

### JAPAN COMES TO LIFE, BUT HONGKONG CONTINUES TO SUFFER

Whether or not the fallout of the determination by The California State Employees Fund (CALPERS), a fund with about \$US151 billion under management, to withdraw its funds from the stock markets of Thailand, Indonesia, the Philippines and Malaysia, to pull out of certain Asian bourses caused widespread selling of stocks and shares, last Monday, one will, of course, never know, but it was fact that the skids were under all but one of the major markets in the world's most populous area.

There was little local news that could have been held responsible for the avalanche of sellers that dominated the direction of major, stock-market indices, although it was widely held that the economic problems that Asia is, presently, suffering would not go away in a hurry.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors started to get very jittery, following unconfirmed reports that the Government would seek to increase taxes in the coming fiscal year.

The HKSAR Government is facing a \$HK66-billion deficit for the fiscal year, ending March 31, 2002, and so, in the time-honoured fashion of this, 5-year-old Administration, the only solution that it can find is to suggest to increase the tax burden on its residents – at a time that the economy can hardly stand any more pressure.

The knock-on effect, of course, as any level-headed economist will attest, is that higher taxes tend to dissuade new investment and to cause established multinationals to seek greener pastures because about the only thing, going for the HKSAR, is its low tax base.

Higher taxes, of course, will be good for the HKSAR's competitors: The Philippines; Taiwan; Thailand; Malaysia, etc, all the regions that CALPERS claims that it is to withdraw its funds.

The HKSAR's Budget Speech will be unleashed on March 6, this Wednesday.

On The Stock Exchange of Hongkong Ltd, last Monday, the Main Board's Hang Seng Index fell about 1.58 percent to hit 10,496.02 points by the close of the day.

The Total Turnover was about \$HK6.72 billion, with losers, outpacing gainers by the ratio of about 3.06:One.

The Ten Most Actives were:

Hutchison Whampoa Ltd (Code: 13)	Down 2.61 percent to \$HK68.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 3.52 percent to \$HK68.50 per share
HSBC Holdings plc (Code: 5)	Unchanged at \$HK85.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.97 percent to \$HK22.40 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 3.64 percent to \$HK59.50 per share

CLP Holdings Ltd (Code: 2)	Down 0.65 percent to \$HK30.70 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.87 percent to \$HK85.50 per share
Henderson Land Development Company Ltd (Code: 12)	Down 3.83 percent to \$HK32.60 per share
Li and Fung Ltd (Code: 494)	Up 0.93 percent to \$HK10.90 per share
Swire Pacific Ltd "A" Shares (Code: 19)	Down 2.14 percent to \$HK41.10 per share

The double-digit movers of last Monday were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
ABC Communications (Holdings) Ltd	30	10.20		0.27
Chevalier Construction Holdings Ltd	579		20.00	0.10
Chi Cheung Investment Company Ltd	112		16.67	0.075
China Bio-Medical Group Ltd	140	12.50		0.018
China Star Entertainment Ltd	326		15.44	0.115
CNT Group Ltd	701	12.50		0.189
Daido Group Ltd	544	20.83		0.058
Everbest Century Holdings Ltd	578		15.15	0.028
Fulbond Holdings Ltd	1041		12.82	0.034
Gemzboh Holdings Ltd	1192		11.90	0.148
Great Wall Cybertech Ltd	689		19.05	0.017
Hongkong Fortune Ltd	121	20.37		0.065
Jackin International Holdings Ltd	630		10.77	0.29
Jackley Holdings Ltd	353	12.77		0.53
Luen Cheong Tai International Holdings Ltd	1190	14.75		0.07
Lung Cheong International Holdings Ltd	348	11.67		0.67
Medtech Group Company Ltd	1031		13.04	0.02
Nam Fong International Holdings Ltd	1176	15.49		0.082
V.S. International Group Ltd	1002		10.58	0.465
Wah Lee Resources Holdings Ltd	1215	11.54		0.058
Wing Lee Holdings Ltd	876		11.76	0.60
Yue Fung International Group Holdings Ltd	965		10.64	0.042

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Growth Enterprise Index shed about 0.91 percent of its value, falling back to 205.26 points.

The Total Turnover on this speculative market was just \$HK149.75 million, with the ratio of losers to gainers, being 2.85:One.

The leader of the Most Active Counters was Xinao Gas Holdings Ltd (Code: 8149), the share price of which scooted up 8.20 percent to hit \$HK3.30 by the close of trading after about 16.20 million shares switched owners.

The dollar value of those trades, at about \$HK52.17 million, represented about 35 percent of the entire volume of activity for the day.

