

ASIA MAKES SOLID GAINS FOR THE WEEK

It was all systems 'Go! Go! Go!' in Asia, last Monday, as share prices took off as though there were no tomorrow.

Japan led the charge for higher levels as the premier stock exchange of The Land of The Rising Sun saw its key, stock-market index gain 5.90 percent, while Singapore's stock market roared ahead with a 5.03-percent improvement in its index over the previous Friday's closing level.

Asia was reacting to what appeared to be bullish news from the largest economy of the world, the US, where, the previous week, investors had taken heart and had gone on a buying spree.

There was no reason to believe that Wall Street would not continue to be bullish in the coming trading session – so, everybody and his cat tried to catch the stock-market 'bus' before it left the station, so to speak.

On The New York Stock Exchange, the previous Friday, March 1, the Dow Jones Industrial Average gained 262.73 points, or about 2.60 percent, rising to 10,368.86 points.

On the NASDAQ, its Composite Index was lifted by heavy buying, resulting in the key index, putting on about 4.12 percent to end the week at 1,802.75 points.

For the week, ended March 1, The Dow had added about 4 percent to its value while the NASDAQ Composite had gained about 4.50 percent, statistics showed.

An increase in consumer spending and strong sales of new houses appeared to be spurring the markets in The Land of The Free and The Home of The Brave. (Please see last Wednesday's [TARGET Intelligence Report, Volume IV, Number 43](#))

On The Stock Exchange of Hongkong Ltd, in spite of the fact that HSBC Holdings plc (Code: 5) was due to announce its results for its Financial Year, ended December 31, 2001, financial results that were expected to be much lower than those of the 2000 Year, the Main Board's Hang Seng Index improved its position by about 2.67 percent, rising to 10,425.31 points.

The Total Turnover, however, was not very high, at about \$HK7.93 billion, which could indicate that the market was unlikely to hold onto its gains for too long a period of time.

Without volume, no stock market can go very far.

The ratio of gainers to losers was about 2.25:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)

Up 2.92 percent to \$HK88 per share

Hutchison Whampoa Ltd (Code: 13)

Up 3.53 percent to \$HK66 per share

| | |
|--|--|
| Cheung Kong (Holdings) Ltd (Code: 1) | Up 2.69 percent to \$HK66.75 per share |
| China Mobile (Hongkong) Ltd (Code: 941) | Up 2.90 percent to \$HK23.10 per share |
| Sun Hung Kai Properties Ltd (Code: 16) | Up 4.02 percent to \$HK58.25 per share |
| Hang Seng Bank Ltd (Code: 11) | Up 2.62 percent to \$HK88 per share |
| Johnson Electric Holdings Ltd (Code: 179) | Up 4.86 percent to \$HK9.70 per share |
| Henderson Land Development Company Ltd (Code: 12) | Up 4.53 percent to \$HK32.30 per share |
| Li and Fung Ltd (Code: 494) | Up 3.23 percent to \$HK11.20 per share |
| Huaneng Power International Incorporated (Code: 902) | Up 2.97 percent to \$HK5.20 per share |

Trading in the above-mentioned, Ten Most Actives accounted for about 51 percent of the entire volume of activity for the day.

The biggest movers, however, were:

| Name of Company | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|--|------|--------------|--------------|----------------------|
| Allan International Holdings Ltd | 684 | 11.69 | | 0.86 |
| Bestway International Holdings Ltd | 718 | 15.79 | | 0.022 |
| Cheuk Nang (Holdings) Ltd | 131 | | 10.00 | 0.027 |
| Dransfield Holdings Ltd | 632 | 13.45 | | 0.135 |
| Great Wall Cybertech Ltd | 689 | 12.50 | | 0.018 |
| Guangdong Brewery Holdings Ltd | 124 | 10.11 | | 0.49 |
| Jackley Holdings Ltd | 353 | 12.70 | | 0.71 |
| Kantone Holding Ltd | 1059 | 15.71 | | 0.081 |
| Kin Yat Holdings Ltd | 638 | 10.55 | | 2.20 |
| Lerado Group (Holding) Company Ltd | 1225 | 10.64 | | 1.04 |
| Magician Industries (Holdings) Ltd | 526 | 21.43 | | 0.17 |
| Proview International Holdings Ltd | 334 | 16.25 | | 0.93 |
| Star Bio-Tech (Holdings) Ltd | 1051 | 49.51 | | 0.154 |
| Starlite Holdings Ltd | 403 | 10.00 | | 0.22 |
| Tonic Industries Holdings Ltd | 978 | 11.43 | | 0.39 |
| Top Form International Ltd | 333 | 23.26 | | 0.265 |
| U-RIGHT International Holdings Ltd | 627 | 14.52 | | 0.71 |
| Vision Tech International Holdings Ltd | 922 | 13.14 | | 0.155 |
| Yip's Chemical Holdings Ltd | 408 | 12.50 | | 0.81 |
| Yu Ming Investments Ltd | 666 | 16.18 | | 0.28 |

After the close of last Monday's trading session, on cue, HSBC Holdings plc announced its results for the Financial Year, ended December 31, 2001.

And, on cue, the results were bad: Net Profit Attributable to Shareholders: Down 18 percent to \$HK42.17 billion.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index gained about 1.73 percent, rising to 209.56 points.

But, as with the Main Board, the Total Turnover stayed very low, at about \$HK211.75 million.

The ratio of gainers to losers was about 1.48:One, however, about 64 percent of all the counters that traded saw investors keep those share prices at the previous Friday's level.

Mr Li Ka Shing's GEM '*vehicle*', tom.com Ltd (Code: 8001), was the most-active counter of the day as investors pushed up its share price by about 6 percent to \$HK3.975.

