

ASIAN STOCK MARKETS CONTINUE TO BE POUNDED

Share prices in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) retreated on a wide front, last Monday, on the back of Wall Street's losses, the previous Friday in New York, with South Korea's stock market, leading the pack in what could only be considered a partial, stock-market meltdown.

In the HKSAR, the Main Board of The Stock Exchange of Hongkong Ltd saw its Hang Seng Index shed about 3.22 percent by the luncheon bell, having opened down about 2.60 percent, compared with the previous Friday's closing level.

By the close of the day, the Hang Seng Index was registering a loss of about 2.94 percent, at 13,776.72 points.

Worst of all, the Total Turnover was relatively low, at about \$HK8.56 billion.

Some brokers claimed that many investors had been caught short and were being forced to sell due to the fact that they feared that they would be unlikely to be able to meet margin calls if the market continued to stay in reverse gear.

For every one counter that was in positive territory by the end of the day, there were a little more than 6 counters that were '*bleeding*'. Such a divergence between losers and gainers had not been seen for many a moon.

HSBC Holdings plc (Code: 5) was the most-active counter of the day as nearly 8.20 million of its shares changed hands between \$HK101.50 and \$HK103.50, closing the day at \$HK102.50 for a loss of about 1.91 percent, compared with its closing price on Friday, March 9.

China Mobile (Hongkong) Ltd (Code: 941) was next in line for a thrashing on the Ten Most Actives as about 17.16 million of its shares found new owners, with its share price, being kept to within a \$HK1.20 bandwidth: Between \$HK36.30 and \$HK37.50.

It ended the day at \$HK37 per share for a loss of about 1.60 percent.

Sun Hung Kai Properties Ltd (Code: 16) crept into the top 3, most-active counters, last Monday. No doubt, management of this large property company would have hoped that that had not taken place in view of the stock-market's weakness.

After about 7.69 million Sun Hung Kai Properties's shares changed hands, its share price came to rest at \$HK79.25 for a loss of about 4.52 percent on its previous close.

Over the weekend of March 10-12, Sun Hung Kai Properties announced that it would be trying to help purchasers of some of its flats with certain attractions, plus, of course, discounts, directly or indirectly.

Translation: There had to be a dramatic slowdown in the property market and Sun Hung Kai Properties was pulling out all stops in order to unload some of its inventory of finished units.

For the past year or so, the company has been lowering prices on some of its housing projects – all to little or no avail, it would appear.

Share prices in the Li Ka Shing Faction all lost ground as investors threw logic to the wind in what appeared to be a mad dash to unload scrip while there were still buyers, available.

The main reason for the sell-off: Wall Street blues and a report from the chipmaker Intel Corporation.

On The New York Stock Exchange, the previous Friday, the Dow Jones Industrial Average had shed nearly 2 percent of its value, falling to 10,644.62 points.

But the NASDAQ Composite Index gave up a massive 6.35 percent, falling to 2,052.78 points.

It was the sixth consecutive week of losses for the NASDAQ; and, the worst, single-day's decline since December 2000.

Intel, in an official report, stated that it expected the worst for this year, in respect of profits, and that it was letting go about 5,000 of its workers.

That was enough for investors – and the share price of this monster company skid about 7 percent to about \$US29.44 (about \$HK229).

There was, also, a report that showed, or appeared to show, that 135,000 new jobs had been created in the farm sector of the US economy in February.

This added to the new-job creation in this sector of the economy in January when 224,000 jobs had been created.

The US Labour Department further announced that the unemployment rate in the US was holding steady at about 4.20 percent.

All this statistical information will be put into the US Federal Reserve's database and will be digested when it meets tomorrow, at which time, it is due to make a determination in respect of interest rates.

But, in Asia, it was widely expected that Wall Street's losses would be extended into, at least, Tuesday, March 13.

The following is TARGET's list of major losers of last Monday:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China DigiContent Company Ltd	1197	11.11		0.02
China United Holdings Ltd	273		15.38	0.011
Chinney Alliance Group Ltd	385	11.11		0.05
Company Building Material International Holdings Ltd	432	10.53		0.042
Easyknit International Holdings Ltd	1218	29.03		0.24
Emperor (China Concept) Investments Ltd	296		14.29	0.03
Great Eagle Holdings Ltd	41		12.42	13.05
Honko International Holdings Ltd	673		15.25	0.05
I-China Holdings Ltd	240		23.81	0.032
Jilin Chemical Industrial Company Ltd	368		10.34	0.52
Lai Fung Holdings Ltd	1125		13.69	0.145
Leading Spirit High-Tech (Holdings) Company Ltd	606		12.00	0.022
Quality Food International Ltd	735	26.67		0.114
Shun Ho Technology Holdings Ltd	219		20.00	0.244
Skynet (International Group) Holdings Ltd	577		16.67	0.02
Victory City International Holdings Ltd	539	11.11		0.30

On the speculative marketplace of The Stock Exchange of Hongkong Ltd, known as The GEM – The Growth Enterprise Market – there was another run on some of the favourites as The Growth Enterprise Index hit another record low of 277.50 points.

