

THE WEEK THAT TERROR SWEEPED STOCK MARKETS ROUND THE WORLD

Asian stock markets went into full retreat, last Monday, led by falls on both the Thai and Japanese stock markets as investors in the most populous area of the world followed Wall Street's lead of the previous Friday (September 7).

The plunge in the value of the Nikkei-225 Stock Average, the blue-chip index of The Tokyo Stock Exchange, had investors, hanging on by their fingernails, as it gave up 321.10 yen, falling to 10,195.69 yen, a one-day loss of about 3.05 percent.

It was another fresh low for the Nikkei-225 Stock Average since it had not hit this nadir since August 2, 1984 when it closed at 10,086.87 yen.

The losses on The Tokyo Stock Exchange set the tone for trading in equities in Asia, last Monday, because, regardless of economic fundamentals, Tokyo is, still, the Number One bourse in Asia.

Nevertheless, the Nikkei-225 had hit a new, 17-year low ... and it looked as though it would hit further new lows in short order.

And investors were more than a little concerned.

Aside from the fact that '*Japan Incorporated*' was on the balls of its arse, the premier stock market of The Land of The Rising Sun, also, was concerned about what was taking place on the world's biggest stock markets in The Land of The Free and The Home of The Brave.

The previous Friday, on The New York Stock Exchange, the Dow Jones Industrial Average – the equivalent index to the Nikkei-225 Stock Average – had given up 234.90 points, about 2.38 percent, falling to 9,606.75 points.

On the NASDAQ, its Composite Index had fallen about 1.05 percent, ending the week at 1,687.65 points.

Wall Street was reacting, sharply, to one company after another, reporting difficulties, plus more and more evidence that the US economy is weakening further.

On September 7, the US Labour Department announced a jobless rate of about 4.90 percent, the highest level of unemployment in the previous 4 years.

Japan's knee-jerk response was one, which bordered on hysteria, because, on the one hand, the Japanese had parochial troubles and, on the other hand, there was the country's major trading partner (the US) – which was in deep trouble.

Electronics followed NASDAQ, New York, while banks in Japan followed the situation, domestically – and both fell material amounts:

Electronics

Advantest

Down 5.57 percent to 6,100 yen
per share

Alps Electric	Down 4.27 percent to 785 yen per share
Casio Computer	Down 3.11 percent to 686 yen per share
Fujikura	Down 6.71 percent to 570 yen per share
Furukawa Electric	Down 7.38 percent to 727 yen per share
Konica Corporation	Down 5.99 percent to 643 yen per share
Kyocera Corporation	Down 3.74 percent to 7,710 yen per share
Matsushita Communications	Down 2.42 percent to 3,620 yen per share
OKI Electric Incorporated	Down 2.71 percent to 358 yen per share
Rohm Company	Down 3.22 percent to 13,190 yen per share
Sanyo Electric	Down 5.35 percent to 442 yen per share
TDK Corporation	Down 7.61 percent to 5,820 yen per share

Banks

Asahi Bank	Down 19.25 percent to 130 yen per share
Bank of Fukuoka	Down 2.94 percent to 528 yen per share
Bank of Yokohama	Down 2.42 percent to 483 yen per share
Daiwa Bank	Down 13.58 percent to 140 yen per share
Higo Bank	Down 2.98 percent to 390 yen per share
Iyo Bank	Down 2.35 percent to 621 yen per share
Joyo Bank	Down 3.18 percent to 334 yen per share
Juroku Bank	Down 2.29 percent to 469 yen per share
Shizuoka Bank	Down 4.23 percent to 972 yen per share
Ufj Holdings	Down 1.91 percent to 685,000 yen per share

Communications

Japan Telecom	Down 7.31 percent to 266,000 yen per share
KDDI	Down 4.45 percent to 300,000 yen per share
Nippon Telegraph and Telephone (NTT)	Down 3.76 percent to 486,000 yen per share
NTT DoCoMo	Down 5.42 percent to 1.22 million yen per share

On The Stock Exchange of Hongkong Ltd, trading was spotty for most of the session, but the blue-chip index of the Main Board, the Hang Seng Index, still was in negative territory by the close of the day.

