

HOW THE MIGHTY HAVE FALLEN !

Share prices scurried for higher ground across Asia, last Monday, with the 2 biggest bourses, leading the way in the most populous area of the world: Japan and the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

The Stock Exchange of Hongkong Ltd saw its Main Board's index, the Hang Seng Index, rise about 2.92 percent to end the session at 12,950.49 points on continued low volume.

There was no particular news to promote the HKSAR stock market, which was, simply, reflecting the seeming sentiment in New York of the previous Friday.

On The New York Stock Exchange on Friday, March 23, the Dow Jones Industrial Average gained 115.30 points, about 1.22 percent, ending the week at 9,504.78.

The broader-based NASDAQ Composite Index went along for the ride, gaining 31.04 points, about 1.64 percent, ending the week for this tech-laden market at 1,928.74 points.

US investors have been bombarded with one bearish report after another so that, when, on Friday, March 23, a couple of companies, listed on The New York Stock Exchange, announced that they were, so far, unscathed by the US economic downturn, some investors took heart.

And up went share prices, led by Advanced Micro Devices Incorporated, the share price of which gained 11.30 percent to hit \$US29.44 by the close of trading.

Most of the '*darlings*' of the hi-tech world came back to the fold as investors chased share prices to higher ground.

The tech sector of the market was helped, greatly, when Red Hat announced that its quarterly earnings' estimates had been beaten, easily, with sales in the quarter, being about double the comparable period of 2000.

Investors in the HKSAR took heart from Wall Street's gains at the opening of The Stock Exchange of Hongkong Ltd, last Monday, as the Hang Seng Index put on nearly 270 points in the first 2 hours of trading.

HSBC Holdings plc (Code: 5) continued to be the most, sought-after counter as investors pushed up this giant banking group's share price to \$HK91.25, a one-day gain of about 1.96 percent.

Totally, about 9.76 million HSBC Holdings's shares were traded, representing about 9.90 percent of the Total Turnover of about \$HK8.89 billion.

Hutchison Whampoa Ltd (Code: 13) was the second, most-active counter of the day as investors traded about 9.64 million shares of this Li Ka Shing company, pushing the share price up by about 1.84 percent to \$HK83.

But Mr Li Ka Shing's Pacific Century CyberWorks Ltd (Code: 8), run by Mr Richard Li Tzar Kai, Mr Li Ka Shing's Number Two Son, did not fare well, at all, losing 3.50 percent of its market capitalisation as investors marked down the shares to \$HK3.45.

Pacific Century CyberWorks, the sixth, most-active counter of the day, was the only Li Ka Shing company to fall under investors' axes; it was the only loser of the Ten Most Actives.

Gainers outpaced losers by the wide gap of 2.55:One, with about 56 percent of all counters, either hanging onto the previous Friday's levels, or seeing no action at all as investors concentrated on the big boys.

The following is a list of some of the largest gainers of the day, last Monday:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Resources Transportation Holdings Ltd	899	22.86		0.043
CATIC International Holdings Ltd	232	10.34		0.32
CATIC Shenzhen Holdings Ltd	161	10.14		0.78
China DigiContent Company Ltd	1197	13.33		0.013
China Everbright International Ltd	257	16.22		0.43
China Everbright Technology Ltd	256	14.10		0.445
Chinney Alliance Group Ltd	385	12.50		0.045
Daido Group Ltd	544	11.11		0.08
Dickson Group Holdings Ltd	313		10.71	0.125
DVN (Holdings) Ltd	500	10.00		2.475
Egana Jewellery & Pearls Ltd	926	12.37		0.218
First Shanghai Investments Ltd	227	31.71		0.54
Fourseas.com Ltd	755	15.79		0.022
Gemzboh Holdings Ltd	1192	11.76		0.038
Guangdong Kelon Electrical Holdings Company Ltd	921	10.90		1.73
I-China Holdings Ltd	240	11.76		0.038
IFTA Pacific Holdings Ltd	371	32.00		0.198
iQuorum Cybernet Ltd	472	10.00		0.033
Kunming Machine Tool Company Ltd	300	10.56		1.99
Kwong Hing International Holdings (Bermuda) Ltd	1131	11.63		0.048
Mansion House Group Ltd	376	14.29		0.40
Medtech Group Company Ltd	1031	16.00		0.058
Millennium Group Ltd	260	10.42		0.106
Nanjing Panda Electronic Company Ltd	553	11.34		2.70
Ocean Shores Group Ltd	764	11.59		0.77
Oriental Metals (Holdings) Company Ltd	1208	10.71		0.31
Pacific Challenge Holdings Ltd	166	13.33		0.68
Pioneer Global Group Ltd	224		14.89	0.40
Seapower Resources International Ltd	269	14.85		0.116
Shandong Xinhua Pharmaceutical Company Ltd	719	13.91		1.72
Shenyin Wanguo (Hongkong) Ltd	218	40.28		1.01
Shougang Concord Grand (Group) Ltd	730	13.46		0.295
Shum Yip Investment Ltd	604	11.54		1.74
Simsen International Corporation Ltd	993	10.34		0.032
Sun Man Tai Holdings Company Ltd	433	10.45		0.37
Ta Fu International Holdings Ltd	1041	16.67		0.07
Theme International Holdings Ltd	990	12.33		0.082
Tonic Industries Holdings Ltd	978	21.05		0.46
Tsingtao Brewery Company Ltd	168	10.71		2.325
Wai Kee Holdings Ltd	610		11.76	0.30

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, it was a question, more, of whether or not share prices could hold their lines.

The Growth Enterprise Index rose about 0.11 percent to 261.47 points on a Total Turnover of about \$HK94.83 million.

