a 15-percent stake in one of the 4 largest telecommunications companies in Japan. (please see Monday's report on this subject)

The share price of Japan Telecom rose daily limit 400,000 yen to 2.48 million, a gain of about 19.23 percent.

Japan Telecom was the largest mover of the day.

Softbank, an investor in a number of NASDAQ listed companies, saw its share price decline by about 4.87 percent, falling to 5,080 yen, going in a different direction to most other such counters.

The reason for this is that Softbank owns a 22.58-percent stake in Internet portal, Yahoo! Incorporated – and the share price of Yahoo fell to a one-year low on Monday in New York.

The previous week, Yahoo announced that there had been a falling off in advertising revenue on its web sites.

The share price of Softbank had lost about 90 percent of its value in the past year.

Suggestions from certain parties have been that the share price of Softbank could fall closer to the 4,000-yen mark.

Asia, generally speaking, was a mixed bag, but the ratio of bourses that lost ground exceeded those that gained ground by the ratio of 5:3.

This is the way that things looked last Tuesday in Asia:

Thailand	Minus 1.49 percent
Indonesia	Minus 1.49 percent
Malaysia	Minus 1.52 percent
The Philippines	Plus 0.32 percent
South Korea	Minus 2.11 percent
Singapore	Minus 1.03 percent
Taiwan	Plus 1.81 percent
Japan	Plus 0.66 percent

Wednesday

The big news of the day was that the US Supreme Court came down in favour of George W. Bush's bid for the hottest job on the globe when it ruled that the determination of the Florida Supreme Court, in respect of a recount of disputed Presidential votes, was unconstitutional.

Such a decision left everybody in no doubt that Texas Governor George W. Bush would start to warm the Oval Office's chair and become the most powerful man on earth.

The US Supreme Court's ruling, a five-to-four ruling, by the way, came too late to help Asian stock markets which, last Wednesday, were still waiting, for the most part, to see which way the US Presidential ball would be bouncing.

It did appear, following the ruling, that Vice President Al Gore would have to throw in his towel and accept the inevitable.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), it was a foregone conclusion, it appeared, that Mr George W. Bush would win the day.

The Main Board of The Stock Exchange of Hongkong Ltd saw its Hang Seng Index rise 292.13 points to end the day at 15,621.73 points, a gain of about 1.91 percent, compared with Tuesday's closing level.

The Total Turnover of the day was about \$HK9.66 billion.

China Mobile (Hongkong) Ltd (Code: 941), HSBC Holdings plc (Code: 5), Hutchison Whampoa Ltd (Code: 13) and Cheung Kong (Holdings) Ltd (Code: 1) were the 4 most active counters.

Between the top scorers, so to speak, their combined volumes of activity accounted for about 30.23 percent of the Total Turnover.

The Hang Seng Index hit a 5-week high only on expectations that a final determination would be made, in short order, as to the 43rd leader of the United States of America.

While the Hang Seng Index was hitting its highest levels since the beginning of the US Presidential saga, most counters only managed modest gains, although there were a handful of pockets of moderate interest from investors.

Again, there was a paucity of news of any financial materiality so that investors looked round for any valid reason to buy – which was difficult to find, evidenced by the continuing low volume of activity on The Stock Exchange of Hongkong Ltd.

The ratio of gainers to losers was about 1.63:One with about 57 percent of the all counters, either not trading or seeing their share prices stay pat.

Investors appeared to be interested, mainly, in solidly based companies, blue chips and gilt-edged securities.

The following is the list of 9 double-digit movers of the day:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B-Tech (Holdings) Ltd	412	20.00		0.012
CEC International Holdings Ltd	759	17.44		1.01
Chevalier Construction Holdings Ltd	579	10.71		0.31
China Apollo Holdings Ltd	512	10.13		0.087
Everest International Investments Ltd	204		20.00	0.38
Medtech Group Company Ltd	1031		11.11	0.048
Rivera (Holdings) Ltd	281	11.85		0.236
Shougang Concord Century Holdings Ltd	103		12.05	0.365
Zida Computer Technologies Ltd	859		12.12	0.58

On The GEM – The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd – the Growth Enterprise Index rose 1.27 percent to end the day at 331.82 points.

