

THE ECONOMIC FOG CONTINUES TO ENGULF ASIA

Investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) had some of their worst fears realised, last Monday, as it became only too apparent that there was no clear economic horizon through the fog of despondency.

Many companies, listed on The Stock Exchange of Hongkong Ltd, one by one, are having to come clean as to the extent of their financial problems.

Over the previous weekend, The Bank of East Asia Ltd (Code: 23, Main Board, The Stock Exchange of Hongkong Ltd) sacked more than 200 employees in an effort to control costs.

Last Monday, it was the time for pharmaceutical company, China Apollo Holdings Ltd (Code: 512, Main Board, The Stock Exchange of Hongkong Ltd), to announce that the Chairman, Mr Lok Fai, had agreed to relinquish his control of the company to a Ms Kitty Lo Yuk Yee.

The price for 51 percent of the Issued and Fully Paid-Up Share Capital of China Apollo is just \$HK30 million, or 7.20 cents per share.

For the 5 Financial Years to December 31, 2000, China Apollo had lost a total of about \$HK345 million.

Since its listing in 1995, this company has never recorded a profit.

China Apollo is not an important company, as far as investors on The Stock Exchange of Hongkong Ltd are concerned, but its situation is indicative of the overall situation with regard to many public companies.

On the first day of trading on the Main Board of The Stock Exchange of Hongkong Ltd, for the week, beginning January 14, the Hang Seng Index gained about 0.39 percent, ending the day at 11,209.43 points.

But, perhaps, more telling was that the Total Turnover dropped down to about \$HK5.85 billion.

It was only in the 90-minute afternoon session that the market was able to pull itself back into the black because it was down nearly 11 points, compared with the previous Friday's close, by the time that the luncheon bell rang.

The situation looked akin to a fresh selling bout on the wind.

Over the weekend of January 12-13, a number of things had come to light, internationally – and most of them were of negative value.

On Friday, January 11, Dr Alan Greenspan, the Chairman of the US Federal Reserve Board, in his first speech on the US economy since last October, said that it was far too early to expect a turnabout in the world's largest single economy.

Speaking in San Francisco, California, at The Greenlining 2002 Summit, Dr Greenspan said that the US economy faces '*significant risks in the near term*'.

He said that there was a strong probability of persistent weak capital spending, continued consumer resistance, continued shaved profit margins, and continued higher unemployment prospects.

All this a Heaven, too!

From the United Kingdom, it was announced that manufacturing output had fallen to a 5-year low.

The announcement was made the previous Friday, but it was only picked up on Monday, January 14 by the popular Press.

For the month of December 2001, manufacturing production declined about 0.70 percent, compared with November 2001.

However, compared with December 2000, manufacturing production in the UK had slumped by about 5.40 percent, according to The Office of National Statistics.

On Wall Street, the previous Friday (January 11), where investors had been apprised of Dr Greenspan's remarks – after Asia was fast asleep – selling was the order of the day.

The Dow Jones Industrial Average, the key to trading in blue chips on The New York Stock Exchange, lost about 0.80 percent, ending the week at 9,987.53 points. It was the weakest note of the day.

For the week, ended January 11, therefore, The Dow had lost about 2.70 percent of its value, compared with the week, ended January 4.

As for the NASDAQ, its Composite Index had been shaved to the extent of about 1.21 percent, ending the week at 2,022.46 points, representing Week-on-Week loss of about 1.80 percent.

The silence of those HKSAR stockbrokers, who attempted to talk up the HKSAR stock markets on January 7, was deafening, last Monday.

It appeared that the Hang Seng Index, the '*barometer*' of trading on the Main Board of The Stock Exchange of Hongkong Ltd, was being propped up, somewhat artificially, by vested interests.

Had it not been for gains in a select number of counters, the Hang Seng Index would, most definitely, have been in the red.

Even though the Hang Seng Index had registered a fractional gain, losers were far ahead of gainers by the ratio of 2.20:One.

