

### A CRACK APPEARS IN THE EGG OF THE BEAR

The *'talk'* in Asia was all about Japan, its economic health (or the lack of it), and how much further the yen would fall vis-à-vis the US dollar.

Last Monday, the yen-US dollar rate was at an 18-month low, triggered by growing concerns over the state of Japan's economic prospects, Japan, being the second largest economy in the world and the most important economy in Asia.

Monday saw the yen fall to about 118.72 yen against \$US1, an increase of about 13 percent, compared with the September 2000 rate of about 105 yen.

The yen has been on the slippery slope of decline against major international currencies for the past 6 months or so.

The battered yen pushed share prices down on The Tokyo Stock Exchange whose premier index, the Nikkei-225, fell to a 27-month low.

On The Stock Exchange of Hongkong Ltd, the Hang Seng Index, the *'barometer'* of the Main Board, after suffering an early loss of 94.14 points in the morning session, recovered in the 90-minute afternoon session to end the day at 15,293.76 points, just 1.66 points shy of the previous Friday's closing level.

The Total Turnover dropped back to about \$HK8.23 billion, with trading, being dominated by the toings and froings in the share price of the largest company, in terms of market capitalisation: HSBC Holdings plc (Code: 5).

In all, \$HK1.08-billion worth of HSBC Holdings's shares changed hands, during the day, resulting in the share price, falling to \$HK113.50, a fall of 1.30 percent, compared with the closing price on Friday, January 12.

Trading in this one counter represented about 13.12 percent of the entire volume of activity on The Stock Market of Hongkong Ltd and was a major influence on the direction of trading.

HSBC Holdings, which is being talked down by some analysts, who maintain that the huge banking group may not be able to achieve any further, impressive material gains in its Bottom Line for a year or so, was the most-active counter of the day, but it was somewhat upstaged by trading in the shares of Pacific Century CyberWorks Ltd (Code: 8).

Pacific Century CyberWorks, the fifth, most-active counter of the day, was hit on all sides by fears that London-based, Cable and Wireless plc, a holder of a little more than 15.30 percent of the Issued and Fully Paid-Up Share Capital of Pacific Century CyberWorks, would be seeking to clear its decks of the shares of this Li Ka Shing company.

It was an old story that has been doing the rounds for some months, but last Monday, it appeared to take firm root, pushing down the share price of Pacific Century CyberWorks to a low of \$HK4.15 per share.

The share price gyrated about 9 percent, during the day, from this low, but managed to end the day at \$HK4.20, representing a loss of 7.69 percent, compared with the previous Friday's closing level.

It was the lowest price since about August 1999, according to records.

And looked very much as though the selling pressure on this company's shares would continue into the middle of the week, at least.

Certainly, those Hongkong stockbrokers, who had stated, bravely, in the middle of 2000, that Pacific Century CyberWorks's share price could fall no lower than \$HK9, were looking a bit sheepish, last Monday.

Trading in this counter accounted for about 4.37 percent of the Total Turnover of day.

Aside from HKSAR parochial considerations, on the news front was the almost certain determination that the Arabs would raise the price of crude oil.

With just 2 days to go before OPEC – The Organisation of Petroleum Exporting Countries – was due to sit to discuss whether or not oil production would be cut by either 1.50 million barrels per day or 2 million barrels per day, Saudi Arabia's Oil Minister, Ali Al-Naimi, said, in Vienna, Austria, on Monday, that a cut of about 5 percent in the world's production of oil (about 1.50 million barrels per day) was absolutely necessary.

That would have the immediate effect, he said, of boosting oil prices for the Arab countries.

He failed to mention as to the effects of higher oil prices on international trade – which appears not to be of interest to the oil-producing countries of the world.

Venezuela's President Hugo Chavez echoed Saudi Arabia's sentiments, expressing Venezuela's determination to cut its production of the liquid gold.

Iraq suspended its production of oil exports in December due to a dispute with the United Nations over payments so that another cut in the production of crude oil is expected to aggravate an already ticklish situation, possibly destabilising many of the world's economies at a very inauspicious time, a time when much of the free world is in, or fast entering, an economic downturn.

In such an atmosphere, and with Wall Street closed, last Monday, Hongkong time, it was not surprising that share prices started to fall on The Stock Exchange of Hongkong Ltd as the ratio of losers to gainers hit 2.13:One.

And, adding to the gloom and doom was confirmation that everybody had been dreading: Many companies, listed on The Stock Exchange of Hongkong Ltd are, definitely, seeking to Place shares in order to raise more funds.

Last Monday, it was the turn of 139 Holdings Ltd (Code: 139) which Placed 997 million shares, raising about \$HK19.30 million – which is needed, the official announcement stated, *'for additional working capital of the Company.'*

With the Ten Most Active counters, representing about 52 percent of the entire volume of activity, and with the Hang Seng Index, going nowhere fast, many investors steered clear of share-trading activities.

