

WALL STREET STILL RULES THE WAVES

That Wall Street would drive indices on international bourses lower, in spite of the previous Wednesday's 50 basis-point, interest-rate cut (of January 3), caused widespread consternation on The Stock Exchange of Hongkong Ltd.

Friday, January 5, New York time, saw selling pressure mount on The New York Stock Exchange as the Dow Jones Industrial Average gave up about 2.30 percent, falling to 10,662.01 points, while the broader-based NASDAQ Composite Index fell off its perch, shedding about 6.20 percent to end the week at 2,407.65 points.

Armed with this somewhat alarming state of affairs, last Monday saw the Main Board of The Stock Exchange of Hongkong Ltd give up 68.52 points in early trading, but recover some of those losses, later on in the trading session.

The Hang Seng Index ended the day at 15,436.53 points, representing the fractional loss of about 0.07 percent, compared with the previous Friday's closing level.

What buoyed the market, to some extent, was the takeover bid for Sing Tao Holdings Ltd (Code: 233) and a bullish profit report from publicly listed The Bank of East Asia Ltd (Code: 23).

Also, it was announced that Hutchison Whampoa Ltd (Code: 13) was in the midst of raising about \$HK19 billion-plus in a Convertible Bond Issue.

All 3 parochial announcements were viewed as being bullish, with investors, seemingly disregarding more important international news, such as concern over an ever-weakening US economy, a matter which was, by far, the most worrying aspect, which the world was trying to tackle.

The Sing Tao takeover bid by Mr Charles Ho Tsu Kwok was worth about \$HK356 million and is being executed via his publicly listed vehicle, Global China Technology Group Ltd (Code: 1105).

The Lazard Asia Fund has agreed, in principle, to sell to Global China about 51.36 percent of the Issued and Fully Paid-Up Share Capital of Sing Tao, presently owned by it, at the price of about \$HK1.65 per share.

This price represented a premium of about 20 percent over the last quoted price of Friday, January 5.

Sing Tao requested a suspension of trading in its shares, last Monday, pending the takeover offer.

The Bank of East Asia, on the other hand, announced that, for the first 9 months of the 2000 Financial Year, to September 30, 2000, earnings were up nearly 61 percent, Year-On-Year.

Chairman David Li Kwok Po's publicly listed bank is raising about \$HK1.59 billion in order to fund, partially, its takeover of publicly listed FPB Bank Holdings Company Ltd (Code: 717), the banking arm of First Pacific Company Ltd (Code: 142).

The share price of The Bank of East Asia rose \$HK1, about 4.72 percent, to close at \$HK22.20, after hitting a high of \$HK22.30, following about 19.90 million of its shares being traded.

It was the fifth, most active counter of the day.

Trading in the shares of The Bank of East Asia represented about 3.38 percent of the Total Turnover on The Stock Exchange of Hongkong Ltd, which was about \$HK12.74 billion.

The Hutchison Whampoa announcement, on the other hand, had an opposite effect on its share price, which was knocked down about \$HK2.25 to \$HK96.25 after about \$HK661.76-million worth of its stock changed hands.

It was the third, most-active counter of the day, representing about 5.18 percent of the Total Turnover of the day.

HSBC Holdings plc (Code: 5) was the most-active stock of the day with about 13.20 million of its shares, being traded. But its share price was down about \$HK1 to end the session at \$HK117.50, just off the low of the day.

The ratio of gainers to losers was nearly equal, at about 1.02:One, with 59 percent of all listings, either remaining unchanged at the previous Friday's levels, or being deserted by investors, at least, temporarily.

The market was waiting for a lead from The New York Stock Exchange, which would not open until Tuesday, Hongkong time.

It was widely expected that there would be more unfavourable earnings' reports, hitting the pavement of Wall Street, and these could have an immediate effect on international bourses, it was reasoned.

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Bestway International Holdings Ltd	718	11.43		0.039
Ecopro Hi-Tech Holdings Ltd	397		11.11	0.016
Hon Kwok Land Investment Company Ltd	160	16.67		0.35
Hung Fung Group Holdings Ltd	1141		12.50	0.014
iRegent Group Ltd	575	39.66		0.405
Lamex Holdings Ltd	312	11.63		0.048
Lippo Ltd	226	11.27		1.58
Lippo China Resources Ltd	156	13.51		0.168
Northern International Holdings Ltd	736		11.43	0.031
Orient Power Holdings Ltd	615		11.11	0.40
Pacific Concord Holding Ltd	438	17.54		0.67
Wong's Kong King International (Holdings) Ltd	532	24.00		0.31
Wo Kee Hong (Holdings) Ltd	720	10.58		0.115
Wonson International Holdings Ltd	651		13.89	0.03

The speculative marketplace of The Stock Exchange of Hongkong Ltd, known as The Growth Enterprise Market (The GEM), mirrored the Main Board as its volume of activity continued to be very low.