The Total Turnover on this market was down to about \$HK94.04 million, a far cry from the previous week's average daily volume of about \$HK164.98 million.

Losers were ahead of gainers by the wide ratio of 4.57:One, with about 53 percent of all counters, not being traded at all.

Trasy Gold EX Ltd (Code: 8063) was the lone, double-digit loser as another 12.80 percent was shaved off its market capitalisation. Investors marked down the share price to 5.40 cents.

Trasy Gold was listed on The GEM on November 30, 2000 at 21 cents per share. This means, therefore, that, within 102 days, this company has given up about 74 percent of its value.

The most active counter of the day was Town Health International Holdings Company Ltd (Code: 8138) whose share price held steady at \$HK1.77 after about 10.37 million of its scrip changed hands.

In Japan, it was, without question, a bloodbath for Japanese investors, as the premier Japanese stock market was rocked by an avalanche of sellers.

The Tokyo Stock Exchange's Nikkei-225 Index gave up 456.53 yen, falling to 12,171.37 yen, a one-day loss of about 3.62 percent.

Japan had to contend with a number of problems: Wall Street's slump, the previous Friday; its faltering economy, bordering on total collapse, according to Finance Minister, Mr Kiichi Miyazawa; and, the problems of Prime Minister Yoshiro Mori, who appeared to be refusing to quit his post.

But Wall Street was, definitely the most important reason for last Monday's sell-off on Asia's foremost stock market, as its blue-chip index hit a 16-year low.

There were a few gainers, to be sure, but losers outpaced the gainers by the ratio of 4.55:One.

By the close of trading, high-tech '*darling*', Advantest Corporation, was having its shares trade at 11,350 yen, each, which was a loss of nearly 7 percent, compared with its share price of Friday, March 9.

Sony Corporation was let off lightly as it only lost about 1.88 percent of its value, falling to 8,330 yen by the close, last Monday.

Fujitsu, however, did not fare as well as Sony as investors pushed down its share price to 1,487 yen, a loss of about 3.13 percent on the day.

Banks were mixed, but 3 of the big banks got hit quite hard as Asahi Bank shed 3.88 percent of its value, falling to 322 yen, followed by Sumitomo bank, whose share price fell to 1,103 yen, a one-day loss of about 3.84 percent. Bank of Tokyo-Mitsubishi gave up about 3.47 percent of its market capitalisation, falling back to 1,169 yen per share.

And so it went on. Few counters were saved from the '*haircut*' of last Monday.

This was how other Asian markets fared on Monday, March 12:

Indonesia	Minus 4.22 percent
Japan	Minus 3.62 percent
Malaysia	Minus 0.92 percent
The Philippines	Minus 1.31 percent
Singapore	Minus 2.55 percent

South Korea	Minus 5.35 percent
Taiwan	Minus 1.72 percent
Thailand	Minus 0.69 percent

Tuesday

Investors in Asia were not disappointed in that which many stockbrokers had warned on Monday night: Major stock markets in the most populous area of the world would continue their descent.

They did.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index fell to a 16-month low of 13,493.03 points, a loss of about 2.06 percent, compared with Monday's closing level.

The Total Turnover rose to about \$HK9.88 billion, with trading in HSBC Holdings plc (Code: 5), accounting for about 15.59 percent of that figure.

HSBC Holdings, the most active counter of the day, saw its share price fluctuate between a low of \$HK97.50 per share and a high of \$HK99 per share, ending the day at the high point of \$HK99 per share, which represented a loss of about 3.41 percent, compared with Monday's close.

China Mobile (Hongkong) Ltd (Code: 941) was next in line on the Most Active List -- as usual, because, for the previous fortnight, HSBC Holdings and China Mobile have held the Number One and Number Two slots on the Most Actives's list -- as about 23.55 million of its shares changed hands.

With a volume of about \$HK860 million in trades, China Mobile's turnover represented about 8.70 percent of the Total Turnover for the day.

China Mobile's share price fell to \$HK36.80, near the low for this year. It represented a loss of about 0.54 percent, compared with Monday's closing share price.

Sun Hung Kai Properties Ltd (Code: 16) continued to come under intense selling pressure as its share price sank to a low of \$HK73.75, during the day.

It recovered by the end of the session to hit \$HK76 per share, representing a loss on Monday's closing level of about 4.10 percent, which added to the losses of 4.52 percent of Monday.

The share prices of Mr Li Ka Shing's Hutchison Whampoa Ltd (Code: 13), Cheung Kong (Holdings) Ltd (Code: 1) and Pacific Century CyberWorks Ltd (Code: 8) all lost substantial ground, in keeping with the general tenor of the market.

There were no special events or public announcements of any materiality in the HKSAR, those that could have affected trading on The Stock Exchange of Hongkong Ltd, that is: The stock market was just reacting to events in the US, principally.

On Monday, on The New York Stock Exchange, the NASDAQ Composite Index fell to its lowest level since December 1998.

And it looked as though it had not hit bottom: More to come, later in the week.

During the hectic, first day of trading in New York, last week, the NASDAQ dropped to below 2,000 before recovering, later in the day.

