

### ASIA AWAITS THE PLEASURE OF DR ALAN GREENSPAN

With half of the major Asian stock markets closed for one holiday or another, last Monday, and with Wall Street still *'asleep'*, it was up to the 2, most important bourses in the most populous area of the world to go it alone.

And share prices in The Stock Exchange of Hongkong Ltd and on The Tokyo Stock Exchange bounced up as investors determined that the US Federal Reserve would cut interest rates on Tuesday, May 15 (tomorrow).

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors seemed to take note of the previous Friday's booming market of The New York Stock Exchange.

On the world's largest bourse, the previous Friday (May 4), the Dow Jones Industrial Average had closed up about 1.43 percent to 10,951.24 while, on the NASDAQ, its Composite Index had added 2.11 percent, rising to 2,191.58.

The gains on The New York Stock Exchange were on the back of a US Government report that stated that the US unemployment rate had risen to 4.50 percent of the workforce, up 4.65 percentile points from the March figure of 4.30 percent.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index gained about 1.57 percent, rising to 13,600.78 on a Total Turnover of about \$HK8.05 billion.

Gainers were ahead of losers by the ratio of about 1.79: One in a market that saw most of the action in the 150-minute morning session: In the 90-minute afternoon session, the Hang Seng Index rose just 9.36 points, compared with the luncheon break level.

China Unicom Ltd (Code: 762) was the lead counter of the day, followed by China Mobile (Hongkong) Ltd (Code: 941), both counters being major players in the mobile telecommunications industry of the PRC.

China Unicom finished the session at \$HK12.60 per share, a gain of 8.62 percent, compared with the previous Friday's closing level.

As for China Mobile, its share price struggled to make any gains at all, finishing the day at \$HK39.80, an increase of just 0.51 percent, compared with the previous close.

Aside from China Unicom, the blue chips struggled against a sea of sellers, whose pattern of unloading scrip kept most share-price increases down to relatively low levels.

The Ten Most Actives accounted for about 45.34 percent of the Total Turnover of the day.

Once again, there was little in the way of news to stimulate trading on Asia's second, most-important stock market.

There were passive protests in the HKSAR, last Monday, as it became known that some 49 more members of overseas' factions of the Falun Gong, a spiritual group which believes in meditation and exercise for health, had been banned from entering the territory.

The Falun Gong has been labeled as an *'evil cult'* by the PRC Government.

The HKSAR Government was, clearly, afraid that overseas' members of the Falun Gong would upset delegates and speakers at the Fortune Global Forum, which will have, as keynote speakers, Mr Jiang Ze Min, the President of the PRC, and the former President of the US, Mr Bill Clinton.

Some of the HKSAR, Falun Gong members chained themselves to a flagpole outside the Convention Centre in Wanchai, where the Global Forum was scheduled to start the following day.

The protestors were not violent, but the HKSAR Government was taking no chances and was deporting Falun Gong members who tried to enter from Taiwan, the US, Australia, Great Britain and Japan.

Investors in the HKSAR have grown accustomed to what is, clearly, a standoff between the Government of Mr Tung Chee Hwa and the Falun Gong so that trading on The Stock Exchange of Hongkong Ltd was not interrupted or affected by the news of the banning of members of this cult by Mr Tung Chee Hwa's Administration.

Of the 34, double-digit movers, 8 counters lost substantial ground.

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (SHK)
139 Holdings Ltd	139	13.33		0.034
Allan International Holdings Ltd	684	10.53		0.63
Alpha General (Holdings) Ltd	73	19.40		0.08
Arts Optical International Holdings Ltd	1120	13.24		1.54
Beauforte Investors Corporation Ltd	21		28.93	5.65
Can Do Holdings Ltd	172		13.08	0.186
Coastal Realty Group Ltd	1124	11.60		0.202
Continental Mariner Investment Company Ltd	119	11.54		1.16
Dan Form Holdings Company Ltd	271	18.52		0.32
Easyknit International Holdings Ltd	1218	13.16		0.43
Ecopro Hi-Tech Holdings Ltd	397		13.33	0.013
Fortuna International Holdings Ltd	530	15.00		0.046
Fulbond Holdings Ltd	1041	26.47		0.043
Grand Field Group Holdings Ltd	115	23.86		0.244
Graneagle Holdings Ltd	147	13.33		0.017
Guangdong Building Industries Ltd	818		10.17	1.06
HiNet Holdings Ltd	155		13.46	0.045
Innovative International (Holdings) Ltd	729	15.09		0.061
Luen Cheong Tai International Holdings Ltd	1190		22.35	0.139
Magnum International Holdings Ltd	305	14.52		0.071
Millennium Group Ltd	260	12.50		0.09
Next Media Ltd	282	12.70		0.355
Oriental Explorer Holdings Ltd	430		12.50	0.056
Poly Investments Holdings Ltd	263	16.67		0.42
Quality Food International Ltd	735	11.11		0.09
Rockapetta Holdings Ltd	1003		19.44	0.29
South East Asia Wood Industries Holdings Ltd	1205	17.65		0.30
Sen Hong Resources Holdings Ltd	76	13.51		0.168
Sinopec Zhenhai Refining and Chemical Company Ltd	1128	10.14		1.52
South China Online Ltd	619	17.53		0.114
Sunway International Holdings Ltd	58	18.52		0.64
Swank International Manufacturing Company Ltd	663	11.67		0.067
Wah Tak Fung Holdings Ltd	297	10.71		0.124
Zida Computer Technologies Ltd	859	15.15		0.38

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, selling pressure was high as The Growth Enterprise Index gave up 2.84 percent of its value, falling back to 261.74 points.