On a Total Turnover of about \$HK91.11 million, The Growth Enterprise Index managed to lose 0.12 percent, falling back to 305.05 points.

Phoenix Satellite Television Holdings Ltd (Code: 8002) continued to be the share to watch as more than 17.47 million Phoenix Satellite shares found new owners. Its share price rose to \$HK2.275 before falling back to \$HK2.225.

It was the most active counter for the day with its volume of activity, being equal to about 42.45 percent of the Total Turnover.

The ratio of losers to gainers was 1.93:One in a lifeless market, which, it was only too clear, interested investors very little, other than a handful of counters, of course.

Over the previous weekend, there had been reports from an international auditing firm that there was likely to be a number of flaky GEM companies, which were likely to have to go to the wall unless they could find other investors to refinance them.

It is well expected that the crocodile tears of the bosses of many GEM companies will result in few people, being brave enough to risk throwing good money after bad.

There were 3 double-digit movers, last Monday, and all were losers.

They were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CASH on-line Ltd	8122		20.00	0.104
EPro Ltd	8086		11.76	0.30
Trasy Gold Ex Ltd	8063		10.45	0.3

Japan was closed for a public holiday.

The following list is how other Asian stock markets fared last Monday:

Indonesia	Minus 1.03 percent
Japan	Closed
Malaysia	Plus 0.47 percent
The Philippines	Plus 1.72 percent
Singapore	Minus 1.20 percent
South Korea	Plus 1.00 percent
Taiwan	Minus 2.02 percent
Thailand	Plus 4.27 percent

Tuesday

It was another quiet day on the 2 stock markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) as it became only too apparent that Asia was very concerned about what was taking place in the US.

Japan did not like the situation on the biggest stock market of the world, The New York Stock Exchange, and this was underlined by Japan's premier bourse, The Tokyo Stock Exchange, starting off the week on an emphatic negative note.

The Hang Seng Index, the *'barometer'* of the Main Board of The Stock Exchange of Hongkong Ltd, gave up 0.42 percent, ending the session at 15,500.59 points on a Total Turnover of about \$HK11.07 billion.

About 26 percent of the Total Turnover was represented by trading in just 4 counters: China Mobile (Hongkong) Ltd (Code: 941); HSBC Holdings plc (Code: 5); Hutchison Whampoa Ltd (Code: 13); and, Cheung Kong (Holdings) Ltd (Code: 1).

China Mobile, the PRC's largest, mobile telecommunications operator, was the most active counter of the day with about 20.76 million of its shares, changing hands. Its share price was locked into an intra-day, 90-cent range, ending the day at \$HK44.70. The closing price was unchanged from Monday's level.

HSBC Holdings closed at the near high of \$HK119 per share after investors spent about \$HK811.48 million in buying into this giant banking group. The closing level represented a gain of about 1.28 percent over Monday's. HSBC Holdings was the second, most-active counter of the day.

Mr Li Ka Shing's major listed '*vehicles*', Hutchison Whampao and Cheung Kong, took the second and third spots on the Ten Most Active list, with Hutchison's share price, rising about 1.75 percent to end the day at \$HK98, while Cheung Kong's share price went in the other direction as investors marked it down by about 0.48 percent, pushing the share price down to \$HK103.

There was no special news from any of the leaders on the Main Board, other than that which was known on Monday.

It was reported that other HKSAR listed entities were seeking fresh funds, but that was old hat and few people paid much attention to announcements from companies, such as Sino Land Company Ltd (Code: 83), that it was seeking a Share Placement in order to raise another \$HK1.17 billion.

The ratio of gainers to losers was, just about, equal, but it was noted that about 57 percent of all counters saw no action from investors, at all.

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CEC International Holdings Ltd	759		12.12	0.87
Chinese Estates Holdings Ltd	127		10.43	1.03
City Telecom (Hongkong) Ltd	1137	10.91		0.61
eCyberChina.net Ltd	254		18.66	1.09
Fourseas.com Ltd	755		11.11	0.016
Global China Technology Group Ltd	1105	18.00		0.59
Guangdong Tannery Ltd	1058		11.24	0.158
Hikari Tsushin International Ltd	603	14.78		0.233
ICG AsiaWorks Ltd	715	10.47		0.475
Kantone Holdings Ltd	1059	11.76		0.57
Kessel International Holdings Ltd	959		10.71	0.25
Northern International Holding Ltd	736	12.90		0.035
Oriental Metals (Holdings) Company Ltd	1208	11.54		0.29
Pacific Century Insurance Holdings Ltd	65	13.46		2.95
Prosper eVision Ltd	979	12.07		0.325
S.A.S. Dragon Holdings Ltd	1184	11.76		0.57

On Wall Street, last Monday, the Dow Jones Industrial Average fell 48.80 points to 10,572.55 points, a loss of about 0.46 percent, compared with the previous Friday's closing level.