The Hang Seng Index ended last Monday's session at 10,366.32 points, which was off about 17.88 points, or about 0.17 percent.

Trading was slightly higher than usual at about \$HK6.16 billion.

The ratio of losers to gainers was about 1.75:One, but only about 18 percent of all counters, listed on the Main Board, traded, at all.

The market's selectivity was considered surprising since investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were noting what was taking place on Asia's premier bourse, the Tokyo Stock Exchange.

The 5 leading counters, last Monday, were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK87.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.64 percent to \$HK21 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.40 percent to \$HK62 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Unchanged at \$HK65 per share
Pacific Century CyberWorks Ltd (Code: 8)	Up 3.87 percent to \$HK1.88 per share

The aggregate volume of trading in the above 5 counters represented about 41 percent of the entire volume of activity for the day.

There were just 12, double-digit movers of the day, with only 3 of their number, managing to make any headway amid a sea of losers:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Century City International Holdings Ltd	355		12.31	0.057
China Merchants China Direct Investments Ltd	133		11.11	2.00
ehealthcareasia.com Ltd	835		15.63	0.027
Fairwood Holdings Ltd	52	11.25		0.089
Hua Lien International (Holding) Company Ltd	969		10.71	0.25
Interform Ceramics Technologies Ltd	1060	10.00		0.022
netalone.com Ltd	336		20.00	0.092

OSK Asia Corporation Ltd	555		12.50	0.28
Pricerite Group Ltd	996	10.00		0.33
Sinocan Holdings Ltd	1095		13.89	0.062
TravelSky Technology Ltd	696		11.67	5.30
Vision Tech International Holdings Ltd	922		13.95	0.185

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the situation mirrored trading on the Main Board.

The Growth Enterprise Index gave up 0.33 percent of its value, falling to 189.74 points, the lowest level in more than a year.

The Total Turnover, also, was low, at about \$HK27.95 million, with losers ahead of gainers by the ratio of about 1.79:One.

The double-digit movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Computech Holdings Ltd	8081		16.67	0.45
CyberM International (Holdings) Ltd	8017		10.71	0.25
DigiTel Group Ltd	8030		10.00	0.36
FlexSystem Holdings Ltd	8050	63.64		0.36
L.P. Lammas International Ltd	8029		12.16	0.13
Trasy Gold EX Ltd	8063	14.29		0.024

In other parts of Asia, this was the situation on major stock markets:

Indonesia	Minus 0.05 percent
Japan	Minus 3.05 percent
Malaysia	Minus 0.20 percent
The Philippines	Minus 0.01 percent
Singapore	Minus 1.17 percent
South Korea	Minus 0.78 percent
Taiwan	Minus 0.30 percent
Thailand	Minus 3.12 percent

Tuesday

It was as though the world were waiting for something, but that something was undefined and, as such, stock markets of the world coasted for the most part, last Tuesday.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index squeezed out a gain of about 0.49 percent, rising to 10,417.36 points, but the Total Turnover fell back to about \$HK4.88 billion.

The 51.04-point gain of the Hang Seng Index came in the 90-minute afternoon session because, in the morning, the Hang Seng Index had beaten a retreat, equal to about 0.39 percent, compared with Monday's closing level.

The 5 leading lights of the market all managed to add to their market capitalisations, with the exception of the largest bank in England, the share price of which held firm:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK87.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 2.14 percent to \$HK21.45 per share
Pacific Century CyberWorks Ltd (Code: 8)	Up 0.07 percent to \$HK1.95 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.38 percent to \$HK65.25 per share
China Unicom Ltd (Code: 762)	Up 0.10 percent to \$HK9.10 per share

The above list of the most-active counters of last Tuesday represented, in terms of their aggregate volumes, about 37 percent of the Total Turnover of the day.

In spite of the Hang Seng Index, registering a fractional gain, losers were ahead of gainers by the ratio of about 1.17:One.

However, about 82 percent of all counters, listed on The Stock Exchange of Hongkong Ltd, either saw no trades or just held onto Monday's closing levels.

On the news front, Pacific Century CyberWorks has been caught with its knickers, around its ankles, as the news was released that the company failed to announce, in the popular Press, as it is required to do, some 13 stock transactions, last year, involving some \$HK340 million.

