

LI KA SHING GIVES HONGKONG A 'LEG-UP'

Only one of the major stock markets in Asia managed to buck the selling pressure, heaped on the world's most populous region, last Monday, as a direct result of events that unfolded in the US and Canada, the previous Friday (February 16).

Led by Thailand, where The Bangkok Stock Market gave up more than 2 percent of its value, sellers lined up in Asia in fear of what would happen on Wall Street when it re-opened for business on Tuesday, New York time (it was a public holiday on Monday, February 19, in the US).

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index shed 139.35 points, about 0.89 percent, falling to 15,490.96 in continued quiet trading conditions.

The Total Turnover was about \$HK7.29 billion, but gainers were ahead of losers by the ratio of about 1.07:One, with about 59 percent of all counters, either holding onto the previous Friday's closing levels or not seeing any action, at all.

China Mobile (Hongkong) Ltd (Code: 941) was the most active share of the day as about 14.92 million shares of this company were traded.

Its share price fluctuated between a low of \$HK44.60 and a high of \$HK46.10, ending the session at \$HK44.90 for a 3.44-percent loss, compared with the previous Friday's closing level.

With a volume of activity, amounting to a dollar value of about \$HK676.35 million, trading in this mobile telecommunications company's scrip, the largest in the People's Republic of China (PRC), represented about 9.33 percent of the Total Turnover.

Just about the same bunch of hi-flyers hugged the Ten Most Actives, but gainers and losers were restricted, in the main, to less than one percent of previous levels.

The Ten Most Actives accounted for about 41 percent of the total volume of activity for the day.

The Main Board's Hang Seng Index would have been down much more had it not been for an announcement from Shanghai, the PRC, which stated that PRC citizens would be permitted to purchase scrip, previously reserved for gweilos (foreigners, white devils, white ghosts, etc), and listed on PRC stock markets.

As such, local Chinese will be permitted to buy into 'B' shares, denominated in foreign currencies.

That had the immediate effect of pushing up share prices of many PRC, State-run companies, listed on The Stock Exchange of Hongkong Ltd, as the TARGET table (below) illustrates.

As for any other Asian news of materiality, that was few and far between because nothing could upstage that which took place on The New York Stock Exchange on Friday, February 16.

On The New York Stock Exchange, the previous Friday, the NASDAQ Composite Index shed 127.53 points, or about 5 percent, falling to 2,425.38, snapping 2 days of gains.

The Dow Jones Industrial Average, a more narrow gauge for charting the direction of US blue chips, sank 0.84 percent to end the week of February 16 at 10,799.82 points.

The sell-off of that Friday was due to a number of factors, with, probably, the most frightening of all the news items, being the bombing of Iraq by US and British warplanes.

Add to that, a 33-percent fall in the share price of Nortell Networks Corporation, an optical-fibre manufacturer, among other things, whose share price collapsed to \$US20, down from \$US29.75, and one has created the basis for a very skittish stock market.

Nortell's antics were reflected on The Toronto Stock Exchange where its 300 Composite Index had to give up about 6.40 percent of its value on that fateful Friday.

Nortell, in addition to forecasting gloom and doom for 2001, said that it planned to sack about 10,000 of its workforce, blaming a sharp drop in demand for fibre-optic equipment for the decision.

But that was not the end of the story.

Dell Computer Corporation announced that it would be laying off about 1,700 of its workers, an announcement that came on the heels of Lucent Technologies's announcement, which said that it had determined to sack 16,000 of its workforce.

While Nortell was the most active counter on The New York Stock Exchange on Friday, February 16, it was not the only counter to be hit, very hard, as the following TARGET table illustrates:

Name of Company	Volume (in numbers of shares)	Price (in US dollars at the close)	Change (in \$US)	Percentage gain/(fall)
Nortell Networks Corporation	121,499,400	20.00	(9.75)	(32.77)
Schering-Plough Corporation	48,884,700	41.25	(7.07)	(14.63)
Corning Incorporated	48,270,200	33.00	(9.01)	(21.45)
Lucent Technologies Incorporated	36,407,000	12.67	(0.95)	(6.98)
EMC Corporation	17,665,100	54.05	(4.05)	(6.97)
Vodafone Group plc	17,061,300	28.59	(2.62)	(8.39)
General Electric Company	16,917,000	47.00	(0.98)	(2.04)
Texas Instruments Incorporated	15,726,800	36.60	(4.06)	(9.99)
Nokia Corporation	15,653,100	26.50	(1.92)	(6.76)
Pfizer Incorporated	17,790,000	45.26	1.01	2.28

Wall Street was, also, shocked to learn that the Producer Price Index, which measures inflationary pressures in the US, had risen by about 1.10 percent in January.

That was the biggest gain in one month in the previous decade.

The rise was said to have been the result of increases in the prices of natural gas, food, motor cars and cigarettes.

At the same time, industrial production fell in the US in January for the fourth consecutive month.

All these factors, and others, too numerous to record, caused Asia to catch a selling fever since investors in the region were fearful as to what the morrow would bring.

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Angang New Steel Company Ltd	347	17.57		0.87
Asia Commercial Holdings Ltd	104		11.76	0.30
Beijing North Star Company Ltd	588	13.60		1.42
Sinopec Beijing Yanhua Petrochemical Company Ltd	325	11.63		0.96