The Total Turnover on this market was about \$HK213.81 million, with one counter, Town Health International Holdings Ltd (Code: 8138), being the most active counter of the day.

The volume of activity on this counter, amounting to about \$HK60.86 million, accounted for about 28.46 percent of the Total Turnover of the day.

Town Health International was under a great deal of selling pressure for most of the day, resulting in its share price, losing 13 percent, falling to 43.50 cents by the close.

Phoenix Satellite Television Holdings Ltd (Code: 8002) was the second, most active counter of the day as this Rupert Murdoch satellite broadcaster shed about 3.70 percent of its market capitalisation, falling to \$HK1.56 per share.

The sixth, most-active counter of the day, Neolink Cyber Technology (Holdings) Ltd (Code: 8116), was the biggest loser of the day, following confirmation that its principal shareholder was unloading 10 million of his holdings in a Private Placement.

This company's shares had been among the most active, during the previous week's trading, with the company, making the claim that it had no idea as to its popularity.

The ratio of losers to gainers was about 1.33:One.

The following are the 10, double-digit movers of last Monday:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
36.com Holdings Ltd	8036	16.67		0.035
AcrossAsia Multimedia Ltd	8061		10.42	2.15
Digital Hongkong.com Ltd	8007	14.63		0.235
First Mobile Group Holdings Ltd	8110	15.38		0.90
Fortune Tele.com Holdings Ltd	8040	13.11		0.69
Kingdee International Software Group Company Ltd	8133		10.87	2.05
L.P. Lammas International Ltd	8029	18.42		0.045
M21 Technology Ltd	8153	13.46		0.59
Neolink Cyber Technology (Holdings) Ltd	8116		25.14	1.31
Town Health International Holdings Company Ltd	8138		13.00	0.435

In Japan, a firmer trend was seen on The Tokyo Stock Exchange as investors waited for the maiden speech of the new Prime Minister, Mr Junichiro Koizumi.

The speech, which was broadcast in the afternoon of last Monday, dulled trading to some extent, during the morning session as investors waited to learn what reforms would be forthcoming.

Most people had expected exactly what they got from Prime Minister Koizumi who, merely, repeated his election platform of reform, reform, reform.

The Prime Minister said that he would revive the flagging Japanese economy, but exactly how that would be executed was not stated in any definitive terms.

Investors on The Tokyo Stock Exchange, however, seemed to like what they heard, resulting in prices rising on Asia's most important bourse.

The Nikkei-225 gained 107.77 yen, rising to 14,529.41 yen.

Prior to the Prime Minister's speech, the market was way down, but it appeared that investors took heart on hearing the words of the new head of Government, even though the speech offered little in the way of anything new and exciting.

Regardless of the reforms that may be put in place in The Land of The Rising Sun, the Japanese economy is still dependant on sales to the most important economy of the world: The United States of America.

And the US is on its economic knees.

While some telecommunications counters, such as Nippon Telegraph and Telephone (NTT) and its mobile unit, NTT DoCoMo, made material gains, by and large, share prices were kept to between one percent and 2 percent of previous closes (Tokyo was closed the previous Thursday and Friday for the Golden Week Holidays).

It looked as though there would be some pronounced selling, coming to the fore on Tuesday.

In other parts of Asia, with so many territories on holiday, trading was very subdued as the following list of countries' stock-market performances indicates:

Indonesia	Closed
Japan	Plus 0.75 percent
Malaysia	Closed
The Philippines	Minus 0.73 percent
Singapore	Closed
South Korea	Plus 1.86 percent
Taiwan	Minus 0.27 percent
Thailand	Closed

### **Tuesday**

Every major, Asian stock market recorded negative results by the end of their respective trading sessions, last Tuesday, with the index of the Main Board of The Stock Exchange of Hongkong Ltd, being no exception.

Perhaps, the most worrying aspect of last Tuesday's trading sessions, around Asia, was the relatively low volume of activity.

On The Stock Exchange of Hongkong Ltd, the Total Turnover dropped to about \$HK5.81 billion. The Main Board's Hang Seng Index fell 0.44 percent to 13,540.81 points.

Double-digit movers were cut down to 21 counters. That compared with Monday's double-digit movers of 34 counters.

Losers were ahead of gainers by the ratio of about 1.45:One, but about 53 percent of all counters went either unappreciated by investors or, simply, hung onto Monday's closing levels.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), there was continued concern about interest rates since certain aspects of the HKSAR's economy were frightening, to be sure.

Mortgage rates in the HKSAR are at 30-year lows, but such a situation is doing very little to revive interest in purchases of bricks and mortar.

Further, HKSAR retailers are feeling the pinch as similar products to those, sold in the HKSAR, may be purchased within an hour of Central Hongkong, from Lowu, on the PRC, proper, side of the border – at about 20 percent of the cost of purchasing the same, or similar, goods in the HKSAR.

Banking counters were under a great deal of pressure (with the exception, of course, of special situations), as the share price of HSBC Holdings plc (Code: 5) shed 1.02 percent of its value, falling back to \$HK97.25.