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (SHK)
Artfield Group Ltd	1229		11.27	0.63
ASM Pacific Technology Ltd	522	17.09		13.70
C.P. Pokphand Company Ltd	43	14.68		0.125
Celestial Asia Securites Holdings Ltd	1049		9.27	0.186
Everbest Century Holdings Ltd	578		36.36	0.014
G-Prop (Holdings) Ltd	286		16.85	0.074
Gay Giano International Group Ltd	686		10.45	0.30
Guangdong Building Industries Ltd	818		10.00	0.36
Hung Fung Group Holdings Ltd	1141		12.50	0.014
KEL Holdings Ltd	681		13.04	0.20
Medtech Group Company Ltd	1031		10.87	0.041
ONFEM Holdings Ltd	230	11.32		0.295
Prestige Properties Holdings Ltd	75		12.12	0.435
QPL International Holdings Ltd	243	11.30		4.925
Ryoden Development Ltd	745		10.58	0.465
Sino Gulf Holdings Ltd	361	11.76		0.57
Sino-i.com Ltd	250		18.69	0.087
South East Group Ltd	726	11.76		0.019
SunCorp Technologies Ltd	1063		13.73	0.044
Tomorrow International Holdings Ltd	760	12.21		0.193
Trans-Ocean Investment and Technology Ltd	1207		22.03	0.46

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover shrank to about \$HK74.42 million as The Growth Enterprise Index fell below the 300 mark at the start of trading.

The Growth Enterprise Index ended the session at 297.37 points, a loss of about 1.07 percent, compared with Friday's close.

There were only 2 double-digit movers on this speculative marketplace: Grandmass Enterprises Solution Ltd (Code: 8108); and, GreaterChina Technology Group Ltd (Code: 8032).

Grandmass shed 25 percent of its market capitalisation to hit 5.10 cents per share while GreaterChina Technology regained 10 percent of its value, rising to 18.70 cents per share.

Losers were ahead of gainers by the ratio of about 1.65:One with very little investor interest in this market, aside from little pockets, here and there.

On The Tokyo Stock Exchange, the Nikkei-225 managed to gain 158.49 yen to rise to 13,506.23 yen after news circulated trading floors that the Japanese Government might, after all, come to the rescue of equity markets.

Prime Minister Yoshiro Mori had suggested, the previous Sunday, that the 27-month low for share prices on The Tokyo Stock Exchange was not in the best interests of the country and that something should be done about the situation.

This was in stark contrast to the statements of other Japanese Government ministers who are dead set against any governmental intervention in the free market.

Bargain hunting, no doubt, lifted some share prices, but the main problem for Japanese equity markets is that the Japanese economy is on the ropes; this is reflected in share prices.

Though gainers were ahead of losers by the ratio of about 1.42:One, most of those counters, that recorded gains, were of a fractional nature.

What was not assisting the psychology of this market was news that the US electronics giant, Motorola Incorporated, the second largest manufacturer of mobile telephones in the world, with an 18-percent share, worldwide, announced that it would cease production at its Harvard plant in North America.

This means that about 2,500 workers will hit the streets with the closure of this plant.

What hurts the US will, eventually, hurt the economy of Japan, which is, after all, one of the largest suppliers of electronics and electronic components to the US marketplace.

Such a dull trading atmosphere was reflected in other Asian bourses as the following table indicates:

Indonesia	Plus 1.01 percent
Japan	Plus 1.19 percent
Malaysia	Plus 0.71 percent
The Philippines	Plus 1.70 percent
Singapore	Plus 0.43 percent
South Korea	Plus 1.89 percent
Taiwan	Plus 0.75 percent
Thailand	Plus 2.38 percent

## Tuesday

Pacific Century CyberWorks Ltd (Code: 8) continued to be under investors' guns on The Stock Exchange of Hongkong Ltd as the call went out: Sell! Sell! Sell!

And the small shareholders cried to Pacific Century CyberWorks's management, asking for explanations for the more than 70-percent loss in the market capitalisation of this company, in the previous 6 months.

The Li Ka Shing telecommunications/Internet investment company was hit from all sides, resulting in the share price, hitting a new low of \$HK4 per share before recovering to \$HK4.10 per share.

It was only too apparent that investors were very concerned of the prospects of London-based Cable and Wireless plc, selling all, or a large chunk of its 15.30-percent stake in Pacific Century CyberWorks Ltd. (Please see Monday's report on this subject)

The Li Ka Shing company was the third, most-active counter of the day as more than 80.56 million of its shares found new owners.

Trading in this one issue accounted for about 4.58 percent of the Total Turnover of about \$HK7.20 billion.

The Hang Seng Index, the Main Board guide to trading, gained just 69.39 points, rising to 15,363.15 points, an improvement of just about 0.46 percent over Monday's close.

HSBC Holdings plc (Code: 5) continued to be the dominant factor in trading, capturing the Number One spot on the Ten Most Active issues.

A total of about 7.18 million HSBC Holdings's shares were traded, with the share price held tightly within a \$HK1.50 bandwidth, between a low of \$HK113 per share and a high of \$HK114.50 per share.

It closed the day at \$HK114 per share for a gain of about 0.44 percent over Monday's closing level.

Trading in the stock of this bank, one of the largest in the world, represented about 11.39 percent of the Total Turnover.

Trading on the 2 stock markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) was not influenced by Wall Street, last Tuesday, since it was a public holiday in the United States on Monday.

