

**STOCK MARKETS ROUND THE WORLD GO ON A WAR FOOTING**  
**SHARE PRICES PLUMMET TO NEW LOWS**

Share prices collapsed on all Asian bourses, last Monday, as the most populous area of the world determined to sell – some stocks, no doubt, were shorted – in clear anticipation as to what was likely to happen on Wall Street when it opened for the first time, on Monday, September 17 (New York time).

Fundamentals were thrown to the wind, as the only important consideration was the world's largest stock market and how investors would react to the dastardliest deed, ever perpetrated against Continental USA.

As the clean-up continued in Manhattan, New York, The New York Stock Exchange engineers and electricians worked frantically to try to ready the market for its opening.

There were varying views as to what would transpire at the opening of Wall Street, last Monday, but, with airlines, around the world, teetering on the verge of bankruptcy due to the closure of all US airports for the most part of the previous week, with suggestions that the destruction of the twin towers of the World Trade Center and its knock-on effects, internationally, would send the US economy into a full-blown recession, with profit forecasts lowered for many a publicly listed company, it was inevitable the indices of both the NASDAQ and The New York Stock Exchange would come under extreme pressure.

A number of huge US corporations made statements to the effect that they would support the markets of the US, but this stance was discounted because logic dictated that it was unlikely that any group of corporations would have the power to prop up the largest market in the world.

FleetBoston Financial Corporation had promised to open its \$US4-billion treasure chest in a stock buyback plan.

FleetBoston owns the brokerage firm of Quick and Reilly and investment bank Robertson Stephens.

Other US companies that promised to support the market included: Arch Coal Incorporated, Dobson Communications Corporation, Boston Properties Incorporated, BEA Systems Incorporated, First Data Corporation, The Shaw Group, EXCO Resources, Webster Financial Corporation, Insituform Technologies Incorporated and Pfizer Incorporated.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), many hotels removed the flag of the US, much to the chagrin of many an American and loyalist to the cause of stamping out terrorism, around the world.

On The Stock Exchange of Hongkong Ltd, bears dominated trading on both the Main Board and The Growth Enterprise Market (The GEM).

The Main Board's Hang Seng Index lost about 3.48 percent of its value, falling to 9,319.35 points.

The Total Turnover remained low at about \$HK6.37 billion, with the market, being dominated by trading in the shares of HSBC Holdings plc (Code: 5) as investors traded about 14.35 million shares in this giant banking group, one of the biggest in the European Union (EU).

After trading saw the share price of HSBC Holdings fluctuate between a high of \$HK79.25 and a low of \$HK75, it came to rest at \$HK75.25 for a loss of 5.64 percent, compared with the close the previous Friday.

The turnover in this one counter, at about \$HK1.09 billion, represented about 17.11 percent of the Total Turnover.

Needless to say, the counter of HSBC Holdings was the most active of the day.

The next 5 most actives were:

China Mobile (Hongkong) Ltd (Code: 941)	Plus 1.17 percent to \$HK21.70 per share
Hutchison Whampoa Ltd (Code: 13)	Minus 4.04 percent to \$HK53.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Minus 5.08 percent to \$HK56 per share
China Unicom Ltd (Code: 762)	Unchanged at \$HK7.60 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 6.98 percent to \$HK50 per share

The 6 most active counters of the day accounted for about 44 percent of the Total Turnover.

There were, exactly, 103, double-digit movers of the day, with just 9 of their number, ending up in positive territory by the end of the day's trading.

The biggest loser of the day was Guangdong Tannery Ltd (Code: 1058), the share price of which lost 24.76 percent, falling back to 15.80 cents per share.

The biggest gainer of the day was Yew Sang Hong (Holdings) Ltd (Code: 290), its share price, scooting up 60 percent to 80 cents per share.

The ratio of losers to gainers was about 7.23:One.

On The GEM, its index, The Growth Enterprise Index, lost about 4 percent of its value, falling to 163.61 points as declining issues swamped advancing ones by the ratio of about 7.71:One.

On this speculative marketplace, there were exactly 16, double-digit movers, only one of which managed to end the session in positive territory.

The counter, that managed to buck the trend, was CyberM International (Holdings) Ltd (Code: 8017) as investors pushed up its share price to 27.50 cents, a one-day gain of 10 percent.

The biggest loser of the day was Systek Information Technology (Holdings) Ltd (Code: 8103), the share price of which lost 31.54 percent, falling back to 8.90 cents per share.

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022		10.45	0.30
CASH on-line Ltd	8122		10.59	0.076
Chengdu Top Sci-Tech Company Ltd	8135		12.63	0.83
CyberM International (Holdings) Ltd	8017	10.00		0.275
Essex Bio-Technology Ltd	8151		13.51	0.32
Fast Systems Technology (Holdings) Ltd	8150		10.47	0.385
Jiangsu Nandasoft Company Ltd	8045		11.48	0.54
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049		12.70	0.55

L.P. Lammas International Ltd	8029		12.12	0.145
Pine Technology Holdings Ltd	8013		12.00	0.33
Prosperity International Holdings (Hongkong) Ltd	8139		16.78	0.124
Q9 Technology Holdings Ltd	8129		12.50	0.112
Smartech Digital Manufacturing Holdings Ltd	8068		28.00	0.018
Systek Information Technology (Holdings) Ltd	8103		31.54	0.089
Timeless Software Ltd	8028		14.89	0.40
Town Health International Holdings Company Ltd	8138		11.54	0.23

The Total Turnover on this market was about \$HK35.68 million.

