

**GEORGE BUSH PUTS THE CAT IN THE CHICKEN COUP**  
**JAPAN ELECTS A RENEGADE**  
**MARKETS MARK TIME**

The boom of the previous week had all but fizzled out, last Monday, as Asia reverted to its previous lacklustre mode.

Gone was the euphoria of the previous Thursday, following on from the US Federal Reserve's shock announcement of a 50, basis-point cut in interest rates in the world's largest economy.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the 2 stock exchanges, the Main Board and The Growth Enterprise Market (The GEM), were both very quiet.

On the Main Board, the Hang Seng Index lost about 1.02 percent, falling to 13,311.50 points on a Total Turnover of just a shade more than \$HK6.70 billion.

That Total Turnover compared with the previous Thursday's Total Turnover of about \$HK17.75 billion and the previous Friday's volume of activity of about \$HK9.67 billion.

Losers and gainers were just about equal, but about 57 percent of the entire market, 429 counters, either grimly held onto their previous Friday's closing levels or saw no trades in their shares.

HSBC Holdings plc (Code: 5) continued to be the dominant player on the Ten Most Active counters as about 5.40 million of this giant banking group's shares changed hands.

After seesawing between a low of \$HK96.75 per share and a high of \$HK99.25 per share, investors marked the share price down to \$HK97, for a loss of about 2.27 percent, compared with the previous Friday's closing rate.

Hutchison Whampoa Ltd (Code: 13) took second place as the most active counter as its share price lost 1.71 percent, falling to \$HK86.25 on a volume of 5.56 million shares.

The Ten Most Actives represented about 41 percent of the total market, which is a low percentage figure, relative to previous market performances.

Such a statistic is likely to mean that investors were trading a broader range of scrip and were not sticking to old favourites, although they were still dominant players.

There were a total of 49 counters that experienced double-digit movements, with one counter, Honko International Holdings Ltd (Code: 673), setting a burning pace as its share price shot up 106.60 percent to 9.30 cents.

There was no valid reason for this movement, in the same way that it would be difficult to explain the rationale for the previous week's end run.

Things had not changed, appreciably, in the HKSAR, the US, or anywhere else for that matter.

As for the 50, basis-point cut in the US interest rate, mirrored in the HKSAR, it will take months before its effects kick in -- anywhere.

Asia was going it alone, last Monday, because, as usual, Asia leads the way in respect of the world's equity markets due to the time differential.

The previous Friday, on The New York Stock Exchange, there had been a bit of profit-taking, resulting in the Dow Jones Industrial Average, losing about 1.06 percent of its value, falling to 10,579.85 points, while the NASDAQ Composite Index gave up about 0.87 percent, dropping back to 2,163.10 points.

Reporting season was upon the world's largest bourse and investors were still very cautious in the wake of suggestions that there could be further knocks in the offing.

Back in the HKSAR, it was reported that the Composite Consumer Price Index had fallen about 1.30 percent in February, the Government announced.

That means that consumer prices have continued to fall for 29 straight months.

That figure, married to the previous week's Government announcement in respect of the unemployment rate, at about 4.60 percent, sent shivers down the spines of some economists.

Retailing in the HKSAR is at a 4-year low as bankruptcies soar to record levels.

In short, things on the *epimelē* of the bottom on the PRC were not very positive.

The performance of the stock markets can only reflect that situation and anticipate, to some extent, at least, the near-term potential direction.

On The GEM, The Growth Enterprise Index fell 0.48 percent to 267.70 points.

The Total Turnover on this market was about \$HK166.11 million.

Even so, gainers were ahead of losers by the ratio of about 1.30:One.

Neolink Cyber Technology (Holdings) Ltd (Code: 8116) was the most active counter with 33.36 million Neolink Cyber shares changing hands.

The stock closed at \$HK1.09, a gain of 9 percent, compared with the close of Friday, April 20.

The volume of activity on this counter represented about 20 percent of the Total Turnover.

There were 7, double-digit movers for the day, with 5 losers and 2 gainers.

In Japan, all eyes were trained on the situation, taking place in the corridors of power in the ruling Liberal Democratic Party (LDP) where there was a newcomer, vying for the post of LDP leader.

He is Mr Junichiro Koizumi, considered to be a bit of a reformer, although he is seen to be leaning more to the conservative side.

Japan wants to see the backside of Prime Minister Yoshiro Mori, who has turned out to be one of the most unsuccessful leaders of the world's second, largest economy.

Whoever is voted in, as the leader of the LDP, he will succeed Mr Yoshiro Mori.

