

THE FED LEAVES INTEREST RATES UNTOUCHED ... AS EXPECTED

Struggle as they might, the stock markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) could not make any headway amid the sea of sellers.

The opening of The Stock Exchange of Hongkong Ltd looked promising as the Main Board's Hang Seng Index started to rise, quickly, but subsequent selling pressure pulled The Index back to the previous Friday's closing level.

By the close of trading, the Hang Seng Index was 0.05 percent lower than the previous Friday's figure, at 10,767.46 points.

The Total Turnover of the day was about \$HK7.43 billion, with a large chunk of that volume, being transacted in the morning session.

There was no particular news to stimulate trading, either way, other than the prospects of Dr Alan Greenspan, the Chairman of the US Federal Reserve Board, making some kind of amazing announcement when The Fed had its little Open Market Committee Meeting on Tuesday, January 29, Washington time.

It was generally expected that US interest rates would remain untouched, at least for the time being. (Please see last week's report)

The previous Friday, trading on The New York Stock Exchange was relatively quiet, as the largest bourse in the world awaited the pleasure of the good doctor.

The Dow Jones Industrial Average, the gauge of the direction of blue chips on The New York Stock Exchange, added about 44.01 points, equivalent to 0.45 percent, ending the week of January 25 at 9,840.08 points.

As for the NASDAQ, its Composite Index fell 4.88 points, about one quarter of a percentage point, to end the session at 1,937.70 points.

Trading was light on US stock markets ahead of The Fed's meeting.

In the HKSAR, traders were more in evidence than long-term investors, and suggestions abounded that institutional investors were not in the market, at all.

The ratio of gainers to losers was about 1.12:One, with a little more than half of all the counters that saw some action, holding onto previous closing levels.

The Ten Most Actives included:

China Mobile (Hongkong) Ltd (Code: 941)	Down 0.23 percent to \$HK21.50 per share
HSBC Holdings plc (Code: 5)	Down 0.28 percent to \$HK88.25 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK72.00 per share
China Unicom Ltd (Code: 762)	Unchanged at \$HK7.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Unchanged at \$HK74.75 per share

Sun Hung Kai Properties Ltd (Code: 16)	Down 0.80 percent to \$HK62.25 per share
Hang Seng Bank Ltd (Code: 11)	Unchanged at \$HK86.50 per share
Aluminum Corporation of China Ltd (Code: 2600)	Unchanged at \$HK1.72 per share
Henderson Land Development Company Ltd (Code: 12)	Up 0.91 percent to \$HK33.30 per share
Sinopec Shanghai Petrochemical Company Ltd (Code: 338)	Up 4.04 percent to \$HK1.03 per share

For the most part, constituent stocks of the Hang Seng Index moved very little, either way, with very few exceptions.

The most active movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139		10.71	0.025
Ananda Wing On Travel (Holdings) Ltd	1189	22.22		0.044
Bright International Group Ltd	1163	12.31		0.73
China Elegance International Fashion Ltd	476	16.67		0.014
Climax International Company Ltd	739	23.81		0.026
Greater China Sci-Tech Holdings Ltd	431	17.39		0.054
The Hongkong Building and Loan Agency Ltd	145	12.00		0.56
Kin Don Holdings Ltd	208	14.63		0.047
Neo-Tech Global Ltd	563	10.29		0.15
New Ocean Green Energy Holdings Ltd	342	13.89		0.082
QPL International Holdings Ltd	243		14.41	2.375
Rockapetta Holdings Ltd	1003	20.83		0.58
Sinocan Holdings Ltd	1095	16.13		0.072
Sky Hawk Computer Group Holdings Ltd	1129	17.89		0.56
Sunway International Holdings Ltd	58		11.63	0.38
UDL Holdings Ltd	620	11.94		0.075
Victory City International Holdings Ltd	539	17.78		0.53
Ying Wing Holdings Ltd	1104		25.45	0.82

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, trading followed a similar pattern to that of the Main Board, with The Growth Enterprise Index, rising 2.34 percent in the morning session, only to be hit with selling pressure in the afternoon session.

By the close of trading, The Growth Enterprise Index had lost all of the morning gains, and then some.

The closing figure was 201.46 points, off about 0.10 percent, compared with the previous Friday's close.

The Total Turnover on this speculative market was about \$HK342.14 million, with gainers ahead of losers by the ratio of about 1.19:One.

The double-digit movers on the market included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Multimedia Ltd	8061		14.12	0.365
Asian Information Resources (Holdings) Ltd	8025		12.50	0.07
PINE Technology Holdings Ltd	8013	11.79		0.275
Stockmarketnet Holding Ltd	8123		11.07	0.2490

In Japan, it was another dull session for the largest stock market in Asia.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average gained 76.71 yen, equivalent to about 0.76 percent, rising to 10,220.85 yen.

Even though the Nikkei-225 Stock Average was in positive territory, losers outperformed gainers by the ratio of 1.77:One.

