

**TECHNOLOGY STOCKS GET BATTERED IN THE U.S.
ASIA GETS IT IN THE NECK**

Concerns about the US economy, reflected to a great extent by widespread falls on the indices of some of the largest stock markets in the world, in addition to The New York Stock Exchange, caused major Asia stock markets to go into reverse, last Monday.

The Japanese stock markets were closed for a public holiday so that the stock markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were on their own, so to speak.

Disregarding the Indonesian stock market, due to growing political unrest in that country, a factor that colours equities trading, enormously, it was losses on The Stock Exchange of Hongkong Ltd and The Bangkok Stock Exchange that set the tone, throughout much of the most populous area of the world.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index shed about 1.14 percent, falling to 15,693.11 points, on a Total Turnover of about \$HK9.81 billion.

Losers were ahead of gainers by the ratio of about 1.14:One as share prices tumbled, led by telecommunications counters and the Li Ka Shing Camp, in the main.

Hutchison Whampoa Ltd (Code: 13) topped the most-active list as about 8.72 million of its shares were traded, with its share price, falling about 2.76 percent to end the day at \$HK96.75 per share. The closing level was the lowest price of the day.

The volume of activity in this counter, at about \$HK849.51 million, represented about 8.66 percent of the Total Turnover of the day.

China Mobile (Hongkong) Ltd (Code: 941) followed closely behind Mr Li Ka Shing's Hutchison Whampoa as about \$HK779.69-million worth of stock in the PRC's largest mobile telecommunications company found new owners.

After about 16.33 million shares had been traded, China Mobile's management found that its share price had been sliced back by 2.66 percent to \$HK47.60, also, like Hutchison Whampoa, just off the lowest level of the day.

And so it went on, with most of Mr Li Ka Shing's Group of companies, being cut down by one percent to 2 percent, in the main, and with telecommunications and hi-tech counters under considerable pressure for the entire day.

There were many reasons for Asia's immediate concerns, and most of those reasons were centred on the US economy and Wall Street.

Over the weekend of February 10-11, newspapers had been bombarded with negative news from companies, listed on The New York Stock Exchange.

Investors on The New York Stock Exchange, concerned over what might transpire over the weekend, last Friday, sold, and sold, and sold.

As a result, when The New York Stock Exchange closed for the weekend on Friday, February 9, its Dow Jones Industrial Average was registering 10,781.45, which meant that it had lost about 0.91 percent of its value, during the day.

As for the NASDAQ, it registered a loss of about 3.56 percent on its Composite Index, at 2,470.97 points, down to the level of its last day of trading in the year 2000.

NASDAQ had been shaved down by about 7.10 percent in a period of just 5 days of trading, last Friday.

And, then, came the news.

Late on Friday, February 9, just after the close of The New York Stock Exchange, it was announced that Lechters Incorporated was planning to close down 166 stores across the US, putting about 725 people out of work.

But the news did not hit the man-in-the-street until Saturday morning, New York time.

Lechters operates 241 stores under its name, and 83 Famous Brand Housewares Outlet stores.

Lechters's move is taken as a matter of necessity, it was pointed out in the Saturday morning Press Release.

Lechters's move followed on from Federated Department Stores Incorporated, a household name in the US, which announced, late on Thursday, February 8, that it would be laying off about 2,600 workers and closing down its Stern's Departmental Store Division.

Also, on Friday, February 9, it was announced that Motorola Incorporated planned to cut out 4,000 jobs from its workforce before the end of the year.

Motorola is the world's Number Three manufacturer of semiconductors and the world's Number Two manufacturer of cellular telephones.

It was in January that Motorola announced that it would be laying off 2,500 workers at its cellular telephone manufacturing facility at Harvard, Illinois.

And then, last Monday, it was announced that Motley Fool, an online personal finance website, had become the latest dot.com company to slash jobs.

About one third of its workforce is to be let go from facilities in Washington, District of Columbia, and London, England.

In Silicon Valley, layoffs were becoming so commonplace that many people took little notice of them on the grounds that they were expected, sooner or later.

Also, last Monday, oil prices started to move higher, heating up the debate in regard to oil prices and their immediate affect on inflation, worldwide.

The price of Brent North Sea Crude for March delivery rose to \$US30.12 per barrel for the first time since December 2000.

The oil price was moving higher as parts of the US and Europe were hit with another crack of bitter cold weather.

On Monday, February 12, in the HKSAR, merchant bankers were hoping for some kind of signal as to which way to move in respect of trading on The Stock Exchange of Hongkong Ltd since Dr Alan Greenspan, the Chairman of the US Federal Reserve Board, was scheduled to testify before the US Senate Banking Committee on Tuesday, February 13, in Washington.

Dr Greenspan, who is widely regarded as being switched on the US economy and whose advice is widely sought, was expected to emphasise an aggressive and definitive approach to bringing the US economy back on track.

That means, it was widely touted, that interest rates in the US would continue to be shaved.