On The Tokyo Stock Exchange, the Nikkei-225 lost 50.07 yen, falling to 13,715.60 yen, with gainers outpacing losers by the ratio of about 1.06:One.

To say that the market was quiet would be to state the obvious.

While there were pockets of interest with special situations, seeing investors darting round in order to try to catch a cyclical price change, it was a fairly dull trading day.

What, also, was hurting securities trading in Japan was a report that stated that consumer confidence in March had dropped 2.80 percentage points to 40.20 points, down from 43 points for the December reading, according to the Japanese Cabinet Office.

The March decline was the biggest quarterly fall since December 1997.

Gone are the days of the Japanese work ethic and the idea of complete and absolute loyalty to one's zaibatsu.

This was how things looked in other Asia bourses, last Monday:

Indonesia	Plus 1.04 percent
Japan	Minus 0.36 percent
Malaysia	Minus 0.21 percent
The Philippines	Plus 0.60 percent
Singapore	Plus 1.73 percent
South Korea	Plus 0.84 percent
Taiwan	Plus 0.02 percent
Thailand	Minus 0.70 percent

## **Tuesday**

With the exception of the Thailand, all of the major stock markets of Asia were very quiet, last Tuesday.

For the most part, stock market indices hardly moved.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index lost 36.89 points, about 0.28 percent, on a Total Turnover of about \$HK7.29 billion.

The ratio of losers to gainers was 1.24:One with about 57 percent of all the counters, either holding grimly onto Monday's closing levels or being ignored by investors, completely.

There were 32, double-digit movers, of which number only 5 counters scored negative figures.

The stock markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were reacting ñ and, some people claimed, over-reacting ñ to reports from the US where more and more companies were making announcements that was knocking the stuffing out of investor confidence.

US investor confidence in both equity investments and the US economy, in general, dropped sharply, this month, according to a survey of UBS Paine Webber Incorporated and The Gallup Organisation.

It dropped by 21 points to 116 points, the survey concluded.

In February, the Index of Investor Optimism stood at 184 points.

On The New York Stock Exchange, massive sales of shares in technology counters dragged the market to lower levels as the Dow Jones Industrial Average gave up 47.62 points, about 0.45 percent, hitting 10,532.23 points by the closing bell.

The NASDAQ Composite Index did even better, falling about 4.81 percent to 2,059.31 points, as investors scrambled to get shot of anything that faintly resembled hi-tech or telecommunications companies.

Minnesota Mining and Manufacturing Company (3M) announced that it was cutting staff in the United Kingdom by 500 jobs, following a 7-percent fall in first quarter profits of the 2001 Financial Year, compared with the like 2000 quarter.

The 500 UK job cuts will represent about 10 percent of the total cuts in manpower that the company hopes to achieve with year.

That means that 5,000 more workers will join the unemployment line.

Motorola, one of the world's largest producers of mobile telephones, announced that it would be closing its factory in Scotland, putting 3,000 workers out onto the streets.

Motorola lost about \$US200 million in the first quarter of this year.

It was only in March that Motorola announced job cuts of about 7,000 workers.

But that was not the end of the story: AT&T reported a loss of about \$US366 million in the first quarter of this year.

Then, Lucent Technologies, a spin-off of AT&T, announced a \$US3.70-billion loss in the second quarter of its Financial Year.

Lucent Technologies said that it would be cutting out about 10,000 jobs.

Back on Wall Street, it was announced that the world's largest supplier of fibre-optic components, JDS Uniphase, has lost about \$US1.30 billion in its third quarter.

This company said that it would be axing 5,000 jobs, or about 20 percent of its workforce.

And so it went on.

Asia wilted under this news because, what affects the largest economy of the world affects Asia, doubly.

From the PRC, proper, came news of a *řevolutioní* in the securities industries: A publicly listed company had been delisted.

The company, Shanghai Narcissus Electrical Narcissus, a manufacturer of home appliances, was delisted from the rolls of The Shanghai Stock Exchange.

Not very long ago, such a move would have been considered *řan unfriendly actí*.

In Japan, it was announced that the country's largest mobile, telecommunications company, NTT DoCoMo Incorporated, a subsidiary of Nippon Telegraph and Telephone (NTT), would be delaying its launch of Third Generation (3G) telephone services by at least 5 months, to the end of the year.

Hutchison Whampoa Ltd (Code: 13), heavily invested in telecommunications, was the leader in the Ten Most Actives as investors traded about 5.52 million of this Li Ka Shing company shares, a volume of trades that represented about 6.45 percent of the Total Turnover.

The share price of Hutchison Whampoa closed at \$HK86, a drop of about 0.29 percent, compared with Monday's closing price.