Mr Li Ka Shing's tom.com Ltd (Code: 8001) was in second place, but the share price of this stock had to give up about 1.92 percent of its value as investors knocked it down to \$HK3.825.

The biggest movers of the day, however, were reserved for:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CASH Financial Services Group Ltd	8122		14.29	0.024
Codebank Ltd	8162		11.25	0.071
Computech Holdings Ltd	8081		10.13	0.355
DigiTech Group Ltd	8030	21.74		0.115
Fast Systems Technology (Holdings) Ltd	8150	10.00		0.22
Riverhill Holdings Ltd	8127		10.00	0.36
Smartech Digital Manufacturing Holdings Ltd	8068		13.33	0.013
Vital BioTech Holdings Ltd	8193		11.63	0.38

In Japan, The Tokyo Stock Exchange was extremely quiet as the Nikkei-225 Stock Average lost 60.31 yen, correcting back (as some Japanese brokers claimed) to 10,296.47 yen, a fall of about 0.58 percent compared with the previous Friday's close.

The previous Thursday and Friday, February 21 and 22, the Nikkei-225 Stock Average had gained about 5.30 percent, following weeks of losses.

The ratio of losers to gainers was about 1.03:One.

The Japanese Government announced that the time was close at hand to tell the Japanese people of its plans to halt 3 years of deflation; and, so investors on Asia's largest stock market preferred to wait in order to see the package before making any fresh commitments.

There were few counters that made any appreciable moves, although there were a handful of situations that spurred a little interest.

The Japan Chain Stores Association announced that supermarket sales were down about 2.80 percent in January, Year-on-Year, to about 1,271 trillion yen.

This was the 38<sup>th</sup> consecutive month of declines in supermarket trade in Japan.

Meanwhile, The Japan Department Stores Association announced that sales dropped about 0.70 percent to about 705.72 billion yen in January, Month-on-Month.

That was the second, consecutive month of flagging sales.

Not good news for The Land of The Rising Sun.

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

Indonesia	Minus 2.19 percent to 449.32
Japan	Minus 0.58 percent to 10,296.47
Malaysia	Minus 1.31 percent to 701.31
The Philippines	Closed
Singapore	Minus 1.33 percent to 1,667.67
South Korea	Minus 0.07 percent to 791.48
Taiwan	Minus 1.77 percent to 5,510.71
Thailand	Plus 1.52 percent to 356.65

**Tuesday**

The Census and Statistics Bureau of the Government of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) announced the bad news, last Tuesday: The HKSAR was exporting a great deal less, these days.

It was announced that the value of domestic exports fell 12.20 percent in January, Year-on-Year, to about \$HK106.60 billion.

The economic slowdown, worldwide, was blamed for the drop.

The announcement was hardly news to people in the know because everybody and his cat expected a retraction of sorts, but the extent of it was very worrying, nevertheless.

On the Main Board of The Stock Exchange of Hongkong Ltd, however, investors were more interested in what was happening on Wall Street, during the first day of trading of the week, rather than the parochial matters of flagging exports.

On Monday in New York, the world's largest stock market, The New York Stock Exchange, saw a resurgence of activity, which pushed up the Dow Jones Industrial Average, the blue-chip gauge, to 10,145.71 points, an improvement of about 177.56 points, or about 1.78 percent, over the previous Friday's close.

On the NASDAQ, its Composite Index followed suit, rising about 2.63 percent to 1,769.87 points.

There had been, of late, some encouraging news with regard to the US economy, but some people wondered whether or not it warranted the seemingly mad rush to buy stocks and shares on US stock markets in such volume.

Investors on The Stock Exchange of Hongkong Ltd, however, were far more reserved than their US counterparts, especially in light of the report from The Census and Statistics Bureau.

The Main Board's Hang Seng Index gained 51.11 points, about 0.49 percent, rising to 10,547.13 points.

The Total Turnover was about \$HK7.30 billion, with trading in Mr Li Ka Shing's Cheung Kong (Holdings) Ltd (Code: 1), his flagship company, accounting for about 13.70 percent of that figure.