The company said that it was an innocent and honest mistake.

Mr Li Ka Shing, ultimately the Great Man behind this company, was silent on the issue.

The double-digit movers of last Tuesday numbered 21, with 6 double-digit movers, advancing with material gains:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Chi Cheung Investment Company Ltd	112		19.05	0.034
China Development Corporation Ltd	487		11.43	0.062
China Overseas Land and Investment Ltd	688		23.93	0.89
Coraisa Group Ltd	875		13.08	0.113
Dah Hwa International (Holdings) Ltd	600		11.81	0.112
Emperor Technology Venture Ltd	283	11.00		0.111
Hycomm Wireless Ltd	499	11.30		0.128
Innovative International (Holdings) Ltd	729		16.67	0.03
Mandarin Resources Corporation Ltd	70	22.64		0.065
Northern International Holdings Ltd	736		11.54	0.023
Orient Power Holdings Ltd	615		11.59	0.305
Pearl Oriental Holdings Ltd	988	12.50		0.018
Poly Investments Holdings Ltd	263		13.33	0.91
Sen Hong Resources Holdings Ltd	76		12.82	0.068
Skynet (International Group) Holdings Ltd	577		14.81	0.023
South East Group Ltd	726	14.29		0.016
TechCap Holdings Ltd	673		10.53	0.034
Texwinca Holdings Ltd	321		10.42	2.15
UDL Holdings Ltd	620	16.67		0.07
Vision Tech International Holdings Ltd	922		17.84	0.152

Yew Seng Hong (Holdings) Ltd	290		53.09	0.38
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In New York, last Monday, the 2 major markets were very quiet.

On The New York Stock Exchange, the Dow Jones Industrial Average fell from 9,605.85 points to 9,605.51 points, too small a change to plot on a graph.

The NASDAQ's Composite Index added 7.70 points to its value, ending the day at 1,695.40 points, a gain of about 0.46 percent over the previous Friday's close.

There was little to stimulate trading, either way, since the world already knew of the chronic economic ills of the world's largest economy – and there was nothing to suggest that the situation was improving.

Michelin's North American tyre operations, it was announced, were suffering, like everybody else, and so another 2,000 jobs were to be slashed.

The French-owned tyre producer will take a \$US100-million charge against its profits for the second half of the year.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, Phoenix Satellite Television Holdings Ltd (Code: 8002) announced its annual results for its Financial Year, ended June 30, 2001.

The company reported a Turnover of about \$HK713.69 million against a Turnover of about \$HK511.34 million for the Financial Year, ended June 30, 2000.

The Net Profit Attributable to Shareholders came to about \$HK53.98 million, compared with the like 2000 Year, when the Bottom Line was about \$HK50.32 million.

Investors on The GEM were said to be disappointed with the results: Not good enough, Mr Rupert Murdoch.

The share price of Phoenix Satellite Television stayed firm at 94 cents per share.

The Growth Enterprise Index lost another 0.11 percent of its value, falling to 189.53 points after investors had spent about \$HK29.15 million in trading in GEM stocks and shares.

The ratio of gainers to losers was about 1.19:One.

There were just 2 double-digit movers:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Computech Holdings Ltd	8081	20.00		0.54
FlexSystem Holdings Ltd	8050		22.22	0.28

In Japan, investors took heart from the fact that Wall Street had broken its 5 straight sessions of losses, albeit only just doing the job.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average closed up 97.26 yen higher at 10,292.95 yen.

Mad Cow Disease swept the premier stock market of Japan, last Tuesday, as heavy losses were experienced in all those entities, thought to be associated with meat and meat products.

Nippon Meat Packers Incorporated took it on the nose as its share price fell 15.18 percent to 1,280 yen, while Japan's largest meat packer, Starzen Company Ltd, gave up 11.52 percent of its value, falling to 169 yen per share.

