

ASIAN STOCK MARKETS GO INTO REVERSE GEAR

Three of the 9 stock markets of Asia were closed, last Monday, and, with the US stock markets about to have a one-day holiday while Asia was, already, in full operation, investors in the most populous part of the world determined to wait it out in order to see which way the investment winds would blow, later in the week.

But, as the bard once remarked, *'Time and Tide wait for no Man'*, so it was with the world of massive corporate acquisitions, with Hutchison Whampoa Ltd (Code: 13, Main Board, The Stock Exchange of Hongkong Ltd), terminating takeover talks with Global Crossing, the bust US telecommunications company.

Mr Li Ka Shing's Hutchison Whampoa Ltd and the Singapore Government's Technologies Telemedia announced that negotiations with Global Crossing had ended without any conclusion, following a stand-off between Global Crossing's creditors and the duo.

Hutchison Whampoa and Technologies Telemedia had signed a Letter of Intent with Global Crossing, the effect of which would have been that, for a sum of about \$US750 million (about \$HK5.85 billion), the duo would acquire about 80 percent of the insolvent US company.

Global Crossing filed for bankruptcy protection in the US on January 28, 2002, with liabilities, totalling about \$US12 billion (nearly \$HK94 billion), and with assets, said to have been valued at about \$US22.40 billion (about \$HK175 billion).

Trading on the Main Board of The Stock Exchange of Hongkong Ltd was unfazed by the announcement from the Li Ka Shing Camp, but trading was, nevertheless, subdued, with the Total Turnover, only reaching about \$HK6.25 billion.

The *'barometer'* of trading on Asia's second largest stock market, the Hang Seng Index, ended the day at 11,564.73 points, which represented a loss of about 0.54 percent, compared with the previous Friday's closing level.

The ratio of losers to gainers was about 1.68:One.

The Ten Most Actives were:

China Mobile (Hongkong) Ltd (Code: 941)	Down 0.25 percent to \$HK25.60 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK67.75 per share
Hikari Tsushin International Ltd (Code: 603)	Up 1.86 percent to \$HK0.22 per share
HSBC Holdings plc (Code: 5)	Down 0.52 percent to \$HK95.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.68 percent to \$HK73.25 per share
Hutchison Harbour Ring Ltd (Code: 715)	Up 2.97 percent to \$HK1.04 per share

Sun Hung Kai Properties Ltd (Code: 16)	Down 0.76 percent to \$HK65.00 per share
Pacific Century CyberWorks Ltd (Code: 8)	Down 1.01 percent to \$HK1.97 per share
China Resources Enterprise Ltd (Code: 291)	Up 1.63 percent to \$HK9.35 per share
Extrawell Pharmaceutical Holdings Ltd (Code: 858)	Unchanged at \$HK0.475 per share

The biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Resources Transportation Holdings Ltd	889	16.67		0.042
Can Do Holdings Ltd	172	13.95		0.049
China Bio-Medical Group Ltd	140	10.00		0.022
China Development Corporation Ltd	487		23.44	0.022
China Logistics Group Ltd	217	30.77		0.255
City e-Solutions Ltd	557	10.91		0.61
Dailywin Group Ltd	897		10.00	0.153
Easyknit International Holdings Ltd	1218		12.17	0.101
Heng Tai Consumables Group Ltd	197	14.58		0.55
INNOMAXX Biotechnology Group Ltd	340	20.00		0.12
Lifetec Group Ltd	1180	17.19		0.375
Orient Resources Group Company Ltd	467	15.63		0.111
Shougang Concord Century Holdings Ltd	103	18.18		0.39
Shougang Concord Technology Holdings Ltd	521	21.74		0.42
Starlight International Holdings Ltd	485	12.50		0.099
Stelux Holdings International Ltd	84	10.29		0.193
TechCap Holdings Ltd	673		11.76	0.03
Terabit Access Technology International Ltd	491	10.37		0.181
Wo Kee Hong (Holdings) Ltd	720	20.00		0.186
Yardway Group Ltd	646	13.21		0.60

What was inhibiting the main stock market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), to a very great extent, was the uncertainty of the largest single economy of the world.

In the US, the previous week, there had been conflicting reports about the much-vaunted growth of the economy, with even economists, beginning to have second thoughts as to whether or not they had been a little quick on the trigger.

With such a feeling of unease, it was hardly surprising that it was reflected in the gyrations of the indices on the world's largest stock market: The New York Stock Exchange.