The Ten Most Actives on The Stock Exchange of Hongkong Ltd, last Monday, were:

HSBC Holdings plc (Code: 5)	Down 0.56 percent to \$HK89.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 2.27 percent to \$HK24.75 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.67 percent to \$HK74.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.63 percent to \$HK80.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.52 percent to \$HK67.00 per share
China Unicom Ltd (Code: 762)	Up 3.16 percent to \$HK8.15 per share
Hang Seng Bank Ltd (Code: 11)	Up 1.16 percent to \$HK87.50 per share

Henderson Land Development Company Ltd (Code: 12)	Down 1.38 percent to \$HK35.80 per share
CNOOC Ltd (Code: 883)	Unchanged at \$HK7.90 per share
Pacific Century CyberWorks Ltd (Code: 8)	Unchanged at \$HK2.27 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Bright International Group Ltd	1163	14.29		0.64
Cedar Base Electronic (Group) Ltd	855		16.05	0.068
China Land Group Ltd	149		13.89	0.31
Dickson Group Holdings Ltd	313	11.22		0.109
e-New Media Company Ltd	128		12.63	0.415
Global Tech (Holdings) Ltd	143		15.63	0.54
Goldlion Holdings Ltd	533	10.00		0.44
Goldwiz Holdings Ltd	586	13.74		1.49
Harmony Asset Ltd	428	12.36		0.10
Hesun Specialised Fibre Holdings Ltd	155		10.71	0.025
Interchina Holdings Company Ltd	202	14.58		1.10
Jackley Holdings Ltd	353	20.00		0.60
KTP Holdings Ltd	645	13.21		0.30
Quality Food International Ltd	735		10.38	0.095
Theme International Holdings Ltd	990		12.94	0.074
Victory Group Ltd	1139		12.50	0.105
Welback Holdings Ltd	491	17.91		0.079

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, only very select counters made any headway.

The Growth Enterprise Index recorded a loss of 0.82 percent, coming to rest at 4 pm at 211.58 points.

The Total Turnover dropped back to about \$HK281.03 million, indicating that, for the time being, at least, the party was over.

The ratio of losers to gainers was 2.05:One.

The biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Golden Meditech Company Ltd	8180		11.32	1.41
Inworld Group Ltd	8100	10.84		0.46
Qianlong Technology International Holdings Ltd	8015	15.49		0.82
Stockmartnet Holdings Ltd	8123		16.90	0.295

The stock markets of Japan were closed for a public holiday, last Monday, but investors on the largest market in Asia were treated to the news that Shokusan Jutaku Sogo Company, a leading builder of custom-made houses, had filed for the protection of its creditors.

Its liabilities are about 13.50 billion yen.

Another 740 jobs at risk.

And, in other parts of Asia, this was the situation on the most important bourses:

Indonesia	Plus 0.99 percent to 415.83
Japan	Closed
Malaysia	Minus 0.65 percent to 698.45
The Philippines	Plus 0.09 percent to 1,192.73
Singapore	Plus 1.61 percent to 1,731.52
South Korea	Minus 2.29 percent to 744.03
Taiwan	Minus 1.33 percent to 5,611.86
Thailand	Plus 0.92 percent to 325.51

Tuesday

Stock-market indices tumbled throughout Asia, last Tuesday, fuelled by concerns of the US economy.

Dr Alan Greenspan, the Chairman of the US Federal Reserve Board, in his speech in San Francisco, the previous Friday, appeared to have sent an icy chill down the spines of many people. (Please see Monday's report)

Reinforcing the Great Man's remarks was a report from London where ailing telecommunication company, Marconi, said that it would be sacking another 4,000 of its workers in order to try to restore profitability.

Of the 4,000-job cutback, about 1,000 jobs will be lost in the United Kingdom while the rest will be spread round the world.

Marconi cut its debts from about £4.30 billion to about £3.50 billion within the past year.

The ongoing programme is aimed at slashing debt to about £2.90 billion.

The combination of the British situation and the remarks of the Great Man were responsible for a great deal of the losses on Wall Street, last Monday, New York time.

There, on The New York Stock Exchange, the Dow Jones Industrial Average lost about 96.11 points, or just short of a percentage point, ending the day at 9,891.42 points.

On the NASDAQ, its Composite Index shed about 1.57 percent of its value, falling back to 1,990.74 points.

Wall Street's slide took its toll of trading on The Stock Exchange of Hongkong Ltd where the Main Board's Hang Seng Index was forced to surrender about 1.75 percent of its value, ending the session at 11,013.59 points.

The Total Turnover was about \$HK6.70 billion, with trading in the shares of the largest capitalised company, listed on this bourse, accounting for about 13.28 percent of that figure.

That company was HSBC Holdings plc (Code: 5) as investors traded about 10.12 million shares in this banking conglomerate, the largest in the UK.