It was the fourth consecutive session of losses for the blue-chip index.

The NASDAQ Composite Index, however, managed to shake off 4 sessions of losses, rising 45.27 points, or about 1.89 percent, to delight those investors with a penchant for speculative counters as it ended the day at 2,441.19 points.

US investors, after being hit with one poor earnings result after another, were betting that the worst was behind them – and they put their money on the table as proof of their assertion.

Many of the lower prices of hi-tech and Internet-related companies have, factored into their current prices, investor expectations for the immediate future, at least.

Whether or not this determination was a bit premature only history would relate, but it appeared to many people that the time was not yet ripe to think that the worst was over.

Wall Street's happiness, however, did not seem to affect trading on the HKSAR's speculative marketplace, The Growth Enterprise Market, also known as The GEM.

The Growth Enterprise Index moved up just 0.04 percent to 305.16 points on continued low volume, which hit just \$HK75.19 million, last Tuesday.

The most active counter of the day was Neolink Cyber Technology (Holdings) Ltd (Code: 8116) as investors traded a total of about 13.98 million of its shares, representing, in dollar terms, about \$HK10.46 million of the Total Turnover.

It ended the session at 76 cents per share, up about 1.33 percent on Monday's close.

Neolink Cyber Technology is one of the few counters whose share price has not sunk beneath its original Offer Price. It first went to The GEM on July 18, 2000 with an offering of shares at 43 cents per share.

Phoenix Satellite Television Holdings Ltd (Code: 8002) was in second place on the Most Active list as about \$HK9.96-million worth of its shares were traded. It ended the day at \$HK2.175, a fall of about 2.25 percent, compared with Monday's close.

The biggest gainer of the day was Qianlong Technology International Holdings Ltd (Code: 8015), the share price of which made a remarkable recovery, representing about 124.69 percent over Monday's closing price of 40.50 cents.

There was no announcement from this company as to the reason for the rapid advance in its share price.

This company was first listed on The GEM on December 7, 1999 when it offered shares at \$HK1.06 per share.

The only other double-digit mover of the day was Syscan Technology Holdings Ltd (Code: 8083), the share price of which rose about 17 percent to 11.70 cents.

The ratio of losers to gainers on the market was about 1.25:One.

In Japan, The Tokyo Stock Exchange lost a great deal of ground as about 257.10 yen was chopped off the Nikkei-225 Index, which ended the day at 13,610.51 yen.

Tokyo was reacting to Wall Street, directly, in spite of the NASDAQ, having broken a 4-day losing streak.

Also, a weaker yen vis-à-vis the US dollar was not helping matters, at all. The US dollar could buy just shy of 116 yen, last Tuesday.

Chip-and-computer manufacturer, NEC, got hit relatively hard as its share price lost about 3.40 percent, while the world's largest telephone operator, in terms of annual sales, Nippon Telegraph and Telephone (NTT), lost nearly 6 percent of its value.

NTT's mobile subsidiary, NTT DoCoMo, gave up about 5 percent of its share price in sympathy with its big brother.

Japan Tobacco was the surprise loss of the day as its share price was carved down more than 11 percent.

There was an unsubstantiated report that the Japanese Government was planning to cut its stake in the world's third largest tobacco maker from 66.70 percent to about 50 percent.

Another rather shocking state of affairs was a report that Japan's largest manufacturer of food seasonings was in trouble in Indonesia where it was alleged that Ajinomoto had been selling products, containing enzymes that were derived from pigs.

Pork is prohibited by Islamic Law to be sold in Indonesia, the world's largest Islamic country.

The share price of Ajinomoto closed down 14 percent after it was confirmed that 4 senior officials of Ajinomoto's Indonesian subsidiary had been arrested.

Japan is still in the grips of an economic recession with many of its investment companies, still on the ropes, following the losses of Wall Street in the technology sector.

This was how other Asian markets saw the situation, last Tuesday night:

Indonesia	Plus 0.42 percent
Japan	Minus 2.59 percent
Malaysia	Minus 1.02 percent
The Philippines	Plus 2.51 percent
Singapore	Plus 0.58 percent
South Korea	Minus 0.10 percent
Taiwan	Plus 3.62 percent
Thailand	Plus 2.19 percent

Wednesday

Fears that more and more companies would be seeking more and more financing started to take the wind out of the sails of many Asian investors, last Wednesday, as share prices started to retreat on the Main Board of The Stock Exchange of Hongkong Ltd.

The Hang Seng Index lost just 0.42 percent, falling back to 15,435.79 points on a reduced Total Turnover, which was just shy of \$HK10 billion.

It looked very much as though the market was getting ready to take a decided plunge.