Mr Li Ka Shing's tom.com Ltd (Code: 8001) dominated trading on The GEM with its share price, falling just 1.74 percent to \$HK1.69 per share after investors traded about 3.24 million shares.

The dollar value of those trades represented about \$HK5.42 million, or about 15.19 percent of the Total Turnover.

SUNeVision Holdings Ltd (Code: 8008) announced its results for its Financial Year, ended June 30, 2001, indicating a continuing deterioration in its fortunes.

The company announced a Net Loss Attributable to Shareholders of about \$HK171.08 million, an increase of about 267.60 percent, compared with the Net Loss for the 2000 Year when the company admitted to having dropped about \$HK46.54 million.

The share price of this Raymond Kwok Ping Luen loser ended the day at 83 cents per share, off 2.40 percent, compared with the previous closing level.

In Japan, it was a bloodbath.

The Tokyo Stock Exchange saw share prices carved up as the Nikkei-225 Stock Average gave up 504.48 yen, falling to a new, 18-year low of 9,504.41 yen.

Nothing could stop the selling pressure, which built up during the day.

The Bank of Japan tried to stem the losses, but to no avail.

The Central Bank of The Land of The Rising Sun bought US dollars to try to hold the line, following the value of the US currency vis-à-vis the yen, falling to 116.90 yen, during the morning trading session.

That cross-rate represented the lowest level since February 28, 2001.

At 5 p.m., the US-yen rate stood at 117.80 yen.

Mizuho Holdings Incorporated, thought to be the largest bank in the world, in terms of assets under its control, announced that its prospects for the Current Financial Year were very dim.

Mizuho Holdings's management said that the problems of Mycal Corporation, the failed Japanese supermarket operator, had had a very bad effect of the bank's Bottom Line.

For the 6-month period, ending September 30, 2001, Mizuho Holdings said that it would post a Net Loss of about 260 billion yen.

This is in direct contrast to an earlier forecast of a Net Profit of about 90 billion yen.

Mizuho Holdings owns Dai-Ichi Kangyo Bank, Fuji Bank and The Industrial Bank of Japan.

Mizuho Holdings's share price fell 40,000 yen, or about 7.70 percent, ending the day at 478,000 yen per share.

Other banks to lose, substantially, included:

Asahi Bank	Down 9.09 percent to 130 yen per share
Bank of Yokohama	Down 5.68 percent to 448 yen per share
Chiba Bank	Down 5.50 percent to 464 yen per share
Daiwa Bank	Down 10.13 percent to 142 yen per share
Gunma Bank	Down 4.62 percent to 516 yen per share
Iyo Bank	Down 5.06 percent to 600 yen per share
Joyo Bank	Down 8.18 percent to 303 yen per share
Sumitomo Trust and Bank	Down 5.51 percent to 703 yen per share

In electronics, the situation was even worse:

Advantest	Down 10.66 percent to 5,450 yen per share
Alps Electric	Down 8.00 percent to 690 yen per share
Casio Computer	Down 7.08 percent to 617 yen per share
Fujikura	Down 9.01 percent to 515 yen per share
Furukawa Electric	Down 4.54 percent to 631 yen per share
Hitachi	Down 4.37 percent to 788 yen per share
Konica Corporation	Down 9.64 percent to 581 yen per share
Kyocera Corporation	Down 7.77 percent to 7,000 yen per share
Matsushita Communications	Down 12.92 percent to 3,100 yen per share
Matsushita Electric Industries	Down 5.13 percent to 1,443 yen per share
Matsushita Electric Works	Down 4.51 percent to 953 yen per share
Mitsubishi Electric	Down 9.38 percent to 396 yen per share
NEC Corporation	Down 4.47 percent to 1,144 yen per share
Nikon Corporation	Down 6.28 percent to 850 yen per share
OKI Electric Industries	Down 11.11 percent to 304 yen per share
Olympus Optical	Down 5.78 percent to 1,500 yen per share
Pioneer	Down 9.84 percent to 2,200 yen per share

Ricoh Company	Down 7.65 percent to 1,679 yen per share
Rohm Company	Down 7.73 percent to 12,510 yen per share
Sanyo Electric	Down 9.18 percent to 445 yen per share
Sega	Down 12.80 percent to 1,485 yen per share
Sony Corporation	Down 8.08 percent to 4,210 yen per share
TDK Corporation	Down 10.94 percent to 5,210 yen per share
Tokyo Electron	Down 10.66 percent to 5,110 yen per share

A factor, that exacerbated the situation on the largest stock market of Asia, was that the yen vis-à-vis the US dollar was strengthening. This, somewhere down the road, would come to mean an erosion of gross profit margins for many an exporter and manufacturer in Japan.

The ratio of losers to gainers on The Tokyo Stock Exchange was a resounding 10.05:One.

The only real positive note came from the British telecommunications company, Vodafone Group plc, which confirmed earlier reports that it was, in fact, negotiating with East Japan Railway Company over the possible takeover of Japan Telecom Company.

Vodafone, already, owns about 45 percent of Japan Telecom, but is desirous of increasing its stake to 66.70 percent.

If Vodafone is successful, it will hold the third largest cellular service in Japan.

The share price of Japan Telecom rose about 4.08 percent to hit 306,000 yen per share by the close of trading.