On that market, the previous Friday (May 24), the Dow Jones Industrial Average had lost about 1.09 percent of its value, falling back to 10,104.26 points.

On the tech-laden NASDAQ, its Composite Index had made a downward adjustment of about 2.13 percent, ending the week of May 24 at 1,661.49 points.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, last Monday, rattled by what had happened in the US, the previous Friday, investors continued to unload scrip.

But, as with the Main Board of The Stock Exchange of Hongkong Ltd, trading was greatly subdued.

The Growth Enterprise Index lost 0.29 percent of its value, falling to 206.55 points, with the Total Turnover, dropping to about \$HK199.45 million.

The ratio of losers to gainers on this speculative market was about 1.38:One.

The double-digit movers on The GEM were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
E-Silkroad Holdings Ltd	8071	20.00		0.148
Everpride Biopharmaceutical Company Ltd	8019	22.73		0.27
Panorama International Holdings Ltd	8173	11.43		0.234
Tradeeasy Holdings Ltd	8163		18.68	0.37
Vital BioTech Holdings Ltd	8193	10.98		0.455

In Japan, the market was, virtually, dead.

So small was the movement in the Nikkei-225 Stock Average, the key index of The Tokyo Stock Exchange, that it was difficult to ascribe a value to it.

The movement was less than one yen.

The Nikkei-225 ended the session at 11,976.35 yen.

Advancers outnumbered decliners by about 1.17:One.

Over the weekend of May 25-26, there had been 4 major corporate announcements, 2 of which had been negative.

They were:

- All Nippon Airways Company (ANA) announced a Consolidated Net Loss of 9.46 billion yen for Fiscal 2001. In the 2000 Fiscal Year, ANA had earned a Net Profit of about 40.29 billion yen. ANA is Japan's second-largest airline;
- Isuzu Motors Ltd announced Pretax Net Losses of 1.90 billion yen for its 2001 Year. That result compared with the 2000 Year's 47.40 billion yen Pretax Net Losses;
- Shinsei Bank said that it had logged in Group Net Profits of 61.30 billion yen for the Financial Year, ended March 31, 2002. In the previous Year, Shinsei Bank had earned about one third more, however. Shinsei Bank is the phoenix that rose from the ashes of Long-Term Credit Bank of Japan; and,
- Yakult Honsha Company announced that its Group Net Profits for the 2001 Year had increased by 5.40 percent, Year-on-Year, to 11.11 billion yen.

As for the yen-US dollar rate, it was quoted at about 124.82, down about 0.22 yen from late Friday trading.

And, that was just about that, for Asia, last Monday.

In other Asia stock markets, this is the way that things looked:

Indonesia	Plus 1.15 percent to 512.79
Japan	Plus 0.07 percent to 11,976.35
Malaysia	Closed

The Philippines	Minus 0.15 percent 1,333.09
Singapore	Closed
South Korea	Minus 1.64 percent to 840.57
Taiwan	Plus 0.41 percent to 5,729.90
Thailand	Closed

Tuesday

Trading in stocks and shares in the Asian region was exceedingly quiet, last Tuesday, as investors waited for 2 separate events: The opening of Wall Street, following the 3-day holiday in the US; and, whether or not the tense situation between India and Pakistan would escalate further.

Of the 2 events, the war of words between India and Pakistan was the most frightening since Pakistan shot off its third missile within its territory, obviously as a warning to India that it meant business.

India's Foreign Minister, Mr Jaswant Singh, described Pakistan's actions as '*dangerous and disappointing*'.

The 2 countries are flexing their military muscles over Kashmir, with both countries, claiming sovereignty – yet again.

(India and Pakistan have, already, fought 3 wars over this disputed territory, for the loss of life of thousands of people, army personnel and civilians)

Britain's Foreign Secretary, Mr Jack Straw, held talks with Pakistan's President, General Pervez Musharraf, in an attempt to reduce the risk of war.

That initiative followed General Musharraf televising a statement to the effect that Pakistan did not want a war with India over Kashmir, but, nevertheless, it was ready to respond with full force if attacked by its neighbour.

This is the second week of intense diplomatic tension between India and Pakistan.

The US stock markets were still closed, last Tuesday in Asia, and there had been no suggestion of terrorist attacks on the largest economy of the world, although Pakistan's movement of its troops, nearer to the Indian border, meant that the '*door*' was opened for the Taliban to regroup in its continuing war against the coalition forces in Afghanistan.

This '*open door*' from Pakistan to Afghanistan is considered an even bigger danger to the world than the squabble over Kashmir because that problem is limited to the region whereas the fight against terrorism is international.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors sat on their hands and waited.