Neolink Cyber Technology (Holdings) Ltd (Code: 8116) continued to be strong, in line with the previous week's gains, as investors bought and sold about 12.33 million shares, representing about 19.56 percent of the entire volume of activity of the day.

Neolink Cyber's share price rose another 4.86 percent to end the day at \$HK1.51, just off a 3-month high, and 251 percent higher than the Offer Price of 43 cents when this company went public on July 18, 2000.

But the thin trading conditions did not spill over into many counters, as the ratio of gainers to losers was only about 1.59:One.

The Ten Most Actives accounted for a little more than 82 percent of the Total Turnover.

There were 2 major losers and just one, double-digit gainer:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Computech Holdings Ltd	8081		10.45	0.60
E-silkroad Holdings Ltd	8071	12.61		0.25
Yuxing InfoTech Holdings Ltd	8005		21.79	0.61

In The Land of the Rising Sun, Japanese investors went on a buying spree, resulting in the Nikkei-225 Index, the blue-chip index of The Tokyo Stock Exchange, rising the greatest amount of all indices in Asia.

The Nikkei-225 ended last Monday at 13,269.98 yen, a one-day gain of about 4.90 percent.

Gainers were voluminous with the ratio of gainers to losers on this market, being 20.46:One.

There appeared to be no special news that spurred the largest bourse in Asia to bigger and better things.

Simply put, Japanese investors were expecting their government to create economic miracles and, in anticipation of this event, plus taking heart from Wall Street's gains, they went in, boots and all, in an attempt to get in while there was still time (in their opinion).

Among the big gainers included electronics, computer manufacturers and chipmakers, most of which led the way to higher ground.

These included:

Advantest	Up 9.39 percent to 14,100 yen per share
Alps Electric	Up 6.25 percent to 1,275 yen per share
Casio computer	Up 7.65 percent to 872 yen per share
Kyocera Corporation	Up 7.33 percent to 12,600 yen per share
Mitsubishi Electric	Up 10.18 percent to 780 yen per share
NEC Corporation	Up 6.60 percent to 2,100 yen per share
OKI Electric Industries	Up 6.33 percent to 689 yen per share
Rohm Company	Up 9.07 percent to 23,100 yen per share
Sharp Corporation	Up 5.59 percent to 1,720 yen per share
Toshiba Corporation	Up 6.44 percent to 810 yen per share

In the motor sector of the market, most of the leaders continued to be, just that, leaders.

Noticeable were the share-price gains of:

Honda Motor	Up 5.11 percent to 5,350 yen per share
Isuzu Motors	Up 6.73 percent to 238 yen per share
Mabuchi Motor	Up 9.51 percent to 13,360 yen per share
Mazda Motor	Up 5.38 percent to 333 yen per share
Mitsubishi Motor	Up 8.07 percent to 375 yen per share
Suzuki Motor	Up 6.29 percent to 1,470 yen per share

Banks were mixed, but there were useful gains, made by a handful of the smaller institutions:

Daishi Bank	Up 6.68 percent to 415 yen per share
Iyo Bank	Up 4.73 percent to 730 yen per share

The reason, that this market, the largest in Asia, was seemingly turning on its head, was unknown, but one could have speculated, last Monday, that Japanese investors were very tired of hearing about the home-grown, political and economic problems, most of which had been plaguing that market for some time.

They were taking their cue from Wall Street, almost entirely.

This was how other Asian markets fared, last Monday:

Indonesia	Closed
Japan	Plus 4.90 percent
Malaysia	Closed
The Philippines	Plus 1.17 percent
Singapore	Plus 0.17 percent
South Korea	Plus 1.49 percent
Taiwan	Plus 1.65 percent
Thailand	Plus 1.22 percent

Tuesday

In contrast to Monday's stock markets, across Asia, investors sold, and sold, and sold, all day last Tuesday, pushing down indices in a complete reversal of investor sentiment ... or so it seemed.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the Main Board's Hang Seng Index gave up about 1.83 percent of its value, falling back to 12,707.90 on a reduced Total Turnover of about \$HK7.14 billion.

Losing counters were ahead of gaining ones by the ratio of about 2.43:One, with about 57 percent of all the counters, listed on The Stock Exchange of Hongkong Ltd, either not having their shares traded, at all, or simply hanging onto Monday's closing levels.

On the world's largest bourse, The New York Stock Exchange, investors were chasing so-called '*old-world stocks*': The Dow Jones Industrial Average gained about 183 points, about 1.92 percent, to rise to 9,687.79 points.

The NASDAQ Composite Index, which tracks the share-price movements of hi-tech and Internet-related companies, among other things, was off by about 10.04 points, about 0.52 percent, falling back to 1,918.64 points.

Hi-tech companies on both bourses continued to be the favourites of US investors, who shrugged off the very real fears of the previous few months.

The seeming complete change in US investor sentiment was worrying to many analysts since things had not changed, appreciably, in just 6 trading days, and the prices of many counters were, still, far too high, considering their near-term prospects.

Many brokers in New York were skeptical that the markets of the US could hold onto the gains.

Time would tell the tale.

Mr John Chambers, Chief Executive of Cisco Systems Incorporated, Cisco Systems, being rated as a leader in its field, made an announcement to the effect that he expected the US economic downturn to remain for another 3 quarters (to September, this year).

From San Francisco, California, came news that Conexant Systems and PMC-Sierra were planning to sack staff, nearly 2,000 of their combined workforces, according to official announcements.

Both companies are in the business of manufacturing and selling specialised chip equipment, such similar equipment that is supplied to Internet-equipment vendors, similar to Cisco Systems's products, in fact.