The Total Turnover on this market was about \$HK115.52 million, with 19 advancers for every 12 decliners.

The same 2 counters hugged the Most Active list, but in reverse order as Phoenix Satellite Television Holdings Ltd (Code: 8002) took the Number One Slot while Trasy Gold Ex Ltd (Code: 8063) was relegated to the Number 2 Slot.

Phoenix Satellite ended the day at \$HK2.20, up about 3.53 percent on Tuesday's close, after a total of about 25.71 million of its shares changed hands.

Trasy saw its volume of activity dwindle to a mere 26.88 million shares. Trasy ended the session at 26 cents per share, down about 8.77 percent, compared with Tuesday's closing level.

Between these 2 counters, their aggregate trading volumes represented about 55.26 percent of the Total Turnover of the day.

For a change, there were a number of double-digit movers, all moving to higher ground.

They were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
e-Pro Ltd	8086	25.00		0.50
Fortune Tele.com Holdings Ltd	8040	10.45		0.74
Syscan Technology Holdings Ltd	8083	21.74		0.084
Systek Information Technology Holdings Ltd	8103	14.29		0.44

In Japan, The Tokyo Stock Exchange turned quiet, once more, as the Nikkei-225 edged up just 54.04 yen to 15,168.68 on low volume.

The gains on the Nikkei-225, amounting to about 0.36 percent, were on the back of the release of Bank of Japan's TANKAN Quarterly Survey.

According to the TANKAN Survey, corporate confidence waned in December and appeared to be set to fall in the 2001 year.

Capital spending, TANKAN pointed out, was likely to dry up.

The TANKAN Survey, of 9,010 Japanese companies, taken from November 10 through to December 12, appeared to confirm that an export-driven flurry of manufacturing activity was coming to a halt, in line with the situation in the US where that economy was starting to feel the pinch.

Late in the day, hi-tech and Internet-related counters got a bit of a boost from the US Supreme Court's ruling, but the Japanese stock markets were wary since one did not know what other legal '*ammunition*' Vice President Al Gore had at his disposal.

Most counters saw movements of less than one percent, making the premier stock market of Japan a very dull venue on which to try to trade.

The same could be said for the rest of major stock markets, throughout Asia, since Wall Street was still pulling the strings on Asia.

On Wall Street, last Tuesday, while the US Supreme Court was closeted in its deliberations, the Dow Jones Industrial Average closed up 42.47 points, about 0.40 percent, to 10,768.27.

The New York Stock Exchange closed without knowing the determination of the US Supreme Court so that investors on the largest bourse in the world were shooting in the dark.

While the narrower gauged Dow Jones Industrial Average was up, the broader-based NASDAQ Composite Index went in the opposite direction to the Dow, losing 83.21 points, about 2.76 percent, to end the day at 2,931.89 points.

The hi-tech and Internet-related counters of The New York Stock Exchange were continuing to be dogged by companies, issuing warnings about lower profit forecasts.

Last Wednesday, it was the turn of the largest computer maker in the world: Compaq Computer Corporation.

Although, for the previous week, there had been suggestions that Compaq would not be pleasing its investors or Wall Street, it was only after Wall Street closed up for the day that the bad news was announced.

Compaq announced that fourth quarter results would be below expectations.

The company cited weak sales in the US as a principal reason.

Compaq said that fourth quarter sales would be between 8 percent and 10 percent below expectations, that is between \$US11.20 billion and \$US11.40 billion.

That bombshell was due to explode on Wall Street on Wednesday, New York time.

Other parts of Asia were uncertain as to what action to take, if any, last Wednesday, so they did very little as the following indicates:

Thailand	Plus 0.85 percent
Indonesia	Plus 1.27 percent
Malaysia	Minus 0.78 percent
The Philippines	Minus 0.21 percent
South Korea	Plus 2.72 percent
Singapore	Plus 1.51 percent
Taiwan	Plus 0.08 percent
Japan	Plus 0.36 percent

Thursday

It was official: Texas Governor George W. Bush is to be the 43rd President of the United States of America.

At last, the waiting was over!

The determination of the US Supreme Court did the trick, causing Vice President Al Gore to leave the electioneering battlefield, as graciously as possible.

That was the end of a 5-week legal fight over the top job in the world.