Even so, it was down about 6.30 percent, compared with the close of the previous Friday, March 9.

It was the first time in the previous 2 years that the NASDAQ had hit such a low level.

The New York Stock Exchange's blue-chip index, the Dow Jones Industrial Average, dropped about 4.10 percent, ending the day at 10,208.25 points.

All of the constituent stocks gave up substantial ground.

Economic weakness in the US economy was the main reason for the continuing drop on Wall Street, along with profits' warnings from one company after another.

Last Monday, the words of the song, being sung by many US stockbrokers, were very different from the words of the same song, sung during the week of March 5-9.

Brokers, last week, were bemoaning their fate as share prices collapsed.

After the market closed, the US Commerce Department announced that consumer spending had dropped by about 0.20 percent, compared with January's figures.

Investors in the HKSAR watched the antics of Wall Street – and reacted, accordingly.

The following are the major losers of last Tuesday as the ratio of losers to gainers hit about 3.07:One, with about 55.60 percent of all counters, either not seeing any action, at all, or just struggling to hold onto Monday's closing levels:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (SHK)
139 Holdings Ltd	139		14.81	0.023
21 CN CyberNet Corporation Ltd	241		10.20	0.44
Anhui Expressway Company Ltd	995		10.98	0.73
Asia Tele-Net and Technology Corporation Ltd	679		11.11	0.04
China DigiContent Company Ltd	1197	10.00		0.022
Chinney Alliance Group Ltd	385		10.00	0.045
Ecopro Hi-Tech Holdings Ltd	397		14.29	0.012
Graneagle Holdings Ltd	147		13.33	0.013
Guangdong Tannery Ltd	1058		11.43	0.124
Hongkong Construction (Holdings) Ltd	190	16.03		1.52
Hudson Holdings Ltd	758		23.64	0.42
I-Wood International Holdings Ltd	162		13.51	0.32
Kin Don Holdings Ltd	208		15.38	0.033
Medtech Group Company Ltd	1031	10.00		0.066
Peking Apparel International Group Ltd	761		10.00	0.27
Qualipak International Holdings Ltd	1224	14.29		0.12
Quality Food International Ltd	735		14.91	0.097
Rockapetta Holdings Ltd	1003		11.11	0.40
Shun Ho Technology Holdings Ltd	219	14.75		0.28
Skynet (International Group) Holdings Ltd	577	10.00		0.022
South China Online Ltd	619		10.00	0.107
Victory City International Holdings Ltd	539		10.00	0.27

Phoenix Satellite Television Holdings Ltd (Code: 8002) gave investors on The Growth Enterprise Market (The GEM) a wild ride, last Tuesday, as the share price dipped to a low of \$HK1.38, but regained its composure to run back to a high of \$HK1.59, during the trading session.

That represented a swing of about 15.22 percent from the low point of the day.

Phoenix Satellite Television, the most-active counter of the day, saw a total of about 16.51 million of its shares, change hands, before its price came to rest at just short of its high point, at \$HK1.58 per share.

The turnover in this counter, in terms of dollars and cents, was about \$HK24.42 million, representing about 21.45 percent of the Total Turnover of about \$HK113.83 million.

The Growth Enterprise Index, after falling about 2.12 percent in early trading, recovered to end the session at 276.26 points, down just 0.45 percent, compared with Monday's closing level, by the 4 pm closing bell.

There were 4 major losers, last Tuesday:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Fortune Tele.com Holdings Ltd	8040		13.16	0.33
Proactive Technology Holdings Ltd	8089		11.43	0.31
Timeless Software Ltd	8028	17.24		0.68
Trasy Gold EX Ltd	8063		27.78	0.039

The ratio of losers to gainers on this market was about 2.46:One, with about 34 percent of all the counters, holding onto Monday's closing levels.

In The Land of the Rising Sun, the same old problems dogged the stock market of the premier bourse, The Tokyo Stock Exchange.

There, the Nikkei-225 Index gave up 351.67 yen, falling to a new 16-year low of 11,819.70 yen.

Like the rest of the world, Japan was concerned about the US economy, along with its own domestic problems, the solutions to which appeared to be unfathomable, as at last Tuesday, at least.

The main concern in Japan was that the country could slip into recession, at any time.

As it was, it only just sidestepped recession, late last year.

With the US economy on its proverbial knees, it means that Japanese manufacturers, many of whom are geared up for the massive US marketplace, will have no alternative markets for their goods.

Ergo: A further deterioration in Japan's trade surplus.

Prime Minister Yoshiro Mori was still in the hot seat and appeared to be unwilling to let go of his chair in a hurry.

On The Tokyo Stock Exchange, electronics, following on from Wall Street's losses of Monday, got hit very hard, last Tuesday, as Advantest lost about 6.26 percent of its value, falling back to 10,640 yen, Fujitsu gave up about 4.50 percent of its value, falling back to 1,420 yen per share, Hitachi lost about 3.79 percent of its market capitalisation, dropping to 940 yen, NEC Corporation shed 6.95 percent of its value, falling to 1,550 yen, and Rohm had to give up another 3.50 percent of its value, retreating to 17,900 yen per share.