The Main Board of The Stock Exchange of Hongkong Ltd saw its Hang Seng Index hardly move for the entire day.

By the close of trading, the Hang Seng Index stood at 11,581.58 points, representing a gain of about 0.15 percent over Monday's closing level.

The Total Turnover was about \$HK5.83 billion.

Although the Hang Seng Index was in positive territory by the close of the trading day, losing counters were ahead of gaining ones by the ratio of about 1.42:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 1.05 percent to \$HK96.50 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.37 percent to \$HK67.50 per share
Hikari Tsushin International Ltd (Code: 603)	Down 1.83 percent to 21.50 cents per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.34 percent to \$HK73.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.20 percent to \$HK25.65 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.56 percent to \$HK88.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Unchanged at \$HK65.00 per share
CNOOC Ltd (Code: 883)	Unchanged at \$HK10.70 per share
Culturecom Holdings Ltd (Code: 343)	Up 8.43 percent to 45 cents per share
China Unicom Ltd (Code: 762)	Unchanged at \$HK7.35 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Anex International Holdings Ltd	723	14.93		0.077
Bestway International Holdings Ltd	718	26.09		0.029
Capital Automation Holdings Ltd	493	20.00		0.60
Chevalier Construction Holdings Ltd	579	40.00		0.14
China Development Corporation Ltd	487	10.20		0.054
City e-Solutions Ltd	557		11.48	0.54
Companion Building Material International Holdings Ltd	432	39.29		0.039
Credit Card DNA Security System (Holdings) Ltd	1051		19.17	0.156
Dah Hwa International (Holdings) Ltd	600	21.74		0.14
Dailywin Group Ltd	897		16.99	0.127
Dickson Concepts (International) Ltd	113	11.90		2.35
Dransfield Holdings Ltd	632	21.08		0.27
Emperor (China Concept) Investment Ltd	296		10.34	0.026
G-Prop Holdings (Holdings) Ltd	286		11.76	0.06
Heng Fung Holdings Ltd	185	33.03		0.145
Hongkong Pharmaceutical Holdings Ltd	182	11.57		1.35
Karl Thomson Hold Holdings Ltd	7	10.67		0.415
Mansion House Group Ltd	376	18.48		0.25
Mascotte Holdings Ltd	136	10.94		0.355
Shougang Concord Technology Holdings Ltd	521	15.48		0.485
Skynet (International Group) Holdings Ltd	577	30.00		0.013
UBA Investments Ltd	768	12.21		0.193
Veeko International Holdings Ltd	1173		24.60	0.187

What was worrying some analysts was a report from London, England, with regard to the fortunes of Vodafone Group plc.

The British telecommunications company announced a record-breaking loss of about £13.50 billion (about \$HK153.42 billion).

The thinking was that if Vodafone was suffering to this extent, what about other international telecommunications players, such as the Li Ka Shing Corp, which has extensive investments in this field, in many parts of the world.

Vodafone owns about 2.18 percent of China Mobile (Hongkong) Ltd: Would there be a requirement on the part of Vodafone to make a Provision for its investment in this company?

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index lost about 0.34 percent of its value, ending the day at 205.85 points.

The Total Turnover on this market fell to \$HK262.89 million, with losers, outrunning gainers by the ratio of 1.25:One.

The biggest movers on this market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
E-Silkroad Holdings Ltd	8071	10.42		0.053
EVA Education Asia Ltd	8090	13.90		0.213
Proactive Technology Holdings Ltd	8089	10.00		0.11
Trasy Gold EX Ltd	8063		12.50	0.021

In Japan, it was a similar story as was being told in the HKSAR, as investors sat on the sidelines and waited for some indication as to what action to take, if any.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average lost about 40.27 yen, dropping back to 11,936.08 yen.

It was reported that foreigners were not in sight on Asia's largest bourse.

The more sophisticated Japanese investor was waiting for a number of Government reports, all due out before the end of the week. They were the monthly industrial production report and the first-quarter's Gross Domestic Product data.

The yen was holding fairly steady against the US dollar – which was considered a godsend, with prayers, being offered to the gods of The Bank of Japan for their support of the ailing Japanese currency.

The ratio of gainers to losers was 1.23:One.

