

**UTOR AND MARCONI SHOCK ASIA IN STOCK-MARKETS' SLIDE**

Major stock markets around Asia were in reverse gear, the entire day, last Monday.

The Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) was closed for a public holiday, that holiday, being the day, 4 years prior, that the PRC Government assumed sovereignty over the 416 square miles that used to be known as the British Crown Colony of Hongkong.

Aside from a few thousand people, protesting that there was not enough democracy in the HKSAR – TARGET had no idea that, in reality, there was any real democracy, in any event – and a few hundred people from the New Territories' 'boondocks', claiming that The HKSAR Basic Law amendments were breaching the rights of the village elders, the day passed in real Communist style, with children, waving PRC flags, showing that they loved the Chief Executive, Mr Tung Chee Hwa, and their country, the PRC.

The Stock Exchange of Hongkong Ltd was closed for the day, but management of Cathay Pacific Airways Ltd (Code: 293, Main Board, The Stock Exchange of Hongkong Ltd) continued to struggle with its pilots, who were threatening industrial action unless they obtained, what they considered, a reasonable pay increase.

The industrial action was due to start on Tuesday, at midnight.

In Japan, The Bank of Japan released evidence that business sentiment in the second largest economy of the world had deteriorated, dramatically – again.

According to The TANKAN, a quarterly survey of The Bank of Japan, the '*Diffusion Index*' fell to negative 16 points for large Japanese manufacturers.

The Diffusion Index charts the percentage that companies in The Land of The Rising Sun believe that the business outlook is favourable minus those, which are contrary minded.

In March, The Bank of Japan's TANKAN statistics indicated a figure of minus 5 points.

The latest statistics showed that business confidence had hit a 19-month low.

The Tokyo Stock Exchange was rocked by The TANKAN findings; the Nikkei-225 Average lost 217.87 yen, falling to 12,751.18 yen.

Losers were ahead of gainers by the ratio of about 3.26:One.

Banks, telecommunications and electronics took the brunt of the selling pressure in a day that saw share prices fall in rapid succession, with no appearance, during Monday's trading, of any letup.

Some of the biggest losers (with a lone exception) in these 3 sectors included:

**Electronics**

Advantest	Down 3.65 percent to 10,300 yen per share
Alps Electronic	Down 2.67 percent to 1,131 yen per share
Casio Computer	Down 2.21 percent to 709 yen per share
Fujitsu	Down 3.51 percent to 1,264 yen per share
Furukawa Electric	Down 5.73 percent to 938 yen per share

Kyocera Corporation	Down 2.45 percent to 10,730 yen per share
Matsushita Communications	Down 5.10 percent to 5,390 yen per share
NEC Corporation	Down 3.09 percent to 1,633 yen per share
Olympus Optical	Down 2.55 percent to 1,947 yen per share
Ricoh Company	Down 3.53 percent to 2,595 yen per share
TDK Corporation	Down 1.72 percent to 5,710 yen per share
Tokyo Electron	Down 4.64 percent to 7,200 yen per share
Toshiba Corporation	Down 3.95 percent to 633 yen per share

### **Telecommunications**

Japan Telecommunications	Down 3.08 percent to 2.51 yen per share
KDDI	Down 4.64 percent to 555,000 yen per share
Nippon Telegraph and Telephone (NTT)	Up 3.54 percent to 673,000 yen per share
NTT DoCoMo	Down 2.76 percent to 2.10 yen per share

### **Banks**

Asahi Bank	Down 3.33 percent to 261 yen per share
Bank of Fukuoka	Down 3.93 percent to 538 yen per share
Chugoku Bank	Down 2.65 percent to 807 yen per share
Gunma Bank	Down 2.86 percent to 578 yen per share
Hachijuni Bank	Down 2.26 percent to 606 yen per share
Higo Bank	Down 4.33 percent to 422 yen per share
Iyo Bank	Down 3.34 percent to 695 yen per share
Mizuho Holdings	Down 2.59 percent to 565,000 yen per share

On the news front, it was announced that Sanyo Electric Company and Sharp Corporation had agreed to form an alliance in the domestic and overseas home appliance business.