Investors in the HKSAR took note of the pronouncements from industry leaders in the US, and public announcements from managements of leading, US hi-tech entities, no doubt, and sold into strength – which did not last for too long, as it turned out.

HSBC Holdings plc (Code: 5) continued to be the most-active counter of the day as about 7.55 million of its shares were traded, representing a dollar value of about \$HK688.55 million, or about 9.66 percent of the Total Turnover of the day.

The share price of this giant banking group lost 0.82 percent of its value, falling to \$HK90.50.

China Mobile (Hongkong) Ltd (Code: 941) pushed the Li Ka Shing mob aside as the second, most-active counter of the day.

Investors spent a little more than \$HK459.65 million in trading in about 13.19 million shares of this giant, telecommunications company, one of the largest, mobile telephone companies in the PRC (some say that it is the largest).

By the time that trading came to a halt on The Stock Exchange of Hongkong Ltd, on Tuesday at 4 p.m., the share price of China Mobile was \$HK34, a price which represented a loss of about 4.23 percent, compared with Monday's closing level.

China Mobile, a constituent member of the Hang Seng Index and said to be the second largest company, in terms of its market capitalisation, was blamed for about 45 percent of the Hang Seng Index's losses of last Tuesday.

Its running mate, so to speak, China Unicom Ltd (Code: 762), was hit very hard as investors pushed down the share price of this PRC, State-run telecommunications company to \$HK8.60, a drop of about 6.52 percent over Monday's closing level.

China Unicom was the tenth, most-active counter of the day.

Both China Mobile and China Unicom are under the gun of the PRC's State Council, which had, already, announced that it is determined to change the tariff structures that these companies may charge to their customers.

Such a move will lower profits of both companies, in short order, unless there is a proportional increase in usage by existing, or new, subscribers to the respective telecommunications systems.

As for the major, Li Ka Shing companies, listed on The Stock Exchange of Hongkong Ltd, Hutchison Whampoa Ltd (Code: 13) lost 2.71 percent of its value, falling to \$HK80.75 per share, while Cheung Kong (Holdings) Ltd (Code: 1) fell back to \$HK78.75 per share, a drop of 3.67 percent.

For a rare treat, the volume of activity in the Ten Most Actives was down to about 45 percent of the entire volume of activity in the market.

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Resources Transportation Holdings Ltd	899		23.26	0.033
Chengdu PTIC Telecommunications Cable Company Ltd	1202	20.29		0.83
China Sci-Tech Holdings Ltd	985	18.18		0.065
Chongqing Iron and Steel Company Ltd	1053	11.76		0.57
Daido Group Ltd	544	10.00		0.088
First Shanghai Investments Ltd	227		12.04	0.475
Fourseas.com Ltd	755		13.64	0.019
Goldwiz Holdings Ltd	586		10.81	0.33
Greater China Sci-Tech Holdings Ltd	431		14.46	0.213
Honko International Holdings Ltd	673	17.86		0.066
iQuorum Cybernet Ltd	472		33.33	0.022
K&P International Holdings Ltd	675		12.50	0.14
Kin Don Holdings Ltd	208		16.13	0.026
Lam Soon (Hongkong) Ltd	411	14.75		1.40
Magician Industries (Holdings) Ltd	526		18.97	0.094
Midas Printing Group Ltd	1172		13.62	0.203
Nanjing Panda Electronic Company Ltd	553		12.96	2.35
Oriental Explorer Holdings Ltd	430	10.00		0.055
Pioneer Global Group Ltd	224	17.50		0.47
Shenyin Wanguo (Hongkong) Ltd	218		12.87	0.88
Sinocan Holdings Ltd	1095	34.62		0.07
Skynet (International Group) Holdings Ltd	577		14.29	0.018
Ta Fu International Holdings Ltd	1041		22.86	0.054
Top Form International Ltd	333		13.33	0.13
Victory City International Holdings Ltd	539	16.67		0.315
VTech Holdings Ltd	303		10.00	3.60

On The GEM – The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd – share prices drifted lower, generally, as The Growth Enterprise Index gave up about 0.74 percent of its value, falling to 259.54 points.

The Total Turnover on this market was about \$HK92.92 million, with, once again, Neolink Cyber Technology (Holdings) Ltd (Code: 8116), being the most widely traded counter.

Neolink Cyber's share price hit a new high of \$HK1.55, a gain over Monday's close of 2.65 percent.

The volume of activity in this counter represented about 20.36 percent of the Total Turnover.

There were no double-digit movers on this market, with Kingdee International Software Group Company Ltd (Code: 8133), being the biggest mover as its share price rose to 87 cents, a one-day gain of about 8.75 percent.

The ratio of gainers to losers was almost even, at about 1.11:One, with about 56 percent of all counters, being neglected by shareholders, who determined not to trade in the shares of these counters.

The 4 leaders counters represented about 56 percent of the entire volume of activity for the day.

In Japan, there was a plethora of news, the aggregate effect of which took its toll of investors' confidence.

The Tokyo Stock Exchange saw its Nikkei-225 Index shed about 223.98 yen, falling to 13,638.33 yen, a drop of about 1.62 percent on Monday's close.

Honda Motor Company, Japan's second-largest, motor-vehicle producer, announced that it was looking at a loss from its European Division, named Honda Motor Europe, of about \$US405 million (about \$HK3.15 billion) for the 2000 Financial Year.

Sales of Honda motor vehicles in Europe had fallen by about 24 percent, Year-on-Year, it was reported.

The Honda announcement was a bit of a shock to the market since it was only late last year that the company stated that it wished that it had invested more in Europe.

Honda's share price fell 110 yen to 5,240 yen, a one-day loss of about 2.06 percent.