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139		18.18	0.027
Anhui Conch Cement Company Ltd	914	16.39		0.71
Asia Standard International Group Ltd	129	12.24		0.275
Beijing North Star Company Ltd	588	15.18		1.29
Cedar Base Electronic (Group) Ltd	855		10.63	0.185
China Resources Beijing Land Ltd	1109	11.41		2.05
Chongqing Iron and Steel Company Ltd	1053	10.94		0.355
Daido Group Ltd	544		12.16	0.13
First Tractor Company Ltd	38	10.00		0.55
Fourseas.com Ltd	755	13.64		0.025
GR Investment Holdings Ltd	310		18.75	0.065
Interchina Holdings Company Ltd	202	17.89		0.56
iRegent Group Ltd	575		18.03	0.25
Kantone Holdings Ltd	1059		12.28	0.50
Leading Spirit High-Tech (Holdings) Company Ltd	606		10.53	0.017
MAE Holdings Ltd	851		33.33	0.042
Nanjing Panda Electronic Company Ltd	553	10.59		2.35
New World China Land Ltd	917	17.39		3.375
Northern International Holdings Ltd	736	10.00		0.033
Pak Fah Yeow International Ltd	239	15.00		1.38
Sega.com Asia Ltd	1196		24.73	0.35
Shougang Concord Grand (Group) Ltd	730	12.00		0.28
Shougang Concord Technology Holdings Ltd	521	12.90		0.35
Silvernet Group Ltd	622	11.54		0.29
South China Industries Ltd	413	17.86		0.33
South East Group Ltd	726		21.05	0.015
Tingyi (Cayman Islands) Holdings Corporation	322	11.24		0.99
Winton Holdings (Bermuda) Ltd	510	12.50		0.27

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, investors were more than a little surprised to learn that The Growth Enterprise Index had risen.

It was widely thought that it would fall, in line with NASDAQ, which was shot down the previous Friday in New York trading.

The Growth Enterprise Index gained about 1.06 percent, rising to 310.08 points on increased volume of about \$HK141.22 million.

It was of note to many people that the entire movement on The Growth Enterprise Index came in the 90-minute afternoon session since, between the opening bell at 10 a.m. to the luncheon bell, at 12:30 p.m., The Growth Enterprise Index had moved just 0.73 points --down.

Phoenix Satellite Television Holdings Ltd (Code: 8002) was the most active counter of the day as about 25.46 million of its shares were traded, with its share price, rising to a high of \$HK2.025 from a low of \$HK1.90.

It ended the day at \$HK2, even, for a gain of 5.26 percent over the previous Friday's closing level.

The 2 biggest movers of the day were Fortune Tele.com Holdings Ltd (Code: 8040), whose share price retreated 21.05 percent to 60 cents, exactly, and Techwayson Holdings Ltd (Code: 8089), whose share price put on 17.74 percent to rise to 73 cents by the close of trading.

Techwayson was only listed the previous week at a price of 92 cents per share.

Aside from these 3 counters, there was little else to report on this market as the ratio of gainers to losers was just about even at 18:19.

As may be seen from the list, below, fractional gains in 6 Asian stock markets out of the 8 major Asia markets were marked by fractional movements:

Indonesia	Minus 0.81 percent
Japan	Closed
Malaysia	Plus 0.11 percent
The Philippines	Plus 0.97 percent
Singapore	Plus 0.85 percent
South Korea	Plus 0.62 percent
Taiwan	Plus 0.64 percent
Thailand	Minus 2.00 percent

Tuesday

Again, in line with what was happening on the largest stock market in the world, The New York Stock Exchange, investors followed suit, pushing prices higher on Asia's second, largest stock market.

Blue chips rose as soon as the opening bell rang, signifying the start of trading on The Stock Exchange of Hongkong Ltd.

Once again, Mr Li Ka Shing's Camp was in the forefront of the charge to buy in while the going was said to be good.

By the close of the session, the Hang Seng Index, the main guide to trading on the Main Board, was registering a gain of about 0.95 percent to 15,842.72 points.

The Total Turnover of the day was about \$HK8.75 billion, which did not hail the coming of a bull by a long shot.

Hutchison Whampoa Ltd (Code: 13) was, for the second consecutive day, the share to watch as investors pounced on the counter, pushing the price to an intra-day high of \$HK98.25 before a bout of profit-taking brought the price, back down to earth.

A total of about 6.94 million Hutchison Whampoa shares were traded, representing about 7.77 percent of the Total Turnover.

Hutchison Whampoa's share price ended the day at \$HK97 for a gain of just 0.26 percent over Monday's close.

Pacific Century CyberWorks Ltd (Code: 8) was next in line after Hutchison Whampoa on the Ten Most Active list, with this Li Ka Shing company, seeing a total of 107.37 million of its shares, being traded.

But its share price could not move past Monday's closing level of \$HK4.975.

Trading in this counter represented about 6.08 percent of the entire volume of activity for the day.

Pacific Century CyberWorks is being sued by a Cable and Wireless (Hongkong) Ltd Staff Association, which is alleging that Hongkong Telecom International Ltd, a subsidiary of Pacific Century CyberWorks, breached an agreement, going back some years.

No doubt, any successful legal action by this staff association will be for the account of Cable and Wireless plc, the company that sold the bill of goods to Mr Li Ka Shing, just last year, for about \$HK123 billion.

And, then, in the fourth slot on the Ten Most Actives was Mr Li Ka Shing's flagship company, Cheung Kong (Holdings) Ltd (Code: 1). Totally, about 4.63 million of this company's shares found new owners.

Cheung Kong's share price ended the day at \$HK99, even, a gain of about 0.76 percent, compared with Monday's closing price.

Though the Hang Seng Index had risen by nearly one percent, it was of interest to many people to note that losers outpaced gainers by the ratio of about 1.08:One, with nearly 56 percent of all the counters, listed on The Stock Exchange of Hongkong Ltd, either staying pat, at Monday's closing levels, or being neglected by the investing public.

Asia was still awaiting Dr Alan Greenspan's prognostications in respect of the health (or otherwise) of the US economy so that there was some consternation in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), last Tuesday, as to what he might say to the US Senate Banking Committee when it convened, last Tuesday, Washington time.