Asia, therefore, was on its own, awaiting the pleasure of the largest bourse on the planet.

But the HKSAR stock markets were showing signs of being tired, very tired, epitomised by the lowish turnovers and lacklustre trading pattern, if one could call it a trading pattern, at all.

The ratio of losers to gainers was about 1.88:One, with about 62 percent of all listings, withering on the vine, as investors steered clear of them.

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Artfield Group Ltd	1229		15.87	0.53
CCT Multimedia Holdings Ltd	1169	13.13		0.224
Everbest Century Holdings Ltd	578	42.86		0.02
Gemzboh Holdings Ltd	1192		13.89	0.062
Global Link Cyber International Ltd	140		13.33	0.156
Kin Don Holdings Ltd	208	19.35		0.037
Lamex Holdings Ltd	312	10.42		0.053
Nam Fong International Holdings Ltd	1176		14.04	0.049
Next Media Ltd	282	13.70		0.415
Prosper eVision Ltd	979		14.29	0.24
Sinocan Holdings Ltd	1095		10.26	0.07
Sinolink Worldwide Holdings Ltd	1168		10.53	0.34
Sound International Ltd	342		24.44	0.068
SunCorp Technologies Ltd	1063		18.18	0.036
Trans-Ocean Investment and Technology Ltd	1207	15.22		0.53
Tsingtao Brewery Company Ltd	168		11.04	1.37
Winsan (China) Investment Group Company Ltd	85	10.00		0.33
Yue Fung International Group Holdings Ltd	965		15.52	0.049

While it could, with some justification, be said that there was no clear direction to trading on the Main Board of The Stock Exchange of Hongkong Ltd, not so for The Growth Enterprise Market (The GEM), which saw investors sell many of their holdings as share prices were forced down, quickly.

As a surgeon cuts through flesh in order to get to the root of the problem, so investors pushed down The Growth Enterprise Index in very short order by more than 1.44 percent, leaving it at a new 2-year low of 293.09 points.

The losses of the day came on a reduced Total Turnover, which fell to about \$HK86.68 million.

Just 2 counters accounted for about 58.47 percent of the entire volume of activity.

They were Phoenix Satellite Television Holdings Ltd (Code: 8002) and Neolink Cyber Technology (Holdings) Ltd (Code: 8116).

Phoenix Satellite, the most-active stock of the day, lost 2.53 percent of its value, falling to \$HK1.93 per share, after hitting \$HK1.90 per share.

Neolink Cyber, the second, most-active counter, shed 2.30 percent of its value, falling to 85 cents per share.

The ratio of losers to gainers on this speculative market was about 1.93:One.

There were 4, double-digit gainers and 2 double-digit losers on Tuesday:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
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China Agrotech Holdings Ltd	8011	10.94		0.71
CyberM International (Holdings) Ltd	8017		14.29	0.60
Grandmass Enterprise Solution Ltd	8108	25.49		0.064
GreaterChina Technology Group Ltd	8032	10.70		0.207
Syscan Technology Holdings Ltd	8083	17.24		0.17
Systek Information Technology (Holdings) Ltd	8103		10.26	0.35

On Tokyo Stock Exchange, the Nikkei-225 Index gained about 78.22 yen, about 0.58 percent, ending the day at 13,584.45 yen.

The market was pleasantly surprised by the news that Toyota Motor Corporation had decided to buy back \$US2.10 -billion worth of its shares (about \$HK16.34 billion).

The share price of Toyota rose quicker than any of the standing starts of its vehicles: Up 12.78 percent to end the session at 3,970 yen.

Japan's biggest motor-car producer said that it planned to purchase and cancel 75 million shares in its Treasury Stock.

Aside from Toyota, most counters did not have a very good day with gains, constrained to single units, by and large.

Banks were, generally, stronger with Mizuho Holdings, the largest banking group in the world, seeing its share price rise about 4.20 percent, Tokai Bank, up 1.70 percent, Sumitomo Bank, up 1.30 percent and Bank of Tokyo-Mitsubishi, up 3.80 percent.

Gainers were ahead of losers by the ratio of 2.82:One.

Aside from the news from Japan's largest manufacturer of motor vehicles, there was little else of any merit, happening on Asia's largest stock market.

Japan was waiting for Wall Street to wake up from its 3-day weekend holiday, it appeared.

In other parts of Asia, this was the situation, last Tuesday:

Indonesia	Plus 0.75 percent
Japan	Plus 0.58 percent
Malaysia	Minus 0.49 percent
The Philippines	Minus 1.03 percent
Singapore	Minus 0.70 percent
South Korea	Plus 0.74 percent
Taiwan	Plus 5.27 percent
Thailand	Minus 2.86 percent

### **Wednesday**

Mr Li Ka Shing's Pacific Century CyberWorks Ltd (Code: 8) was the most closely watched share, last Wednesday, as it broke though the \$HK4 level, crashing to a new low of \$HK3.775 before recovering to close the day at \$HK3.875.

Totally, 115.28 million Pacific Century CyberWorks's shares were traded, representing, in dollar terms, about 5.34 percent of the Total Turnover of about \$HK8.43 billion.