The announcement of Vice President Al Gore's retirement from the battlefield came at 9 pm, New York time, after The New York Stock Exchange had closed for the day.

But it was expected that Al Gore would throw in the towel: The cards were stacked against him.

While the world was waiting for the Al Gore televised announcement of his retirement from the field of battle, followed by President-Elect George W. Bush's statements of televised gratitude (gratitude, that is, that the legal battle was over, no doubt), investors on Wall Street were of 2 minds (obvious not of Jewish minds otherwise it would have been 3 minds or more) as to what to do.

The Dow Jones Industrial Average posted a modest gain of about 26.17 points, about one quarter of a percentage point, to end the historic day at 10,794.44.

The hi-tech and Internet-related NASDAQ Composite Index fell about 108.96 points, about 3.72 percent, dropping to 2,822.81 points after a sell-off in the technology sector of the market.

Stocks in both the Dow and the NASDAQ had been very heavily traded, during the day, with the Dow, up about 150 points in early trade, while the NASDAQ had claimed a gain of about 70 points.

However, subsequent selling pressure lopped off earlier gains as the day wore on.

Two more publicly listed powerhouses announced that profits for the fourth quarter did not look promising; and, so the largest stock market in the world may well have been influenced, also, by the announcements from J.P. Morgan and Company and Chase Manhattan Corporation.

J.P. Morgan lost \$US9.25 per share on the strength of its announcement, falling back to \$US155 per share, while Chase Manhattan shed \$US3.50 per share, dropping to \$US41 per share.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the Main Board of the Hang Seng Index lost about 0.80 percent of its value, falling to 15,496.99 on a Total Turnover of about \$HK8.52 billion.

Once again, the market was very quiet.

There was no news of any materiality to give investors a good reason to go on a spending spree.

The same 4 counters dominated trading, being the leaders of the Ten Most Active list: Cheung Kong (Holdings) Ltd (Code: 1); China Mobile (Hongkong) Ltd (Code: 941); Hutchison Whampoa Ltd (Code: 13); and, HSBC Holdings plc (Code: 5).

Cheung Kong, in the Number One slot, gained just short of one percent, ending the day at \$HK102.50 per share, after hitting a high of \$HK103.50.

China Mobile, in the Number 2 position, lost about 1.87 percent of its value, falling to \$HK47.30 per share, near the low point of the day.

Hutchison Whampoa, in the Number 3 position, lost about one half of one percent, dropping back to \$HK102.50 per share, while HSBC Holdings, in fourth position, gave up about 0.85 percent, ending the session at \$HK116.50 per share.

Most of the Li Ka Shing '*camp*' came in for a roasting since that is the nature of the HKSAR stock market '*beast*': When it is in the mood to fall, just about all counters fall, starting with the former '*darlings*'.

The ratio of losers to gainers was about 1.40:One with about 53 percent of all the counters, either not trading at all or seeing prices, being maintained at Wednesday's levels.

A factor that did affect trading on the second, most-important stock market in Asia was a London report, which warned of rising debts of companies, engaged in the telecommunications industry.

Bank of England came out with its second warning in the past 6 months in respect of the huge amounts of money that telecommunications companies were raising in order to finance the costs of obtaining certain licences to operate systems plus the costs, relating to laying in the infrastructure, especially the high costs of laying in the Third Generation mobile telephone system (3G).

Bank of England expressed its concern over the high levels of debts of US and European companies, especially, suggesting that these high levels of debt increased the risks of a financial crisis in the world equity markets.

Bank of England singled out British Telecommunications plc and Royal KPN as having paid more than \$US88 billion (about \$HK690 billion) to European governments for wireless Internet licenses.

The Li Ka Shing '*camp*' is heavily invested in telecommunications – and investors in Asia know this only too well.