But sellers dominated trading in this counter, pulling down its share price in dramatic fashion, as TARGET's table of the Ten Most Actives, below, indicates:

Cheung Kong (Holdings) Ltd (Code: 1)	Down 2.55 percent to \$HK66.75 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.53 percent to \$HK64.25 per share
HSBC Holdings plc (Code: 5)	Up 2.05 percent to \$HK87.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 3.36 percent to \$HK57.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.34 percent to \$HK22.70 per share
CLP Holdings Ltd (Code: 2)	Up 0.33 percent to \$HK30.80 per share
The Hongkong and China Gas Company Ltd (Code: 3)	Up 2.83 percent to \$HK10.90 per share
Henderson Land Development Company Ltd (Code: 12)	Down 3.07 percent to \$HK31.60 per share

Li and Fung Ltd (Code: 494)

Up 1.83 percent to \$HK11.10 per share

China Unicom Ltd (Code: 762)

Unchanged at \$HK7.50 per share

The ratio of gainers to losers was just about neck-to-neck, at 344:341.

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Chi Cheung Investment Company Ltd	112	13.33		0.085
Dailywin Group Ltd	897	12.18		0.175
Dransfield Holdings Ltd	632	11.28		0.148
Egana Jewellery and Pearls Ltd	926		11.02	0.113
Emperor International Holdings Ltd	163	10.00		0.44
Grand Field Group Holdings Ltd	115	17.14		0.41
Hop Hing Holdings Ltd	47		11.43	0.31
Mascotte Holdings Ltd	136	12.00		0.28
Orient Power Holdings Ltd	615	14.29		0.32
Sen Hong Resources Holdings Ltd	76		21.05	0.30
Starlight International Holdings Ltd	485	12.50		0.054
Tse Sui Luen Jewellery (International) Ltd	417	12.50		0.09
Yew Sang Hong (Holdings) Ltd	290	25.00		2.125

On The GEM – The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd – sellers also dominated the market's direction, pulling down The Growth Enterprise Index by about 0.32 percent to 204.61 points.

Losers outpaced gainers by 1.34:One.

Xinao Gas Holdings Ltd (Code: 8149) was, once again, the most-active counter of the day, but, last Tuesday's market saw investors take their profits – and run.

Xinao Gas Holdings lost 3.79 percent of its market capitalisation, falling back to \$HK3.175 per share, cutting back some of Monday's 8.20-percent gain.

Mr Li Ka Shing's tom.com Ltd (Code: 8001) was right up there, in second place, mirroring Monday's market, and, like Monday's market, its share price came under pressure as investors marked it down by another 1.31 percent to \$HK3.775.

The Total Turnover on this market was about \$HK148.14 million, with trading in the 2, most-active counters, accounting for about 36 percent.

The largest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CASH Financial Services Group Ltd	8122	29.17		0.031
DigiTel Group Ltd	8030		12.17	0.101
International Capital Network Holdings Ltd	8004		13.16	0.33
Panda-Recruit Ltd	8073	90.00		0.038
Riverhill Holdings Ltd	8127	13.89		0.41

In The Land of The Rising Sun, investors continued to play the waiting game because the Japanese Government had promised to explain its plans for helping the ailing economy on Wednesday.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average lost 93.84 yen, falling to 10,202.63 yen.

The ratio of gainers to losers was 1.26:One, in spite of the falling '*barometer*' of trading in blue chips.

By and large, banking counters were under a great deal of pressure as the following TARGET table illustrates:

Chiba Bank Holdings*	Down 5.06 percent to 450 yen per share
Daiwa Bank Holdings*	Up 4.11 percent to 76 yen per share
Mitsui Tokyo Finance	Down 1.52 percent to 778,000 yen per share
Mizuho Holdings	Down 4.22 percent to 227,000 yen per share
Sumitomo Mitsui Banking Corporation*	Down 2.88 percent to 472 yen per share
UFJ Bank	Down 5.20 percent to 273,000 yen per share

\* Among the most active counters of the day

News wise, failed supermarket chain, Kotobukiya Company, announced that it had agreed to sell 50 stores of its remaining 90 stores to AEON Company.

AEON, in turn, said that it plans to operate most of the 50 Kotobukiya stores under the name of MaxValu, the smallish supermarket chain that it operates.

And, from another failed supermarket chain, Daiei Incorporated, came news that its 3 main creditor banks planned to increase their financial support of the company to 520 billion yen, up about 100 billion yen from previous commitments.

The 3 banks are UFJ Bank, Sumitomo Mitsui Banking and Fuji Bank.

In other parts of Asia, this was how the major bourses saw the situation, last Tuesday night:

Indonesia	Minus 0.14 percent to 448.69
Japan	Minus 0.91 percent to 10,202.63
Malaysia	Minus 0.03 percent to 701.09
The Philippines	Plus 0.03 percent to 1,396.79
Singapore	Plus 0.88 percent to 1,682.40
South Korea	Plus 1.22 percent to 801.14
Taiwan	Minus 0.20 percent to 5,499.79
Thailand	Closed

## Wednesday

Japan took centre stage, last Wednesday, as investors determined that the Japanese Government's top economic policymakers would rise to the occasion and pull the fat out of the country's raging economic fires.