HSBC Holdings is the subject of some discussion in banking circles, from London to Tokyo, following its Chairman's determination to issue new shares in order to raise an additional \$HK190 billion.

The thinking is that, if this giant banking institution – it is the largest in Europe, in terms of its market capitalisation -- is planning another acquisition, it may be moving ahead of itself because it has, yet, to digest all of its acquisitions of the past few years.

Once again, the 2 major players in the mobile telecommunications industry of the PRC stole the limelight of the Ten Most Active counters, with China Unicom Ltd (Code: 762), being in the first position, followed by China Mobile (Hongkong) Ltd (Code: 941), coming in second place – in exactly the same positions as Monday's market.

China Unicom ended the day down 0.79 percent, falling to \$HK12.50 per share, while China Mobile's share price fell 0.75 percent to \$HK39.50 per share.

What was interesting about last Tuesday's market was that the Ten Most Actives, in terms of their aggregate value of trades, dropped back to about 36.49 percent of the Total Turnover.

This is a reduction of at least 22 percentile points on the average importance of the Ten Most Actives to the overall market's volume.

This indicated that there was a much broader base of trading activity, taking place on the second largest stock market in Asia.

On the first day of trading on The New York Stock Exchange, last week, the Dow Jones Industrial Average fell back 16.07 points, about 0.15 percent, to 10,935.17 points, in what was described as a lacklustre session.

On the NASDAQ, its Composite Index gave up 0.83 percent, falling to 2,173.38 points.

New York, like Asia, was awaiting the decision of the Chairman of the US Federal Reserve, Dr Alan Greenspan, in respect of near-term interest rates in The Land of The Free and The Home of The Brave.

Dr Greenspan will deliver his determination on the morrow.

From the world's largest retailer of personal computers, Dell Computer Corporation, came the news that it would be cutting back about 4,000 of its workforce, equal to about 10 percent of all of its employees.

In February, Dell announced that 1,700 jobs would be cut in the giant company.

The US telecommunications equipment manufacturing company, 3Com, announced that it would sack 3,000 of its workers, equal to about 30 percent of its workforce.

In February, this company chopped off 1,200 heads.

Asia took note of the situation in the largest economy of the world, and shuddered.

The following is TARGET's list of double-digit movers on The Stock Exchange of Hongkong Ltd, last Tuesday:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Alpha General (Holdings) Ltd	73		18.75	0.065
Beauforte Investors Corporation Ltd	21	12.39		6.35
Bestway International Holdings Ltd	718	29.63		0.035

E-LIFE International Ltd	370	23.33		0.148
Emperor International Holdings Ltd	163	10.42		0.53
Great China Sci-Tech Holdings Ltd	431	13.68		0.216
I-China Holdings Ltd	240	10.34		0.064
I-Wood International Holdings Ltd	162	12.50		0.36
ING Beijing Investment Company Ltd	1062	12.00		0.224
Luen Cheong Tai International Holdings Ltd	1190		26.62	0.102
OSK Asia Corporation Ltd	555	25.54		0.29
Pudong Development Holdings Ltd	258		11.63	0.76
Quality Food International Ltd	735		10.00	0.081
Rockapetta Holdings Ltd	1003		13.79	0.25
Sen Hong Resources Holdings Ltd	76	10.12		0.185
Start Technology Company Ltd	706	12.31		0.73
SunCorp Technologies Ltd	1063		14.58	0.041
UDL Holdings Ltd	620		10.26	0.07
Wah Tak Fung Holdings Ltd	297	12.90		0.14
Wang On Group Ltd	1222	16.13		0.144
Wo Kee Hong (Holdings) Ltd	720		13.98	0.08

On The GEM – The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd – the Growth Enterprise Index regained 3.41 percent of its value, rising to 270.67 points.

The Total Turnover on this market was about \$HK226.94 million, but gainers were outnumbered by losers by the ratio of about 1.32:One.

All of the gains on this market came in the 90-minute afternoon session since, between the opening bell, at 10 am, and the luncheon break, at 12:30 pm, the only movement on the Index was 0.16 points, or about 6 tenths of one percent.

*Teleeye* Holdings Ltd (Code: 8051) made its appearance for the first time and this video and audio monitoring system company saw its share price fluctuate between a low of \$HK1.19 and a high of \$HK1.62.

It closed its first day of trading at \$HK1.36 per share, representing a premium of 76 cents per share, or about 127 percent over the 60-cent Placing Price.

Totally, about 49.14 million *Teleeye* shares changed hands, which amounted to about 7.14 million more shares than the 42-million share Private Placement.

(Please see [TARGET Intelligence Report, Volume III, Number 78, published on April 27, 2001](#), for an analysis of this company)

It was of interest to players of this market to note that the Ten Most Actives represented nearly 83 percent of the entire volume of activity of the day.

There were 5 double-digit movers on this market:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
36.com Holdings Ltd	8036		14.29	0.03
AcrossAsia Multimedia Ltd	8061	20.93		2.60
Grandmass Enterprise Solution Ltd	8108	10.00		0.055
L.P. Lammas International Ltd	8029	46.67		0.066
Town Health International Holdings Company Ltd	8138	19.54		0.52

On The Tokyo Stock Exchange, the Nikkei-225 lost 240.36 yen, falling to 14,289.05 yen.

Losing issues were ahead of gaining ones by the ratio of about 3.59:One.