In banks, there was a great deal of softness, headed by the drop in the share price of Sanwa Bank, which fell back to 762 yen per share, a one-day drop of about 7.97 percent.

Other banks to lose ground included:

Asahi Bank	off 6.52 percent to 301 yen
Bank of Fukuoka	off 2.45 percent to 478 yen
Bank of Kyoto	off 3.75 percent to 457 yen

Bank of Tokyo-Mitsubishi	off 3.42 percent to 1,129 yen
Daiwa Bank	off 4.62 percent to 165 yen
Tokai Bank	off 7.69 percent to 468 yen

Telecommunications counters were not spared the selling pressure as Japan Telecom gave up about 7.42 percent of its market capitalisation, falling to 1.75 million yen, and Nippon Telegraph and Telephone (NTT) shed 4.95 percent of its value, falling to 710,000 per share.

NTT's mobile unit, NTT DoCoMo, saw its share price fall back to 1.88 million yen, a one-day fall of 5.05 percent.

This is the way that other Asian markets saw the situation, last Tuesday:

Indonesia	Minus 2.70 percent
Japan	Minus 2.89 percent
Malaysia	Minus 0.91 percent
The Philippines	Minus 2.62 percent
Singapore	Minus 2.80 percent
South Korea	Minus 3.13 percent
Taiwan	Plus 0.50 percent
Thailand	Minus 0.69 percent

Wednesday

Last Wednesday, Asia had grave misgivings as to what was taking place on The New York Stock Exchange where there appeared to have been somewhat of a bounce-back in share prices.

As a result, major bourses in the most populous area of the world waited to see what would take place, later in the week: Keeping their powder dry, as the idiom goes.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the Main Board of The Stock Exchange of Hongkong Ltd was relatively quiet.

The Hang Seng Index, the blue-chip index of the market, continued to fall, shedding another 1.20 percent, falling back to 13,330.84 points.

The Total Turnover was about \$HK8.46 billion.

The same 2 counters dominated investors' attention: HSBC Holdings plc (Code: 5) and China Mobile (Hongkong) Ltd (Code: 941).

After about 9.37 million HSBC Holdings's shares changed hands, the share price of this giant banking group fell another 0.80 percent to end the day at \$HK96.

It was the lowest share-price level of the year, to date.

China Mobile, on the other hand, gained about 0.27 percent, rising to \$HK36.90 per share, after dipping to a low of \$HK36.80, which was Tuesday's closing level.

China Mobile had been as high at \$HK51, earlier in the year, so that last Wednesday's closing price represented a loss in its market capitalisation of about 27.65 percent, during a period of about 73 days.

Sun Hung Kai Properties Ltd (Code: 16) maintained its position as the third, most-active counter as investors '*played*' the massive property company, whose share price fluctuated between a low of \$HK75.50 and a high of \$HK77.50.

It ended the day at \$HK76 per share, unchanged from Tuesday's close.

Among the 3 leaders, their aggregate trading volumes represented about 25 percent of the Total Turnover of the day.

Although the market was not off very much, the ratio of losers to gainers was, still, wide, at about 1.79:One, with about 63 percent of all counters, either seeing no trading activity, at all, or holding firm.

Investors in the HKSAR, who had gambled on Chinadotcom, got a rude awakening, last Wednesday, when the PRC Internet portal company announced that it was taking a financial '*haircut*' to the extent of about \$HK1 billion in respect of Internet investments, along with bad debts.

New World Development Company Ltd (Code: 17) was one of the big losers, last Wednesday, as it became widely known that the Cheng Yu Tung-controlled diversified company would not be doing very well in the Current Financial Year, ending June 30, 2001.

For subscribers of TARGET, this was hardly a shock because they would have known about this after reading TARGET Intelligence Report, Volume III, Number 41, published on Friday, March 2, 2001.

Aside from New World, there were unconfirmed reports of a number of publicly listed companies, all of which, it was feared, would turn in poor results for the past year.

In New York, there was a bit of a rally on the world's largest stock market as the Dow Jones Industrial Average gained 82.55 points, about 0.81 percent, rising to 10,290.80 points.

The wider-based NASDAQ Composite Index rose 4.75 percent, 91.42 points, rebounding to 2,014.80 points, cutting down some of Monday's losses.

But there was a great deal of skepticism as to whether or not the rally was a matter of the discovery of fool's gold – pyrite – or the real thing.

There, really, was no valid basis for the late stock-market rally since nothing, appreciably, had changed in the previous 24 hours: If the bloodbath had been justified on Monday, how could things change on Tuesday, or Wednesday, or within any short space of time?

Motorola Incorporated, one of the world's largest producers of mobile telephones, said that it would sack another 7,000 of its workers.

This followed the earlier sackings of 5,000 of its workers.

The company has, now, let go about 36 percent of its Illinois factory's workers – all within a period of one month.

Other parts of the world, also, did not believe Wall Street's antics of last Wednesday, as the stock markets of London, Paris and Germany nose-dived.