In other parts of Asia, fear of the unknown caused widespread losses on markets in the most populous area of the world:

Indonesia	Minus 4.32 percent
Japan	Minus 5.04 percent
Malaysia	Minus 5.51 percent
The Philippines	Minus 4.72 percent
Singapore	Minus 4.70 percent
South Korea	Minus 2.81 percent
Taiwan	Closed – Passage of Typhoon Nari
Thailand	Minus 6.07 percent

Tuesday

Asia was spot on, last Monday, in respect of its assessment of the world's largest bourse when it re-opened for business, after 4 days of closures: The New York Stock Exchange posted its largest, single-day's loss in history at its opening.

On the first day of trading since the cowardly attacks by Muslim extremists on the World Trade Center in Manhattan, New York, and The Pentagon, in Washington D.C., bears took control of The New York Stock Exchange and the NASDAQ, pushing down indices to new lows.

The blue-chip index of The New York Stock Exchange, the Dow Jones Industrial Average, shed 678.52 points, or about 7.07 percent, falling to 8,921.18 points.

Never had The Dow fallen so much, so quickly.

The volume of activity on The New York Stock Exchange was a record, also, as some 2.36 billion shares, changing hands.

On the NASDAQ, its Composite Index gave up 115.66 points, or about 6.82 percent, ending the day at 1,579.71 points.

For the NASDAQ, it had hit its lowest level since October 1998.

To list the losers would take reams and reams of paper because nearly all counters, with the exception of defense contractors, lost substantial ground.

Before the markets re-opened in the US, the US Federal Reserve announced a 50, basis-point interest-rate cut to 3 percent in a move, seen to try to prop up the largest economy in the world.

The European Central Bank (ECB) followed suit, cutting its interest rates by a similar amount; and, the Swiss National Bank joined in, also.

But the interest-rate cut did little to stem the tide of sellers, which wiped out about \$HK600 billion from the value of stocks and shares, listed on The New York Stock Exchange.

The word, 'War!', was on everybody's lips – and that word is never good for equity markets.

Bourses, around the world, followed US stock markets and shed material amounts from their indices.

On The Stock Exchange of Hongkong Ltd, the Main Board's index, the Hang Seng Index, held the high ground, ending the day, down just 0.12 percent to 9,307.90 points.

The market had rallied, earlier in the day, with the Hang Seng Index, ending the morning session at 9,550.76 points, representing a 231.41-point improvement over Monday's close.

However, the 2.48-percent morning gain was all washed away in the 90-minute afternoon session.

The Total Turnover of the day was about \$HK6.67 billion with, once again, HSBC Holdings plc (Code: 5), being the top dog of the day.

HSBC Holdings's scrip price rose 0.66 percent to hit \$HK75.50 by the close of trading after about 13.52 million shares changed hands.

The dollar value of those trades represented about \$HK1.03 billion, or about 15.44 percent of the entire volume of activity of the day.

The other 5, most-active counters were:

China Mobile (Hongkong) Ltd (Code: 941)	Up1.61 percent to \$HK22.05 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK53.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.79 percent to \$HK55 per share
China Unicom Ltd (Code: 762)	Unchanged at \$HK7.60 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 2.60 percent to \$HK48.70 per share

The 6, most-active counters accounted for about 42.58 percent of the Total Turnover.

The ratio of losers to gainers was 1.35:One, with about 72 percent of all the counters, listed on the most important stock market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), either staying pat or did not trading, at all.

What turned the tide of the HKSAR market was an announcement, made public at about midday, stating that Afghanistan's Taliban had waged a Jihad (holy war) against the US Government.

Then, in Japan, 2 high-rise buildings were evacuated, following a hoax that there had been bombs, planted in one or both of the buildings.

Shades of Tuesday, September 11: Uptown Manhattan.

By mid-morning, the Hongkong Monetary Authority had made a decision: It would cut the Base Rate in the HKSAR by 50 basis points, to 4.50 percent.

The Prime Lending Rate was slashed to 6 percent, the lowest level in 23 years.

There were a total of 31, double-digit movers, of which number, 10, double-digit movers were in positive territory by the close of trading:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Automated Systems Holdings Ltd	771		13.04	2.00
Cedar Base Electronic (Group) Ltd	855	11.76		0.057
Chi Cheung Investment Company Ltd	112	30.77		0.034
China Land Group Ltd	149	14.29		0.32
Companion Building Material International Holdings Ltd	432		27.59	0.021
Corasia Group Ltd	875		24.05	0.06
E-LIFE International Ltd	370	10.00		0.11
Global China Technology Group Ltd	1105		10.14	0.31
Hongkong Construction (Holdings) Ltd	190	12.73		0.62
I-Wood International Holdings Ltd	162		11.76	0.30
iRegent Group Ltd	575		16.34	0.128
KEL Holdings Ltd	681		15.38	0.088
Le Saunda Holdings Ltd	738	11.43		0.39
Mandarin Entertainment (Holdings) Ltd	9	12.73		0.62
Mansion Holdings Ltd	547	25.71		0.044
Medtech Group Company Ltd	1031		19.23	0.021
New World Cyberbase Ltd	276		20.97	0.049
Northeast Electrical Transmission and Transformation Machinery Manufacturing Company Ltd	42		10.11	0.40
Pudong Development Holdings Ltd	258		11.39	0.70
Quality Food International Ltd	735		10.81	0.033
Ryoden Development Ltd	745		16.92	0.38
Seapower Resources International Ltd	269	14.29		0.032
South East Group Ltd	726		10.53	0.017

Star Cruises Ltd	678		11.39	3.50
Starlight International Holdings Ltd	485		22.22	0.049
Suwa International Holdings Ltd	567		20.70	0.18
Theme International Holdings Ltd	990		11.59	0.061
Top Form International Ltd	333		14.29	0.09
TravelSky Technology Ltd	696		10.00	4.05
Winsan (China) Investment Group Company Ltd	85	10.34		0.16
Wonson International Holdings Ltd	651		14.29	0.03

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the pattern of trading followed, pretty much, that of the Main Board.