Sino Land Company Ltd (Code: 83) had announced, on Tuesday, that it would be raising more money by pitching a 180-million Share Placement at \$HK4.35 per share.

The company had suspended trading in its shares, pending the official announcement, so, on Wednesday, investors had their first chance to express their opinion about Sino Land's Management determination.

Sino Land's share price dropped 12.11 percent to \$HK4.175, just off the low of the day, after a total of about 199.89 million of its shares changed hands.

It was the most-active counter of the day, whose trading volume represented about 8.72 percent of the Total Turnover.

The 57.50-cent loss in the share price was telling, to be sure, since it was likely to deter other property dealers to try the same stunt in a hurry.

Other than Sino Land, which did not affect the movement of the Hang Seng Index very much, except for sentiment, of course, it was trading in the shares of HSBC Holdings plc (Code: 5) that did a great deal to pull down the Index.

HSBC Holdings saw a total of about 5.50 million of its shares change hands, as its price was knocked down 2.10 percent to \$HK116.50.

With the US stock market, continuing to come under fire, and with HSBC Holdings, a large international player, lending billions of dollars to many companies, some of which are deeply involved in the telecommunications game as well as in Internet-related businesses, it seemed only too apparent that, eventually, it would come to be known that this giant banking group, among the 5 largest banks in the world, would have to own up to its non-performing loans.

It was just a matter of time.

And, last Wednesday, some investors were wondering when that time would come and just how much money would have to be set aside for Provisions for Bad and Doubtful Debts.

Trading in the shares of HSBC Holdings represented about 6.41 percent of the Total Turnover. It was the third, most-active counter.

Selling pressure on HSBC Holdings had its effect on other banking counters as the share price of The Bank of East Asia Ltd (Code: 23) lost 2.30 percent, falling to \$HK21.20 per share, Dao Heng Bank Group Ltd (Code: 223) lost 1.50 percent of its value, slipping to \$HK46 per share, and Wing Lung Bank Ltd (Code: 96) saw its market capitalisation cut back by 0.60 percent to \$HK33 per share.

The ratio of losers to gainers was about 1.51:One with about 64 percent of the counters, either being untraded or their share prices stayed unchanged from Tuesday's closing levels.

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CASIL Telecommunications Holdings Ltd	1185	11.36		0.49
ECyberChina.net Ltd	254	12.84		1.23
Hongkong Pharmaceutical Holdings Ltd	182		10.00	0.72
iRegent Group Ltd	575		13.64	0.38
Kin Don Holdings Ltd	208		10.53	0.034
Man Sang International Ltd	938	13.64		0.20
Pacific Plywood Holdings Ltd	767	13.33		0.068
Paliburg Holdings Ltd	617		10.00	0.18
Simsen International Corporation Ltd	993		13.33	0.052
Sing Tao Holdings Ltd	233	16.67		1.61
South East Group Ltd	726	17.65		0.02
SunCorp Technologies Ltd	1063	20.83		0.058

Tomorrow International Holdings Ltd	760		12.17	0.166
Universal Appliances Ltd	419	11.76		0.076
Victory Group Ltd	1139	14.81		0.031
Wing Lee Holdings Ltd	876	12.36		0.50
Winsan (China) Investment Group Company Ltd	85	10.42		0.26

On the news front, it was announced, late in the day, that there was a strong likelihood that the Organisation of Petroleum Exporting Countries (OPEC) would be cutting back its production of crude oil by between 1.50 million barrels and 2 million barrels per day.

OPEC is due to meet on Wednesday; there is thought to have been a consensus as to the extent of the cuts in oil production so that the Arabs can keep international oil prices high.

So, the world prepared itself for another bout of high petroleum prices at the pumps.

On The New York Stock Exchange, Internet portal, Yahoo! Incorporated, let it be known that things were not at all rosy in its little garden.

While it reported that fourth quarter profits were in line with expectations, at about 13 cents (US) per share, this 44.44-percent increase in quarterly profits was overshadowed by a company announcement that investors should stand by for lower profits in 2001 and, perhaps, beyond.

The share price of Yahoo had risen by about 38 cents (US) per share to \$US30.50 per share, during trading on The New York Stock Exchange, last Wednesday, but after-hours trading pulled down Yahoo's share price to \$US25.50 per share.

Yahoo has lost about 80 percent of its market capitalisation in the past year, but at a share price of about \$US25, it is still trading an historic price-earnings multiple that cannot be sustained by its earnings.

And earnings are, just about, guaranteed to go down in short order, according to the company.

Investors were looking for a share price of close to \$US20 – which is, still, about 100 times earnings multiple.

While technology stocks rebounded on Wednesday, New York time, by about 3.40 percent on the NASDAQ Composite Index, which closed the day at 2,524.18 points, there was a late bout of selling – which appeared to indicate what was likely to be happening in the immediate future.