On The Tokyo Stock Exchange, the '*barometer*' of the blue chips, the Nikkei-225 Stock Average, gained 370.46 yen, rising to 10,573.09 yen, a one-day gain of about 3.63 percent.

Gainers swamped losers by the ratio of 11.59:One.

Electronics and banking shares rose, quite spectacularly, on the prospects of something positive, coming out of the Japanese Government's internal talks.

It was reported that Prime Minister Junichiro Koizumi was chairing a meeting of the Council on Economic and Fiscal Policy and that '*something*' great would come out of the policy-setting meeting.

However, when the determinations of this high-powered meeting were known, abject dejection was the consensus.

According to Finance Minister, Mr Masajuro Shiokawa, it had been decided that a policy should be drafted with a view to bolstering the flagging Japanese stock markets.

Mr Shiokawa said that The Bank of Japan had been asked to inject more money into the economy, and this proposition would be tabled on (last) Thursday.

But, any determined moves to tackle the mountain of bad loans in the country's banking system were absent from any determinations.

In other news, online auctioneer, eBay, admitted defeat and is to pull out of Japan.

eBay's Japanese site will be closed from March 31, the company announced, and customers will be directed to its US-based auction operations.

The Japan Automobile Manufacturers Association announced that the exports of motor cars, lorries and buses had risen by about 5.80 percent in January, compared with January 2001, to 328,016 units.

The exports of motor cars, only, totalled about 286,699 units, which represented an increase of about 6.20 percent, Year-on-Year.

Finally, Sansui Electric Company posted some joy when it announced that it had earned a Net Profit of about 3.26 billion yen for the Financial Year, ended December 31, 2001.

This was a complete turnabout since the company reported a Loss Attributable to Shareholders of about 1.33 billion yen for the 2000 Financial Year.

The following is TARGET's list of some of the main movers on The Tokyo Stock Exchange, last Wednesday:

### Banks

Bank of Fukuoka	Up 2.17 percent to 423 yen per share
Chugoku Bank	Up 3.03 percent to 850 yen per share
Daishi Bank	Up 2.05 percent to 409 yen per share

Daiwa Bank Holdings*	Up 10.53 percent to 84 yen per share
Gunma Bank	Up 4.35 percent to 595 yen per share
Higo Bank	Up 3.57 percent to 435 yen per share
Hokkoku Bank	Up 3.34 percent to 464 yen per share
Hyakujushi Bank	Up 7.20 percent to 700 yen per share
Joyo Bank	Up 5.59 percent to 359 yen per share
Mitsui Tokyo Finance	Up 4.11 percent to 810,000 yen per share
Mizuho Holdings	Up 7.93 percent to 245,000 yen per share
Sumitomo Mitsui Banking Corporation*	Up 4.03 percent to 491 yen per share

\* Among the most active counters of the day

#### Electronics

Advantest	Up 5.08 percent to 8,900 yen per share
Fanuc	Up 4.41 percent to 6,630 yen per share
Konica	Up 4.77 percent to 790 yen per share
Kyocera	Up 3.52 percent to 7,940 yen per share
Mitsubishi Electric*	Up 6.85 percent to 468 yen per share
Nikon	Up 5.27 percent to 1,190 yen per share
Oki Electric Industrial*	Up 7.91 percent to 273 yen per share
Pioneer	Up 8.54 percent to 2,670 yen per share
Ricoh	Up 4.17 percent to 2,375 yen per share
Sanyo Electric	Up 4.26 percent to 588 yen per share
Sharp	Up 2.43 percent to 1,600 yen per share
TDK	Up 5.19 percent to 6,280 yen per share



Tokyo Electron	Up 2.50 percent to 8,610 yen per share
Toshiba Corporation*	Up 4.11 percent to 481 yen per share

\* Among the most active counters of the day

On The New York Stock Exchange, last Wednesday, the Dow Jones Industrial Average fell, following 2 days of gains.

By the close of trading, The Dow stood at 10,115.26 points, a loss of about 0.30 percent, compared with Tuesday's closing level.

A similar situation took place on the NASDAQ where its Composite Index ended the session at 1,766.86 points, which was 3.02 points, or about 0.17 percent, lower than Tuesday's level.

Wall Street was waiting to hear what the Chairman of the US Federal Reserve Board, Dr Alan Greenspan, would tell the House Financial Services Committee. The meeting was taking place, during trading.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors continued to play the stock-market game, but very cautiously.