As Monday's speech of Prime Minister Junichiro Koizumi was chewed and digested by the political scientists of The Land of The Rising Sun, it was evident that nothing new had been uttered by the flamboyant new leader of the second, most-important economy of the world.

There were concerns as to the approach that the Prime Minister might take, and what effect, short-term, it would have on the economy.

There were major losers on The Tokyo Stock Exchange, last Tuesday, as the world's largest bank, in terms of assets, Mizuho Holdings Ltd, gave up about 7.50 percent of its value, falling to 740,000 yen per share.

Other major bank losers included UFJ Holdings, off 10.22 percent to 861,000 yen, and Sumitomo Mitsui Banking Corporation, off 5.15 percent to 1,124 yen per share.

Nagasaki Company, the beleaguered, Tokyo-based, supermarket chain operator, which is under the protection of Japan's courts, in accordance with the Corporate Rehabilitation Law, announced that it had been given a further 6 months in order to put together a plan for its continued operations.

The company has been in bankruptcy since February 2000 when it filed for Court protection.

Komatsu Ltd, the world's second largest manufacturer of construction machinery, announced a 48.40-percent reduction in its profits for the 2000 Financial Year, compared with 1999.

Komatsu's share price ended last Tuesday's session at 632 yen, down about 1.28 percent, compared with Monday's close.

Telecommunications counters were, generally, weak as Japan Telecommunications gave up about 2.80 percent of its value, falling to 2.43 million yen, Nippon Telegraph and Telephone (NTT) saw its share price fall to 880,000 yen, down 2 percent, while NTT DoCoMo shed 5.54 percent of its market capitalisation, dropping back to 2.73 million yen per share.

Asia seemed hesitant about making any new commitments before the decision of the US Fed, resulting in most stock markets, marking time, last Tuesday:

Indonesia	Minus 0.69 percent
Japan	Minus 1.65 percent
Malaysia	Minus 1.05 percent
The Philippines	Minus 0.32 percent
Singapore	Minus 0.75 percent
South Korea	Minus 0.94 percent
Taiwan	Minus 1.02 percent
Thailand	Closed

### **Wednesday**

Prices drifted on The Stock Exchange of Hongkong Ltd, last Wednesday, as investors appeared to be unwilling to make any fresh commitments ahead of the decision of the US Federal Reserve. (Please see Monday's report)

The Hang Seng Index, the guide to trading on the Main Board, rose 0.33 points on a Total Turnover of about \$HK8.64 billion.

The number of gainers to losers was almost neck-to-neck at 330:329, with about half of all the counters, listed on The Stock Exchange of Hongkong Ltd, going unnoticed by the majority of investors.

Most share prices refused to budge, appreciably, from Tuesday's closing levels, with the exception of special situations.

The aggregate value of the Ten Most Active counters was about \$HK3.07 billion, or about 36 percent of the entire volume of activity of the day.

The antics of Wall Street did nothing for Asian bourses as The New York Stock Exchange saw investors changing their minds on an hourly basis.

On Tuesday, last week, the Dow Jones Industrial Average lost 52.12 points, about 0.48 percent, falling to 10,883.05 points.

On the NASDAQ, its Composite Index went in the reverse direction to the Dow, moving up 24.37 points, or about 1.12 percent, ending the session at 2,197.94 points.

The US Labour Department announced that the productivity of US workers had declined in the first quarter of this year, for the first time in the past 6 years.

The report, also, indicated that labour costs in the US were on the rise, again.

Ever rising costs of producing goods and services, coupled with falling worker productivity is a sure-shot sign of an economy, which is headed for the dustbin.

Further, it puts the Fed in the unenviable position of not being able to use the interest-rate weapon (of choice) to its full advantage: It cannot be too aggressive for fear of upsetting the delicate balance.

Adding to the problems, it was announced that Cisco Systems Incorporated, a former '*darling*' of the hi-tech world in the US, announced that it was writing off more than \$US3 billion in inventories.

It, also, reported its first quarterly loss in its 11-year history.

As TARGET has mentioned, many times in the past, investors in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) follow what is taking place in the US markets, very closely.

Investors in the HKSAR are reactive to international events, rather than being proactive.

The US is, still, Asia's largest market and, as such, what affects the US, affects Asia, doubly.

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AV Concept Holdings Ltd	595	11.11		0.50
Can Do Holdings Ltd	172		12.79	0.15
China Sci-Tech Holdings Ltd	985	10.00		0.088
E-LIFE International Ltd	370		12.16	0.13
Gold Wo International Holdings Ltd	90	15.00		0.46
Graneagle Holdings Ltd	147		11.76	0.015
Group Sense International Ltd	601	14.29		0.32
Hanson Eastern (Holdings) Ltd	279	12.28		0.128
Honko International Holdings Ltd	673	26.47		0.086
I-China Holdings Ltd	240	25.00		0.08
Innovative International (Holdings) Ltd	729	30.77		0.085

Luen Cheong Tai International Holdings Ltd	1190	11.78		0.114
Mandarin Resources Corporation Ltd	70		62.79	0.32
Nam Hing Holdings Ltd	986	11.90		0.235
Pearl Oriental Cyberforce Ltd	988		10.00	0.018
Seapower Resources International Ltd	269		10.45	0.12
Star Bio-Tech (Holdings) Ltd	1051	10.00		0.011
Star East Holdings Ltd	198		17.54	0.188
Starlite Holdings Ltd	403	10.34		0.16
Sunway International Holdings Ltd	58	11.86		0.66
Swank International Manufacturing Company Ltd	663	10.45		0.074
Tomorrow International Holdings Ltd	760	12.78		0.203
TPV Technology Ltd	903	14.42		1.19
Vision Century Corporation Ltd	535	10.67		0.83
Wah Tak Fung Holdings Ltd	297		14.29	0.12

On The GEM, The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, share prices continued to slip back as The Growth Enterprise Index shed another 1.22 percent, falling to 267.38 points.

