

**THE RETURN OF THE ASIAN BULL :  
BUT WILL IT BE THE BARD'S : LOVE'S LABOUR LOST ?**

The start to last week was marked by falling share prices on Wall Street and, for Asia, the most important consideration was May Day, May 1, also known as Labour Day, a labour holiday which closed down the People's Republic of China (PRC) for the entire week, starting Sunday, April 28, and lasting for the entire week.

And in Japan, it was Golden Week, which, just about, closed down the second largest economy of the world for, nearly, one week, also.

But, most frightening of all was Wall Street, which, on Friday, April 26, saw investors push down key indices by triple digits. Major stock markets in the US followed suit.

On The New York Stock Exchange, on Friday, April 26, the key, blue-chip index, the Dow Jones Industrial Average, lost 124.34 points, or about 1.24 percent, ending the week at below the 10,000 level: 9,910.72 points.

More losses were fully expected when Wall Street re-opened for business on April 29.

As for the NASDAQ, on that fateful Friday, its Composite Index gave up 49.81 points, equivalent to 2.91 percent, dropping back to 1,663.89 points.

The US Government kept churning out statistics about the so-called turning economy, but the people in The Land of The Free and The Home of The Brave were having none of it.

Because too many stock-market '*darlings*' were telling a very different tale.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, there were continuing reports about one thing or another, all of which were tales of woe.

SCMP Group Ltd (Code: 583, Main Board, The Stock Exchange of Hongkong Ltd), the owner of what was, once, considered the premier English daily newspaper of South China, reported that it was to fold its monthly magazine, Amoeba.

The company, also, sacked another 9 of its workers, adding to the 14 workers that it sacked 2 months prior.

At the same time, the South China Morning Post, whose circulation and advertising revenue have been falling for some time, started giving out free copies of the newspaper in an obvious effort to try to revive the medium's tarnished reputation as an authoritative English medium.

In addition, one restaurant after another continued to close down, throwing more and more HKSAR workers onto the streets.

Protestors marched through the streets of the Central Hongkong, demanding that the Government of Mr Tung Chee Hwa do something about the growing unemployment rate, which is at a record level of 7 percent-plus.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index lost about 0.21 percent, falling to 11,361.49 points on a Total Turnover of about \$HK7.53 billion.

The ratio of losers to gainers was about 1.43:One, with about half of all the counters, that saw some trading action, holding grimly onto previous closing levels.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK92.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.20 percent to \$HK25.20 per share
Techtronic Industries Company Ltd (Code: 669)	Up 6.82 percent to \$HK6.15 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK67.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.34 percent to \$HK72.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.12 percent to \$HK66.50 per share
Hang Seng Bank Ltd (Code: 11)	Unchanged at \$HK88.00 per share
Shenzhen International Holdings Ltd (Code: 152)	Up 16.13 percent to 36 cents per share
Henderson Land Development Company Ltd (Code: 12)	Down 1.07 percent to \$HK37.10 per share
Hikari Tsushin International Ltd (Code: 603)	Up 3.25 percent to 15.90 cents per share

The small number of double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139	13.33		0.034
Anex International Holdings Ltd	723		10.77	0.058
Benefun International Holdings Ltd	1130	10.71		0.093
Continental Holdings Ltd	513	20.00		0.48
eSun Holdings Ltd	571		11.84	0.335
Far East Technology International Ltd	399	10.58		2.875
Gold Wo International Holdings Ltd	90		11.76	0.06
ITC Corporation Ltd	372		27.78	0.26
Medtech Group Company Ltd	1031	12.00		0.028
Oriental Press Group Ltd	18	13.33		1.19
Prime Success International Group Ltd	210	20.80		0.151
Shenzhen International Holdings Ltd	152	16.13		0.36

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the ratio of losing counters to gaining ones was about 1.12:One, with 67 percent of all counters, which managed to see some trading in their shares, staying pat at the previous Friday's closing levels.

The Growth Enterprise Index, after losing rather heavily in the morning session, bucked up slightly, in the 90-minute afternoon session, ending the day at 205.20 points, up 0.14 percent on the day.

The Total Turnover on this market was about \$HK214.64 million.