Its share price was felled by about 1.96 percent, coming to rest at \$HK87.75 by the time that the closing bell rang.

The ratio of losers to gainers on this market was a resounding 3.34:One.

The Ten Most Actives of the day were:

HSBC Holdings plc (Code: 5)	Down 1.96 percent to \$HK87.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.82 percent to \$HK24.30 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.69 percent to \$HK72.75 per share
CITIC Pacific Ltd (Code: 267)	Down 9.44 percent to \$HK15.35 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 2.18 percent to \$HK78.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.87 percent to \$HK65.75 per share
China Unicom Ltd (Code: 762)	Down 1.23 percent to \$HK8.05 per share
CCT Multimedia Holdings Ltd (Code: 1169)	Down 4.65 percent to 41 cents per share
Henderson Land Development Company Ltd (Code: 12)	Down 2.79 percent to \$HK34.80 per share
Hang Seng Bank Ltd (Code: 11)	Down 1.14 percent to \$HK86.50 per share

The biggest movers of the day, however, were:

Name of Company	Code	Increase %)	Decrease %)	Closing Price (SHK)
139 Holdings Ltd	139	11.11		0.03
Anex International Holdings Ltd	723	13.24		0.077
Capital Automation Holdings Ltd	493	13.73		0.29
Cedar Base Electronic (Group) Ltd	855	10.29		0.075
Century Legend (Holdings) Ltd	79		11.76	0.045
CITIC Pacific Ltd	267	20.00		0.60
Dynamic (Holdings) Ltd	29		15.00	2.55
E.Bon Holdings Ltd	599		13.33	0.26
Fortuna International Holdings Ltd	530	10.00		0.033
Global Food Culture Group Ltd	970	31.58		0.10
Golden Dragon Group (Holdings) Ltd	329		11.76	0.60
Graneagle Holdings Ltd	147	13.89		0.41
Leaptek Ltd	336	11.11		0.10
Mansion Holdings Ltd	547		10.53	0.051
Northeast Electrical Transformation and Transmission Machinery Manufacturing Company Ltd	42		11.11	0.32
Paul Y-ITC Construction Holdings Ltd	498		15.38	0.275
Skynet (International Group) Holdings Ltd	577		10.00	0.018
Solartech International Holdings Ltd	1166	10.00		0.011
Sun Television Cybernetworks Holdings Ltd	307	11.67		0.134
TechCap Holdings Ltd	673		18.75	0.078
United Power Investment Ltd	674		15.25	0.25
Victory City International Holdings Ltd	539	15.91		0.51
Wah Tak Fung Holdings Ltd	297	10.29		0.75
Wonson International Holdings Ltd	651		13.16	0.033

On The GEM – The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd – another 2.15 percent was cut out of The Growth Enterprise Index, which fell to 207.04 points.

The Total Turnover slipped back to about \$HK307.98 million, with losing counters, outpacing gaining ones by the ratio of about 3.06:One.

Mr Li Ka Shing's tom.com Ltd (Code: 8001) continued to be the top dog as about 22.42 million shares were traded, pulling back the share price of this stock to about \$HK3.83, a one-day fall of about 7.27 percent.

The market was, clearly, on the way down the slippery slope, with most of the relative newcomers, coming in for a dubbing.

The double-digit movers on this market included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
36.com Holdings Ltd	8036		13.64	0.019
Argos Enterprise (Holdings) Ltd	8022		12.70	0.275
Infoserve Technology Corporation	8077	15.18		1.29
Xteam Software International Ltd	8178	14.89		1.08

On The Tokyo Stock Exchange, trading for the first day of the week saw investors pull down indices in very quick fashion.

The Nikkei-225 Stock Average lost 233.54 yen, or about 2.24 percent, falling to 10,208.05 yen.

It was the fifth straight day of losses on Asia's largest stock market.

Wall Street and Dr Alan Greenspan were affecting this market, adversely.

The Japanese electronics conglomerate, Mitsubishi Electric, announced that it would be sacking about 2,000 of its workers from its computer chip units due to a slump in demand for semiconductors.

The company's workforce will, therefore, be cut from the present levels of about 11,000 workers to about 9,000 workers.

The share price of Mitsubishi Electric fell just 0.19 percent to 514 yen on the news.