Trading in tom.com's shares, at about \$HK68.99 million, represented about 33 percent of the entire volume of activity of the day.

The second, most-active counter of the day was MediaNation Incorporated (Code: 8160) as investors traded about 11.12 million shares, pushing up its price to \$HK2.30, a one-day gain of nearly 7 percent.

The double-digit movers on this market were:

| Name of Company | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|--|------|--------------|--------------|----------------------|
| Codebank Ltd | 8162 | 10.67 | | 0.083 |
| Qianlong Technology International Holdings Ltd | 8015 | 11.11 | | 0.80 |
| ThinSoft (Holdings) Incorporated | 8096 | 14.29 | | 0.64 |
| Vodatel Networks Holdings Ltd | 8033 | 11.11 | | 0.90 |
| Yuxing InfoTech Holdings Ltd | 8005 | | 11.59 | 0.61 |

But it was Japan that was the star performer in Asia, last Monday.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average gained 638.22 yen, ending the booming day at 11,450.22 yen, a one-day improvement of about 5.90 percent.

Banks were strong due to the belief that The Bank of Japan, by agreeing to step up its monthly purchases of domestic bank bonds and other banking instruments, thereby injecting more money into the economy, would, by its very actions, start to chip away at the mountain of bad and doubtful debts of nearly all of Japan's banks.

The Bank of Japan, the previous week, agreed to step up monthly purchases of such banking instruments from 800 billion yen to one trillion yen.

Electronics rose to the occasion for a completely different reason to that of the strength of banks: The general belief that, with the US economy, starting to show signs of strength, it would, in due course, result in Japan, being able to export more of its electronics to the US.

The exportation of Japanese-made electronics and motor cars are the 2 most important exports, as far as the world's second largest economy is concerned.

The ratio of gainers to losers was a resounding 7.82:One.

Here is a TARGET list of some of the biggest movers in banking counters and electronic counters, last Monday:

Banks

| | |
|-----------------|--------------------------------------|
| Ashikaga Bank | Up 2.41 percent to 170 yen per share |
| Bank of Fukuoka | Up 3.48 percent to 446 yen per share |
| Bank of Kyoto | Up 4.44 percent to 470 yen per share |

| | |
|-----------------------|---|
| Chiba Bank | Up 3.12 percent to 463 yen per share |
| Chugoku Bank | Up 5.26 percent to 900 yen per share |
| Gunma Bank | Up 3.71 percent to 615 yen per share |
| Higo Bank | Up 2.80 percent to 440 yen per share |
| Hokkoku Bank | Up 4.43 percent to 495 yen per share |
| Hokuriku Bank | Up 7.69 percent to 210 yen per share |
| Iyo Bank | Up 4.58 percent to 695 yen per share |
| Joyo Bank | Up 3.31 percent to 374 yen per share |
| Mitsui Tokyo Finance | Up 6.77 percent to 883,000 yen per share |
| Mizuho Holdings | Up 14.23 percent to 297,000 yen per share |
| Shizuoka Bank | Up 5.70 percent to 871 yen per share |
| Sumitomo Mitsui Bank* | Up 9.55 percent to 562 yen per share |
| Suruga Bank | Up 3.34 percent to 711 yen per share |
| UFJ Holdings | Up 13.65 percent to 333,000 yen per share |

* Among the most active counters of the day

Electronics

| | |
|-------------------|---|
| Advantest | Up 9.65 percent to 10,000 yen per share |
| Alps Electric | Up 9.04 percent to 1,326 yen per share |
| Canon | Up 4.38 percent to 5,000 yen per share |
| Casio | Up 5.58 percent to 530 yen per share |
| Fuji Electric | Up 6.12 percent to 295 yen per share |
| Fujitsu* | Up 4.23 percent to 960 yen per share |
| Furukawa Electric | Up 9.15 percent to 668 yen per share |

| | |
|--------------------------|---|
| Hitachi | Up 5.76 percent to 900 yen per share |
| JVC | Up 7.18 percent to 448 yen per share |
| Konica | Up 2.92 percent to 810 yen per share |
| Kyocera | Up 7.01 percent to 8,850 yen per share |
| Mitsubishi Electric | Up 7.26 percent to 532 yen per share |
| NEC* | Up 3.43 percent to 1,025 yen per share |
| Nikon | Up 11.26 percent to 1,364 yen per share |
| Oki Electric Industrial* | Up 8.70 percent to 325 yen per share |
| Pioneer | Up 3.58 percent to 2,745 yen per share |
| Rohm | Up 7.14 percent to 21,170 yen per share |
| Sanyo Electric | Up 5.37 percent to 608 yen per share |
| Sharp | Up 5.24 percent to 1,726 yen per share |
| Sony | Up 4.15 percent to 6,530 yen per share |
| Sumitomo Electric | Up 9.80 percent to 896 yen per share |
| TDK | Up 5.45 percent to 6,380 yen per share |
| Tokyo Electron | Up 10.07 percent to 9,730 yen per share |
| Toshiba Corporation* | Up 6.95 percent to 354 yen per share |

* Among the most active counters of the day

All of the major bourses in the most populous part of the world rose in unison, with the generally held belief that the worst of the international recession was coming to an end.