The corporate news from Japan included:

- NEC confirmed that it plans to close down its personal computer plant in Scotland for a loss of about 150 more jobs. This is the second blow for Scotland, following 1,500 jobs, having been lost last year when NEC shut its semiconductor plant in Livingston;
- Gibraltar Life Insurance Company said that it posted Unconsolidated Net Profits of 12.90 billion yen for its 2001 Financial Year. Gibraltar is the resurrected Kyoei Life Insurance Company that went under on October 20, 2000;
- Kumagai Gumi Company reported that it had posted a Net Profit of 2.55 billion yen for its 2001 Year, ended March 31, 2002, the first time in 9 Years that it has made a profit. In 2000, Kumagai Gumi lost about 2.65 billion yen;

- Construction company, Hazama Corporation, went in the other direction to Kumagai Gumi, however, telling its shareholders that it suffered Net Losses of about 1.66 billion yen for the 2001 Year, also closing on March 31, 2002; and,
- Toda Corporation, a major Japanese contractor, announced that it had logged in Group Net Profits of 577 million yen for Fiscal 2001. That result represented a decline of nearly 37 percent, compared with the 2000 Year's results.

And, in other parts of Asia, this was how those equity markets closed:

Indonesia	Plus 0.15 percent to 513.59
Japan	Minus 0.34 percent to 11,936.08
Malaysia	Minus 0.60 percent to 761.30
The Philippines	Minus 0.60 percent 1,325.12
Singapore	Minus 0.79 percent to 1,708.63
South Korea	Plus 0.98 percent to 848.80
Taiwan	Minus 1.05 percent to 5,669.53
Thailand	Plus 2.79 percent to 403.04

Wednesday

Investors in Asia were not terribly overawed by what they saw on the first day of trading on The New York Stock Exchange, last Tuesday, New York time, because selling pressure hotted up on the world's largest bourse, throughout the day, and this had a ripple effect, round the world.

By the close of trading, the Dow Jones Industrial Average, the key index of blue chips, traded on the New York bourse, was off 122.68 points, about 1.21 percent, falling back to 9,981.58 points.

The NASDAQ saw its Composite Index lose about 0.56 percent of its value as investors pushed it down to 1,652.17 points.

Investors on Wall Street continue to maintain that, everything considered, the markets in the US could see more fat burned off.

The ever-weakening US dollar vis-à-vis other 'hard' currencies and disappointing consumer spending in the US all weighed upon investor sentiment.

As always, Asia took careful note of what was transpiring in the US because the US is, still, one of the 2 major markets of the world.

The Pakistan-India situation appeared to have quietened down a little, last Wednesday in Asia, so that that was considered a plus for the area.

However, the 2 largest stock markets in Asia, Japan and the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both lost ground.

On the Main Board of The Stock Exchange of Hongkong Ltd, property and telecommunications companies lost heavily as did the Li Ka Shing Camp.

There were a number of reasons for the selling in the Li Ka Shing Camp, the most compelling reason of which was the consideration that more Provisions might have to made in the Current Financial Year for booked losses or diminutions in the value of the Group's investments in other regions.

When the closing bell sounded, the Hang Seng Index was standing at 11,430.66 points, for a one-day loss of about 1.30 percent.

All but 38 points of the 150.92-point loss of the day came in the 90-minute afternoon session.

The Total Turnover rose to about \$HK8.73 billion: A rising volume of activity is rarely a good thing on a falling market.

Losing counters were ahead of gaining ones by the ratio of 2.31:One, with about 38 percent of all the counters that saw some action, standing pat at Tuesday's closing levels.

The Ten Most Actives included:

HSBC Holdings plc (Code: 5)	Down 1.81 percent to \$HK94.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.75 percent to \$HK25.20 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.48 percent to \$HK66.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.71 percent to \$HK71.75 per share
CNOOC Ltd (Code: 883)	Up 2.34 percent to \$HK10.95 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 2.69 percent to \$HK63.25 per share
China Unicom Ltd (Code: 762)	Down 1.36 percent to \$HK7.25 per share
Lerado Group (Holding) Company Ltd (Code: 1225)	Down 4.83 percent to \$HK1.38 per share
Hutchison Harbour Ring Ltd (Code: 715)	Up 5.88 percent to \$HK5.20 per share
Hikari Tsushin International Ltd (Code: 603)	Up 2.79 percent to 22.10 cents per share