The ratio of losers to gainers was 1.47:One.

The Total Turnover was about \$HK156.92 million with the top 5 counters, accounting for about 58 percent of that figure.

There were 6, double-digit movers, last Wednesday:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CASH on-line Ltd	8122		10.00	0.09
Grandmass Enterprise Solution Ltd	8108	34.55		0.074
L.P. Lammas International Ltd	8029	30.30		0.086
Neolink Cyber Technology (Holdings) Ltd	8116		18.64	0.96
Teleeye Holdings Ltd	8051		12.50	1.19
Trasy Gold EX Ltd	8063		12.50	0.021

Mr Li Ka Shing's GEM stock, tom.com Ltd (Code: 8001), announced continued sickness, with its first-quarter results, indicating a further erosion of Shareholders' Funds.

The company announced a Loss Attributable to Shareholders of about \$HK70.33 million, which compared *favourably* with the Loss of \$HK45.37 million, recorded for the comparable period in the 2000 Financial Year (to March 31).

The share price of tom.com lost about 3.53 percent of its value, falling to \$HK2.05.

Some people were pondering as to the reason that the price of this counter was anywhere near the \$HK2 level, considering that it is a loss-maker, and is unlikely to improve its position in the foreseeable future.

Another of Mr Li Ka Shing's companies (recently acquired) announced continuing losses, also.

Trasy Gold EX Ltd (Code: 8063) announced a Loss Attributable to Shareholders of about \$HK4.18 million for the first quarter of 2001, to March 31.

Trasy Gold was floated on The GEM last November 30 at 21 cents per share.

Last Wednesday, it was traded at 2.10 cents per share, having lost 90 percent of its value in a period of 6 months.

In Japan, for the second consecutive day, share prices retreated on The Tokyo Stock Exchange.

Questions were being raised as to the time element and the effects of the new Prime Minister's planned economic and political reforms of the country -- even though Mr Junichiro Koizumi had yet to be definitive as to the form and substance of his, and his Cabinet's, reforms.

The Nikkei-225 Average slipped another 1.43 percent to 14,084.85 yen, adding to Tuesday's loss of about 1.65 percent.

Traditional manufacturers were hit hard, last Wednesday, as Kobe Steel Ltd gave up 2.38 percent of its market capitalisation, falling to 82 yen per share, and Taisei Corporation was forced to surrender another 5.10 percent of its value, dropping back to 298 yen per share.

Analysts were watching, closely, the counters of Nippon Telegraph and Telephone (NTT) and its mobile unit, NTT DoCoMo Incorporated, since they were scheduled to make announcements as to profits.

After the market closed, NTT DoCoMo announced Net Profits for its Financial Year, ended March 31, 2001, of about \$US3 billion.

Japan's largest company, in terms of its market capitalisation, said that its profits had been powered by mobile Internet services.

For the Current Financial Year, ending March 31, 2002, the company is looking for a Bottom Line, which is expected to be better than the Bottom Line for 2001.

NTT DoCoMo lost about 3.30 percent of its value, during trading on Wednesday, falling back to 2.73 million yen per share.

NTT DoCoMo's *'parent'*, NTT, lost about 2.39 percent of its market capitalisation, dropping to 859,000 yen per share.

Electronic counters were, generally, weak as Rohm Company Ltd, a speciality chip producer, lost about 3.78 percent of its value, falling to 22,900 yen per share.

NEC Corporation, a major player in Japan's personal computer industry, dropped about 3.80 percent of its value, falling to 2,280 yen per share.

Shiseido Company, Japan's largest producer of cosmetics, announced its first loss in 55 years for its Financial Year, ended March 31, 2001.

The company posted a Consolidated Net Loss of about 45.09 billion yen.

The company's share price lost 41 yen, or about 3.21 percent, falling to 1,238 yen.

Losers were far ahead of gainers by the ratio of about 3.07: One.

Other Asian stock markets took note of what was taking place on the stock market of the second largest economy of the world, in addition to how things were shaping up in New York:

Indonesia	Minus 0.23 percent
Japan	Minus 1.43 percent
Malaysia	Plus 0.35 percent
The Philippines	Plus 1.02 percent
Singapore	Minus 1.15 percent

South Korea	Minus 2.04 percent
Taiwan	Plus 1.08 percent
Thailand	Plus 1.71 percent

## **Thursday**

Prices continued to drift on The Stock Exchange of Hongkong Ltd as the world waited the pleasure of the Chairman of the US Federal Reserve and his determinations in respect of short-term interest rates in the world's largest economy.

Share prices of most Main Board counters, listed on The Stock Exchange of Hongkong Ltd, hardly moved the entire day, with the Hang Seng Index, ending the day at 13,604.80 points, up about 0.15 points on Wednesday's closing level.