There was no, new special news about this company that controls the largest, fixed telecommunications system in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the selling pressure was reminiscent of the old adage: *'One dog barks, 100 dogs bark.'*

Fear and greed always are the fuels for any market, and, last Wednesday, it was the rampant fear that London-based Cable and Wireless plc would flood the market with scrip of this huge company.

In less than 5 trading days, Pacific Century CyberWorks saw more than 20 percent carved out of its market capitalisation. (Please see Monday and Tuesday's report on this matter)

The Stock Exchange of Hongkong Ltd was not for those in failing health, last Wednesday, as the Main Board's Hang Seng Index shed about 0.66 percent, hitting 15,261.48 points.

In the 90-minute afternoon session, the Hang Seng Index moved just 3 points.

Aside from small pockets of marginally interesting events, the market was a relatively dull venue, especially when one considers what was happening on other major stock markets.

In the US, on Tuesday, New York time, Wall Street saw investors go for *'old world'* counters as the Dow Jones Industrial Average rose about 1.21 percent to 10,652.66 points.

The speculative end of the market, the NASDAQ Composite Index, lost 0.30 percent, falling to 2,618.55, which was a decided improvement from earlier in the day when the NASDAQ was down double digits.

But all was, definitely, not well in the largest economy in the world as NorthPoint Communications Incorporated, a California-based, high-speed data network services company, announced that it had filed for bankruptcy protection.

NorthPoint's shares had been trading at \$US34.75 (about \$HK270), each, just one year prior. The share priced touched, on Tuesday, New York time, 75 cents (US)(about \$HK5.84).

Last Wednesday, the HKSAR stock markets were viewing political unrest in both Indonesia and the Philippines, for totally unrelated reasons.

But many HKSAR, publicly listed companies have large financial interests in both countries so that such material instability in these 2 countries undermines investor confidence in certain counters, listed on The Stock Exchange of Hongkong Ltd.

An example of this syndrome was seen in the share price of First Pacific Company Ltd (Code: 142), which saw its share price drop 5.68 percent to hit bottom at \$HK2.075 per share.

First Pacific Company has invested billions of Hongkong dollars in the Philippines, a country which was rocked by demonstrations in its Capital City, Manila, last Wednesday, following the suspension of the impeachment trial of President Joseph Estrada.

Aside from emotive issues, investors in the PRC's enclave on the bottom of the most populous country in the world, were in a quandary as to what to do since trading had been directionless for the best part of a month.

HSBC Holdings plc (Code: 5) continued to be the most, sought-after counter as about 5.55 million of its shares were traded, pushing down its share price to \$HK113.50, a loss of about 0.44 percent, compared with Tuesday's close.

Trading in this counter represented about 7.47 percent of the Total Turnover.

The ratio of losers to gainers widened to about 3.07:One with about 61 percent of the entire market, being completely ignored.

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139	13.04		0.026
Artfield Group Ltd	1229	13.21		0.60
Celestial Asia Securities Holdings Ltd	1049	11.00		0.222
China DigiContent Company Ltd	1197		10.00	0.018
China Sci-Tech Holdings Ltd	985		12.09	0.08
China Star Entertainment Ltd	326		11.70	0.234
China Strategic Holdings Ltd	235		19.31	0.117
Deson Development International Holdings Ltd	262		18.75	0.026
Dickson Group Holdings Ltd	313		13.92	0.136
Emperor (China Concept) Investments Ltd	296		15.79	0.032
Emperor Technology Venture Ltd	283		10.29	0.157
Extrawell Pharmaceutical Holdings Ltd	858	11.11		0.10
Fourseas.com Ltd	755		23.81	0.016
Hanny Holdings Ltd	275		34.12	0.168
HiNet Holdings Ltd	155		15.09	0.09
LifeTec Group Ltd	1180	25.00		0.275
netalone.com Ltd	336		12.50	0.14
Prosper eVision Ltd	979		17.08	0.199

renren Media Ltd	59		23.53	0.026
Simsen International Corporation Ltd	993		12.77	0.041
Sound International Ltd	342	10.29		0.075
South East Group Ltd	726		15.79	0.016
Styland Holdings Ltd	211		10.00	0.495
SunCorp Technologies Ltd	1063	36.11		0.049
Winsan (China) Investment Group Company Ltd	85		10.61	0.29

The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd saw many share prices fall to new lows, in line with The Growth Enterprise Index, which sank to 288.55 points, a loss of about 1.55 percent over Tuesday's close.

The Total Turnover rose to \$HK113.37 million as losers outnumbered gainers by 3.33:One.

Phoenix Satellite Television Holdings Ltd (Code: 8002) was unable to withstand the selling pressure and gave up 10 cents per share, falling to \$HK1.83 per share, a loss of about 5.18 percent on Tuesday's closing level.

It has been some months since this speculative market has been able to make any appreciable gains; investors are somewhat apathetic with regard to which company is solid and which company is rubbish.

For certain, many of the GEM-listed companies will have to bite the bullet and admit insolvency in the fullness of time.