Brilliance China Automotive Holdings Ltd	1114	10.20		2.70
CATIC Shenzhen Holdings Ltd	161	10.00		0.44
China DigiContent Company Ltd	1197	18.18		0.013
China Logistics Group Ltd	217	13.15		0.227
China Resources Beijing Land Ltd	1109	11.81		2.225
Chongqing Iron and Steel Company Ltd	1053	20.00		0.39
Coastal Realty Group Ltd	1124	28.57		0.27
Dongfang Electrical Machinery Company Ltd	1072	12.35		0.455
ehealthcareasia Ltd	835	19.23		0.31
Evergo China Holdings Ltd	631	10.47		0.095
First Tractor Company Ltd	38	13.46		0.59
Fu Hui Holdings Ltd	639	12.50		0.09
G-Vision International (Holdings) Ltd	657		10.17	0.106
Guangzhou Shipyard International Company Ltd	317	10.87		0.51
Harbin Power Equipment Company Ltd	1133	10.81		0.41
Honko International Holdings Ltd	673		12.50	0.07
Jiangxi Copper Company Ltd	358	12.33		0.82
Jilin Chemical Industrial Company Ltd	368	18.60		0.51
Jingwei Textile Machinery Company Ltd	350	15.79		1.32
Kong Sun Holdings Ltd	295		13.33	0.26
Leading Spirit High-Tech (Holdings) Company Ltd	606	31.58		0.025
Maanshan Iron and Steel Company Ltd	323	17.11		0.445
Magician Industries (Holdings) Ltd	526		12.96	0.141
Medtech Group Company Ltd	1031	45.83		0.07
Midland Realty (Holdings) Ltd	1200	14.29		0.88
Northeast Electrical T&T Machinery Manufacturing Company Ltd	42	12.50		0.36
Oriental Metals (Holdings) Company Ltd	1208	11.11		0.30
Qingling Motors Company Ltd	1122	10.43		1.27
Sinopec Shanghai Petrochemical Company Ltd	338	11.24		0.99
Shenyin Wanguo (Hongkong) Ltd	218	17.57		0.435
Shum Yip Investment Ltd	604	13.64		2.00
SiS International Holdings Ltd	529		11.94	0.59
Skynet (International Group) Holdings Ltd	577		21.05	0.03
Texwinca Holdings Ltd	321	10.53		2.10
Theme International Holdings Ltd	990	23.46		0.10
Yanzhou Coal Mining Company Ltd	1171	12.09		2.55
Yizheng Chemical Fibre Company Ltd	1033	10.27		1.61
Zhu Kuan Development Company Ltd	908	10.45		0.37

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, many investors in the Hongkong Special Administrative Region (HKSAR) were more than a little surprised to see that market almost unscarred by events in the US stock markets and the bombing of Iraq.

The Growth Enterprise Index gave up just 0.53 percent, falling to 304.71 points, on a Total Turnover of about \$HK124.56 million.

The previous week's new listing, Kingdee International Software Group Company Ltd (Code: 8133), was the most active counter as its share price hit a new high of 90 cents. It ended the session, up 11.84 percent from the previous Friday's level, at 85 cents per share.

Kingdee International's management, which had been shocked when, at its debut, the previous Thursday, its Offer Price sank from \$HK1.03 per share to 62 cents per share – within one hour of it being listed – must have been delighted to note that the share price had recovered, something, at least.

The volume of activity in this counter represented nearly 20 percent of the Total Turnover.

Mr Rupert Murdoch's Phoenix Satellite Television Holdings Ltd (Code: 8002) was the second, most active counter of the day with \$HK11.04-million worth of its scrip, changing hands.

The share price of Phoenix Satellite Television lost about 2.03 percent of its market capitalisation, falling to \$HK1.93 by the close of trading.

There was no special news to drag down the market, with the ratio of losers to gainers, being about 1.64:One.

Aside from Kingdee International, the only other double-digit mover was Asia Information Resources (Holdings) Ltd (Code: 8025).

This company's share price shed about 14.57 percent of its value, falling to 17 cents by the close of trading.

In The Land of The Rising Sun, the call continued to be heard: *'Prime Minister Yoshiro Mori: We don't want you!'*

The Prime Minister responded that he had no intention of quitting: *'My main concern is seeing that the budget is passed.'*

Mr Mori is unpopular due to a number of very real reasons, but his reluctance to cease playing his round of golf, on learning that a US submarine had sunk a Japanese fishing boat in waters off Hawaii, was the last straw for many people.

What had taken place on Wall Street, the previous Friday, the bombing of Iraq, and the domestic, political unrest all conspired to unnerve investors in Japan, who, promptly, pushed down prices on The Tokyo Stock Exchange.

The Nikkei-225 hit a 28-month low of 13,119.60, which translated into only a 55.90-yen loss, compared with the previous Friday's level, but it was the lowest level since October 15, 1998.

Nortell Networks put the chill to Japanese companies, many of which rely heavily on the North American markets to fill rice bowls.

As expected, electronics were hit at the outset of trading, with equipment testing company, Advantest, shedding 1.60 percent of its value, falling back to 14,170 yen per share, Casio Computer, gave up 2.92 percent of its market capitalisation, dropping back to 830 yen, computer maker, Fujitsu, saw its share price fall back to 1,713 yen per share, a drop of about 1.66 percent, and chip-maker, NEC, yielded 1.43 percent to fall to 2,070 yen.

In the banking division of the market, Asahi Bank lost 0.88 percent of its value, falling to 336 yen, Bank of Tokyo-Mitsubishi put on 0.74 percent, rising to 1,088 yen per share, Daiwa Bank held steady at 170 yen, Sakura Bank lost 1.21 percent, falling to 653 yen, Sanwa Bank's share price fell to 751 yen, down 0.27 percent on the day, and Sumitomo Bank shed 1.98 percent to fall to 1,091 yen.

Unlike New York, there were no major gainers or losers as share prices zigzagged most of the day between red ink and black ink.

Although the statistics in respect of the Nikkei-225 appeared frightening, at least on the surface, it was surprising to some people that the losses in the most important stock market in Asia had been so constrained.

This is the way that other markets in the region fared, last Monday:

Indonesia	Plus 0.71 percent
Japan	Minus 0.42 percent
Malaysia	Minus 0.47 percent
The Philippines	Minus 0.94 percent

Singapore	Minus 1.19 percent
South Korea	Minus 1.36 percent
Taiwan	Minus 1.79 percent
Thailand	Minus 2.01 percent

Tuesday

It was mainly the China '*plays*' that pulled up share prices on The Stock Exchange of Hongkong Ltd, last Tuesday, because logic dictated that, if anything, there should have been a partial meltdown of share prices, similar to what was happening in the rest of the world, early last week.

The Main Board of The Stock Exchange of Hongkong Ltd saw its Hang Seng Index rise about 0.24 percent to hit 15,527.36 points as the volume of activity picked up by about 42 percent, compared with Monday's trading activity.

