

FEARS OF THE MIDDLE EAST CONFLICT DAMPEN INVESTORS' ARDOUR

As the war raged on in the Middle East, with the Israeli Army, firmly in charge of all of the Palestinian Authorities' territory and with Israeli tanks and helicopter gunships, pounding Palestinian leader Yasir Arafat's armed supporters, the world waited to see what the fallout would be for those countries, not directly involved in the conflict.

Oil prices rose sharply as the Organisation of Petroleum Exporting Countries (OPEC) struggled with a cartel, some of whose members were sharply divided as to what action should be taken to curb the violence between the Arabs and the Jews.

The US President, Mr George W. Bush, strongly urged Israeli Prime Minister, Mr Ariel Sharon, to pull back his troops – now.

All to no avail.

The killing continued in some of the Holiest cities in the world.

Iraq, a member of OPEC and considered one of the most evil regimes in the world, according to President George W. Bush, announced that it would be halting oil exports for an initial period of 30 days, effective immediately.

That move sent up oil prices by another \$US1 to \$US27 per barrel of crude.

The Palestinian Minister of Culture and Information, Mr Yasser Abed, thanked Iraq's President Saddam Hussein for his brave move.

Mr Ali Rodriquez, Head of OPEC, made a statement to the effect that an oil crisis, internationally, was looming.

Venezuela, another large producer of oil, has all but stopped the export of its crude due to industrial action in the country, and the combined effect of Venezuela and Iraq, turning off their respective oil taps, is equivalent to a reduction of about 4.50 million barrels of oil, daily.

OPEC called for an emergency meeting on the situation.

A time to see who sided with whom, no doubt.

The stock markets of the world, those that were open in Asia, last Monday, that is, reacted to the world news in different ways, with Japan's 3 bourses, tending to be very quiet as investors in The Land of The Rising Sun waited to see what would happen in the US when it reopened for business.

The main and impending threat to the world was that oil prices could disrupt the recovery of the US economy.

That would have a knock-on effect, round the world in short order, of course.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the only question for most Hongkongers was: How can we make some money out of all this ballyhoo?

On The Stock Exchange of Hongkong Ltd, the uncertainty of the worldwide situation tended to depress trading.

The Main Board's Hang Seng Index, the gauge of trading in blue chips, gave up the best part of a percentage point, ending the session at 10,723.68 points.

The Total Turnover was about \$HK7.14 billion with losing counters, outrunning gaining ones by the ratio of about 1.20:One.

There were 33, double-digit movers, of which number, 23 counters rose and 10 counters fell.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.85 percent to \$HK88.00 per share
Hutchison Whampoa Ltd (Code: 13)	Down 2.22 percent to \$HK66.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.48 percent to \$HK23.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.81 percent to \$HK67.75 per share
Hang Seng Bank Ltd (Code: 11)	Down 1.18 percent to \$HK83.75 per share
China Unicom Ltd (Code: 762)	Up 1.36 percent to \$HK7.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.86 percent to \$HK57.50 per share
CLP Holdings Ltd (Code: 2)	Down .031 percent to \$HK31.70 per share
Wharf (Holdings) Ltd (Code: 4)	Down 2.81 percent to \$HK17.30 per share
Li and Fung Ltd (Code: 494)	Up 1.24 percent to \$HK12.25 per share

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, investors toyed with the 200 level on The Growth Enterprise Index, which had to surrender another 0.81 percent of its value, falling to 200.98 points by the close of trading.

The Total Turnover on this market was about \$HK153.40 million with losing counters outnumbering gaining ones by the ratio of about 1.72:One.

Mr Li Ka Shing's GEM '*darling*', tom.com Ltd (Code: 8001), was the most active counter of the day was investors marked down its price to \$HK3.775 per share, a one-day loss of about 2.58 percent.

The biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025		11.11	0.08
CASH Financial Services Group Ltd	8122		12.50	0.035
IA International Holdings Ltd	8047	13.33		0.68
Rojam Entertainment Holdings Ltd	8075	11.59		0.154
Satellite Devices Corporation	8172		11.11	0.32
Systek Information Technology (Holdings) Ltd	8103	13.48		0.101

On The Tokyo Stock Exchange, the '*barometer*' of trading on that bourse, the Nikkie-225 Stock Average, gained 17.40 yen, about 0.15 percent, rising to 11,352.89 yen.

The ratio of gainers to losers was about 1.17:One.

There was no definite direction of the market, really, as those investors that were in the market, mostly day traders, tended to '*play*' with share prices rather than take a position.

The Japanese Government's Cabinet Office announced that private-sector machinery orders grew a seasonally adjusted 10.80 percent in February.

The Bank of Japan announced that domestic wholesale prices fell about 1.10 percent in Fiscal 2001.

It was the fourth consecutive year of declines.

Aeon Company, which runs the Jusco supermarket chain, reported that it had enjoyed record profits for its Financial Year, ended February 20, 2002.

Consolidated Operating Profits rose 29.50 percent in 2002 to 119.22 billion yen.

Japan was watching to see what would happen when Wall Street opened for business on Monday, New York time.

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

Indonesia	Plus 1.20 percent to 515.08
Japan	Plus 0.15 percent to 11,352.89
Malaysia	Plus 1.42 percent to 772.26
The Philippines	Closed
Singapore	Minus 0.80 percent to 1,765.66
South Korea	Minus 1.89 percent to 900.69
Taiwan	Minus 0.26 percent to 6,190.83
Thailand	Closed

Tuesday

All investment eyes turned West, last Monday night in Asia, as Wall Street was fully expected to take another '*hit*' when it opened for business on Monday morning, New York time.

US brokerage house Merrill Lynch was in the news, as was International Business Machines Corporation (IBM) and Levi Strauss Incorporated, the last-named company, being the inventor of jeans.

On The New York Stock Exchange, last Monday, after investors had to make a decision as to how the continuing Middle East crisis would affect the largest economy of the world, it was hit with one problem, and perceived problem, after another.

But the Dow Jones Industrial Average proved to be made of rubber and lost only 22.56 points, equivalent to about 0.22 percent, falling to 10,249.08 points.

While, on the NASDAQ, its Composite Index rose 15.75 points, about 0.89 percent, ending the first day of trading, last week, at 1,785.78 points.

The big question was, of course, whether or not the gains of Monday could carry forward into Tuesday's market.

The big money said that Tuesday would see a different story, being told, on the largest stock market of the world.

IBM, a constituent stock of The Dow, issued an earnings warning for its first quarter: Down came the share price of the largest computer producer by about 10 percent to \$US87.41.

Levi Strauss announced that it would close down 6 plants in the US.

That means a loss of another 3,300 jobs. (Please see last [Wednesday's TARGET Intelligent Report, Volume IV, Number 65, second story](#))

The number of jobs, to be pared, is equivalent to about 20 percent of the company's total workforce.

In New York, the State Attorney General, Mr Eliot Spitzer, obtained a Court Order, following a probe into US brokerage company, Merrill Lynch Incorporated.

Mr Spitzer alleges that Merrill Lynch's investment advice is *'tainted and biased by the desire to aid Merrill Lynch's investment banking business ...'*

Mr Spitzer, also, alleged that Merrill Lynch's stock rating contained *'misleading information'*.

Merrill Lynch, naturally, denied all the allegations.

Investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were more interested in US news, economic and political, and the price of oil, than in any homegrown matters, most of which were immaterial, in any event.

HKSAR investors have grown to be somewhat phlegmatic and discount much of the claptrap of local brokers, many of whom talk a good story, but appear to be able to do no more than that.

On The Stock Exchange of Hongkong Ltd, trading fell to a trickle as the Total Turnover came down to a mere \$HK4.94 billion, with declining issues, outnumbering advancing ones by the ratio of 1.07:One.

The Hang Seng Index hardly moved all day, but managed a gain of 0.09 percent by the close, at 10,733.69 points.