By the close of trading, The Growth Enterprise Index stood at 162.61 points, representing a one-day loss of 0.66 percent.

The Total Turnover was about \$HK35.40 million, with declining issues, outnumbering advancing ones by the ratio of 1.12:One.

On the Ten Most Active List, once again tom.com Ltd (Code: 8001) and Phoenix Satellite Television Holdings Ltd (Code: 8002) were the star performers, with both counters, managing to make gains.

tom.com, Mr Li Ka Shing's GEM-controlled company, saw its share price rise to \$HK1.71 per share, a gain of 1.18 percent, compared with Monday's closing level, while Phoenix Satellite Television Holdings's share price rose 1.59 percent to 64 cents.

Trading in the 2 top counters represented just a shade over 20 percent of the Total Turnover of the day.

Henderson Cyber Ltd (Code:8023) announced its loss for its Financial Year, ended June 30, 2001, of \$HK84.26 million. This compared with a loss for the 2000 Year of about \$HK17.61 million.

Riverhill Holdings Ltd (Code: 8127), also, announced its Bottom Line for its Financial Year, ended June 30, 2001.

Management of Riverhill admitted to a loss of about \$HK3.98 million, which compared unfavourably to the corresponding period in 2000 when the company announced a Net Profit Attributable to Shareholders of about \$HK2.81 million.

There were a total of 6, double-digit movers on this speculative marketplace:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
36.com Holdings Ltd	8036		14.81	0.023
Computech Holdings Ltd	8081	24.07		0.67
iLink Holdings Ltd	8107		15.38	0.088
Intcera High Tech Group Ltd	8041		11.89	0.20
L.P. Lammas International Ltd	8029		13.79	0.125
Smartech Digital Manufacturing Holdings Ltd	8068	11.11		0.02

In Japan, short-covering was the order on the day on The Tokyo Stock Exchange.

As a result, the Nikkei-225 Stock Average regained 175.47 yen, closing off the day at 9,679.88 yen.

Gainers were ahead of losers by the ratio of 2.83:One, with 90 counters, remaining unchanged from Monday's bloodbath.



The Bank of Japan – the country’s Central Bank – cut its Discount Rate, following on from what transpired in the US and Europe on Monday when respective central banks used interest-rate cuts to try to prop up marketplaces.

The new, historic low rate for Japan was brought down to 0.10 percent. Previously, it was 0.25 percent.

The announcement of the rate cut came after Japan’s 3 stock markets had closed, thereby having no effect on the trading in stocks and shares, during the day.

Telecommunications companies benefitted from last Tuesday’s market, having been (luckily) somewhat neglected during Monday’s losing market.

Japan Telecom – please see Monday’s report in respect of the bid by Vodafone Group plc to increase its stake in the company – was the biggest gainer, as its share price rose 16.34 percent to 356,000 yen.

The other 3, major players in Japan followed suit:

KDDI	Up 7.98 percent to 352,000 yen per share
Nippon Telegraph and Telephone (NTT)	Up 4 percent to 520,000 yen per share
NTT DoCoMo	Up 6.52 percent to 1.47 million yen per share

Other than little pockets of fleeting interest, most counters managed only smallish gains, mostly recovering some of the massive losses of Monday, only.

In other Asian bourses, this was the situation, last Tuesday night:

Indonesia	Plus 1.62 percent
Japan	Plus 1.85 percent
Malaysia	Minus 0.22percent
The Philippines	Plus 2.40 percent
Singapore	Minus 0.76 percent
South Korea	Plus 3.45 percent
Taiwan	Closed
Thailand	Plus 1.33 percent

### **Wednesday**

Questions were being raised, last Wednesday, as to whether or not one could believe one’s eyes – because share prices rose spectacularly on the stock exchanges of the Hongkong Special Administrative Region (HKSAR) of the People’s Republic of China (PRC).

The gains made little sense and one could not but wonder about this seeming anomaly: Was it indicative of a true market; or, was it a market that was being propped up by vested interests and, perhaps, HKSAR Government intervention?

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index put on about 2.69 percent, rising to 9,558.15 points on a Total Turnover of about \$HK6.49 billion.

There was, seemingly, no valid or logical reasons for the gains since, in the US, Americans were preparing to do battle with the forces of terrorism.

In the US, Wall Street was weak, but not overly so, as had been the case on Monday, the first day of trading since the Muslim extremists attacked the World Trade Center and The Pentagon, on Tuesday, September 11.

On The New York Stock Exchange, the Dow Jones Industrial Average fell 17.30 points, about 0.19 percent, to end the day at 8,903.40 points.

As for the NASDAQ, its Composite Index shed about 1.55 percent, dropping back to 1,555.14 points.

The mild sell-off had to be considered curious in the light of American Airlines and United Airlines, announcing that they would sack about 40,000 of their employees.

The job losses were spread pretty evenly, with the cuts, in respect of American Airlines, hitting the parent company, cascading down to Trans World Airlines and American Eagle.

Meanwhile, on Capital Hill, Washington D.C., the US Government pledged to come to the rescue of the US airline industry – with cash.