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)

Applied International Holdings Ltd	519	10.14		0.152
Asia Tele-Net and Technology Corporation Ltd	679	12.82		0.044
Central China Enterprises Ltd	351	18.18		0.13
China Investments Holdings Ltd	132	13.21		0.18
China Online (Bermuda) Ltd	383	52.44		0.125
China Sci-Tech Holdings Ltd	985	24.32		0.092
Climax International Company Ltd	439	10.67		0.083
Evergo China Holdings Ltd	631	13.04		0.104
Fongis Industries Company Ltd	641	14.29		0.80
Gay Giano International Group Ltd	686		10.00	0.315
Gemzboh Holdings Ltd	1192		11.11	0.04
Guangdong Brewery Holdings Ltd	124	16.90		0.415
Guangdong Building Industries Ltd	818	24.49		1.22
Guangnan (Holdings) Ltd	1203	13.84		0.255
GZITIC Hualing Holdings Ltd	382	10.84		0.46
Kin Don Holdings Ltd	208	11.54		0.058
Kwong Hing International Holdings (Bermuda) Ltd	1131	28.21		0.05
Luks Industrial Company Ltd	366		14.10	0.67
National Electronics Holdings Ltd	213		11.67	0.106
Northern International Holdings Ltd	736		18.18	0.018
Online Credit International Ltd	185	12.50		0.063
Oriental Metals (Holdings) Company Ltd	1208	10.47		0.475
renren Media Ltd	59	40.00		0.021
Saint Honore Holdings Ltd	192	11.59		0.77
Sen Hong Resources Holdings Ltd	76	12.11		0.213
Silver Grant International Industries Ltd	171	18.33		0.71
Tai Fook Securities Group Ltd	665	17.00		1.17
Unity Investments Holdings Ltd	913	11.69		0.86
Wah Tak Fung Holdings Ltd	297	14.81		0.093
Wo Kee Hong (Holdings) Ltd	720	14.29		0.088
Wonson International Holdings Ltd	651	10.00		0.022
Yau Lee Holdings Ltd	406	17.65		0.40

On The Growth Enterprise Market, Jiangsu Nandasoft Company Ltd (Code: 8045) made its debut with the 36-cent Placing Price per share, quickly rising to 96 cents before settling back to 93 cents per share.

About 140 million shares of the 234 million Placed shares of this computer software company changed hands, the volume of activity of which represented about 43.36 percent of the Total Turnover of about \$HK276.25 million.

(For a full analysis of this company, please see [TARGET Intelligence Report, Volume III, Number 76](#) of Wednesday, April 25)

Jiangsu Nandasoft was the star performer on this speculative marketplace, which saw its Growth Enterprise Index fall about 0.31 percent to 266.87 points.

There were 10, double-digit movers, last Tuesday, with half of them rising and half of them, falling.

The ratio of losers to gainers was 1.72:One with Trasy Gold EX Ltd (Code: 8063), being the biggest loser of the day, shedding about 14.81 percent of its market capitalisation, as it fell back to 2.30 cents per share.

In Japan, it was confirmed: Mr Junichiro Koizumi was the new President of the Liberal Democratic Party (the LDP).

It is a guarantee the Mr Koizumi will replace Prime Minister Yoshiro Mori.

Investors in The Land of The Rising Sun were said to have approved of the choice because Mr Yoshiro Mori had been very unpopular.

On The Tokyo Stock Exchange, the Nikkei-225 lost 50.07 yen, falling to 13,715.60 yen.

But, during the day, the Nikkei had been more than 300 yen higher on speculation of Mr Koizumi's election as leader of the LDP.

The NTT DoCoMo news was not appreciated by investors who, smartly, sold the stock, which fell 4.76 percent to 2.40 million yen, exactly.

Although, technically, the market was down, gainers outnumbered losers by about 1.83:One.

The market did not hold a direction for very long as political considerations outweighed any financial determinations.

Further, Japan, regardless of its politics, still looks at the US, its largest single trading partner, for positive, immediate direction.

And Wall Street was looking, especially sick, last Monday, New York time.

This was how other Asian markets looked, last Tuesday night:

Indonesia	Plus 0.49 percent
Japan	Plus 0.02 percent
Malaysia	Minus 0.29 percent
The Philippines	Plus 0.48 percent
Singapore	Plus 0.07 percent
South Korea	Minus 0.94 percent
Taiwan	Minus 0.15 percent
Thailand	Plus 2.21 percent

### **Wednesday**

Asia continued to contend with world events, last Wednesday, as investors in the most populous area of the world took a wait-and-see attitude, by and large.

On The Stock Exchange of Hongkong Ltd, both markets experienced lacklustre trading.