The Ten Most Active Counters were:

Hutchison Whampoa Ltd (Code: 13)	Down 0.38 percent to \$HK65.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.65 percent to \$HK23.40 per share
HSBC Holdings plc (Code: 5)	Up 0.28 percent to \$HK88.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.37 percent to \$HK68.00 per share
China Unicom Ltd (Code: 762)	Down 0.69 percent to \$HK7.20 per share
Hang Seng Bank Ltd (Code: 11)	Unchanged at \$HK83.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.43 percent to \$HK57.75 per share

CNOOC Ltd (Code: 883)

Down 2.60 percent to \$HK9.35 per share

The Hongkong and China Gas Company Ltd (Code: 3)

Down 0.47 percent to \$HK10.55 per share

Natural Beauty Bio-Technology Ltd (Code: 157)

Up 1.94 percent to \$HK1.05 per share

The double-digit movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Cheuk Nang (Holdings) Ltd	131	13.04		0.026
Chevalier Construction Holdings Ltd	579	18.18		0.13
Chinney Alliance Group Ltd	385	11.76		0.019
Climax International Company Ltd	439	19.23		0.031
e-Kong Group Ltd	524	12.12		0.037
E-LIFE International Ltd	370		10.00	0.081
Fulbond Holdings Ltd	1041	12.20		0.046
Graneagle Holdings Ltd	147	11.67		0.335
Herald Holdings Ltd	114	12.82		0.22
Hikari Tsushin International Ltd	603	19.74		0.091
Hop Hing Holdings Ltd	47	12.90		0.35
K.P.I. Company Ltd	605	12.50		0.072
KG NextVision Company Ltd	516	12.64		0.098
Kwong Hing International Holdings (Bermuda) Ltd	1131		10.00	0.036
Lam Soon (Hongkong) Ltd	411	14.29		2.40
Leaptek Ltd	336		29.41	0.06
Neo-Tech Global Ltd	563	25.00		0.10
Sa Sa International Holdings Ltd	178	14.71		0.78
Sen Hong Resources Holdings Ltd	76		20.00	0.30
Shaw Brothers (Hongkong) Ltd	80	10.39		8.50
The Sincere Company Ltd	244	10.00		0.33
Swank International Manufacturing Company Ltd	663	25.00		0.05
TPV Technology Ltd	903		11.43	3.10
Truly International Holdings Ltd	732	13.00		2.825
Tse Sui Luen Jewellery (International) Ltd	417	10.53		0.21
Victory Group Ltd	1139		16.04	0.178
Wo Kee Hong (Holdings) Ltd	720	14.29		0.12

On The GEM – The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd – The Growth Enterprise Index gained about 0.62 percent, ending the day at 202.22 points.

In spite of The Index's gain, losing counters outnumbered gaining counters by the ratio of 1.05:One.

The Total Turnover was about \$HK202.17 million.

The biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
hkeyber.com (Holdings) Ltd	8118	16.67		0.014
Qianlong Technology International Holdings Ltd	8015		21.88	0.50

Sing Lee Software (Group) Ltd	8076	13.33		0.68
Trasy Gold EX Ltd	8063	15.79		0.022

In The Land of The Rising Sun, Japanese investors took careful note of the IBM profits' warning – and sold electronics, heavily on The Tokyo Stock Exchange.

The Nikkei-225 Stock Average gave up 238.40 yen, about 2.10 percent, falling back to 11,114.49 yen.

