

BRITAIN DOES NOT RULE THE WAVES: WALL STREET DOES

It was official: The Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) was in deep recession.

The Government of Chief Executive Tung Chee Hwa announced, the previous Friday (May 31), that the economy had shrunk by another 0.90 percent in the last quarter, ended March 31, 2002.

That statistic represented the third consecutive quarter of falling economic activity in the HKSAR.

Such an event is defined, in any economist's book, as a territory, enjoying a deep economic recession.

Unemployment in the HKSAR, over the same 3 quarters, had risen to about 7.10 percent; and, to add insult to injury, a period of deep deflation has set in, in the HKSAR.

And the Government appears to be unable to come up with any plan to stem the rot.

On The Stock Exchange of Hongkong Ltd, last Monday, the Main Board's Hang Seng Index gained 0.51 percent, rising to 11,359.80 points on a falling Total Turnover of about \$HK6.26 billion.

But declining counters had it all over advancing ones, by the ratio of about 1:79:One, in fact.

The situation looked terribly ominous and indicative of another major fall in the market.

HKSAR economic gurus, TARGET has been told, are, now, offering daily incantations in the fervent hope that the US economy will pull up its socks so that there will be a knock-on effect on Asia because the populous part of the world is, still, the chief supplier of goods to the largest single economy of the world.

On Friday, May 31, it was announced in the US that US productivity had risen to a 19-year high, during the first quarter of 2002, to March 31.

Productivity is defined as the average amount of output produced per hour of work.

The US Labour Department said that productivity had grown at an average annual rate of about 8.40 percent, which is slightly lower than its own estimate, made earlier in the year, of about 8.60 percent.

Nevertheless, The Labour Department said, it still represents that highest figure since 1983.

Whether or not this will translate into more jobs in the US still remains to be seen.

One must remember that inventory levels in the US had been allowed to be depleted because US importers and wholesalers were uncertain as to the consumer buying power in the US and whether or not it would be able to maintain its earlier momentum.

Internationally, there was the grave news that debt-laden KPNQwest, the joint venture of the Dutch telecommunications company, KPN, and the US telecommunications company, Qwest, had sought the protection of the Courts, its debts, being too onerous to bear.

KPNQwest had attempted to sell off some of its assets in order to relieve the burden of its debts, but it had failed to cement a deal and, now, it has been determined that the \$US1.70-billion-plus debts are too much for Management to bear.

On the political front, the US and Canadian Governments had strongly suggested that its nationals leave India, forthwith, because the prospects for war between Pakistan and India is fast reaching boiling point.

Other countries, represented politically in India, have followed the lead of Canada and the US.

Back in the HKSAR, the Ten Most Active counters on the Main Board of The Stock Exchange of Hongkong Ltd, last Monday, were:

HSBC Holdings plc (Code: 5)	Up 1.32 percent to \$HK96.00 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK65.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.81 percent to \$HK24.85 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.82 percent to \$HK61.75 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.73 percent to \$HK71 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.58 percent to \$HK86.75 per share
Hongkong Electric Holdings Ltd (Code: 6)	Down 0.33 percent to \$HK30.20 per share
PetroChina Company Ltd (Code: 857)	Up 1.85 percent to \$HK1.65 per share
The Bank of East Asia Ltd (Code: 23)	Down 3.54 percent to \$HK16.35 per share
Wharf (Holdings) Ltd (Code: 4)	Up 4.62 percent to \$HK19.25 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Resources Transportation Holdings Ltd	899	20.83		0.058
CATIC International Holdings Ltd	232	10.88		0.265
China Apollo Holdings Ltd	512		12.82	0.34
Companion Building Material International Holdings Ltd	432	79.49		0.07
Compass Pacific Holdings Ltd	1188		14.47	0.325
Gemzboh Holdings Ltd	1192	16.67		0.35
Gold Wo International Holdings Ltd	90		14.29	0.018
HyComm Wireless Ltd	499		10.98	0.146
Kenfair International (Holdings) Ltd	223		12.93	1.28
Magician Industries (Holdings) Ltd	526	10.00		0.11
Mansion House Group Ltd	376	13.04		0.26
Medtech Group Company Ltd	1031		10.00	0.027
Moiselle International Holdings Ltd	130		14.38	1.37
National Electronics Holdings Ltd	213	20.00		0.144
S.A.S. Dragon Holdings Ltd	1184		10.29	0.61

Shun Ho Technology Holdings Ltd	219	11.11		0.17
Skynet (International Group) Holdings Ltd	577	63.64		0.018
Tack Fat Group International Ltd	928		10.94	0.57
TechCap Holdings Ltd	673		22.22	0.021
Tse Sui Luen Jewellery (International) Ltd	417	15.00		0.23
Veeko International Holdings Ltd	1173		13.33	0.117
Wah Tak Fung Holdings Ltd	297		17.86	0.23

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Growth Enterprise Index lost another 0.63 percent of its value, falling precariously closer to the 200 level.