When The New York Stock Market opened for business, last Monday, New York time, blue chips seemed to be rallying as the Dow Jones Industrial Average leapt about 1.53 percent to hit 10,946.77 by the close of trading.

It was uncertain, last Monday in New York, as to whether or not this was genuine, intermediate-term buying, or just short-covering, following the sell-off of Friday, February 9.

What was of importance to chartists of the Dow was that it had snapped the 4-day losing streak, a streak that accounted for a loss of about 184 points on this blue-chip index.

The NASDAQ Composite Index, the index which is heavily laced with hi-tech and Internet-related counters, rebounded by 18.66 points, or about 0.76 percent, to hit 2,489.63 by the close of trading.

Wall Street, like the rest of the world, was awaiting the Chairman of the US Federal Reserve, Dr Greenspan, to deliver his address to the Nation.

In anticipation of further cuts in interest rates, many US financial institutions were taking positions, ahead of the good doctor's statements.

They have been proved wrong before, of course.

On The Stock Exchange of Hongkong Ltd, this was the list of double-digit gainers and losers of the day. One notes that there were only 15 in all that scored, last Tuesday:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Standard International Group Ltd	129	12.73		0.31
City e-Solutions Ltd	557	14.29		0.44
Dan Form Holdings Company Ltd	271	13.21		0.30

Emperor (China Concept) Investments Ltd	296		15.79	0.032
Everest International Investments Ltd	204	14.00		0.285
Kantone Holdings Ltd	1059	16.00		0.58
Karrie International Holdings Ltd	1050		10.53	0.225
MAE Holdings Ltd	851		28.57	0.03
Magician Industries (Holdings) Ltd	526	50.00		0.096
Matrix Holdings Ltd	1005	15.25		0.68
New World China Land Ltd	917		10.37	3.025
Star Cruises Ltd	678		13.11	5.30
Sunway International Holdings Ltd	58	13.46		0.59
UBA Investments Ltd	768		10.70	0.192
Yunnan Enterprises Holdings Ltd	455		15.38	0.44

The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd lost all of Monday's gains - and then some.

The Growth Enterprise Index was shot down to the extent of about 1.14 percent to end the day at 306.54 points as the Total Turnover fell to \$HK129.53 million.

Phoenix Satellite Television Holdings Ltd (Code: 8002) was the leader of the Most Actives, but its share price gave up about 2 percent of its value, falling to \$HK1.96 after about 22.44 million of this Rupert Murdoch company's shares were traded.

The turnover in this one counter represented nearly 35 percent of the entire volume of activity of the day.

Phoenix Satellite is due to announce, after the market closed for the day, its Financial Results for the period, July 1, 2000 through to December 31, 2000.

There was little in the way of other penetrating news from this speculative marketplace, with the exception that a new listing was announced: Kingdee International Software Group Company Ltd (Code: 8133).

This is another company, which develops proprietary software in the PRC.

The ratio of losers to gainers was about 1.22:One.

The following is list of the 5 double-digit movers on this market:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Agrotech Holdings Ltd	8011	12.86		0.79
Fortune Tele.com Holdings Ltd	8040		11.76	0.53
Grandmass Enterprise Solution Ltd	8108		18.27	0.085
Shanghai Fudan Microelectronics Company Ltd	8102	11.50		1.26
Techwayson Holdings Ltd	8098	12.33		0.82

In Japan, after a 3-day holiday, Japanese investors decided not to wait for Dr Alan Greenspan's testimony to the US Senate Banking Committee: They sold the market short.

The Nikkei-225, the main index of The Tokyo Stock Exchange since it tracks the blue chips, fell about 148.13 yen, about 1.10 percent, to 13,274.70 yen.

It appeared that The Bank of Japan's Discount Rate cut of the previous Friday was having very little affect on the market.

The problem was seen as The Bank of Japan, trying to put a band-aid on an open sore that was festering, badly.

Hurting Japan, further, was the fact that oil prices rose again, last Tuesday, rising to \$US30.32 for March delivery for US NYMEX Crude.

Banking counters were, generally, strong as Asahi Bank gained about 1.31 percent to 309 yen, Bank of Tokyo-Mitsubishi put on about 6.28 percent to 1,066 yen, Daiwa Bank's share price rose to 175 yen, up about 7.36 percent, Sakura Bank booked a gain of about 3.18 percent, rising to 682 yen, and Sumitomo Bank saw its share price rise 3.16 percent to 1,142 yen.

Securities houses followed in the wake of banks, with Daiwa Securities, seeing its share price rise about 5.02 percent to 1,150 yen, but New Japan Securities and Nikko Securities, both suffered, with New Japan Securities, off about 2.49 percent to 352 yen, while Nikko Securities lost about 1.64 percent of its value, falling to 841 yen.

Nomura Securities, however, managed to regain about 1.73 percent of its market capitalisation, rising to 2,350 yen, while Kokusai Securities put on another 2.31 percent, ending the day at 885 yen per share.

In electronics, Fujitsu, the largest manufacturer of personal computers in Japan, lost about 0.28 percent of its value, falling to 1,783 yen, Kyocera put on 5.66 percent to 11,200 yen, NEC saw its share price rise about 0.70 percent to 2,145 yen, while Sony stayed unchanged at 8,550 yen per share.

Advantest, a company that makes testing equipment, was the main loser in this division of the market as it gave up 7 percent of its market value, falling back to 13,600 yen per share.

The 2 leading telecommunications companies of Japan, Nippon Telegraph and Telephone (NTT) and its offshoot mobile carrier, NTT DoCoMo, were both shot down, with NTT, off about 0.73 percent to 820,000 yen, while NTT DoCoMo lost about 1.38 percent of its value, falling back to 2.14 yen.