Mitsubishi Electric set the stage for others to follow, however:

Advantest	Down 4.75 percent to 7,620 yen per share
Casio	Down 3.23 percent to 539 yen per share
Fanuc	Down 4.36 percent to 5,920 yen per share
Fujitsu	Down 3.69 percent to 939 yen per share
Hitachi	Down 4.37 percent to 920 yen per share
Kenwood Corporation*	Down 13.00 percent to 87 yen per share

Kyocera	Down 5.54 percent to 7,850 yen per share
Matsushita Electric Industrial*	Down 4.04 percent to 1,662 yen per share
NEC*	Down 4.48 percent to 1,301 yen per share
Nikon	Down 3.87 percent to 1,043 yen per share
OKI Electrical Industrial	Down 4.76 percent to 400 yen per share
Olympus	Down 2.01 percent to 1,803 yen per share
Pioneer	Down 6.46 percent to 3,040 yen per share
Rohm	Down 8.51 percent to 16,560 yen per share
Sharp*	Down 3.38 percent to 1,456 yen per share
Sony	Down 5.47 percent to 6,050 yen per share
TDK	Down 5.49 percent to 6,200 yen per share
Tokyo Electron	Down 4.89 percent to 6,810 yen per share
Toshiba Corporation*	Down 2.16 percent to 452 yen per share

* Among the most active counters of the day

Japan, with its export-driven economy, is materially dependant on the US marketplace for the sale of its products – and electronic products are one of its mainstays.

In other parts of Asia, the situation looked very depressing for many people as the following TARGET list of losing stock markets illustrate:

Indonesia	Plus 1.30 percent to 421.25
Japan	Minus 2.24 percent to 10,208.05
Malaysia	Plus 0.29 percent to 700.47
The Philippines	Minus 0.66 percent to 1,184.84
Singapore	Minus 2.14 percent to 1,694.48
South Korea	Minus 3.14 percent to 718.64
Taiwan	Minus 0.34 percent to 5,592.74
Thailand	Minus 0.44 percent to 324.07

Wednesday

The world's largest manufacturer of semiconductors, Intel Corporation, unveiled sharply lower profits, and warned that it would be cutting back investment in new plant and equipment.

For the final quarter of 2001, the company said profits were down about 77 percent while sales fell by about 20 percent, Year-on-Year.

Capital investment will be cut by nearly one quarter this year, compared with 2001, the company announced.

Korea's counterpart to Intel, Samsung Electronics, followed in the footsteps of Intel, announcing that it, too, had faced a difficult 2001, with the last quarter of 2001, seeing a 51-percent drop in profits, compared with the like 2000 period.

No matter how one cuts it, it was bad news for stock markets, internationally.

Then, the world's largest airline, American Airlines, announced that it had lost nearly \$US800 million in the October-December 2000 quarter.

Continental Airlines, a rival of American Airlines, followed suit, announcing that it had dropped about \$US220 million in the same period.

On The Stock Exchange of Hongkong Ltd, last Wednesday, investors on the second largest bourse in Asia appeared to be of 2 minds as to what to do, at least in early trading, but, in the 90-minute afternoon session, there was no hesitation: Sellers lined up, knocking down the Main Board's Hang Seng Index by about 0.45 percent, bringing it back to 10,964.09 points.

The Total Turnover was about \$HK6.08 billion, with the ratio of losers to gainers, being about 1.09:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.28 percent to \$HK88.00 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.69 percent to \$HK72.25 per share
China Mobile (Hongkong) Ltd (Code: 942)	Down 0.82 percent to \$HK24.10 per share
CITIC Pacific Ltd (Code: 267)	Down 4.56 percent to \$HK14.65 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.27 percent to \$HK77.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.76 percent to \$HK65.25 per share
Culturecom Holdings Ltd (Code: 343)	Up 3.03 percent to 51 cents per share
Hang Seng Bank Ltd (Code: 11)	Up 0.87 percent to \$HK87.25 per share
China Unicom Ltd (Code: 762)	Down 1.24 percent to \$HK7.95 per share
Denway Motors Ltd (Code: 203)	Up 2.16 percent to \$HK1.89 per share

After the market had closed for the day, it was announced that Next Media Ltd (Code: 282) would sack between 180 and 200 members of its staff within the next month or so in order to reduce operating costs.

The number of workers to receive their pink slips represents about 10 percent of the current Establishment.

