

ANTHRAX INFECTS THE WORLD'S LEADING MARKETS

For the week of October 8-12, it had been the opening of the international war against terrorism by the international coalition forces, led by the US – and Afghanistan was rocked by daily aerial attacks on its major cities and military installations.

The week of October 15 started off, just as excitedly as the previous week – with confirmation that the US was being attacked by the latest weapon of Muslim terrorists: Anthrax.

Letters, containing anthrax spores, were discovered in Florida, New York and Nevada.

One man died in Florida as a result of being infected by the disease, thought to have transmitted by letters, sent through the US Postal Service.

The US was on red alert since this was the first incidence of the disease in the US in the past 25 years.

The latest threat to the safety of the largest successful democracy of the world tended to worry the already unsettled US citizenry.

The previous Friday (October 12), there had been considerable selling on The New York Stock Exchange, which saw its Dow Jones Industrial Average lose about 0.71 percent of its value, falling to 9,344.16 points.

The NASDAQ Composite Index, on the other hand, after falling fast in early trading, reversed its course and gained about 0.10 percent on the day, ending the week of October 12 at 1,703.14 points.

But the world's largest stock market was being visibly rattled by the anthrax scare, which, as at Friday, October 12, was still being investigated, following the death of a Florida photojournalist by airborne anthrax spores, after he opened a letter at his office.

In Asia, which leads the world when it comes to the operations of equity markets due to time-zone differences, investors dragged down share prices on the major bourses in the world's most populous area.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors marked down share prices from the opening bell.

By the close of the morning session, at 12:30 pm, the Main Board's Hang Seng Index had lost 106.76 points, compared with the previous Friday's close.

The 90-minute afternoon session saw another 36.78 points shaved off The Index, which ended the session at 10,130.59 points, off about 1.40 percent on the day.

The Total Turnover dropped to about \$HK5.37 billion.

The composition of the Ten Most Active counters were, by and large, unchanged from previous weeks, with trading in the shares of Europe's largest bank, HSBC Holdings plc (Code: 5), hugging the top spot.

The following were the 9 leading lights of the day:

HSBC Holdings plc (Code: 5)

Down 1.46 percent to \$HK84.50 per share

China Mobile (Hongkong) Ltd (Code: 941)	Down 3.65 percent to \$HK23.75 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.82 percent to \$HK60.75 per share
Pacific Century CyberWorks Ltd (Code: 8)	Down 2.41 percent to \$HK2.02 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.76 percent to \$HK65 per share
CLP Holdings Ltd (Code: 2)	Plus 0.67 percent to \$HK29.95 per share
China Unicom Ltd (Code: 762)	Down 3.91 percent to \$HK8.60 per share
Hongkong Electric Holdings Ltd (Code: 6)	Up 2.05 percent to \$HK29.85 per share
China Everbright Ltd (Code: 165)	Up 0.56 percent to \$HK4.48 per share

Trading in the above counters represented about 50.65 percent of the entire volume of activity for the day.

The ratio of losers to gainers was about 2.17:One, but about 78 percent of all the counters, listed on The Stock Exchange of Hongkong Ltd, saw no movements in their share prices.

There were a total of 28, double-digit movers, of which number, 9, double-digit movers headed south.

Pearl Oriental Holdings Ltd (Code: 988) was the one counter that amazed some investors as its share price rose about 82.61 percent to 4.20 cents.

The company that had the distinction of being the biggest loser of the day was South East Group Ltd (Code: 726). Its share price fell 26.67 percent to 1.10 cents.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, it was a similar story to that which had been told on the Main Board: Sellers had the upper hand over buyers.

The Growth Enterprise Index lost 1.36 percent of its value, falling back to 170.44 points on a Total Turnover of about \$HK48.26 million.

Rainbow International Holdings Ltd (Code: 8079), a very small cosmetics retailer in the HKSAR with just 8 shops, made its debut; trading in this company's shares accounted for about 31.31 percent of the Total Turnover of the day.

Its share price did not fare too well on the opening day, however, being held within a channel of 5 cents – between 50 cents (the Offer Price) per share and 55 cents per share – ending the day at 52 cents per share.

Mr Li Ka Shing's tom.com Ltd (Code: 8001) was in second place, after Rainbow International, as investors traded about 3.67 million shares in this counter, whose share price ended the day at \$HK1.94, up 2.11 percent on the previous close.

But trading on The GEM was, pretty, uneventful, with only about 22 percent of all counters, seeing any investor action, at all.

The ratio of losing counters to gaining ones was 1.50:One.