Sanyo and Sharp are, both, dominant in this field.

Under the agreement, the 2 companies will cooperate in research and development with emphasis on appliances, such as refrigerators, freezers and microwave ovens.

Also, there will be more inter-exchanges of products, with Sharp, supplying Sanyo with microwave ovens for the European markets, while Sanyo will supply Sharp with refrigerators for the Southeast Asian markets.

The Japan Automobile Dealers Association announced that domestic sales of new vehicles, during the first half of this year, to June 30, rose about 1.10 percent.

However, sales of passenger motor cars, with engine sizes of 2,000 cubic centimetres (cc) and more, fell about 6.40 percent in the period to 375,748 units.

It was not good news.

This was the way that things looked in other parts of Asia, last Monday night:

Indonesia	Minus 1.44 percent
Japan	Minus 1.68 percent

Malaysia	Minus 1.14 percent
The Philippines	Minus 1.01 percent
Singapore	Minus 1.15 percent
South Korea	Plus 0.27 percent
Taiwan	Plus 0.07 percent
Thailand	Minus 0.03 percent

## Tuesday

There was, certainly, no lack of shocking corporate news in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), last Tuesday, as the pilots of Cathay Pacific Airways Ltd (Code: 293, Main Board, The Stock Exchange of Hongkong Ltd) stuck to their guns and started working to rule, chindotcom Corporation was sued in the US, and 400 workers of the German manufacturer of ladies underwear, with plants in Tuen Mun, the New Territories, the HKSAR, got their pink slips and hit the pavement, looking for alternate employment.

While the Hang Seng Index, the *'barometer'* of trading on the Main Board of The Stock Exchange of Hongkong Ltd, registered a positive figure of plus 1.90 percent, rising to 13,184.75 points, it was the bears that took control of trading: The ratio of losers to gainers was about 1.57:One.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, however, there was no question as to the direction of this market – down, down, down.

The Growth Enterprise Index gave up about 2.26 percent of its value, falling to 261.24 points as the ratio of losers to gainers on this speculative marketplace hit about 2.59:One.

On The New York Stock Exchange, last Monday, New York time, the Dow Jones Industrial Average gained 91.25 points, about 0.87 percent, ending the first day of trading, last week, at 10,593.65 points.

On The NASDAQ, its Composite Index went in the reverse direction, giving up 11.82 points, about 0.55 percent, falling back to 2,148.72 points.

Not much store could be placed on trading on the world's largest stock market, last Monday, because the US was in the mood to celebrate its independence from England.

That happened back in 1776, on July 4, for history buffs (just in case they may have forgotten).

Many Americans had hit the highways in search of the open spaces, last Monday, since, like their 18<sup>th</sup> Century forefathers, they had inherited those insurrectionist genes, which causes them to wander whenever the mood strikes them – and it, always, strikes on July 4.

Back in the HKSAR, following the flag-waving and parading by Chinese *'insurrectionists'*, claiming to want more independence and democracy and what-have-you, pundits of the Main Board of The Stock Exchange of Hongkong Ltd noted that, of the 30, double-digit movers, only 6 of them had managed to be in positive territory at day's end.