Pacific Century CyberWorks Ltd (Code: 8), a Li Ka Shing company, also announced that it would be cutting back on its staff levels, letting go another 120 of its workers.

Cold times for the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

The double-digit movers were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Central China Enterprises Ltd	351	20.88		0.11
Century Legend (Holdings) Ltd	79	17.78		0.053
China Star Entertainment Ltd	326	13.46		0.295
Everbest Century Holdings Ltd	578	20.00		0.03
Global Food Culture Group Ltd	970		10.00	0.09
Heng Fung Holdings Ltd	185	12.68		0.08
ITC Corporation Ltd	372	11.11		0.40
Mansion Holdings Ltd	547	15.69		0.059
Millennium Group Ltd	260	12.50		0.09
New Rank City Development Ltd	456		12.99	0.67
Sen Hong Resources Holdings Ltd	76		10.81	0.33
SUNDAY Communications Ltd	866	10.34		0.32
Universal Appliances Ltd	419	10.71		0.062
Victory Group Ltd	1139	10.00		0.11
WellNet Holdings Ltd	24	11.29		0.69
Yew Sang Hong (Holdings) Ltd	290	10.00		0.99

Wall Street was, relatively, quiet, last Tuesday, with trading on The New York Stock Exchange somewhat subdued, compared with previous sessions.

The Dow Jones Industrial Average gained about one third of a percentage point, rising to 9,924.29 points.

As for the NASDAQ, its Composite Index gained a little more than one half of a percentage point, hitting 2,000.87 points by the close of trading.

The Intel report did not affect trading on the world's busiest bourse because the announcement came after the close of trading.

Wednesday's trading would tell the tale.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, there was little action as The Growth Enterprise Index moved ahead just 0.32 percent, ending the day at 207.71 points.

The Total Turnover was about \$HK309.55 million with, once again, Mr Li Ka Shing's tom.com Ltd (Code: 8001), being responsible for a goodly portion of that figure.

The share price of tom.com lost about 2.61 percent, falling back to \$HK3.73 on a turnover of about 20.12 million shares traded.

The value of those trades, at about \$HK75.11 million, represented about 24.26 percent of the Total Turnover.

The ratio of losers to gainers was about 1.14:One on this speculative marketplace.

The biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Multimedia Ltd	8061	22.06		0.415
Prosperity International Holdings (Hongkong) Ltd	8139	10.20		0.108
Soluteck Holdings Ltd	8111	21.21		0.20
Trasy Gold EX Ltd	8063		10.71	0.025
Xteam Software International Ltd	8178	28.70		1.39

On the premier stock market of The Land of The Rising Sun, trading was dull, with the exception of electronics, which took it on the nose.

By the close of the session on The Tokyo Stock Exchange, the blue-chip, Nikkei-225 Stock Average was off by about 30.47 yen, coming to rest at 10,177.58 yen.

The 0.30-percent loss of the Nikkei-225 did not reflect, however, that losers were being outpaced by gainers by the ratio of about 1.59:One.

Tokyo knew of the Intel announcement – and it unnerved the market.

As a result, there was spirited selling of select electronic issues:

Advantest	Down 6.69 percent to 7,110 yen per share
Casio	Down 3.15 percent to 522 yen per share
NEC*	Down 4.30 percent to 1,245 yen per share
Sanyo Electric*	Down 3.29 percent to 587 yen per share
Sony	Down 1.98 percent to 5,930 yen per share
Tokyo Electron	Down 7.05 percent to 6,330 yen per share
Toshiba Corporation*	Down 2.43 percent to 441 yen per share

* Among the most active counters of the day

The Japan Electronics and Information Technology Industries Association announced that shipments of mobile telephones and personal handy-phone handsets had dropped by about 24.20 percent in November 2001, Year-on-Year.

The announcement came after the market had closed.

And, in other parts of Asia, this was the situation on the major bourses:

Indonesia	Plus 0.55 percent to 423.59
Japan	Minus 0.30 percent to 10,177.58
Malaysia	Plus 0.02 percent to 700.62

The Philippines	Plus 0.82 percent to 1,194.58
Singapore	Minus 1.20 percent to 1,674.54
South Korea	Minus 1.07 percent to 710.95
Taiwan	Minus 1.87 percent to 5,488.33
Thailand	Minus 1.18 percent to 319.57

Thursday

Wall Street set the stage for the widespread selling of equities, worldwide, last Thursday, as the Intel Corporation report made the rounds. (Please see Wednesday's report)

On The New York Stock Exchange, last Wednesday, New York time, the Dow Jones Industrial Average lost 211.88 points, or about 2.13 percent, coming back to 9,712.27 points.