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025	42.86		0.09
China Medical Science Ltd	8120		24.44	0.34
MRC Holdings Ltd	8070	42.86		0.30
SYSCAN Technology Holdings Ltd	8083	12.40		0.145

In Japan, the bears had it all over the bulls as they pushed share prices down, quickly, on the premier stock market of The Land of The Rising Sun: The Tokyo Stock Exchange.

The blue-chip index of The Tokyo Stock Exchange, the Nikkei-225 Stock Average, had to give up about 1.69 percent of its value, falling back to 10,452.54 yen.

Japan, with confirmed cases of Mad Cow Disease, was said to be concerned about the anthrax scare in the US plus the prolonged bombing of Afghanistan by the coalition forces, led by the US and British armed forces.

There are growing fears in the second largest economy of the world that the prolonged war will take its toll of the world's economies, with Japan, suffering more than most.

Most sections of The Tokyo Stock Exchange suffered losses, but they were, more or less, marginal *'haircuts'*.

The ratio of losers to gainers was nearly 3:One.

Not so on the technology section of the market, however, as the following TARGET list illustrates:

Advantest	Down 10.18 percent to 6,000 yen per share
Canon	Down 5.50 percent to 3,780 yen per share
Fujitsu	Down 4.13 percent to 997 yen per share
Hitachi	Down 5.14 percent to 886 yen per share
Matsushita Electrical Industries	Down 3.87 percent to 1,516 yen per share
Matsushita Electrical Works	Down 3.11 percent to 1,029 yen per share
Mitsubishi Electric	Down 3.63 percent to 451 yen per share
NEC	Down 4.87 percent to 1,132 yen per share
Olympus	Down 4.02 percent to 1,765 yen per share
Pioneer	Down 5.56 percent to 2,635 yen per share
Sony	Down 4.15 percent to 4,850 yen per share
Tokyo Electron	Down 5.44 percent to 4,870 yen per share
Toshiba Corporation	Down 3.87 percent to 497 yen per share

There was little to spur the market, and suggestions of short covering, taking place the previous Friday, were said to have been the reason for the market's strength at the tail end of Friday, October 12.

The US dollar-yen rate held steady, hovering at the 121-yen mark.

On other Asia bourses, this was the situation, last Monday:

Indonesia	Plus 2.16 percent
Japan	Minus 1.69 percent
Malaysia	Plus 1.24 percent
The Philippines	Plus 2.25 percent
Singapore	Plus 0.32 percent
South Korea	Minus 0.47 percent
Taiwan	Minus 2.33 percent
Thailand	Minus 1.02 percent

Tuesday

More reports of anthrax, sweeping through the US, kept the fires of fear burning brightly, last Tuesday.

Throughout Asia, investors were jittery as the war against Osama bin Laden (because he was the core of the problems) continued and the US-led coalition continued to pound Afghan targets, obliterating parts of major cities in their wake.

On The New York Stock Exchange, last Monday, trading was influenced more by corporate announcements than the war, however, but the anthrax scare took it toll, nevertheless.

The blue-chip index of The New York Stock Exchange, the Dow Jones Industrial Average, gained 3.46 points, about 0.04 percent, ending the day at 9,347.62 points.

The tech-laden NASDAQ Composite Index, however, went in the opposite direction, losing 7.09 points, or about 0.42 percent, falling back to 1,969.31 points.

It was a late buying rally, which propped up this market.

Rattling the market were corporate reports that shocked investors out of their underwear as one company after another told a story of woe.

From Bethlehem Steel Corporation of Pennsylvania, a company about which countless movies have been made, came news that it was staggering from its debt burden: It filed for the protection of the Court, known as Chapter 11 in the US.

The company said that it could not compete with cheaper steel imports.

Computer company, Unisys, announced a 50-percent drop in its third-quarter profits and added that it would sack a further 3,000 of its workers.

From Bank of America Corporation, the Number 3 US bank holding company, came the report that there had been a 4-percent drop in third-quarter results due to the requirements for bad and doubtful debt provisions.

That was bad enough, but, in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors were shocked to learn that the region's unemployment rate had shot up to 5.30 percent.

This is the highest level since November 1998.

On The Stock Exchange of Hongkong Ltd, investors appeared to be confused, resulting in the Main Board's Hang Seng Index hardly moving for the entire session.

By the close of trading, The Index stood at 10,148.49 points, up about 0.18 percent on Monday's closing level.

The Total Turnover of the day was about \$HK4.55 billion with gainers, edging out losers by the ratio of about 1.30:One.

Share movements were restricted to about 26 percent of the counters.

Among the top traded counters, gains and losses were small, by and large, with a few exceptions.