The Total Turnover was about \$HK8.43 billion, not dissimilar to Wednesday's volume of activity.

The Ten Most Active counters accounted for about \$HK2.93 billion of the Total Turnover, once again, indicating that investors in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were looking for investments, either to buy or to sell, outside of the blue chips and hi-flyers.

Losers were ahead of gainers by the ratio of about 1.75:One, with about 54 percent of all counters, either hanging onto Wednesday's closing levels of being neglected by investors.

HKSAR investors seemed to be puzzled by what was taking place on the largest stock market in the world, as US investors seemed to be changing their minds, daily.

Last Wednesday on The New York Stock Exchange, the Dow Jones Industrial Average lost about 0.17 percent of its value, falling to 10,864.96 points, while the NASDAQ Composite Index gave up 1.95 percent to fall to 2,155.82 points.

New York was still feeling the effects of Tuesday's announcement from Cisco Systems, the technology bellwether company that, just one year earlier, could do no wrong. (Please see Wednesday's report)

Cisco Systems seemed to spread a very negative tone over investor proceedings on Wall Street, last Thursday.

The share price of Cisco Systems gave up \$US1.29, falling to \$US19.09, reversing Wednesday's direction.

Other technology issues fell in sympathy to Cisco Systems's demise, it appeared.

In London, The Bank of England cut its interest rates by 25 basis points. The rate, now, stands at 5.25 percent.

The move had been expected since the idea of the interest-rate cut is to try to stimulate economic growth in one of the most important countries in the European Union.

As soon as The Bank of England announced its interest-rate cut, the European Central Bank followed suit, cutting its rate by a similar amount, bringing it down to 4.50 percent.

In the HKSAR, all this meant nothing to investors and traders in Asia's second largest economy, which was struggling along as more and more companies announced disappointing results.

The following is TARGET's list of double-digit movers of last Thursday. It is noted that losers were ahead of gainers for the biggest movers of the day:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Can Do Holdings Ltd	172	10.00		0.165
CATIC International Holdings Ltd	232	21.33		0.455
Coastal Realty Group Ltd	1124	12.39		0.245
Emperor Technology Venture Ltd	283	11.56		0.193
G-Prop (Holdings) Ltd	286		13.16	0.033
Gold Wo International Holdings Ltd	90	15.22		0.53
Golden Dragon Group (Holdings) Ltd	329	18.10		1.24
Guangnan (Holdings) Ltd	1203		10.38	0.19
Guangzhou Pharmaceutical Company Ltd	874		11.56	1.99
Hansom Eastern (Holdings) Ltd	279	12.50		0.144
I-China Holdings Ltd	240		18.75	0.065
Jackin International Holdings Ltd	630	16.46		0.46
Magnificent Estates Ltd	201		10.64	0.042
Mandarin Resources Corporation Ltd	70		18.75	0.26
Pricerite Group Ltd	996		13.16	0.33
Rising Development Holdings Ltd	1004		10.71	0.25
RNA Holdings Ltd	501		15.94	0.116
Sen Hong Resources Holdings Ltd	76		18.54	0.145
South East Group Ltd	726		10.00	0.016
TPV Technology Ltd	903	10.08		1.31
Victory City International Holdings Ltd	539		13.16	0.33
Wah Fu International Holdings Ltd	952		10.42	0.043
WellNet Holdings Ltd	24	12.28		0.64
Wo Kee Hong (Holdings) Ltd	720	22.78		0.097
Yue Fung International Group Holdings Ltd	965	10.00		0.077
Yunnan Enterprises Holdings Ltd	455		10.67	0.67

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, losers outpaced gainers by the ratio of 5.86:One in a market that saw The Growth Enterprise Index shed another 3.56 percent, falling to 257.87 points.

The Total Turnover on this market was about \$HK268.88 million, with new listing, Xinao Gas Holdings Ltd (Code: 8149), being responsible for about \$HK110.94 million of that figure, or 41.26 percent of the entire volume of activity of the day.

Xinao Gas Holdings, the most active counter of the day, saw its share price fluctuate between a low of \$HK1.21 and a high of \$HK1.80, ending the day at \$HK1.35.

The closing price of the first day of trading for this company compared with the Placing Price of \$HK1.15 per share.

The second, most-active counter of the day was Rupert Murdoch's Phoenix Satellite Television Holdings Ltd (Code: 8002) as investors traded 19.49 million shares in this company. Its share price ranged, throughout the day, at between a low of \$HK1.43 and a high of \$HK1.56.

Phoenix Satellite Television's share price came to rest at \$HK1.44, just off the low of the day.

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Smartech Digital Manufacturing Holdings Ltd	8068	25.00		0.035
Teleeye Holdings Ltd	8051		17.65	1.19
Vodatel Networks Holdings Ltd	8033	19.05		0.025

There were, also, 3 very negative GEM announcements, last Thursday, all of which showed a deterioration in the fortunes of the companies, letting down their corporate hair.

From Asia Information Resources (Holdings) Ltd (Code: 8025), it was announced that the company's results for the quarter, ended March 31, 2001, showed widening losses, amounting to about \$HK16.18 million.

This compared with the comparable period one year earlier when the company reported a loss of about \$HK2.80 million.

AcrossAsia Multimedia Ltd (Code: 8061) announced a loss of about \$HK53.07 million for the same, 3-month period.