The airline industry was looking for about \$US24 billion, but is unlikely to be awarded anywhere near this huge amount of money.

In addition to the world's largest airline, American Airlines, cutting staff by the tens of thousands, other airlines, around the world, followed suit and made various horrific announcements:

- US Airways sacked 11,000 workers
- Continental sacked 12,000 workers and said that it would postpone its flotation of ExpressJet
- Virgin Atlantic sacked 1,200 workers
- Sabena of Belgium said it was teetering on insolvency
- KLM of Holland and Spain's Iberia said they would be reporting huge losses this year
- Lufthansa of Germany cut 3 of its transatlantic routes
- Midway Airways opted for bankruptcy, immediately, shunning financial restructuring plans
- Irish airline, Aer Lingus, said that it would cut its operations by 25 percent and sack 600 of its temporary staff.

Never had the world witnessed such carnage in the airline industry.

And yet the US stock markets were rising?

Investors in the HKSAR, one would have presumed, last Wednesday, would have taken note of what was transpiring in the world's largest economy, but it appeared that, for some unexplained reason, on The Stock Exchange of Hongkong Ltd, buyers outnumbered sellers by the ratio of about 1.92:One.

However, it was noted that the Main Board's movers were restricted to about 24 percent of all the counters, listed on the market.

The 5, most-active stocks of the day, in order of prominence, were:

HSBC Holdings plc (Code: 5)

Up 2.64 percent to \$HK77.75 per share

China Mobile (Hongkong) Ltd (Code: 941)	Up 5.90 percent to \$HK23.35 per share
Hutchison Whampoa Ltd (Code: 13)	Up 3.74 percent to \$HK55.50 per share
Sun Hung Kai Property Ltd (Code: 16)	Down 0.60 percent to \$HK48.10 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 3.64 percent to \$HK57 per share

The aggregate values of trading in the above counters, at about \$HK2.19 billion, represented nearly 34 percent of the Total Turnover.

There were a total of 86, double-digit movers of the day, of which number, 69, double-digit movers rose and 17, double-digit movers fell.

It was questionable as to whether or not the HKSAR could continue to piss into the wind for very long, without suffering the obvious consequences.

Logic dictated that there should be widespread selling.

After The Stock Exchange of Hongkong closed for the day, it was announced that Standard Chartered Bank would not seek to be listed on the second, most-important bourse in Asia due to the uncertainty of the situation, internationally.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index gained about 1.81 percent, ending the day at 164.45 points.

The Total Turnover on this market was about \$HK32.43 million, hardly an indication of a rising market.

The ratio of gainers to losers was 1.46:One, but only about half of all the counters, listed on The GEM, saw any action at all.

There were a total of 10, double-digit movers, of which number, 6, double-digit movers lost substantial ground:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022	10.00		0.33
CASH on-line Ltd	8122		15.79	0.064
Convenience Retail Asia Ltd	8052		10.20	2.20
Henderson Cyber Ltd	8023	14.29		0.40
Jiangsu Nadasoft Company Ltd	8045	13.73		0.58
Kingdee International Software Group Company Ltd	8133	12.50		1.35
Pine Technology Holdings Ltd	8013		10.29	0.305
Prosten Technology Holdings Ltd	8026		13.33	0.26
Smartech Digital Manufacturing Holdings Ltd	8068		25.00	0.015
Trasy Gold EX Ltd	8063		17.86	0.023

In Japan, its premier stock market, The Tokyo Stock Exchange, saw a revival, of sorts, at least, as investors went on a buying spree.

By the close of trading, the Nikkei-225 Stock Average had tacked on 259.72 yen, or about 2.68 percent, rising to 9,939.60 yen.

Gainers outpaced losers by the ratio of about nearly 3:One.

On the back of suggestions that the Government of The Land of The Rising Sun would come to the aid of the country's ailing banks, the financial section of The Tokyo Stock Exchange went on a ride.

Some of the major banking/financial counters to make substantial gains, included:

Asahi Bank	Up 5.38 percent to 137 yen per share
Gunma Bank	Up 4.07 percent to 537 yen per share
Joyo Bank	Up 4.59 percent to 319 yen per share
Mizuho Holdings	Up 10.11 percent to 523,000 yen per share
Ufj Holdings	Up 5.05 percent to 687,000 yen per share

Electronics joined in the fun, but it was only select counters that made any appreciable moves, as the following TARGET list indicates:

Advantest	Up 4.77 percent to 5,710 yen per share
Alps Electric	Up 3.69 percent to 758 yen per share
Casio Computer	Up 5.16 percent to 652 yen per share
Hitachi	Up 3.36 percent to 830 yen per share
Kyocera Corporation	Up 3.29 percent to 7,540 yen per share
Nikon Corporation	Up 4.98 percent to 886 yen per share
Olympus Optical	Up 4.11 percent to 1,572 yen per share
Sony Corporation	Up 5.16 percent to 4,480 yen per share
Tokyo Electron	Up 6.23 percent to 5,460 yen per share

It was the intervention by the Japanese Government, with regard to support for the value of the US dollar, vis-à-vis the Japanese yen, that seemed to give investors on the largest market in Asia, a great deal of confidence.

The question was, of course: How long was the length of that show of confidence?

Mitsubishi Electric Corporation announced that it would be cutting back on the number of its workers by 2,000 in the next year or so.

In the Current Financial Year, to March 31, 2002, it will sack about 1,000 workers.

While history will record that Tokyo's stock market scored a winning hit, last Wednesday, it will, also, have to record that it could not hold onto its gains on the third day of trading of the week.