The biggest movers included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131	20.37		0.13
Era Information and Entertainment Ltd	8043		13.79	0.25
hkcyber.com (Holdings) Ltd	8118	36.36		0.015
Riverhill Holdings Ltd	8127		13.51	0.32
Wah Sang Gas Holdings Ltd	8035	10.10		1.09

The GEM was the only bourse – if one could label it as such – that managed to be in positive territory, last Monday night.

Because all other markets were down, dramatically:

Indonesia	Minus 2.61 percent to 525.85
Japan	Closed
Malaysia	Minus 1.33 percent to 790.75
The Philippines	Minus 0.68 percent to 1,315.01
Singapore	Minus 0.93 percent to 1,712.26
South Korea	Minus 3.58 percent to 838.51
Taiwan	Minus 1.61 percent to 6,205.09
Thailand	Minus 1.44 percent to 371.01

## **Tuesday**

The rot continued on Wall Street, on Monday, April 29, as investors marked down share prices in the wake of one public company after another, reporting what investors saw as a sorry state of affairs.

On The New York Stock Exchange, the Dow Jones Industrial Average shed a further 90.85 points, equivalent to 0.91 percent, falling back to 9,819.87 points. This followed on from the previous Friday's losses of 124.34 points.

On the NASDAQ, its Composite Index surrendered a further 6.96 points, about 0.41 percent, closing the day at 1,656.93 points.

It was the same old story, as far as US investors were concerned, as more and more companies announced dreary results for the first quarter of 2002.

But, in Asia, the consideration was: Where shall one go for the one-day, May Day break?

Of course, in the PRC, the country was closed down for a complete week, while Japan was closed for its Golden Week, which started last Friday and will continue to tomorrow.

On The Stock Exchange of Hongkong, for no other reason than investors, taking a flyer, the Hang Seng Index, the key index of the Main Board, gained about 1.20 percent, ending the day at 11,497.58 points.

The Total Turnover was about \$HK7.88 billion, with gainers, outpacing losers by the ratio of about 1.66:One.

Nearly all of the gains, however, occurred in the 90-minute afternoon session, making the more sophisticated investors somewhat wary of the ability of the market to continue to make such relatively strong gains.

Time would tell.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.82 percent to \$HK92.75 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.48 percent to \$HK68.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.39 percent to \$HK25.55 per share
Hutchison Harbour Ring Ltd (Code: 715)	Up 24.24 percent to 82 cents per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 2.06 percent to \$HK74.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 2.26 percent to \$HK68.00 per share
Hang Seng Bank Ltd (Code: 11)	Up 1.42 percent to \$HK89.25 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 0.79 percent to \$HK1.25 per share
China Unicom Ltd (Code: 762)	Unchanged at \$HK7.60 per share
Hikari Tsushin International Ltd (Code: 603)	Down 3.14 percent to 15.40 cents per share

The double-digit movers for the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Can Do Holdings Ltd	172	11.11		0.07
Century City International Holdings Ltd	355	25.81		0.039
China Online (Bermuda) Ltd	383	18.37		0.058
China Sci-Tech Holdings Ltd	985	41.67		0.068
E-LIFE International Ltd	128	13.85		0.148
e-New Media Company Ltd	128	14.81		0.31
Emperor (China Concept) Investment Ltd	296	12.50		0.27
Emperor Technology Venture Ltd	283	10.00		0.099
FT Holding International Ltd	559		12.08	0.233
Golik Holdings Ltd	1118	20.37		0.325
Greater China Sci-tech Holdings Ltd	431	10.20		0.054
Hongkong Fortune Ltd	121		12.50	0.07
Hop Hing Holdings Ltd	47		15.63	0.27
Hutchison Harbour Ring Ltd	715	24.24		0.82
ITC Corporation Ltd	372	23.08		0.32
Medtech Group Company Ltd	1031	14.29		0.032
New Rank City Development Ltd	456		17.65	0.28
Qualipak International Holdings Ltd	1224	10.64		0.52
Rising Development Holdings Ltd	1004	13.56		0.335
South East Group Ltd	726	10.20		0.108
Stelux Holdings International Ltd	84		17.50	0.132
Tack Fat Group International Ltd	928	14.29		0.52
UDL Holdings Ltd	620		14.29	0.06
Vanda Systems and Communications Holdings Ltd	737	13.41		0.93
Vantage International (Holdings) Ltd	15		15.38	1.10

Wo Kee Hong (Holdings) Ltd	720	13.70		0.083
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Trading was relatively quiet on The GEM – The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd – as The Growth Enterprise Index gained just 0.27 percent, to 205.75 points.