The Stock Exchange of Hongkong Ltd saw its Main Board gain 0.96 percent, rising to 10,648.71 points on a Total Turnover of about \$HK7.84 billion.

The Hang Seng Index had been up about 1.73 percent, just before the luncheon bell, but profit-taking shaved the gains in short order in the 90-minute afternoon session.

The ratio of gainers to losers was about 1.48:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.29 percent to \$HK87.25 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.17 percent to \$HK65.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.75 percent to \$HK67.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 2.42 percent to \$HK23.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.43 percent to \$HK57.25 per share
Henderson Land Development Company Ltd (Code: 12)	Down 0.95 percent to \$HK31.30 per share
Denway Motors Ltd (Code: 203)	Up 7.14 percent to \$HK1.95 per share
China Unicom Ltd (code: 762)	Up 2.00 percent to \$HK7.65 per share
The Hongkong and China Gas Company Ltd (Code: 3)	Up 1.83 percent to \$HK11.10 per share
CLP Holdings Ltd (Code: 2)	Up 0.65 percent to \$HK31.00 per share

The largest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Everbest Century Holdings Ltd	578		10.71	0.025
Harmony Asset Ltd	428		10.00	0.072
Heng Tai Consumables Group Ltd	197		12.07	0.255
i100 Ltd	616	13.21		0.30
iRegent Group Ltd	57	13.21		0.30

K.P.I. Company Ltd	605		10.26	0.07
Kantone Holding Ltd	1059	17.14		0.082
Luen Cheong Tai International Holdings Ltd	1190		13.58	0.07
Medtech Group Company Ltd	1031	25.00		0.025
Sinocan Holdings Ltd	1095	11.11		0.05
Skynet (International Group) Holdings Ltd	577	10.00		0.011
Tse Sui Luen Jewellery (International) Ltd	417	11.11		0.10
Universal Appliances Ltd	419	12.50		0.054
Vision Tech International Holdings Ltd	922	10.22		0.151
Wing Lee Holdings Ltd	876	18.18		0.65
Yew Sang Hong (Holdings) Ltd	290	34.12		2.85

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, there was hardly any movement, during the entire trading day.

The Growth Enterprise Index ended the session at 204.77 points, up about 0.08 percent, compared with Tuesday's close.

The Total Turnover dipped back to about \$HK134.18 million, with losers, outpacing gainers by the ratio of about 1.22:One.

There was little to report about this speculative market, the worst-performing bourse in the world – except, perhaps, that the share price of Mr Li Ka Shing's tom.com Ltd (Code: 8001) continued to fall, losing another 0.66 percent of its value as investors marked it down to \$HK3.75 per share.

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
E-silkroad Holdings Ltd	8071		17.86	0.023
Grandmass Enterprise Solution Ltd	8108	16.22		0.043
Smartech Digital Manufacturing Holdings Ltd	8068	16.67		0.014
techpacific.com Ltd	8088	28.57		0.09

And, in other areas of Asia, last Wednesday, this was how the ball came to rest:

Indonesia	Plus 1.30 percent to 454.50
Japan	Plus 3.63 percent to 10,573.09
Malaysia	Plus 0.40 percent to 703.92
The Philippines	Plus 0.49 percent to 1,403.70
Singapore	Plus 1.19 percent to 1,702.37
South Korea	Plus 2.62 percent to 822.11
Taiwan	Plus 3.57 percent to 5,696.11
Thailand	Plus 4.37 percent to 372.22

**Thursday**

Share prices retreated on the day that Chief Executive Tung Chee Hwa was '*re-elected*' for a second term as the Chief Executive of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

It was confirmed that no other candidate had come forward to challenge The Great Man, who is now a legend in the territory, thanks to the proclaimed love of the 506 members of the Election Committee (sometimes known, more popularly, as the Selection Committee), representing 84 percent of those eligible members of this august body, and, of course, the endorsement of the leaders of fatherland, the PRC.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index lost 1.56 percent, falling to 10,482.55 points.

The Total Turnover rose to about \$HK8.02 billion: A rising volume of activity on a falling market is never a good thing.

Declining issues were ahead of advancing ones by the ratio of about 1.90:One, with about 55 percent of all counters that saw some trading in their share, staying pat at Wednesday's closing levels.