The major electronics to get hurt, last Tuesday, included:

Advantest	Down 2.99 percent to 9,100 yen per share
Canon	Down 2.64 percent to 4,800 yen per share
Casio	Down 3.62 percent to 585 yen per share
Fujitsu*	Down 2.93 percent to 993 yen per share
Hitachi*	Down 2.85 percent to 920 yen per share
JVC	Down 4.90 percent to 446 yen per share
Kyocera	Down 4.22 percent to 8,630 yen per share
Mitsubishi Electric	Down 3.68 percent to 550 yen per share
NEC*	Down 5.11 percent to 1,039 yen per share
Pioneer	Down 3.08 percent to 2,520 yen per share
Rohm	Down 3.95 percent to 18,220 yen per share
Sharp	Down 2.10 percent to 1,675 yen per share
Sony	Down 2.17 percent to 6,760 yen per share
TDK	Down 3.25 percent to 6,850 yen per share
Tokyo Electron	Down 4.88 percent to 8,570 yen per share
Toshiba Corporation*	Down 2.55 percent to 536 yen per share

* Among the most active counters of the day

The selectiveness of the market was not lost on investors, many of whom were watching from the sidelines rather than taking a position.

The ratio of losers to gainers was about 3.45:One.

Japanese investors were, also, hit by another bust as supermarket chain, Niko Niko Do Company, filed for Court Protection under the Civil Corporate Rehabilitation Law.

This 44-chain retailer said that it had debts of more than 97.50 billion yen with a Negative Net Worth of about 8 billion yen.

Creditor banks had refused to carry Niko Niko Do any further.

The Industrial Bank of Japan is one of the biggest creditor banks.

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

Indonesia	Plus 0.96 percent to 520.00
Japan	Minus 2.10 percent to 11,114.49
Malaysia	Plus 0.47 percent to 775.88
The Philippines	Minus 0.81 percent to 1,421.30
Singapore	Minus 0.65 percent to 1,754.26
South Korea	Minus 1.33 percent to 888.67
Taiwan	Minus 1.95 percent to 6,069.85
Thailand	Plus 0.01 percent to 370.04

Wednesday

The fighting continued between the Palestinians and the Jews, and this conflict had, by last Wednesday, become the fuel for social unrest in a number of other Arab countries.

There was, also, concern about the escalating price of oil, internationally, plus more shock announcements, such as that of IBM (Please see Tuesday's report).

All these, and more, conspired to unsettle investors, worldwide.

On Wall Street, last Tuesday, it was the NASDAQ which was hit hard by the report from IBM, as its Composite Index shed 43.44 points, or about 2.43 percent, with investors, marking down the Index to 1,742.43 points.

The problem was not just that of IBM, but of the potential for infection to other companies, such as Cisco Systems Incorporated, Nortel Networks Incorporated, and etc.

On the Big Board of The New York Stock Exchange, the Dow Jones Industrial Average was shaved down by 40.41 points to 10,208.67 points, a one-day loss of about 0.39 percent, which added to the 0.22-percent fall of Monday.

Asia watched and waited for the fallout which, most assuredly, had to come.

On The Stock Exchange of Hongkong Ltd, it was another very quiet trading day, but bears had the upper hand on bulls, nevertheless.

By the close of last Wednesday's session, the Hang Seng Index, the gauge of trading in blue chips, had lost about 0.84 percent of its value, falling to 10,643.14 points.

The Total Turnover was better than Tuesday's, at about \$HK6.01 billion, which may not be considered a good thing on a falling market.

The ratio of losers to gainers was about 1.86:One.

The Ten Most Actives were:

China Mobile (Hongkong) Ltd (Code: 941)	Down 1.92 percent to \$HK22.95 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.14 percent to \$HK65.00 per share
HSBC Holdings plc (Code: 5)	Down 0.57 percent to \$HK87.75 per share
Hang Seng Bank Ltd (Code: 11)	Down 1.19 percent to \$HK82.75 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.10 percent to \$HK67.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.43 percent to \$HK57.50 per share
CNOOC Ltd (Code: 883)	Up 1.60 percent to \$HK9.50 per share
Varitronix International Ltd (Code: 710)	Down 14.81 percent to \$HK5.75 per share
Johnson Electric Holdings Ltd (Code: 179)	Down 2.83 percent to \$HK10.30 per share
Hikari Tsushin International Ltd (Code: 603)	Up 6.59 percent to 9.70 cents per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Ananda Wing On Travel (Holdings) Ltd	1189	13.64		0.05
China Development Corporation Ltd	487	16.67		0.035
Chinney Alliance Group Ltd	385		10.53	0.017
Compass Pacific Holdings Ltd	1188		18.09	0.385
Dream International Ltd	1126	12.70		1.42
Hai Xia Holdings Ltd	384	14.81		0.62
K and P International Holdings Ltd	675	14.88		0.193
King Fook Holdings Ltd	280	10.61		0.365
Luen Cheong Tai International Holdings Ltd	1190	13.33		0.17
Millennium Group Ltd	260		15.96	0.079
Nam Fong International Holdings Ltd	1176		10.26	0.07
Pearl Oriental Holdings Ltd	988		12.12	0.029
Perennial International Ltd	725	16.42		0.39
Sewco International Holdings Ltd	209	11.29		0.69
Shimao China Holdings Ltd	649	19.40		0.80
Swank International Manufacturing Company Ltd	663	58.00		0.079
Varitronix International Ltd	710		14.81	5.75
Wo Kee Hong (Holdings) Ltd	720		20.83	0.095
Wonson International Holdings Ltd	651	11.11		0.04

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, trading slowed to a trickle as The Growth Enterprise Index gave up about 0.23 percent of its value, falling back to 201.75 points.

The Total Turnover on this speculative market was about \$HK175.99 million, with the ratio of losers to gainers, being about 1.92:One.

There was little in the way of news of any importance from the 89 GEM counters that were traded, last Wednesday, 55 counters of which, equivalent to about 62 percent, holding onto previous closing levels.

The 4, double-digit movers on this market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CASH Financial Services Group Ltd	8122	21.21		0.04
Everpride Biopharmaceutical Company Ltd	8019		10.43	0.206
Riverhill Holdings Ltd	8127		10.26	0.35
SYSCAN Technology Holdings Ltd	8083	10.00		0.176

On The Tokyo Stock Exchange, parochial issues took centre stage as investors bet that the Government of Prime Minister Junichiro Koizumi would pump more money into the ailing banking system.

As a result, the Nikkei-225 Stock Average gained 104.09 yen, or about 0.94 percent, ending the session at 11,218.58 yen.

Some of the big movers in the banking sector included:

Daiwa Banking Holding*	Up 5.95 percent to 89 yen per share
Mitsui Tokyo Finance	Up 3.93 percent to 899,000 yen per share
Mizuho Holding	Up 6.95 percent to 323,000 yen per share
Sumitomo Mitsui Banking*	Up 5.77 percent to 587 yen per share
Sumitomo Trust and Bank	Up 5.97 percent to 586 yen per share
UFJ Holdings	Up 11.07 percent to 331,000 yen per share

* Among the most active counters of the day

The ratio of gainers to losers was about 2.24:One.

Other than select banks, however, the market was fairly contained.

In other parts of Asia, this was how those more minor markets closed:

Indonesia	Plus 2.65 percent to 533.80
Japan	Plus 0.94 percent to 11,218.58
Malaysia	Minus 0.17 percent to 774.58
The Philippines	Minus 0.79 percent to 1,410.04
Singapore	Minus 2.22 percent to 1,715.35
South Korea	Minus 3.67 percent to 856.03
Taiwan	Minus 0.18 percent to 6,059.21

Thailand	Plus 0.49 percent to 372.67
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Thursday

Looking cursorily at Wall Street and noting that share prices, generally, had risen on the largest stock market of the world, last Wednesday, many Asian markets took heart, with the result that 7 stock markets of the 9 major stock markets of the world's most populace region rose.

On The New York Stock Exchange, last Wednesday, the Dow Jones Industrial Average, the '*barometer*' of trading in blue chips, rose 173.06 points, equivalent to about 1.70 percent, hitting 10,381.73 points by the time that the hammer came down, signifying the end of the day's activities.

As for the NASDAQ, its Composite Index followed suit, rising 24.49 points, or about 1.41 percent, to bounce back to 1,767.06 points.

But there were grave doubts that the world's largest stock market could hold onto the gains of last Wednesday.