The Total Turnover, at about \$HK10.38 billion, was boosted by a great deal of activity in the shares of companies, owned and operated by organs of the State of the People's Republic of China (PRC).

China Mobile (Hongkong) Ltd (Code: 941) continued to be '*top dog*' as about 12.85 million of its shares were traded, represented a dollar value of about \$HK579.31 million, or about 5.59 percent of the Total Turnover.

China Mobile ended the day at \$HK45.50 per share, a gain of about 1.34 percent, compared with Monday's closing price.

A newcomer to the Ten Most Actives, China Merchants Holdings (International) Company Ltd (Code: 144), hugged the Number Two position on the Ten Most Actives, with a volume of about \$HK427.73-million worth of its shares, changing hands.

China Merchants Holdings saw about 66.36 million of its shares traded, with its share price, fluctuating between \$HK6.20 and \$HK6.70, ending the session at \$HK6.40 for a gain of about 4.92 percent over Monday's close.

For a change, there were quite a number of PRC, State-run companies which captured investors' attention and made it in the top 10 traded counters, due to the PRC Government's determination to open up its favourite '*sons*' not only to foreigners, but also to the citizens of the PRC.

Although the Hang Seng Index rose only about one quarter of one percentage point, it was of interest to many to see that the ratio of gainers to losers was about 1.28:One.

Wall Street was still on holiday, last Tuesday, Hongkong time, so that many investors had to speculate as to what would happen when The New York Stock Exchange opened for business on Tuesday, New York time.

From London, England, came news from Cable and Wireless plc, the former owner of Cable and Wireless HKT Ltd, now part of Pacific Century CyberWorks Ltd (Code: 8).

Cable and Wireless, which owns about 15 percent of the Issued and Fully Paid-Up Share Capital of Pacific Century CyberWorks, said that it would sell about half of its stake in the Li Ka Shing company.

That took the stuffing out of the share price of Pacific Century CyberWorks, whose share price sunk 4.84 percent to \$HK4.425 on a volume of about 67.30 million shares.

Pacific Century CyberWorks's volume of activity represented about 2.89 percent of the Total Turnover of the day.

But there was little else to report in respect of news, which could have been said to have moved the markets of the Hongkong Special Administrative Region (HKSAR).

The Government of the HKSAR announced that, in the 3 months, November 2000 through to January 2001, the unemployment rate had fallen to its lowest level in the previous 20 months.

The Hongkong Census and Statistics Department said that the unemployment rate stood at about 4.30 percent of the workforce.

But that was, just about, it.

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Artfield Group Ltd	1229	12.28		0.64
Asia Commercial Holdings Ltd	104		16.67	0.25
Beiren Printing Machinery Holdings Ltd	187	18.42		0.90
CASIL Telecommunications Holdings Ltd	1185	12.79		0.485
CATIC Shenzhen Holdings Ltd	161	11.36		0.49
CEC International Holdings Ltd	759	10.29		0.75
Chendu PTIC Telecommunications Cable Company Ltd	1202	17.65		0.60
China Everbright International Ltd	257	10.94		0.335
Chongqing Iron and Steel Company Ltd	1053	12.82		0.44
CNPC (Hongkong) Ltd	135	10.64		0.52
Cosmopolitan International Holdings Ltd	120	13.27		2.775
Dongfang Electrical Machinery Company Ltd	1072	31.87		0.60
First Shanghai Investments Ltd	227	27.71		0.53
Fourseas.com Ltd	75		13.79	0.025
Guangdong Kelon Electrical Holdings Company Ltd	921	41.67		1.87
Guangzhou Pharmaceutical Company Ltd	874	12.38		1.18
Guangzhou Shipyard International Company Ltd	317	13.73		0.58
Harbin Power Equipment Company Ltd	1133	10.98		0.455
Honko International Holdings Ltd	673		12.86	0.061
Jilin Chemical Industrial Company Ltd	368	23.53		0.63
Kin Don Holdings Ltd	208		15.38	0.033
Kunming Machine Tool Company Ltd	300	24.69		1.01
Luoyang Glass Company Ltd	1108	15.09		0.61
Mansion House Group Ltd	376	14.29		0.40
Medtech Group Company Ltd	1031		12.86	0.061
Nam Fong International Holdings Ltd	1176	24.00		0.062
Nanjing Panda Electronic Company Ltd	553	12.77		2.65
Northeast Electrical T&T Machinery Manufacturing Company Ltd	42	22.22		0.44
ONFEM Holdings Ltd	230	18.97		0.345
Oriental Metals (Holdings) Company Ltd	1208	10.00		0.33
Pacific Andes International Holdings Ltd	1174	11.79		0.275
Pearl Oriental Cyberforce Ltd	988	16.67		0.014
Poly Investments Holdings Ltd	263	11.11		0.25
Sen Hong Resources Holdings Ltd	76	12.36		0.10
Shandong Xinhua Pharmaceutical Company Ltd	719	10.87		1.02
Shenyin Wanguo (Hongkong) Ltd	218	54.02		0.67
Shougang Concord Century Holdings Ltd	103	11.61		0.25
Shougang Concord Grand (Group) Ltd	730	15.38		0.30
Shougang Concord International Enterprises Company Ltd	697	12.83		0.255
Sinopec Beijing Yanhua Petrochemical Company Ltd	325	11.46		1.07
Sinopec Shanghai Petrochemical Company Ltd	338	12.12		1.11
South East Asia Wood Industries Holdings Ltd	1205	12.00		0.112

Telecom Plus Holdings Ltd	1013	11.54		0.29
Theme International Holdings Ltd	990	10.00		0.11
Tianjin Capital Environmental Protection Company Ltd	1065	10.81		0.82
Tsingtao Brewery Company Ltd	168	18.72		2.125
Tung Fong Hung (Holdings) Ltd	279	11.43		0.117
Yanzhou Coal Mining Company Ltd	1171	10.78		2.825
Yizheng Chemical Fibre Company Ltd	1033	14.91		1.85

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the market hardly moved.

The Growth Enterprise Index lost 0.15 points, falling to 304.56 points on a Total Turnover of about \$HK123.24 million.