By the close of trading, The Index stood at 201.49 points.

The Total Turnover was about \$HK223.17 million, with one counter, Kinetana International Biotech Pharma Ltd (Code: 8031), a first-day listing for this new gambling stock, seeing a total of about 107.99 million of its shares, changing hand.

The price of the shares of this company fluctuated between a high of 69 cents and a low of 56 cents.

It closed the day at its nadir.

The shares were Placed/Offered at not less than 50 cents per share.

The volume of activity in this one counter represented about 48 percent of the Total Turnover of the day.

The ratio of losers to gainers was exactly 2:One.

An interesting statistic about this speculative market was that about 76 percent of all the counters that were traded saw their share prices remain at previous closing levels.

Mr Li Ka Shing's tom.com Ltd (Code: 8001) continued its decline, losing one percent of its value, falling to \$HK3.90 percent.

It, still, has a long way to go, however.

The double-digit movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022	16.95		0.345
E-silkroad Holdings Ltd	8071	15.22		0.053
EVI Education Asia Ltd	8090		13.98	0.16
Info Communication Holdings Ltd	8082		29.79	0.099
Smartech Digital Manufacturing Holding Ltd	8068	19.05		0.025
Universal Technologies Holdings Ltd	8091		28.81	0.42

In Japan, share prices rallied, breaking the previous week's 4-day slide.

On the premier Japanese stock market, The Tokyo Stock Exchange, the Nikkei-225 Stock Average gained 139.69 yen, rising to 11,901.39 yen.

The gains were on the back of The Bank of Japan's stated determination to buy US dollars to the detriment of the yen.

The previous Friday, The Bank of Japan had purchased about \$US8 billion of US dollars on the foreign-exchange markets.

Such actions, it is hoped, will offer some protection to the fragile Japanese economy.

The US dollar rate, late last Monday in Tokyo, was about 124.28, which is an improvement, in Japan's eyes, against the upper level of about 123, quoted the previous Friday.

The 'softer' yen prompted investors to go on a bit of buying binge, pushing up share prices of banks and consumer electronics, quite spectacularly, in some cases, at least, as the following TARGET list indicates:

Banks

Daiwa Bank Holdings*	Up 8.51 percent to 102 yen per share
Mitsui Tokyo Finance	Up 7.77 percent to 1.04 million yen per share
Mitsui Trust Holding	Up 18.57 percent to 281 yen per share
Mizuho Asset*	Up 6.45 percent to 66 yen per share
Sumitomo Mitsui Banking*	Up 8.63 percent to 755 yen per share
Sumitomo Trust and Bank*	Up 3.16 percent to 719 yen per share

* Among the most active counters of the day

Electronics

Advantest	Up 3.76 percent to 8,820 yen per share
Canon	Up 2.93 percent to 4,920 yen per share
JVC	Up 4.63 percent to 837 yen per share
Kenwood*	Up 6.77 percent to 142 yen per share
Nikon	Up 3.45 percent to 1,501 yen per share
Sanyo Electric	Up 2.34 percent to 568 yen per share
Sharp Corporation*	Up 1.68 percent to 1,634 yen per share
Tokyo Electron	Up 3.82 percent to 8,700 yen per share
Toshiba Corporation	Up 2.86 percent to 540 yen per share

* Among the most active counters of the day

Motors

Daihatsu Motor	Up 3.13 percent to 528 yen per share
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Hino Motors	Up 2.00 percent to 357 yen per share
Honda	Up 2.08 percent to 5,410 yen per share
Kawasaki Heavy Industries*	Up 3.33 percent to 186 yen per share
Mazda	Up 1.11 percent to 364 yen per share
Nissan Motor*	Up 4.31 percent to 919 yen per share
Suzuki Motor	Up 1.41 percent to 1,580 yen per share

* Among the most active counters of the day

And, in other parts of Asia, this was how those bourses fared, last Monday:

Indonesia	Minus 1.30 percent to 523.87
Japan	Plus 1.17 percent to 11,901.39
Malaysia	Plus 0.98 percent to 749.00
The Philippines	Plus 0.48 percent to 1,321.26
Singapore	Plus 0.08 percent to 1,637.19
South Korea	Plus 1.07 percent to 804.93
Taiwan	Minus 1.84 percent to 5,571.08
Thailand	Minus 0.29 percent to 406.77

Tuesday

Wall Street's battering on the first day of trading in New York took its toll on international bourses, as one after another stock market followed Wall Street's lead.