The ratio of losers to gainers was narrow, at 37:36, with about 68 percent of all the counters, whose shares were traded, holding steady at Monday's closes.

The Total Turnover was about \$HK206.39 million.

There was just one double-digit mover, last Tuesday, and it was a loser:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
M21 Technology Ltd	8153		16.67	0.50

Trading in Japan continued to be dull as many investors in the second-largest economy of the world determined to hold fire.

However, a little book-keeping by certain investment houses caused pressure on stock prices, pushing down key indices on the country's 3 bourses.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average gave up 40.27 yen, falling to 11,492.79 yen.

There was no discernable trend to the market as investors noted what was happening on Wall Street.

In other Asian countries, this was the situation on their markets:

Indonesia	Plus 0.46 percent to 528.30
Japan	Minus 0.42 percent 11,492.79
Malaysia	Plus 0.41 percent to 793.99
The Philippines	Plus 2.36 percent to 1,346.09
Singapore	Plus 0.77 percent to 1,725.37
South Korea	Plus 0.46 percent to 842.34
Taiwan	Minus 2.25 percent to 6,065.73
Thailand	Plus 0.11 percent to 371.42

## **Wednesday**

While all of the human populations of all but 2 territories in Asia were on the streets, singing and dancing – or protesting, screaming or fighting with Authorities, about this or that – in order to celebrate May Day, in Continental America it was no holiday, and Wall Street was, very much in evidence.

On The New York Stock Exchange, encouraged by what investors thought was positive news from the US Government, it was Buy! Buy! Buy!

As a result, the Dow Jones Industrial Average gained 126.35 points, about 1.29 percent, running back to 9,946.22 points.

The NASDAQ's Composite Index climbed on the back of The Dow, putting on about 1.89 percent over Monday's close to end the session at 1,688.23 points.

The investigation by the US watchdog, The Securities Exchange Commission, hotted up as 10 major investment houses were asked to supply outlines of their respective modus operandi with regard to research, sent to investors.

Merrill Lynch, which has, already, admitted that it had been more than a little naughty in the past, was expected to offer a cash settlement to the New York Attorney General for cash settlement of its actions of the past, actions that caused many an investor to lose a considerable amount of money.

Merrill Lynch, it seems, has a great deal of trouble in reconciling the fact that what is best for its coffers may not be in the best interests of its clients.

All of Asia was shut down, with the exception of Indonesia and Japan, but, even so, the markets of these 2 countries did very little as the following TARGET list indicates:

Indonesia	Plus 0.12 percent to 534.72
Japan	Plus 0.52 percent to 11,552.79
Malaysia	Closed
The Philippines	Closed
Singapore	Closed
South Korea	Closed
Taiwan	Closed
Thailand	Closed

### **Thursday**

The testimony to the US Congress by Treasury Secretary Paul O'Neill brought many investors back to reality, last Thursday, since Mr O'Neill suggested, in no uncertain terms, that it would not be in the US Government's best interests to support the flagging US dollar against other currencies.

Mr O'Neill's testimony was taken to mean that there were some doubts about the strength in the rebound of the US economy.

On Thursday morning, the US dollar was fetching about 127 yen on the open market. That was its lowest level for the past 2 months or so.

While US unemployment is put at about 5.80 percent, as at last Wednesday, New York time, 2 recent surveys indicated that consumer confidence is on the wane. That latest unemployment figures had not been released, last Wednesday, and these were anxiously awaited.

And, to add to the general feeling of unease, it is widely expected that the US trade deficit will hit about \$US500 billion this year.

It was announced that JP Morgan Chase was to sack another 100 investment bankers in Asia. That number represents about 23 percent of its total Establishment of this category of worker, worldwide, in this investment bank.

Investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) seemed to be unperturbed about the statements of Mr O'Neill or of the sackings of senior staff by one of the world's largest wholesale bankers.

Investors ploughed back into the 2 stock markets, shooting up indices and volumes.

Logically, there was not much in the way of sense to promote the mini, bull-run on The Stock Exchange of Hongkong – but, as the saying goes, when the weather's hot, who's countin'?

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gained about 2.46 percent on a Total Turnover of about \$HK12.98 billion.

The 282.53-point rise pushed the Hang Seng Index back to 11,780.11 points.