The following is a list of the double-digit movers of last Thursday:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Logistics Group Ltd	217	15.50		0.231
China Star Entertainment Ltd	326	22.00		0.305
Chinney Alliance Group Ltd	385		10.00	0.072
Daido Group Ltd	544	15.00		0.092
I-Wood International Holdings Ltd	162		10.87	0.41
Kin Don Holdings Ltd	208		10.26	0.035
Lai Fung Holdings Ltd	1125		13.24	0.295
Medtech Group Company Ltd	1031	14.58		0.055
Northern International Holdings Ltd	736	10.00		0.033
Oriental Press Group Ltd	18	10.19		1.19
PCL Enterprises Holdings Ltd	1010		17.50	0.66
RNA Holdings Ltd	501	15.71		0.405
Singamas Container Holdings Ltd	716		17.65	0.28
South East Group Ltd	726	15.79		0.022
UBA Investments Ltd	768		14.83	0.247
Zida Computer Technologies Ltd	859	20.69		0.70

On The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, in spite of a spirited entrance of a new listing, The Growth Enterprise Index tumbled about 1.08 percent, falling to 328.23 points.

The new listing was L.P. Lammas International Ltd (Code: 8029), which took the Number One spot as the most active counter of the day.

The turnover in the shares of this financial services company amounted to about \$HK73.03 million, or about 43 percent of the Total Turnover on the market of about \$HK169.75 million.

The share price of L.P. Lammas hit a high of 58 cents before dropping back to 30.50 cents by the close of trading after a total of 169.32 million of its stock switched owners.

Its Placing Price was just 20 cents per share.

Trasy Gold Ex Ltd (Code: 8063) was the second, most-active counter on a volume of about 87.54 million shares, representing a dollar value of about \$HK26.72 million, or about 15.74 percent of the Total Turnover.

Trasy saw its share price run up to 32 cents, a gain of about 23.08 percent over Wednesday's close, with an intraday swing of about 18.52 percent from its low point of 27 cents per share.

Aside from trading in these 2 counters, however, this speculative market was very quiet.

The aggregate volume of activity in L.P. Lammas and Trasy amounted to about 58.76 percent of the Total Turnover.

The ratio of losers to gainers was about 2.20:One with about 45 percent of all counters, either being untraded or having their share prices unmoved from Wednesday's closing levels.

In Japan, trading on The Tokyo Stock Exchange broke its 3-day rally as the Nikkei-225 fell 241.49 yen to 14,927.10 yen, a loss of about 1.59 percent.

The warning from Compaq Computer (please see Wednesday's report) did the trick, as investors were, clearly, worried about the prospects of some high-flying, technology companies.

There had to be a knock-on effect, somewhere down the line, Japanese investors rightly speculated.

Declining issues outnumbered advancing issues by the ratio of about 2.40:One.

NASDAQ investor Softbank tumbled about 8.51 percent to 5,160 yen, cutting back the gains of Wednesday when its share price rose about 11 percent.

Chipmaker NEC saw about 4.73 percent of its market capitalisation wiped out as its share price fell to 2,415 yen.

Fujitsu, the foremost personal computer maker in Japan, lost about 5.74 of its value, falling back to 1,873 yen.

The Tokyo Stock Exchange saw the Initial Public Offering of Softbrain take centre stage, as its Offer Price saw no takers. Softbrain is a software producer.

Softbrain's share price dropped like a rock in a still pool, losing about 24 percent of its value to close the day at 530,000 yen, down from its Offer Price of 700,000 yen.

Trading on The Tokyo Stock Exchange, last Thursday, was hairy, to put it mildly, since there were giant swings in certain counters, for no seemingly apparent reason.

This is the way that things looked in other Asian markets:

Thailand	Minus 0.23 percent
Indonesia	Minus 0.29 percent
Malaysia	Minus 0.94 percent
The Philippines	Plus 0.26 percent
South Korea	Minus 1.88 percent
Singapore	Minus 1.64 percent
Taiwan	Minus 1.19 percent
Japan	Minus 1.59 percent

Friday

Share prices retreated across the board on The Stock Exchange of Hongkong Ltd, last Friday, following international warnings in respect of banks' exposure to debts in the telecommunications industry.

The world, today, being one '*family*', so to speak, where distances are becoming more and more immaterial due to the rapid advance of communications, both audio and visual, and the speed by which one may commute between one continent and another, looks at an industry, globally, disregarding national and political boundaries.

So, when Bank of England issues a credit warning (please see Thursday's report on this topic), its impact is felt, far and wide.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the '*barometer*' of the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index, suffered its biggest fall in the previous month, as about 3.37 percent was wiped off its value.