China Mobile (Hongkong) Ltd (Code: 941) was the most-active counter of the day as investors traded about 23.97 million shares of one of the PRC's largest telecommunications companies, pushing down the share price to \$HK23.35, a one-day fall of about 1.68 percent.

Against this, the largest bank in Europe, HSBC Holdings plc (Code: 5), saw its share price rise about 1.48 percent to end the day at \$HK85.75 per share.

The Hang Seng Index is greatly influenced by the movements of these 2 huge corporate entities due to their market capitalisations, which weighs heavily on The Index.

There were a total of 31, double-digit movers, with iRegent Group Ltd (Code: 575), being the biggest gainer, while Same Time Holdings Ltd (Code: 451) was the biggest loser.

iRegent Group Ltd regained 26.01 percent of its market capitalisation, ending the day at 21.80 cents per share, while Same Time Holdings Ltd lost 32 percent of its value to finish off the boring market at 10.20 cents per share.

The HKSAR Government held its third land auction of the year – which was disappointing to most developers, nearly all of whom were, clearly, uncertain as to what the future would bring.

Cheung Kong (Holdings) Ltd (Code: 1) picked up a Hunghom commercial site for \$HK655 million, far below previous expectations.

Cheung Kong's share price ended the day at \$HK65.50, up 0.77 percent on Monday's close. It was the fourth, most-active counter of the day.

Johnson Electric Holdings Ltd (Code: 179) announced that it expected lower earnings for the period April to September 2001 of about 6 percent, compared with the like period in 2000.

Its share price lost 15.95 percent, dropping back to \$HK6.85. It was the sixth, most-active counter of the day.

Johnson Electric is a manufacturer of micro-motors, many of which are used in the electronics field.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, it was a similar situation as to what had transpired on the Main Board.

The Growth Enterprise Index fell about 0.39 percent to 169.78 points on a volume of about \$HK50.07 million.

Declining issued outpaced advancing ones by the ratio of 1.75:One.

Mr Li Ka Shing's tom.com Ltd (Code: 8001) continued to be the top dog as its share price ran up another 2.06 percent to end the session at \$HK1.98 after hitting a high of \$HK2.025.

Trading in tom.com accounted for about 22 percent of the Total Turnover.

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Multimedia Ltd	8061		10.00	0.45
China Medical Science Ltd	8120	17.65		0.40
CyberM International (Holdings) Ltd	8017		10.45	0.30
Fortune Telecom Holdings Ltd	8040		10.96	0.325
iSteelAsia.com Ltd	8080		12.57	0.153
Smartech Digital Manufacturing Holdings Ltd	8068		19.05	0.017
Trasy Gold EX Ltd	8063		24.14	0.022
Yuxing InfoTech Holdings Ltd	8005	14.29		0.80

In Japan, there was a cautious rally on The Tokyo Stock Exchange with its Nikkei-225 Stock Average, regaining all of Monday's losses – and then some.

By the closing bell, the Nikkei-225 was up about 1.77 percent, that is 185.28 yen, at 10,637.82 yen.

Things had not changed from one day to the next in Japan, the world's second largest economy, and, if anything, economically, things were continuing to deteriorate.

The Japanese yen vis-à-vis the US dollar continued to come under pressure, falling to 121.17 yen – clearly to the delight of The Bank of Japan, which had been supporting the value of the US dollar against the yen for months.

Lawson Incorporated, the country's second largest, convenience-store operator, reported an increase in its Bottom Line of about 3.30 percent for the first half of its Financial Year, to August 31, Year-on-Year.

Lawson operates 7,571 stores in Japan and has another 78 stores in Shanghai, the PRC.

From a reputable credit research company, Teikoku Databank Ltd, it was reported that bankruptcies in Japan rose about 4.40 percent in September, compared with September 2000.

It was the largest number of companies that had gone to the wall in a single month since September 1980.

But, aside from Lawson, there was little else to write home to mom about the largest stock market in Asia.

In other parts of Asia, this was the situation, last Tuesday night:

Indonesia	Plus 0.08 percent
Japan	Plus 1.77 percent
Malaysia	Minus 0.33 percent
The Philippines	Minus 0.47 percent
Singapore	Plus 0.55 percent
South Korea	Plus 1.54 percent

Taiwan	Plus 2.21 percent
Thailand	Plus 0.48 percent

Wednesday

Stock markets of the US continued to get pounded, last Tuesday, as the bombing of Afghanistan continued and more people were diagnosed with having contracted the disease, anthrax.

Compounding the already ticklish situation were reports of a somewhat shocking nature, one from International Business Machines Corporation (IBM) and one from Intel Corporation.