The Ten Most Actives were:

Cheung Kong (Holdings) Ltd (Code: 1)	Down 3.35 percent to \$HK65.00 per share
HSBC Holdings plc (Code: 5)	Down 0.57 percent to \$HK86.75 per share
Hutchison Whampoa Ltd (Code: 13)	Down 2.31 percent to \$HK63.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 2.62 percent to \$HK55.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 3.23 percent to \$HK22.50 per share
Hang Seng Bank Ltd (Code: 11)	Down 1.16 percent to \$HK85.50 per share
CLP Holdings Ltd (Code: 2)	Up 1.29 percent to \$HK31.40 per share
Henderson Land Development Company Ltd (Code: 12)	Down 2.88 percent to \$HK30.40 per share
Swire Pacific Ltd "A" Shares (Code: 19)	Down 2.53 percent to \$HK42.40 per share
China Unicom Ltd (Code: 762)	Down 1.96 percent to \$HK7.50 per share

The largest movers of the Main Board, last Thursday, were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139	13.33		0.034
Applied (China) Ltd	472		18.00	0.082
China Development Corporation Ltd	487	10.53		0.042
China Investments Holdings Ltd	132	11.11		0.40
Chinney Alliance Group Ltd	385	11.11		0.02
Dransfield Holdings Ltd	632	18.83		0.183
E-LIFE International Ltd	370		16.67	0.085

Everbest Century Holdings Ltd	578	16.00		0.029
Grand Field Group Holdings Ltd	115	10.11		0.49
Harmony Asset Ltd	428	11.11		0.08
Heng Fung Holdings Ltd	185	11.11		0.07
i100 Ltd	616		13.33	0.26
Jackin International Holdings Ltd	630	10.34		0.32
Jackley Holdings Ltd	353	12.28		0.64
Kantone Holdings Ltd	1059		12.20	0.072
Karrie International Holdings Ltd	1050	13.41		0.93
Mascotte Holdings Ltd	136	10.71		0.074
Medtech Group Company Ltd	1031		16.00	0.021
Nam Fong International Holdings Ltd	1176		14.94	0.074
Northeast Electrical Transmission and Transformation Manufacturing Company Ltd	42	16.33		0.57
Sino InfoTech Holdings Ltd	205	16.44		0.17
South China Holdings Ltd	265		13.64	0.38
Star Bio-Tech (Holdings) Ltd	1051		14.10	0.067
Suwa International Holdings Ltd	567		11.11	0.24
Tse Sui Luen Jewellery (International) Ltd	417	10.00		0.11
Wo Kee Hong (Holdings) Ltd	720	11.54		0.029
Yue Fung International Group Holdings Ltd	965	18.18		0.052

What was worrying the HKSAR, in general, were ‘noises’ to the effect that the HKSAR Government was intent on imposing more taxes in order to cover the territory’s budget deficit.

Such an added burden on the struggling economy will tend to exacerbate an already difficult situation; and, such a move may well deter a great deal of overseas investment.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, had it not been for the debut of one new listing, the Total Turnover would have been considerably down – and close to a 12-month low for any one day.

That new listing was Northeast Tiger Pharmaceutical Company Ltd (Code: 8197), a so-called ‘red chip’ – meaning a PRC company – which Placed a total of 180 million shares at 26 cents per share.

Northeast Tiger, on a volume of activity of 173.38 million shares traded – almost the entire number of shares that were Placed – saw its share price rise to a high of 46 cents before settling back to 36 cents, a 38.46-percent increase on the Placing Price.

In dollar terms, that volume of activity amounted to near \$HK71 million, or about 38 percent of the day’s Total Turnover of about \$HK184.65 million.

The Growth Enterprise Index ended the session at 205.19 points, equivalent to a 0.21-percent gain over Wednesday’s close.

However, the number of losing counters swamped those that gained by the ratio of about 1.41:One.

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Computech Holdings Ltd	8081		10.53	0.34
hkcyber.com (Holdings) Ltd	8118	16.67		0.014
Smartech Digital Manufacturing Holdings Ltd	8068		14.29	0.012
techpacific.com Ltd	8088		16.67	0.075

On Wall Street, last Wednesday, there was a bit of a rally, following the cautiously bullish statements of the Chairman of the US Federal Reserve Board, Dr Alan Greenspan, who had addressed the House Financial Services Committee on Tuesday.

Dr Greenspan suggested that the US economy was showing signs that it was on the road to recovery, but that it would not happen too smartly.

Recent statistics about the US Government appear to indicate that the economy grew at a much faster rate than previous thought, during the tail end of 2001, to December 31, 2001.

Consumer spending, the figures indicated, propelled the US economy to grow at an annual rate, seasonally adjusted, of about 1.40 percent.

On The New York Stock Exchange, the Dow Jones Industrial Average gained about 12.32 points, closing the day at 10,127.58 points.