The Hang Seng Index finished the week at 14,975.53 points, which was about the lowest level of the day since, at the luncheon break, it was hovering at 15,030.80 points.

The Total Turnover was about \$HK10.18 billion with one counter, HSBC Holdings plc (Code: 5), one of the biggest banks in the world, being responsible for about 10.61 percent of that figure.

HSBC Holdings, the most active counter in terms of the value of its trades, gave up about 4.29 percent of its market capitalisation, falling to \$HK111.50 per share by the close of trading, which was just 50 cents off the floor price.

Hutchison Whampoa Ltd (Code: 13), the second, most-active counter, got hit very hard since it is well known that it is heavily invested in the telecommunications industry, as well as having extensive interests in a number of international telecommunications companies.

Hutchison, a Li Ka Shing company, saw its share price fall to a low of \$HK97 before clawing back \$HK1 per share to end the session at \$HK98, a fall of about 4.39 percent, compared with Thursday's close.

The Li Ka Shing flagship company, Cheung Kong (Holdings) Ltd (Code: 1), was caught up in the maelstrom, also, as its share price was marked down about 3.66 percent to end the day at \$HK98.75 after about 7.97 million of its shares found new owners.

Cheung Kong was the fourth, most-active counter of the day.

Finally, the Li Ka Shing focused telecommunications company in the HKSAR, Pacific Century CyberWorks Ltd (Code: 8), got hit just like all the other Li Ka Shing publicly listed entities, as its share price fell to \$HK5.50, just 5 cents off its floor price.

Pacific Century CyberWorks was the fifth, most-active counter of the day.

In all, trading in shares of the Li Ka Shing camp and HSBC Holdings accounted for about \$HK3.14 billion, or about 30.84 percent of the Total Turnover of the day.

Without question, the bears held sway for the day as the ratio of losers to gainers hit about 5.08:One with about 51 percent of all the counters, either seeing no action or holding firmly onto Thursday's closing prices.

But creditor warnings aside, Asia was, still, watching the antics on Wall Street, the most-important stock market in the world, as its '*barometer*' of trading, the Dow Jones Industrial Average, and its wider-based NASDAQ Composite Index, came under a great deal of fire.

The Dow lost 119.45 points by the close of trading on The New York Stock Exchange, last Thursday, New York time, dropping back to 10,674.99 points.

The 1.11-percent loss on the Dow was eclipsed, however, by the losses, incurred on the hi-tech and Internet-related sector of the market, plotted by the NASDAQ.

The NASDAQ shed about 3.34 percent, falling back to 2,728.51 points.

Wall Street is very jittery over the slowdown in the US economy because it represents another unknown – and equity markets do not like the unknown ... unless insiders are informed, first, of course.

The announcement by Chase Manhattan and J.P. Morgan (please see Thursdays' report) was making its rounds, but there was an addition to the announcement in that the 2 banking giants, which will merge to form the largest

banking group in the US, will axe some 5,000 jobs.

Also, the behemoth of the software industry, Microsoft Corporation, announced that it was expecting lower earnings in the second quarter of its financial year, down between 5 percent and 6 percent on previous expectations.

It lost about 8.50 percent of its market capitalisation in London trading, last Friday, since the announcement was made after Wall Street closed for the day on Thursday.

The HKSAR was watching the situation in the US, very closely, hoping that the new '*broom*', President-elect George W. Bush, would do something constructive when he takes his place as the 43rd President of the United States.