Wednesday's trading, however, was expected to see Honda's share price fall lower, according to all accounts. But that could still take place on Thursday's market.

From Aiwa, a major player in Japan's consumer electronics industry, came news that it would be cutting away about 5,000 jobs in order to stage some kind of protection against worldwide cutbacks in consumer spending.

Its manufacturing facilities in Japan, Malaysia and Indonesia would be merged, the company announced.

Aiwa, controlled by Sony Corporation, the world's largest consumer electronics maker, claimed that competition from PRC manufacturers is cutting into the company's profits, quite deeply.

The share price of many Japanese electronic counters fell with a bang, on Tuesday, wiping out much of Monday's gains.

Advantest's share price lost about 3.90 percent of its value, falling to 13,550 yen, while Casio Computer shed about 3.67 percent of its market capitalisation, falling to 840 yen per share.

Japan's largest producer of personal computers, Fujitsu, lost nearly 4 percent of its value, falling back to 1,760 yen per share.

From Japan's Ministry of Economy, Trade and Industry came news that retail sales in the month of February had fallen by about 3.50 percent, compared with February 2000.

This compounded Japan's many problems because, in January, retail sales had fallen by about 2.60 percent, compared with the comparably period in 2000.

It was just another confirmation of the weak economy in the second, most important economy of the world.

Finally, Japan Telecom Company, a fierce rival of Nippon Telegraph and Telephone (NTT) and its mobile unit, NTT DoCoMo, announced that it would offer the cheapest daytime telephone rates in Japan, starting from May.

Japan Telecom, by its announcement, was throwing down the gauntlet in the face of NTT.

Japan Telecom's share price gained a little more than 4 percent on the news.

NTT's share price, and that of NTT DoCoMo, hardly moved, during last Tuesday's trading session.

This was how the situation looked in other Asia stock markets as investors went home, last Tuesday night:

Indonesia	Minus 0.58 percent
Japan	Minus 1.62 percent
Malaysia	Minus 0.87 percent
The Philippines	Minus 0.10 percent

Singapore	Minus 2.26 percent
South Korea	Minus 2.40 percent
Taiwan	Minus 0.20 percent
Thailand	Minus 0.95 percent

Wednesday

The big news of the day, in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), came after the closing bell on The Stock Exchange of Hongkong Ltd.

The news came from the Li Ka Shing Camp, specifically, from the publicly listed company, controlled by the Number Two Son of the Great Man, Mr Richard Li Tzar Kai: Pacific Century CyberWorks Ltd (Code:8).

Pacific Century CyberWorks announced that it had dropped a bundle in the past Financial Year: Nearly \$HK7 billion, in fact (depending on the foreign-exchange translation factor for a loss of \$US886 million).

This was a record loss for any company in the history of these 416 square miles.

It had been expected that this telecommunications giant would be holding onto the short end of the profits' stick because it is, indeed, difficult to produce sufficient recurrent income to service debt, in the neighbourhood of \$HK70-plus billion, on the relatively meagre income from the core businesses, the HKSAR fixed telephone line service et al, as well as write off more than \$US5 billion in respect of diminution in the value of investments.

Closeted away from the members of the fourth estate by 12 floors in the company's Quarry Bay offices, Mr Richard Li Tzar Kai announced the sad state of affairs in the company that he purchased from London-based Cable and Wireless plc in 1999.

The public announcements, in respect of the financial situation at Pacific Century CyberWorks, last year, read from the industrial area of the HKSAR where the offices of Pacific Century CyberWorks are located, was termed as a sad event.

It indicated that, to this partially educated son of the Great Man, it was a very embarrassing situation, especially since the share price of Pacific Century CyberWorks had the unenvious distinction of being the worst-performing stock, listed on The Stock Exchange of Hongkong Ltd for the past few years.

Total Debt is, now, greater than Shareholders' Funds, it was admitted.

The share price of Pacific Century CyberWorks, last Wednesday, closed at \$HK3.475, down just 0.71 percent, compared with Tuesday's closing level.

But large losses in its share price were, fully, expected as soon as the HKSAR stock market opened on Thursday.

Investors on The Stock Exchange of Hongkong Ltd, informed of the coming announcements from Mr Richard Li Tzar Kai, as head of Pacific Century CyberWorks, did not pay too much heed to what was about to befall the territory.

They appeared to be happy enough to buy and sell stocks, pushing up the Hang Seng Index by about 1.13 percent to 12,851.41 points.

The Total Turnover, however, fell back to about \$HK6.88 billion – an ominous sign, signifying that the market was fast running out of steam.

HSBC Holdings plc (Code: 5) led the Ten Most Active counters, followed by China Mobile (Hongkong) Ltd (Code: 941).

HSBC Holding put on 1.66 percent, closing the day at \$HK92 per share, while China Mobile regained 3.24 percent of its market capitalisation to close at \$HK35.10 per share.

The ratio of gainers to losers was about 1.89:One with about 66 percent of all counters, either holding onto Tuesday's closing levels or not seeing any action in their shares.

The HKSAR stock markets were reacting, more to what was taking place, internationally, where stock markets were rallying to the call to arms from investors, than good common sense.

The reason for the rallies, which were quite widespread, was not immediately known – and many investors were fully cognisant of the possibility that the rallies could peter out, as quickly as they started.

On the largest stock market of the world, The New York Stock Exchange saw its blue-chip index, the Dow Jones Industrial Average, rise 259.95 points, about 2.68 percent, closing out the day at 9,947.48 points.

It was the third day in a row that the World's Number One Stock Market had risen.

On the NASDAQ, its Composite Index went along with the Dow's seeming game plan and rose 2.80 percent to end the day at 1,972.30 points.