There were quite a number of reasons for this thinking, the most important reason of all, of course, was the continuing armed conflict between Israel and the Palestinian Regime of President Yasir Arafat.

Oil producers in the Middle East were, still, waving scimitars at the West, blaming the US Government for its support of the Jewish State.

In Venezuela, industrial action continued, with oil production, having been stopped.

The world was looking at a reduction in oil exports from Venezuela and Iraq of about 4.50 million barrels per day. (Please see Wednesday's report)

Closer at home, Yahoo!, a web pioneer, announced a continuing loss for the first quarter of 2002, at about \$US53.70 million. The 2002 first-quarter's loss compared with the like 2001 period when the company reported a loss of about \$US11.50 million.

It was the sixth consecutive loss for the portal operator.

And investors looked on and wondered.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), there was one piece of shock news after another.

QPL International Holdings Ltd (Code: 243), a major electronics manufacturer, in HKSAR terms, that is, announced that it would be sacking about 630 of its workers in the HKSAR.

QPL International is moving a great deal of its production to the PRC and, as such, local workers are being cut back by about 90 percent.

The Bank of East Asia Ltd (Code: 23) announced that it would be shutting down about 24 of its branches in the territory for a loss of about 200 workers.

Other companies, too numerous to mention, made it public that they would, also, be cutting back on recurrent expenditure by sacking staff, with one Chinese restaurant chain, closing its doors and leaving about 400 workers on the bread line.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index defied gravity, rising about 0.96 percent to end the day at 10,744.91 points.

The Total Turnover was about \$HK5.71 billion, with gainers, outpacing losers by the ratio of about 1.09:One.

However, like Wall Street, it was doubtful that Asia's second, most-important stock market would be able to hold onto its gains for very long.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 1.42 percent to \$HK89.00 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.77 percent to \$HK65.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.44 percent to \$HK23.05 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.12 percent to \$HK68.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.30 percent to \$HK58.25 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.60 percent to \$HK83.25 per share
China Unicom Ltd (Code: 762)	Down 0.69 percent to \$HK7.20 per share
Television Broadcasts Ltd (Code: 511)	Up 1.33 percent to \$HK38.00 per share
China Travel International Investment Hongkong Ltd (Code: 308)	Up 5.33 percent to \$HK1.60 per share
Cathay Pacific Airways Ltd (Code: 293)	Up 2.64 percent to \$HK11.65 per share

The double-digit movers on this market included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Allan International Holdings Ltd	684	10.75		1.03
China Rich Holdings Ltd	1191	11.11		0.24
Dickson Group Holdings Ltd	313	11.00		0.111
Goldlion Holdings Ltd	533		10.77	0.58
Hongkong Fortune Ltd	121		21.31	0.048
Hop Hing Holdings Ltd	47		11.43	0.31
i-CABLE Communications Ltd	1097	11.00		5.55
Mansion House Group Ltd	376		10.00	0.117
Ngai Hing Hong Company Ltd	1047		11.54	0.46
Premium Land Ltd	164	20.20		1.19
Sen Hong Resources Holdings Ltd	76	28.57		0.36
TechCap Holdings Ltd	673	10.20		0.054
Tongda Group Holdings Ltd	698	10.00		0.088
Victory Group Ltd	1139		23.16	0.136
Wonson International Holdings Ltd	651	10.00		0.044
Yanion International Holdings Ltd	82	19.67		0.73

On The GEM – The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd – while the Total Turnover continued to drop (about \$HK134.54 million), investors took a mild punt on their favourites, resulting in The Growth Enterprise Index, rising about 0.54 percent to 202.85 points.

Gainers were ahead of losers by the ratio of about 1.39:One, however, about 73 percent of all the counters that saw some investor action, held pat onto previous closing levels.

The biggest movers on this market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
36.com Holdings Ltd	8036	11.11		0.02
CASH Financial Services Group Ltd	8122		12.50	0.035
ERA Information and Entertainment Ltd	8043		10.26	0.35
Prosten Technology Holdings Ltd	8026	10.00		0.275
Satellite Device Corporation	8172	14.93		0.385

In The Land of The Rising Sun, things were a little different to the situation that existed in the HKSAR as Japanese investors took their meagre profits – and ran.