This is how other Asian bourses fared, last Tuesday:

Indonesia	Plus 0.40 percent
Japan	Minus 1.10 percent
Malaysia	Minus 0.89 percent
The Philippines	Minus 1.16 percent
Singapore	Minus 0.07 percent
South Korea	Minus 0.07 percent
Taiwan	Plus 3.09 percent
Thailand	Plus 1.21 percent

Wednesday

By and large, there was widespread disappointment as a direct response to the statements, given by the US Federal Reserve to the US Senate Banking Committee, last Tuesday, Washington time.

And that touched off a spate of selling, then losses, round the world.

In Asia, Singapore, Taiwan and Thailand all saw share prices tumble, but trading on the second, most important bourse in Asia, The Stock Exchange of Hongkong Ltd, was subdued as the market appeared to drift sideways.

Dr Alan Greenspan, the Chairman of the Fed, told the US Senate Banking Committee that he expected the worst for the immediate future, but that the US economy was more than likely to recover in the second half of the year.

He said that the US was facing '*downside risks*', but that the Fed would monitor the situation, carefully.

There was no hint of further cuts in US interest rates, something for which many people had hoped.

The suggestion by some was that Dr Greenspan's 3-hour talk said little – which was patently stupid.

If anything, Dr Greenspan gave the US economy an oblique fillip, by stating that it would revive in the second half of the year; and, that the risk of recession was unlikely.

On The New York Stock Exchange, both the Dow Jones Industrial Average and the NASDAQ Composite Index fell as soon as Dr Greenspan's statements had been disseminated.

The losses wiped out early gains in short order.

The NASDAQ fell to a 5-week low of 2,427.72 points, a loss of about 2.50 percent on the day.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index, after gaining 94.94 points in the morning session, gave up most of its early improvements to end the day at 15,860.42 points, just 0.11 percent higher than Tuesday's closing level.

The Total Turnover of the day was about \$HK8.61 billion.

The leading counters were the same old mob, with China Mobile (Hongkong) Ltd (Code: 941), Hutchison Whampoa Ltd (Code: 13), HSBC Holdings plc (Code: 5) and Cheung Kong (Holdings) Ltd (Code: 1), being in the first 4 slots of the Ten Most Actives, respectively.

Their combined turnovers accounted for about 29.26 percent of the entire volume of activity of the day.

China Mobile ended the day at \$HK47.80, down 0.62 percent, Hutchison Whampoa gave up an equal amount as China Mobile, moving its share price down to \$HK96.75, HSBC Holdings put of 0.42 percent to rise to \$HK120.50, while Cheung Kong followed in the wake of HSBC Holdings, rising 0.51 percent to end the day at \$HK99.50 per share.

The ratio of losers to gainers was about 1.36:One, with about 57 percent of the entire market, either seeing no action or simply holding pat hands.

Elsewhere in the news, Goodyear Tire and Rubber Company posted a 4th Quarter loss of about \$US102 million (about \$HK795 million).

The Company said that it would axe about 7,200 jobs, worldwide.

From Taiwan came news that Acer Incorporated, Taiwan's largest manufacturer of personal computers, was to lay off 500 workers, all of the layoffs to hit the non-indigenous Chinese and foreign-employed workers of Taiwan.

On the positive side of the ledger, the US Commerce Department reported that Americans bought more in US stores in January this year, compared with December.

In fact, the gain was in the neighbourhood of about 0.70 percent.

Excluding sales of motor cars, retail sales were up about 0.80 percent, the best result since last July.

Back in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), many of the companies, listed on The Stock Exchange of Hongkong Ltd, made pretty spectacular gains in spite of an otherwise dull session.

The following is TARGET's list of double-digit movers of last Wednesday:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Orient Holdings Ltd	214	20.00		0.102
Asia Standard International Group Ltd	129	14.52		0.355
Century Legend (Holdings) Ltd	79	11.51		0.155
Chi Cheung Investment Company Ltd	112		12.50	0.07
Chinney Alliance Group Ltd	385	22.00		0.061
City e-Solutions Ltd	557	29.55		0.57
Ecopro Hi-Tech Holdings Ltd	397	14.29		0.016
eSun Holdings Ltd	571	17.33		0.88
Fourseas.com Ltd	755	16.67		0.028
Global Green Tech Group Ltd	274	13.46		1.18
Guangnan (Holdings) Ltd	1203	16.67		0.098
I-China Holdings Ltd	240		14.29	0.072
ImGO Ltd	67	10.17		0.65
Lai Sun Garment (International) Ltd	191	11.90		0.235
Leading Spirit High-Tech (Holdings) Company Ltd	606	12.50		0.018
MAE Holdings Ltd	851	23.33		0.037
Magician Industries (Holdings) Ltd	526	43.75		0.138
Matrix Holdings Ltd	1005		11.76	0.60
New Rank City Development Ltd	456	33.73		1.11
Ngai Hing Hong Company Ltd	1047	13.85		0.37
Pacific Century Insurance Holdings Ltd	65	11.86		3.30
Pacific Plywood Holdings Ltd	767	10.81		0.082
renren Media Ltd	59		21.43	0.033
Silvernet Group Ltd	622		11.29	0.275
Singamas Container Holdings Ltd	716	10.34		0.32
Start Technology Company Ltd	706		11.84	0.67
Swank International Manufacturing Company Ltd	663	20.00		0.06
Yunnan Enterprises Holdings Ltd	455	20.45		0.53

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Growth Enterprise Index lost another 0.28 percent of its value, falling back to 305.68 points.