On the NASDAQ, its Composite Index gave up about 2.82 percent of its value, falling to 1,944.44 points.

The extent of the sell-off on Wall Street shocked equity markets, around the world.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), selling stocks and shares on The Stock Exchange of Hongkong Ltd was the order of the day in the morning session, to 12:20 pm, but, in the 90-minute afternoon session, there appeared to be some short-covering, resulting in the market, being able to come back into the black.

The Main Board's Hang Seng Index ended the day at 11,013.84 points, a gain of 0.45 percent, compared with Wednesday's close.

The Total Turnover of the day was about \$HK6.60 billion, with the ratio of losers to gainers, being very tight at about 1.04:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.57 percent to \$HK87.50 per share
Hutchison Whampoa Ltd (Code: 13)	Up 2.08 percent to \$HK73.75 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Unchanged at \$HK77.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.24 percent to \$HK24.40 per share
Sun Hung Kai Properties Ltd (Code: 16)	Unchanged at \$HK65.25 per share
Hang Seng Bank Ltd (Code: 11)	Unchanged at \$HK87.25 per share
CLP Holdings Ltd (Code: 2)	Down 0.17 percent to \$HK29.95 per share
CITIC Pacific Ltd (Code: 267)	Up 2.05 percent to \$HK14.95 per share
Sky Hawk Computer Group Holdings Ltd (Code: 1129)*	Up 48 percent to 74 cents per share
China Unicom Ltd (Code: 762)	Up 1.26 percent to \$HK8.05 per share

* This is a new listing. The 48-percent increase in its share price was in reference of its Offer Price of 50 cents per share

Concern over the requirement for HKSAR banks – and that includes HSBC Holdings as far as investors of the territory are concerned – to make massive provisions for bad and doubtful debts was making itself felt in a number of quarters.

After the market closed for the day, it was announced by the HKSAR Government that the unemployment rate had risen to 6.10 percent.

The last quarter of 2000 saw 210,000 people out of work in the HKSAR.

Many businesses, formerly operational in the HKSAR, have moved labour-intensive operations to the PRC, proper, leaving many local workers, high and dry. The Hongkong and Shanghai Banking Corporation Ltd, for instance, is a classic example of that situation.

The double-digit movers of last Thursday included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139		12.90	0.027
Central China Enterprises Ltd	351		20.91	0.133
China Star Entertainment Ltd	326		20.00	0.236
China Strategic Holdings Ltd	235	11.84		0.425
Chinney Alliance Group Ltd	385		13.79	0.025
Continental Mariner Investment Company Ltd	119	25.32		0.99
E-LIFE International Ltd	370	10.00		0.11
e2-Captial (Holdings) Ltd	378	10.34		0.32
Golden Dragon Group (Holdings) Ltd	329		10.17	0.53
Hai Xia Holdings Ltd	384		11.76	0.45
Man Sang International Ltd	938	10.67		0.166
New Rank City Development Ltd	456		10.45	0.60
O2New Technology Ltd	94		13.04	0.04
Peking Apparel International Group Ltd	761		11.43	0.31
TechCap Holdings Ltd	673		30.67	0.052
Welback Holdings Ltd	491	18.07		0.098
WellNet Holdings Ltd	24	11.59		0.77
Wing Lee Holdings Ltd	876	26.76		0.90
Winton Holdings (Bermuda) Ltd	510	29.41		0.55

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, investors were pleasantly surprised to see The Growth Enterprise Index gain 1.66 percent, rising to 211.16 points.

However, it was noted that losers outnumbered gainers by the ratio of 1.54:One.

The Total Turnover on this market was about \$HK358.53 million.

The most-active counter of the day was Xteam Software International Ltd (Code: 8178), a relatively new listing, which saw its share price come under heavy selling pressure; its share price slumped to \$HK1.19.

The 14.39-percent loss of the market capitalisation of this company was after investors had traded 73.36 million of its shares, the aggregate cash value of which was about \$HK91.92 million, or about 25.64 percent of the Total Turnover of the day.

In contrast, Mr Li Ka Shing's tom.com Ltd (Code: 8001) saw its share price rise about 8.05 percent to hit \$HK4.03 by the close.