Gainers outpaced losers by the ratio of about 1.47:One, with exactly half of all the counters, either being untraded or having their share prices hang onto Monday's closing levels.

There were 3 double-digit movers:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Computech Holdings Ltd	8081		11.27	0.63
Grandmass Enterprise Solution Ltd	8108		10.53	0.085
Vodatel Networks Holdings Ltd	8033	13.10		0.95

In Japan, there was something of a bounceback on The Tokyo Stock Exchange; telecommunication counters and electronics became the flavour of the day.

With Wall Street still closed, Japanese investors appeared to be taking a position in advance of the opening of The New York Stock Exchange on Tuesday, New York time.

The Nikkei-225 gained 128.77 yen, about 0.98 percent, rising to 13,248.36 yen in a day, which was packed with what one might have claimed were rather unpleasant surprises ... for Japanese investors, that is.

NEC Corporation and Matsushita Electric Industrial Company Ltd, the world's third largest manufacturer of chips and the world's largest manufacturer of consumer electronics, respectively, both announced lower-than-expected profits for the current year.

NEC said that its profits would be about 33 percent lower than expected for its Financial Year, ending March 31, 2001, at about \$US517 million (about \$HK4.03 billion), and Matsushita Electric said that it had cut its profit forecast by 15 percent.

In spite of the warnings, what it means is that NEC would be looking at a growth factor of about 72 percent, Year-on-Year, while Matsushita Electric would be looking at a growth factor of about 38 percent.

Which is far better than a loss position, it would be fair enough to comment.

NEC's share price gained 2.17 percent to 2,115 yen; Matsushita Electric's share price fell 4.54 percent to 2,210 yen.

Fujitsu Ltd, one of Japan's largest manufacturers of personal computers as well as being a producer of chips, had already warned of sagging sales, forecasting a 10-plus drop in previous profit expectations.

Fujitsu lost about 1.66 percent of its market capitalisation, last Tuesday, with its share price, falling back to 1,713 yen.

From the Japanese telecommunications giant, Nippon Telegraph and Telephone Corporation (NTT) came an announcement, which, in essence, stated that the monolith expected profits for its current Financial Year, to March 31, to be about \$US4.35 billion (about \$HK33.89 billion)

This represents an increase of about 37 percent, compared with earlier estimates.

NTT's share price rose about 1.35 percent on the news, to end the day at 750,000 yen.

NTT's rival telecommunications company, Japan Telecom, lost about 4.21 percent of its value, falling to 1.82 million yen per share.

Aside from telecommunications issues and electronics, the market, the largest in Asia, was relatively quiet – as was most of Asia as the following indicates:

Indonesia	Minus 0.34 percent
Japan	Plus 0.98 percent
Malaysia	Plus 0.28 percent
The Philippines	Minus 0.89 percent
Singapore	Plus 1.44 percent
South Korea	Plus 2.02 percent
Taiwan	Plus 0.57 percent
Thailand	Plus 0.87 percent

Wednesday

Asia took a walloping, last Wednesday, as investors, seeing the continued decline on Wall Street, on the first day of trading last week, sold out in what had the makings of the beginning of a rout.

The Main Board of The Stock Exchange of Hongkong Ltd was awash with profits from investors, who had gambled on Monday and Tuesday on State-run entities of the People's Republic of China (PRC) so that, for many, it was time to cash in while the going was good.

Some of the share prices of these counters had risen more than 50 percent in 2 trading days. (Please see Monday's report on this subject)

As a result, the Hang Seng Index, the '*barometer*' of trading on the Main Board, lost about 1.13 percent of its value, ending the day at 15,351.51.

What was ominous about last Wednesday's trading pattern was that the volume of activity was on the higher side, too high, perhaps, not to think that there was some panic in the minds of many investors of the Hongkong Special Administrative Region (HKSAR) of the PRC._

It was noted that the losses of last Wednesday were all, just about, in the first 150 minutes of trading, the morning session.

On Wall Street, on Tuesday, New York time, fresh economic news put the fear of God into many investors on the world's largest bourse.

The (blue chip) Dow Jones Industrial Average fell 68.94 points, about 0.64 percent, to 10,730.88 points.

The tech-laden NASDAQ Composite Index was much worse hit as it tumbled about 4.41 percent to 2,318.35 points in heavy trading.

Last Tuesday's losses on The New York Stock Exchange increased the losses of the previous Friday (February 16) when the NASDAQ Composite Index shed about 5 percent of its value and the Dow gave up about 0.84 percent.

Cisco Systems Incorporated, a computer networking giant, was the most active counter on The New York Stock Exchange, last Tuesday, but its share price hit a 21-month low of about \$US26 per share (about \$HK202).

JDS Uniphase Corporation, a fibre-optics, parts manufacturer, tumbled more than 4 percent as tech stocks fell out of bed, following the continuing saga of Canadian-based, Nortell Networks Corporation, with suggestions that writs may soon start to fly.

Europe, also, caught the New York 'flu' with London's FTSE 100 Index, hitting its lowest level since April 2000: 5,972.40.

Germany's Frankfurt DAX was down about 1.61 percent to 6,347.99 and the Paris, France, CAC shed about 1.98 percent to hit a 13-month low of 5,474.37 points.

The HKSAR could not ignore that which was taking place in the rest of the world and responded, accordingly: There was nothing to prop up the market in the light of international events.

HSBC Holdings plc (Code: 5), a constituent stock of the Hang Seng Index and the second largest in terms of market capitalisation in the HKSAR, was said to have been responsible for about 74 percent of the losses of the day.

The share price of HSBC Holdings gave up 0.84 percent, falling to \$HK117.50, after nearly 24 million of its shares were traded.

HSBC Holdings's trading activities accounted for about 7.83 percent of the Total Turnover of the day.

The Ten Most Active Counters accounted for about 50 percent of the total activity of the day.

The ratio of losers to gainers was extended to about 2.05:One, with nearly 56 percent of all counters, either holding onto Tuesday's levels or seeing no action in their counters.