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (SHK)
CATIC International Holdings Ltd	232		11.11	0.32
CEC International Holdings Ltd	759	12.82		0.88

China Bio-Medical Group Ltd	140		31.17	0.053
China Elegance International Fashion Ltd	476		10.71	0.025
China Investments Holdings Ltd	132		13.98	0.40
China United Holdings Ltd	273		16.67	0.01
Chinney Alliance Group Ltd	385		19.06	0.059
Companion Building Material International Holdings Ltd	432		20.00	0.06
Daido Group Ltd	544	23.53		0.105
Fortuna International Holdings Ltd	530		16.36	0.046
Fourseas.com Ltd	755		15.63	0.027
Fulbond Holdings Ltd	1041		22.73	0.051
G-Prop (Holdings) Ltd	286		12.00	0.33
Guangnan (Holdings) Ltd	1203		11.06	0.185
I-China Holdings Ltd	240		10.42	0.043
I-Wood International Holdings Ltd	162	14.81		0.62
KEL Holdings Ltd	681	13.64		0.20
Kwoon Chung Bus Holdings Ltd	306		10.78	0.91
Luen Cheong Tai International Holdings Ltd	1190		18.40	0.102
Man Sang International Ltd	938		11.11	0.136
O2 New Technology Ltd	94		11.76	0.06
Pacific Challenge Holdings Ltd	166		10.17	0.53
Peking Apparel International Group Ltd	761		14.93	0.57
Prime Investments Holdings Ltd	721	10.00		0.77
renren Media Ltd	59		16.67	0.025
Takson Holdings Ltd	918		10.71	0.50
UDL Holdings Ltd	620		11.54	0.092
Vanda Systems and Communications Holdings Ltd	757		10.07	1.34
Victory Group Ltd	1139		12.00	0.022
Wonson International Holdings Ltd	651	16.67		0.056

Vanda Systems and Communications Holdings Ltd announced, at the opening of trading, that it expected a material loss for this year – and so, down came this software house’s share price.

With a Total Turnover of only about \$HK7.63 billion, it did not take too much to shake up this market – especially since trading in just 10 counters, represented about 46.40 percent of the entire volume of activity for the day.

China Mobile (Hongkong) Ltd (Code: 941) was the most active counter of the day as investors ‘played’ about 18.10 million shares in this PRC-Government-controlled telecommunications company.

By the end of the day, the share price of China Mobile was \$HK42.30, a gain of about 2.67 percent over the previous Friday’s closing level.

Trading in the shares of China Mobile accounted for nearly 10 percent of the Total Turnover.

While China Mobile was the top-of-the-pops on the Ten Most Actives, most of the other 9 counters, that constituted the Ten Most Actives, moved, if at all, only fractionally.

Getting back to Triumph, and its management’s decision to lay off about 400 Hongkong workers in its New Territories’s plant, this is one of the few remaining vestiges of international companies, which are still manufacturing in the 416 square-mile territory.

Triumph’s management said that it had been forced to take this action – which will mean reducing production of its brassieres and panties, etc – in order to remain competitive and efficient.

In the US, the lawsuit against chinadotcom Corporation, filed on behalf of a group of shareholders of the company, alleged that the Initial Public Offer Prospectus of July 1999 was misleading due to the fact that it did

not disclose, fully, certain arrangements with certain brokerage houses, such as Lehman Brothers, Bear Sterns, BancBoston Robertson Stephens and Merrill Lynch.

The lawsuit may well affect The GEM company, Hongkong.com Corporation (Code: 8006), since it is a subsidiary of chinadotcom Corporation.

On The GEM, the Total Turnover dropped back to about \$HK219.93 million in a market that, in the 90-minute afternoon session, The Growth Enterprise Index moved just about one half of a percentage point.

There were a total of 4 double-digit movers, of which number, only one double-digit moved up:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CyberM International (Holdings) Ltd	8017		11.76	0.30
Fortune Tele.com Holdings Ltd	8040	17.65		0.60
iLink Holdings Ltd	8107		11.63	1.14
Q9 Technology Holdings Ltd	8129		10.59	0.38

There was no special news from this market.

In Japan, Mr Isamu Kawai, the former Chairman of Fuji Heavy Industries Ltd, and another former Executive of the company were found guilty of bribing a former Liberal Democratic Party member over the project to develop a seaplane for the Japanese Maritime Self-Defense Force.