On The New York Stock Exchange, last Monday, the blue-chip Dow Jones Industrial Average shed 215.46 points, equivalent to 2.17 percent, ending the volatile day at 9,709.79 points.

On the NASDAQ, its Composite Index surrendered 3.29 percent of its value, falling back to 1,562.56 points.

Wall Street was buckling under the widespread belief that corporate America would not be able to live up to its recent hype in respect of the overall economy, and that corporate profits would not recover as quickly as had, hitherto, been hoped.

The seemingly bullish news about the US economy, released the previous Friday, was history, as far as US investors were concerned, because facts about the 'here' and the 'now' indicated that things were not good at all, at least in the short term.

As though to support this suggestion, the world's 2 largest motor-vehicle manufacturers, Ford and General Motors, announced a May sales slump of about 12 percent, Year-on-Year.

The Asian-Pacific belt of stock markets could not withstand the pressure and, generally, slid to lower ground.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), with no guide to trading, other than international events, investors determined that now was the time to unload stocks – just in case the US 'rot' was prolonged.

The Main Board of The Stock Exchange of Hongkong Ltd saw its key index, the Hang Seng Index, end the day at 11,312.55 points, equivalent to a one-day fall of about 0.42 percent.

However, by the time the luncheon bell rang (so to speak), the Hang Seng Index was standing at 11,252.77 points, which represented nearly a one-percent fall in the 150-minute, morning session.

The volume of activity on this market fell to about \$HK5.15 billion, with losers, trouncing gainers by the ratio of about 2.22:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 0.78 percent to \$HK95.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.21 percent to \$HK24.55 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK65.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.70 percent to \$HK71.50 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.58 percent to \$HK86.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.81 percent to \$HK61.25 per share
CLP Holdings Ltd (Code: 2)	Up 1.25 percent to \$HK32.40 per share
CNOOC Ltd (Code: 883)	Up 2.39 percent to \$HK10.70 per share
PetroChina Company Ltd (Code: 857)	Down 0.61 percent to \$HK1.64 per share
CITIC Pacific Ltd (Code: 267)	Down 1.71 percent to \$HK17.20 per share

The largest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Development Corporation Ltd	487	11.90		0.047
Emperor Technology Venture Ltd	283	10.00		0.154
Global China Technology Group Ltd	1105	10.26		0.43
Gold Wo International Holdings Ltd	90	11.11		0.02
Graneagle Holdings Ltd	147		11.43	0.31
KEL Holdings Ltd	681	11.00		0.111
Lai Fung Holdings Ltd	1125		10.00	0.117
Sino Prosper Holdings Ltd	766	10.00		0.275
Skyworth Digital Holdings Ltd	751	10.26		0.86
Theme International Holdings Ltd	990		10.11	0.08
Wang On Group Ltd	1222		10.00	0.018
World Houseware (Holdings) Ltd	713		11.29	0.275

The 2 stock markets of the HKSAR, of course, in addition to the antics of its biggest single customer, the US, have to contend with the potential problems on the Indian sub-continent where India and Pakistan were continuing their war of words.

Just so long as it is talking, yelling, screaming, finger-waving, head-wagging and the throwing of chapattis at each other, there is no harm in the nuclear neighbours, venting their respective spleens.

But the potential problem existed that one or other may run out of wheat flour – and then all of Asia could be caught up in a shooting war, with chapatti-throwing, replaced by something else.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the situation was much worse than the Main Board.

As expected by TARGET, The Growth Enterprise Index dropped below the 200 level, ending the session at 199.19 points, a one-day loss of about 1.14 percent.

The Total Turnover fell to about \$HK167.80 million as losing counters outran gaining counters by the ratio of 3.21:One.

The most-active counter of the day, in terms of turnover, was Kinetana International Biotech Pharma Ltd (Code: 8031), with investors, playing this counter to the tune of about \$HK34.51 million, representing nearly 21 percent of the Total Turnover of the day.