The Dow Jones Industrial Average finished the day with a fractional gain of about 0.30 percent at 10,604.27, the first gain that it had registered in the previous 5 trading sessions, on the day that the US Federal Reserve unexpectedly cut the interest rate by 50 basis points.

And, from the Government of the PRC came news that last year's trade surplus was sharply lower in spite of enjoying the biggest trading spurt in the past 2 decades.

The trade surplus fell last year by about 17.18 percent to \$US23.10 billion, year-on-year.

A mirror of things to come, no doubt, as it stands to reason that exports from the PRC will continue to fall in line with economic problems in the West.

On The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, the Growth Enterprise Index, once again, limped along, ending the day with a loss of just 0.37 percent at 304.03 points.

The volume of activity continued low at \$HK95.43 million, with the top 3 performers, representing about 55 percent of the Total Turnover.

On the most active list, Smartech Digital Manufacturing Holdings Ltd (Code: 8086) was in the Number One Slot as 77.29 million of its shares found new owners.

The share price hardly moved, however, being stuck between a low of 24 cents and a high of 24.70 cents. It ended the session at 24.40 cents per share, unchanged from Tuesday's close.

In second place on the Most Active list was Neolink Cyber Technology (Holdings) Ltd, (Code: 8116), the share of which eked out a 2.63-percent improvement over Tuesday's closing level to end the day at 78 cents.

In the case of Neolink Cyber Technology, 22.94 million of its shares changed hands.

Phoenix Satellite Television Holdings Ltd (Code: 8002) was in the third position with about \$HK15.95-million worth of its stock, being traded. Its share price stayed firm at \$HK2.15.

Gainers and losers were, just about, equal, while the number of counters that were neglected fell to about one third of all counters, quoted on the board.

In Japan, share prices closed off their lows due, in part, to short-covering.

The Tokyo Stock Exchange saw its Nikkei-225 give up 177.86 yen, about 1.30 percent, to end the day at 13,432.65, after hitting a low of 13,349.15.

The market was dull, compared with previous sessions, and an announcement, promulgated by industry sources, indicating that the number of mobile telephone users in The Land of the Rising Sun had risen by about 20 percent in the past year, did nothing to alleviate the bearish sentiment.

At the end of December 2000, the number of users of mobile telephones was said to be about 58 million.

The statistics should have lifted prices of the 3 main Japanese carriers, but it did not.

The 3 main mobile telephone carriers are: NTT DoCoMo Incorporated (34.22 million subscribers); DDI Corporation (14.32 million subscribers); and, J-Phone, the wireless unit of Japan Telecom Company Ltd, (9.47 million subscribers).

NTT DoCoMo lost about 3.40 percent of its value, due in part to the fact that the Government of Japan had announced that it would sell another tranche of shares in Japan's largest company, in terms of market capitalisation.

Ajinomoto's share price regained about 6.40 percent of its value, following President Abdurrahman Wahid making an official statement that Muslim's would not go to Hell by eating Ajinomoto's products. (Please see Tuesday's report)

And this was the way that things shaped up in other parts of Asia, last Wednesday:

Indonesia	Plus 0.10 percent
Japan	Minus 1.31 percent
Malaysia	Plus 0.53 percent
The Philippines	Plus 0.15 percent
Singapore	Minus 0.11 percent
South Korea	Minus 4.93 percent
Taiwan	Plus 1.13 percent
Thailand	Minus 0.67 percent

Thursday

Share prices took a tumble on the 2 stock exchanges of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) last Thursday due to a number of unrelated issues.

Firstly, Pacific Century CyberWorks Ltd (Code: 8), the seventh, most-active counter of the day, saw its share price hit a 16-month low after reports circulated that Cable and Wireless plc, the former owner of Cable and Wireless HKT Ltd, formerly a publicly listed company in the HKSAR, a company which was sold to the Li Ka Shing Empire last year at a price of about \$HK127 billion, which was subsequently absorbed into Pacific Century CyberWorks's '*stable*' of companies, reportedly wanted to unload its 15.30-percent stake in Pacific Century CyberWorks.

That share sale, if it came to pass, was worth upwards of \$HK62 billion and would, without question, knock the stuffing out of the share price of Pacific Century CyberWorks, to be sure.

As it was, the share price of this Li Ka Shing company lost big time on The Stock Exchange of Hongkong Ltd as about 58.30 million Pacific Century CyberWorks's shares were traded, last Thursday, representing a cash value of about \$HK277.09 million.

The share price of this company fluctuated between a low of \$HK4.60 and a high of \$HK4.925, ending the day at \$HK4.675.

This meant that Pacific Century CyberWorks had seen an erosion of another 3.11 percent in its market capitalisation, compared with the closing price on Wednesday.

The volume of activity in this one counter accounted for about 3.08 percent of the Total Turnover of about \$HK9.08 billion.