However, earlier in the day, The Dow was registering a gain of about 140 points.

On the NASDAQ, its Composite Index slipped nearly 15 points, or about 0.85 percent, coming to rest when the hammer fell, signifying the end of the session, at 1,751.88 points.

In Japan, as expected, The Bank of Japan decided, with the insistence of the Government, to ease the money supply by taking steps to help its struggling (and many bust) banks.

The Bank of Japan said that it would pump in another 200 billion yen per month into Japanese banks, raising the monthly assistance level to one trillion yen.

Something has to be done about the second largest economy of the world since industrial production continues to fall, which is frightening to every country in Asia, of course.

The Ministry of Economy, Trade and Industry announced, last Thursday, that industrial production had fallen to a seasonally adjusted one percent in January, Month-on-Month.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average shed 14.741 yen, coming to rest at 10,587.83 yen by the close of the day.

The ratio of gainers to losers was about 1.53:One.

While there were a few patches, which excited some investors on this market, by and large, it was a very dull market.

Here is how other Asian markets saw the situation, last Thursday night:

Indonesia	Minus 0.28 percent to 453.24
Japan	Plus 0.14 percent to 10,587.83
Malaysia	Plus 0.71 percent to 708.91
The Philippines	Plus 0.18 percent to 1,406.22
Singapore	Plus 0.78 percent to 1,715.58
South Korea	Minus 0.26 percent to 819.99
Taiwan	Closed
Thailand	Minus 0.08 percent to 371.93

## Friday

Further suggestions that the Government of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) would raise taxes and/or introduce new taxes eroded the confidence of many investors in the territory.

The situation was further exacerbated when sycophants of the Chief Executive and his cabinet supported the ideas – which, clearly, had been planted in order to soften the blow when the Financial Secretary, Mr Antony Leung, releases his first Budget Speech on Wednesday, March 6.

The public relations exercise was backfiring, to be sure, but the HKSAR Government is known to be hamstrung, in any event, not knowing too much about finding solutions to sophisticated financial problems, being a fledgling Administration with less than 5 years of experience.

Poor things!

It would appear that the HKSAR Government is intent on raising more money from taxpayers, some of whom can ill afford an added burden, without considering the more important factor: How to stimulate the spluttering economy so that more investment will enter the territory, that investment, giving rise to the employment of the nearly 7 percent jobless.

If the Government could accomplish this task, the budget deficit would be shaved, if not completely eliminated in the fullness of time.

On The Stock Exchange of Hongkong Ltd, the Hang Seng Index shed about 0.55 percent of its value, ending the week at 10,425.31 points.

The Total Turnover was about \$HK5.97 billion, with losers, outpacing gainers by the ratio of 1.58:One.

The Ten Most Active Counters were:

Hutchison Whampoa Ltd (Code: 13)	Up 0.39 percent to \$HK63.75 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Unchanged at \$HK65 per share
HSBC Holdings plc (Code: 5)	Down 1.44 percent to \$HK85.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.22 percent to \$HK22.45 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.45 percent to \$HK56 per share
Huaneng Power International Incorporated (Code: 902)	Down 0.45 percent to \$HK5.05 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.29 percent to \$HK85.75 per share
Swire Pacific Ltd "A" Shares (Code: 19)	Down 4.61 percent to \$HK40.70 per share
CLP Holdings Ltd (Code: 2)	Down 1.59 percent to \$HK30.90 per share
Henderson Land Development Company Ltd (Code: 12)	Up 1.64 percent to \$HK30.90 per share

The double-digit movers of last Friday:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Cheong Ming Investments Ltd	1196	23.40		0.29
Chevalier Construction Holdings Ltd	579	20.00		0.12
China Development Corporation Ltd	487		14.29	0.036
China Treasure (Greater China) Investments Ltd	810		12.50	0.63
Chu Kong Shipyard Development Company Ltd	560		11.49	0.77
Cosmopolitan International Holdings Ltd	120	13.46		0.59
Decca Holdings Ltd	997	11.11		1.00
Dickson Group Holdings Ltd	313	13.68		0.108
Dransfield Holdings Ltd	29		34.97	0.119
Everbest Century Holdings Ltd	578		10.34	0.026
KTP Holdings Ltd	645	10.34		0.32
Massive Resources International Corporation Ltd	70	10.71		0.124
Millennium Sense Holdings Ltd	724	11.11		0.14
New Rank City Development Ltd	456		10.13	0.71
Northeast Electrical Transmission and Transformation Machinery Manufacturing Company Ltd	42		10.53	0.51
Pacific Andes International Holdings Ltd	1174	11.86		0.66
Pacific Plywood Holdings Ltd	767		10.53	0.034
Pricerite Group Ltd	996		11.07	0.249
Star Bio-Tech (Holdings) Ltd	1051	53.73		0.103
Theme International Holdings Ltd	990		16.67	0.07
Wah Ha Realty Company Ltd	278	11.94		0.75
Wo Kee Hong (Holdings) Ltd	720		10.34	0.026

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index gained exactly 0.39 percent, ending the week at 205.99 points.