This is how other major stock markets in Asia fared, last Monday:

| | |
|-----------------|--------------------------------|
| Indonesia | Plus 0.67 percent to 455.18 |
| Japan | Plus 5.90 percent to 11,450.22 |
| Malaysia | Plus 1.02 percent to 724.90 |
| The Philippines | Plus 1.34 percent to 1,429.35 |

| | |
|-------------|-------------------------------|
| Singapore | Plus 5.03 percent to 1,808.07 |
| South Korea | Plus 1.73 percent to 834.21 |
| Taiwan | Plus 3.41 percent to 5,874.48 |
| Thailand | Plus 2.72 percent to 391.00 |

Tuesday

In spite of the poor showing of HSBC Holdings plc (Code: 5) in respect of its performance during the 2001 Financial Year, the share price of this bank, one of the largest banks in the world, rose on Main Board of The Stock Exchange of Hongkong Ltd, last Tuesday. (Please see Monday's report)

It appeared that investors were not too concerned about the drop in the Bottom Line of this heavyweight bank, probably because, in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), there are precious few listed companies on which may rely to see management give investors a fair shake.

Most managements of companies, listed on The Stock Exchange of Hongkong Ltd, seem to want to shake investors, and prospective investors, out of money, rather than giving them their due when they take an equity position in a company(ies).

The Main Board's Hang Seng Index rose about 2.63 percent to 10,985.84 points, flirting with the 11,000 level for most of the day.

The Total Turnover rose, also, to about \$HK10.88 billion, but about 8.73 percent of that figure was represented by trading in the shares of HSBC Holdings, which saw investors switch about 21.37 million shares.

The ratio of gainers to losers narrowed, compared with Monday's market, to about 1.70:One.

The Ten Most Actives were:

| | |
|---|--|
| HSBC Holdings plc (Code: 5) | Up 3.98 percent to \$HK91.50 per share |
| Hutchison Whampoa Ltd (Code: 13) | Up 3.03 percent to \$HK68.00 per share |
| Cheung Kong (Holdings) Ltd (Code: 1) | Up 3.37 percent to \$HK69.00 per share |
| China Mobile (Hongkong) Ltd (Code: 941) | Up 1.73 percent to \$HK23.50 per share |
| Sun Hung Kai Properties Ltd (Code: 16) | Up 5.15 percent to \$HK61.25 per share |
| Henderson Land Development Company Ltd (Code: 12) | Up 6.50 percent to \$HK34.40 per share |
| Texwinca Holdings Ltd (Code: 321) | Unchanged at \$HK4.425 per share |
| Johnson Electric Holdings Ltd (Code: 179) | Up 5.15 percent to \$HK10.20 per share |
| Hang Seng Bank Ltd (Code: 11) | Up 1.14 percent to \$HK89.00 per share |
| China Unicom Ltd (Code: 762) | Up 1.31 percent to \$HK7.75 per share |

The double-digit movers of last Tuesday included:

| Name of Company | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|------------------------------------|------|--------------|--------------|----------------------|
| AV Concept Holdings Ltd | 695 | 10.71 | | 0.31 |
| Bossini International Holdings Ltd | 592 | 20.00 | | 0.57 |
| C.P. Pokphand Company Ltd | 43 | 11.43 | | 0.117 |
| Champion Technology Holdings Ltd | 92 | 10.29 | | 0.075 |

| | | | | |
|--|------|-------|-------|-------|
| Cheung Tai Hong Holdings Ltd | 199 | | 10.34 | 0.078 |
| Chi Cheung Investment Company Ltd | 112 | 10.39 | | 0.085 |
| China Star Entertainment Ltd | 326 | 19.61 | | 0.122 |
| Climax International Company Ltd | 439 | 12.50 | | 0.027 |
| e2-Capital (Holdings) Ltd | 378 | | 10.94 | 0.285 |
| Jackley Holdings Ltd | 353 | 12.68 | | 0.80 |
| Joyce Boutique Holdings Ltd | 647 | | 10.37 | 0.121 |
| Karl Thomson Holdings Ltd | 7 | 13.56 | | 0.67 |
| Luen Cheong Tai International Holdings Ltd | 1190 | 14.71 | | 0.078 |
| Medtech Group Company Ltd | 1031 | 28.57 | | 0.027 |
| Paliburg Holdings Ltd | 617 | 28.30 | | 0.136 |
| renren Holdings Ltd | 59 | | 25.53 | 0.035 |
| Star Bio-Tech (Holdings) Ltd | 1051 | 35.06 | | 0.208 |
| Wong's Kong King International | 532 | 11.29 | | 0.345 |
| Yew Sang Hong (Holdings) Ltd | 290 | 15.04 | | 3.25 |

The strength of The Stock Exchange of Hongkong was, somewhat, surprising because Mr Antony Leung, the HKSAR's Financial Secretary, was due to make his maiden Budget Speech, the following day.

But, investors of what was once called the last bastion of free enterprise, seemed to be undeterred by the prospects of higher taxes, contained in The Budget for the new fiscal year, beginning April 1, 2002.

But higher taxes are like hammering nails into the territory's coffin, one by one.

An English daily morning newspaper, published in South China, had been suggesting higher taxes for the past fortnight, at least, and the residents of the HKSAR were about to discover whether or not this broadsheet, one on which, some years ago, one could depend, was correct in its previous prognostications.

On The New York Stock Exchange, on the first day of trading last week, the Dow Jones Industrial Average gained another 217.30 points, equal to about 2.10 percent, rising to 10,586.06 points.

New York investors on the NASDAQ, pushed its Composite Index to 1,859.33 points, a one-day gain of 56.59 points, or about 3.14 percent.

Wall Street still held firm to the belief that the US economy was well on the road to recovery and, as such, it was time to get stuck into stocks and shares.

The seeming euphoria of Wall Street cascaded down the line to other bourses, not just in Asia, but also round the world.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, trading was much more subdued than on the Main Board.

The Total Turnover stayed low at about \$HK208.72 million as investors pushed up the Growth Enterprise Index a tad to 211.20 points, an improvement of about 0.78 percent on Monday's close.