The dollar value of trades in tom.com was about \$HK90.94 million, or about 25.36 percent of the entire volume of activity for the day.

Between the 2 leaders, therefore, their combined value of trades, in dollar terms, amounted to exactly 51 percent of the entire volume of activity of the day.

The biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AKuP International Holdings Ltd	8179		29.49	0.275
Cardlink Technology Group Ltd	8066	13.21		0.60
E-silkroad Holdings Ltd	8071	15.00		0.046
Jessica Publications Ltd	8137	12.36		0.50
Jian ePayment Systems Ltd	8165	10.08		1.31
STAREASTnet.com Corporation	8010	15.85		0.069
Xteam Software International Ltd	8178		14.39	1.19

In Japan, it was another story.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average continued its losing streak, the seventh in a row.

By the close of the day, the Nikkei-225 stood at 10,128.18 yen, a one-day loss of 49.40 yen, or about 0.49 percent.

Over the 7 previous, losing trading days, the Nikkei-225 had chalked up an aggregate loss of about 7.40 percent, TARGET's statistics indicate.

The ratio of losers to gainers, last Thursday, was about 1.37:One.

Wall Street unnerved Tokyo investors, who were, already, skittish, due to the economic situation in the world's second largest economy.

While select banking counters made useful gains, most share prices hovered fairly close to Wednesday's closing levels.

In other Asian stock markets, this was the situation, last Thursday night:

Indonesia	Plus 0.34 percent to 425.04
Japan	Minus 0.49 percent to 10,128.18
Malaysia	Minus 0.39 percent to 697.87
The Philippines	Plus 1.63 percent to 1,214.10
Singapore	Minus 0.84 percent to 1,660.51
South Korea	Plus 0.36 percent to 713.50
Taiwan	Plus 0.23 percent to 5,501.13
Thailand	Minus 0.43 percent to 318.18

Friday

Wall Street may have been temporarily upbeat about the near-term prospects of the largest economy of the world, but Asia, by and large, was not listening to the Wall Street waffle.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), there was widespread concern over the state of the economy, the advancing number of unemployed, the number of corporate casualties – and Mr Li Ka Shing's Pacific Century CyberWorks Ltd (Code: 8), coming back to the money well, yet again, looking for some more billions of dollars.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index lost 0.37 percent, ending the week at 10,972.96 points.

The Total Turnover dipped to about \$HK5.99 billion, while the ratio of gainers to losers was 1.02:One, with about 65 percent of all the counters that were traded, hanging onto previous closing levels.

The official unemployment rate, announced on Thursday, at about 6.10 percent, was a talking point of many – because some banks were suggesting that it could rise, closer to the 7-percent mark.

The economy of the HKSAR continues to contract, to be sure, and it is taking its toll on the population where confidence of the Administration is waning.

Pacific Century CyberWorks announced that it would be trying to raise another \$US517 million (about \$HK4.03 billion) by issuing 5-year Convertible Bonds.

Investors have seen their equity in this Li Ka Shing company, being watered down, time and time again, by these money-raising exercises: They are very tired of the situation, by all accounts.

Pacific Century CyberWorks was the most-active counter of the day, losing from the moment that it was known that the company was looking for more cash.

The Ten Most Actives of the day were:

Pacific Century CyberWorks Ltd (Code: 8)	Down 3.37 percent to \$HK2.15 per share
HSBC Holdings plc (Code: 5)	Up 0.57 percent to \$HK88.00 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.68 percent to \$HK73.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.23 percent to \$HK24.10 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.97 percent to \$HK76.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 2.30 percent to \$HK63.75 per share
Beijing Datang Power Generation Company Ltd (Code: 991)	Up 7.69 percent to \$HK2.80 per share
CNOOC Ltd (Code: 883)	Up 2.63 percent to \$HK7.80 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.29 percent to \$HK87.00 per share
Huaneng Power International Incorporated (Code: 902)	Up 7.77 percent to \$HK5.20 per share

Logically, some of the share-price movements on The Stock Exchange of Hongkong Ltd made little economic sense (with the exception of, perhaps, counters, such as Pacific Century CyberWorks) because the economic situation in the territory must be among the worst in the past 5 decades – regardless of the bumf, pouring out of the Administration’s mouthpieces.