The Total Turnover on this market was about \$HK140.13 million with, once again, Phoenix Satellite Television Holdings Ltd (Code: 8002) dominating the session.

Phoenix Satellite Television's Management saw about 10.30 million of its shares change hands, with its share price, ranging between a low of \$HK1.94 and a high of \$HK2.

It ended the day at \$HK1.97 per share, with its volume of activity, representing about 14.56 percent of the Total Turnover.

In respect of Phoenix Satellite Television, the Company announced its unaudited Financial Results for the period July 1, 2000 through to December 31, 2000, showing a dramatic turnabout situation.

The Company announced that Profits Attributable to Shareholders had risen to about \$HK97.57 million, up from the 1999 like period of a Loss Attributable to Shareholders of about \$HK1.91 million.

Earnings for the period were 2 cents per share, compared with negative 0.05 cents for the corresponding period.

The ratio of gainers to losers on this market was, again, just about even at 18:17, with about half of the market, being untraded.

The quiet market saw a number of swings, however, as the following indicates:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CyberM International (Holdings) Ltd	8017		20.34	0.47
Fortune Tele.com Holdings Ltd	8040	11.32		0.59
GreaterChina Technology Group Ltd	8032	10.00		0.275
hkeyber.com (Holdings) Ltd	8118		13.92	0.068

In Japan, there were calls for the resignation of Prime Minister Yoshiro Mori for his perceived lack of leadership and his ineptitude at handling the struggling Japanese economy.

There are many in Japan that would like to see the Prime Minister step down.

His refusal, to stop playing golf on being told the news that a Japanese fishing boat had been sunk by a US submarine, was taken as being, perhaps, the last straw.

The Tokyo Stock Exchange was quiet, last Wednesday, with the benchmark Nikkei-225 up about 9.36 yen to 13,284.06 yen.

To say that the market lacked definitive direction would put it succinctly enough.

While banks were seen as being strong, led by Asahi Bank, whose share price gained about 6.09 percent to end the session at 331 yen, Bank of Tokyo-Mitsubishi, one of the world's largest banks, lost 3.05 percent of its value, falling to 1,050 yen per share, and Daiwa Bank gave up 4 percent of its value, falling to 168 yen per share.

Another bank to lose ground was Sakura Bank, which gave up about 0.73 percent, falling to 677 yen, while Sumitomo Bank lost 2.80 percent of its value, dropping back to 1,110 yen per share.

In the telecommunications division of the market, Nippon Telegraph and Telephone (NTT) continued to be under pressure and had to give up 4.51 percent of its market capitalisation, falling to 783,000 yen.

Its mobile telephone subsidiary, NTT DoCoMo, the largest of its kind in Japan, lost 0.47 percent of its value to end the session at 2.13 million yen.

Japan Telecom, a rival of NTT, went in the other direction, with its share price, gaining about 6.56 percent to close at 1.95 million yen per share.

In electronics, Sony continued to be under the gun and lost another 2.22 percent of its value, falling to 8,360 yen, while Japan's largest manufacturer of personal computers, Fujitsu, gained fractionally, rising to 1,758 yen per share, a gain of just 0.70 percent, compared with Tuesday's closing level.

NEC shed about 1.63 percent of its value, dropping back to 2,110 yen, while Kyocera was forced to give up about 4.18 percent of its market capitalisation as its share price was forced down to 10,550 yen.

Rohm, a specialist manufacturer of electronics, fell to sellers as its share price was knocked back by 6.38 percent to 18,210 yen per share.

It was logical to see share prices of electronics fall on The Tokyo Stock Exchange since the slowdown, worldwide, of sales of personal computers and other electronic paraphernalia was a matter of record.

There was no other special news from The Land of the Rising Sun as everybody and his cat was wondering how long the Prime Minister would hang in there, seated in the hottest chair in the world's second largest economy.

And this was how other Asian markets behaved, last Wednesday:

Indonesia	Minus 0.69 percent
Japan	Plus 0.07 percent
Malaysia	Minus 0.64 percent
The Philippines	Minus 0.27 percent
Singapore	Minus 1.14 percent
South Korea	Plus 0.84 percent
Taiwan	Minus 2.32 percent
Thailand	Minus 2.11 percent

Thursday

The big news of the day was that Mitsubishi Motors, one of the international giants in the field of manufacturing motor vehicles, was being forced to recall about 1.30 motor cars due to faulty airbags and mechanical problems.

The recall, 950,000 vehicles in the US and 400,000 vehicles in Japan, will set the company back about \$US100 million (about \$HK790 million), it was reported.

The share price of Mitsubishi Motors on The Tokyo Stock Exchange lost 8.31 percent of its value, falling back to 364 yen per share, as soon as the news was released, last Thursday.

Mitsubishi Motors does not have a very clean record, in any event, and one recalls the scandal of the 2000-year when the company was forced to admit, openly, of its cover-ups of motor-car, operational faults for more than 2 decades.

The Japanese Transport Ministry announced that the company had reported mechanical faults in 11 models, faulty ball joints, and defective airbags.

The news from Japan, of course, did not affect the rest of Asia, directly, as most Asian markets continued to drift, with the Main Board of The Stock Exchange of Hongkong Ltd, struggling to hold onto Wednesday's closing level.

However, investors in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were adamant, and knocked down prices so that, by the end of the session, the Hang Seng Index, the '*barometer*' of trading on the Main Board, was registering a loss of 0.66 percent at 15,756.37 points.

The 104.05-point loss was on reduced volume of about \$HK6.66 billion.