The double-digit movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Bestway International Holdings Ltd	718		10.34	0.026
Capital Automation Holdings Ltd	493	11.67		0.67
Dah Hwa International (Holdings) Ltd	600		12.86	0.122
EC-Founder (Holdings) Company Ltd	618	15.56		0.52
Emperor Technology Venture Ltd	283	28.00		0.128
Heng Feng Holdings Ltd	185	18.62		0.172
Hua Lien International (Holding) Company Ltd	969	12.07		1.30
Kwong Hing International Holdings (Bermuda) Ltd	1131		10.42	0.043
Multifield International Holdings Ltd	898		12.07	0.255
Nam Fong International Holdings Ltd	1176	19.72		0.085

Qualipak International Holdings Ltd	1224		18.70	0.40
Shougang Concord Technology Holdings Ltd	521	13.40		0.55
Starlight International Holdings Ltd	485		14.00	0.086
SunCorp Technologies Ltd	1063	11.86		0.66
Wo Kee Hong (Holdings) Ltd	720		10.99	0.162

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, selling pressure continued to grow as The Growth Enterprise Index gave up another 0.80 percent of its value, ending the day at 204.20 points.

The Total Turnover on this market fell to about \$HK220.70 million, with losing counters drowning gaining ones by the ratio of about 2.04:One.

On this speculative market, the morning session, which ended at 12:30 pm, saw The Growth Enterprise Index up by 0.15 percent over Tuesday's close, but the afternoon session, which ended at 4 pm, saw all of the morning gains cancelled ... and then some.

The largest movers on this market included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CASH Financial Services Group Ltd	8122	16.36		0.64
Digital Hongkong.com Ltd	8007		20.00	0.20
Everpride Biopharmaceutical Company Ltd	8019	12.96		0.305
Fast Systems Technology (Holdings) Ltd Holdings Ltd	8150	11.54		0.145
Fortune Telecom Holdings Ltd	8040	37.21		0.59
Info Communication Holdings Ltd	8082	13.14		0.155
Yuxing InfoTech Holdings Ltd	8005	16.18		0.79

In Japan, Asia's largest market and the second-largest economy of the world, investors followed Wall Street – down the plughole.

The Tokyo Stock Exchange's blue chip index, The Nikkei-225 Stock Average, was off 83.08 yen, equivalent to about 0.70 percent, as investors pushed down the key index to 11,853 yen.

Japanese investors, concerned about what was taking place in the largest single economy of the world, were, also, disappointed by the fact that April's industrial output in The Land of The Rising Sun rose only 0.20 percent, Month-on-Month. It was expected to be more in the region of about 0.90 percent.

There was a belief in many quarters that the US would continue to cut back on its orders for Japanese-produced consumables and capital goods as the year wore on.

Share prices were, for the most part, contained, staying at, or close to, previous levels.

The ratio of declining counters well outnumbered advancing ones: 2.48:One.

Two more companies disappointed investors:

- Condominium builder Haseko Corporation announced that it had suffered Consolidated Losses of 122.63 billion yen for its 2001 Financial Year. In 2000, it earned a Net Profit of 95.31 billion yen; and,
- Nissan Fire and Marine Insurance Company told its shareholders that it had suffered a Consolidated Net Loss of 43.76 billion yen for its 2001 business Year. In the 2000 Year, this company earned about 4.40 billion yen in profits, The September 11 claims wiped out all of the company's profits, it seems, since it

was one of the many reinsurance companies that shouldered some of the fallout from the attacks on the World Trade Center.

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

Indonesia	Plus 1.38 percent to 520.69
Japan	Minus 0.70 percent to 11,853.00
Malaysia	Plus 0.24 percent to 763.14
The Philippines	Minus 0.13 percent to 1,323.42
Singapore	Minus 1.42 percent to 1,684.42
South Korea	Minus 1.60 percent to 835.19
Taiwan	Minus 0.82 percent to 5,623.23
Thailand	Plus 1.51 percent to 409.11

Thursday

Wall Street continued to exert pressure on stock markets, round the world, last Wednesday, as The New York Stock Exchange continued to give up more ground.

Asia shuddered as it learned that key indices on The New York Stock Exchange had been further eroded.

The blue chip index of The New York Stock Exchange, the Dow Jones Industrial Average, surrendered another 58.54 points, last Tuesday, dropping back to 9,923.04 points.

The fall below the 10,000 level was, by last Wednesday, New York time, a fiat accompli, and it shook many a bourse, internationally.

On The NASDAQ, its Composite Index gave up about 1.68 percent of its value, falling to 1,624.39 points.

There were too many good and valid reasons for the continued fall in indices on the world's largest stock market to cite in this column, but US and European chartists were throwing away former theories and looking for answers to the many conundrums that appeared to defy former markets' logical premises.