IBM announced that hardware sales were off about 21 percent on the year, to the end of the third quarter, that is.

Intel reported that its third-quarter profits had dipped about 77 percent, Year-on-Year: From the 2000 figure of about \$US2.89 billion to the 2001 figure of about \$US655 million.

Investors on The New York Stock Exchange did not seem to take the news too badly, however, probably because they have had so much bad corporate news over the past year or so.

The New York Stock Exchange's Dow Jones Industrial Average gained 36.61 points to end last Tuesday's session at 9,384.23 points while the NASDAQ Composite Index outdid the 0.39 percent gain of The Dow, rising about 1.52 percent to 1,722.07 points.

The US Federal Reserve Board reported that industrial output in the US had fallen in September, marking the past 12 consecutive months of falling production in the world's largest economy.

Not since 1945 had the US economy stalled to this extent.

And stock prices were rising in the US!

For some unknown reason, investors on The Stock Exchange of Hongkong Ltd went on a mild buying spree, pushing up the Hang Seng Index, the blue-chip index of the Main Board, by about 1.11 percent to 10,260.81 points.

The Total Turnover rose to about \$HK8.33 billion, but about 26.41 percent of the Total Turnover was attributable to trading in the shares of the 2, top-traded counters: China Mobile (Hongkong) Ltd (Code: 941); and, HSBC Holdings plc (Code: 5).

There was no special news from either company, but, being the 2, largest capitalised companies, listed on The Stock Exchange of Hongkong Ltd, and both, being constituent stocks of the Hang Seng Index, any movement in their share prices affects the direction of The Index, naturally.

The Ten Most Actives of the day were:

China Mobile (Hongkong) Ltd (Code: 941)	Down 2.14 percent to \$HK22.85 per share
HSBC Holdings plc (Code: 5)	Up 1.17 percent to \$HK86.75 per share
Hutchison Whampoa Ltd (Code: 13)	Up 6.53 percent to \$HK65.25 per share
China Unicom Ltd (Code: 762)	Down 6.51 percent to \$HK7.90 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 3.44 percent to \$HK67.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.49 percent to \$HK51 per share

Hang Seng Bank Ltd (Code: 11)	Up 2.13 percent to \$HK83.75 per share
Johnson Electric Holdings Ltd (Code: 179)	Down 3.65 percent to \$HK6.60 per share
Hongkong Electric Holdings Ltd (Code: 6)	Up 3.32 percent to \$HK31.10 per share
Pacific Century CyberWorks Ltd (Code: 8)	Up 2.47 percent to \$HK2.07 per share

The reason that Hutchison Whampoa Ltd jumped as much as it did was due to the company, reporting that it had sold some of its holdings in the British telecommunications company, Vodafone Group plc.

It is estimated that the company will be able to book a capital profit on the share sale of about \$HK400 million.

However, some people were wondering as to the timing of the share sale.

The ratio of gaining counters to losing ones was about 2.11:One.

There were 24, double-digit movers of the day:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Resources Transportation Holdings Ltd	899		12.00	0.022
Bestway International Holdings Ltd	718	10.00		0.022
CEC International Holdings Ltd	759		12.50	0.35
China Star Entertainment Ltd	326	10.48		0.116
China Strategic Holdings Ltd	235		10.00	0.405
Climax International Company Ltd	439	12.50		0.018
Dransfield Holdings Ltd	632	17.39		0.027
Easyknit International Holdings Ltd	1218	22.014		0.16
Fortuna International Holdings Ltd	530		10.34	0.026
Founder Holdings Ltd	418	14.29		0.026
GeoMaxima (Hongkong) Holdings Ltd	702	23.73		0.365
IFTA Pacific Holdings Ltd	371	15.79		0.22
KEL Holdings Ltd	681	10.91		0.122
Kin Don Holdings Ltd	208		13.04	0.02
Le Saunda Holdings Ltd	738	10.71		0.31
Luen Cheong Tai International Holdings Ltd	1190	32.00		0.066
Pacific Plywood Holdings Ltd	767		13.64	0.038
Paul Y.-ITC Construction Holdings Ltd	498	11.90		0.235
S.A.S. Dragon Holdings Ltd	1184	19.44		0.43
SiS International Holdings Ltd	529	11.11		0.40
Skynet (International Group) Holdings Ltd	577	14.29		0.024
Stone Electronic Technology Ltd	409	10.00		0.88
Universal Appliances Ltd	419	16.28		0.05
vLink Global Ltd	563	17.86		0.033

While it was clear that many investors in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were willing to play on the Main Board, not so on The GEM, The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd.