And, once again, Mr Li Ka Shing's mob got it in the neck, as Hutchison Whampoa Ltd (Code: 13), Pacific Century CyberWorks Ltd (Code: 8) and Cheung Kong (Holdings) Ltd (Code: 1) all received a drubbing from investors, who were determined to sell the group.

Hutchison Whampoa ended the day at \$HK95.50 per share, down 1.29 percent on Wednesday's closing level, Pacific Century CyberWorks shed 5.10 percent, falling back to \$HK4.65 per share, and Cheung Kong gave up 1.51 percent of its value, ending the day at \$HK98 per share, even.

The gap between losers and gainers widened, last Thursday, to about 1.63:One, with nearly 62 percent of all the counters, either seeing no action or hanging onto Wednesday's closing levels.

Last Thursday's losses were somewhat surprising to some market watchers in that Wall Street had been swinging back and forth, between plus and minus, during most of last Wednesday's trading session, New York time.

The New York Stock Exchange saw the Dow Jones Industrial Average lose 0.99 percent to fall back to 10,795.41 points, but the NASDAQ Composite Index, laced as it is with hi-tech and Internet-related counters, rose to 2,491.41 points, a one-day gain of about 2.62 percent, compared with the close of trading on Wednesday.

A late rally picked up the socks of the NASDAQ after being in the red for most of the day.

Investors were of a mind to consider that the selling of NASDAQ stocks had been a little overdone, according to some New York brokers.

One factor, that seemed to prompt US investors to get back into the market, was an announcement from Applied Materials Incorporated.

Applied Materials announced that its quarterly results beat profit forecasts, after adjustments for lower total income for the year.

The announcement seemed to please US investors, who bought into this company, one of the largest manufacturers of computer chip material.

But that was about it, news wise.

The Stock Exchange of Hongkong Ltd saw a total of 20 double-digit movers. They were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Bestway International Holdings Ltd	718		20.59	0.027
CATIC International Holdings Ltd	232	11.54		0.145
Chi Cheung Investment Company Ltd	112		21.43	0.055
China Logistics Group Ltd	217	21.71		0.185
City e-Solutions Ltd	557	14.04		0.65
Daido Group Ltd	544		10.66	0.109
DVN (Holdings) Ltd	500	12.20		2.30
Guangdong Brewery Holdings Ltd	124	16.13		0.36
Guangdong Tannery Ltd	1058		13.23	0.164
Guangnan (Holdings) Ltd	1203	14.29		0.112
ITC Corporation Ltd	372		11.36	0.76
Medtech Group Company Ltd	1031	10.26		0.043
Midas Printing Group Ltd	1172	12.00		0.28
Ocean Shores Group Ltd	764	20.00		0.66
renren Media Ltd	59	27.27		0.042
The Sincere Company Ltd	244	20.00		0.48
Sun Man Tai Holdings Company Ltd	433		10.61	0.59
TravelSky Technology Ltd	696	12.04		5.35
Victory City International Holdings Ltd	539	22.81		0.35
Yugang International Ltd	613	10.29		0.075

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, new listing company, Kingdee International Software Group Company Ltd (Code: 8133), made one of the worst debuts, seen for many

a year.

The company, a developer of accounting software for the PRC market, Placed 100.60 million, 10-cent shares at a Premium of 93 cents per share on February 9.

Its share price slumped to 62 cents per share, intra-day trading, a drop of nearly 40 percent from its Placing Price.

By the end of the session, it was trading at 69 cents per share.

It was the second, most-active counter of the day, accounting for about 24.22 percent of the Total Turnover of about \$HK159.72 million.

The leader on the Most Actives was, once again, Phoenix Satellite Television Holdings Ltd (Code: 8002) as investors traded about 19.34 million shares of this Rupert Murdoch television broadcasting company. (Please see Wednesday's report on this company)

By the end of the day, Phoenix Satellite's share price was \$HK1.99, a gain of 1.02 percent over Wednesday's closing level.

The volume of activity in Phoenix Satellite's shares, in terms of dollars and cents, was not dissimilar to that of Kingdee International, at about \$HK38.84 million.

Its trades represented about 24.32 percent of the total volume of activity for the day.

The aggregate volume of activity in Kingdee International and Phoenix Satellite, therefore, accounted for 48.54 percent of the entire activity on this market, last Thursday.

While The Growth Enterprise Index registered a gain of about 0.47 percent, at 307.13 points, last Thursday, losers were far ahead of gainers, by the ratio of about 1.79:One, in fact.

There were 5 double-digit movers of the day:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Information Resources (Holdings) Ltd	8025	26.58		0.20
Far Eastern Polychem Industries Ltd	8012	14.53		2.05
Fortune Tele.com Holdings Ltd	8040		15.25	0.50
Grandmass Enterprise Solution Ltd	8108		24.71	0.064
Techwayson Holdings Ltd	8089		12.82	0.68

In Japan, the Mitsubishi Motor situation had control of the market in addition to incantations, heard in the Ginza, in fervent prayers that the Prime Minister would step down before he did any more harm.

The Nikkei-225, the main index of The Tokyo Stock Exchange, ended the day at 13,327.39 yen, up 43.33 yen, or about one third of a percentage point on the day.

Banking counters were, surprisingly, strong as Asahi Bank gained 1.81 yen to 337 yen, Bank of Tokyo-Mitsubishi put on 4.29 percent, rising to 1,095 yen, Sakura Bank struggled, but eventually managed to lift its share price to end the day with a gain of 0.74 percent, rising 682 yen per share, and Sanwa Bank saw its share price gain 2.87 percent to 753 yen.

In the motor division of the market, the Mitsubishi Motors's drubbing, of course, caused consternation in some quarters, but a number of Japan's motor vehicle manufacturers benefitted from Mitsubishi's problems.