Mr Kawai was jailed for 18 months, suspended for 3 years, while Mr Yasuyuki Kogure, the former Managing Director, was given a 14-month jail sentence, also suspended for 3 years.

So much for justice in Japan.

It is common to find senior officials of many Japanese companies, private and public, to be corrupt: It has become the way of life for many people in The Land of The Rising Sun.

But for some people, the sun has set – as must be the case for Messrs Kawai and Kogure, at least until the next opportunity comes along.

The share price of Fuji Heavy Industries on The Tokyo Stock Exchange rose, last Tuesday, hitting a high of 910 yen per share before settling back to 909 yen per share, a gain of one percent over Monday's closing level.

The main index of The Tokyo Stock Exchange, the Nikkei-225 Stock Average, recovered some of Monday's 217.87-yen losses, gaining 66.23 yen to hit 12,817.41 yen.

The ratio of gainers to losers was about 1.33:One, but trading was inhibited by The TANKAN Survey (see Monday's report).

There was a decided lack on investment activity from foreign players on all Japanese bourses, last Tuesday, due to the fact that the Americans were preparing to celebrate their seditious behaviour, about 225 years earlier, when they determined to wage war on England, their lawful masters.

There was little to report from this market, which, really, was a bit of a bore.

This was how other Asian markets fared, last Tuesday:

Indonesia	Minus 0.62 percent
Japan	Plus 0.52 percent

Malaysia	Plus 0.84 percent
The Philippines	Minus 0.27 percent
Singapore	Minus 0.20 percent
South Korea	Minus 0.41 percent
Taiwan	Minus 0.88 percent
Thailand	Plus 1.32 percent

### Wednesday

Pacific Century CyberWorks Ltd (Code: 8, Main Board, The Stock Exchange of Hongkong Ltd) admitted its mistakes, openly, last Wednesday, stating that it would sack about 290 members of its *'permanent'* Internet staff.

It was something of a shock announcement since Mr Richard Li Tzar Kai, the Number Two Son of the richest man in the world, Mr Li Ka Shing, does not, normally, like to admit his errors of judgment, or admit to not finishing his formal education – except when cornered, of course.

In announcing his company's situation, Chairman Richard Li Tzar Kai said: *'There is too much overlapping manpower at PCCW and Cable and Wireless (PCCW's subsidiary) ... Reducing manpower can help cut overlapping.'*

The move will cut operating costs by about \$HK1.20 billion, annually.

The share price of Pacific Century CyberWorks rose 7.78 percent to \$HK2.425 on a volume of about 159 million shares traded.

It was the second, most-active counter of the day and accounted for about 5.86 percent of the Total Turnover, which shrank to about \$HK6.48 billion.

Aside for Pacific Century CyberWorks, there was little action on the Main Board as the Hang Seng Index rose on 0.17 percent to end the day at 13,207.53 points.

The ratio of gainers to losers was narrow at about 1.02:One, with about 58 percent of all the counters, listed on the Main Board, either not traded, at all, or just hanging onto previous levels.

Most of the active counters, which means most of the blue chips, moved only fractionally so that, had not Pacific Century CyberWorks's share price moved up by nearly 8 percent, it is certain that the Hang Seng Index would have drifted into negative territory.

There were exactly the same number of double-digit movers, last Wednesday, as there were on Tuesday, with exactly one third of that number, shedding *'fat'*:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (SHK)
Asia Standard Hotel Group Ltd	292	11.54		0.29
China Bio-Medical Group Ltd	140	24.53		0.066
China Insurance International Holdings Company Ltd	966	10.28		2.95
China United Holdings Ltd	273	10.00		0.011
Daido Group Ltd	544		11.43	0.093
ehealthcareasia Ltd	835		13.79	0.10
Emperor (China Concept) Investments Ltd	296	10.53		0.042
Everbest Century Holdings Ltd	578		10.42	0.043
Fortuna International Holdings Ltd	530	15.22		0.053