It was a 4-month high for the key index.

Gaining counters were ahead of losing ones by the ratio of about 3.33:One.

The Ten Most Actives were:

China Mobile (Hongkong) Ltd (Code: 941)	Up 4.11 percent to \$HK26.60 per share
HSBC Holdings plc (Code: 5)	Up 1.08 percent to \$HK93.75 per share
Hutchison Whampoa Ltd (Code: 13)	Up 2.92 percent to \$HK70.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 2.69 percent to \$HK76.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 2.57 percent to \$HK69.75 per share
Hang Seng Bank Ltd (Code: 11)	Up 3.08 percent to \$HK92.00 per share
Hutchison Harbour Ring Ltd (Code: 715)	Up 7.32 percent to 88 cents per share
Swire Pacific Ltd "A" Shares (Code: 19)	Up 8.14 percent to \$HK50.50 per share
Wharf (Holdings) Ltd (Code: 4)	Up 7.18 percent to \$HK22.40 per share
Pacific Century CyberWorks Ltd (Code: 8)	Up 2.50 percent to \$HK2.05 per share

There were a total of 40, double-digit movers of the day, with 36 of them, rising, and just 4 of their numbers, falling.

The biggest gainer of the day was ITC Corporation Ltd (Code: 372), whose share price scooted up about 81.25 percent to 58 cents.

The biggest loser of the day was Gold Wo International Holdings Ltd (Code: 90), the share price of which slumped 26.67 percent to 4.40 cents.

The Bank of China announced that it would shut down another 8 of its offices in the HKSAR before the year is out.

The bank plans for a listing on the Main Board of The Stock Exchange of Hongkong Ltd in the third quarter or fourth quarter of this year, according to its present plans.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, there were 1.38 winners for every loser as The Growth Enterprise Index gained about 1.38 percent, rising to 208.58 points.

The Total Turnover on this speculative market was about \$HK359.10 million, with trading in Mr Li Ka Shing's tom.com Ltd (Code: 8001), being responsible for about 25.50 percent of that figure.

After about 21.14 million, tom.com shares had changed hands, investors had pushed up the share price to \$HK4.35, an increase of about 3.57 percent over Tuesday's closing level.

The biggest movers of the day on this market, however, were reserved for the following counters:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Fortune Telecom Holdings Ltd	8040	12.50		0.45
iSteelAsia.com Ltd	8080	15.79		0.11
M21 Technology Ltd	8153		10.00	0.45
New Chinese Medicine Holdings Ltd	8085	10.81		0.82
Sing Pao Media Group Ltd	8010	10.62		0.125
Systek Information Technology (Holdings) Ltd	8103		12.50	0.077
Trasy Gold EX Ltd	8063	13.04		0.026
Universal Technologies Holdings Ltd	8091		15.33	1.16

Japan's stock markets were especially quiet on the eve of the Golden Week break, with The Tokyo Stock Exchange, seeing its key Nikkei-225 Stock Average, moving down 1.78 yen to 11,551.01 yen, a loss of miniscule proportions.

Matsui Securities Company, a leading, online securities company, announced that it had gone against the general trend and had boosted its Net Profits for the 2001 Financial Year by nearly 21 percent, Year-on-Year, to 1.87 billion yen.

Matsui Securities is a rare bird in the forest of Japanese predatory securities companies.

In other parts of Asia, it appeared that caution was being thrown to the wind, with the lone exception of the Taiwanese stock market:

Indonesia	Plus 0.93 percent to 539.70
Japan	Minus 0.02 percent to 11,551.01
Malaysia	Plus 0.17 percent to 795.35
The Philippines	Plus 1.28 percent to 1,363.32
Singapore	Plus 0.87 percent to 1,740.35
South Korea	Plus 2.08 percent to 859.86
Taiwan	Minus 3.26 percent to 5,867.83
Thailand	Minus 0.42 percent to 369.86

## **Friday**

Treasury Secretary Paul O'Neill's statements to the US Congress on Wednesday, Washington time, hit home, last Thursday in New York, when it was announced that the unemployment rate in the US had hit an 8-year high.



The US Labour Department announced that the official unemployment rate in The Land of The Free and The Home of The Brave had hit 6 percent in the month of April.

On the premise that new jobs were being created, regardless of the official jobless statistics, investors in the US bought shares on major bourses, with The New York Stock Exchange, seeing its Dow Jones Industrial Average gain 32.24 points, about 0.32 percent, to end on the session at 10,091.87 points.