The following is the list of double-digit movers on The Stock Exchange of Hongkong Ltd, last Friday:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139		20.00	0.028
AV Concept Holdings Ltd	595		11.76	0.60
Celestial Asia Securities Holdings Ltd	1049		10.81	0.33
China DigiContent Company Ltd	1197		44.74	0.021
China Rich Holdings Ltd	1191		11.89	0.16
Climax International Company Ltd	439		10.14	0.31
Ecopro Hi-Tech Holdings Ltd	397		11.11	0.016
Everest International Investments Ltd	204		14.29	0.30
G-Prop (Holdings) Ltd	286		13.04	0.16
Guangdong Building Industries Ltd	818		13.11	0.53
Hikari Tsushin International Ltd	603		10.19	0.238
I-Wood International Holdings Ltd	162		15.85	0.345
iRegent Group Ltd	575		13.73	0.44
Lai Fung Holdings Ltd	1125		10.17	0.265
Li and Fung Ltd	494		10.13	13.75
Leading Spirit High-Tech (Holdings) Company Ltd	606		62.50	0.039
Magnum International Holdings Ltd	305		18.92	0.12
renren Media Ltd	59		18.18	0.045
Softbank Investment International (Strategic) Ltd	648		12.90	1.08
South China Information and Technology Ltd	175	10.14		0.76
Termbray Industries International (Holdings) Ltd	93		10.53	0.51
vLink Global Ltd	563		12.09	0.08
Wah Lee Resources Holdings Ltd	1215		18.75	0.039
Wah Tak Fung Holdings Ltd	297		12.77	0.041
Wing Lee Holdings Ltd	876		11.11	0.28
Wing Lee International Holdings Ltd	899		11.29	0.11
Yoshiya International Corporation Ltd	193	22.06		0.415
Zida Computer Technologies Ltd	859		15.71	0.59

The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd was not the place to be, last Friday, as its '*barometer*', The Growth Enterprise Index, gave up another 2.48 percent, falling to a new 2000 low of 320.10 points.

It was hit, of course, by what was happening on Wall Street.

It was, also, hit by a report from ING Barings, which strongly recommended a sell for the shares of tom.com Ltd (Code: 8001), another of the Li Ka Shing entities.

ING Barings slashed the price of tom.com to \$HK1, a target price, expected to be reached in the next 6 months to a year.

tom.com, the fourth, most-active counter of the day, lost about 5.61 percent of its value on the sell recommendation.

The share price fell to \$HK2.525, after hitting a low of \$HK2.375.

tom.com has yet to turn a penny in profits and is expected to have losses for this year between \$HK500 million and \$HK600 million.

This Li Ka Shing company had lost about 81 percent of its value, as at last Friday's close, since the high point of the year when it hit \$HK14.30 per share.

The volume of activity on this speculative marketplace was about \$HK155.89 million with the top 4 counters, representing about 65.57 percent of the Total Turnover.

For every one gainer, there were 7.2 losers.

The Tokyo Stock Exchange was very hard hit, also, as its Nikkei-225 shed 374.90 yen, down about 2.51 percent, ending the hectic day, relative to the other trading days of last week, at 14,552.29 yen.

Bearish reports, internationally, about a decided slowdown in computer sales in the retail market, hit many counters of the hi-tech sector of the market.

Tokyo, taking a look at what happened to NASDAQ stocks in New York, reacted violently.

Advantest, a producer of semiconductor testing equipment, was very hard hit as its share price fell nearly 12 percent to 12,310 yen per share.

Since the beginning of this year, this company has shed about 55 percent of its value.

Other market '*darlings*' were not unattended by sellers, with Fujitsu, the country's Number One maker of personal computers, losing about 5.93 percent of its value, falling to 1,762 yen.

Sony Corporation, the largest consumer-products manufacturer in the world, lost about 5.12 percent of its market capitalisation, falling back to 8,340 yen per share.

Losing counters were ahead of gaining ones by the ratio of about 2.70:One.

Tokyo, also, took careful note of a Washington report, prepared by the US Commerce Department, that had been plotting retail sales in the US.

According to this report, retail sales fell in November for the first time in 7 months.

Personal spending in the fourth quarter is expected to be at the lowest level in 18 months, the report stated.

Sales of motor cars slumped by about 2.20 percent in November, following on from a 1.10-percent fall in motor-car sales in October.

It was the biggest decrease in motor-car sales in the previous 28 months.

Merry Christmas!

This was the way that other Asian markets reacted to the news, last Friday:

Thailand	Plus 0.69 percent
Indonesia	Plus 1.07 percent
Malaysia	Minus 1.69 percent
The Philippines	Plus 0.32 percent
South Korea	Minus 2.44 percent
Singapore	Minus 1.63 percent
Taiwan	Minus 1.79 percent
Japan	Minus 2.51 percent

This will be the last stock market report for the year.
The next stock market report will be published on January 8, 2001.
The editorial staff of TARGET takes this opportunity to wish its readers
a Merry Christmas and a Happy New Year.

***While TARGET makes every attempt to ensure accuracy of all data published,
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