The Growth Enterprise Index hardly moved for the entire session, but, at the close, it squeezed out a 0.05-percent gain as investors pushed it to 169.86 points.

The Total Turnover on this market was about \$HK50.89 million.

For a change, Greencool Technology Holdings Ltd (Code: 8056) was the most active counter of the day as its share price rose 5.45 percent to hit \$HK2.90 by the close of trading.

Trading in the shares of this company, aggregating a dollar value of about \$HK12.43 million, represented about 24.43 percent of the entire volume of activity.

tom.com Ltd (Code: 8001) was the second, most-active counter of the day as investors traded about 5.43 million shares in this Li Ka Shing company, whose share price fell to \$HK1.96, off about one percent, compared on Tuesday's closing level.

Trading on The GEM was dominated by these 2 counters since their combined trading activities accounted for nearly 46 percent of the entire volume of activity.

Advancing counters were ahead of declining ones by 1.50:One.

The 3, double-digit movers included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Smartech Digital Manufacturing Holdings Ltd	8068	11.76		0.019
SYSCAN Technology Holdings Ltd	8083	12.00		0.168
Yuxing InfoTech Holdings Ltd	8005		21.25	0.63

Japanese investors went on a mild rally, despite the announcement from US, hi-tech heavyweight, Intel.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average rose about 1.11 percent to 10,755.45 yen.

The theory, given by some Japanese brokers for the gains on Japan's 3 leading bourses, last Wednesday, was that if US investors did not concern themselves, overly, about poor corporate results, then, there is nothing about which to concern oneself.

Strange! No wonder the Japanese lost the war.

Regardless of the reasons for the gains on the premier Japanese bourse, the section of The Tokyo Stock Exchange that benefitted, greatly, was the technology counters, as the following TARGET list illustrates:

Advantest	Up 13.11 percent to 6,900 yen per share
Canon	Up 6.98 percent to 4,140 yen per share
Fujitsu	Up 2.85 percent to 1,010 yen per share
Kyocera	Up 5.45 percent to 9,090 yen per share
Matsushita Electrical Industries	Up 3.60 percent to 1,554 yen per share
NEC	Up 2.59 percent to 1,189 yen per share
Nikon	Up 3.41 percent to 1,060 yen per share
OKI Electrical Industries	Up 4.79 percent to 459 yen per share

Pioneer	Up 3.72 percent to 2,650 yen per share
Ricoh	Up 4.29 percent to 2,190 yen per share
Rohm	Up 8.21 percent to 14,500 yen per share
Sanyo Electric	Up 4.09 percent to 586 yen per share
Sharp	Up 3.88 percent to 1,392 yen per share
Sony	Up 3.06 percent to 5,050 yen per share
Tokyo Electron	Up 6.82 percent to 5,480 yen per share

In the motor section of the market, only 2 counters bucked the odds:

Hino Motors	Down 2.44 percent to 439 yen per share
Honda	Up 3.49 percent to 4,450 yen per share
Isuzu Motors	Down 3.36 percent to 115 yen per share
Kawasaki Heavy Industries	Down 1.54 percent to 128 yen per share
Mazda	Down 0.52 percent to 190 yen per share
Mitsubishi Motors	Down 2.55 percent to 229 yen per share
Nissan Motor	Down 4.50 percent to 573 yen per share
Suzuki Motor	Up 0.99 percent to 1,230 yen per share
Toyota Motor	Down 0.97 percent to 3,070 yen per share
Yamaha Motor	Down 4.44 percent to 796 yen per share

Supermarket chain operator, Seiyu Ltd, announced Consolidated Net Profits of about 617 million yen for the first half to August 31.

Seiyu's share price rose 0.94 percent to 323 yen per share on the news.

All Nippon Airways Company (ANA) announced that it would cut its flight to the US by about 20 percent, effective next month.

And, that was just about that for last Wednesday.

It seemed, contrary to what some Japanese and HKSAR stockbrokers were expounding, last Wednesday – something along the lines that the markets were headed for higher levels – it appeared that the opposite proposition might well prove to be the case, in due course.

This was how things looked in other parts of Asia as the sun set, last Wednesday night:

Indonesia	Plus 0.66 percent
Japan	Plus 1.11percent
Malaysia	Plus 0.77 percent
The Philippines	Plus 0.69 percent
Singapore	Plus 0.94 percent
South Korea	Plus 1.22 percent
Taiwan	Plus 0.59 percent
Thailand	Plus 1.56 percent

Thursday

The US corporate titan, Ford Motor Company, reported a \$US502-million loss for the quarter, ended September 30, 2001.