It was said that there had been a resurgence of consumer confidence and that that was the reason for the shift in sentiment on world equity markets.

After 5 months of declines, it was reported, last Tuesday in New York, that US consumer confidence in March had risen 8 points to 117 points, according to the US Conference Board Consumer Research Centre.

The '*universal*' sampling comprises interviews with 5,000 US families.

In Europe, London's Financial Times Stock Index (the FTSE) rose about 3 percent, while Germany's DAX Index gained about 3.70 percent. In France, the CAC was up 2 percent.

On the negative side of the ledger, Chinadotcom announced that it would sack more than 400 of its staff, equal to about 17 percent of its total workforce.

It was the third staff cut in the past 6 months.

The Walt Disney Company, the largest of entertainment company and theme park operator in the world, announced that it would be sacking about 4,000 of its full-time workers, resulting in annual savings of between \$US350 million and \$US400 million.

All these factors, and many more, to boot, did not indicate a strengthening economic situation in The Land of The Free and The Home of The Brave.

Investors in the HKSAR were mindful of statistics and the fact that they can easily be used to prove anything – or nothing.

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Honko International Holdings Ltd	673		24.24	0.05
ING Beijing Investment Company	1062		15.15	0.14
Kin Don Holdings Ltd	208	15.38		0.03
Kwong Hing International Holdings (Bermuda) Ltd	1131		16.67	0.04
Lamex Holdings Ltd	312	18.75		0.057
Magnum International Holdings Ltd	305		33.05	0.079
Mascotte Holdings Ltd	136.	32.08		0.35
Netalone.com Ltd	336	20.37		0.13
Pioneer Global Group Ltd	224		17.02	0.39
Shun Ho Technology Holdings Ltd	219	11.11		0.30
Sinocan Holdings Ltd	1095	31.43		0.092
Wonson International Holdings Ltd	651	10.00		0.022

On The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index lost about 0.49 percent of its value, falling back to 258.27 points.

The Total Turnover rose to about \$HK111.49 million, with trading in the shares of Neolink Cyber Technology (Holdings) Ltd (Code: 8116), representing about 18.88 percent of the entire volume of activity of the day.

Neolink Cyber's share price rose another 1.29 percent to hit another new high of \$HK1.57 after 13.60 million shares were traded.

It was the most-active counter for the day – again.

There were 2 double-digit movers, last Wednesday, both of which shed substantial amounts.

L.P. Lammas International Ltd (Code: 8029) lost 18.18 percent of its market capitalisation, falling to 9 cents per share, while Systek Information Technology (Holdings) Ltd (Code: 8103) lost 36 percent of its value, falling back to 16 cents per share.

Gainers were ahead of losers by the ratio of about 1.53:One.

In The Land of The Rising Sun, euphoria did not reign in spite of the fact that, statistically, indices were a tad higher on Japan's leading bourses.

On The Tokyo Stock Exchange, the Nikkei-225 rose to 13,765.51 yen, but the gain was below one percent of Tuesday's closing level.

Japan was trying to hang onto the coattails of The New York Stock Exchange, but it appeared to be losing its grip.

Confidence was somewhat shaken on the most-important stock market in Asia, following an announcement from Mitsubishi Motors Corporation that it expected a loss of about \$US2.20 billion (about \$HK17.14 billion) for its Financial Year, ended March 31, 2001.

The fourth, largest manufacturer of motor vehicles in Japan surprised the market since it had announced, earlier in the year, that it expected losses for the Current Year of about half of that figure.

The share price of Mitsubishi Motors had shed about 1.88 percent of its value, during trading hours, but it was expected to lose more ground on Thursday since its profits' announcement came after the Wednesday market had closed for the day.

Honda Motor's share price was not let off as lightly as Mitsubishi Motors, however, and suffered a 2.10-percent, one-day loss, ending the day at 5,130 yen per share.

The share price of Nissan Motor Company, the third, most popular producer of motor vehicles in Japan, lost the most, however, falling back to 819 yen per share, a loss of about 2.27 percent, compared with Tuesday's close.

By and large, the premier market in Japan was relatively quiet, with gainers, edging out losers by the thin margin of 1.07:One.

And this was how other parts of Asia saw the situation, last Wednesday night:

Indonesia	Plus 1.59 percent
Japan	Plus 0.93 percent
Malaysia	Minus 0.40 percent
The Philippines	Plus 0.32 percent
Singapore	Minus 1.49 percent
South Korea	Minus 2.22 percent
Taiwan	Minus 1.10 percent
Thailand	Minus 1.35 percent

Thursday

Investors, probably, did not realise it, early Thursday morning, but the extent of the rot in the retail market in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) had manifested itself in the worst possible way: The giant British retailer, Marks and Spencer, was pulling out of the HKSAR.

It announced that it was selling all of its 10 huge stores in the 416 square miles that constitute the territory to a single franchise.

That is, of course, when the retailer can find a buyer.

The company stated that it had been successful in the HKSAR, but that it wanted to concentrate its efforts in the UK.

At the same time, the Chief Executive of Marks and Spencer, Asia, Mr Jim McDonald, is to step down (another way of saying that he has been sacked?) and other people will negotiate the sales of the stores.

What utter twaddle!

If the 10 HKSAR stores were making so much money, for what reason would the company want to rock the HKSAR *'boat'*?

Orwellian doublespeak?

That shock announcement, plus Wednesday's night shocker from Pacific Century CyberWorks Ltd (Code: 8) – please see Wednesday's report -- took its toll of share prices on The Stock Exchange of Hongkong Ltd, no doubt, but there were other considerations, also.

Wall Street had fallen out of bed.