In electronics, some of the '*darlings*' made useful gains, but there were some big losers, too, with the biggest, being Furukawa Electric:

Advantest	Up 6.39 percent to 6,490 yen per share
Furukawa Electric	Down 8.53 percent to 665 yen per share
Kyocera Corporation	Up 4.93 percent to 8,090 yen per share
Matsushita Communications	Up 5.25 percent to 3,810 yen per share
Rohm Company	Up 4.32 percent to 13,760 yen per share
Tokyo Electron	Up 2.62 percent to 6,270 yen per share

The proposed merger of Asahi Bank and Daiwa Bank continued to interest investors as the share price of Asahi Bank recovered 11.54 percent of its market capitalisation, rising to 145 yen per share, while the share price of Daiwa Bank added 6.43 percent to its value, ending the day at 149 yen per share.

Though the Nikkei-225 Stock Average recorded a gain, declining issues were, still, ahead of advancing ones by the ratio of about 1.48:One.

For analysts of Japanese business, there was the news that core, private-sector machinery orders had fallen a seasonally adjusted 1.60 percent in July, compared with the June statistic.

The value of orders, placed in July, was about 931.50 billion yen.

The Cabinet Office commented that the July figures indicated the third consecutive month of losses.

No fresh orders for goods; no investment in capital goods.

From The Bank of Japan, it was announced that domestic wholesale prices had slipped about 0.90 percent in August, year-on-year.

Consumers in Japan are turning the screws.

In other parts of Asia, this was the situation on major stock markets in the most populous area of the world:

Indonesia	Plus 0.42 percent
Japan	Plus 0.95 percent
Malaysia	Minus 0.68 percent
The Philippines	Minus 0.24 percent
Singapore	Plus 0.53 percent
South Korea	Minus 1.84 percent
Taiwan	Minus 2.62 percent
Thailand	Minus 0.39 percent

Wednesday

Last Wednesday will long be remembered in the history of the world.

It was the day that international terrorists created havoc on the world's most important business centre, New York, killing thousands of innocent people as 2 hijacked jet aeroplanes, laden with innocent passengers and thousands of gallons of fuel, were flown at high speed into the sides of the World Trade Centre in the middle of the morning.

It was an act of war.

The world was stunned as it learned of the details.

Terrorists had hijacked not just 2 passenger aeroplanes and decimated the 2 World Trade Center Towers, but 4 passenger aeroplanes had been hijacked on that fateful morning for a coordinated attack on the US Government.

Not only was the World Trade Center (which has, now, ceased to exist) attacked, but, also, to the seat of US military and political power in Washington, D. C., The Pentagon, was attacked as one passenger jet was flown into it.

All stock markets in the US and Western Europe were shut down.

The US became a no-fly zone to all but US military aircraft.

Passenger flights to the US were quickly diverted to Canada.

And, in Toronto, it, too, was shut down for business at about one o'clock in the afternoon since it was, obviously, a prime target for the terrorists, our staff in Toronto Dominion Center Complex reported.

Even major business office towers in downtown Toronto were evacuated and The University of Toronto closed down.

A horrified world looked on in amazement and disgust.

In Asia, it was panic as one stock market after another shaved billions of US dollars off the value of stocks, listed on bourses.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the Main Board of The Stock Exchange of Hongkong Ltd saw its Hang Seng Index lose about 8.87 percent of its value as it dropped back to 9,493.62 points.

While, on The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, the Growth Enterprise Index gave up about 7.48 percent of its value, falling to 175.35 points.

The Total Turnovers of the 2 markets were about \$HK12.17 billion and about \$HK73.90 million, respectively.

On the Main Board, there were 260 counters that registered double-digit losses and just 2 counters that went against the grain, registering double-digit gains.

On The GEM, it was all losers as 27 counters recorded double-digit losses.

Three of Asia's major stock markets were closed for business while the remaining 5 bourses, all recorded losses as the following TARGET table indicates:

Indonesia	Minus 3.68 percent
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Japan	Minus 6.63 percent
Malaysia	Closed
The Philippines	Minus 4.07 percent
Singapore	Minus 7.45 percent
South Korea	Minus 12.02 percent
Taiwan	Closed
Thailand	Closed

Trading in the most populous area of the world was predicated by fear so that to mention the miles of losing counters would be a waste of time since, as soon as the dust had settled, it was fully expected that sanity would be returned to bourses, around the world.

International insurance companies and airline operators dreaded what the new day would bring since it was only too clear that claims would be at historic highs.