It marked the second quarter in a row that the giant had taken a loss. In the like 2000 quarter, Ford booked a Net Profit of about \$US994 million.

The economic slowdown in the US was selecting its victims, from the top on down.

Investors on The New York Stock Exchange, having been hit with the September 11 attacks on New York's World Trade Center and The Pentagon, in Washington D.C., as well as the anthrax scare that followed, it, popping up in one state and, then, another, did not like all of the negative news, coming altogether – and selling fever swept the equity markets of the US.

The Dow Jones Industrial Average, the '*barometer*' of trading on the Big Board, lost about 1.61 percent of its value, falling back to 9,232.97.

On The NASDAQ, its Composite Index gave up about 4.40 percent of its value, dropping to 1,646.34 points.

There were fresh reports in Washington and New York of anthrax spores, having been found here and there, and it seemed that every time there was a new, or suspected, finding of anthrax spores, investors became more and more jittery.

One had to have empathy with the situation in the US since it has never happened before: The US citizenry, having to defend the homeland from evil from afar; and, that evil that cannot be seen but only be experienced.

The anthrax scare in the US spread to other parts of the world, and it was most poignantly felt on equity markets.

With the lone exception of Indonesia, every Asian stock market went into reverse gear, last Thursday.

On The Stock Exchange of Hongkong Ltd, which suffered the biggest loss of all Asian bourses, sellers dominated trading the activity, as the Main Board's Hang Seng Index gave up about 3.71 percent of its value, falling back to 9,880.61 points.

Losing counters were ahead of gaining ones by 3.30:One.

The Ten Most Actives, all losers, were:

China Mobile (Hongkong) Ltd (Code: 941)	Down 6.78 percent to \$HK21.30 per share
HSBC Holdings plc (Code: 5)	Down 2.88 percent to \$HK84.25 per share
China Unicom Ltd (Code: 762)	Down 5.70 percent to \$HK7.45 per share
Hutchison Whampoa Ltd (Code: 13)	Down 3.83 percent to \$HK62.75 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 3.69 percent to \$HK65.25 per share
Hang Seng Bank Ltd (Code: 11)	Down 3.58 percent to \$HK80.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 4.90 percent to \$HK48.50 per share
Pacific Century CyberWorks Ltd (Code: 8)	Down 1.20 percent to \$HK2.05 per share
Johnson Electric Holdings Ltd (Code: 179)	Down 4.55 percent to \$HK6.30 per share
PetroChina Company Ltd (Code: 857)	Down 2.76 percent to \$HK1.41 per share

Trading in the above 10 counters represents just a tad shy of 60 percent of the Total Turnover of about \$HK6.94 billion.

There had been unconfirmed reports, earlier in the week, that foreign institutions were coming back into the stock markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), but that was one suggestion that was very hard to swallow, considering all the facts.

For what reason would the HKSAR stock markets rank at all when 'USA Inc' was on its proverbial financial knees?

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Pharmaceutical Enterprise and Investment Corporation Ltd	1093	11.11		0.80
Deson Development International Holdings Ltd	262	10.00		0.033
ehealthcareasia Ltd	835	10.00		0.022
Emperor (China Concept) Investments Ltd	296	10.00		0.033
Founder (Hongkong) Ltd	418		10.00	1.08
Global Food Culture Group Ltd	970		10.00	0.09
Great Wall Cybertech Ltd	689		11.39	0.07
Hansom Eastern (Holdings) Ltd	279		10.00	0.09
i100 Ltd	616		15.66	0.35
INNOMAXX Biotechnology Group Ltd	340		12.00	0.11
Peaktap International Holdings Ltd	925		10.00	0.495
Pricerite Group Ltd	996	14.00		0.228

Pudong Development Holdings Ltd	258		10.53	0.68
Sen Hong Resources Holdings Ltd	76		12.07	0.051
Vision Tech International Holdings Ltd	922		11.11	0.072

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index lost another 1.31 percent of its value, falling to 167.63 points.

The Total Turnover dropped back to about \$HK35.66 million with losers, outpacing gainers by the ratio of 4.30:One.

Mr Li Ka Shing's tom.com Ltd (Code: 8001) continued to be the top dog as investors switched about 4.58 million shares in this company, pushing down its share price by about 3.06 percent to \$HK1.90.

Trading in this one counter accounted for about 34 percent of the volume of activity on this speculative marketplace where the term, caveat emptor, really means a great deal.