On The New York Stock Exchange, the Dow Jones Industrial Average, which plots the course of 30, blue-chip stalwarts, dropped 1.63 percent to 9,785.35.

The NASDAQ Composite Index, on the other hand, the accepted '*barometer*' of hi-tech and Internet-related issues, caste a huge shadow over trading, worldwide, as it lost a good 6 percent of its value, falling to 1,853.92 points.

Wall Street's losses were the result of US investor sentiment, making a 180-degree turn, following more confirmations of the sad state of the financial affairs in many US corporations.

Nortel Networks Corporation, a maker of fibre optical equipment, forecast a much greater, first-quarter loss than had been anticipated by management, it announced (can one believe that twaddle?).

And the share price of this company shed 13 percent of its value in short order.

Nortel Networks, also, announced that it would be slashing another 5,000 jobs within a few months.

So much for all the hype about this Canadian company.

ADC Telecommunications, a global supplier of communications equipment, based in Minneapolis, the US, announced that it would be cutting out another 3,000 jobs, at least, and that figure could be extended to 4,000 jobs.

ADC Telecommunications, listed on the NASDAQ, shed about 22 percent of its market capitalisation, falling back to \$US8.22 per share (about \$HK64).

And so it went on.

Investors in the HKSAR could not ignore the obvious; and they marked down the Hang Seng Index, the guide to trading on the Main Board of The Stock Exchange of Hongkong Ltd, by 1.35 percent to 12,677.89 points.

The Total Turnover was down to about \$HK7.88 billion, with HSBC Holdings plc (Code: 5) still the leading counter as about 7.70 million HSBC Holdings's share changed hands.

The closing price of this giant banking group was \$HK90.75 per share, a fall of about 1.36 percent, compared with Wednesday's closing level.

HSBC Holdings's activity on the market, last Thursday, represented about 8.87 percent of the Total Turnover.

Although Mr Richard Li Tzar Kai, probably, did not appreciate that attention that shareholders and investors paid to Pacific Century CyberWorks, it was, nevertheless, the second, most-active counter of the day with a turnover, in terms of value, of about \$HK679.48 million.

After about 217.76 million Pacific Century CyberWorks's shares changed hands, the price settled at \$HK3.225, a fall of about 6.47 percent, compared with Wednesday's closing price.

But the low of the day was when this company's share price hit \$HK2.975 in early trading.

According to analysts – and TARGET's view, too – it will take this Li Ka Shing company 2 years or more to recover.

And, meanwhile, one may expect further falls in its share price, without question.

All the Li Ka Shing money and all the Li Ka Shing men will not be able to replace the loss of investor confidence in this company, again – at least, not in any great hurry.

As for the 2, major Li Ka Shing companies, Hutchison Whampoa Ltd (Code: 13) and Cheung Kong (Holdings) Ltd (Code: 1), they were both caught up the situation as Hutchison Whampoa's share price lost about 0.92 percent of its value, falling to \$HK80.50, while Cheung Kong's share price actually gained 0.63 percent, rising to \$HK80, after dipped to \$HK77.75.

Hutchison Whampoa was the third, most-active counter of the day while Cheung Kong was in fourth position.

The trading volumes of Pacific Century CyberWorks, Hutchison Whampoa and Cheung Kong represented about 21.55 percent of the Total Turnover on the market.

The ratio of losers to gainers was about 1.63:One, with about 65 percent of all counters, either holding onto Wednesday's closing levels or seeing no action in their share prices.

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Resources Transportation Holdings Ltd	899		19.05	0.034
C.P. Pokphand Company Ltd	43		12.31	0.171
CATIC International Holdings Ltd	232	15.79		0.33
China Development Corporation Ltd	487	12.00		0.112
China DigiContent Company Ltd	1197		23.08	0.01
Climax International Company Ltd	439		13.33	0.078
EC-Founder (Holdings) Company Ltd	618		20.00	0.48
First Tractor Company Ltd	38	11.43		0.78
FT Holdings International Ltd	559		12.28	0.25
Guangdong Building Industries Ltd	818	12.50		0.72
Honko International Holdings Ltd	673	10.00		0.055
Hop Hing Holdings Ltd	47		14.29	0.24
Kantone Holdings Ltd	1059	17.78		0.53
Karce International Holdings Company Ltd	1159		14.29	0.30
The Kwong Sang Hong International Ltd	189		11.76	0.30
Lai Sun Development Company Ltd	488	22.17		0.27
Leading Spirit High-Tech (Holdings) Company Ltd	606		21.43	0.011
Magnum International Holdings Ltd	305		11.39	0.07
Man Yue International Holdings Ltd	894		11.86	0.26
netalone.com Ltd	336	15.38		0.15
Online Credit International Ltd	185		11.67	0.053
Sen Hong Resources Holdings Ltd	76		10.00	0.063
Shenyin Wanguo (Hongkong) Ltd	218	12.09		1.02
Simsen International Corporation Ltd	993		10.00	0.027
Sino InfoTech Holdings Ltd	205		16.00	0.084
Skynet (International Group) Holdings Ltd	577		10.00	0.018
Solartech International Holdings Ltd	1166		14.29	0.012
South East Group Ltd	726	10.00		0.022
Suwa International Holdings Ltd	567	10.85		0.235
Ta Fu International Holdings Ltd	1041	21.82		0.067
Wing Lee Holdings Ltd	876		77.13	0.295
Yau Lee Holdings Ltd	406	13.64		0.375
Yue Fung International Group Holdings Ltd	965	14.58		0.055

On The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, it was impossible for investors to fart against thunder: The Growth Enterprise Index lost another 0.68 percent of its value, no doubt in sympathy with NASDAQ.