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Beijing Datang Power Generation Company Ltd	991		18.75	2.275
Bestway International Holdings Ltd	718		12.90	0.027
China Logistics Group Ltd	217		11.01	0.202
China Merchants China Direct Investments Ltd	133	24.46		1.73
China Resources Beijing Land Ltd	1109		16.09	1.93
Cosmopolitan International Holdings Ltd	120		10.81	2.475
Guangdong Kelon Electrical Holdings Company Ltd	921		10.70	1.67
Honko International Holdings Ltd	673	13.11		0.069
The HSBC China Fund Ltd	504	12.16		4.15
I-China Holdings Ltd	240	11.43		0.078
Interchina Holdings Company Ltd	202		20.88	0.36
Kin Don Holdings Ltd	208	12.12		0.037
Lamex Holdings Ltd	312		11.67	0.053
Learning Concepts Holdings Ltd	680	12.79		0.075
Mansion House Group Ltd	376	27.50		0.51

Ngai Hing Hong Company Ltd	1047		11.84	0.335
Paliburg Holdings Ltd	617	10.58		0.115
Prosper eVision Ltd	979	31.33		0.197
Sinocan Holdings Ltd	1095	14.81		0.062
South East Group Ltd	726	50.00		0.024
Start Technology Company Ltd	706	12.86		0.79
Sun Man Tai Holdings Company Ltd	433		59.18	0.20
Truly International Holdings Ltd	732		11.48	2.70

The Growth Enterprise Index, the gauge of The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, bounced off the 300 level for the entire day, ending the bearish session at 300.93, for a 1.19-percent loss, compared with Tuesday's close.

Losers outpaced gainers by the ratio of about 1.65:One, with all but about 16 counters not seeing any action from investors.

ITE (Holdings) Ltd (Code: 8092) made its debut, and the computer software company saw its share price fluctuate between a low of 70 cents and a high of 81 cents, ending the day at just off the high point, at 80 cents per share.

The company had Placed a total of 45 million shares at 84 cents per share so that management of this company could not have been too overjoyed with investor response on Day One of its listing. It was the third, most-active counter of the day.

(For full analysis of this company, please see last Wednesday's [TARGET Intelligence Report, Volume III, Number 34](#))

Phoenix Satellite Television Holdings Ltd (Code: 8002) resumed its top spot on the Most Active list with a volume of about 18.31 million shares, being traded, representing a dollar value of about \$HK35.29 million, or about 24.70 percent of the Total Turnover of about \$HK142.90 million.

There was little to report about The GEM with only 2 counters, being double-digit movers: One up and one down.

In Japan, it was a combination of factors that transpired to pull down prices on The Tokyo Stock Exchange.

The Nikkei-225 lost 1.12 percent to fall to 13,100.08, the lowest level since October 1998.

One of Japan's largest brewers of beer, Asahi Breweries Ltd, reported a net loss for the 2000 Financial Year of about \$US135.80 million (about \$HK1.06 billion).

The company, one of the largest makers of beer in The Land of The Rising Sun, made a profit in the 1999 Financial Year of about \$US35 million (about \$HK274 million).

Japan was suffering, of course, as a direct result of Wall Street's falls, but there were many other factors, too, that brought down the market.

The Japanese Government announced that it had suffered a trade deficit in January, the first time in the previous 4 years that this had happened.

Japan's trade deficit with the rest of the world was \$US821 million in January (about \$HK6.40 billion), the Finance Ministry stated.

That was the icing on the cake, so to speak, but more depressing news continued to flood the market.

From California, it was announced that The Bridgestone Corporation was to recall another 98,000 Firestone tyres, those mounted on Nissan's Altima SE sedan motor cars.

More losses for the Firestone-Bridgestone companies is clearly indicated, following the scandal, last year, of killer tyres, having been responsible for more than 170 deaths.

The Bridgestone Corporation lost about 1.72 percent of its value on The Tokyo Stock Exchange, falling to 971 yen per share.

From Nippon Telegraph and Telephone Corporation (NTT) came news that the company, one of the largest in Japan, would cut 2,000 jobs in the coming year, starting April 1.

NTT's share price lost about 2 percent of its value, falling back to 735,000 yen.

NTT's mobile carrier, NTT DoCoMo, stayed firm at 2.04 million yen.

In electronics, Adventist got hit hard as its share price was shot down by about 2.93 percent to 14,270 yen, Casio Computer gave up about 1.71 percent, falling to 806 yen per share, Fujitsu lost about 3.52 percent of its value, falling back to 1,673 yen, and Sony Corporation lost about 1.45 percent of its market capitalisation, ending the day at 8,150 yen, after being cut back by about 1.45 percent.

Olympus Optical, one of the biggest names in cameras in Japan, gave up about 4.55 percent of its value, dropping back to 1,531 yen per share, but Canon Incorporated managed to hold firm at 4,040 yen per share.

The banking division of the market was, generally firm.

The ratio of losers to gainers was about 1.59:One.

With the exception of Indonesia, all other Asian markets were down, as the following illustrates:

Indonesia	Plus 1.43 percent
Japan	Minus 1.12 percent
Malaysia	Minus 0.25 percent
The Philippines	Minus 0.25 percent
Singapore	Minus 0.75 percent
South Korea	Minus 2.33 percent
Taiwan	Minus 0.36 percent
Thailand	Minus 0.67 percent

Thursday

'Dad came to Junior's help. What would you expect? Do you think a father would desert his son? This is China, you know!'

That was the way that many put it, last Thursday, following the announcement by Pacific Century CyberWorks Ltd (Code: 8, Main Board, The Stock Exchange of Hongkong Ltd) that it was being '*assisted*' by Mr Li Ka Shing, one of the richest men in the world, as he determined to give a leg-up to his son, Mr Richard Li Tzar Kai, who is the titular head of Pacific Century CyberWorks.

What had happened was that Mr Li Ka Shing, as Chairman of Hutchison Whampoa Ltd (Code: 13, Main Board, The Stock Exchange of Hongkong Ltd), objectively agreed with his son, who objectively agreed to have Pacific

Century CyberWorks purchase all of the Issued and Fully Paid-Up Share Capital of Hutchison Telecommunications Technology Investments Ltd, as well as a shareholders' loan from Hutchison Whampoa Ltd, for about \$HK803 million.

The deal will be satisfied by the issuance of Pacific Century CyberWorks's shares, the announcement stated.