The run-up of last Thursday followed on from Wednesday's gain of about 113.41 points.

The NASDAQ, however, went south, as its Composite Index gave up 32.71 points, equivalent to about 1.95 percent, falling back to 1,644.82 points.

On The Stock Exchange of Hongkong Ltd, it appeared that investors were taking a bit of a break in the wake of Thursday's mini-boom.

On the Main Board, the Hang Seng Index gained about 0.15 percent to end the week at 11,797.22 points.

The volume of activity, however, remained on the high side at about \$HK12.98 billion.

The ratio of gainers to losers was about 1.10:One, with about 40 percent of all the counters that saw some trading in their shares, holding the line, only.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 1.07 percent to \$HK94.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.19 percent to \$HK26.55 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.06 percent to \$HK69.75 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.33 percent to \$HK76.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.36 percent to \$HK70.00 per share
CITIC Pacific Ltd (Code: 267)	Up 5.49 percent to \$HK17.30 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.54 percent to \$HK92.50 per share
Pacific Century CyberWorks Ltd (Code: 8)	Unchanged at \$HK2.05 per share
China Resources Enterprise Ltd (Code: 291)	Up 5.88 percent to \$HK8.10 per share
Swire Pacific Ltd "A" Shares (Code: 19)	Down 4.36 percent to \$HK48.30 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Applied International Holdings Ltd	519	18.10		0.137
Asia Satellite Telecommunications Holdings Ltd	1135	11.42		14.15

Beauforte Investors Corporation Ltd	21		24.81	5.00
Bestway International Holdings Ltd	718		13.64	0.019
Capital Automation Holdings Ltd	493	10.23		0.485
Chevalier Construction Holdings Ltd	579	45.45		0.16
China Strategic Holdings Ltd	235	14.29		0.32
Emperor (China Concept) Investment Ltd	296	11.54		0.029
Emperor International Holdings Ltd	163		10.42	0.43
Everbest Century Holdings Ltd	578		14.29	0.024
Gold-Face Holdings Ltd	396	13.98		0.53
Hongkong Fortune Ltd	121	12.12		0.074
Hop Hing Holdings Ltd	47	42.59		0.385
ITC Corporation Ltd	372		13.79	0.50
Kwong Hing International Holdings (Bermuda) Ltd	1131	21.43		0.051
Medtech Group Company Ltd	1031		15.79	0.032
New Ocean Green Energy Holdings Ltd	342	19.55		0.159
Orient Resources Group Company Ltd	467		11.85	0.119
Shang Hua Holdings Ltd	371	16.76		0.216
Sinocan Holdings Ltd	1095	25.00		0.04
Swank International Manufacturing Company Ltd	663	23.61		0.089
Universal Appliances Ltd	419	14.49		0.079
Yanion International Holdings Ltd	82	10.27		1.61

For the 4-day week, therefore, the tally for the Main Board was that the Hang Seng Index had gained 412.14 points over the previous week, equal to 3.62 percent.

No bad, all things considered.

On The GEM – The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd – there was very little movement in stock prices, by and large, although there were 5, double-digit movers:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
DigiTel Group Ltd	8030	10.46		0.169
Everpride Biopharmaceutical Company Ltd	8019		20.35	0.18
Inworld Group Ltd	8100	10.34		0.32
Trasy Gold EX Ltd	8063		15.38	0.022
Universal Technologies Holdings Ltd	8091		48.28	0.60

The Growth Enterprise Index ended the week at 209.08 points, a gain of about 0.24 percent over Thursday's closing level.

On this market, therefore, the 4-day week resulted in a gain of about 2.04 percent over the previous week's close.

The Total Turnover on the market, last Friday, was about \$HK249.25 million, with gainers, edging out losers by the slim margin of 1.05:One.

Japan was closed for the second day of its Golden Week.

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

Indonesia	Plus 0.81 percent to 544.08
Japan	Closed

Malaysia	Minus 0.09 percent to 794.66
The Philippines	Plus 0.90 percent to 1,375.59
Singapore	Plus 0.04 percent to 1,741.01
South Korea	Minus 0.37 percent to 856.72
Taiwan	Plus 0.72 percent to 5,910.32
Thailand	Plus 1.13 percent to 374.05

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