There were just 3 doubled-digit movers, last Wednesday, one gainer and 2 losers:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
ePro Ltd	8086		10.71	0.25
Proactive Technology Holdings Ltd	8089		25.58	0.32
Syscan Technology Holdings Ltd	8083	21.18		0.206

In Japan, it was another story as The Tokyo Stock Exchange managed to shrug aside all the gloom and doom, pushing up the Nikkei-225 by 83.18 yen to 13,667.63 yen.

Investors on this market, the most important in Asia, were still hanging on to the news of Tuesday, most of which was of a bullish nature.

Among the biggest gainers were banking counters, such as Mizuho Holdings – the world's largest bank – whose share price leapt about 6.70 percent.

Other banks fell into line as the share price of Bank of Tokyo Mitsubishi put on about 2.50 percent and Sumitomo Bank saw its share price rise about 5.40 percent. Tokai Bank's share price gained about 4.8 percent, not wanting to be left out of the bullish trend, no doubt.

Motor-car manufacturer, Toyota Motor, the largest such enterprise in The Land of the Rising Sun, continued its upward thrust, following on from Tuesday's share, buy-back announcement (please see Tuesday's report) with its share price, tagging on another 1.30 percent, closing at 4,020 yen.

Asia was awaiting the pleasure of OPEC (please see Tuesday's report on this topic) and political advances in neighbouring Asian countries where it was clear that there was considerable political unrest.

Suggestions abounded that some of these problems might spill over into the HKSAR.

This was how other Asian bourses fared, last Wednesday:

Indonesia	Minus 0.10 percent
Japan	Plus 0.61 percent
Malaysia	Plus 0.05 percent
The Philippines	Minus 6.00 percent
Singapore	Minus 0.46 percent
South Korea	Minus 1.26 percent
Taiwan	Plus 1.89 percent

Thailand	Plus 2.13 percent
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## Thursday

Investors on The Stock Exchange of Hongkong Ltd took their cue from Wall Street's strength on Wednesday, New York time, which saw the Dow Jones Industrial Average shed 68.32 points, about 0.64 percent, coming to rest at 10,584.34 points.

But the NASDAQ Composite Index, which charts the course of a much broader range of companies than the Dow, loaded as it is with hi-tech and Internet-related companies, rose 64.23 points, about 2.45 percent, ending the booming session at 2,682.78 points.

On Wall Street, it is the season for reporting and many companies are telling shareholders that, perhaps, all is not lost, after all.

While some of the market's *'darlings'* missed profits' estimates, what gave the market a swift kick was when International Business Machines (IBM), the largest manufacturer of computers in the world, announced results that beat Wall Street's estimates.

That was enough to push up the price of IBM by about \$US8 per share in after hours trading.

Adding to the somewhat bullish sentiment was a report of the US Consumer Price Index, which indicated that inflation was no longer a major concern for the US Federal Reserve.

That being the case, the Fed is free to focus on sustaining the growth of the world's largest economy, and not fighting inflationary fears, real or imagined.

Another factor, that helped Asia to have a little confidence restored, was the decision of OPEC – The Organisation of Petroleum Exporting Countries – to cut crude oil production by 5 percent, equal to about 1.50 million barrels per day, effective February 1.

In London, England, on Wednesday, the price of Brent Crude dropped about 73 cents (US) to \$US24.79 per barrel.

OPEC's decision could have been much worse, in terms of cuts in oil production, and the stock markets of the world realised this.

All of these factors went into the minds of investors in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), causing the Hang Seng Index, the *'barometer'* of the Main Board of The Stock Exchange of Hongkong Ltd, to rebound by about 1.75 percent.

The Hang Seng Index ended last Thursday's session at 15,528.75 points, a gain of 267.27 points, on a Total Turnover of about \$HK9.23 billion.

For a change, the counter of Mr Li Ka Shing's Pacific Century CyberWorks Ltd (Code: 8) did not have one block of shares after another dumped on it, but managed to fight back, with the share price, rising to a high of \$HK4.30 after hitting a low of \$HK3.90.

It closed at \$HK4.25 per share, representing a gain of 9.68 percent over Wednesday's close.

However, Pacific Century CyberWorks has a lot of territory to make up since, in the previous week's trading, its share price had shed the best part of 22 percent.

Pacific Century CyberWorks was the fifth, most-active counter of the day, representing about 5.53 percent of the Total Turnover.

Just about the same old bunch of companies were in the Top Ten Most Actives, with China Mobile (Hongkong) Ltd (Code: 941) and HSBC Holdings plc (Code: 5), hugging the Number One and Number Two slots, respectively.

Neither one of them made appreciable gains nor was one left with the suggestion that these 2 companies were being viewed as defensive stocks. If anything, it was speculative trading, with some people, hoping to catch the turning tide.

Trading in these 2 counters represented about 16.46 percent of the Total Turnover of the day.

The ratio of gainers to losers was about 2.17:One, with about 62 percent of all counters, either holding on to Wednesday's closing prices or seeing no action from investors.