Financial centres in many parts of the US shut down for fear that they, too, may be targeted by the terrorists.

TARGET's office in Boston, Massachusetts, was closed – by orders of the Governor, Ms Jane Swift.

TARGET's Bureau Chief explains some of the scenes that she witnessed:

'It was sheer pandemonium in Boston, this morning.

'Located as I am in One Financial Center, in the heart of historic Boston, our daily routine was rudely interrupted by the events that unfolded mid-morning at the World Trade Center in New York when it came tumbling down after being attacked by 2 passenger aeroplanes.

'At about 10:30 am, the decision was taken to evacuate the building since One Financial Center is located directly next to the Federal Reserve Building.

'Given that nobody, at that time, understood the motives of the terrorist attacks, Boston was viewed as being at great risk and, potentially, the next target of the terrorists.

'In addition to One Financial Center, the Prudential Building, the Federal Reserve Building and the John Hancock Building were all evacuated on orders of Governor Jane Swift. Surrounding businesses were, also, shut down.

'An eerie silence fell over the streets of downtown Boston.

'As employees scampered home in the middle of the day, I saw people crying, hysterically. They flooded into the streets of Boston.

'They pushed; they shoved; panic replaced common sense as the commuters, without understanding, fully, what was taking place, rushed for what they thought would be the safety of their homes.

'Traffic could not move as the streets became gridlocked and drivers disregarded the rules of the road.'

Thursday

In a joint communiqué from the Group of Seven (G-7), the Finance Ministers told the world: *'We are committed to ensuring that this tragedy (the attacks on the US by Muslim fundamentalists) will not be compounded by disruption to the global economy.'*

And the world's central bankers moved to reassure markets that the global financial system would not be frozen due to the events of last Tuesday when The Pentagon and the World Trade Center (WTC) in New York were attacked by passenger aeroplanes, piloted by Muslim extremists, bent on their own and innocent people's destruction.

The G-7 statement said: *'Our central banks have indicated that they will provide liquidity to ensure that financial markets operate in an orderly fashion.'*

The US Federal Reserve Board – the US Government's Central Bank – added \$US38.25 billion in temporary reserves to the US banking system.

The European Central Bank (ECB) conducted a special one-day loan, accepting all of the 69 billion euro (about \$US62.50 billion) in tenders that it received at its normal 4.25-percent interest rate.

The Bank of Japan injected 2 trillion yen (about \$US16.80 billion) into its banking system.

And so it went on as one country after another showed its solidarity in the face of a catastrophe, the likes of which the world has never witnessed.

Airports in the US remained closed to all but US military aeroplanes and security was stepped up throughout the country lest other attacks were being planned.

The US was on war footing.

In Asia, the most important stock markets moved fractionally as investors in the world's most populous area waited for new developments from the US.

The only exceptions were the Malaysian, Thai and Taiwanese stock markets, all of which were closed on Wednesday and all of which, on Thursday, made the necessary downward adjustments to their respective indices, in line with the rest of Asia.

Wall Street remained closed for business as firemen, policemen, members of the public and members of the US armed forces tried to clear away the debris in Manhattan, looking for the thousands of dead and missing people in the collapse of WTC.

One more building collapsed, during the day, in the immediate vicinity of the (former) WTC, bringing the total number of buildings, brought down by the terrorists, to 4 in the nation's financial heart.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), trading was chaotic as investors were unsure as to what action to take in trading stocks and shares on The Stock Exchange of Hongkong Ltd.

The morning session, to 12:30 pm, saw the Main Board's Hang Seng Index gain 152.26 points over Wednesday's closing level, but profit-taking hit the 90-minute afternoon session as about 50 percent of the earlier gains were erased.

By the close of trading, the Hang Seng Index was stuck at 9,569.21 points, up 75.59 points, or about 0.80 percent.

The Total Turnover was about \$HK6.53 billion, with one counter, HSBC Holdings plc (Code: 5), being responsible for about 14.24 percent of that figure.

HSBC Holdings's share price ended the day at \$HK79, down 1.25 percent on the last trade on Wednesday.

HSBC Holdings was the most active counter of the day.