The Tokyo Stock Exchange saw its Nikkei-225 Stock Average lose 71.31 yen, equivalent to about 0.64 percent, ending the day at 11,147.27 yen.

The ratio of losers to gainers was about 3.32:One.

Banking counters pulled down the market, considerably, as the Government of the country appeared to be slow off the mark. (Please see Wednesday's report)

By and large, however, gains and losses were relatively small on Asia's largest bourse.

One little spark of positive news came from Seven-Eleven Japan Company, the country's largest convenience-store chain operator, when it announced that sales had risen by about 3.30 percent to about 2.11 trillion yen for the Financial Year, ended February 28, 2002.

The Net Profits Attributable to Shareholders stood at 83.21 billion yen, up about 6.20 percent, Year-on-Year.

The share price of 7-Eleven closed the day at 4,700 yen, off about 0.63 percent, compared with Wednesday's close.

There was precious little news of any materiality, last Thursday, from the world's second largest economy.

This is the way that other Asian bourses saw the situation, last Thursday night:

Indonesia	Minus 0.58 percent to 530.71
Japan	Minus 0.64 percent to 11,147.27
Malaysia	Plus 0.02 percent to 774.76
The Philippines	Plus 0.34 percent to 1,414.78
Singapore	Plus 1.47 percent to 1,740.58
South Korea	Plus 0.80 percent to 862.86
Taiwan	Plus 0.24 percent to 6,073.76
Thailand	Plus 0.67 percent to 375.17

Friday

As US Secretary of State, Mr Colin Powell, spoke to Mr Ariel Sharon, the Prime Minister of Israel, in Jerusalem, Israel, a female Arab terrorist blew herself up in a crowded market in Jerusalem, killing 6 Israelis and wounding 50 more Israelis.

Thus ended any possibility of Mr Powell, scheduling a meeting with the Palestinian leader, Chairman Yasir Arafat.

And thus ended the peace process, at least insofar as last Friday was concerned, in the war-torn, West Bank as Israeli troops continued to press ahead with their armed incursions into Palestinian towns, weeding out prospective terrorist camps and blowing up bomb-making factories.

But all that happened before the news had reached investors in the United States.

Had investors on The New York Stock Exchange known of the abortive results of Mr Colin Powell, it might have caused the Dow Jones Industrial Average to fall further than it did on Thursday, New York time.

As it was, the blue-chip index had to surrender about 1.98 percent of its value, falling to 10,176.08 points.

It was the worst, single-day's decline in The Dow since the first week of February.

As for the NASDAQ, its Composite Index gave up 2.36 percent of its value, ending the day at 1,725.28 points.

While the explosive situation in the Middle East hugged the headlines, internationally, investors on the world's largest stock market appeared to be more swayed by parochial matters than anything else.

Last Thursday, it was the matter of General Electric (GE), the largest company in the US by market capitalisation, which announced that its Net Profits had slipped slightly in the first quarter of this year.

Down came GE's share price by about 9.30 percent.

Other '*darlings*' saw their share prices follow GE's – down.

In addition to GE, Lucent Technologies said that it would sack another 5,000 workers.

The share price of Yahoo! continued to sag, following the previous day's profits' announcement (Please see Thursday's report), with investors, marking down its share price by about 15.20 percent to \$US15.45.

From England, it was reported the Avon (not calling!) is to close its UK factory and to move production to Poland.

It will mean a loss of about 465 jobs in England where Avon has a plant in Northampton.

Lastly, in world news, Venezuela's left-wing President, Mr Hugo Chavez, was deposed in a coup d'état.

For the US Government, that was considered to be good news since another leader, more friendly to the US, would mean an undisrupted flow of oil to America.

Venezuela is the world's fourth-largest exporter of oil and is dependent on oil exports to bolster its flagging economy.