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

Indonesia	Plus 2.08 percent
Japan	Plus 2.68 percent

Malaysia	Plus 4.26 percent
The Philippines	Minus 1.60 percent
Singapore	Plus 1.35 percent
South Korea	Minus 0.38 percent
Taiwan	Minus 4.50 percent
Thailand	Plus 4.71 percent

### **Thursday**

The bad news kept rolling in from around the world, last Thursday.

And Asia could not stand the pressure: All major stock markets went into reverse gear.

On the 2 stock markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), sellers lined up, one after another, pushing down share prices, quite substantially.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gave up about 2.51 percent of its value, falling back to 9,317.98 points.

Even worse, the Total Turnover scooted up to \$HK7.06 billion, indicating that sellers were starting to chase buyers.

Alternatively, vested interests were supporting the market, somewhat: Pride comes before a fall.

Declining issues outnumbered advancing ones by the ratio of about 2.20:One, with about 77 percent of all the counters, listed on The Stock Exchange of Hongkong, either not trading or holding onto previous closing levels.

The 5, most-active counters were all down, considerably:

HSBC Holdings plc (Code: 5)	Down 4.18 percent to \$HK74.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.07 percent to \$HK23.10 per share
Hutchison Whampoa Ltd (Code: 13)	Down 4.05 percent to \$HK53.25 per share
China Unicom Ltd (Code: 762)	Down 1.83 percent to \$HK8.05 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.66 percent to \$HK73.30 per share

All but 33.77 points of the 240.17-point loss of the day came in the morning session, the 90-minute afternoon session, seeing investors sit on their hands, waiting ... but for what, nobody appeared to know.

There were a total to 30, double-digit movers, of which number, 12, double-digit movers rose while the rest flopped:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139		16.67	0.03
Asia Tele-net and Technology Corporation Ltd	679		11.11	0.032
Century Legend (Holdings) Ltd	79		10.00	0.027

Ching Hing (Holdings) Ltd	692	30.77		0.102
Climax International Company Ltd	439		18.18	0.018
Dah Sing Financial Holdings Ltd	440	10.18		33.00
Egana Jewellery and Pearls Ltd	926		14.97	0.142
ehealthcareasia Ltd	835		12.50	0.014
Everest International Investments Ltd	204		13.33	0.104
Far East Consortium International Ltd	35	20.00		0.42
Fortuna International Holdings Ltd	530		12.12	0.029
G-Prop (Holdings) Ltd	286		12.63	0.166
Hongkong Pharmaceutical Holdings Ltd	182		11.48	1.08
INNOMAXX Biotechnology Group Ltd	340		10.07	0.134
Lai Sun Garment (International) Ltd	191		10.67	0.134
Lippo Ltd	226		10.00	0.72
Luen Cheong Tai International Holdings Ltd	1190		34.67	0.049
Mansion Holdings Ltd	547	13.73		0.058
Medtech Group Company Ltd	1031	12.36		0.78
Online Credit International Ltd	185	13.64		0.075
Pacific Plywood Holdings Ltd	767	10.53		0.042
Pearl Oriental Holdings Ltd	988	11.76		0.019
Pricerite Group Ltd	996	14.29		0.40
SiS International Holdings Ltd	529	11.11		0.40
Skynet (International Group) Holdings Ltd	577		11.76	0.015
South East Group Ltd	726		21.05	0.015
Sun East Technology (Holdings) Ltd	365	13.04		0.015
U-Cyber Technology Holdings Ltd	91	16.95		0.69
UDL Holdings Ltd	620		14.29	0.06
Vision Tech International Holdings Ltd	922		13.68	0.082

The HKSAR's Main Board listed companies' share prices were reacting, rather violently, to what had taken place on the world's largest bourse, on Wednesday: The New York Stock Exchange.

The Dow Jones Industrial Average, the guide to trading on the Big Board of The New York Stock Exchange, went on what must be considered a roller-coaster ride, at one time, having lost in excess of 400 points.

It was the second, busiest session in the history of the market.

But, by the close of trading, The Dow had staged a momentous recovery, most of which had taken place in the last half an hour of trading.

The result: The Dow closed the day off 144.27 points, or about 1.62 percent, to come to rest at 8,759.13 points.

Share prices seemed to take some heart, following an announcement by Secretary of Defense, Mr Donald Rumsfeld, who had ordered 100 US bombers, fighter aircraft and other warplanes to be stationed in the Middle East.

On the NASDAQ, the Composite Index gave up 27.28 points, or about 1.75 percent, ending the day at 1,527.80 points.

The ratio of losers to gainers on this market was about 3:One.

The sell-off on Wall Street and the NASDAQ was mirrored in Europe where, on The London Stock Exchange, its Financial Times Stock Index (FTSE) shed about 2.62 percent of its value while, in France and Germany, their respective stock market indices had to surrender more than 2 percent of their values.

British Airways, Europe's biggest carrier, added to the gloom and doom of the world, stating that it was cutting out about 7,000 workers from its payroll, and it would take the opportunity of withdrawing about 10 percent of its fleet of aircraft from active duty.

And, in the HKSAR, the mighty Bank of China Group said that it would be laying off about 400 of its staff.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover slipped to about \$HK27.50 million, as investors determined that this speculative marketplace did not warrant much of a second thought.

The Growth Enterprise Index lost about 0.037 percent of its value, falling to 163.85 points (needless to say, it was another new low).

Gainers were ahead of losers by the ratio of about 1.11:One.