In spite of a rising index, losers outnumbered gainers by the ratio of about 1.19:One.

The biggest movers of the day were:

| Name of Company | Code | Increase (%) | Decrease (%) | Closing Price \$HK) |
|-------------------------------|------|--------------|--------------|---------------------|
| Arcontech Corporation | 8097 | 10.00 | | 1.21 |
| DigiTel Group Ltd | 8030 | 32.22 | | 0.119 |
| hkcyber.com (Holdings) Ltd | 8118 | | 15.38 | 0.011 |
| IA International Holdings Ltd | 8047 | 10.00 | | 0.55 |

On The Tokyo Stock Exchange, the 4-day rally came to a halt as the Nikkei-225 Stock Average shed 101.77 yen, about 0.89 percent, falling back to 11,348.45 yen.

For the 4, preceding days of trading on the largest stock market in Asia, the Nikkei-225 Stock Average had chalked up gains of about 12 percent.

Construction company, Tobishima Corporation, announced a rehabilitation plan, aimed at cutting interest-bearing debts of about 135 billion yen over the next 3 years.

The plan will cut debt by about 50 billion yen, the company said.

Fuji Bank, it appears, has come to the rescue.

Fuji Bank is a constituent bank of Mizuho Holdings Incorporated, whose share price rose about 3.70 percent to 308,000 yen on the news.

Tobishima's share price gained 22.86 percent on the news, rising to 43 yen per share. It was one of the most actively traded counters.

Mitsubishi Estate Company announced that it expected to suffer a Net Loss of about 72.50 billion yen for its Financial Year, ending March 31, 2002.

This was a reversal of earlier company estimates of a Net Profit of about 20.50 billion yen.

The share price of Mitsubishi Estate lost 0.98 percent of its market capitalisation, dropped back to 1,006 yen per share.

There were a few pockets of interest on The Tokyo Stock Exchange, but, generally, share prices stayed fairly close to Monday's closing levels.

In other parts of Asia, this was how the situation looked from investors' point of view, last Tuesday night:

| | |
|-----------------|---------------------------------|
| Indonesia | Plus 0.90 percent to 459.27 |
| Japan | Minus 0.89 percent to 11,348.45 |
| Malaysia | Plus 1.63 percent to 736.69 |
| The Philippines | Minus 0.08 percent to 1,428.24 |
| Singapore | Minus 0.10 percent to 1,806.29 |
| South Korea | Plus 0.93 percent to 841.95 |
| Taiwan | Plus 1.42 percent to 5,957.75 |
| Thailand | Minus 1.65 percent to 384.55 |

Wednesday

The big event in Asia, last Wednesday, was in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) where the Financial Secretary, Mr Antony Leung, issued his maiden Budget Speech to the nearly 7 million residents of the territory.

It turned out to be a neutral Budget: An anticlimax to the prognostications of the Popular Press, over the previous fortnight.

The rumour-monger's attempted scare campaign turned out to be totally off target, with one exception: The 180,000-strong civil servants of the HKSAR may expect a cut in their wages and salaries by about 4.75 percent, later in the year.

An English daily morning newspaper, published in South China, claiming to be well informed, had been suggesting all sorts of higher taxes and new taxes for the previous fortnight, at least, prior to the Budget Speech, being delivered, from higher property taxes to lowering the threshold of taxpayers and corporate entities, alike, to a sales tax, to property tax increases, to all manner of things.

Well, it turned out to be completely false – and the Financial Secretary's pronouncements to the people of the HKSAR appeared to indicate that the Government realised the disastrous effects that higher taxes or new taxes would have on the economy, in general.

The only real tax increase would be a 33-percentile-point increase on imported wines.

Investors of The Stock Exchange of Hongkong were agog, expecting the heavy hand of the Government to descend.

But it was not to be.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index hardly moved the entire day, but it did manage to cut through the 11,000-level, ending the day at 11,003, exactly, a gain of about 0.16 percent on Tuesday's close.

The Total Turnover was about \$HK7.40 billion, while the ratio of losers to gainers was about 1.20:One.

The Ten Most Actives included:

| | |
|---|--|
| China Mobile (Hongkong) Ltd (Code: 941) | Up 1.91 percent to \$HK23.95 per share |
| HSBC Holdings plc (Code: 5) | Down 0.55 percent to \$HK91 per share |
| Hutchison Whampoa Ltd (Code: 13) | Unchanged at \$HK68 per share |
| Cheung Kong (Holdings) Ltd (Code: 1) | Down 0.36 percent to \$HK68.75 per share |
| Sun Hung Kai Properties Ltd (Code: 16) | Down 0.82 percent to \$HK60.75 per share |
| Johnson Electric Holdings Ltd (Code: 179) | Up 0.98 percent to \$HK10.30 per share |
| China Unicom Ltd (Code: 762) | Up 0.65 percent to \$HK7.80 per share |
| Hang Seng Bank Ltd (Code: 11) | Down 1.12 percent to \$HK88 per share |
| Hongkong Electric Holdings Ltd (Code: 6) | Up 0.35 percent to \$HK28.90 per share |
| Wharf (Holdings) Ltd (Code: 4) | Up 1.71 percent to \$HK17.80 per share |