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Bestway International Holdings Ltd	718	11.54		0.029
Central China Enterprises Ltd	351	10.00		0.143
China Apollo Holdings Ltd	512	15.00		0.092
Chinese Estates Holdings Ltd	127	10.87		1.02



CNT Group Ltd	701	10.00		0.33
Deson Development International Holdings Ltd	262	11.54		0.029
Emperor Technology Venture Ltd	283	14.65		0.18
Extrawell Pharmaceutical Holdings Ltd	858	11.00		0.111
First Pacific Company Ltd	142		11.33	1.84
G-Prop (Holdings) Ltd	286	25.00		0.08
Graneagle Holdings Ltd	147	11.11		0.02
GZITIC Hualing Holdings Ltd	382	11.11		0.30
Harmony Asset Ltd	428		10.81	0.099
Kantone Holdings Ltd	1059	30.43		0.60
Leading Spirit High-Tech (Holdings) Company Ltd	606	12.00		0.028
Millennium Group Ltd	260		10.00	0.09
Qualipak International Holdings Ltd	1224	10.91		0.122
renren Media Ltd	59	15.38		0.03
Sino-i.com Ltd	250	15.91		0.102
SUNDAY Communications Ltd	866	12.73		0.62
Yue Fung International Group Holdings Ltd	965		34.00	0.033

At the speculative end of the spectrum of The Stock Exchange of Hongkong Ltd, the marketplace, known as The Growth Enterprise Market (The GEM), saw The Growth Enterprise Index manage a 1.45-percent improvement on the day, hitting 292.72 points.

The Total Turnover did manage to rise to \$HK175.78 million, an improvement of 55 percent, compared with Wednesday's volume of activity, but there were a number of nagging problems, hanging over this market.

Mr Li Ka Shing's '*wild card*' on The GEM, tom.com Ltd (Code: 8001), made an announcement, late in the day, that it had logged in a loss of \$HK78.32 million for the 3 months, to December 31, 2000.

While the official announcement stated that things were much better in the company, since it had made a loss of about \$HK163.85 million for the comparable 1999 quarter, a loss is still a loss; and, there appears to be no light, shining at the end of tom.com's tunnel, at least, nobody appeared to see any glimmer of such a light.

tom.com was the fifth, most-active counter of the day, as 3.20 million of its shares were traded with the share price, ranging from a low of \$HK1.90 and a high of \$HK2.05. It ended the day at \$HK2.025 for a 6.58-percent gain over Wednesday's closing level.

Over the past year or so, this company has lost about 90 percent of its value.

One cannot help but feel pessimistic about this speculative Internet-investment and Internet-operating company in the midst of news that dot.com companies are collapsing, internationally, right, left and centre.

In the US, it was reported that LetsBuyIt.com had gone to the wall and, even worse, HomePlace of America Incorporated, filed for bankruptcy in the US Bankruptcy Court of Delaware, citing debts of about \$US255.70 million (about \$HK2 billion).

The plight of HomePlace, formerly thought to be a solid, furnishing retailer, a household name across the US, caught many people by surprise since the company operates 122 stores in 27 US States.

The company said that at least 38 of its stores would close their doors.

If such a thing can happen to HomePlace, the thinking went, it could certainly happen to companies that do not have such a solid base of earnings.

The volume of activity on The GEM was boosted, last Thursday, by the debut of convenience store operator, Convenience Retail Asia Ltd (Code: 8052).

This company, which raised about \$HK160 million, using as its game plan, the desire to try to make a foray into the PRC market with its convenience-store concept, saw its share price rise from a low of \$HK1.06 to a high of \$HK1.24 before settling back to end the day at \$HK1.14.

The closing level was one cent below the Offer Price.

Totally, 60.04 million Convenience Retail Asia shares were traded, representing nearly 40 percent of the entire activity on this market.

Phoenix Satellite Television Holdings Ltd (Code: 8002) continued to be among the top traders of the day as 12.96 million of its shares, changed hands, with its share price, moving up just one cent to end the day at \$HK1.84.

Trading in this counter represented about 13.61 percent of the Total Turnover.

The ratio of gainers to losers, last Thursday, was 2.72:One.

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
36.com Holdings Ltd	8036	26.47		0.043
Grandmass Enterprise Solution Ltd	8108	14.49		0.079
GreaterChina Technology Group Ltd	8032	13.33		0.238
Neolink Cyber Technology (Holdings) Ltd	8116	11.76		0.95
Tong Ren Tang Technologies Company Ltd	8069		18.52	2.20
Vodatel Networks Holdings Ltd	8033		10.00	0.81

In Japan, investors took heart as the Nikkei-225, the main index of The Tokyo Stock Exchange, rose for the fifth consecutive day, reaching 13,888.65 yen.

The closing level of the Nikkei-225 represented a one-day gain of about 1.62 percent.

Tokyo looked at the IBM announcement as being the most-important single profits' report for some time because IBM's success will cascade down to line to every company that supplies this giant in its field, and others in similar lines of endeavours.

NEC and Toshiba benefited, strongly, from NASDAQ's strength on Wednesday, of course, but IBM was the icing on the cake, to be sure.

The share price of NEC rose about 4.30 percent to 2,450 yen while Toshiba tacked on about 2.50 percent to its market capitalisation, rising to 776 yen per share.

Fujitsu Corporation, Japan's largest producer of personal computers, put on about 4 percent, rising to 1,985 yen per share.

In the telecommunications sector of the market, NTT DoCoMo, the mobile unit of Nippon Telegraph and Telephone (NTT), added another 11 percent to its value as its share price rose to 2.43 million yen in heavy trading.