The double-digit movers on this market numbered just three:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Far East Polychem Industries Ltd	8012	12.00		2.80
Smartech Digital Manufacturing Holdings Ltd	8068	15.79		0.022
Yuxing InfoTech Holdings Ltd	8005	23.81		0.78

In Japan, The Tokyo Stock Exchange suffered poorly as Japanese investors sold, pushing down the Nikkei-225 Stock Average by 2.61 percent to 10,474.85 yen.

Electronics continued to be sold in huge wads as the following TARGET list illustrates:

Advantest	Down 6.09 percent to 6,480 yen per share
Canon	Down 4.35 percent to 3,960 yen per share
Casio	Down 5.02 percent to 681 yen per share
Hitachi	Down 4.83 percent to 867 yen per share
Kyocera	Down 3.74 percent to 8,750 yen per share
Nikon	Down 4.72 percent to 1,010 yen per share
Olympus	Down 4.70 percent to 1,724 yen per share
Pioneer	Down 2.83 percent to 2,575 yen per share
Ricoh	Down 2.05 percent to 2,145 yen per share
Rohm	Down 5.10 percent to 13,760 yen per share
Sharp	Down 2.08 percent to 1,363 yen per share

Sony	Down 2.38 percent to 4,930 yen per share
Tokyo Electron	Down 9.12 percent to 4,980 yen per share

Japan appeared to be at the mercy of Wall Street where investors were out in force to sell scrip ... and where the fear of the unknown was causing widespread concern among the populous.

There was little news from any major company in The Land of The Rising Sun so that the selling was, clearly, the result of institutions, trying to clear their books while they still could.

In other parts of Asia, this was the situation, last Thursday:

Indonesia	Plus 1.00 percent
Japan	Minus 2.61percent
Malaysia	Minus 0.13 percent
The Philippines	Minus 1.40 percent
Singapore	Minus 2.45 percent
South Korea	Minus 0.77 percent
Taiwan	Minus 0.16percent
Thailand	Minus 0.58 percent

Friday

Anthrax spores continued to be discovered in numerous parts of the US, and the scare was taking a terrible bite out of equity markets, around the world.

In the major television news stations in the US, anthrax was discovered to have infected certain employees, and a New Jersey postal worker tested positive for the disease.

In the Manhattan office of the Governor of New York, Mr George Pataki, anthrax spores were discovered.

The House of Representatives had to close down in order to allow investigations to take place lest the premises had been infected.

It was confirmed that all the spores, from Washington to Nevada, originated from the same source, thus confirming that this was an attack, designed by parties, still unidentified, but known to be of the most evil bent.

On The New York Stock Exchange, the Dow Jones Industrial Average ended down 69.75 points, about 0.76 percent, to 9,163.22 points, while, on The NASDAQ, its Composite Index rose about 0.39 percent to end the day at 1,652.72 points.

Sun Microsystems reported that it had recorded a second quarter loss, the second time since 1989 that it had suffered thusly.

For its first quarter, it had suffered a loss of \$US180 million. That compared with the comparable 2000 quarter of a profit of \$US456 million.

Nortel Networks, one of the biggest disappointments in North America, reported a loss of \$US3.50 billion in its third quarter, ended September 30, 2001.

Asia watched and waited for the next '*hit*', noting the continuation of the bombing of Afghanistan by coalition forces, led by the US and Great Britain, and the long-awaited news that US troops had landed on Afghan soil.

The ground war was about to start.

Investors in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were confused as to what action to take in the light of international events.

That was only too apparent by a cursory look at trading on The Stock Exchange of Hongkong Ltd where the Main Board's Hang Seng Index hardly moved the entire session.

By the close of trading, The Index stood at 9,825.84 points, a loss of about 0.55 points on the day.

The Total Turnover was about \$HK5.91 billion.

The ratio of gainers to losers was exactly One: One.

The Ten Most Actives included:

China Mobile (Hongkong) Ltd (Code: 941)	Up 2.58 percent to \$HK21.85 per share
HSBC Holdings plc (Code: 5)	Down 1.48 percent to \$HK83 per share
China Unicom Ltd (Code: 762)	Down 0.67 percent to \$HK7.40 per share
Hutchison Whampoa Ltd (Code: 13)	Down 2.79 percent to \$HK61 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.92 percent to \$HK64 per share
Sun Hung Kai Properties Ltd (Code: 16)	Plus 0.41 percent to \$HK48.70 per share
Hang Seng Bank Ltd (Code: 11)	Down 1.55 percent to \$HK79.50 per share
Hongkong Electric Holdings Ltd (Code: 6)	Plus 0.32 percent to \$HK31.10 per share
PetroChina Company Ltd (Code: 857)	Down 2.13 percent to \$HK1.38 per share
Pacific Century CyberWorks Ltd (Code: 8)	Down 1.22 percent to \$HK2.02 per share

Trading in the above counters accounted for about 54 percent of the Total Turnover of the day.