But Neolink Cyber Technology (Holdings) Ltd (Code: 8116) appeared to be unruffled by the situation in other markets; its management saw exactly 8 million of its shares change hands with its share price, fluctuating between a low of \$HK1.54 and a high of \$HK1.60.

It ended the session at \$HK1.56 per share for a loss of 0.64 percent, compared with Wednesday's close.

With a Total Turnover on this market of about \$HK69.64 million, trading in Neolink Cyber's shares represented about 18 percent of the entire volume of activity for the day.

There were 3 double-digit movers on The GEM:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Pine Technology Holdings Ltd	8013		16.18	0.285
Qianlong Technology International Holdings Ltd	8015	12.24		0.55
Systek Information Technology (Holdings) Ltd	8103	41.88		0.227

The ratio of losers to gainers was exactly 1.50:One.

In Japan, losses were severe, sending investors, running for cover.

The Tokyo Stock Exchange was a virtual bloodbath as the Nikkei-225 Index gave up 5.04 percent, falling to 13,072.36 yen.

Tokyo was bracing itself for the situation on the world's largest stock exchange which, by every appearance, it was nowhere near its nadir.

Last Thursday's losses represented the largest, one-day loss in about one year.

As expected, electronics, chipmakers, optic fibre producers and Internet-related counters were among the biggest losers of the day:

	Down 6.98 percent to 12,930 yen per share
Advantest	Down 5.96 percent to 1,230 yen per share
Alps Electric	Down 2.89 percent to 806 yen per share
Casio Computer	Down 5.97 percent to 1,655 yen per share
Fujitsu	Down 11.35 percent to 1,312 yen per share
Furukawa Electric	Down 7.18 percent to 11,510 yen per share
Kyocera Corporation	Down 4.32 percent to 730 yen per share
Mitsubishi Electric	Down 3.81 percent to 1,977 yen per share
NEC Corporation	Down 7.72 percent to 20,800 yen per share
Rohm Company	Down 4.06 percent to 8,970 yen per share
Sony Corporation	Down 5.37 percent to 740 yen per share
Toshiba Corporation	

Banking counters were not spared the day's sell-off, led by Iyo Bank, whose share price lost a full 10.17 percent, falling to 680 yen.

Other major banks to lose ground included:

Asahi Bank	Down 2.85 percent to 307 yen per share
Bank of Kyoto	Down 5 percent to 493 yen per share
Bank of Yokohama	Down 3.60 percent to 482 yen per share
Hachijuni Bank	Down 6.92 percent to 605 yen per share
Hokkoku Bank	Down 7.71 percent to 443 yen per share
Shizuoka Bank	Down 3.60 percent to 964 yen per share
Suruga Bank	Down 8.60 percent to 850 yen per share

With the exception of Hino Motors, whose share price shed 7.55 percent, falling to 539 yen per share, most other motors lost between 3 percent and 4 percent of their values.

These motors included:

Honda	Down 3.11 percent to 4,970 yen per share
Mabuchi	Down 3.44 percent to 12,030 yen per share
Mazda	Down 4 percent to 311 yen per share
Toyota	Down 3.70 percent to 4,420 yen per share

Japan was bleeding, to be sure – and there appeared to be no end to the bath of blood.

This was how other Asian markets fared, last Thursday:

Indonesia	Plus 1.76 percent
Japan	Minus 5.04 percent
Malaysia	Minus 1.33 percent
The Philippines	Minus 1.47 percent
Singapore	Minus 1.59 percent
South Korea	Minus 0.94 percent
Taiwan	Plus 0.25 percent
Thailand	Plus 0.27 percent

Friday

Share prices edged up on The Stock Exchange of Hongkong Ltd, last Friday, in a further deterioration in the volume of activity in spite of one negative piece of news after another.

Pacific Century CyberWorks Ltd (Code: 8) continued to slide down the slippery slope as investors pushed the share price to a low of \$HK3.025 before a mild recovery in the price of the stock, which pulled it back to \$HK3.075.

The closing price represented a one-day loss of about 5.38 percent over Thursday's close, and a loss, since last Wednesday's Results announcement, of about 11.51 percent.

Which cannot be considered too bad – because the share price could have fallen to below \$HK1, all things considered (perhaps, that is in the future?).

Most share prices of the '*big boys*' were either up or down one percent or less, with a few notable exceptions, such as Pacific Century CyberWorks.

On Wall Street, many technology counters hit 28-month lows as the NASDAQ Composite Index gave up another 33.56 points, about 1.81 percent, falling to 1,820.57 points.

The blue-chip index of The New York Stock Exchange, the Dow Jones Industrial Average, managed to eke out a 13.71-point gain, rising to 9,799.06.

The 0.14-percent rise in the value of the Dow, however, was fooling nobody, as investors and analysts alike pointed to the statistics: There was no apparent reason for any euphoria.

More evidence emerged from the US Government, pointing the way to bigger and better losses before the equity markets of the world's largest economy could bottom out.

The Commerce Department announced that fourth quarter results indicated that the US economy had grown at its weakest rate in the previous 66 months.

Wall Street was losing the battle of investor confidence: One cannot spit into the winds of fate without getting expectorate on one's face.

All the gains of the week, ended March 23, had been wiped out in the week, ended March 30.

In addition, it was announced by the US Government that the annual Gross Domestic Product (GDP) – the total value of goods and services – had fallen back to one percent, down from 5.60 percent, announced in the middle of the previous year.

That was enough for the rest of the world: Down came share prices, from London, England, to Paris, France, to Frankfurt, Germany.

From Detroit, Michigan, the accepted birthplace of the mass-produced, motor car, came news that Ford Motor Company was planning to cut one complete shift in its Wayne, Michigan truck plant where the Sports Utility Vehicle (SUV) is produced.