Fulbond Holdings Ltd	1041	15.69		0.059
Gay Giano International Group Ltd	686		10.81	0.33
Golik Holdings Ltd	1118	14.86		0.255
Guangnan (Holdings) Ltd	1203	21.62		0.225
Hang Fung Gold Technology Ltd	870	18.25		0.149
I-China Holdings Ltd	240	18.60		0.051
I-Wood International Holdings Ltd	162		16.13	0.52
Kin Don Holdings Ltd	208	11.67		0.067
Lung Cheong International Holdings Ltd	348		13.79	0.75
Nam Fong International Holdings Ltd	1176		12.09	0.16
O2 New Technology Ltd	94	10.00		0.066
Pegasus International Holdings Ltd	676	16.67		0.84
Prosper eVision Ltd	979	43.23		0.222
renren Media Ltd	59	24.00		0.031
Skynet (International Group) Holdings Ltd	577	20.00		0.054
SunCorp Technologies Ltd	1063	11.11		0.40
Takson Holdings Ltd	918		10.00	0.45
Vision Tech International Holdings Ltd	922		22.08	0.30
Wah Tak Fung Holdings Ltd	297	16.94		0.29
Wang On Group Ltd	1222	12.33		0.255
Zida Computer Technologies Ltd	859		10.61	0.59

On Wall Street, The New York Stock Exchange was quiet on the eve of the Independence Day Celebrations (please see Tuesday's report).

The markets in the US were only open for half a day, closing at 1 pm.

The Dow Jones Industrial Average fell 22.55 points, about 0.21 percent, ending the session at 10,571.17 points.

The NASDAQ Composite Index drifted down 7.88 points, about 0.37 percent, to finish the day at 2,140.84 points.

There was little in the news department to stimulate trading, one way or the other.

On The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, the volume of activity dropped to about \$HK125.62 million, as The Growth Enterprise Index moved up 0.05 percent, exactly, to 261.37 points.

Gainers and losers were, exactly, even at One:One.

There were no double-digit movers, something that TARGET cannot remember, happening in recent history.

The Ten Most Actives accounted for about 71 percent of the Total Turnover.

There were no new corporate announcements except that packaging company, JW International Holdings Ltd, withdrew its listing -- which must have irked the Mr Lin Zai De, his wife, and his brother, that trio, forming the entire Board of Directors of the company.

An official company announcement said that the Underwriters had determined to withdraw from the flotation due to alleged anomalies, purported to have been contained in the Placing Prospectus.

(Please see [TARGET Intelligence Report, Volume III, Number 120](#), published on June 29, 2001)

In Japan, trading on The Tokyo Stock Exchange was not for the squeamish as the Nikkei-225 Stock Average lost 1.47 percent of its value, falling to 12,629.02 yen.

Telecommunications carrier, KDDI Corporation, announced that it was recalling 560,000 mobile telephones, made by Sony Corporation, due to battery problems.

In May, NTT DoCoMo Incorporated, easily the largest mobile telecommunications carrier in Japan, recalled 420,000 mobile telephones, also manufactured by Sony. That recall was said to be due to software and battery problems.

Sony's share price collapsed another 2.26 percent, last Wednesday, hitting 7,800 yen by the close of trading. It was the lowest level in the past 7 months, at least.

KDDI followed Sony on the slippery track to hit 545,000 yen by the close of trading, down about 2.15 percent for the day.

Also, in the telecommunications sector of the market, Matsushita Communication Industrial Incorporated, the largest manufacturer of mobile telephones in Japan, lost 270 yen per share, falling to 5,290 yen per share, a drop of about 4.83 percent on Tuesday's close.

The ratio of losers to gainers on the premier Japanese stock market was about 3.96:One as selling pressure mounted, during the trading day.

The market looked set to fall further in the coming sessions, but it was awaiting the US markets to start to be serious and stop celebrating flag-waving and things.