There were a number of factors, influencing the market: What Dr Alan Greenspan would say, later in the week; the continuing fallout from the Snow Brand scandal; and growing anxiety over the general economy.

Snow Brand Food's share price slipped another 7.70 percent to 60 yen, following another disclosure to the effect that the company had been telling fibs to the Japanese Government in respect of the number of tons of Australian beef, dressed up to look like Japanese beef, that had been sent to be incinerated at Government centres.

The company had announced, the previous week, that it lied to the Government in order to obtain cash subsidies for its fake Japanese beef.

It looked very much as though Snow Brand would not be able to withstand the stink that has, now, stuck to it.

The Japanese Ministry of Economy, Trade and Industry announced that retail sales fell about 2.20 percent in the 2001 year, compared with 2000. It was the fifth consecutive year of declines.

Combined with wholesales sales, total commercial sales fell about 2.50 percent, Year-on-Year, representing the tenth consecutive year of declines.

Fujitsu Ltd, the largest producer of personal computers in Japan, announced that it would be sacking another 1,000 of its workers.

It, also, took the opportunity to warn the world that its losses for the last Financial Year, ended March 31, 2002, were going to be much worse than had, hitherto, been expected.

The latest company estimate is a loss of about 380 billion yen, which is an improvement over the October forecast when the company suggested that losses would, most likely, be about 350 billion yen.

While there were some pockets in the market that looked encouraging, by and large the market was uninteresting as investors determined to await the outcome of The Fed's statements with regard to short-term interest rates in The Land of The Free and The Home of The Brave.

In other Asian markets, this is the way that things ended, last Monday night:

Indonesia	Minus 2.41 percent to 441.56
Japan	Plus 0.76 percent to 10,220.85
Malaysia	Plus 1.73 percent to 705.61
The Philippines	Minus 1.34 percent to 1,319.23
Singapore	Plus 2.43 percent to 1,772.90
South Korea	Plus 0.72 percent to 780.24
Taiwan	Plus 0.95 percent to 6,007.33
Thailand	Minus 0.44 percent to 337.49

Tuesday

The big news, last Tuesday, not just in Asia but also around the world, was the nearly \$HK3-billion investment by Hutchison Whampoa Ltd (Code: 13, Main Board, The Stock Exchange of Hongkong Ltd) in the bust US, high-speed communications provider and operator, Global Crossing.

It was announced that Global Crossing had filed Chapter 11 in the US: This single act represented the largest telecommunications failure in the history of the world.

Singapore Technologies Telemedia, a Singapore, Government-controlled entity, would meet Mr Li Ka Shing's Hutchison Whampoa, dollar for dollar, giving Global Crossing a cash injection of nearly \$HK6 billion (about \$US750 million).

Global Crossing has known liabilities of about \$US12.40 billion (about \$HK96.47 billion).

Global Crossing has been described as being an electronic well to which there is no bottom. Last year, it is said that it was burning about \$US1 billion per month on one thing or another.

It has changed Chief Executive Officers almost as quickly as a woman changes her sanitary napkins, during the height of her menstrual cycle.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the news of Mr Li Ka Shing's commitment to this bust company was treated with gusto by some investors.

Hutchison Whampoa pumped up its public relations people in order to try to get the investing public behind the massive investment, whether or not it would prove to be the correct move.

On the Main Board of The Stock Exchange of Hongkong Ltd, Hutchison was the second, most-active counter of the day as investors trading about 10.25 million of its shares, representing about \$HK756.06-million worth of stock.

Trading in this one counter represented nearly 9 percent of the Total Turnover of about \$HK8.47 billion.

The Hang Seng Index, the '*barometer*' of trading on the Main Board, gained about 2.29 percent over Monday's closing level, rising to 11,014.24 points.

Trading in Mr Li Ka Shing's 2, major entities, Hutchison and Cheung Kong (Holdings) Ltd (Code: 1) were responsible for a large part of the gains, last Tuesday, on the Hang Seng Index.

Whether or not the market would be able to hold onto its gains was a question, being seriously considered by more right-thinking members of the investment community, because there appeared to be nothing, holding up the market, other than a few threads.

The ratio of gainers to losers was about 1.31:One.

The Ten Most Actives were:

China Mobile (Hongkong) Ltd (Code: 941)	Up 7.21 percent to \$HK23.05 per share
Hutchison Whampoa Ltd (Code: 13)	Up 4.17 percent to \$HK75.00 per share
HSBC Holdings plc (Code: 5)	Up 0.85 percent to \$HK89.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 4.01 percent to \$HK77.75 per share

China Unicom Ltd (Code: 762)	Up 4.00 percent to \$HK7.80 per share
Henderson Land Development Company Ltd (Code: 12)	Up 0.30 percent to \$HK33.40 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 2.01 percent to \$HK63.50 per share
Pacific Century CyberWorks Ltd (Code: 8)	Unchanged at \$HK2.05 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.58 percent to \$HK87.00 per share
PetroChina Company Ltd (Code: 857)	Up 2.08 percent to \$HK1.47 per share

The biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asean Resources Holdings Ltd	22	10.53		0.63
Asia Standard Hotel Group Ltd	292		11.67	0.212
Can Do Holdings Ltd	172	12.50		0.09
China Elegance International Fashion Ltd	476	14.29		0.016
Hua Lien International (Holding) Company Ltd	969		10.77	0.58
Jackley Holdings Ltd	353		16.00	0.42
Karrie International Holdings Ltd	1050	15.00		0.69
Keck Seng Investments (Hongkong) Ltd	184		10.00	0.54
Playmates Interactive Entertainment Ltd	635	10.53		0.315
Premium Land Ltd	164	14.44		1.03
Proview International Holdings Ltd	334	24.44		0.56
S.A.S. Dragon Holdings Ltd	1184	15.79		0.55
Singamas Container Holdings Ltd	716	12.50		0.63
Sunway International Holdings Ltd	58	13.16		0.43
United Power Investment Ltd	674	16.42		0.39
Veeko International Holdings Ltd	1173	10.67		0.083
Wah Tak Fung Holdings Ltd	297	10.77		0.083
Wo Kee Hong (Holdings) Ltd	720		14.29	0.06

The rescue attempt by the Li Ka Shing Faction and the Government of Singapore of Global Crossing caused for renewed interest in more speculative issues, listed on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, it appeared.

On that marketplace, its Growth Enterprise Index gained about 3.02 percent, rising to 207.54 points.

The Total Turnover, however, stayed low at about \$HK363.47 million, a fact which could indicate that the market cannot sustain its momentum.

tom.com Ltd (Code: 8001), another of Mr Li Ka Shing's publicly listed entities, was the most-traded counter of the day as its share price fluctuated between a high of \$HK3.975 and a low of \$HK3.60.

It ended the day at \$HK3.95 per share, an 11.27-percent gain, compared with Monday's closing price.

The turnover in this counter was about \$HK112.16 million, or about 30.86 percent of the Total Turnover.

The ratio of gainers to losers was about 1.41:One, with about 54 percent of all the counters that were traded, staying pat at previous closing levels.

The double-digit movers on this market included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AkuP International Holdings Ltd	8179	10.17		0.325
Beida Jade Bird Universal Sci-Tech Company Ltd	8095	10.76		1.75
CyberM International (Holdings) Ltd	8017		13.33	0.26
Era Information and Entertainment Ltd	8043		14.91	0.485
tom.com Ltd	8001	11.27		3.95

Last Tuesday, Hongkong time, it was the eve of the meeting of the US Federal Reserve Board, and, while the scheduling of that meeting was said to have restrained trading in the HKSAR, last Monday, it appeared to have been all but tossed aside and forgotten, last Tuesday.

On Wall Street, last Monday (Wall Street's eve of The Fed's meeting), it was a different matter, however, since investors on the largest stock market in the world were concerned as to what Dr Alan Greenspan, the Chairman of The Fed, might say to the world about the US economy.

On The New York Stock Exchange, the Dow Jones Industrial Average closed up 25.67 points, a gain of 0.26 percent, compared with the previous close on Friday, January 25.

On the NASDAQ, it was a similar story as its Composite Index gained 6.21 points, about 0.32 percent, ending the day at 1,943.91 points.

The US stock markets viewed the failure of Global Crossing badly, unlike Asia, because it did, after all, represent the largest failure, to date, in the hi-tech era.

In addition, US investors were wondering how many other major financial failures would surface in the coming weeks and months.

In Japan, there was more disappointing news for investors on the largest stock market in the most populous area of the world.

It was announced by the Government of Prime Minister Junichiro Koizumi that the unemployment rate for December had risen to a new record of 5.60 percent.

This is the highest level since the early 1950s.

Down came share prices on The Tokyo Stock Exchange where the Nikkei-225 Stock Average lost about 194.82 yen, about 1.91 percent, ending the day at 10,026.03 yen.

The ratio of losers to gainers was about 2.73:One.

Toshiba, the Japanese electronics giant, which is the world's second-largest, chip-maker, announced a net loss of 84.87 billion yen for the October-December 2001 quarter.

The company's management said that it thought that its total losses for the year, ending March 31, 2002, would be about 260 billion yen.

Toshiba's share price fell 1.13 percent to 439 yen. It was the seventh, most-actively traded share of the day.

Other electronics to see their share prices shaved down included:

Advantest

Down 1.88 percent to 7,300 yen
per share

Casio	Down 2.12 percent to 462 yen per share
Fanuc	Down 2.59 percent to 5,650 yen per share
Fuji Photo Film	Down 3.84 percent to 4,260 yen per share
Fujitsu*	Down 2.48 percent to 865 yen per share
Hitachi	Down 3.39 percent to 855 yen per share
JVC	Down 5.29 percent to 322 yen per share
Kyocera	Down 3.62 percent to 7,990 yen per share
Mitsubishi Electric	Down 2.76 percent to 493 yen per share
NEC	Down 2.76 percent to 1,094 yen per share
OKI Electric Industrial	Down 4.17 percent to 345 yen per share
Olympus	Down 3.48 percent to 1,861 yen per share
Pioneer	Down 2.37 percent to 2,885 yen per share
Sanyo Electrical	Down 4.14 percent to 532 yen per share
Tokyo Electron	Down 4.02 percent to 6,680 yen per share

* Among the most active shares of the day

In other news, failed supermarket chain, Mycal Corporation, announced that it would shut down 19 of its stores, nationwide.