This was an *improvement*, in terms of losses, compared with the 2000, first-quarter period, of about 3,116 percent since, for the first quarter of 2000, it lost just \$HK1.65 million.

Panda-Recruit Ltd (Code: 8073) was the third company to report its first quarter results and followed on from its predecessors, not wishing, clearly, to break the mould.

Panda-Recruit announced losses of about \$HK18.13 million, an *improvement* of about 278 percent, compared with the first quarter results in the 2000 Financial Year.

Asia Information was untraded, last Thursday, while AcrossAsia Multimedia gave up 7.84 percent of its market capitalisation, falling to \$HK2.35 per share.

Panda-Recruit went unnoticed by investors, who deigned not to trade in the shares of this loss-maker.

In Japan, The Tokyo Stock Exchange put on a repeat performance of Wednesday's market as the Nikkei-225 gave up another 67.06 yen, falling to 14,017.79 yen.

It was said that the Cisco Systems's announcement had put the hex on Japanese share prices.

Losers outnumbered gainers by the ratio of about 1.25:One.

From Sony Corporation, one of the largest consumer electronics producers in the world, came news that its 80-percent-owned Sony Bank would start trading on June 11.

J.P. Morgan in the US holds 4 percent of Sony Bank while Sumitomo Mitsui Banking Corporation owns 16 percent of new Internet bank.

Bandai Company, the largest toy manufacturer in Japan, announced a 906.70-percent increase in its Bottom Line for its 2000 Financial Year to 12.90 billion yen.

Bandai lost 50 yen per share, ending last Thursday's session at 4,150 yen.

The Bank of Japan announced the seventh consecutive month of declining wholesale prices, which fell another 0.70 percent in the month of April.

The rate of decline, The Bank of Japan stated, was the biggest since the 0.80-percent drop in October 1999.

With little to stimulate trading on The Tokyo Stock Exchange, and with a plethora of negative vibes, hitting investors, it was hardly surprising to see stock-market prices drift to lower levels.

The world, it seemed, was waiting for the US Fed to make its determination, the following week.

This was how other Asian stock markets fared, last Thursday:

Indonesia	Minus 0.83 percent
Japan	Minus 0.48 percent
Malaysia	Plus 0.14 percent
The Philippines	Plus 0.14 percent
Singapore	Plus 0.39 percent
South Korea	Plus 0.44 percent
Taiwan	Minus 2.11 percent
Thailand	Plus 1.41 percent

## **Friday**

Trading continued to be very light on The Stock Exchange of Hongkong Ltd, with some stockbrokers, wondering as to the reasons that they even bothered to go to work.

The Main Board's Hang Seng Index registered a gain of about 0.23 percent over Thursday's closing level, ending the week at 13,636.61 points.

The Total Turnover was about \$HK8.03 billion, with losers and gainers, exactly even, at One: One.

About 52 percent of all the counters, listed on the second largest bourse in Asia, were either not traded or stayed flat at Thursday's closing levels.

The Ten Most Active counters represented about 43.21 percent of the entire market's activity for the day, with the top 2 counters, China Unicom Ltd (Code: 762) and Cheung Kong (Holdings) Ltd (Code: 1), accounting for about 16.06 percent of the Total Turnover.

China Unicom lost 6.37 percent of its market capitalisation, falling back to \$HK11.75 per share, while Cheung Kong regained 0.54 percent of its value, rising to \$HK93.25 per share.

The double-digit movers dropped down to 24 counters, of which number, 8 counters lost substantial ground, led by Yoshiya International Corporation Ltd (Code: 193), which lost nearly 35 percent of its market capitalisation.

News wise, there was little to report: Investors in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were, simply put, waiting to learn what the Chairman of the US Federal Reserve would do the following Tuesday (tomorrow) in respect of short-term interest rates in the US.

It was strongly believed that the Fed would cut interest rates by another 50 basis points.

On Wall Street, last Thursday, investors appeared to be undecided as to which direction The New York Stock Exchange's indices would go: Up or down?

The Dow Jones Industrial Average, the 30-counter, blue chip index, gained 44.31 points, about 0.41 percent, ending the day at 10,911.29 points.

But the closing level meant nothing to investors who, during the day, had seen the Dow up more than 100 points before profit taking took its toll.

On the NASDAQ, its Composite Index fell about 1.32 percent, ending the day at 2,128.82 points.

The Cisco Systems's report was still lingering in the minds of many US investors, most of whom were wondering which company would be the next to surface with disappointing results. (Please see Wednesday's

report)

The cut in interest rates by both The Bank of England and the European Central Bank was noted by investors and traders alike: It pointed to the way ahead. (Please see Thursday's report on this subject)

In the HKSAR, the rate cuts in Europe had little effect on trading because the Hongkong dollar is linked to the US dollar so that any movement in interest rates in the HKSAR is predicated by interest-rate moves in the US.