This was how other Asian bourses saw the situation, last Wednesday night:

Indonesia	Plus 0.08 percent
Japan	Minus 1.47 percent
Malaysia	Plus 1.18 percent
The Philippines	Minus 0.44 percent
Singapore	Minus 0.56 percent
South Korea	Plus 0.49 percent
Taiwan	Minus 2.24 percent
Thailand	Minus 0.12 percent

## **Thursday**

Labelled by the Hongkong Observatory as the biggest storm of the past 2 decades, Typhoon Utor closed in on the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), last Thursday.

And investors in the 416 square miles were hit with one piece of negative news after another.

Trading on The Stock Exchange of Hongkong Ltd was subdued, for the most part, because Typhoon Utor was threatening to hit, bang on, and, as such, people would have to rush to try to get home before all public transportation stopped.

However, as it turned out, it was not until about 7:30 pm, Thursday evening, more than 3 hours after the doors of The Stock Exchange had closed, that the Number 8 Storm Signal was hoisted by the Hongkong Observatory, signifying northwest winds had been experienced in the territory, those winds of typhoon strength.

The Main Board's Hang Seng Index had lost about 1.58 percent of its value, during the day, as The Index dropped back to 13,207.53 points.

The Total Turnover was about \$HK7.94 billion, with losers, outpacing gainers by the ratio of about 3.42:One.



HSBC Holdings plc (Code: 5) was the most active counter of the day, as investors traded about 7.64 million shares, representing nearly \$HK700-million worth of business, or about 8.82 percent of the total activity.

HSBC Holdings's share price ended the day at \$HK91, a drop of about 1.62 percent, compared with Wednesday's close.

Pacific Century CyberWorks Ltd (Code: 8), the share price of which had risen nearly 8 percent on Wednesday, following its Management, announcing that it would be sacking about 290 members of its Internet staff, was hit, hard, as about 96.88 million of its shares, changed hands, pushing down the share price by about 2.06 percent to \$HK2.375.

There were unconfirmed reports that the company was about to launch a cash-raising exercise to try to bring in \$HK19 billion-plus into its coffers in order to retire some of its debts.

The reports made sense since the company is hurting, as investors appear to have lost confidence in this Li Ka Shing company – with good reason, too.

Pacific Century CyberWorks was the ninth, most-active counter of the day.

On the news front, Internet World Hong Kong, a trade publication of Penton Media Asia, which is owned by the US publicly listed company, Penton Media Incorporated, closed down – after publication of just one issue.

The publication had taken 10 months of planning and hundreds of thousands of dollars had been spent on the single issue, but management determined, in its words, that *'we didn't want to push water uphill.'*

Four staff members got their walking papers.

Then, AOL Hong Kong, part of AOL Time Warner, announced that it would be terminating its Internet Service Provider operations in the HKSAR, effective this month.

From Cathay Pacific Airways Ltd (Code: 293, Main Board, The Stock Exchange of Hongkong Ltd) came news that it had sacked a captain of 11 years' service with the company and 2 other, more junior pilots.

But the company made it clear that the sackings had nothing to do with the dispute between Cathay Pacific and the pilots' union, which had told its members to work to rule.

As a result of the pilots' industrial action, hundreds of Cathay Pacific flights had been delayed.

Management of the company had told the world, repeatedly, just how furious it was at the *'unreasonable'* attitude of the *'drivers'* of the company's 707s, 727s, 747s and etc.

Cathay Pacific lost 0.94 percent of its market capitalisation, last Thursday, falling to \$HK10.50 per share.