In Asia, all this international news was taken in, chewed, regurgitated – with the result that investors were not quite certain as to the correct action to take.

What was only too clear was that Asia would not benefit from the international turmoil and that the recovery of the US economy could well be set back a notch, at least.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors took a long look at the situation – and determined to do almost nothing.

As a result, the Main Board's Hang Seng Index hardly moved for the entire day.

By the close of trading, last Friday, the Hang Seng Index stood at 10,710.48 points, which was equivalent to a loss of 0.32 percent, compared with Thursday's closing level.

The Total Turnover on the second-largest stock market in Asia was about \$HK5.74 billion.

The ratio of losers to gainers was 1.12:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.84 percent to \$HK88.25 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.15 percent to \$HK64.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.43 percent to \$HK22.95 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.37 percent to \$HK68.25 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.60 percent to \$HK82.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.29 percent to \$HK59.00 per share
Swire Pacific Ltd "A" Shares (Code: 19)	Up 2.20 percent to \$HK41.90 per share
Denway Motors Ltd (Code: 203)	Up 8.75 percent to \$HK2.175 per share
China Unicom Ltd (Code: 762)	Up 0.69 percent to \$HK7.25 per share
CNOOC Ltd (Code: 883)	Unchanged at \$HK9.45 per share

The biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CEC International Holdings Ltd	759		10.40	0.224
Coastal Realty Group Ltd	1124	31.37		0.134
E-LIFE International Ltd	370	24.74		0.121
Hai Xia Holdings Ltd	384	20.97		0.75
HiNet Holdings Ltd	155	11.76		0.019
i100 Ltd	616	11.29		0.345
iRegent Group Ltd	575	16.67		0.35
Leaptek Ltd	336	15.15		0.076
Lippo Ltd	226		10.87	0.82
Nam Fong International Holdings Ltd	1176	14.29		0.08
New Island Printing Holdings Ltd	377		11.86	0.52
Paladin Ltd	495	14.58		0.11
Paliburg Holdings Ltd	617		13.04	0.10
Sen Hong Resources Holdings Ltd	76		25.00	0.27

Shun Ho Technology Holdings Ltd	219	10.71		0.155
UDL Holdings Ltd	620	16.00		0.058
Ying Wing Holdings Ltd	1104	19.57		0.55

For the entire week, therefore, the Hang Seng Index had lost about 120.89 points, equivalent to about 1.12 percent.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover sank even further, to the lowest level for some time, at about \$HK102.29 million.

As for The Growth Enterprise Index, it lost about 0.39 percent, ending the week at 202.07 points, as losers outpaced gainers by the ratio of 1.76:One.

There was just one big mover of the day, the only day since TARGET has been plotting The GEM – that is, since its inception – that there had been a lone, double-digit mover:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Fortune Telecom Holdings Ltd	8040		10.53	0.34

Thus the week ended with The Growth Enterprise Index, having lost about 0.27 percent of its value.

In Tokyo, Japan, investors on the largest stock market in Asia were, once again, disappointed by the state of the world's second-largest economy.

This is becoming old hat.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average lost 184.29 yen, about 1.65 percent, ending the week at 10,962.98 yen.

Banking shares were under some pressure, following revelations that most banks would have to make even greater Provisions for Bad and Doubtful Debts.

But that kind of news is becoming very common in The Land of The Rising Sun.

The tally for the week was that the Nikkei-225 Stock Average had gained 627.49 yen over the previous week, equivalent to about 5.53 percent.

In other parts of Asia, this was how the week of April 12, 2002, ended:

Indonesia	Plus 1.61 percent to 539.27
Japan	Minus 1.65 percent to 11,962.98
Malaysia	Plus 0.19 percent to 776.21
The Philippines	Minus 0.67 percent to 1,405.34
Singapore	Plus 0.64 percent to 1,751.75
South Korea	Plus 1.49 percent to 875.69
Taiwan	Plus 1.79 percent to 6,182.59
Thailand	Plus 0.44 percent to 379.63

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