The double-digit movers of the day included:

| Name of Company | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|------------------------------------|------|--------------|--------------|----------------------|
| Bossini International Holdings Ltd | 592 | | 10.53 | 0.51 |

| | | | | |
|--|------|-------|-------|-------|
| CATIC International Holdings Ltd | 232 | 11.82 | | 0.227 |
| China Star Entertainment Ltd | 326 | | 11.48 | 0.108 |
| Cosmopolitan International Holdings Ltd | 120 | 18.64 | | 0.70 |
| Crocodile Garments Ltd | 122 | 14.52 | | 0.142 |
| Deson Development International Holdings Ltd | 262 | | 10.26 | 0.035 |
| Digital World Holdings Ltd | 109 | 14.58 | | 0.055 |
| E-LIFE International Ltd | 370 | | 19.05 | 0.068 |
| E. Bon Holdings Ltd | 599 | | 12.90 | 0.27 |
| Haywood Investments Ltd | 905 | | 10.34 | 0.39 |
| Ho Po Group (Lobster King) Ltd | 228 | 12.14 | | 0.157 |
| Luen Cheong Tai International Holdings Ltd | 1190 | 28.21 | | 0.10 |
| Millennium Group Ltd | 260 | 17.28 | | 0.095 |
| Millennium Sense Holdings Ltd | 724 | 12.60 | | 0.143 |
| O2New Technology Ltd | 94 | 28.57 | | 0.081 |
| Paul Y.-ITC Construction Holdings Ltd | 498 | 14.00 | | 0.285 |
| Peking Apparel International Group Ltd | 761 | 11.67 | | 0.335 |
| renren Holdings Ltd | 59 | | 45.71 | 0.019 |
| Shun Cheong Holdings Ltd | 650 | 10.68 | | 0.228 |
| Star Bio-Tech (Holdings) Ltd | 1051 | 32.21 | | 0.275 |
| Tongda Group Holdings Ltd | 698 | 11.43 | | 0.078 |
| Vision Tech International Holdings Ltd | 922 | 11.89 | | 0.16 |

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the action was very subdued as The Growth Enterprise Index gained exactly 0.38 points, about 0.18 percent, ending the day at 211.58 points.

The Total Turnover was about \$HK207.09 million, with declining shares, outnumbering advancing ones by the ratio of about 1.15:One.

Once again, Mr Li Ka Shing's tom.com Ltd (Code: 8001) was the top dog of the day as its share price gained another 1.26 percent, rising to \$HK4.025.

Trading in 20,952,000 shares of tom.com accounted for about 41.26 percent of the Total Turnover.

MediaNation Incorporated (Code: 8160) was the second, most-active counter of the day as its share price gained about 8.70 percent, rising to \$HK2.50 percent, the highest level of the day.

The double-digit movers of the day were:

| Name of Company | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|---|------|--------------|--------------|----------------------|
| Glory Mark Hi-Tech (Holdings) Ltd | 8159 | 12.33 | | 0.41 |
| Jessica Publications Ltd | 8137 | 18.18 | | 0.65 |
| Smartech Digital Manufacturing Holdings Ltd | 8068 | 30.77 | | 0.017 |

On The New York Stock Exchange, last Tuesday, the Dow Jones Industrial Average fell 153.41 points, equivalent to about 1.45 percent, ending the day at 10,433.41 points.

As for the NASDAQ, its Composite Index rose 6.98 points, about 0.38 percent, coming to rest at 1,866.30 points.

The big news in the US was US President George W. Bush's determination to throw a screen around US steel manufacturers by imposing tariffs of between 8 percent and 40 percent on foreign imports of steel and steel products.

And the US maintains that it believes in free trade!

The reaction to the US Government's plans was furious and fast, as the European Union (EU) guaranteed retaliatory action.

EU Trade Commissioner Pascal Lamy said that the US action amounted to a flagrant violation of the rules by which international trade is conducted.

It violated World Trade Organisation (WTO) agreements with its signatories.

Mr Lamy said that he would raise the matter with the WTO.

In Japan, investors were not very active, also, as trading on the premier stock market, The Tokyo Stock Exchange, was very quiet.

Tokyo's Nikkei-225 Stock Average closed up 10.08 yen to 11,358.53 yen, a gain of just 0.09 percent.

Sales of imported vehicles dropped by about 4.40 percent, in February, Year-on-Year, The Japan Automobile Importers Association announced.

This is another sign of the weakness of the second largest economy of the world.

UFJ Bank, a subsidiary of UFJ Holdings Incorporated, announced that it would be putting the final touches on a 120-billion yen rescue package for debt-ridden Aplus Company, a consumer finance company.

The extent of the rescue package could rise to 130 billion yen, the bank was quick to point out.

Aplus is operational only by permission of creditor banks.

The share price of UFJ dropped by about 5.85 percent to 322,000 yen.

In other parts of Asia, this was the way that things came to a halt, last Wednesday night:

| | |
|-----------------|--------------------------------|
| Indonesia | Plus 3.85 percent to 476.96 |
| Japan | Plus 0.09 percent to 11,385.53 |
| Malaysia | Plus 0.05 percent to 737.05 |
| The Philippines | Minus 0.68 percent to 1,418.54 |
| Singapore | Minus 0.37 percent to 1,799.59 |
| South Korea | Plus 0.13 percent to 843.06 |
| Taiwan | Plus 2.35 percent to 6,097.57 |
| Thailand | Plus 1.86 percent to 391.71 |

Thursday

Disregarding all the negative news in Asia, investors of the most populous area of the world decided to throw caution to the wind – and up went share prices on the largest bourses.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the Government announced that retail sales for the month of January, in value terms, were down about 11.70 percent, compared with the like period in 2001.

It was bad news for traders, to be sure, because the statistics painted a tough picture of the HKSAR economy, which, clearly, is on its knees.

On the Main Board of The Stock Exchange of Hongkong Ltd, the blue-chip gauge, the Hang Seng Index, gained about 1.68 percent, rising to 11,188.07 points.

It was the fourth consecutive day of gains for the Main Board.

The Total Turnover rose to about \$HK9.78 billion while the ratio of gainers to losers was about 2.11:One.