The agreed price for the 183.60 million shares of Pacific Century CyberWorks is \$HK4.375, each, and amounts to about 0.83 percent of the Issued and Fully Paid-Up Share Capital of the company.

The deal was transacted on an arm's length basis, meaning that it was good for all parties, be they publicly listed companies or privately held companies, for the father, and for the Number 2 Son.

Mr Li Ka Shing has gone on record as saying that he had no intention of assisting Pacific Century CyberWorks – and he is, always, true to his word.

The announcement of the deal did nothing for trading on the Main Board of The Stock Exchange of Hongkong Ltd as its Hang Seng Index shed about 1.65 percent of its value, falling back to 15,098.64 points on a Total Turnover of about \$HK10.60 billion.

Hutchison Whampoa, the most-active counter of the day, saw a total of 15.01 million of its shares, change hands, with its share price, fluctuating between a low of \$HK91.25 and a high of \$HK93.

It closed the day at \$HK91.75 per share for a loss of about 2.39 percent over Wednesday's closing level.

The volume of activity, in terms of billions of dollars, in this Li Ka Shing company represented about 13 percent of the Total Volume of the day.

Though Pacific Century CyberWorks did not make it to the Ten Most Actives, it closed the day at \$HK4.375, unchanged from Wednesday's close.

China Mobile (Hongkong) Ltd (Code: 941) and HSBC Holdings plc (Code: 5) were in the Number 2 and Number 3 spots on the Ten Most Actives, respectively, with China Mobile, dropping 3.43 percent of its value, falling to \$HK42.20 per share, while HSBC Holdings lost about 1.70 percent of its market capitalisation, ending the day at \$HK115.50 per share.

The 3 leading counters of the day – Hutchison Whampoa, China Mobile and HSBC Holdings – accounted for about \$HK3.43 billion, or about 32.36 percent of the Total Turnover of the day.

The Hang Seng Index, the gauge of the Main Board, lost 252.87 points, about 1.65 percent, ending the day at 15,098.64 points, which was about 27 points off the lunchtime close.

Losers outpaced gainers by the ratio of about 1.94:One, with about 53 percent of all the counters, listed on The Stock Exchange of Hongkong Ltd, either being neglected by investors or holding onto Wednesday closing levels.

Aside from the Li Ka Shing/Richard Li Tzar Kai '*business*', it was widely expected that the main stock market of the Hongkong Special Administrative Region (HKSAR) or the People's Republic of China (PRC) would go into reverse, considering what was taking place on Wall Street.

On The New York Stock Exchange, last Wednesday, the Dow Jones Industrial Average rose barely one quarter of a percentage point, to 10,526.81 points, after struggling the entire day as investors seemed determined to push the blue-chip index lower.

The bears won the day on the NASDAQ, however, as that market's Composite Index shed 24.24 points, about 1.07 percent, falling to 2,244.70 points.

Weak corporate earnings and fears of more economic problems on the horizon continued to dog the US stock markets.

It was noted that the NASDAQ, as at last Wednesday's close, had tumbled about 55 percent from its high in March 2000, the steepest drop since 1973.

Since February, this year, the NASDAQ Composite Index has given up a little more than 18 percent of its value.

A factor, which sent an icy chill down the spines of many people in the US, was a report that the Consumer Price Index rose 0.60 percent in January, brought about, in part, by higher energy prices.

One of the overriding fears, prevalent last Thursday, was that the US Federal Reserve might be constrained to lower interest rates in view of the latest statistics and, by the time that it does take action, it may be too late for many.

The US is pointing the way for bourses on both sides of the Atlantic where major stock-market indices are following Wall Street – down.

Job cuts in the US have become so commonplace that people seemed to take little note of an announcement from Polaroid Corporation, which said that it would be sacking 11 percent of its workforce, equal to nearly 1,000 workers.

The romance of China '*plays*' was, just about exhausted, last Thursday, on The Stock Exchange of Hongkong since the loosening of the PRC Government's strings on equities of certain companies, listed on the PRC's stock markets, had no bearing on the bigger question: Where will companies sell their products if the largest markets in the world cannot buy the goods?

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Commercial Holdings Ltd	104	16.00		0.29
Asia Resources Transportation Ltd	899	12.77		0.053
Chengdu PTIC Telecommunications Cable Company Ltd	1202	12.73		0.62
Chi Cheung Investment Company Ltd	112	16.36		0.064
China Merchants China Direct Investments Ltd	133		11.56	1.53
City e-Solutions Ltd	557		12.50	0.445
Coastal Realty Group Ltd	1124		10.09	0.205
Earnest Investments Holdings Ltd	339		12.50	0.70
Everest International Investments Ltd	204		10.00	0.27
Fourseas.com Ltd	755	25.00		0.03
Interchina Holdings Company Ltd	202		15.28	0.305
iRegent Group Ltd	575	11.54		0.29
Kantone Holdings Ltd	1059		12.28	0.50
Karce International Holdings Company Ltd	1159		10.00	0.36
Lei Shing Hong Ltd	238		13.16	3.30
Northern International Holdings Ltd	736		12.50	0.028
Shanghai International Shanghai Growth Investment Ltd	770	16.07		3.25
Shenyin Wanguo (Hongkong) Ltd	218	10.29		0.75
Sinocan Holdings Ltd	1095		20.97	0.049
South China Industries Ltd	413	10.00		0.33
SunCorp Technologies Ltd	1063		10.00	0.045
Tsingtao Brewery Company Ltd	168	12.50		2.25
Victory City International Holdings Ltd	539		18.57	0.285

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index fell below the 300 level, ending the day at a new low of 298.35 points.

The Total Turnover was \$HK107.22 million with Phoenix Satellite Television Holdings Ltd (Code: 8002), being the most-active counter of the day as about 19.28 million of its shares were traded.

Phoenix Satellite Television had more than a little bearing on The Growth Enterprise Index, shedding about 0.86 percent of its value since its turnover, in terms of millions of dollars, was about \$HK35.85 million, or about 33.44 percent of the Total Turnover.

The share price of this Rupert Murdoch company fell about 2.11 percent to end the day at \$HK1.86.