The other, 4 most actives were:

China Mobile (Hongkong) Ltd (Code: 941)	Up 3.61 percent to \$HK20.10 per share
Hutchison Whampoa Ltd (Code: 13)	Up 3.21 percent to \$HK56.25 per share
China Unicom Ltd (Code: 762)	Down 4.27 percent to \$HK7.85 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 2.15 percent to \$HK59.50 per share

The aggregate trading volumes of the 5, top-traded shares represented 41.50 percent of the entire volume of activity for the day.

The ratio of gainers to losers was about 1.33:One, but only 30 percent of all the counters, listed on The Stock Exchange, saw any movement in their share prices.

There were 46, double-digit movers, with 34 gainers and 12 losers.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, there were 8, double-digit movers:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
36.com Holdings Ltd	8036	25.00		0.03
Argos Enterprise (Holdings) Ltd	8022	18.33		0.355
CASH on-line Ltd	8122		15.00	0.085
Goldigit Atom-Tech Holdings Ltd	8059	23.08		0.32
L.P. Lammas International Ltd	8029	12.32		0.155
Prosten Technology Holdings Ltd	8026		11.43	0.31
Sinotronics Holdings Ltd	8115	13.21		0.60
Smartech Digital Manufacturing Holdings Ltd	8068	12.00		0.028

The Growth Enterprise Index gained 0.31 percent, rising to 174.35 points while the Total Turnover was about \$HK39.83 million.

In spite of the Index, rising fractionally, losers were ahead of gainers by the ratio of about 1.25:One.

The Main Board and The GEM were both waiting to see what would happen after the dust had settled on New York (excuse the pun), with investors, not willing to take a punt at this early stage in the proceedings.

In Japan, there was little movement on the premier stock market, The Tokyo Stock Exchange, as its blue-chip, Nikkei-225 Stock Average added 2.99 yen to its value, ending the session at 9,613.09 yen.

The ratio of gainers to losers was about 1.89:One.

What was only too apparent was that Japan, like the rest of the world, was waiting to see what would transpire as the US Government prepared to go to war with anybody and everybody, harbouring the Muslim fundamentalists, who had attacked the US Government.

It was reported, late in the day, that the US Government had information to the effect that the terrorists intended to assassinate President George W. Bush.

More than 4,000 investigators of the Federal Bureau of Investigation were scouring the country, checking on clues.

The US Government warned Afghanistan that, if it intended to protect Osama bin Laden, thought to have been the mastermind behind the attacks on the US, it could consider itself an enemy of the US; and, the US, with the blessings of the United Nations, would attack the country in force.

(Afghanistan has been harbouring Osama bin Laden for years, and it is well known that the Saudi multimillionaire has training camps in country and is under the protection of the Taliban, the fundamentalist militia of Afghanistan)

Pakistan was, also, told that, it either stood shoulder to shoulder with the US, or it, too, would be considered an enemy.

(Pakistan, also a Muslim country, is known, also, to have offered safe harbour to Osama bin Laden in the past)

The world was still reeling from the events of Tuesday in New York: Few people could have anticipated the cowardly attacks on the US and the huge loss of life, known to be more than 5,000 as at last Thursday's count.

Stumbling to understand the situation, which had shocked the world, Asia waited and watched:

Indonesia	Plus 0.63 percent
Japan	Plus 0.03 percent
Malaysia	Minus 3.77 percent
The Philippines	Plus 0.58 percent
Singapore	Minus 0.81 percent
South Korea	Plus 4.97 percent
Taiwan	Minus 5.37 percent
Thailand	Minus 6.72 percent

Friday

Only the Japanese stock markets and the Main Board of The Stock Exchange of Hongkong Ltd managed to be in positive territory by the close of trading, last Friday: All other Asian bourses came off – with a thud.

The reason: Afghanistan had issued a warning to the US that if it attacked that Muslim country, the Taliban's revenge would be swift and devastating.

The Afghanistan Government, also, stated that it would attack any country, which it deemed had assisted the US Government to attack its soil.

It, also, defended Osama bin Laden, saying that he was not responsible for the attack on the World Trade Center in New York of the previous Tuesday because he does not have any pilots in his reported 'army' of some 5,000 followers/supporters.