Mycal is operating under Court Protection in accordance with the Japanese Corporate Rehabilitation Law, equivalent to the US Chapter 11 of that country's bankruptcy laws.

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

Indonesia	Plus 1.20 percent to 446.84
Japan	Minus 1.91 percent to 10,026.03
Malaysia	Plus 0.10 percent to 706.32
The Philippines	Minus 1.12 percent to 1,304.39
Singapore	Minus 0.09 percent to 1,771.24
South Korea	Minus 0.80 percent to 774.03
Taiwan	Minus 2.68 percent to 5,846.19

Thailand	Plus 0.65 percent to 339.69
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Wednesday

It was the turn of the ‘Appointed’ Chief Executive of the Hongkong Special Administrative Region (HKSAR) of the People’s Republic of China (PRC) to take centre stage, last Wednesday, as he announced that the budget deficit for the year (ending March 31, 2002) might well exceed previous estimates of about \$HK60 billion.

Whether or not it is \$HK60 billion, or \$HK61 billion, or even \$HK600 billion, it will represent the largest budget deficit since the end of World War II.

And the ‘Appointed’ Chief Executive can take all the credit for it.

He did say, however, that if ‘*elected*’ for a second term, he would be able to tackle the problem.

He was talking to the 400-member Election Committee in what is staged in the HKSAR as being a question-and-answer session: Select members ask carefully worded questions and the ‘Appointed’ Chief Executive considers which of the questions he is able to answer, without embarrassing Beijing.

To state that Mr Tung Chee Hwa’s comments influenced trading on The Stock Exchange of Hongkong Ltd would be incorrect because, after 4 years of his unique style of stewardship, people of the 416 square miles have become somewhat phlegmatic about his utterings – even when they are understood.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index shed about 2.34 points, falling to 10,756.96 points on a Total Turnover of about \$HK7.77 billion.

Nearly all of the losses were incurred in the morning session, to 12:30 pm.

Declining issues were ahead of advancing ones by the ratio of about 2.12:One.

The Ten Most Actives, which were all losers, by the way, included:

HSBC Holdings plc (Code: 5)	Down 2.25 percent to \$HK87.00 per share
Hutchison Whampoa Ltd (Code: 13)	Down 3.00 percent to \$HK72.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 2.60 percent to \$HK22.45 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 2.89 percent to \$HK75.50 per share
Hang Seng Bank Ltd (Code: 11)	Down 1.72 percent to \$HK85.50 per share
China Unicom Ltd (Code: 762)	Down 2.56 percent to \$HK7.60 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 2.36 percent to \$HK62.00 per share
Henderson Land Development Company Ltd (Code: 12)	Down 3.29 percent to \$HK32.30 per share
Hongkong Electric Holdings Ltd (Code: 6)	Down 1.24 percent to \$HK27.80 per share

The biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
DVN (Holdings) Ltd	500		11.22	2.175
Everbest Century Holdings Ltd	578		14.81	0.023
Greater China Sci-Tech Holdings Ltd	431	11.86		0.066
Heng Fung Holdings Ltd	185	17.14		0.082
Hikari Tsushin International Ltd	603		12.86	0.061
Hongkong Fortune Ltd	121		16.22	0.062
Hua Lien International (Holding) Company Ltd	969	25.86		0.73
Mansion House Group Ltd	376		17.14	0.116
Millennium Group Ltd	260		10.11	0.08
Quality Food International Ltd	735	11.90		0.094
Rising Development Holdings Ltd	1004	15.38		0.30
S.A.S. Dragon Holdings Ltd	1184	10.91		0.61
Silvernet Group Ltd	622	34.38		0.129
Skynet (International Group) Holdings Ltd	577		12.50	0.014
South China Holdings Ltd	265	10.10		0.445
South Sea Holding Company Ltd	680		19.23	0.021
Victory City International Holdings Ltd	1173	10.71		0.62
Winton Holdings (Bermuda) Ltd	510	10.91		0.61

To a great extent, Asia was taking its cues from Wall Street where, on Tuesday, there had been widespread selling pressure on stock markets.

On The New York Stock Exchange, the blue-chip, Dow Jones Industrial Average had to surrender about 247.51 points, equivalent to about 2.51 percent, falling back to 9,618.24 points.

On the NASDAQ, it was another rout as its Composite Index gave up about 2.62 percent of its value, ending the day at 1,892.98 points.

The continuing fallout from Enron, the financial failure of Global Crossing, and suggestions that one may, no longer, completely trust internationally acclaimed accounting firms, all were taking their collective toll on investor confidence.