The Hang Seng Index, the '*barometer*' of the Main Board, gave up about 2.24 percent of its value, falling to 15,090.77 points in a day, which was marked by bearish sentiment.

Fears that there would be more selling of new shares by some of the largest companies, listed on Asia's second most important bourse, put up the backs of many investors since they did not know when their company would be next in line for a price thrashing.

Adding to the gloom was a report that First Pacific Company Ltd (Code: 142) had instructed an investment bank to sell some 120 million of its shares at \$HK2 per share.

First Pacific's share price lost 16.33 percent of its value, during last Thursday's trading session, as its share price ended the day at \$HK2.05 after hitting a low of \$HK1.98 per share.

Totally, 149.37 million shares in this investment company changed hands, representing a dollar value of about \$HK300.84 million, or about 3.30 percent of the Total Turnover.

It was the fifth, most-active counter of the day.

The sales of shares in First Pacific Company confirmed Asian investors' fears and aggravated an already tricky investment sentiment.

Adding, also, to the Asian gloom was a confirmed report, emanating from London, England, where Sheikh Ahmed Zaki Yamani, the former Saudi Arabian Oil Minister, talked to The Royal Institute of International Affairs, stating that a cut in oil production was, definitely, on the cards.

Sheikh Yamani stated that the 11-country oil cartel would cut crude oil production by at least 1.50 million barrels per day and that the Kingdom of Saudi Arabia had, already, informed its customers that it would cut its production by about 500,000 barrels of oil per day.

And yet, there was another dig at Asia as it was confirmed that foreign investment in Japan was on the wane with heavy selling of Japanese stocks by foreigners.

Asia was being hit from all sides and could not fart against the thunder.

The ratio of losers to gainers was a resounding 5.06:One.

The following are the main losers on the Main Board of The Stock Exchange of Hongkong Ltd:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139		11.54	0.023
Brilliance China Automotive Holdings Ltd	1114		14.29	1.80
CEC International Holdings Ltd	759		10.84	0.74
Computer and Technologies Holdings Ltd	46		12.86	3.05
e-Kong Group Ltd	524		10.10	0.445
Gemzboh Holdings Ltd	1192		23.75	0.061
Karce International Holdings Company Ltd	1159	11.11		0.50
Oriental Metals (Holdings) Company Ltd	1208		10.34	0.26
Pearl Orient Cyberforce Ltd	988		10.34	0.026
Prosper eVision Ltd	979		11.76	0.30
South East Group Ltd	726		20.00	0.016
Tem Fat Hing Fung (Holdings) Ltd	661		30.37	0.188
USI Holdings Ltd	369		13.04	1.00
Victory Group Ltd	1139	12.90		0.035
Wah Fu International Holdings Ltd	952		15.15	0.056
Wah Tak Fung Holdings Ltd	297		10.81	0.033
Wo Kee Hong (Holdings) Ltd	720		10.71	0.10

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, selling was the order of the day.

The Growth Enterprise Index shed another 1.34 percent, falling to a new, 2-year low of 299.95 points.

There was no special news from any of the 51 listed companies: Investors were, simply, getting fed up with the situation, which had been bearish for some time.

The Total Turnover on this market was \$HK108.58 million, still very much on the low side.

Even so, some counters did manage to swim upstream, so to speak, led by the most-active share of the day, Neolink Cyber Technology (Holdings) Ltd (Code: 8116) where investors picked up some 37.61 million shares, pushing up the share price to 81 cents, a gain of about 3.85 percent, compared with Wednesday's closing level.

Trading in this company's stock represented about 28.58 percent of the Total Turnover of the day.

The ratio of losers to gainers on this market was about 2.27:One with just 8 counters, being neglected by investors.

The 2 largest losers were Grandmass Enterprise Solution Ltd (Code: 8108) and Qianlong Technology International Holdings Ltd (Code: 8015).

Grandmass Enterprise gave up 11.11 percent of its market capitalisation, falling back to 8 cents per share – this company's share price has lost about 84 percent of its value since July 7, 2000 -- while Qianlong Technology lost 17.65 percent of its value, dropping back to 70 cents per share – Qianlong Technology has lost about 34 percent of its value since it was first listed on December 7, 1999.

The losses on The GEM came on the back of a rather bullish session on The New York Stock Exchange where the Dow Jones Industrial Average put on 0.30 percent, rising to 10,604.27, only to be outdone by the NASDAQ Composite Index, which spurted up about 3.39 percent to 2,524.18 points.

Wall Street was questioning whether or not the bottom had been touched on the world's largest stock market.

There was some reason to consider this as a distinct possibility because the gains on the NASDAQ came as Motorola Incorporated announced a sorry state of affairs with regard to its fourth quarter results.

Motorola, the second largest producer of mobile telephones in the world, announced that its Net Profits had slipped about 41 percent to \$US355 million (about \$HK2.75 billion), compared with the comparable 1999 fourth quarter.