The following is TARGET's double-digit movers of the day:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CATIC International Holdings Ltd	232		12.99	0.154
Evergo China Holdings Ltd	631		15.69	0.086
Hudson Holdings Ltd	758	19.05		0.50
I-China Holdings Ltd	240		17.65	0.028
Kunming Machine Tool Company Ltd	300	14.53		1.34
New World Development Company Ltd	17		12.93	10.10
Peace Mark (Holdings) Ltd	304		13.33	0.039
Qualipak International Holdings Ltd	1224	16.67		0.14
Sen Hong Resources Holdings Ltd	76		16.49	0.081
Shougang Concord Century Holdings Ltd	103	10.09		0.24
Simsen International Corporation Ltd	993		11.43	0.031
SunCorp Technologies Ltd	1063		10.91	0.049
Tem Fat Hing Fung (Holdings) Ltd	661		10.78	0.091
Universal Appliances Ltd	419		10.45	0.06
Wonson International Holdings Ltd	651		10.00	0.018
Yue Fung International Group Holdings Ltd	965		10.17	0.053

The Growth Enterprise Index, the guide to the HKSAR's speculative marketplace, The Growth Enterprise Market (The GEM), continued to lose ground, giving up another 0.36 percent, falling back to 275.26 points.

The Total Turnover on this market rose to \$HK184.46 million.

A rising volume on a falling market must be considered an ominous sign at any time and in just about any circumstance.

There was only one major loser: Trasy Gold EX Ltd (Code: 8063). Its share price retreated to 3.50 cents on a volume of 22.20 million shares.

The closing level represented a loss on the day of about 10.26 percent.

The Total Turnover was boosted, considerably, by trades, recorded in the counter of Neolink Cyber Technology (Holdings) Ltd (Code: 8116).

After about 65.42 million Neolink Cyber's shares changed hands, its share price fluctuating between a low of \$HK1.17 and a high of \$HK1.24, investors accepted a closing level of \$HK1.23, a gain on the day of 2.50 percent, compared with Tuesday's close.

Trading on this one counter represented about 43.23 percent of the entire volume of activity on this market.

Another gainer, the second, most-active counter, was Phoenix Satellite Television Holdings Ltd (Code: 8002). Its share price gained 1.27 percent to close the day out at \$HK1.60.

The volume of activity on this counter represented about 11.46 percent of the Total Turnover.

The ratio of gainers was about 1.44:One.

In Japan, the yen fell to a level that had not been seen since the summer of 1999: 121 yen = \$US1.

The reason for the dumping of yen by international investors: There were grave concerns as to the financial strength of many Japanese banks.

A major concern was that of the ability of 18 of Japan's largest banks, led by the world's largest bank, Mizuho Holdings, to repay their debts as they fell due, debts that were estimated to be about \$US529 billion (about \$HK4.12 trillion).

As the Prime Minister, Mr Yoshiro Mori, battled to stay in power, so the country's population grew exceedingly uneasy.

And Japan is Asia's most important single economy as well as being the world's Number Two economy.

On The Tokyo Stock Exchange, the Nikkei-225 actually gained about 0.20 percent to rise to 11,843.59 yen, but, like the stock markets of the HKSAR, it was unconvincing.

It was somewhat surprising that the benchmark index was in the black because many banks got slaughtered, during the day.

The following is a partial list of just 9 of the big bank losers:

Asahi Bank	off 1.99 percent to 295 yen
Bank of Fukuoka	off 1.67 percent to 470 yen
Bank of Yokohama	off 1.74 percent to 452 yen
Daiwa Bank	off 7.27 percent to 153 yen
Iyo Bank	off 2.88 percent to 641 yen
Sanwa Bank	off 8.79 percent to 695 yen
Sumitomo Bank	off 8.17 percent to 967 yen
Suruga Bank	off 4 percent to 791 yen
Tokai Bank	off 8.33 percent to 429 yen

Without question, the big losers on the premier stock market of Japan were banks. Most other counters were off, or up, fractionally, in the main.

Japan Airlines reported that it was planning to sack its ground staff by up to about 50 percent: That is about 4,200 workers, in all.

The airline, the largest in Asia, said that it had to cut costs.

Where-ever went the Japanese notion that a worker stayed loyal to his company for life; and, the company would look after its workers for life?

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

Indonesia	Plus 0.85 percent
Japan	Plus 0.20 percent
Malaysia	Minus 0.04 percent
The Philippines	Minus 0.17 percent
Singapore	Minus 0.32 percent
South Korea	Plus 2.90 percent
Taiwan	Plus 0.85 percent
Thailand	Minus 0.93 percent

Thursday

As Wall Street plunged into the mire again, last Wednesday, New York time, investors on the largest stock markets in Asia threw caution to the wind.

The stock markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) and the stock markets of Asia's most important economy, Japan, scooted to higher ground.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index rang up a gain of exactly 1.30 percent, returning to 13,504.17 points.

But nearly all of the 173.33-point gain came in the afternoon session since, during the 150-minute morning session, the blue-chip index moved only 17 points higher than Wednesday's closing level.

The Total Turnover remained on the low side, at about \$HK9.36 billion, with trading in HSBC Holdings plc (Code: 5), representing about 12.39 percent of that figure.