Worms were crawling out of the woodwork from all directions – and US investors were none too happy about the situation.

The US President, Mr George W. Bush, was due to make his first State-of-the-Union Address, on Wednesday, Washington time, and the *'word'* was that he would focus on America's war on terrorism, the sick US economy, and getting Congress to approve a war budget in order to fund his fight against the forces of evil in the Middle East and the Philippines.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, just a tad short of one percent was cut out of The Growth Enterprise Index, which fell to 205.48 points.

The Total Turnover was down to about \$HK245.79 million, with the top 2 counters, being responsible for 59.50 percent of that figure.

The 2 counters were Medical China Ltd (Code: 8186) and Mr Li Ka Shing's tom.com Ltd (Code: 8001).

Medical China saw a total of 76.70 million of its stock change hands, pushing down its share price to \$HK1.18, a one-day fall of about 2.48 percent. The value of the turnover in this counter was about \$HK93.10 million.

As for tom.com Ltd, investors pulled down its share price by about 1.90 percent to \$HK3.88 after about \$HK53.15-million worth of trades were consummated.

Losers were ahead of gainers by the ratio of about 2.14:One.

The biggest movers of the day were just 2 in number:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
36.com Holdings Ltd	8036	11.11		0.02
CASH Financial Services Group Ltd	8122		17.50	0.033

On The Tokyo Stock Exchange, electronics took a lot of stick, following one company after another, announcing very poor financial results.

The force of the selling pressure on popular electronic counters pulled down the blue-chip, Nikkei-225 Stock Average by about 194.82 yen. It ended the day at 9,919.48 yen, the lowest level since last October.

Fujitsu Ltd, Japan's largest manufacturer of personal computers, announced that it had incurred a Consolidated Loss of about 106.10 billion yen for the October-December 2001 quarter.

Compared with the like period in 2000, the company had lost only 69 billion yen. (Please see Monday's report on this company)

Fujitsu's share price lost 4.28 percent on the news, pulling it back to 828 yen. It was the tenth, most-actively traded counter of the day.

Other electronics to suffer materially included:

Hitachi*	Down 3.16 percent to 828 yen per share
Kyocera	Down 3.13 percent to 7,740 yen per share
Mitsubishi Electric	Down 5.07 percent to 468 yen per share
NEC*	Down 3.29 percent to 1,058 yen per share
Nikon	Down 2.07 percent to 901 yen per share
OKI Electrical Industrial	Down 5.22 percent to 327 yen per share
Olympus	Down 2.26 percent to 1,819 yen per share
Ricoh	Down 4.43 percent to 2,155 yen per share
Sanyo Electrical	Down 2.44 percent to 519 yen per share
Sharp	Down 2.65 percent to 1,358 yen per share

Sony	Down 2.20 percent to 5,790 yen per share
Toshiba Corporation*	Down 4.10 percent to 421 yen per share

* Among the most active shares of the day

In other news, the Japanese Government announced that industrial output in the world's second-largest economy had fallen about 7.90 percent in 2001, Year-on-Year.

The Ministry of Economy, Trade and Industry said that the fall was the largest since 1975.

More bad news for the Japanese investor to try to digest.

This was the way that other Asian stock market fared, last Wednesday night:

Indonesia	Minus 0.54 percent to 444.42
Japan	Minus 1.06 percent to 9,919.48
Malaysia	Plus 0.52 percent to 710.00
The Philippines	Plus 0.21 percent to 1,307.11
Singapore	Minus 0.88 percent to 1,755.61
South Korea	Minus 3.18 percent to 749.45
Taiwan	Minus 0.57 percent to 5,812.67
Thailand	Plus 0.21 percent to 340.40

Thursday

As fully expected, the US Federal Reserve Board determined not to touch interest rates, last Wednesday, Washington time.

This, in itself, is good news, but when The Fed made utterances to the effect that there were signs that the US economy is turning the corner, it gave US stock markets the necessary fillip to push for higher levels.

On The New York Stock Exchange, last Wednesday, the Dow Jones Industrial Average gained 1.50 percent, rising to 9,762.86 points, while, on the NASDAQ, the Composite Index rose 1.08 percent, ending the session at 1,913.44 points.

The Fed said, inter alia: *' Signs that weakness in demand is abating and economic activity is beginning to firm have become prevalent ... with the forces restraining the economy starting to diminish ... the outlook for economic recovery has become more promising ... '*

In addition to The Fed's bullish statements, as far as many investors were concerned, US President George W. Bush made it very clear, in his first, State-of-the-Union Address, that he was determined to drive up the economy and to restore the United States to a position of financial health.

He, also, singled out Iraq, Iran and North Korea as enemies of the Free World due to their respective repressive government regimes, which, he said, harbours terrorists and, as a consequence, advocates terrorism, by his definition.

It was apparent that any one of these 3 countries could expect trouble unless they, collectively or individually, knuckled under to US pressure.

In Asia, generally, The Fed's statements and the US Government's determination with regard to its economy went down well.

All stock markets in major cities, throughout Asia, saw their indices rise, some quite substantially.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), however, investors were, still, not in any mood for joviality.