There were just 19, double-digit movers, last Thursday, with 11 gainers and 8 losers:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Bio-Medical Group Ltd	140		12.12	0.058
China Land Group Ltd	149	29.79		0.61
Dynamic Holdings Ltd	29	20.00		1.68
Extra Pharmaceutical Holdings Ltd	858		10.34	0.52
Fullbond Holdings Ltd	1041		10.17	0.053
Gold Wo International Holdings Ltd	90	50.00		1.05
Grand Hotel Holdings Ltd 'B'	196	11.11		0.10
Group Sense (International) Ltd	601		10.71	0.25
Hang Feng Gold Technology Ltd	970	12.75		0.168

Kwong Hing International Holdings (Bermuda) Ltd	1131	10.26		0.07
Le Saunda Holdings Ltd	738	12.99		0.435
Nam Fong International Holdings Ltd	1176	12.50		0.18
Orient Resources Group Company Ltd	467		11.11	0.16
Prosper eVision Ltd	979		16.22	0.186
Quality HealthCare Asia Ltd	593		15.25	0.50
Solartech International Holdings Ltd	1166	26.67		0.019
Sunlord Chemical Group Ltd	362		12.31	0.285
TechCap Holdings Ltd	673	12.73		0.062
Welback Holdings Ltd	491	14.00		0.057

On The Growth Enterprise Market (The GEM) of the Stock Exchange of Hongkong Ltd, The Growth Enterprise Index fell 0.74 percent to 259.44 points on a Total Turnover of about \$HK121.04 million.

There were 4, double-digit movers on this market:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Digital hongkong.com Ltd	8007	15.63		0.74
iLink Holdings Ltd	8107	11.40		1.27
Syscan Technology Holdings Ltd	8083		10.71	0.25
T S Telecom Technologies Ltd	8003		12.28	0.50

Mr Li Ka Shing's GEM company, tom.com Ltd (Code: 8001), was hit by large selling pressure as its share price dropped back to \$HK2.10, a loss of about 3.45 percent, compared with Wednesday's close.

The lowest point for the share price of tom.com was about \$HK1.88 per share, and it seemed that investors were trying to rise to the occasion in an effort to come to that high level.

There was no special news from the company to make it come under such pressure, other than, that which was already known: The company continues to lose money -- big money.

The ratio of losers to gainers was about 2:One, with about 41 percent of all the counters, listed on The GEM, either holding onto Wednesday's closing levels or seeing no action, at all.

In Japan, investors were still waiting to see what Wall Street would do when things returned to normal on The New York Stock Exchange, following the Independence Day booze-up.

The Tokyo Stock Exchange was very quiet as the Nikkei-225 Stock Average moved down just 21.72 yen to 12,607.30 yen.

Losing counters were ahead of gaining ones by the ratio of 1.42:One.

Many eyes were glued on Sony Corporation as it continued to come under persistent selling pressure.

Investors pushed down this giant's share price, which lost 210 yen, falling to 7,590 yen, a drop of about 2.69 percent on Wednesday's close.

The fall from grace for Sony was due, in part, at least, to the recall of some of its mobile telephones. (Please see Wednesday's report)

Most share prices moved within a very narrow band, but it seemed inevitable that, come Friday, the Nikkei-225 would head for lower ground.

The Japan Automobile Dealers Association announced that Toyota Motor Corporation was the best-selling vehicles in the January to June period.

Honda followed Toyota, but it was a long way back.

From the Japan Automobile Importers Association came news that sales of imported vehicles in Japan fell 3.50 percent in June, compared with the like period in 2000.

A sure sign of a sick economy.

This was the situation in other Asian stock markets, last Thursday night, as Typhoon Utor closed in on the HKSAR:

Indonesia	Plus 0.47 percent
Japan	Minus 0.17 percent
Malaysia	Plus 3.18 percent
The Philippines	Plus 1.17 percent
Singapore	Minus 0.34 percent
South Korea	Minus 0.61 percent
Taiwan	Minus 0.65 percent
Thailand	Minus 0.47 percent

### **Friday**

Typhoon Utor struck the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), last Thursday night, necessitating the Number 8 Storm Warning Signal to be hoisted for the best part of the day.

As such, trading on The Stock Exchange of Hongkong Ltd was suspended for the entire day.