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139	10.71		0.031
Capital Strategic Investment Ltd	497	12.66		0.178
China Strategic Holdings Ltd	235	15.38		0.45
Ching Hing (Holdings) Ltd	692	14.55		0.126
Coastal Realty Group Ltd	1124		26.98	0.16
ehtalthcareasia. Ltd	835	18.18		0.026
Melco International Development Ltd	200	10.48		1.16
NewOcean Green Energy Holdings Ltd	342		11.54	0.069
Ngai Hing Hong Company Ltd	1047	13.18		0.249
Online Credit International Ltd	185	11.11		0.08
Pearl Oriental Holdings Ltd	988		23.26	0.033
Premium Land Ltd	164	32.50		0.033
Sen Hong Resources Holdings Ltd	76		13.73	0.044
Simsen International Corporation Ltd	993	14.81		0.031
Sinolink Worldlink Holdings Ltd	1168	10.12		0.37

South China Brokerage Ltd	619		10.48	0.094
Wong's Kong King International (Holdings) Ltd	532	10.58		0.23
Wonson International Holdings Ltd	651		18.42	0.138

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, Phoenix Satellite Television Holdings Ltd (Code: 8002) stole the limelight as its share price shot up about 15 percent to hit 92 cents by the close of trading.

A total of about 43.74 million Phoenix Satellite Television shares changed hands during the day, the dollar value of those trades amounting to about \$HK39.65 million, or nearly 52 percent of the Total Turnover of about \$HK76.32 million.

The Growth Enterprise Index was helped greatly by the movement of this television broadcaster, the largest, foreign-owned enterprise of its kind, operating in the PRC.

The Growth Enterprise Index ended the day at 170.13 points, representing a gain of about 1.49 percent over Thursday's closing level.

But just about all of the movement in this market came in the morning session, with the 90-minute afternoon session, seeing hardly any activity.

The ratio of gainers to losers was about 1.22:One.

The double-digit movers on this market numbered just four:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
E-silkroad Holdings Ltd	8071		29.08	0.10
Emperor Entertainment Group Ltd	8078		15.25	1.00
Neolink Cyber Technology (Holdings) Ltd	8116	27.50		0.51
Phoenix Satellite Television Holdings Ltd	8002	15.00		0.92

In Japan, while select counters made, what must be considered, reasonable gains, considering the situation, worldwide, investors did not appear to be too keen to trade stocks and shares on the 3 stock markets of The Land of The Rising Sun.

On The Tokyo Stock Exchange, trading was relatively quiet with the Nikkei-225 Stock Average, ending the day at 10,538.79 yen, a gain of about 0.61 percent over Thursday's close.

The somewhat subdued trading conditions were due, in part, to the fact that the following week (that is, this week), many companies, including the technology entities, would be announcing their results for the first half of the year.

Very few counters registered significant gains.

Nissan Motor Company announced a Consolidated Operating Profit of 187 billion yen for the first half of its Financial Year. That result was a 39-percent improvement over the like period in 2000.

Nissan lost about 1.53 percent of its market capitalisation on the news, falling to 580 yen per share.

Mazda Motor Corporation announced that, after all, it was likely to turn a Net Profit of about one billion yen for the first half of its Year, to September 30, 2001.

It had, earlier, suggested a loss of about 9.50 billion yen.

Mazda's share price scooted up 2.49 percent on the news, ending the week at 206 yen per share.

Struggling supermarket operator, Daiei Incorporated, the operator of some 288 stores in Japan, reported unconsolidated net losses of about 3.99 billion yen for the 6-month period, ended August 31.

That compared with the comparable 2000 period of a profit of about 779 million yen.

From another supermarket operator, Daimaru Incorporated, in almost the same business as Daiei, its management announced a Group Net Loss of 15.83 billion yen for the same period.

In 2000, to August 31, it reported a Net Profit of 1.33 billion yen.

The announcements from Daiei and Daimaru were made after the stock market had closed, thus having no bearing on the closing share prices of both companies.

And that was just about that for the week, ended Friday, October 19, 2001.

This was the state of play on other Asian bourses, last Friday:

Indonesia	Plus 0.70 percent
Japan	Plus 0.61 percent
Malaysia	Minus 0.93 percent
The Philippines	Minus 0.87 percent
Singapore	Minus 1.28 percent
South Korea	Plus 0.73 percent
Taiwan	Plus 0.90 percent
Thailand	Minus 0.50 percent

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