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B-Tech (Holdings) Ltd	412	80.00		0.018
Can Do Holdings Ltd	172	13.94		0.188
China Motion Telecom International Ltd	989	14.29		0.88
China United Holdings Ltd	273	10.00		0.011
Dransfield Holdings Ltd	632	11.11		0.09
Easyknit International Holdings Ltd	1218	11.11		0.50
Fountain Set (Holdings) Ltd	420	12.12		0.74
Global Link Cyber International Ltd	140	10.69		0.145
I-China Holdings Ltd	240	12.31		0.073
I-Wood International Holdings Ltd	162	11.43		0.39
Innovative International (Holdings) Ltd	729		12.50	0.07
Interchina Holdings Company Ltd	202	10.71		0.465
Magnum International Holdings Ltd	305		10.29	0.061
renren Media Ltd	59		10.00	0.018
RNA Holdings Ltd	501		12.93	0.101
Sing Pao Media Group Ltd	164	10.29		0.75
Sinocan Holdings Ltd	1095		22.50	0.062
South East Group Ltd	726	11.11		0.02
Swank International Manufacturing Company Ltd	663		11.59	0.061
vLink Global Ltd	563	12.77		0.053
Wah Fu International Holdings Ltd	952	11.63		0.048
Welback Holdings Ltd	491	13.33		0.034
Wonson International Holdings Ltd	651		10.71	0.025
Yoshiya International Corporation Ltd	193		34.52	0.275

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, share prices came off – with a bang.

The Growth Enterprise Index lost 2.80 percent of its value, falling to 250.65 points.

The Total Turnover was about \$HK173.40 million.

Losing counters edged out gaining ones by the ratio of about 1.10:One.

Only about 45 percent of all the counters saw any action at all.

Of the 5, double-digit movers, only one counter managed to buck the falling trend.

There was a spate of companies, announcing their results, most of them, being negative results.

SUNeVision Holdings Ltd (Code: 8008), a spin-off of Sun Hung Kai Properties Ltd (Code: 16, Main Board, The Stock Exchange of Hongkong Ltd), announced a loss of \$HK110.41 million for the period July 1, 2000 to March 31, 2001.

This negative result compared with a loss of about \$HK7.35 million for the corresponding period between 1999 and 2000.

SUNeVision Holdings was listed on The GEM on March 6, 2000 at an Offer Price of \$HK10.38 per share.

It closed, last Friday, at \$HK1.85 per share, a reduction of about 82.18 percent in a little more than 13 months.

Henderson Cyber Ltd (Code: 8023), a spin-off of Henderson Investment Ltd (Code: 97, Main Board, The Stock Exchange of Hongkong Ltd), announced a loss of about \$HK40.73 million for the same period as SUNeVision Holdings.

Henderson Cyber's results for the first half of its Financial Year contrasted to a loss of about \$HK4.71 million in respect of its Proforma Results for the corresponding period in 1999 and 2000.

Henderson Cyber was listed on The GEM on July 21, 2000 at 68 cents per share.

It was traded, last Friday, at 65 cents per share.

Digital Hongkong.com Ltd (Code: 8007) announced its losses for the same period as SUNeVision Holdings and Henderson Cyber, stating that it had lost only about \$HK3.85 million, compared with a loss of about \$HK2.92 million the comparable period in 1999/2000.

Digital Hongkong.com was listed on The GEM on April 5, 2000 at \$HK1.20 per share.

Its share price, last Friday, was 23.50 cents per share, a fall of about 80 percent from its Offer Price.

It is hardly any wonder that the majority of HKSAR investors lose heart when dealing with shares, listed on this speculative marketplace.

The following is a list of the double-digit movers of last Friday on The GEM:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Multimedia Ltd	8061		14.89	2.00
First Mobile Group Holdings Ltd	8110		10.34	0.78
Neolink Cyber Technology (Holdings) Ltd	8116	16.13		1.08
Prosten Technology Holdings Ltd	8026		10.77	0.58
Teleeye Holdings Ltd	8051		11.22	0.87

In Japan, it was another very dull trading day on The Tokyo Stock Exchange, as the Nikkei-225 Average gained 26.13 yen, or about 0.19 percent, ending the week's trading at 14,043.92 yen.

While investors had taken note of the interest-rate cuts in Europe, it had little effect on trading on Asia's largest, single stock market.

Losers were ahead of gainers by the ratio of about 1.30:One.

One piece of news came from the US where The Oregon Supreme Court upheld a \$US7.60-million, damages award against Toyota Motor Corporation with regard to proven defects of its 4-Runner SUV (Sports Utility Vehicle).

It was proven that Ms Linda McCathern, a 43-year-old American, had been paralysed when her Toyota 4-Runner SUV rolled over in 1995.

Toyota lost about 1.44 percent of its value, during trading on The Tokyo Stock Exchange, last Friday, ending the week at 4,110 yen per share.

Other motors to lose ground included Isuzu Motors, off 4.10 percent to 234 yen per share, Mitsubishi Motor, down 3.23 percent to 390 yen per share, and Toyota Motor Company, down 1.44 percent to 4,110 yen per share.

To state that trading was directionless on this market would have been to state the obvious.

Japan, like the rest of Asia, was awaiting the decision of the Fed, due to be released on Wednesday in Asia.

Also, hanging over this particular market, however, were the results of Nippon Telegraph and Telephone (NTT), the largest, fixed-line telecommunications company in The Land of The Rising Sun.

NTT is due to release its financial results for last year, this week – and suggestions abounded that it would be a terrible report.

This was how other Asian stock markets saw the situation, last Friday:

Indonesia	Plus 0.36 percent
Japan	Plus 0.19 percent
Malaysia	Minus 0.47 percent
The Philippines	Plus 2.84 percent
Singapore	Plus 0.86 percent
South Korea	Plus 0.29 percent
Taiwan	Plus 2.16 percent
Thailand	Minus 1.64 percent

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