The share price of this new listing (Please see Monday's report) fluctuated between a low of 39.50 cents and a high of 55 cents.

It ended the session at 40 cents per share.

The Ten Most Actives represented about 69 percent of the entire volume of activity for the day, in terms of their aggregate turnovers.

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131		16.00	0.042
Info Communication Holdings Ltd	8082		14.14	0.085
Kinetana International Biotech Pharma Ltd	8031		28.57	0.40
Smartech Digital Manufacturing Holdings Ltd	8068		12.00	0.022

In Japan, the situation was grave.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average was forced to surrender 248.32 yen, dropping back to 11,653.07 yen, a loss of about 2.09 percent on Monday's closing figure.

The ratio of losers to gainers was about 3.49:One.

Aside from the prospects of a war, breaking out between India and Pakistan, the sagging Japanese economy, et alii, there was, also, the inherent problem in The Land of The Rising Sun that its sales of hi-tech goods to its major trading partner, the US, would suffer.

Sony Corporation, for instance, ships about one in 4 of its goods to the US marketplace where its consumer electronics hold a dominant position with US consumers.

The share price of Sony was knocked down by 3.64 percent, last Tuesday, as the last trade put the price down to 6,880 yen.

Hitachi announced something that should have been taken as a fillip, but, instead, it sent its share price down by 3.91 percent to 909 yen.

The giant electronics producer announced that it would pay about \$US2.05 billion to acquire the hard-drive manufacturing arm of International Business Machines (IBM).

The suggestion, in some quarters, was that Hitachi had overpaid for its acquisition.

Other big losers in the electronics section of the market included:

Advantest	Down 4.54 percent to 8,420 yen per share
Casio	Down 2.23 percent to 658 yen per share
Citizen Watch	Down 3.65 percent to 844 yen per share
Furukawa Electric*	Down 4.79 percent to 557 yen per share
Konica	Down 3.32 percent to 844 yen per share
Kyocera	Down 4.06 percent to 9,450 yen per share
NEC*	Down 1.82 percent to 917 yen per share
Nikon	Down 3.40 percent to 1,450 yen per share
Oki Electrical Industrial	Down 2.01 percent to 293 yen per share
Sanyo Electric	Down 3.52 percent to 548 yen per share
Sharp	Down 3.37 percent to 1,579 yen per share
TDK	Down 3.20 percent to 6,650 yen per share
Tokyo Electron	Down 4.60 percent to 8,300 yen per share
Toshiba Corporation*	Down 3.33 percent to 522 yen per share

* Among the most active counters of the day

As for banks and financial institutions, most of them gave back a great deal of Monday's gains, but not to the extent of the losses in hi-tech electronics and consumer electrical- goods producers.

And, in other Asian markets, this was how they reacted to Wall Street's major sell-off:

Indonesia	Minus 0.94 percent to 518.94
Japan	Minus 2.09 percent to 11,653.07

Malaysia	Plus 0.21 percent to 750.56
The Philippines	Plus 0.46 percent to 1,327.29
Singapore	Minus 1.52 percent to 1,647.76
South Korea	Plus 0.17 percent to 806.33
Taiwan	Minus 0.78 percent to 5,527.80
Thailand	Minus 1.04 percent to 402.54

Wednesday

The big news of the day came from Montreal, Canada, where the Chairman of the US Federal Reserve Board, delivering a speech, extemporaneously, said that there were '*increasingly positive*' signs with regard to the US economy.

Dr Alan Greenspan said: '*... I suspect the American Economy is in an upswing; it's not going to be a dramatic upswing. It can't ... We're in a soft spot, now ...*'.

Dr Greenspan's statements were considered somewhat comforting, but little else – and it did little to assist trading in stocks and shares on The New York Stock Exchange.

On the world's largest bourse, the Dow Jones Industrial Average fell another 21.95 points, equivalent to about 0.23 percent, ending the day at 9,687.84 points.

On the NASDAQ, things were a little better, however, with the Composite Index, rising 15.56 points, equivalent to about one percent, to claim back lost ground as The Index ended the session at 1,578.12.

However, there was bad news, too, as IBM announced that it would be laying off some more of its staff.

The giant computer company said that it would make a Provision of about \$US2.50 billion in order to cover the costs of sacking staff and restructuring the company.

Management said that it would be sacking 1,500 employees, immediately, and that it aims to unload some 10,000 of its workers in the near future.