On the Main Board, the Hang Seng Index fell 0.19 percent to 13,249.55 points on a Total Turnover of about \$HK8.34 billion.

Losers outpaced gainers by the ratio of 1.45:One.

About 55 percent of the counters, listed on this market, saw no movement in their share prices or were ignored, completely, by investors.

The Ten Most Active counters, led by China Mobile (Hongkong) Ltd (Code: 941), represented about 42 percent of the Total Turnover.

Of the 48, double-digit movers, 30 counters made appreciable gains, for the most part, for no clear and apparent reason.

There were little in the way of any news of anything that could be considered earth-shattering in Asia, with the exception, perhaps, of Indonesia where its President, Muslim cleric Abdurrahman Wahid, continued to draw fire from the Indonesian Parliament, which has already censured him, once, and there are plans for a second censure, today.

That may well lead to his being impeached ñ which may be good for the country because, last Wednesday, the value of the Indonesian rupiah vis-à-vis the US dollar sank to a 32-month low of 12,000 rupiah.

The only other *ētidbitī* of information of an international flavour was US President George W. Bush's statement that the US Government would send in the troops should the People's Liberation Army of the Government of the People's Republic of China (PRC) attack Taiwan.

At the same time, President Bush said that that was in keeping with the US Government's stated policy of there being, just one China.

That seems to beg the question: Which one is the right, one China?

From Wall Street, there was no clear direction as the main indices of The New York Stock Exchange hardly moved although there was a bit of action on the NASDAQ.

The Dow Jones Industrial Average rose 0.36 percent to 10,492.08 points while the NASDAQ Composite Index gained 0.61 percent to 2,029.29 points.

US companies continued to report falling profits and more companies stated that they would be sacking staff.

It was, all, becoming old hat, and investors were becoming immune to news of this nature.

In the Hongkong Special Administrative Region (HKSAR), attacks were still being made on The Hongkong and Shanghai Banking Corporation Ltd, albeit obliquely, as it was reported that the not-so-popular Chinese banks, that is smaller HKSAR banks, not banks of a PRC origin, were enjoying a better time of it, thanks to the imposition by The Hongkong and Shanghai Banking Corporation Ltd of new fees for certain management services.

The Hongkong and Shanghai Banking Corporation Ltd is, today, penalising deposit-holders for not having sufficient cash on deposit. This is the first time in living memory that a HKSAR bank has considered such a move.

The Hongkong and Shanghai Banking Corporation Ltd has lost about 110,000 account-holders since the beginning of April due to what some people consider discriminatory and draconian measures, aimed at the not-so-affluent.

For smaller HKSAR banks, they are just lapping up the accounts.

Management of The Hongkong and Shanghai Banking Corporation Ltd said that it expected to lose accounts with the imposition of the new charges and that 110,000 accounts, compared with more than 2 million existing accounts is just a drop in the ocean.

Now: Who was it that said little fishes are sweet?

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
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139 Holdings Ltd	139	12.00		0.028
Artfield Group Ltd	1229	11.43		0.78
Asia Resources Transportation Holdings Ltd	899	37.14		0.048
Asia Tele-Net and Technology Corporation Ltd	679	11.36		0.049
Can Do Holdings Ltd	172	14.07		0.154
Century Legend (Holdings) Ltd	79		28.57	0.10
Chinney Alliance Group Ltd	385		11.11	0.04
Coastal Realty Group Ltd	1124		11.79	0.172
Dongfang Electrical Machinery Company Ltd	1072		10.74	1.08
E-LIFE International Ltd	370		13.33	0.13
Earnest Investments Holdings Ltd	339	11.11		0.60
Fortuna International Holdings Ltd	530		11.11	0.04
Fullbond Holdings Ltd	1041	13.33		0.034
G-Prop (Holdings) Ltd	286	14.71		0.039
Gold Wo International Holdings Ltd	90		10.71	0.375
GR Investment Holdings Ltd	310	11.43		0.078
Graneagle Holdings Ltd	147	15.38		0.015
Guangdong Brewery Holdings Ltd	124	19.28		0.495
Guangdong Tannery Ltd	1058	19.21		0.211
Guangnan (Holdings) Ltd	1203		11.76	0.225
Hang Fung Gold Technology Ltd	870	14.29		0.12
Innovative International (Holdings) Ltd	729		13.79	0.05
Karrie International Holdings Ltd	1050	30.77		0.34
Lippo China Resources Ltd	156		18.22	0.175
Luoyang Glass Company Ltd	1108		10.37	1.21
Midas Printing Group Ltd	1172	19.51		0.245
Millennium Sense Holdings Ltd	724		19.70	0.265
National Electronics Holdings Ltd	213	15.09		0.122
Northeast Electrical T&T Machinery Manufacturing Company Ltd	42		10.71	0.75
Northern International Holdings Ltd	736	11.11		0.02
ONFEM Holdings Ltd	230		10.58	0.465
Online Credit International Ltd	185	20.63		0.076
Peace Mark (Holdings) Ltd	304	14.29		0.048
Pearl Oriental Cyberforce Ltd	988	33.33		0.016
Proview International Holdings Ltd	334	15.38		0.45
Sen Hong Resources Holdings Ltd	76		18.31	0.174
Shougang Concord Century Holdings Ltd	103	15.87		0.365
Shougang Concord International Enterprises Company Ltd	697	11.84		0.425
Simsen International Corporation Ltd	993	22.22		0.033
Sing Pao Media Group Ltd	164	14.75		0.70
Sino InfoTech Holdings Ltd	205	10.81		0.123
South East Group Ltd	726		10.53	0.017
SunCorp Technologies Ltd	1063	16.67		0.07
Unity Investments Holdings Ltd	913		10.47	0.77
Victory Group Ltd	1139	26.32		0.024
vLink Global Ltd	563	18.37		0.058
Yau Lee Holdings Ltd	406		11.25	0.355
Yugang International Ltd	613	15.69		0.059