The big loser of the day, however, was Panda-Recruit Ltd (Code: 8073) as investors marked down the price of this company's shares to 3.90 cents after just 200,000 shares changed hands.

Panda-Recruit was listed on The GEM on July 11, 2000 at 30 cents per share so that, by last Thursday, the company has parted with about 87 percent of its market capitalisation.

The ratio of losers to gainers on this market was about 1.44:One.

In Japan, many people were discussing the plight of ailing, motor-vehicle manufacturer, Mitsubishi Motors Corporation, which had announced that it would be reducing the number of motor cars that it would be producing, this year, and that it would be closing its Nagoya plant.

In addition, it was announced that about 7,000 of its Japanese workers would hit the streets.

Mitsubishi Motors gained about 2.93 percent on the day, ending on The Tokyo Stock Exchange at 351 yen per share.

The Tokyo Stock Exchange's main index, the Nikkei-225, gave up 26.72 yen, falling to 13,073.36 yen, after hitting another 28-month low in intra-day trading.

Banking counters appeared to be bucking the trend for lower prices, however, as Mizuho Holdings Incorporated, the largest bank in the world, put on a spurt, regaining about 2.75 percent of its market capitalisation and ending the day at 673,000 yen per share.

Bank of Tokyo-Mitsubishi, a close rival to Mizuho, which is among the top 5 banks in the world, went along for the ride and gained 2.15 percent of its value, rising to 1,140 yen per share.

Another bank, which managed a decent gain, was Daiwa Bank whose share price rose about 2.35 percent to 174 yen per share.

Sanwa Bank saw its share price rise 4.40 percent to 806 yen per share and Sumitomo Bank's scrip put on 2.52 percent, rising to 1,137 yen.

One of the reasons for the interest in banking counters was a widespread belief that the Japanese Government would do something to instill life back into the struggling Asian giant, which is, still, the second largest economic force in the world, today.

In addition, it was expected that the Japanese Government would find a solution for the avalanche of bad debts, emerging daily, in The Land of The Rising Sun.

Aside from banking counters, however, the market was seen to be drifting sideways.

Investors in Asia were concerned, mainly about the US economy, reflected to some extent by what was taking place on the world's largest stock market, but, in addition, there was the pressing question, on Asia's doorstep:

What do we do with our production?

The following is how other Asian stock markets fared, last Thursday:

Indonesia	Minus 0.65 percent
Japan	Minus 0.20 percent
Malaysia	Plus 0.28 percent
The Philippines	Minus 0.83 percent
Singapore	Minus 0.85 percent
South Korea	Minus 1.87 percent
Taiwan	Minus 3.27 percent
Thailand	Minus 0.39 percent

Friday

As though defying gravity, major Asian stock market indices rose on the last day of trading, led by Thailand, whose Bangkok Stock Exchange spurted up 4.93 percent, as banks and finance companies were in strong demand.

The largest of Asia's stock markets, The Tokyo Stock Exchange, was next in line for gains, followed by the stock markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

The reasons, mainly: It was generally held that the US economy, fathered by the father of all stock markets, the US Federal Reserve, would come to the rescue of the US economy ... and that rescue would cascade down the line to the world's most populous area -- Asia.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index gained about 1.21 percent, rising to 15,280.56 points on a Total Turnover of about \$HK11.34 billion.

The Li Ka Shing Camp was in heavy demand as Hutchison Whampoa Ltd (Code: 13), the most active counter of the day, saw more than \$HK1.65-billion worth of its scrip find new owners, with the share price, fluctuating between a low of \$HK89.75 and a high of \$HK92.

It ended the day at \$HK90.75 per share for a drop of about 1.09 percent, compared with Thursday's closing level.

Cheung Kong (Holdings) Ltd (Code: 1), the Li Ka Shing flagship company, was the fourth, most-active counter of the day with about \$HK659.31-million worth of its scrip, changing hands.

Its share price fell about 1.31 percent after trading all day within a \$HK2 channel. Its closing price was \$HK94.

The sixth, most-active counter, Pacific Century CyberWorks Ltd (Code: 8), saw investors trading the stock between a low of \$HK4.475 and a high of \$HK4.60, per share, ending the day at \$HK4.55 per share for a gain of about 4 percent, compared with Thursday's close.

Trading in the Li Ka Shing Camp counters accounted for about 24 percent of the Total Turnover of the day.

The reason for the interest in the Li Ka Shing companies centred on the announcement of the somewhat controversial deal, in the eyes of some people, between Hutchison Whampoa and Pacific Century CyberWorks. (Please see Thursday's report on this matter)

Other than this matter, there was nothing else to promote or praise this group of companies whose 2, most-endearing attributes are that it is the largest group of publicly listed companies in the HKSAR and that its bossman, Mr Li Ka Shing, is the most beloved man in Asia.

On Wall Street, stock prices were being punched from one corner to another as investors on The New York Stock Exchange were bombarded, daily, with reports about this company and that company, suffering, or expecting to suffer, lower earnings.

The Dow Jones Industrial Average ended last Thursday's session barely unchanged from Wednesday's close, at 10,526.81 points, but the NASDAQ Composite Index shed about 1.06 percent of its value, falling to 2,244.96 points.

Data-storage company, EMC Corporation, put out a warning that it expected lower earnings. EMC lost about 6 percent of its market capitalisation, falling to \$US40.35 per share.

EMC was the latest company in a slew of so-called, hi-tech companies, which are being hit by the slowdown in the US economy.

There was a report that the US jobless level had risen to 348,000: Another sign of weakness in the world's largest economy.

It was expected that the Fed would consider another bite at US interest rates, this week, with Dr Alan Greenspan, the Fed's Chairman, doing his *'thing'*.

In the HKSAR, it was announced that a bunch of dot.com companies were about to sack quite a number of its technical staff: What else is new?

The ratio of gainers to losers was about 2.66: One.