Companies, such as Mazda, however, took it on the nose as some investors tarred it with the same brush as it tarred Mitsubishi Motor: Mazda shed 3.27 percent of its market capitalisation, last Thursday.

Honda Motor Company, Japan's second-largest, motor-car manufacturer, managed to see its share price rise in spite of reporting a profits' slide of about 25 percent for the third quarter of its Financial Year.

Group Net Income fell to \$US408.40 million (about \$HK3.18 billion) for the 3 months to December 31, 2000.

Its share price rose 20 yen per share to 4,730 yen per share.

In electronics, the old favourite, Kyocera Corporation, the largest manufacturer of integrated circuit ceramics in the world, rallied, as investors took heart, pushing up its share price by about 5.02 percent to end the day at 11,080 yen per share.

Japan's largest manufacturer of personal computers, however, was not as lucky, as investors pulled down the share price of Fujitsu to 1,745 yen, down 13 yen, or about 0.74 percent over Wednesday's close.

There were a few shares that made material gains or losses: Most movements were of a fractional nature.

This is the way that the other markets of Asia performed, last Thursday:

Indonesia	Plus 4.02 percent
Japan	Minus 0.33 percent
Malaysia	Minus 0.45 percent
The Philippines	Minus 0.31 percent
Singapore	Minus 0.48 percent
South Korea	Minus 0.03 percent
Taiwan	Plus 3.68 percent
Thailand	Minus 0.03 percent

Friday

Trading on Asia's stock markets was dull, last Friday, almost akin to the silence, found in the eye of cyclonic storm, just before the eye moves off, leaving the storm's strong winds to ravage an area.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index fell 0.80 percent to 15,630.31 on a Total Turnover of about \$HK7.09 billion.

It was noted that all of the losses came in the 90-minute afternoon session because, in the 150-minute morning session, the Index moved down from Thursday's close only 0.61 points.

There were very few changes in the composition of the Ten Most Active counters, led by China Mobile (Hongkong) Ltd (Code: 941), in first position, and followed, closely, by HSBC Holdings plc (Code: 5), which counter was, then, followed by the Li Ka Shing mob – Hutchison Whampoa Ltd (Code: 13), Cheung Kong (Holdings) Ltd (Code: 1) and Pacific Century CyberWorks Ltd (Code: 8).

None of the five most active counters saw their share price move very much in either direction, as investors were, clearly, undecided as to what to do.

The top 5 movers represented about 37.52 percent of the Total Turnover.

The ratio of losers to gainers was about 1.53:One, with about 61 percent of the market, being neglected by most investors.

It was announced that renren Media Ltd (Code: 59) had asked for a suspension of trading in its shares, pending an announcement.

By the time that the market had closed, there had been no announcement, other than the Internet portal company, determining to sack 17 staff members of its 50 staff members.

There were strong suggestions that Mr Rupert Murdoch – through the Australian giant, News Corporation, Mr Murdoch has a 16.10-percent stake in renren Media – would have to pitch in to help the ailing Hongkong company, formed out of the ashes of the former Hongkong motor-car distributor, Ankor Group Ltd.

Another piece of news was that Mr Li Ka Shing's Cheung Kong, along with Hutchison Whampoa, would prop up the US company, Priceline.com, with a cash injection of about \$US73.50 million (about \$HK573 million).

That made Mr Li The Cash the largest single shareholder in this online retailer, which has, as its other shareholders, Delta Airlines (13 percent), General Atlantic (10 percent) and its founder, a Mr Walker (15 percent).

Asia, strangely, was not much influenced by Wall Street in spite of the fact that the largest stock market in the world had registered strong gains on Thursday, New York time.

Asia has seen share prices rise on The New York Stock Market on Thursdays, only to be shot down on Fridays. It has happened all too often.

Last Thursday, technology counters led Wall Street higher as the NASDAQ Composite Index rose about 61.46 points, about 2.47 percent, to end the day at 2,552.86 points.

The Dow Jones Industrial Average, which charts the blue chips, put on 95.61 points, about 0.89 percent, to rise to 10,891.02 points.

Investors on The New York Stock Exchange, early last Thursday, were awaiting reports on the fourth-quarter results on Dow component companies, Dell Computer Corporation and Hewlett-Packard, 2 companies engaged in the production of personal computers.

Those reports, it was felt, would set the tone of the market for a while.

Another factor, which helped last Thursday's NASDAQ, was a report from Ciena Corporation, a telecommunications company, which turned in strong profits and forecast a positive, near-term future in earnings.

Just before the close of the New York Stock Exchange, it was announced that Dell Computer would sack another 1,700 workers from its Texas facility.

It, also, reported that earnings for the quarter, ended February 2, were flat, almost unchanged from the previous quarter, at \$US434 million (about \$HK3.38 billion) or about 16 cents (US) per share.

All these factors, naturally, had a bearing on trading on Asia's stock markets, but many investors have grown accustomed to bullish reports on Day One, followed by bearish reports on Day Two.