There was no valid reason for the HKSAR stock market to be strong because, from the point of view of business in the territory, it should have been sagging.

However, the US economy appeared to be on the mend, and, any excuse is better than none, as the saying goes.

The Ten Most Actives were:

| | |
|---|--|
| China Mobile (Hongkong) Ltd (Code: 941) | Up 4.18 percent to \$HK24.95 per share |
| HSBC Holdings plc (Code: 5) | Up 0.82 percent to \$HK91.75 per share |
| Hutchison Whampoa Ltd (Code: 13) | Up 2.21 percent to \$HK69.50 per share |
| Cheung Kong (Holdings) Ltd (Code: 1) | Up 3.27 percent to \$HK71.00 per share |
| Pacific Century CyberWorks Ltd (Code: 8) | Up 4.92 percent to \$HK2.025 per share |
| China Unicom Ltd (Code: 762) | Up 4.49 percent to \$HK8.15 per share |
| Hang Seng Bank Ltd (Code: 11) | Down 0.28 percent to \$HK87.75 per share |
| CLP Holdings Ltd (Code: 2) | Down 0.32 percent to \$HK31.00 per share |
| Sun Hung Kai Properties Ltd (Code: 16) | Up 0.41 percent to \$HK61.00 per share |
| Hongkong Exchanges and Clearing Ltd (Code: 388) | Up 7.14 percent to \$HK12.00 per share |

The biggest movers of the day included:

| Name of Company | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|---|------|--------------|--------------|----------------------|
| 139 Holdings Ltd | 139 | 16.67 | | 0.035 |
| Benefun International Holdings Ltd | 1130 | 10.75 | | 0.103 |
| Chinney Alliance Group Ltd | 385 | 13.64 | | 0.025 |
| Cosmopolitan International Holdings Ltd | 120 | 20.00 | | 0.84 |
| Graneagle Holdings Ltd | 147 | 16.67 | | 0.35 |
| Joyce Boutique Holdings Ltd | 647 | 14.88 | | 0.139 |
| Kim Eng (Hongkong) Hongkong Ltd | 727 | 14.44 | | 5.15 |
| MAE Holdings Ltd | 851 | 12.00 | | 0.168 |
| Mascotte Holdings Ltd | 136 | 10.00 | | 0.33 |
| Sino InfoTech Holdings Ltd | 205 | 11.95 | | 0.178 |
| South East Group Ltd | 726 | | 21.74 | 0.09 |
| Star Bio-Tech (Holdings) Ltd | 1051 | | 21.09 | 0.217 |
| Sunlord Chemical Group Ltd | 362 | 11.76 | | 0.475 |

| | | | | |
|----------------------------------|-----|-------|--|-------|
| Top Form International Ltd | 333 | 25.00 | | 0.325 |
| Truly International Holdings Ltd | 732 | 10.64 | | 2.60 |

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, things were not as bullish as on the Main Board, as large losses in certain counters obscured the general picture, at least to some extent.

The Growth Enterprise Index shed about 0.86 percent of its value, falling back to 209.77 points on a Total Turnover of about \$HK330.73 million.

But gainers were ahead of losers by the ratio of 1.80:One in spite of the falling Index.

New Chinese Medicine Holdings Ltd (Code: 8085) was the most active counter of the day as its share price gyrated between a low of 66 cents and a high of 78 cents, ending the day at 68 cents.

It was the first day of trading for this Chinese medicine company, which Placed 50 million shares and Offered another tranche of 10 million, all at 60 cents per share.

tom.com Ltd (Code: 8001) was relegated to second place, but investors marked down its share price by 1.24 percent, pulling it back to \$HK3.975.

The aggregate value of trades in the 2 most active counters, at about \$HK87.42 million, represented about 26 percent of the Total Turnover of the day.

The biggest movers of the day were reserved for the following counters:

| Name of Company | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|----------------------------------|------|--------------|--------------|----------------------|
| 36.com Holdings Ltd | 8036 | 11.11 | | 0.02 |
| AcrossAsia Multimedia Ltd | 8061 | | 37.00 | 0.315 |
| DigiTel Group Ltd | 8030 | | 10.34 | 0.171 |
| FlexSystem Holdings Ltd | 8050 | | 10.34 | 0.26 |
| Fortune Telecom Holdings Ltd | 8040 | 10.96 | | 0.405 |
| Intcera High Tech Group Ltd | 8041 | 21.67 | | 0.365 |
| Medical China Ltd | 8186 | 13.85 | | 0.74 |
| Prosten Technology Holdings Ltd | 8026 | 11.44 | | 0.224 |
| ThinSoft (Holdings) Incorporated | 8096 | 14.29 | | 0.72 |

On Wall Street, last Wednesday, investors were awaiting the determinations of Dr Alan Greenspan, the Chairman of the US Federal Reserve Board, who was scheduled to meet the Senate Finance Committee in Washington, the following day.

What he would say would have a decided impact on Wall Street, during Thursday's session.

On The New York Stock Exchange, last Wednesday, the Dow Jones Industrial Average gained 140.88 points, equivalent to about 1.35 percent, rising to 10,574.29 points.

The NASDAQ Composite Index went along for the ride, gaining about 1.29 percent, ending the day at 1,890.39 points.

In Japan, smiles returned to the faces of investors on The Tokyo Stock Exchange where the Nikkei-225 Stock Average put on another 2.55 percent, running up to 11,648.34 yen.

It was the highest level in the previous 7 months.

The premier Japanese stock market was reacting positively to reports of the upsurge in trading activity in the US economy, with all signs, pointing to an improvement in the immediate future.