The Growth Enterprise Market (The GEM) was just as interesting as the Main Board of The Stock Exchange of Hongkong Ltd: Dull to very dull.

The Growth Enterprise Index was off by about 0.96 percent to 264.32 points on a Total Turnover of \$HK269.30 million.



Losers were ahead of gainers by the ratio of about 2.69:One.

There were only 5 double-digit movers for the day, and just one of them scored a positive mark as the table, below, indicates:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Medical Science Ltd	8120		12.70	0.55
Grandmass Enterprise Solution Ltd	8108		40.82	0.058
L.P. Lammas International Ltd	8029		11.54	0.046
Smartech Digital Manufacturing Holdings Ltd	8068	12.00		0.028
Town Health International Holdings Company Ltd	8138		14.29	0.54

In Japan, like the rest of Asia, share prices hardly moved, in the main, as investors on the premier stock market of the most important bourse in Asia took a seat on in the bleachers, rather than join in the game.

The leader of the Liberal Democratic Party, Mr Junichiro Koizumi, was the new Prime Minister-in-waiting, and the 120-million human population of the second, most-important economy of the world watched and waited to see what the future would bring to them.

It has been expected the Mr Junichiro Koizumi's reign will bring with it, hardships for some, for he has stated that massive reforms of the Japanese economy are required.

The Tokyo Stock Exchange's Nikkei-225 rose 84.32 yen, ending the day at 13,827.50 yen.

Gainers were far ahead of losers by the ratio of about 1.68:One.

Japan was waiting to see with whom Mr Junichiro Koizumi would surround himself in his new cabinet.

With only a few exceptions, share prices marked time.

And this was the way that things looked, as investors went home, last Wednesday night:

Indonesia	Plus 1.46 percent
Japan	Plus 0.61 percent
Malaysia	Plus 0.23 percent
The Philippines	Plus 1.26 percent
Singapore	Minus 0.91 percent
South Korea	Plus 1.93 percent
Taiwan	Minus 1.31 percent
Thailand	Minus 0.03 percent

### **Thursday**

Things continued to look grim for the economy of The Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), last Thursday, following the Government's announcement, concerning declining exports for the month of March.

The HKSAR Government announced that there had been a 1.20-percent fall in HKSAR exports for the month of March, the largest, one-month decline in exports in the previous 20 months.

While this, at first, may have frightened some people, it has to be borne in mind that the HKSAR is not the export centre that is used to be.

At one time, Hongkong, as it used to be called, was the world's largest manufacturer and exporter of garments and wigs, just to name 2 products.

But those days are long gone.

With the PRC, churning out more and more consumer goods, the HKSAR has been relegated to the role of that of a re-export centre, if anything.

The next step will be a complete shift to being a service centre orientated territory because the HKSAR does not have the manpower of the PRC, and it, certainly, does not have the landmass, which light industry needs in order to operate, efficiently.

The Stock Exchange of Hongkong Ltd was unfazed by the news, however, as its Main Board *ēbarometerī*, the Hang Seng Index, gained just 0.33 percent to close out the day at 13,293.11 points.

The Total Turnover was about \$HK7.62 million.

Gainers outstripped losers by the ratio of about 1.54:One.