Amid an international situation of slowing economies, Motorola warned of troubles on the economic horizons.

Meanwhile, in Japan, gloom and doom persisted as foreigners sold stakes in companies, listed on The Tokyo Stock Exchange, in big lumps.

The Nikkei-225 lost about 1.72 percent, falling to 13,201.07 yen.

The Nikkei-225 hit a 27-month low as *'Japan Incorporated'* stood and watched the continuing losses mount ever higher.

The economic, near-term prospects for Japan seem to worsen, as the days grow longer.

Some of the Nikkei's losses were the results of sales of shares in cross shareholding situations by some of Japan's zaibatsu, no doubt, but the lion's share of the losses was caused by disenchantment by Japanese investors as well as foreigners.

NTT DoCoMo, the mobile arm of Nippon Telegraph and Telephone (NTT), saw its share price finish the session, off by more than 3.50 percent to 1.95 million yen, after touching a low of 1.91 million yen.

The reason for the fall in the share price of this company, the largest issue, listed on The Tokyo Stock Exchange in terms of market capitalisation, was due to the impending sales of 460,000 new shares.

These shares, it was announced, would hit the market, starting last Friday. The company needed to raise about \$US7.70 billion (about \$HK60 million).

The funds are needed in order to pay for an investment in AT&T Wireless, part of the US telecommunications giant, AT&T Corporation, a company which is listed on The New York Stock Exchange.

In the past month, the share price of NTT DoCoMo has been hit by one selling wave after another, forcing down the share price by about 35 percent, records indicate.

That's a lot of yen in anybody's book.

Some of the big losers on Asia's most important stock market included Toyota Motor, off 7.40 percent, Sanwa Bank, down 4.90 percent, Tokai Bank, down 4.90 percent, Mizuho Holdings, down 2.50 percent, and Softbank,

down 12 percent.

With regard to the last-named loser, Softbank, it holds about 22.58 percent of the equity of Yahoo! Incorporated. (Please see Wednesday's report on Yahoo)

Also, Softbank owns 50 percent of Yahoo! Japan; that company's share price retreated nearly 9 percent, last Thursday.

But the gloom and doom were not limited to Japan and the HKSAR as the following list of bourses in other Asian countries tells the story:

Indonesia	Minus 1.44 percent
Japan	Minus 1.72 percent
Malaysia	Minus 0.48 percent
The Philippines	Minus 1.19 percent
Singapore	Minus 2.47 percent
South Korea	Plus 0.17 percent
Taiwan	Minus 1.24 percent
Thailand	Plus 0.55 percent

Friday

Asia took heart on the last trading day of the week, taking its cue from Wall Street, which, on Thursday, New York time, saw investors go on a buying spree.

The NASDAQ Composite Index rose 4.61 percent to 2,640.57 points, last Thursday, extending its rally of the previous Tuesday.

The Dow Jones Industrial Average, however, did next to nothing, but that did not matter because investors wanted to think that the worst was behind them.

So the call went out: Buy into telecommunications and hi-techs!

On The Stock Exchange of Hongkong Ltd, the Main Board recorded a gain of about 1.36 percent on the Hang Seng Index, which ended the week at 15,295.42 points.

The Total Turnover, however, shrank to about \$HK7.78 billion -- not a very healthy sign for a stock market that is supposed to be on the mend.

The ratio of gainers to losers was a slim 1.32:One, with about 58 percent of all the counters, either being neglected by shareholders, completely, or holding firmly onto Thursday's closing levels.

HSBC Holdings plc (Code: 5) was the most active counter of the day as about 5.93 million of its shares changed hands, representing a dollar value of about \$HK682.44 million, or about 8.74 percent of the Total Turnover.

The share price of this giant banking group stayed within a \$HK2 channel, between a low of \$HK114.50 and a high of \$HK116.50. It ended the week at \$HK115, unchanged from Thursday's close.

Pacific Century CyberWorks Ltd (Code: 8) continued to be hammered, with its share price, being forced down to a low of \$HK4.525 after investors unloaded about 60.38 million of Mr Li Ka Shing's telecommunications-cum-Internet-investment company.

The closing price of Pacific Century CyberWorks, at \$HK4.55 per share, was the lowest price attained in the past year.

Of late, this Li Ka Shing company continues to suffer from a definite loss of investor confidence due to unconfirmed reports that London-based, Cable and Wireless plc wants to unload its stake in it. (Please see Thursday's report on this subject)

More importantly, investors in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) are still waiting to see what the US Federal Reserve will do when it meets at the end of this month.

If it does a repeat performance of its January 3, 50 basis-point cut in the interest rate, it will signal that the Fed is very concerned about the US economy – meaning that things are quite bad in the largest economy of the world – and it feels that it must squirt in a little oil on the wheels in order to get it motoring again.