Nortel Networks, the Canada-based manufacturer of telecommunications equipment, which happens to be the second-largest of its kind in North America, announced that it would be sacking another 3,500 of its workers.

It, also, said that it was looking for a buyer of its optical components business.

The company sacked 50,000 workers, just last year.

It would be unfair to state that this company was anywhere near the knackers' yard, but it does appear to be headed in that general direction. (Please see lead report of today's date)

Meanwhile, international currency speculators pushed down the value of the US dollar against the euro to its lowest level in a year: 93.58 cents.

The 2 largest stock markets in Asia, both went into reverse gear, following on from the antics of Wall Street on Wednesday.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors continued to shun trading on both the Main Board and The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd.

On the Main Board, the Hang Seng Index gave up about 0.44 percent of its value, falling to 11,380.61 points after hitting a low in the morning session of 11,289.29 points.

The Total Turnover was about \$HK9.73 billion, with losing counters, outperforming gaining ones by the ratio of about 2.42:One.

Star Cruises Ltd (Code: 678), the world's fourth largest cruise line, was among the most-active counters by volume of activity, last Thursday, but Management of this company, most likely, would have preferred that it had not been included in the list.

HKSAR investors gave the Singapore-based company the cold shoulder after learning that it would Place 189.10 million shares at \$HK3.30 per share, a Placing Price that represents an 8.33-percent discount to the closing price of the shares of Tuesday, just prior to shares, being suspended from trading.

Sharp losses in the profits of this company have forced the Singaporeans to swallow their pride and to agree to Share Placements at a discount to the open-market rate rather than a premium.

Mr Lee Kuan Yew, who controls '*Singapore Incorporated*' with an iron fist, no doubt was balking at these goings on if he were amind so to do.

The Ten Most Actives, last Thursday, included:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK94.75 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.50 percent to \$HK65.50 per share
Star Cruises Ltd (Code: 678)	Down 7.64 percent to \$HK3.325 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.20 percent to \$HK25.15 per share
TPV Technology Ltd (Code: 903)	Down 4.80 percent to \$HK2.975 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.58 percent to \$HK62.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.05 percent to \$HK71.00 per share
Shanghai Real Estate Ltd (Code: 1207)	Down 3.20 percent to \$HK1.21 per share
China Unicom Ltd (Code: 762)	Up 1.38 percent to \$HK7.35 per share
Hang Seng Bank Ltd (Code: 11)	Unchanged at \$HK88.00 per share

The biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Can Do Holdings Ltd	172	11.36		0.049
Century Legend (Holdings) Ltd	79	12.50		0.054
China Development Corporation Ltd	487		10.00	0.045
China Everbright Technology Ltd	256	14.10		0.445
Earnest Investments Holdings Ltd	339		10.00	0.36
EC-Founder (Holdings) Company Ltd	618		13.46	0.45
Heng Fung Holdings Ltd	185		10.47	0.154
Hua Lien International (Holding) Company Ltd	969	15.38		1.50
i100 Ltd	616	19.12		0.405
Jackley Holdings Ltd	353	10.31		0.46
Northern International Holdings Ltd	736		10.00	0.018
Oriental Metals (Holdings) Company Ltd	1208	18.18		0.325
Rivera (Holdings) Ltd	281	11.76		0.285
Shougang Concord Technology Holdings Ltd	521	10.91		0.61
Tingyi (Cayman Islands) Holdings Corporation	322		10.00	2.025
Wah Tak Fung Holdings Ltd	297		12.33	0.32
Winfoong International Ltd	63		10.00	0.18

On The GEM, after a one-percent fall in the morning session, which pushed down The Growth Enterprise Index to 202.09 points, short-covering pulled up The Index to 203.44 points, which, nevertheless, represented a one-day fall of about 0.37 percent.

The Total Turnover on this market was about \$HK232.05 million.

The ratio of losers to gainers was 1.55:One.

The double-digit movers on this market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Computech Holdings Ltd	8081	13.33		0.68
E-Silkroad Holdings Ltd	8071		25.45	0.041
Panda-Recruit Ltd	8073		13.51	0.032
Prosten Technology Holdings Ltd	8026	16.67		0.28

In Japan, it was the third consecutive day of losses on The Tokyo Stock Exchange.

The Nikkei-225 Stock Average gave up another 82.97 yen, ending the day at 11,770.03 yen.

Electronics followed the lead of US-based technology companies – and headed south.

The US dollar rate against the Japanese yen weakened, further, thus worrying Japanese industrialists and exporters alike since it must, eventually, mean a stripping away of profit margins.