In Japan, however, it was: Sell! Sell! Sell!

On The Tokyo Stock Exchange, The Nikkei-225 Average lost 301.22 yen, falling back to 12,306.08 yen in a market that saw losers overpower gainers by the ratio of 3.41:One.

Aside from domestic issues in The Land of The Rising Sun, Japanese investors had to cope with the situation on both Wall Street and European markets where share prices were taking quite a dubbing.

On Thursday, New York time, electronics/telecommunications giant Marconi, one of the oldest and largest companies in the United Kingdom, issued a profits' warning and, at the same time, sacked 4,000 of its workers, worldwide, with 1,500 of its workers, hitting the streets in the UK.

The company said that the Operating Profit for its Financial Year, ended March 31, 2001, was down about 50 percent, Year-on-Year.

Mr John Mayo, Chief Executive of Marconi, quit his position on Thursday, although it was not reported until last Friday.

The share price of Marconi fell more than 50 percent on Thursday on The London Stock Exchange, to close at 104.50 pence (about \$HK11.50), down from 1,250 pence (about \$HK137), recorded in September 2000.

Marconi's '*little*' problems became the world's migraine as Wall Street reacted, violently, to the news: The Dow Jones Industrial Average fell 91.25 points, about 0.86 percent, to end the session at 10,479.86 points.

On The NASDAQ, its Composite Index fell 60.60 points, about 2.83 percent, dropping back to 2,080.20 points.

The sell-off in hi-tech counters was sparked off, of course, by the Marconi announcement as its share price on The New York Stock Exchange fell 52.35 percent to \$US3.35 (about \$HK26).

Electronic stocks took a battering and it was only too apparent that, come Friday, the largest stock market in the world would go into free-fall.

On The Tokyo Stock Exchange, traders followed the worldwide sell-off as one electronic '*darling*' after another took it on the proverbial chin.

Here are some of the largest losers:

Advantest	Down 8.36 percent to 9,210 yen per share
Alps Electric	Down 3.39 percent to 1,054 yen per share
Casio Computer	Down 3.04 percent to 670 yen per share
Fuji Electric	Down 2.67 percent to 401 yen per share
Fujitsu Corporation	Down 3.33 percent to 1,192 yen per share
Furukawa Electric	Down 3.36 percent to 835 yen per share
Hitachi	Down 3.47 percent to 1,140 yen per share
Kyocera Corporation	Down 4.32 percent to 9,970 yen per share
Mitsubishi Electric	Down 3.69 percent to 575 yen per share
NEC Corporation	Down 3.35 percent to 1,588 yen per share
Nikon Corporation	Down 6.54 percent to 1,057 yen per share
Oki Electric Industries	Down 5.64 percent to 552 yen per share
Rohm Company	Down 4.71 percent to 17,590 yen per share
Sharp Corporation	Down 4.67 percent to 1,550 yen per share
Sony Corporation	Down 4.48 percent to 7,250 yen per share
Tokyo Electron	Down 4.99 percent to 6,850 yen per share
Toshiba Corporation	Down 3.02 percent to 611 yen per share

In telecommunications, the biggest losers included:

Japan Telecom	Down 1.92 percent to 512,000 yen per share
KDDI	Down 4.93 percent to 521,000 yen per share
Nippon Telegraph and Telephone (NTT)	Down 3.09 percent to 658,000 yen per share

For The Tokyo Stock Exchange, it had hit a 14-week low ... and it looked as though it would fall a lot further in the coming weeks, in view of the international situation.

This was the way that things looked at the end of last week in Asia:

Indonesia	Plus 0.43 percent
Japan	Minus 2.39 percent
Malaysia	Plus 1.57 percent
The Philippines	Minus 0.38 percent
Singapore	Minus 1.61 percent
South Korea	Minus 2.54 percent
Taiwan	Minus 0.05 percent

Thailand	Closed
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