The Ten Most Active counters represented about 45 percent of the entire volume of activity, with HSBC Holdings plc (Code: 5) and Hutchison Whampoa Ltd (Code: 13), leading the pack.

HSBC Holdings ended the day unchanged at \$HK97.75 per share while Hutchison Whampoa finished off 0.59 percent at \$HK83.75 per share.

For the most part, the *ēbiggiesī* saw very little movement in their share prices, which was reinforced by the statistic, which showed that about 53 percent of the entire market either went neglected by investors or held onto Wednesday's share prices.

Mr Li Ka Shing, in a surprise move, admitted, via one of his minions, that his Metro Broadcast was a *ēfiascoī*.

Metro Broadcast is a radio station in the HKSAR and it is 50 percent owned by Hutchison Whampoa Ltd and 50 percent owned by Cheung Kong (Holdings) Ltd (Code: 1).

The station has the unenviable record of having lost money for a complete decade.

It sacked 38 workers, last Wednesday night.

If HKSAR investors were looking to Wall Street for guidance, they did not get it, last Thursday, because on Wall Street, last Wednesday, it was another boring to very boring session.

The Dow Jones Industrial Average, the guide to trading on The New York Stock Exchange, rose by 0.32 percent to 10,658.58 points, while, on The NASDAQ, its Composite Index gained 0.80 points to rise to 2,076.29 points.

Once again, there was little to promote the markets of the largest economy of the world and, once again, more and more companies were announcing lower profits and sacking more and more staff.

It, really, was becoming very boring to read the same kind of reports, day in and day out.

Hopes were high that, come May 15, interest rates in the US would be slashed again when the Federal Reserve met.

Until that time, it looked as though investors would stay on the sidelines.

In the HKSAR, there were continuing reports about the Number Two Son of Mr Li Ka Shing and how certain US companies may be considering pulling out of deals with corporate entities of Mr Richard Li Tzar Kai.

The US giant, Intel, it had already been reported, was reducing its exposure to Pacific Century CyberWorks Ltd (Code: 8).

How many other companies would follow suit, following revelations as to the lack of academic training of Mr Richard Li Tzar Kai ñ who is reported to have said that he made, only, a small mistake in allowing people to maintain, erroneously, that he was a graduate of Stanford University ñ was unknown, last Thursday.

Mr Richard Li Tzar Kai is facing a lawsuit in the US for trying to pass himself off as a graduate of Stanford University.

The double-digit movers of last Thursday included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (SHK)
Applied International Holdings Ltd	519	10.14		0.152
Asia Tele-Net and Technology Corporation Ltd	679	12.82		0.044
Central China Enterprises Ltd	351	18.18		0.13
China Investments Holdings Ltd	132	13.21		0.18
China Online (Bermuda) Ltd	383	52.44		0.125
China Sci-Tech Holdings Ltd	985	24.32		0.092
Climax International Company Ltd	439	10.67		0.083
Evergo China Holdings Ltd	631	13.04		0.104
Fongis Industries Company Ltd	641	14.29		0.80
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Gemzboh Holdings Ltd	1192		11.11	0.04
Guangdong Brewery Holdings Ltd	124	16.90		0.415
Guangdong Building Industries Ltd	818	24.49		1.22
Guangnan (Holdings) Ltd	1203	13.84		0.255
GZITIC Hualing Holdings Ltd	382	10.84		0.46
Kin Don Holdings Ltd	208	11.54		0.058
Kwong Hing International Holdings (Bermuda) Ltd	1131	28.21		0.05
Luks Industrial Company Ltd	366		14.10	0.67
National Electronics Holdings Ltd	213		11.67	0.106
Northern International Holdings Ltd	736		18.18	0.018
Online Credit International Ltd	185	12.50		0.063
Oriental Metals (Holdings) Company Ltd	1208	10.47		0.475
renren Media Ltd	59	40.00		0.021
Saint Honore Holdings Ltd	192	11.59		0.77
Sen Hong Resources Holdings Ltd	76	12.11		0.213
Silver Grant International Industries Ltd	171	18.33		0.71
Tai Fook Securities Group Ltd	665	17.00		1.17
Unity Investments Holdings Ltd	913	11.69		0.86
Wah Tak Fung Holdings Ltd	297	14.81		0.093
Wo Kee Hong (Holdings) Ltd	720	14.29		0.088
Wonson International Holdings Ltd	651	10.00		0.022
Yau Lee Holdings Ltd	406	17.65		0.40

On The GEM, The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, it was another day of losses.

The Growth Enterprise Index shed another 0.21 percent, falling back to 263.79 points.

The Total Turnover collapsed to \$HK136.67 million, down almost an equal amount, compared with Wednesday's volume of activity.