The US dollar fetched 124.06 yen, at the end of Thursday's trading day in Japan, a price, which was about 0.39 percent lower than the New York close on Wednesday night.

Motors, listed on Japan's 3 stock markets, took it on the chin as investors realised that if the dollar continued to weaken against the yen, it would be a belly blow for companies, such as Honda, Toyota, Nissan, etc, all of which depend on the North American markets to sell their vehicles.

The Japan Electronics and Information Technology Industries Association commented on the news that DVD players, manufactured in Japan, were experiencing renewed international interest, resulting in a surge in exports of the devices of 92.60 percent in April, Year-on-Year.

The Japan Electronics and Information Technology Industries Association attributed the gains to the run-up to the World Cup Finals and the cheaper price for the units.

It meant little else, the Association claimed.

In other parts of Asia, this was how their markets fared, last Thursday:

Indonesia	Plus 0.36 percent to 522.55
Japan	Minus 0.70 percent to 11,770.03
Malaysia	Minus 0.50 percent to 759.33
The Philippines	Plus 0.39 percent to 1,328.55
Singapore	Minus 0.06 percent to 1,683.43
South Korea	Minus 2.34 percent to 815.61
Taiwan	Plus 2.01 percent to 5,736.19
Thailand	Minus 0.42 percent to 407.41

Friday

Asia continued to be battered, last Friday, as investors watched the continued erosion of share prices on stock markets in the most-populous area of the world.

The fears that the US economy would not live up to its promises, caused Asia to consider taking defensive measures – just in case the worst-case scenario came into being.

On Wall Street, last Thursday, there was a further paring of stock and share prices.

After The New York Stock Exchange closed for the day, an announcement from Palm Computing, that the world should stand by for bad news in the fourth quarter because it was expecting a loss situation, caused jitters on other bourses, round the world.

During the trading session on The New York Stock Exchange, last Thursday, investors marked down the Dow Jones Industrial Average to 9,911.69 points, a one-day loss of slightly more than one tenth of one percent.

On the NASDAQ, its Composite Index inched up about 0.46 percent to 1,631.91 points.

The US woke up to the potential gravity of the situation between Pakistan and India after it was reported that Islamic guerrillas has stormed a police post in Kashmir, killing 2 policemen.

Cross-border shelling caused another 28 deaths on both sides of the conflict.

The US State Department underlined the potential for war in the area if the situation continued along its current lines.

In foreign currency exchanges, the US dollar continued its retreat, falling nearly one percentage point against the Japanese yen, to 123.26 yen.

The US dollar, also, weakened further against the euro, dropping back to 93.68 cents.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), it was reported that The Securities and Futures Commission (SFC) was investigating the activities of a couple of companies, listed on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd.

The announcement was, as the saying goes, like water off a duck's back.

On the Main Board of The Stock Exchange of Hongkong Ltd, trading in the shares of Hutchison Whampoa Ltd (Code: 13) and Cheung Kong (Holdings) Ltd (Code: 1) represented about 21.60 percent of the Total Turnover of about \$HK10.28 billion.

The ratio of losers to gainers was about 1.36:One.

The Ten Most Actives were:

Hutchison Whampoa Ltd (Code: 13)	Down 0.38 percent to \$HK65.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.76 percent to \$HK72.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.99 percent to \$HK24.65 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.61 percent to \$HK61.25 per share
Hang Seng Bank Ltd (Code: 11)	Down 1.99 percent to \$HK86.25 per share
HSBC Holdings plc (Code: 5)	Unchanged at \$HK94.75 per share
Hongkong Electric Holdings Ltd (Code: 6)	Up 1.68 percent to \$HK30.30 per share
CNOOC Ltd (Code: 883)	Up 0.48 percent to \$HK10.55 per share
Henderson Land Development Company Ltd (Code: 12)	Down 2.62 percent to \$HK33.50 per share
Johnson Electric Holdings Ltd (Code: 179)	Down 4.04 percent to \$HK10.70 per share

Although many investors were more than a little concerned about the tension between Pakistan and India, it was considered not as important as what was transpiring in the US, Asia's largest single market for its goods.