In the 90-minute afternoon session, there was no activity, at all.

The double-digit movers were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025		60.00	0.04
Proactive Technology Holdings Ltd	8089		23.68	0.29
Smartech Digital Manufacturing Holdings Ltd	8086	13.33		0.017

Two companies made announcements, both of which were positive (for a change).

Vodatel Networks Holdings Ltd (Code: 8033) announced that its Net Profits for the Financial Year, ended June 30, 2001, were about \$HK80.80 million, which was slightly better than the 2000 Year when the company recorded a Net Profit of about \$HK78.19 million.

Techwayson Holdings Ltd (Code: 8098) announced that, for the Financial Year, ended June 30, 2001, it had chalked up a Net Profit of about 60.44 million renminbi (about \$HK57 million), which was an increase of about 539 percent, compared with the last corresponding period.

In Japan, The Tokyo Stock Exchange had another bad day.

The Nikkei-225 Stock Average lost 154.44 yen, falling to 9,785.16 yen as foreign investors sold out part of their holdings, probably to cover open positions on other markets.

The ratio of losers to gainers was 1.89:One.

The 1.55-percent fall in the value of the Nikkei-225 was in spite of Prime Minister Junichiro Koizumi, unveiling a package of measures, aimed at trying to tackle widespread unemployment in the country.

The package has 3 legs: (1) The creation of new jobs; (2) Helping the unemployed to find jobs; and, (3) Establishing a safety net for those workers who lose their jobs.

Motors led the way down, as the following TARGET list tells the tale:

Honda Motor	Down 5.30 percent to 3,570 yen per share
Isuzu Motors	Down 10.22 percent to 123 yen per share
Kawasaki Heavy Industries	Down 17.81 percent to 120 yen per share
Mazda Motor	Down 11.48 percent to 162 yen per share
Mitsubishi Motor	Down 8.23 percent to 212 yen per share

Nissan Motor Company	Down 7.65 percent to 471 yen per share
Suzuki Motor	Down 9.82 percent to 1,028 yen per share
Toyota Motor Company	Down 6.37 percent to 2,940 yen per share
Yamaha Motor	Down 5.23 percent to 743 yen per share

The US is, still, Japan's largest market for motor vehicles of all types so that it was only logical for investors to fear the worst in the coming months before the US economy rights itself.

There could be little doubt that the losses in the share prices of the above list, being some of the largest capitalised companies in Japan, played a major role in pulling down indices on The Tokyo Stock Exchange.

There were some banks that managed to eke out gains, but they were few and far between:

Asahi Bank	Up 8.76 percent to 149 yen per share
Bank of Kyoto	Up 2.57 percent to 569 yen per share
Gunma Bank	Up 2.23 percent to 549 yen per share
Hokkoku Bank	Up 2.63 percent to 430 yen per share
Hokuriku Bank	Up 3.17 percent to 195 yen per share
Mizuho Holdings	Up 4.21 percent to 545,000 yen per share
Ufj Holdings	Up 2.76 percent to 706,000 yen per share

In other Asian stock markets, investors were, predominantly, sellers:

Indonesia	Minus 0.02 percent
Japan	Minus 1.55 percent
Malaysia	Minus 0.60 percent
The Philippines	Minus 0.81 percent
Singapore	Minus 2.14 percent
South Korea	Minus 1.33 percent
Taiwan	Minus 2.18 percent
Thailand	Minus 2.55 percent

## **Friday**

In spite of the fact that not a bullet had been fired, Asia went on a war footing, last Friday.

Every major stock market's index in Asia fell through the floor.

Buildings in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) stepped up security.

In The Bank of America Tower, in the heart of Central, all incoming owners, tenants and visitors had to shown proof of identity as guards scoured pedestrian traffic.



Police in the HKSAR were on a high state of alert and members of the People's Liberation Army (PLA), in civilian clothes, patrolled areas near the headquarters, opposite The Bank of America Tower.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index crumbled about 4.12 percent, falling below the magical 9,000 level, to end the week at 8,934.20 points.

Again, the Total Turnover rose, this time to a record of some months prior: About \$HK8.42 billion.

And, again, it was the largest capitalised company, listed on The Stock Exchange of Hongkong Ltd, that was the leader of the Ten Most Actives.

HSBC Holdings plc (Code: 5) saw about 26.75 million of its shares change hands, with its share price, fluctuating between a high of \$HK70.25 and a low of \$HK68.25. It closed the week at \$HK68.50 per share, down 8.05 percent compared with Thursday's close.

In dollar terms, trading in this one counter, at about \$HK1.86 billion, represented about 22 percent of the Total Turnover.

Mr Li Ka Shing's flagship company, Cheung Kong (Holdings) Ltd (Code: 1), lost 4.57 percent of its market capitalisation, falling to \$HK52.25 per share, while Hutchison Whampoa Ltd (Code: 13) had to surrender 4.69 percent of its value, ending the day at \$HK50.75 per share.

The only exception in the Li Ka Shing Camp was Pacific Century CyberWorks Ltd (Code: 8), whose share price rose 7.10 percent to \$HK1.81.

China Mobile (Hongkong) Ltd (Code: 941) stayed firm at \$HK23.10 per share after dipping to a low of \$HK22.20 per share in early trading.

The ratio of losers to gainers was 2.54:One, but only about 23 percent of all the counters, listed on The Stock Exchange of Hongkong Ltd, were traded.