On The Stock Exchange of Hongkong Ltd, the Main Board reported the following double-digit movers on the last day of the week:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
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21CN CyberNet Corporation Ltd	241		13.33	0.65
Ananda Wing On Travel (Holdings) Ltd	1189		16.05	0.068
Bestway International Holdings Ltd	718	14.81		0.031
C. P. Pokphand Company Ltd	43	12.86		0.237
China Apollo Holdings Ltd	512	14.29		0.12
China Strategic Holdings Ltd	235		12.31	0.114
City e-Solutions Ltd	557		10.77	0.58
ehealthcareasia Ltd	835	11.59		0.26
Far East Pharmaceutical Technology Company Ltd	399	11.96		1.03
Guangdong Building Industries Ltd	818	10.17		0.65
Honko International Holdings Ltd	673		50.92	0.08
Innovative International (Holdings) Ltd	729		11.25	0.071
Kin Don Holdings Ltd	208	11.43		0.039
Kong Sun Holdings Ltd	295	20.00		0.30
Leading Spirit High-Tech (Holdings) Company Ltd	606	11.76		0.019
Medtech Group Company Ltd	1031	11.63		0.048
Mei Ah Entertainment Group Ltd	391	15.48		0.485
Millennium Sense Holdings Ltd	724	10.00		0.33
Silvernet Group Ltd	622	21.57		0.31
The Sincere Company Ltd	244		12.50	0.42
Sinocan Holdings Ltd	1095		15.63	0.054
SiS International Holdings Ltd	529	21.82		0.67
Sun Man Tai Holdings Company Ltd	433		16.10	0.495
Wah Tak Fung Holdings Ltd	297	15.22		0.053
Yue Fung International Group Holdings Ltd	965	10.42		0.053

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the speculation marketplace in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), prices continued to drift, led by the 2 leaders of the week, Phoenix Satellite Television Holdings Ltd (Code: 8002) and Kingdee International Software Group Company Ltd (Code: 8133).

With no special news from any of The GEM listings, it was more of a gamblers' market, with emphasis on the flavour of the day.

Phoenix Satellite Television, the most-active counter, saw a total of about 13.21 million of its shares change hands, with its share price, fluctuating between a low of \$HK1.94 and a high of \$HK2.05.

It ended the day at \$HK1.97 per share for a loss of about 1.01 percent on Thursday's closing level.

The PRC computer software maker, Kingdee International, having been pounded to death on its debut day, last Thursday, when its \$HK1.03 Placing Price was shot down to 62 cents per share, made a slight comeback, rising to a high of 77 cents per share, before settling at 76 cents per share at the close.

Between the leaders, their aggregate trades represented about \$HK51.86 million, or about 36.28 percent of the Total Turnover of about \$HK142.93 million.

Once again, the ratio of gainers to losers was almost neck-to-neck, at 19:17.

The 3 double-digit movers of the day, all gainers, were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Fortune Tele.com Holdings Ltd	8040	12.00		0.56
Grandmass Enterprise Solution Ltd	8108	43.75		0.092
Kingdee International Software Group Company Ltd	8133	10.14		0.76

On the largest bourse in Asia, The Tokyo Stock Exchange, a Japanese Government report, the first in the past 3 months, painted a gloomy picture of the economy, the second biggest in the world.

In brief, the report stated that exports were on the wane as a direct result of the weakening US economy.

Investors sold in advance of this news, pushing down the Nikkei-225 Index by 151.90 yen, or about 1.14 percent, to end the week at 13,175.49 yen.

Even statements by Japan's Finance Minister, Mr Kiichi Miyazawa, did nothing to assist the situation.

The Finance Minister told reporters in Palermo, Italy, that he thought that the US economy would turn round in the latter part of the year.

After the premier stock market of Japan closed for the week, The Bank of Japan, the Central Bank of The Land of The Rising Sun, announced a cut in the Discount Rate, from 0.50 percent to 0.35 percent.

It appeared that investors had got wind of the interest-rate cut, during the trading session, since banking counters were, generally, stronger.

Asahi Bank gained 1.81 percent, rising to 337 yen, while Bank of Tokyo-Mitsubishi put on 4.29 percent, pushing its share price to 1,095 yen.

Motors were undecided, it seemed, as Daihatsu Motor limped along, eventually gaining 0.29 percent to rise to 697 yen, Hino Motors, which makes large, earth-moving equipment in addition to motor vehicles, stayed pat at 545 yen, Honda moved up 0.42 percent to 4,730 yen, Mazda lost 3.27 percent to end the week at 325 yen, Mitsubishi Motors gave up another 8.31 percent, falling to 364 yen (please see Thursday's report on this company), Nissan Motor lost 0.56 percent of its market capitalisation, falling to 710 yen per share, Suzuki Motor fell 4.64 percent to 1,335 yen, Toyota Motor stayed unchanged at 4,020 yen, while Yamaha Motor ended the week up 0.62 percent to 813 yen.

Telecommunications were weak with Japan Telecom, losing 1.03 percent of its market capitalisation, falling to 1.93 million yen, Nippon Telegraph and Telephone (NTT), shedding 0.92 percent of its value, falling to 751,000 yen, while NTT's mobile carrier, NTT DoCoMo, saw its share price fall another 1.90 percent to end the week at 2.07 million yen.

In the electronics sector of the market, the outstanding counter of the day was Kyocera Corporation, the largest manufacturer of integrated circuit ceramics in the world.

Its share price continued to rise, and was marked up 5.02 percent to 11,080 yen per share.

Against Kyocera, however, it was noted that Sanyo Electric shed about 6.03 percent of its market capitalisation, falling back to 841 yen per share.

However, most other counters rose or fell an unexciting amount.

Asia's week ended on a very quiet note since the news of the bombing of Iraq by US and British aeroplanes had yet to be known.

This was how the week ended, last Friday, February 16, 2001:

Indonesia	Minus 1.85 percent
Japan	Minus 1.14 percent
Malaysia	Plus 0.47 percent
The Philippines	Plus 0.11 percent
Singapore	Minus 0.20 percent
South Korea	Plus 0.21 percent
Taiwan	Minus 0.96 percent
Thailand	Plus 0.27 percent

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