Major banks made a strong showing, led by Mizuho Holdings Incorporated, the share price of which rose limit 40,000 yen to close at 330,000 yen, a one-day gain of about 13.79 percent.

Other banks to make headway included:

| | |
|-------------------------|---|
| Bank of Yokohama | Up 2.48 percent to 454 yen per share |
| Daiwa Bank Holdings* | Up 10.23 percent to 987 yen per share |
| Chiba Bank | Up 1.61 percent to 441 yen per share |
| Mitsui Tokyo Finance | Up 2.03 percent to 905,000 yen per share |
| Mizuho Holdings | Up 14.23 percent to 297,000 yen per share |
| Sumitomo Trust and Bank | Up 6.86 percent to 576 yen per share |
| Sumitomo Mitsui Bank* | Up 9.77 percent to 618 yen per share |
| Suruga Bank | Up 3.34 percent to 711 yen per share |
| UFJ Holdings | Up 15.22 percent to 371,000 yen per share |

* Among the most active counters of the day

But banks were not the only big movers, last Thursday, as the following TARGET list of some of the most popular electronic counters made substantial moves:

| | |
|---------------------------|---|
| Advantest | Up 9.12 percent to 11,250 yen per share |
| Fujitsu* | Up 6.18 percent to 980 yen per share |
| Hitachi* | Up 5.01 percent to 943 yen per share |
| JVC | Up 7 percent to 474 yen per share |
| Kyocera | Up 4.50 percent to 9,280 yen per share |
| Matsushita Electric Works | Up 5.68 percent to 1,080 yen per share |
| Mitsubishi Electric | Up 4.94 percent to 552 yen per share |
| NEC* | Up 11.28 percent to 1,125 yen per share |

| | |
|---------------------------|---|
| Oki Electrical Industrial | Up 7.86 percent to 343 yen per share |
| Olympus* | Up 8.24 percent to 1,590 yen per share |
| Pioneer | Up 4.55 percent to 2,870 yen per share |
| Sanyo Electric | Up 3.92 percent to 637 yen per share |
| Sony* | Up 4.65 percent to 7,200 yen per share |
| Sumitomo Electric | Up 5.14 percent to 921 yen per share |
| Tokyo Electron | Up 7.33 percent to 10,100 yen per share |
| Toshiba Corporation* | Up 4.88 percent to 559 yen per share |

* Among the most active counters of the day

Japan was strongly expected to make rapid gains if the US economy continued its upward momentum, it was reasoned, and getting in early was said to be the reason for the rush to buy stocks in The Land of The Rising Sun.

In other parts of Asia, this was how things came to rest, last Thursday night:

| | |
|-----------------|--------------------------------|
| Indonesia | Minus 0.96 percent to 472.39 |
| Japan | Plus 2.55 percent to 11,648.34 |
| Malaysia | Plus 0.63 percent to 741.72 |
| The Philippines | Plus 0.99 percent to 1,432.56 |
| Singapore | Minus 0.29 percent to 1,794.31 |
| South Korea | Minus 1.62 percent to 829.44 |
| Taiwan | Minus 0.81 percent to 6,048.15 |
| Thailand | Minus 0.04 percent to 391.67 |

Friday

Asia may have started the week of March 4 like a lion, but it ended the week like a mouse – with the lone exception of the Japanese stock markets.

But the reasons for the strong opening, on Monday, March 4, mainly, the indications of signs that the worst of the recession was over on the world's largest economy, persisted throughout the week.

And, last Thursday, there were even stronger signs that the US economy had turned the proverbial corner.

Dr Alan Greenspan, the Chairman of the US Federal Reserve Board, told the US Senate Financial Committee that the recovery in the economy was well under way.

It was his most optimistic statement yet: ‘... recent evidence increasingly suggests that an economic expansion is already well under way ...’, he said, at one point in his testimony.

Then, more good news came: The US unemployment rate had fallen to its lowest level in the past quarter – down to 5.50 percent in February, according to the US Labour Department. In January, it stood at about 5.60 percent.

On The New York Stock Exchange, last Thursday, after a massive surge, which took the Dow Jones Industrial Average up by about 141 points, profit-takers moved in, pushing down The Dow to 10,525.37 points, a one-day loss of about 48.92 points, or about 0.46 percent.

As for the NASDAQ, its Composite Index gained 8.77 points, or about 0.47 percent, ending the day at 1,881.63 points.

With the exception of Japan, Asia appeared to take little note of what was taking place in the US.

In the Hongkong Special Administrative Region (HKSAR) of the People’s Republic of China (PRC), there appeared to be little interest in trading in stocks and shares.

The Main Board of The Stock Exchange of Hongkong Ltd saw its Hang Seng Index gain about 0.40 percent, rising to 11,233.23 points by the close of trading.

While the week ended on a very quiet note, the Hang Seng Index finished the week with a solid gain of 807.92 points, or about 7.75 percent.

Considering the buckets of bad news about the economy of the HKSAR, the gains must be considered exceptional.

The Ten Most Actives for last Friday were:

| | |
|---|--|
| China Mobile (Hongkong) Ltd (Code: 941) | Down 0.60 percent to \$HK24.80 per share |
| HSBC Holdings plc (Code: 5) | Up 1.09 percent to \$HK92.75 per share |
| Hutchison Whampoa Ltd (Code: 13) | Down 0.36 percent to \$HK69.25 per share |
| Cheung Kong (Holdings) Ltd (Code: 1) | Up 0.70 percent to \$HK71.50 per share |
| China Unicom Ltd (Code: 762) | Down 1.23 percent to \$HK8.05 per share |
| Sun Hung Kai Properties Ltd (Code: 16) | Up 0.41 percent to \$HK61.25 per share |
| Hang Seng Bank Ltd (Code: 11) | Up 1.99 percent to \$HK89.50 per share |
| PetroChina Company Ltd (Code: 857) | Up 1.31 percent to \$HK1.55 per share |
| Pacific Century CyberWorks Ltd (Code: 8) | Unchanged at \$HK2.025 per share |
| CLP Holdings Ltd (Code: 2) | Down 0.32 percent to \$HK30.90 per share |

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

The Total Turnover for the last day of the week was about \$HK8.89 billion.