This will mean that another 830 Ford workers will hit the streets.

Also, from this sector of the US economy came news that Delphi Automotive Systems, a producer of motor-car accessories, was to axe about 11,500 jobs.

The domino effect in the industry was being felt.

It was difficult for investors of the HKSAR to ignore the obvious; and, this was reflected in the volume of activity on The Stock Exchange of Hongkong Ltd and the rough ride that many counters, listed there, had been enjoying of late.

The ratio of gainers to losers, last Friday, was about 1.43:One, with about 65 percent of the entire market, being neglected by investors.

It was, also, noted that the volume of activity in the Ten Most Actives had dropped to about 36 percent of the Total Turnover.

More often than not, the volume of the Ten Most Actives represents more than 55 percent of the Total Turnover.

The double-digit movers of last Friday included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139	50.00		0.033
21CN CyberNet Corporation Ltd	241		13.64	0.38

AV Concept Holdings Ltd	595	10.26		0.43
Brilliance China Automotive Holdings Ltd	1114	12.35		2.275
China Online (Bermuda) Ltd	383	20.63		0.076
China Shipping Development Company Ltd	1138	10.19		1.19
Cosmos Machinery Enterprises Ltd	118	15.38		0.45
Egana Jewellery and Pearls Ltd	926	13.30		0.23
G-Prop (Holdings) Ltd	286		35.85	0.034
Gemzboh Holdings Ltd	1192		11.43	0.031
Goldwiz Holdings Ltd	586		18.03	0.25
Hansom Eastern (Holdings) Ltd	279	14.77		0.101
IFTA Pacific Holdings Ltd	371	19.00		0.238
iRegent Group Ltd	575		10.00	0.18
Karce International Holdings Company Ltd	1159	16.67		0.35
Lai Sun Development Company Ltd	488		16.30	0.226
Man Yue International Holdings Ltd	894		19.23	0.21
Next Media Ltd	282	11.35		0.255
Qualipak International Holdings Ltd	1224	16.07		0.195
renren Media Ltd	59		14.29	0.018
South East Asia Wood Industries Holdings Ltd	1205	26.13		0.14
Skynet (International Group) Holdings Ltd	577	11.11		0.02
SunCorp Technologies Ltd	1063		11.63	0.038
Ta Fu International Holdings Ltd	1041		11.94	0.059
Wai Kee Holdings Ltd	610	11.11		0.30
Welback Holdings Ltd	491	18.18		0.039
Wing Lee Holdings Ltd	876		18.64	0.24
Yugang International Ltd	613	10.26		0.043

On The GEM – The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd – Chengdu Top Sci-Tech Company Ltd (Code: 8135) made its debut as investors ‘played’ 84.25 million shares in this information technology company that works, almost exclusively, for the Government of the People’s Republic of China (PRC).

The share price of Chengdu Top Sci-Tech ranged between a low of 72 cents and a high of 79 cents, ending the session at 74 cents – just 2 cents higher than the Offer Price.

(For full analysis of this company, please see [TARGET Intelligence Report, Volume III, Number 61](#), published on Friday, March 30)

The turnover in this counter, in terms of dollars and cents, amounted to about \$HK63.06 million, or about 32.18 percent of the Total Turnover of about \$HK195.97 million.

The Growth Enterprise Index gained 0.15 percent, rising to 256.89 points, as share prices limped along for the most part.

However, there were 4 double-digit movers, which made some people sit up and take note:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (SHK)
Far East Polychem Industries Ltd	8012	23.81		2.60
Qianlong Technology International Holdings Ltd	8015	14.55		0.63
Systek Information Technology (Holdings) Ltd	8103		12.78	0.198
Timeless Software Ltd	8028	13.21		0.60

For every one counter that lost ground, last Friday, there were 1.50 counters that gained ground, the statistics of The GEM indicated.

In Japan, the big news was that the value of a yen, vis-à-vis a US dollar, had fallen to the new, 29-month low of 124.85 yen.

The Governor of the mighty The Bank of Japan, Mr Masaru Hayami, commented that the Japanese economy had stagnated – which must be interpreted as going backwards since nothing stands still.

On The Tokyo Stock Exchange, the Nikkei-225 fell 72.66 yen to 12,999.70 yen, a one-day loss of about 0.56 percent.

Some electronics and hi-techs got it in the neck as investors, worried about the continued weakness in US economy, sold in what appeared to be some fear that there may never be another chance to convert into cash.

However, unlike the earlier part of the week, most share prices were contained to losses and gains of fractional amounts although, test-maker company, Advantest, did shed 3.63 percent of its market capitalisation, ending the week at 12,460 yen per share.

Banks, by and large, showed a great deal of resistance to losses as Bank of Fukuoka's share price rose 6.65 percent to 545 yen per share and Daiwa Bank put on 3.16 percent to rise to 163 yen per share.

Hokuriku Bank was another winner as its share price put on 5.80 percent to close out the week at 237 yen per share.

Joyo Bank, rarely mentioned by Japanese brokerage houses, saw its share price rise by about 6.19 percent to 429 yen per share.

But that was, just about, it: The stock market in the second, most-important economy of the world was quiet as the Government of The Land of the Rising Sun dabbled with gimmicks in order to try to restart its economy.

And this was how other parts of Asia saw the situation on the final day of trading, last week:

Indonesia	Minus 0.19 percent
Japan	Minus 0.56 percent
Malaysia	Minus 0.70 percent
The Philippines	Plus 1.14 percent
Singapore	Plus 2.84 percent
South Korea	Minus 0.11 percent
Taiwan	Minus 0.62 percent
Thailand	Plus 1.41 percent

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