The Main Board of The Stock Exchange of Hongkong Ltd, after an early morning spurt, which pushed up the Hang Seng Index by 119.56 points, about 1.11 percent, compared with Wednesday's closing level, was hit with an avalanche of sellers, which drove back the Hang Seng Index to 10,725.30 points, equivalent to a 0.29-percent loss, compared with Wednesday's close.

The Total Turnover was about \$HK8.05 billion, with losers ahead of gainers by the ratio of about 1.17:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK87.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.67 percent to \$HK22.30 per share
Hutchison Whampoa Ltd (Code: 5)	Down 0.69 percent to \$HK72.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.99 percent to \$HK74.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.21 percent to \$HK62.75 per share
Li and Fung Ltd (Code: 494)	Down 3.38 percent to \$HK10.00 per share
China Unicom Ltd (Code: 762)	Down 1.32 percent to \$HK7.50 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.29 percent to \$HK85.25 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 2.65 percent to \$HK1.16 per share
Hongkong Electric Holdings Ltd (Code: 6)	Up 1.08 percent to \$HK28.10 per share

The euphoria over Mr Li Ka Shing, coming to the financial assistance of Global Crossing, did not carry onto last Thursday's market, with just about all the hype, all but forgotten.

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Logistics Group Ltd	217	14.29		0.104
Coastal Realty Group Ltd	1124	11.97		0.159
Dickson Group Holdings Ltd	313		10.91	0.098
Egana Jewellery and Pearls Ltd	926	23.14		0.149
Fairyoung Holdings Ltd	231	168.75		0.043

Hikari Tsushin International Ltd	603		11.48	0.054
The Hongkong Building and Loan Agency Ltd	145		10.71	0.50
Keck Seng Investments (Hongkong) Ltd	184	11.11		0.60
Magnificent Estates Ltd	201	13.33		0.034
Magnum International Holdings Ltd	305	13.64		0.125
Medtech Group Company Ltd	1031		12.00	0.022
Millennium Group Ltd	260	12.50		0.09
New Rank City Development Ltd	456	12.12		0.74
Oriental Explorer Holdings Ltd	430	17.02		0.055
Rockapetta Holdings Ltd	1003		12.90	0.54
Same Time Holdings Ltd	451	10.17		0.13
Shun Cheong Holdings Ltd	650		10.83	0.214
Soundwill Holdings Ltd	878	10.71		0.062
Tanrich Financial Holdings Ltd	812		17.02	0.78
Tse Sui Luen Jewellery (International) Ltd	417		12.50	0.07

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, trading was extremely dull in the 90-minute afternoon session.

The pace of trading appeared to follow the Main Board, generally, with The Growth Enterprise Index, rising nearly one percent in the morning session, to 12:30 pm, but, then, being driven back in the afternoon session as The Growth Enterprise Index fell back to 204.76 points, or 0.35 percent below the close of Wednesday.

The Total Turnover on this market was about \$HK331.64 million.

Declining issues outnumbered advancing ones by the ratio of 1.38:One.

Newly listed Creative Energy Solutions Holdings Ltd (Code: 8109) made its debut, with the share price, fluctuating between a high of 94 cents and a low of 80 cents, ending the session at 89 cents.

The Placing Price of the shares was 90 cents.

Totally, 73,456,000 Creative Energy shares were traded, representing about 73.46 percent of the total number of Placing Shares.

The dollar value of the trades, at about \$HK66.14 million, accounted for about 20 percent of the Total Turnover.

The biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Cardlink Technology Group Ltd	8066	10.77		0.72
Era Information and Entertainment Ltd	8043		10.00	0.45
IIN International Ltd	8128		10.99	0.405
Rojam Entertainment Holdings Ltd	8075		14.44	0.154
STAREASTnet.com Corporation	8010	16.00		0.058
Universal Technology Holdings Ltd	8091	11.61		1.25

It was said that short-covering and bargain-hunting marked trading on The Tokyo Stock Exchange, last Thursday, but it was questionable that that was the case.

The Nikkei-225 Stock Average gained 78.32 yen, about 0.79 percent, rising to 9,997.80 yen.

There was a great deal happening in The Land of The Rising Sun, last Thursday, and much of it influenced trading on the premier bourse of the country.

The market looked very fragile, ready for a major fall.

Matsushita Electric Industrial Company announced that it would discontinue production of refrigerator compressors at its US unit, Matsushita Refrigeration Company of America, come the end of March.

Production of the compressors would be moved to the PRC, Singapore and Malaysia, it was announced.

The share price of Matsushita Electric Industrial moved up 2.02 percent on the news, hitting 1,719 yen by the close of trading.

Hitachi announced that it would sack another 4,000 Japanese workers by the end of June. It has, already, cut back its international workforce by 16,350 workers.

Hitachi's share price gained 1.33 percent, rising to 839 yen.

After the close of trading, NEC Corporation said that it expected its first Group Operating Loss of about 57 billion yen for its Financial Year, ending March 31, 2002.