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Resources Transportation Holdings Ltd	899	17.07		0.048
ASM Pacific Technology Ltd	522		10.04	18.50
BALtrans Holdings Ltd	562	10.23		2.425
Benefun International Holdings Ltd	1130		14.29	0.09
Cheong Ming Investments Ltd	1196	28.17		0.455
China Apollo Holdings Ltd	512		11.36	0.39
Dah Hwa International (Holdings) Ltd	600	14.75		0.14
FT Holdings International Ltd	559		12.28	0.25
Fushan Holdings Ltd	639	10.94		0.355
Goldwiz Holdings Ltd	586	13.75		0.91
Hop Hing Holdings Ltd	47		12.33	0.32
KTP Holdings Ltd	645		13.89	0.31
Magnum International Holdings Ltd	305	20.72		0.134
New Rank City Development Ltd	456		11.43	0.31

Oriental Metals (Holdings) Company Ltd	1208		10.77	0.29
S.A.S. Dragon Holdings Ltd	1184	11.48		0.68
Shangri-La Asia Ltd	69		10.45	6.00
Shougang Concord Grand (Group) Ltd	730		10.00	0.72
Veeco International Holdings Ltd	1173		18.18	0.135
Wah Tak Fung Holdings Ltd	297		12.50	0.28
Winsor Industrial Corporation Ltd	98		10.87	2.05

The week ended with the Hang Seng Index, standing at 11,301.94 points, after falling about 0.69 percent on Friday, alone.

For the week, therefore, the Hang Seng Index lost about 2.79 percent of its value, 324.84 points.

On The GEM, the Total Turnover dropped back to about \$HK187.76 million as investors determined to stay clear of this speculative market.

The ratio of losers to gainers was about 1.18:One.

The Growth Enterprise Index lost one third of a percentage point, ending the week at 202.77 points.

For the week, therefore, the tally was that The Growth Enterprise Index had lost about 2.11 percent of its value in 5 trading days.

The biggest movers on The GEM, last Friday, included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Creative Energy Solutions Holdings Ltd	8109	12.09		1.02
Cyber On-Air Group Company Ltd	8118		10.71	0.25
E-silkroad Holdings Ltd	8071	12.20		0.046
iAsia Technology Ltd	8101		25.00	0.30
Info Communication Holdings Ltd	8082		11.88	0.141
Smartech Digital Manufacturing Holding Ltd	8068	16.67		0.021
Trasy Gold EX Ltd	8063		12.50	0.021

As for the second-largest economy of the world, Japanese investors appeared to be extremely shy, last Friday, with trading on The Tokyo Stock Exchange, being very quiet.

By the time that the market closed for the week, the Nikkei-225 Stock Average, the key index of blue chips on this market, stood at 11,763.70 yen, a figure that was about 0.05 percent lower than Thursday's close.

The Japanese stock markets were given a bit of a slap in the face when Moody's Investment Service downgraded its credit rating by 2 notches, from A2 to Aa3.

The failure of the Japanese Government to curb its mounting national debt was said to be the reason for the downgrade.

By March 2003, it is expected that Japan's national debt will be about 690 trillion yen (about \$US5.20 trillion or about \$HK40.46 trillion).

That would appear to be sufficient to purchase countries, such as New Zealand or Australia – which would be useful acquisitions for Japan if one could relocate the human populations of both countries since the countries do raise a great number of sheep and cattle that are not infected with Mad Cows disease and/or Foot-and-Mouth Disease.

The prospective 2003 debt of Japan is equivalent to about 140 percent of the GDP (**G**ross **D**omestic **P**roduct), according to the Japanese Government's Finance Ministry.

Japan's unemployment rate for April, the Government said, stood at March's level of about 5.20 percent, seasonally adjusted.

Nintendo, Japan's second-largest manufacturer of video games and the like, reported a Net Profit of about 106.40 billion yen for its 2001 Financial Year.

That result represented a 10-percent improvement on the level of profits, reported in the 2000 Year.

Nintendo, which exports about 70 percent of its products, overseas, benefitted from the weaker yen, during 2001.

The yen lost about 7 percent of its value against the US dollar, during 2001, thus making Nintendo's products very competitive on the world stage.

Nintendo's share price shed about 4.70 percent of its market capitalisation, falling back to 17,370 yen per share.

And that was, just about, the way that things ended, last Friday, the last day of the month of May.

This is the way that things looked on other Asian markets, last Friday night:

Indonesia	Plus 1.58 percent to 530.79
Japan	Minus 0.05 percent to 11,763.70
Malaysia	Minus 2.31 percent to 741.76
The Philippines	Minus 1.02 percent to 1,315.00
Singapore	Minus 0.69 percent to 1,671.84
South Korea	Minus 2.36 percent to 796.40
Taiwan	Minus 1.06 percent to 5,675.60
Thailand	Plus 0.13 percent to 407.96

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