After about 12.34 million HSBC Holdings's shares were traded, the share price steadied at \$HK95 (ex dividend) after dipping to a low of \$HK92 per share.

The closing level, in absolute terms, represented a 1.04-percent erosion from Wednesday's closing price.

China Mobile (Hongkong) Ltd (Code: 941) was the second, most-active counter of the day and, for a change, its share price made a bit of a recovery, rising to \$HK37.90 per share on a volume of activity of about \$HK786.33-million worth of trades.

Though, technically, the Hang Seng Index was in positive territory, losing counters dominated gaining ones by the ratio of 1.12:One, with nearly 68 percent of all the counters, either not trading, at all, or having their share prices stay unchanged from Wednesday's levels.

There were hopes in the HKSAR, as in most parts of the *'free'* world, that the US Federal Reserve would lower interest rates in the coming week.

It had been widely reported that the Fed would meet on March 20 – tomorrow – at which time, it was almost universally hoped that an interest-rate reduction of between 50 basis points and 75 basis points would be announced.

Prayers and incantations, it was suggested, could be heard from Wall Street to Thread Needle Street (in London).

The HKSAR follows the US since the Hongkong dollar is linked to the US currency.

The very idea of an interest-rate reduction pushed up property counters, last Thursday, but not to any appreciable amount, appreciable, that is, relative to share-price falls of late.

There were a number of official announcements from publicly listed companies, last Thursday, but none of these announcements had any impact on share prices – because, in the main, the announcements gave little joy to investors.

On The New York Stock Exchange, investors were mauled as prices plummeted, once more.

The Dow Jones Industrial Average shed 3.08 percent, falling to 9,973.46 points, slicing through the 10,000 barrier as though it never existed.

It was said to be the tenth largest, one-day loss for the Dow in history.

On the NASDAQ, its Composite Index gave up 2.12 percent, falling through the 2,000 mark for the second time in a period of 2 trading days. It closed at 1,972.10 as the hammer came down, signifying the end of the session.

The NASDAQ Composite Index, as at last Wednesday's level, had lost nearly 61 percent of its value in one year.

Many of the blue chips got it in the neck as Citigroup gave up about 7.21 percent of its market capitalisation, falling to \$US44.90 (about \$HK350), and American Express was shaved down by about 7.57 percent to \$US38.48 (about \$HK300).

The losses on the world's largest bourse touched off an avalanche of selling, world-wide, as London's FTSE lost 1.60 percent of its value, Paris's CAC shed 1.40 percent, and Frankfurt's DAX lost 3.40 percent.

But, regardless of record losses in New York, many Asian bourses seemed to be apathetic to the plight of the world's largest economy.

The double-digit movers of last Thursday on The Stock Exchange of Hongkong Ltd included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Resources Transportation Holdings Ltd	899		12.20	0.036
Can Do Holdings Ltd	172		10.98	0.227
China Sci-Tech Holdings Ltd	985		11.11	0.064
Companion Building Material International Holdings Ltd (old)	2948	14.29		0.04
Hongkong Construction (Holdings) Ltd	190		12.50	1.33
Honko International Holdings Ltd	673	20.00		0.06
I-China Holdings Ltd	240	14.29		0.032
Interchina Holdings Company Ltd	202	17.07		0.24
iQuorum Cybernet Ltd	472	10.00		0.033
Lei Shing Hong Ltd	238		13.46	2.25
Mascotte Holdings Ltd	136		11.76	0.30
Paladin Ltd	495		13.46	0.103
Pioneer Global Group Ltd	224	10.00		0.44
Shun Ho Technology Holdings Ltd	219	14.29		0.32
South East Group Ltd	726	15.00		0.023
Swank International Manufacturing Company Ltd	663		12.12	0.058
Tem Fat Hing Fung (Holdings) Ltd	661		23.08	0.07
Universal Appliances Ltd	419	10.00		0.066
Wah Fu International Holdings Ltd	952		10.00	0.045

On The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, known as The GEM – which it, definitely, is not – quiet trading seemed to be the order of the day.

The Growth Enterprise Index gained about 0.35 percent, rising to 276.22 points.

The Total Turnover of the day was about \$HK95.59 million, down about 48 percent, compared with Wednesday's volume of activity.

The top 4 counters, in terms of their aggregate volume, accounted for about 56.22 percent of the Total Turnover.

The leading counters were:

Neolink Cyber Technology (Holdings) Ltd (Code: 8116)	down 3.25 percent to \$HK1.19
Phoenix Satellite Television Holdings Ltd (Code: 8002)	up 4.38 percent to \$HK1.67
EVI Education Asia Ltd (Code: 8090) (Making its debut)	\$HK1.11, up from 39 cents
Emperor Entertainment Group Ltd (Code: 8078)	unchanged at \$HK1.19

Aside from the leaders, Trasy Gold EX Ltd (Code: 8063) continued to come under pressure and lost another 20 percent of its market value, falling to 2.80 cents per share.

The biggest – and only -- double-digit gainer of the day was Fortune Tele.com Holdings Ltd (Code: 8040), whose share price rose 18.18 percent to 39 cents per share.