NEC's share price had already fallen on The Tokyo Stock Exchange, last Thursday, by about 0.76 percent to 1,050 yen.

There was other damning corporate news, too, but the most outstanding news came from old favourites, much to the chagrin of many investors.

What was clear about last Thursday's trading in Japan was that there was no particular trading pattern: The market was just drifting.

And a market that drifts is one that is set to fall, hard.

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

Indonesia	Plus 1.62 percent to 451.63
Japan	Plus 0.79 percent to 9,997.80
Malaysia	Plus 1.24 percent to 718.82
The Philippines	Plus 4.19 percent to 1,361.94
Singapore	Plus 1.78 percent to 1,786.89
South Korea	Minus 0.18 percent to 748.07
Taiwan	Plus 1.02 percent to 5,872.14
Thailand	Plus 0.26 percent to 341.27

Friday

Japan took centre stage in the most populous area of the world, last Friday, as fears spread that the Government of Prime Minister Junichiro Koizumi may be weakening.

Share prices on Asia's largest stock market came off heavily in spite of Wall Street, continuing its run up, following bullish statements from the US Federal Reserve Board's Chairman, Dr Alan Greenspan. (Please see Thursday's report).

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average lost 206.37 yen, about 2.06 percent, falling to a 4-month low of 9,791.43 yen.

The ratio of losers to gainers left little to the imagination as to the tenor of the market: 2.60:One.

What was directly affecting trading were the political events of the week, starting with the sacking by the Prime Minister of Makiko Tanaka, rated as being Japan's top diplomat.

When the Prime Minister approached Mr Sadako Ogata, formerly a United Nations High Commissioner for Refugees, to replace Ms Makiko Tanaka, Prime Minister Junichiro Koizumi got a rather rude awakening: Mr Ogata refused the position, outright.

The Prime Minister, then, reverted to his second choice (TARGET's assumption) and appointed Yoriko Kawaguchi, formerly the head of the Environment Ministry.

Business is one thing, but without a stable government, it is difficult for business to prosper in an environment of insecurity.

In addition to the parochial problems of Japan, NEC Corporation, a major manufacturer of computers in Japan, announced that it would be letting go another 14,000 of its workers by the end of March. (Please see Thursday's report)

NEC's share price lost 10.86 percent, falling to 936 yen.

NEC set the stage and the already battered electronics industry of Japan got the message, with electronics counters, seeing selling pressure mount, yet again:

Advantest	Down 4.01 percent to 6,950 yen per share
Canon	Down 1.37 percent to 4,330 yen per share
Casio	Down 1.08 percent to 460 yen per share
Fanuc	Down 2.12 percent to 5,550 yen per share
Fujitsu*	Down 5.15 percent to 773 yen per share
Furukawa Electric*	Down 7.98 percent to 611 yen per share
Hitachi	Down 3.58 percent to 809 yen per share
JVC	Down 1.90 percent to 309 yen per share
Konica	Down 6.34 percent to 680 yen per share
Kyocera	Down 3.46 percent to 7,530 yen per share
Matsushita Electric Industrial*	Down 2.15 percent to 1,682 yen per share
Mitsubishi Electric*	Down 4.26 percent to 449 yen per share
Nikon	Down 1.73 percent to 908 yen per share
OKI Electric Industrial	Down 5.71 percent to 314 yen per share

Olympus	Down 1.52 percent to 1,820 yen per share
Pioneer	Down 13.58 percent to 2,545 yen per share
Ricoh	Down 1.35 percent to 2,190 yen per share
Sanyo Electric*	Down 2.54 percent to 499 yen per share
Sharp*	Down 2.27 percent to 1,337 yen per share
Sony	Down 1.02 percent to 5,810 yen per share
Sumitomo Electric	Down 6.02 percent to 780 yen per share
Tokyo Electron	Down 2.92 percent to 6,650 yen per share
Toshiba Corporation*	Down 2.82 percent to 414 yen per share

* Among the most active shares of the day

Electronics were among the largest losers, last Friday, but only just, mind you.

Nikko Cordial Corporation, a leading brokerage company in Japan, announced that, between April and December, last year, it had lost 29.65 billion yen, marking a sharp reversal of its fortunes since, in the like period in the 2000 Financial Year, it booked a Net Profit of about 46.79 billion yen.

Nikko Cordial's share price lost 3.84 percent, falling to 451 yen.

Another major stockbroker to lose on last Friday's stock market was Nomura Holdings, whose market capitalisation was pared by 3.34 percent to 1,418 yen per share.

Daiwa Securities, another biggie in the field, was shot down to the extent of 6.70 percent, falling back to 585 yen per share. New Japan Securities had to give up 2.33 percent of its market value as investors marked down its share price to 168 yen.

Banks got hit by the fallout as the following list illustrates:

Mitsubishi Tokyo Financial	Down 1.10 percent to 748,000 yen per share
Mizuho Holdings	Down 6 percent to 218,000 yen per share
Sumitomo Mitsui Banking	Down 7.90 percent to 446 yen per share
UFJ Holdings	Down 4.40 percent to 241,000 yen per share

Japan was going its own way because, on The New York Stock Exchange, things were popping.