Once again, all the action was in the morning session, with the 90-minute afternoon session, seeing the Hang Seng Index move down just another 43.09 points, or about 11.23 percent of the 383.78-point loss of the day.

There were a total of 39, double-digit movers of the day, of which number, 25, double-digit movers lost considerable ground while 14, double-digit movers rose, some quite spectacularly (vested interests?).

The biggest gainer of the day was Climax International Company Ltd (Code: 43), the offer price of which rose 150 percent to 2.70 cents per share. However, there were no sellers and, therefore, no trades were recorded.

The second largest stock market in Asia was responding to events in the US where President George W. Bush was preparing to outline his war plans to the American people.

The fear of the unknown gripped the world.

The US Senate approved a \$US15-billion bailout package to US airlines, all of which are suffering, badly.

The US cannot permit its airlines to go to the wall because that would underpin the entire economy – which is very shaky, in any event.

Even so, Northwest Airline was, seemingly, forced to sack 10,000 of its workers and, at the same time, announced a 20-percent reduction in its services.

Northwest is the country's fourth largest US carrier.

Insurance companies, around the world, were hitting airlines with higher premiums, thus aggravating an already difficult and ticklish situation.

On The New York Stock Exchange, last Thursday, share prices went into a nosedive.

The Dow Jones Industrial Average slid 382.92 points, or about 4.37 percent, to end the day at 8,376.21 points.

On the NASDAQ, its Composite Index gave up 3.72 percent of its value, falling to 1,470.93 points.

The so-called patriotic buying of US stocks and bonds had vanished, replaced by the purchase of the stars and stripes – only.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index gave up another 0.92 percent of its value, falling to another new low of 162.35 points.

The volume of activity on this speculative market was about \$HK24.65 million, with declining issues ahead of advancing ones by the ratio of about 2.93:One.

There were 5, double-digit movers, of which number, only one lost ground:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (SHK)
Asian Information Resources Holdings Ltd	8025	50.00		0.06
hkcyber.com (Holdings) Ltd	8118		13.79	0.05
L.P. Lammas International Ltd	8029	31.78		0.17
Proactive Technology Holdings Ltd	8089	10.34		0.32
Systek Information Technology (Holdings) Ltd	8103	35.79		0.129

There was no special news from this speculative market whose motto has been from its birth: Caveat emptor.

In Japan, it was another black day for investors on The Tokyo Stock Exchange as its Nikkei-225 Stock Average lost substantial ground, ending the week at 9,554.99 yen, a one-day fall of 230.17 yen, or about 2.35 percent.

Losers outran gainers by the ratio of about 2.48:One.

Japan, of course, was reacting to what was taking place in New York since the US is Japan's biggest single market for its goods and services.

Japan was, also, preparing for a holiday, the following Monday (today), so that many investors, unsure as to what the weekend would bring, took a definitive position and sold, rather than take a chance.

The Central Bank of the country, The Bank of Japan, had to intervene by mopping up shares, during the day, so bad was the sell-off at one point.

The US dollar weakened against the Japanese yen to about 117 yen, adding another nail into the Japanese export 'coffin'.

Motor vehicle manufacturers suffered, accordingly:

Honda Motor	Down 7.56 percent to 3,300 yen per share
Isuzu Motors	Down 8.13 percent to 113 yen per share
Kawasaki Heavy Industries	Down 2.50 percent to 117 yen per share
Mazda Motor	Down 9.26 percent to 147 yen per share

Mitsubishi Motor	Down 1.89 percent to 208 yen per share
Nissan Motor Company	Down 10.62 percent to 421 yen per share
Suzuki Motor	Down 7.10 percent to 955 yen per share
Toyota Motor Company	Down 6.12 percent to 2,760 yen per share
Yamaha Motor	Down 5.25 percent to 704 yen per share

Banks, also, bore the brunt of the sell-off as the following TARGET list indicates:

Asahi Bank	Down 6.43 percent to 140 yen per share
Bank of Kyoto	Down 3.40 percent to 540 yen per share
Bank of Yokohama	Down 5.45 percent to 416 yen per share
Chiba Bank	Down 3.19 percent to 455 yen per share
Juroku Bank	Down 2.95 percent to 461 yen per share
Mitsubishi Financial Group	Down 5.31 percent to 1.07 million yen per share
Sumitomo Mitsui Banking	Down 4.67 percent to 1,020 yen per share
Mizuho Holdings	Down 4.95 percent to 518,000 yen per share
Shizuoka Bank	Down 5.08 percent to 822 yen per share
Ufj Holdings	Down 5.10 percent to 670,000 yen per share

Following on from banks, securities companies got it in the neck:

Cosmo Securities	Down 5.69 percent to 115 yen per share
Daiwa Securities Group	Down 4.38 percent to 812 yen per share
Japan Securities Finance	Down 2.50 percent to 390 yen per share
Kokusai Securities	Down 5.90 percent to 701 yen per share
Nikko Securities	Down 6.95 percent to 642 yen per share
Nomura Securities	Down 9.92 percent to 1,525 yen per share

Every section of the premier Japanese stock market got hit, and hit hard, last Friday, but the above lists are, just about, representative of the largest losers.

In other parts of Asia, this was how it looked when the closing bells sounded, round the most populous area of the world:

Indonesia	Minus 1.88 percent
Japan	Minus 2.35 percent

Malaysia	Minus 3.47 percent
The Philippines	Minus 1.24 percent
Singapore	Minus 5.50 percent
South Korea	Minus 1.66 percent
Taiwan	Minus 2.89 percent
Thailand	Minus 1.86 percent

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