In spite of the Growth Enterprise Index, making a small gain, losers outpaced gainers by the ratio of 1.73:One.

In Japan, the prospect of a partial banking crisis dogged the market. (Please see Wednesday's report)

The fear was much more blatant, last Thursday, as some people suggested that some of the major Japanese banks were about to go belly up.

Falling share prices and non-performing loans were known to be dragging down the credibility of many companies, including, but not restricted to, Japanese banks.

On The Tokyo Stock Exchange, after the blue-chip index, the Nikkei-225, took a plunge of about 3.46 percent in early trading, it made a comeback to end the day at 12,152.83 yen, a gain of about 309.24 yen, or about 2.61 percent, on Wednesday's closing level.

Three of Japan's biggies financial institutions – Sanwa Bank, Tokai Bank and Toyo Trust – are due to merge in April to form, what will be known as, The UFJ Group.

And The UFJ Group will take a '*bath*' to the extent of about \$US9.33 billion (about \$HK74 billion).

From Daiwa Bank Ltd came a flat denial that it was in any financial trouble and that there was no chance of it, facing collapse.

The official announcement followed Daiwa's share price, taking quite a battering, as investors knocked down the share price to 129 yen, a loss of about 16 percent, intra-day.

By the close of trading, however, the share price had bounced back to 141 yen, which was off about 7.84 percent on Wednesday's close.

Electronics, consumer electrics, and computer-related counters, generally, were strong, led by Hitachi, whose share price gained exactly 6 percent to rise to 972 yen per share.

Other electronics to make gains included:

Advantest	Up 4.69 percent to 11,600 yen
Casio Compute	Up 4.72 percent to 777 yen
Fujitsu	Up 2.67 percent to 1,460 yen
Kyocera	Up 3.88 percent to 9,910 yen
NEC	Up 3.45 percent to 1,618 yen
Rohm	Up 3.60 percent to 19,270 yen
Sanyo Electric	Up 4.30 percent to 679 yen
Sumitomo	Electric Up 2.44 percent to 1,300 yen

The premier Japanese stock market looked as though it was trying to shrug off the financial woes of the country, in spite of the fact that Prime Minister, Mr Yoshiro Mori, was determinedly staying in his position, refusing to let go of the reins of power of Asia's most powerful economy.

And this was how the situation looked in other parts of Asia, last Thursday night:

Indonesia	Plus 0.60 percent
Japan	Plus 2.61 percent
Malaysia	Minus 0.95 percent
The Philippines	Minus 2.11 percent

Singapore	Plus 0.09 percent
South Korea	Minus 0.27 percent
Taiwan	Plus 1.49 percent
Thailand	Minus 1.28 percent

Friday

While the Western world's stock markets staggered, stuttered and spluttered, in Asia, it was apparent that investors were disregarding ominous signs on the financial horizon, last Friday.

Japan's premier stock market actually rose in the face of one crisis after another in Asia's most important economy.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), in spite of the fact that the volume of activity was very low on The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index was in positive territory by the end of the day.

During the morning session, to 12:30 pm, the Hang Seng Index had been shaved to the extent of about one half of one percentage point, but, in the 90-minute afternoon session, it regained its composure to end the week at 13,504.17, a gain on the day of 17.87 points, or about 0.13 percent.

The Total Turnover fell to about \$HK6.32 billion, the lowest, one-day volume of the week.

China Mobile (Hongkong) Ltd (Code: 941), HSBC Holdings plc (Code: 5), and Hutchison Whampoa Ltd (Code: 13) were the leaders on the Ten Most Actives, with China Mobile, gaining 1.58 percent to close at \$HK38.50 per share, HSBC Holdings, putting on 0.53 percent to close out the week at \$HK95.50, while Hutchison Whampoa lost 0.87 percent of its market capitalisation, dropping back to \$HK85.25.

Trading on these 3 counters represented a shade more than 25 percent of the entire volume of activity of the day.

The ratio of gainers to losers was about the same as Thursday's, at about 1.13:One, with about 68 percent of all counters, either staying firm at Thursday's closing levels or not trading, at all.

The quiet market did not lend itself to much gossip since the HKSAR, like Japan and the rest of Asia, was awaiting the determination of the Chairman of the US Federal Reserve as to the direction of interest rates, a matter that will be announced, tomorrow.

Sun Hung Kai Properties Ltd (Code: 16), one of the largest property developers in the HKSAR and, also, among the most secretive of companies, keeping things very close to its proverbial chest, preferring not to waste money on publicising its successes – and failures – announced flat earnings for the Interim Period to December 31, 2000.

The first half's profits, the company announced, were boosted by one-off surpluses, generated from the sales of trading securities, those companies that are listed on The Stock Exchange of Hongkong Ltd.

Sun Hung Kai Properties, which was the fifth, most-active counter of the day, saw an erosion of about 0.63 percent in its market capitalisation as investors knocked down its share price to \$HK78.75.

In New York, last Thursday, the blue chips were the things to watch as the Dow Jones Industrial Average rose 57.82 points to 10,031.28 points.