Hopped up by The Fed's rhetoric and US President George W. Bush's State-of-the-Union Speech, investors jumped in on their favourites stocks, pushing up indices in quick fashion.

On The New York Stock Exchange, the Dow Jones Industrial Average gained 157.14 points, rising to 9,920 points.

The NASDAQ did not fare as much as The New York Stock Exchange's Dow Jones Industrial Average, which had gained 1.61-percent, but the Composite Index did manage to tack on an improvement of about 1.07 percent, ending last Thursday's session at 1,933.93 points.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), trading conditions on the 2 stock markets continued to be dull ... to dead.

The Main Board's Hang Seng Index lost 34.05 points, or about 0.32 percent, ending the week at 10,691.25 points.

The Total Turnover was about \$HK6.35 billion.

The ratio of losers to gainers was about 1.57:One.

The Ten Most Actives were:

Hutchison Whampoa Ltd (Code: 13)	Down 1.73 percent to \$HK71.00 per share
HSBC Holdings plc (Code: 5)	Up 0.57 percent to \$HK87.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.00 percent to \$HK74.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Unchanged at \$HK22.30 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.99 percent to \$HK61.50 per share
China Unicom Ltd (Code: 762)	Unchanged at \$HK7.50 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.59 percent to \$HK84.75 per share
Johnson Electric Holdings Ltd (Code: 179)	Down 2.30 percent to \$HK8.50 per share
CLP Holdings Ltd (Code: 2)	Up 1.00 percent to \$HK30.40 per share
The Bank of East Asia Ltd (Code: 23)	Down 1.59 percent to \$HK15.45 per share

The biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (SHK)
Asia Tele-Net and Technology Corporation Ltd	679		11.43	0.031
China Elegance International Fashion Ltd	476		31.25	0.011
China Logistics Group Ltd	217	14.42		0.119
Compass Pacific Holdings Ltd	1188	36.84		0.52
Digital World Holdings Ltd	109	11.11		0.08
GeoMaxima (Hongkong) Holdings Ltd	702	13.64		1.25
GR Investment Holdings Ltd	310		13.98	0.08
Hai Xia Holdings Ltd	384	17.24		0.51
Heng Fung Holdings Ltd	185		12.50	0.07

Hongkong Fortune Ltd	121		20.69	0.046
The Hongkong Parkview Group Ltd	207		10.91	0.49
i100 Ltd	616	12.96		0.305
IDT International Ltd	167	15.38		0.60
MAE Holdings Ltd	851	13.04		0.13
Magician Industries (Holdings) Ltd	526	14.29		0.12
Mansion Holdings Ltd	547	10.64		0.052
Proview International Holdings Ltd	334	24.56		0.71
Star Bio-Tech (Holdings) Ltd	1051		11.96	0.081
Stelux Holdings International Ltd	84		12.41	0.12
Sun East Technology (Holdings) Ltd	365		10.39	0.69
Swank International Manufacturing Company Ltd	663		30.00	0.07
Symphony Holdings Ltd	1223		10.53	1.36
VTech Holdings Ltd	303		10.87	8.20
Ying Wing Holdings Ltd	1104		10.96	0.65

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index moved up just about 0.11 percent to end the week at 204.99 points.

The Total Turnover on this market was about \$HK352.68 million, with the ratio of losers to gainers, being exactly 1.50:One.

The biggest movers of the day were: _

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Cardlink Technology Group Ltd	8066	12.50		0.81
Infoserve Technology Corporation	8077	11.34		1.08
Rojam Entertainment Holdings Ltd	8075	14.29		0.176
STAREASTnet.com Corporation	8010	13.79		0.066
Trasy Gold EX Ltd	8063	13.64		0.025

Greencool Technology Holdings Ltd (Code: 8056) was the most-actively traded scrip of the day as its price rose about 23.19 percent to \$HK1.70 after about 47.95 million shares changed hands.

Greencool Technology is spending a great deal of money on HKSAR solicitors, these days, in firing off libel actions against parties that have attempted to malign the company's good name with regard to its claims about its refrigerant.

Mr Li Ka Shing's tom.com Ltd (Code: 8001) was hit by selling pressure, which pushed down its share price to \$HK3.78, a one-day loss of about 2.58 percent.

Investors in the HKSAR have grown exceedingly tired of the poor performance of The GEM, which remains the world's worst-performing bourse.

In other parts of Asia, this was the way that the week ended:

Indonesia	Plus 0.59 percent to 454.28
Japan	Minus 2.06 percent to 9,791.43
Malaysia	Holiday
The Philippines	Plus 1.79 percent to 1,386.31
Singapore	Minus 0.31 percent to 1,781.42
South Korea	Minus 0.76 percent to 742.42

Taiwan	Minus 0.24 percent to 5,857.93
Thailand	Minus 1.22 percent to 336.65

-- E N D --

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