The ratio of losers to gainers was about 1.37:One.

There were, exactly, 6 double-digit movers of the day, with Grandmass Enterprise Solution Ltd (Code: 8108), being the biggest gainer, as its share price rose 20.69 percent to 7 cents per share.

On Wednesday, this company's share price lost nearly 43 percent of its market capitalisation.

In Japan, investors took heart that the new Prime Minister (still in waiting, last Thursday) would bring much-needed aid to the world's second largest economy.

However, on the back of this sentiment, from The Bank of Japan came another suggestion of doom and gloom.

In its semi-annual report, The Bank of Japan said that it expected the economy of Japan to grow by between 0.30 percent and 0.80 percent.

The Japanese Government had, earlier, forecast growth in the region of 1.70 percent.

On The Tokyo Stock Exchange, the Nikkei-225 gained 145.53 yen, rising to a 90-day high of 13,973.03 yen.

Banks were higher and helped to raise the Nikkei-225 due to their weighting on the index of the premier stock market of Japan.

Gainers were far ahead of losers by 2.83:One.

From the foremost mobile telephone carrier in Japan came news that it would take at least 4 years for it to make a profit from the introduction of Third Generation (3G) telecommunications service.

The President of NTT DoCoMo Incorporated, Mr Keiji Tachikawa, said that all the losses in laying in the infrastructure for the 3G service would be recovered in the fifth year of its service.

Like the US markets, this is reporting season in Japan, and many people are waiting to discover whether or not there will be any rude shocks.

This is how other parts of Asia saw the situation, last Thursday night:

Indonesia	Minus 0.52 percent
Japan	Plus 1.05 percent
Malaysia	Plus 1.20 percent
The Philippines	Minus 1.69 percent
Singapore	Minus 0.05 percent
South Korea	Minus 0.83 percent
Taiwan	Plus 0.05 percent
Thailand	Plus 0.09 percent

## **Friday**

Within the final 90 minutes of the closing of The Stock Exchange of Hongkong Ltd, investors went on a buying spree that sent the Main Board's Hang Seng Index into positive territory.

The 198-point gain in the afternoon session resulted in the Hang Seng Index, recording a 0.70-percent gain over Thursday's closing level, ending the week at the figure of 13,386.04 points.

The Total Turnover was about \$HK7.95 billion, with trading in the shares of HSBC Holdings plc (Code: 5), weighing the Hang Seng Index, greatly.

About 6.81 million, HSBC Holdings's shares were traded, during the day, with the share price, rising about 1.28 percent to end the week at \$HK99.

The volume of activity in this one counter, the second, most-active stock of the day, accounted for about 8.43 percent of the Total Turnover.

The heaviest-traded counter of the day, however, was reserved for China Mobile (Hongkong) Ltd (Code: 941), the largest mobile telephone operator in the People's Republic of China (PRC).

After about \$HK793.29-million worth of China Mobile's shares had changed hands, the stock price had risen to \$HK38.30, a gain over Thursday's closing level of about 1.06 percent.

Between the 2, most-active counters of the day, investors had spent the best part of \$HK1.46 billion, or about 18.36 percent of the entire volume of activity.

There was absolutely nothing to recommend the stock markets of the Hongkong Special Administrative Region (HKSAR), with most observers, suggesting that, with the long weekend looming ñ Monday is Buddha's Birthday and Tuesday is Labour Day ñ investors were just taking a flyer in the hope that the coming 3-day week, starting May 3, would bring bigger and better things.

The ratio of gainers to losers was 1.33:One, but it was noted that about 57 percent of the counters, listed on The Stock Exchange of Hongkong Ltd, either saw no action, at all, or simply held grimly onto previous prices.

The Ten Most Active counters accounted for about 45 percent of the Total Turnover.

On Thursday, on the world's largest bourse, The New York Stock Exchange, the Dow Jones Industrial Average did next to nothing, rising just 0.51 percent to 10,746.94 points.

The NASDAQ Composite Index put on 1.60 percent to 2,066.97 points.

No help for the HKSAR stock markets from this direction.

Pacific Century CyberWorks Ltd (Code: 8) put out some propaganda about transparency and junk like that in what was a clear effort to raise its image with investors.

But the icing had fallen off this Li Ka Shing *ēcakeí*, whose share price had fallen about 50 percent, this year alone, and about 85 percent, compared with its high of 2000.

The PRC Government was still making rude noises about the US Government's decision to re-arm Taiwan with destroyers and submarines, and the rhetoric between US President George W. Bush and minions of the PRC Government continued.