At the same time, for investors in the US, and this will cascade down to Asia, too, it will mean that the US Government is not deserting them; and, it will be all stops out in order to get the US economy back on track.

With just 2 weeks to go before the Fed holds its Open Market Committee Meeting, US and HKSAR investors were waiting, apprehensively, for the determination of Dr Alan Greenspan, the Chairman of the Fed.

The following is a list of the double-digit movers on the last day of week, ended January 12:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
City e-Solutions Ltd	557		12.50	0.28
Compass Pacific Holdings Ltd	1188	11.54		0.58
Dailywin Group Ltd	897		18.92	0.60
Emperor (China Concept) Investments Ltd	296	15.15		0.038
Emperor Technology Venture Ltd	283		16.08	0.167
Fong's Industries Company Ltd	641	14.47		0.435
Fourseas.com Ltd	755	29.41		0.022
Gemzboh Holdings Ltd	1192	13.11		0.069
Graneagle Holdings Ltd	147		13.64	0.019
Guangdong Tannery Ltd	1058	11.84		0.17
Hung Fung Group Holdings Ltd	1141	14.29		0.016
Kantone Holdings Ltd	1059		12.28	0.50
Lai Fung Holdings Ltd	1125		13.87	0.149
Magician Industries (Holdings) Ltd	526		18.57	0.057
The Mingly Corporation Ltd	478	24.07		0.67
renren Media Ltd	59		30.00	0.035
RNA Holdings Ltd	501		19.35	0.25
Simsen International Corporation Ltd	993		15.09	0.045
SunCorp Technologies Ltd	1063		12.07	0.051
Trans-Ocean Investment and Technology Ltd	1207		14.49	0.59
UDL Holdings Ltd	620		34.12	0.056
Varitronix International Ltd	710	15.91		7.65

VTech Holdings Ltd	303	11.82		6.15
Welback Holdings Ltd	491	11.11		0.04

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index nudged the 300 level, ending the week at 300.57 points for a gain of 0.21 percent on the day.

The Total Turnover was about \$HK105.79 million.

The leading counter was Phoenix Satellite Television Holdings Ltd (Code: 8002), the share price of which sank back to \$HK2 per share after 16 million shares of this Rupert Murdoch company changed hands.

The dollar value of the turnover of this counter represented about 30.46 percent of the total volume of the day.

There was no news from this market as investors continued to neglect it, by and large, in spite of the seeming euphoria in hi-tech and Internet-related stocks on The New York Stock Exchange.

Advancing issues were ahead of declining ones by the ratio of 1.67:One, with about 35 percent of all counters, being completely neglected by investors.

The following table lists the 4 biggest movers:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
GreaterChina Technology Group Ltd	8032	21.43		0.17
hkeyber.com (Holdings) Ltd	8118		10.55	0.246
Sino Biopharmaceutical Ltd	8027	10.71		0.93
Trasy Gold Ex Ltd	8063		14.44	0.231

In Japan, the market was still reeling from the fund-raising antics of NTT DoCoMo, the mobile telephone operator of Nippon Telegraph and Telephone (NTT). (Please see Wednesday's report on this topic)

NTT DoCoMo actually regained about one percent of its value, ending the day at 1.97 million yen, after hitting a low of 1.95 million yen.

NTT DoCoMo had lost, up to last Friday, about 30 percent of its market value in the past month or so.

An announcement from Ryohin Keikaku, a clothing-household item retailer in The Land of The Rising Sun, did this company's stock no good as its price fell more than 14 percent.

Management of Ryohin Keikaku announced that its profit forecast for the Financial Year, ending February 28, 2000, would be about 35 percent lower than previous estimates, at about \$US44 million (about \$HK340 million).

Ryohin Keikaku has lost about 80 percent of its market capitalisation, during the past year.

The Nikkei-225, the main index of The Tokyo Stock Exchange, made a modest gain, on the back of shaky investor sentiment, to end the week at 13,347.74, up about 1.11 percent on the day.

Gainers were ahead of losers by about 1.51:One.

Last Friday, Japan's Finance Minister Kiichi Miyazawa and Minister of State for Economic and Fiscal Policy Fukushima Nukaga made an announcement to the effect that there was no need for Japanese Governmental action to stem the fall on equity markets on Asia's largest stock markets.

Japan, like the rest of Asia, was awaiting news from Wall Street and, more importantly, from the US Federal Reserve.

This was how the rest of Asia viewed the situation on the last day of trading, last week:

Indonesia	Minus 0.93 percent
Japan	Plus 1.11 percent
Malaysia	Plus 0.63 percent
The Philippines	Plus 1.70 percent
Singapore	Plus 0.41 percent
South Korea	Plus 4.46 percent
Taiwan	Minus 0.56 percent
Thailand	Plus 4.59 percent

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