The 0.58-percent gain on the Dow was in contrast to losses on the NASDAQ where its Composite Index gave up about 1.59 percent, falling to 1,940.71 points.

It was difficult to believe, last Thursday in New York and last Friday in the HKSAR, that the world's largest stock market could maintain its position in the face of swindling corporate profits as the US economy continued its course in reverse gear.

Compaq Computer, one of the world's leading manufacturers and vendors of personal computers, announced that it was sacking 5,000 of its workers and that its first quarter results would not match analysts' estimates.

From the US Government came another blow as inventory levels were confirmed to be rising, with February's unsold goods, lying in US warehouses, being at a level which was 0.40 percent higher than January's levels.

Meanwhile, in Vienna, Austria, the Organisation of Petroleum Exporting Countries (OPEC) was meeting in order to determine what action, if any, it would take in respect of oil prices.

The cartel, which represents about 40 percent of the world's supply of crude oil, has the ability to cripple many a country by increasing the export price of Arabian crude, or simply by obtaining a consensus of its members to reduce production by about 5 percent.

OPEC is known to fly in the face of world opinion because, inter alia, it is said that whenever one puts 2 Arabs in one room with one problem, there is a guarantee that there will be at least 5 different opinions as to the tentative solution to the problem – without ever there being a definitive solution.

All these matters, and many others, went into the Asian '*pot*', which was being stirred in anticipation of the final stew.

The following is a list of the double-digit movers of last Friday, the last day of the week:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Resources Transportation Holdings Ltd	899	22.22		0.044
Asia Standard International Group Ltd	129	10.77		0.36
Asia Tele-Net and Technology Corporation Ltd	679	24.32		0.046
C.P. Pokphand Company Ltd	43		10.71	0.25
Can Do Holdings Ltd	172		15.86	0.191
China DigiContent Company Ltd	1197		14.29	0.018
Companion Building Material International Holdings Ltd (New)	432	10.00		0.044
E-LIFE International Ltd	370	11.54		0.145
Fu Hui Holdings Ltd	639		10.10	0.089
Huangeng Power International Incorporated	902	11.49		4.125
I-China Holdings Ltd	240	21.88		0.039
Mandarin Resources Corporation Ltd	70	22.02		1.33
Paladin Ltd	495		15.53	0.087
Styland Holdings Ltd	211	10.64		0.52
Tem Fat Hing Fung (Holdings) Ltd	661		24.29	0.053
Wonson International Holdings Ltd	651	11.11		0.02
Zhu Kuan Development Company Ltd	908	14.29		0.40

The antics of The Growth Enterprise Market (The GEM) were not dissimilar to the antics of the Main Board: The market hardly moved.

The Growth Enterprise Index gained 0.31 percent to end the week at 277.08 points on a Total Turnover of about \$HK94.61 million.

Neolink Cyber Technology (Holdings) Ltd (Code: 8116) continued to be the dominant counter as investors '*played*' about 18.83 million of this company's scrip, pushing its share price up about 0.84 percent to \$HK1.20.

Trading in the shares of this one counter represented nearly 24 percent of the entire volume of activity for the day.

There were 3, double-digit movers of the day:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (SHK)
Excel Technology International Holdings Ltd	8048	12.050		0.63
Grandmass Enterprise Solution Ltd	8108		25.00	0.06
Tong Ren Tang Technologies Company Ltd	8069	10.20		2.70

The ratio of gainers to losers was about 1.73:One.

In Japan, the country was still on very shaky ground as investors wondered how many major financial institutions would be unable to meet commitments as they fell due.

The Tokyo Stock Exchange, in what was considered by many to be an unusual turn of events, appeared to be relatively strong.

The Nikkei-225 gained about 80.15 yen to end the week at 12,232.98 yen, a gain over Thursday's close of 0.65 percent.

Banking shares closed firmly on the hopes that the new UFJ Group triumvirate would be the balm for the country's ailing banking industry. (Please see Thursday's report)

Matsushita Electrical Industrial Corporation announced that it would be taking actions in order to boost its lagging sales of consumer products.

Management said that there would be an asset-disposal exercise of about \$HK65 billion.

Matsushita's share price declined about 3.33 percent on the news, ending the week at 2,030 yen.

Telecommunications were, generally, strong, as the share price of Nippon Telegraph and Telephone (NTT) gained 5.90 percent to run to 772,000 yen, while its mobile unit, NTT DoCoMo, put on 5.26 percent to end the week at 2 million yen, even.

Japan Telecom, an archrival of NTT, did even better as its share price rose to 1.94 million yen, a one-day gain of about 7.78 percent.

But gains of this size were limited to just select counters: Most share prices were kept to within very narrow ranges.

This was how other parts of Asia saw the situation, last Friday, March 17, 2001:

Indonesia	Minus 1.64 percent
Japan	Plus 0.66 percent
Malaysia	Minus 0.57 percent
The Philippines	Plus 0.45 percent
Singapore	Minus 1.21 percent
South Korea	Minus 0.58 percent
Taiwan	Plus 0.73 percent

Thailand	Minus 1.05 percent
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