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Century Legend (Holdings) Ltd	79	51.52		0.10
China Apollo Holdings Ltd	512	10.83		0.133
China Southern Airlines Company Ltd	1055	10.34		2.40
Chinney Alliance Group Ltd	385	11.11		0.05
Elec and Eltek International Holdings Ltd	33	12.68		0.80
Everbest Century Holdings Ltd	578		14.81	0.023

Fortuna International Holdings Ltd	530	10.00		0.044
GR Investment Holdings Ltd	310	10.26		0.086
Graneagle Holdings Ltd	147		15.79	0.016
Hongkong Construction (Holdings) Ltd	190	14.50		1.50
Innomaxx Biotechnology Group Ltd	340	19.23		0.31
Innovative International Holdings Ltd	729	16.00		0.058
iRegent Group Ltd	575	10.20		0.216
Jusco Stores (Hongkong) Company Ltd	984	11.76		0.95
Kantone Holdings Ltd	1059	10.00		0.231
Lung Cheong International Holdings Ltd	348	30.77		1.02
Nam Hing Holdings Ltd	986	11.11		0.20
Online Credit International Ltd	185		12.24	0.086
Pacific Andes International Holdings Ltd	1174	10.66		0.27
Seapower Resources International Ltd	269	15.00		0.138
Singamas Container Holdings Ltd	716		10.53	0.34
Sino InfoTech Holdings Ltd	205	15.86		0.168
Solartech International Holdings Ltd	1166		11.11	0.016
Star Bio-Tech (Holdings) Ltd	1051		15.38	0.011
SunCorp Technologies Ltd	1063		11.94	0.059
UDL Holdings Ltd	620	16.07		0.065
Universal Appliances Ltd	419	13.64		0.10
Wah Fu International Holdings Ltd	592	11.36		0.049
Winton Holdings (Bermuda) Ltd	510	18.37		0.29

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index gained 0.21 percent to 264.33 points on a Total Turnover of about \$HK129.53 million.

The ratio losers to gainers was about 1.23:One.

tom.com Ltd (Code: 8001), rarely a starter on The GEM, these days, followed in the footsteps of Pacific Century CyberWorks (of the Main Board) and put out some propaganda of its own.

tom.com lost about \$HK78.30 million in its fourth quarter, the world was told, but that was good news because, compared with the like period, one year earlier, it had lost much more -- nearly \$HK164 million, in fact.

Turning a loss into a positive feature takes some doing.

Doublespeak double spoke.

tom.com's share price slumped another 0.50 percent to end the week at \$HK1.98.

tom.com has lost more than 90 percent of its value since it was launched in February 2000.

There were 5, double-digit movers on this marketplace:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Grandmass Enterprise Solution Ltd	8108	11.43		0.078
hkcyber.com (Holdings) Ltd	8118		16.95	0.049
ISteelAsia.com Ltd	8080	10.33		0.203
L.P. Lammas International Ltd	8029		11.11	0.04
M21 Technology Ltd	8152	10.91		0.61

In Japan, all eyes were glued on the new Prime Minister, Mr Junichiro Koizumi, as deepening deflation gripped the second largest economy of the world.

The Tokyo Stock Exchange saw its Nikkei-225 shed 38.71 yen, falling to 13,934.32 yen, with losers, edging out gainers by the ratio of about 1.09:One.

Prime Minister Koizumi inherits an economy whose Gross Domestic Product (GDP ñ the total value of all goods and services, produced within a country in a year minus net income from investments in other countries), which is lower than the GDP of 1997.

At the same time, unemployment in Japan is at least a 4-year high of 4.70 percent of the workforce.

Last Friday ushered in what is known in Japan as the Golden Week, a 3-day holiday for workers, and analysts had expected that there would have been some speculative buying.

It did not materialise, however.

Movements in most shares were held to one percent or 2 percent, if they moved at all, because the market was very selective.

Three stocks to get hit, very hard, last Friday, were Advantest, Fujitsu and Kyocera, all of which came under heavy pressure from investors.

Advantest lost 5.60 percent of its value, falling to 14,170 yen per share, Fujitsu shed 5.17 percent of its market capitalisation, dropping back to 1,700 yen per share, while Kyocera gave up 4.22 percent of its value, retreating to 11,810 yen per share.

Banks stayed firm, by and large, although there were some small pockets of strength.

This was how the rest of Asia saw the situation, last Friday:

Indonesia	Plus 0.06 percent
Japan	Minus 0.28 percent
Malaysia	Plus 1.03 percent
The Philippines	Minus 1.19 percent
Singapore	Plus 0.98 percent
South Korea	Minus 0.89 percent
Taiwan	Minus 1.85 percent
Thailand	Plus 0.02 percent

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