The Total Turnover of the day was about \$HK164.78 million, with the ratio of losers to gainers, being bout 1.30:One.

About 70 percent of the counters, that saw some action, held onto previous closing levels.

The largest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022		10.71	0.25
CASH Financial Services Group Ltd	8122	12.90		0.035
Computech Holdings Ltd	8081	11.76		0.38
E-silkroad Holdings Ltd	8071	21.74		0.028

On Wall Street, last Thursday, investors did not seem to be too happy with the near-term prospects of the world's largest economy and sold some of their holdings.

As a result, the Dow Jones Industrial Average lost 21.45 points, equivalent to about 0.21 percent, falling back to 10,106.13 points.

As for the NASDAQ, its Composite Index fell in sympathy with The Dow, dropping to 1,731.52 points, a one-fall loss of about 1.16 percent.

But it appeared that The Dow and the NASDAQ were both ready for a large move up since there, really, have been signs of late, signs which indicate that Dr Alan Greenspan is correct in his determination of the US economy. (Please see Wednesday's and Thursday's reports)

In Japan, it was another day of smiles on the faces of many Japanese investors as share prices took off on The Tokyo Stock Exchange.

The Nikkei-225 Stock Average gained 224.17 yen, about 2.12 percent, ending the week on the very positive note of 10,812.

The premier Japanese stock market was reacting positively, if not a little belatedly, to the Japanese Government's moves to bolster the economy. (Please see Wednesday's report)

Banks and electronics, as one would expect, benefitted from the boomlet, but not all banks took part in the rally:

#### Banks

Bank of Fukuoka	Up 3.11 percent to 431 yen per share
Chugoku Bank	Down 1.16 percent to 855 yen per share
Daishi Bank	Unchanged at 410 yen per share
Daiwa Bank Holdings*	Down 10.53 percent to 102 yen per share
Higo Bank	Down 1.38 percent to 428 yen per share
Hokkoku Bank	Unchanged at 474 yen per share
Mitsui Tokyo Finance	Up 2.35 percent to 827,000 yen per share
Mizuho Holdings	Up 3.17 percent to 293,000 yen per share
Sumitomo Mitsui Banking Corporation*	Up 3.43 percent to 513 yen per share
Shizuoka Bank	Up 4.83 percent to 824 yen per share

\* Among the most active counters of the day

#### Electronics

Advantest	Up 3.40 percent to 9,120 yen per share
Fujitsu*	Up 5.02 percent to 921 yen per share
Kyocera	Up 3.12 percent to 8,270 yen per share
Mitsubishi Electric*	Up 3.12 percent to 496 yen per share
Oki Electric Industrial*	Up 5.65 percent to 299 yen per share
Pioneer	Up 3.52 percent to 2,650 yen per share



Sharp	Up 2.50 percent to 1,640 yen per share
Tokyo Electron	Up 2.20 percent to 8,840 yen per share

\* Among the most active counters of the day

On the news front, last Friday marked the absorption of Asahi Bank by Daiwa Bank Holdings Incorporated, creating the nation's fifth largest banking group with more than 50 trillion yen in assets.

Hitachi Ltd said that it anticipated a Consolidated Loss of about 480 billion yen for the 2001 Financial Year.

Formerly, the company had suggested a figure of about 230 billion yen loss for the Year.

The Japan Automotive Dealers Association said that sales of motor cars, lorries and buses fell about 5.90 percent in February, Year-on-Year. (Please see Wednesday's report, also)

For Japan, the week, ended March 1, had been a good one, for a change, but for the HKSAR, it was a disastrous week, as far as investors were concerned: They waited for the Government's axe to fall on Wednesday.

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

Indonesia	Minus 0.24 percent to 452.16
Japan	Plus 2.12 percent to 10,812.00
Malaysia	Plus 1.22 percent to 717.57
The Philippines	Plus 0.30 percent to 1,410.42
Singapore	Plus 0.62 percent to 1,726.30
South Korea	Closed
Taiwan	Minus 0.27 percent to 5,680.78
Thailand	Plus 2.19 percent to 380.06

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