The biggest movers, last Friday, included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Anex International Holdings Ltd	723		11.25	0.071
Continental Mariner Investment Company Ltd	119		10.10	0.89
Dailywin Group Ltd	897	19.29		0.167
Digital World Holdings Ltd	109		18.00	0.082
Global China Tech Technology Group Ltd	1105	10.00		0.33
Goldwiz Holdings Ltd	586		14.93	1.14
Grand Hotel Holdings Ltd ‘B’	196	12.50		0.09
Hanison Construction Holdings Ltd	896		11.61	0.495
Hua Lien International (Holding) Company Ltd	969		10.53	0.68
KTP Holdings Ltd	645	39.29		0.39
MAE Holdings Ltd	851	11.70		0.105
Millennium Sense Holdings Ltd	724	37.80		0.175
MUI Hongkong Ktd	542		10.00	0.072
Next Media Ltd	282	10.14		1.52
O2New Technology Ltd	94	20.00		0.048
Oxford Properties and Finance Ltd	220	13.60		14.20
Same Time Holdings Ltd	451	17.95		0.138
Sky Hawk Computer Group Holdings Ltd	1129		16.22	0.62
United Power Investment Ltd	674	16.00		0.29
Wah Tak Fung Holdings Ltd	297		16.67	0.65
Wing Lee Holdings Ltd	876		14.44	0.77
Yew Sew Hong (Holdings) Ltd	290	40.00		1.47

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, it was dull, dull, dull.

The Growth Enterprise Index lost about 0.76 percent of its value, falling back to end the week at 209.56 points. The Total Turnover was about \$HK341.32 million.

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

The ratio of gainers to losers was 1.30:One.

The biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025		11.11	0.08
CASH Financial Services Group Ltd	8122		14.67	0.064
Smartech Digital Manufacturing Holdings Ltd	8068		15.79	0.016
Town Health International Holdings Company Ltd	8138	13.33		0.255-

On Wall Street, last Thursday, there was a massive correction, following on from Wednesday’s bloodbath.

On The New York Stock Exchange, the Dow Jones Industrial Average regained 137.77 points, or about 1.42 percent, rising to 9,850.04 points.

As for the NASDAQ, its Composite Index gained 41.38 points, or about 2.13 percent, ending the day at 9,850.04 points.

Ford Motor Company announced, officially, that it had lost about \$US5.07 billion for last year, the first time in 9 years that it had suffered such a loss.

A number of other companies continued to report their bad tidings, one after another.

The US Government released more economic statistics – which, in reality, did not amount to very much, all things considered, but some brokers said that it pointed to a better economic picture of the US economy.

Certainly, this is in stark contrast to that which the Chairman of US Federal Reserve Board had stated, just one week prior.

Nevertheless, the investing public of the US appears to be looking for any leaf on which to hold in the economic hurricanes that have been sweeping through the largest single economy of the world of late.

In Tokyo, there was a bit of bargain-hunting as Japanese investors sought to break the mould of 7 losing sessions on The Tokyo Stock Exchange.

The blue-chip, Nikkei-Stock Average ended the week at 10,293.32 yen, for a one-day gain of about 1.63 percent.

Advancing issues overwhelmed declining ones by the amazing ratio of about 7.10:One.

It was announced that the creditor banks of bust departmental store operator, Daiei Incorporated, had come to the 'party', after all, and that the company would not end up on the scrap heap of time, as has happened to so many of Japan's companies over the past few years.

The share price of Daiei rose 30.95 percent to 165 yen: It was the biggest, percentage gainer of the day.

The Japanese Government has had a guiding hand in the proposed restructuring of Daiei since the amount of money that Daiei owes is a staggering sum in the trillions of yen. (Please see the previous week's report)

While there were some very useful gains in select banks and electronics, there was little pattern to the direction of the premier stock market of Japan, last Friday.

The across-the-board trading was indicative, if anything, of the type of market that used to be considered, simply, flash-in-the-pan trading.

In other parts of Asia, things were not particularly rosy:

Indonesia	Plus 0.32 percent to 426.41
Japan	Plus 1.63 percent to 10,293.32
Malaysia	Plus 0.09 percent to 698.53
The Philippines	Plus 3.57 percent to 1,257.48
Singapore	Plus 0.07 percent to 1,661.75
South Korea	Minus 0.70 percent to 708.47
Taiwan	Plus 0.39 percent to 5,522.80
Thailand	Minus 0.24 percent to 318.40

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