There was, still, some residual interest in China *'plays'* as investors took flyers on suggestions of making gains through arbitrage. (Please see Monday's report)

The following are the largest movers on the last day of trading on February 24:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Standard International Group Ltd	129	16.67		0.42
Beijing North Star Company Ltd	588	11.11		1.40
Beiren Printing Machinery Holdings Ltd	187	15.73		1.03
Bestway International Holdings Ltd	718		14.29	0.024
CASIL Telecommunications Holdings Ltd	1185	14.89		0.54
CATIC Shenzhen Holdings Ltd	161	27.78		0.69
CCT Multimedia Holdings Ltd	1169	11.76		0.209
China DigiContent Company Ltd	1197	16.67		0.014
China Merchants China Direct Investments Ltd	133	11.76		1.71
Chun Wo Holdings Ltd	711	12.28		0.32
City e-Solutions Ltd	557	14.29		0.52
CNPC (Hongkong) Ltd	135	10.42		0.53
Dongfang Electrical Machinery Company Ltd	1072	12.07		0.65
Earnest Investments Holdings Ltd	339	10.00		0.77
ehealthasia Ltd	835	15.69		0.295
First Shanghai Investments Ltd	227	21.43		0.68
First Tractor Company Ltd	38	11.43		0.78
Guangzhou Shipyard International Company Ltd	317	12.28		0.64
Harbin Power Equipment Company Ltd	1133	12.50		0.495
Innovative International (Holdings) Ltd	729	25.00		0.075

Jilin Chemical Industrial Company Ltd	368	16.39		0.71
Luoyang Glass Company Ltd	1108	13.33		0.68
Mansion House Group Ltd	376	20.83		0.58
Millennium Sense Holdings Ltd	724	12.70		0.355
New Rank City Development Ltd	456	24.81		1.61
Northeast Electrical T&T Machinery Manufacturing Company Ltd	42	14.63		0.47
Northern International Holdings Ltd	736	17.86		0.033
ONFEM Holdings Ltd	230	20.00		0.39
Oriental Metals (Holdings) Company Ltd	1208	12.50		0.36
Pacific Andes International Holdings Ltd	1174	14.00		0.285
Pearl Oriental Cyberforce Ltd	988	12.50		0.018
Poly Investments Holdings Ltd	263	13.73		0.29
renren Media Ltd	59		23.81	0.032
Shenyin Wanguo (Hongkong) Ltd	218	32.00		0.99
Shenzhen International Holdings Ltd	152	13.43		0.38
Shougang Concord Century Holdings Ltd	103	10.00		0.275
Shougang Concord Grand (Group) Ltd	730	10.71		0.31
Silvernet Group Ltd	622	10.00		0.33
Singamas Container Holdings Ltd	716		10.00	0.315
Sinocan Holdings Ltd	1095	18.37		0.058
Sinopec Beijing Yanua Petrochemical Company Ltd	325	16.35		1.21
South China Online Ltd	619	17.09		0.137
Star East Holdings Ltd	597	10.20		0.216
Sun Man Tai Holdings Company Ltd	433	73.81		0.365
Sun Television Cybernetworks Holdings Ltd	307	10.00		0.22
Swank International Manufacturing Company Ltd	663	12.73		0.062
Top Glory International Holdings Ltd	268	10.91		0.61
Vantage International (Holdings) Ltd	15	11.40		2.15
Zhu Kuan Development Company Ltd	908	17.39		0.405

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, there was a bit of a bounce-back as The Growth Enterprise Index regained about 0.76 percent of its value, rising to 300.61 points.

The Total Turnover rose to about \$HK145.22 million with just 6 counters, representing about 61 percent of the entire volume of activity for the day.

The ratio of gainer to losers on this speculative market was about 2.14:One.

There was no special news from any of The GEM companies, at least, no news that had not been announced or could not be adduced from international events.

There were 5 double-digit movers of the day:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
36.com Holdings Ltd	8036	10.71		0.031
hkeyber.com Corporation	8118	33.33		0.08
iSteelAsia.com Ltd	8080		15.00	0.34
Panda-Recruit Ltd	8073	41.03		0.055
T S Telecom Technologies Ltd	8003	11.76		0.38

On the largest stock market in Asia, The Tokyo Stock Exchange, investors seemed to shrug off the gloom and doom and took flyers on banking and finance counters, for the fifth straight day.

Mizuho Holdings saw its share price rise another 5.10 percent as Japan's Finance Services Minister, Mr Hakuo Yanagisawa, pledged to assist in finding a scheme in respect of the avalanche of bad debts that most Japanese banks are, presently, suffering.

Bank of Tokyo-Mitsubishi following the lead of Mizuho with a gain of about 2.15 percent, rising to 1,140 yen, Daiwa Bank gained 2.35 percent, increasing its lead to 174 yen per share, Sakura Bank saw its share price rise to 696 yen, up 1.61 percent, Sanwa Bank's share price rose a whopping 6.70 percent to 860 yen, and Tokai Bank's management saw its share price rise about 6.43 percent to hit 530 yen per share.

In the telecommunications division of the market, Nippon Telegraph and Telephone (NTT) saw its share price rise about 1.59 percent to 768,000 yen, but its mobile unit, NTT DoCoMo, lost about 1.46 percent of its value, falling back to 2.03 million yen.

Japan Telecom, a rival of NTT, suffered at the hands of investors as its share price was punished to the extent of about 3.35 percent as it dropped back to 1.73 million yen.

In electronics, Advantest lost about 2.45 percent of its market capitalisation as its share price was marked down to 13,920 yen. Casio lost another 1.86 percent of its value, falling to 791 yen per share.

Fujitsu, Japan's largest maker of personal computers, shed about 1.91 percent of its value, falling to 1,641 yen, but Sony Corporation benefitted from speculators as its share price rose about 2.20 percent to end the week at 8,360 yen per share.

Sony made a statement to the effect that it would be tying up with other computer game makers in what was seen as Sony, trying to be the dominant player in this area of computerisation.

And, for the week ended February 24, 2001, that was, just about, it.

This was how other Asian bourses fared last Friday:

Indonesia	Plus 0.37 percent
Japan	Plus 1.32 percent
Malaysia	Minus 0.10 percent
The Philippines	Plus 0.36 percent
Singapore	Plus 0.12 percent
South Korea	Plus 0.02 percent
Taiwan	Minus 0.56 percent
Thailand	Plus 4.93 percent

-- E N D --

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