The interest in NTT DoCoMo stemmed from the introduction of its i-mode Internet connection service for mobile telephones in the European marketplace. It linked up with the Nederland's giant, KPN Mobile, last September, and one success followed another.

Joining in the fun was Japan Telecom, whose share price hit 2.30 million yen, a gain of about 12.30 percent on the day.

All in all, Tokyo was all-go, last Thursday, a complete turnaround from the pervading sentiment of just one week prior.

The following is the way that other Asian bourses viewed the situation, just 3 business days before the beginning of Lunar New Year celebrations:

Indonesia	Plus 0.04 percent
Japan	Plus 1.62 percent
Malaysia	Minus 0.12 percent
The Philippines	Minus 1.40 percent
Singapore	Minus 0.76 percent
South Korea	Plus 2.05 percent
Taiwan	Plus 1.67 percent
Thailand	Plus 1.85 percent

## **Friday**

Share prices shot up on The Stock Exchange of Hongkong Ltd as investors piled into the market, armed with Lunar New Year bonuses and the confidence, drawn from a seeming turnaround in the US where the largest bourse in the world, The New York Stock Exchange, continued to post gains.

Pacific Century CyberWorks Ltd (Code: 8) continued to be the stock to watch as its share price bounced back another 8.82 percent on the second, consecutive day of a response to a call to arms.

After about 158.33 million Pacific Century CyberWorks's shares changed hands, the share price of this company came back to \$HK4.625.

Trading on this one counter represented about 4.89 percent of the Total Turnover of the day.

The Hang Seng Index finished the week at 15,933.55 points, a gain of about 2.61 percent, compared with Thursday's close, and its highest level for the previous 3 months.

Trading was heavier than had been seen for the previous few months, at about \$HK14.70 billion.

The market was running up before the Lunar New Year celebrations, which will start on Tuesday afternoon and will run for the remainder of the week.

Stock markets in Asia, for the most part, will be closed from Tuesday afternoon and will not reopen until Monday, January 29.

Many Chinese believe that they have to stock up on equities in preparation for the New Year, the Year of the Snake.

What was assisting investor sentiment in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), last Friday, was a continued bullish atmosphere from the largest stock market in the world: Wall Street.

On The New York Stock Exchange, last Thursday, the Dow Jones Industrial Average gained 93.94 points, about 0.89 percent, rising to 10,678.28, fueled to some extent by the strength of IBM, whose share price tacked on another \$US11.63 per share, rising to \$US108.31.

This was the highest level for this giant, the largest manufacturer of personal computers in the world, since October 2000.

The NASDAQ was not left out in the cold as its Composite Index rose to 3.19 percent to 2,768.49 points, a one-day gain of about 3.19 percent.

Investors on The New York Stock Exchange seemed to brush aside the announcement from General Motors, the largest manufacturer of motor cars in the world, that its profits plunged about 92 percent in the fourth quarter. That announcement hit the world, last Thursday.

Ford Motors, the second largest manufacturer of motor cars in the world, had announced, after General Motors's announcement, that it had been hit by a 33-percent fall in profits in the last quarter.

Ford's announcement also included a forecast for 2001, which did not indicate rosy, near-term prospects. General Motors had, also, warned investors of similar profits' reservations.

All these factors were being digested by investors in Asia, with Japan, the most important market in Asia, taking full account of all the factors, with merchant bankers, chewing on the statistics.

In the HKSAR, although last Friday's Total Turnover was much higher than just one week prior, at \$HK14.72 billion, it was still a long way off from the daily turnovers of \$HK36 billion and more, those turnovers, being normal when the market was running hot.

Also, the market leaders were materially unchanged, with the Top Ten Most Actives, being responsible for about 53 percent of the entire volume of activity.

The 2 top counters, in terms of the dollar value of their trades, represented about 23 percent of the Total Turnover.

With the Chinese New Year celebrations just days away, many investors were finalising plans to leave the HKSAR for a week's holiday.

Last Friday, therefore, was seen by many as the last day for 'heavy' trading on The Stock Exchange of Hongkong Ltd.

The ratio of gainers to losers was 2.10:One, with about 58 percent of all counters, being either untraded or holding onto Thursday's closing levels.

The following is TARGET's list of double-digit gainers and losers of last Friday:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Celestial Asia Securities Holdings Ltd	1049	10.88		0.265
Chi Cheung Investment Company Ltd	112		11.11	0.08
China Rare Earth Holdings Ltd	769	12.04		1.21
China Sci-Tech Holdings Ltd	985	15.29		0.098
China Star Entertainment Ltd	326	11.34		0.275
City Telecom (Hongkong) Ltd	1137	11.86		0.66