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

| Name of Company | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|--|------|--------------|--------------|----------------------|
| Asia Aluminum Holdings Ltd | 930 | 11.11 | | 0.70 |
| Bestway International Holdings Ltd | 718 | 13.64 | | 0.025 |
| Cheong Ming Investments Ltd | 1196 | 24.14 | | 0.36 |
| China Sci-Tech Holdings Ltd | 985 | 12.07 | | 0.065 |
| Dynamic (Holdings) Ltd | 29 | | 10.00 | 2.25 |
| Everbest Century Holdings Ltd | 578 | | 10.34 | 0.026 |
| Fulbond Holdings Ltd | 1041 | 13.64 | | 0.05 |
| Gemzboh Holdings Ltd | 1192 | 47.10 | | 0.228 |
| Hikari Tsushin International Ltd | 603 | | 12.50 | 0.049 |
| iRegent Group Ltd | 575 | 11.51 | | 0.155 |
| Luen Cheong Tai International Holdings Ltd | 1190 | | 10.68 | 0.092 |
| renren Holdings Ltd | 59 | | 10.00 | 0.018 |
| Silvernet Group Ltd | 622 | 26.19 | | 0.159 |
| South East Group Ltd | 726 | | 12.22 | 0.079 |
| Star Bio-Tech (Holdings) Ltd | 1051 | 14.29 | | 0.248 |
| Starlite Holdings Ltd | 403 | 10.88 | | 0.265 |
| Tomorrow International Holdings Ltd | 760 | 14.47 | | 0.182 |
| Wo Kee Hong (Holdings) Ltd | 720 | 41.67 | | 0.017 |

On the more speculative marketplace, The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, declining stocks led advancing ones by the ratio of about 1.61:One.

The Growth Enterprise Index gained about 0.85 percent, ending the week at 211.56 points on a Total Turnover of about \$HK269.37 million.

For the week, therefore, The Growth Enterprise Index had gained a mere 0.95 percent.

The double-digit movers on this market were just 4 counters:

| Name of Company | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|---------------------------------|------|--------------|--------------|----------------------|
| AcrossAsia Multimedia Ltd | 8061 | 36.51 | | 0.43 |
| Argos Enterprise (Holdings) Ltd | 8022 | | 10.17 | 0.265 |
| DigiTel Group Ltd | 8030 | 11.70 | | 0.191 |
| Intcera High Tech Group Ltd | 8041 | 42.47 | | 0.52 |

In Japan, the Cabinet Office announced that the economy had slid deeper into recession, during the October-December quarter, shrinking about 1.20 percent.

It was the third consecutive quarter of losses.

The Cabinet Office said that the real Gross Domestic Product – the total value of goods and services – saw a 4.50-percent contraction.

On The Tokyo Stock Exchange, the blue-chip, Nikkei-225 Stock Average gained another 237.45 yen, ending the week at 11,885.79 yen.

For the week, therefore, the largest stock market in Asia had gained 3.80 percent.

It was the highest point in the previous 7 months and looked as though it would continue to be strong.

The ratio of losers to gainers was about 1.04:One.

Japan was dogging Wall Street, by and large, so that, with the world's biggest bourse, gaining ground, and with the US economy, seen to be strengthening, buying '*Japan Incorporated*' appeared to make sense.

While banks, earlier in the week, had been the shares to track, last Friday only select electronics were hotly sought:

| | |
|-----------------------------|---|
| Casio | Up 3.28 percent to 599 yen per share |
| Fuji Electric | Up 5.33 percent to 316 yen per share |
| Fujitsu* | Up 4.49 percent to 1,024 yen per share |
| Furukawa Electric* | Up 9.45 percent to 776 yen per share |
| Hitachi* | Up 2.01 percent to 962 yen per share |
| JVC | Up 4.43 percent to 495 yen per share |
| Kyocera | Up 6.57 percent to 9,890 yen per share |
| Matsushita Electrical Works | Up 3.24 percent to 1,115 yen per share |
| Mitsubishi Electric* | Up 2.72 percent to 567 yen per share |
| Oki Electrical Industrial | Up 7.00 percent to 367 yen per share |
| Sanyo Electric* | Up 4.55 percent to 666 yen per share |
| Sharp | Up 3.06 percent to 1,820 yen per share |
| Sumitomo Electric | Up 10.86 percent to 1,021 yen per share |
| TDK | Up 8.87 percent to 7,610 yen per share |
| Toshiba Corporation* | Up 4.11 percent to 582 yen per share |

* Among the most active counters of the day

And this was the way that investors in other parts of Asia saw the situation, last Friday night, as they prepared for the weekend break:

| | |
|-----------|--------------------------------|
| Indonesia | Plus 0.58 percent to 475.12 |
| Japan | Plus 2.04 percent to 11,885.79 |
| Malaysia | Plus 0.80 percent to 747.63 |

| | |
|-----------------|--------------------------------|
| The Philippines | Minus 0.03 percent to 1,432.19 |
| Singapore | Plus 0.26 percent to 1,798.99 |
| South Korea | Minus 0.50 percent to 825.27 |
| Taiwan | Minus 0.60 percent to 6,011.65 |
| Thailand | Minus 0.26 percent to 390.65 |

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