Meanwhile, in the US, preparations continued for the attack on the enemies of the US, with the Secretary of Defense, Mr Donald H. Rumsfeld, recommending the recall of 50,000 military reservists, the largest number to

be recalled since the 1991 Persian War with Iraq.

President George W. Bush signed the mobilisation order.

From the halls of Washington D.C. to the coffee shops of Florida, all resounded to the drums of war.

The Bush Administration warned leaders of the world's nations that they either stood by the US, which is determined to stamp out terrorism, worldwide, or be considered the enemies of the strongest country in the world.

There would be no second ground as there would be no safe haven for those, who had been responsible for the killing and maiming of American citizens in Washington D.C. and Manhattan, New York.

The suggestion abounded that the Bush Administration would put an end to all states that supported terrorism, directly or indirectly.

Supposedly, that was a reference to Iraq, led by Saddam Hussein, and Libya, led by Muammar al-Qaddafi. Both of these leaders are considered enemies of the US Government.

The population of the US was strongly supportive of their President: They thirsted for the blood of those responsible.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), after the morning session of The Stock Exchange of Hongkong Ltd saw the Main Board's Hang Seng Index lose about 49 points, a mild rally in the 90-minute afternoon session pulled back the Hang Seng Index.

But it was far from convincing as 38 counters enjoyed, or suffered, double-digit movements, with exactly half of them, shedding substantial amounts of their market capitalisations.

The Hang Seng Index finished the week at 9,655.45 points, with investors and stockbrokers, wending their ways home, fearing what the weekend would bring.

The Total Turnover for last Friday was about \$HK6.37 billion.

Despite the Hang Seng Index, being in positive territory, losers outpaced gainers by the ratio of 1.92:One.

About 72 percent of all counters either saw no trades or held onto previous closing levels.

The Ten Most Actives accounted for about 55 percent of the entire volume of activity of the day.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, selling continued to dominate trading as The Growth Enterprise Index lost another 2.51 percent of its value, falling to 170.42 points.

The Total Turnover on this market was about \$HK44 million, as one counter after another fell to the avalanche of sellers.

Few counters were spared.

The ratio of losers to gainers was about 2.56:One.

While fundamentals, over the past week, had not changed, appreciably, sentiment, certainly had changed, markedly.

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131	11.43		0.39
iLink Holdings Ltd	8107		13.33	0.104
Phoenix Satellite Television Holdings Ltd	8002		16.46	0.66
Smartech Digital Manufacturing Holdings Ltd	8068		10.71	0.025
Trasy Gold EX Ltd	8063	12.00		0.028

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average gained 395.80 yen, ending the week at 10,008.89 yen.

Much of the trading volume of last Friday could be attributed to short-covering because there was a great deal of apprehension over the events in the US, with the New York Stock Exchange, remaining shut until the following Monday morning at 9:30 am, New York time.

The ratio of gainers to losers was a resounding 5.90:One.

The news of the day, on the premier stock market of The Land of The Rising Sun, was the filing from protection from creditors of Mycal Corporation after Dai-Ichi Kangyo Bank, the supermarket operator's biggest credit, pulled the plug on the company.

The company has more than one trillion yen in debts and it becomes the largest financial failure, outside of the financial section of the market, since the collapse of departmental chain, Sogo Company, in July last year.

Japan, already teetering on the brink of economic recession, may get another taste of the same malaise, thanks to Mycal's inability to straighten itself out.

Though there were many counters that made material gains, last Friday, it was considered, by most analysts, that one could take this rush to buy into stocks and shares not to be a true reflection of the situation in Japan.

For certain, the US economy is to be hit hard by the New York and Washington D.C. attacks so that Japan will, definitely, attract the fall-out in the coming weeks.

Further, The Bank of Japan's financial support of the stock markets and the money markets of Japan will cease as fast as it started because water has to find its own level.

In other parts of Asia, this was the situation as workers continued, round the clock, to search for survivors in the bombsites in the US:

Indonesia	Minus 1.60 percent
Japan	Plus 4.10 percent
Malaysia	Minus 3.01 percent
The Philippines	Minus 0.80 percent
Singapore	Minus 2.67 percent
South Korea	Minus 3.40 percent
Taiwan	Minus 4.50 percent
Thailand	Minus 6.51 percent

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