Computer and Technology Holdings Ltd	46	16.89		4.325
Daido Group Ltd	544	33.80		0.095
Dickson Group Holdings Ltd	313	18.88		0.116
e-Kong Group Ltd	524	11.76		0.475
Emperor (China Concept) Investments Ltd	296	21.88		0.039
Far East Technology International Ltd	36	11.43		0.39
First Pacific Company Ltd	142	10.05		2.025
Fourseas.com Ltd	755	17.65		0.02
Gemzboh Holdings Ltd	1192	13.33		0.068
HiNet Holdings Ltd	155	19.35		0.111
Kin Don Holdings Ltd	208	17.50		0.047
Lai Fung Holdings Ltd	1125	20.00		0.18
Legend Holdings Ltd	992	12.30		6.85
Magician Industries (Holdings) Ltd	526	12.90		0.07
New World CyberBase Ltd	276	11.39		0.176
Pacific Plywood Holdings Ltd	767	10.17		0.065
Prime Success International Group Ltd	210		12.75	0.089
QPL International Holdings Ltd	243	10.31		5.35
renren Media Ltd	59	16.67		0.035
Rivera (Holdings) Ltd	281	15.38		0.30
Simsen International Corporation Ltd	993	13.64		0.05
Singamas Container Holdings Ltd	716		15.00	0.255
SmarTone Telecommunications Communications Holdings Ltd	315	10.48		13.70
Softbank Investment International (Strategic) Ltd	648	11.34		1.08
South East Group Ltd	726	12.50		0.018
Technology Venture Holdings Ltd	61	15.79		1.98
Vanda Systems and Communications Holdings Ltd	757	12.73		1.24
Wah Lee Resources Holdings Ltd	1215		38.46	0.024
Wireless InterNetworks Ltd	261	10.00		0.011

On The GEM – The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd – the Total Turnover rose to a height, unseen for months: \$HK213.02 million.

The volume of activity was boosted by relatively booming trading in the shares of tom.com Ltd (Code: 8001), Phoenix Satellite Television Holdings Ltd (Code: 8002) and Convenience Retail Asia Ltd (Code: 8052).

Between these 3 counters, investors played with more than \$HK119-million worth of scrip, representing about 55.87 percent of the entire volume of activity.

tom.com, the most-active counter, ended the session at \$HK2.50 per share, up 23.46 percent, compared with Thursday's close, Phoenix Satellite, second in line, saw its share price rise 5.43 percent to \$HK1.94, while Convenience Retail shot up 17.54 percent to \$HK1.34 per share, making it the third, most-active counter.

The Growth Enterprise Index ended the week above the 300 level, at 310.42 points, a one-day gain of about 6.05 percent over Thursday's close.

The ratio of gainers to losers was 2.82:One.

The following is a list of the other big movers of the day:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CASH on-line Ltd	8122	29.52		0.136
Grandmass Enterprise Solution Ltd	8108	40.51		0.111
GreaterChina Technology Group Ltd	8032	15.55		0.275
Sunevision Holdings Ltd	8008	20.41		2.95
Syscan Technology Holdings Ltd	8083		16.18	0.171
Timeless Software Ltd	8028	10.00		0.88
Tong Ren Tang Technologies Company Ltd	8069	13.64		2.50

In Japan, the sixth day of gains on The Tokyo Stock Exchange put Japanese investors in a very happy frame of mind, since the sixth day of consecutive higher prices represented the longest winning streak on the most-important stock exchange in Asia in the previous 15 months of trading.

The Nikkei-225 gained 115.20 yen, ending the week at 13,989.12 yen.

The electronic sector and that section of the market, dominated by Internet-related businesses, were buoyant, following on from Wall Street.

Softank Corporation, which is heavily invested in NASDAQ companies, saw its share price rise to 5,390 yen, a gain of about 10.22 percent on Thursday's close.

The share price of Fujitsu, Japan's Number One manufacturer of personal computers, rose to 2,080 yen, a gain of 4.79 percent, while Toshiba Corporation saw its share price rise about 5.93 percent to 822 yen.

Lastly, it was reported in Tokyo, after the market closed, that NTT DoCoMo had formed a 3-way venture with KPN Mobile and Telecom Italia.

The Dutch mobile telecommunications giant and the Italian telecommunications carrier formed the venture in order to climb aboard NTT DoCoMo's i-mode Internet services 'bus', which allows users of mobile telephones to stay in touch with the Internet on a permanent basis (provided that the battery does not run dead, of course).

NTT DoCoMo has about 18 million subscribers in Japan, all using its i-mode services.

In short, this company has the market all sewn up.

And this was how the rest of Asia fared on the last day of the week in spite of absolute political chaos in the Philippines, where tens of thousands of people demonstrated in the streets against President Joseph Estada:

Indonesia	Minus 1.51 percent
Japan	Plus 0.83 percent
Malaysia	Plus 1.65 percent
The Philippines	Plus 1.02 percent
Singapore	Plus 0.98 percent
South Korea	Plus 2.60 percent
Taiwan	Plus 1.35 percent
Thailand	Plus 0.40 percent

**THIS WILL BE THE LAST STOCK MARKET REPORT UNTIL FEBRUARY 5, 2001.**

**ASIAN STOCK MARKETS, FOR THE MOST PART, WILL BE CLOSED FOR THE BETTER PART OF THE WEEK, ENDING SATURDAY, JANUARY 27.**

**TARGET'S STAFF TAKES THIS OPPORTUNITY TO WISH ALL SUBSCRIBERS  
KUNG HEI FAT CHOY  
FOR THE YEAR OF THE SNAKE.**

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