Asia seemed a little perplexed about the economic situation in the US and, since the situation on the Indian Sub-Continent was settling down, or so it seemed (Please see Tuesday's report), investors on some of the largest Asian stock markets took a little heart.

In respect of the India-Pakistan situation, it was only too clear that the US Government had been instrumental in broking an understanding, of sorts, between the feuding parties.

On The Stock Exchange of Hongkong Ltd, trading remained quiet, for the most part, but there were a few pockets of mild interest.

There was little news of note to report from the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), with the exception of another repeat of similar refrains from the Administration of Chief Executive Tung Chee Hwa: Stand by for more bad news (or words to that effect).

The Main Board of The Stock Exchange of Hongkong Ltd saw its Hang Seng Index rise by about 0.79 percent, ending the session at 11,402.38 points.

It was helped, greatly, by gains in the beleaguered properties sector of the market, whose sub-index gained about 1.83 percent over Tuesday's closing level.

The Total Turnover remained on the low side, at about \$HK5.57 billion.

The ratio of gainers to losers was about 1.98:One.

The Ten Most Actives, representing about 54 percent of the total activity of the day, were:

Sun Hung Kai Properties Ltd (Code: 16)	Up 3.27 percent to \$HK63.25 per share
HSBC Holdings plc (Code: 5)	Up 0.25 percent to \$HK95.50 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.77 percent to \$HK65.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.43 percent to \$HK24.90 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.05 percent to \$HK72.25 per share
Hang Seng Bank Ltd (Code: 11)	Up 1.16 percent to \$HK87.25 per share
Henderson Land Development Company Ltd (Code: 12)	Up 4.23 percent to \$HK34.50 per share
Johnson Electric Holdings Ltd (Code: 179)	Down 0.94 percent to \$HK10.50 per share
PetroChina Company Ltd (Code: 857)	Up 1.22 percent to \$HK1.66 per share
China Unicom Ltd (Code: 762)	Up 0.69 percent to \$HK7.25 per share

The biggest gainers/losers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Bio-Medical Group Ltd	140	11.11		0.02
City e-Solutions Ltd	557	16.67		0.63
Emperor Technology Venture Ltd	283	20.13		0.185
Global China Technology Ltd	1105	18.60		0.51
Harmony Asset Ltd	428	17.58		0.107
Hongkong Fortune Ltd	121	14.52		0.071
i100 Ltd	616		29.11	0.28
J.I.C. Technology Company Ltd	987	23.49		2.05
Moiselle International Holdings Ltd	130	16.41		1.49
Premium Land Ltd	164		12.07	0.255
Sing Tao Holdings Ltd	233	13.76		1.24
Sino-i.com Ltd	250	14.29		0.08
TechCap Holdings Ltd	673	36.84		0.026
Tse Sui Luen Jewellery (International) Ltd	417	12.61		0.25
Vantage International (Holdings) Ltd	15	14.38		1.75
Wah Tak Fung Holdings Ltd	297	13.64		0.25

On The GEM – The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd – trading continued to be extremely quiet, with the Total Turnover on this speculative market, being about \$HK192.17 million.

The ratio of gainers to losers was tight, at about 1.09:One, with about 72 percent of all the counters that saw some action, holding onto previous closing levels.

The Growth Enterprise Index gained 0.12 percent, rising to 199.43 points as most investors stayed away from this tiny bourse, which has the worst reputation in Asia, as far as performance is concerned.

The double-digit movers on this market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Multimedia Ltd	8061		10.45	0.18
Cyber On-Air Group Company Ltd	8118		10.64	0.21
Glory Mark Hi-Tech (Holdings) Ltd	8159		11.29	0.275
iAsia Technology Ltd	8101		11.86	0.26
Info Communication Holdings Ltd	8082	14.12		0.097
Kinetana International Biotech Pharma Ltd	8031	23.75		0.495
Wafer Systems Ltd	8198	12.00		0.56

In The Land of The Rising Sun, it appeared that Japanese investors were not too hopped up at what had transpired on The New York Stock Exchange and the NASDAQ, on Tuesday.

The Tokyo Stock Exchange saw its Nikkei-225 Stock Average hardly move, during the hours of trading.

By the close of the session, the Nikkei-225 Stock Average stood at 11,663.87 yen, a gain of 10.80 yen, or about 0.09 percent over Tuesday's close of the market.

The Bank of Japan continued to do its *'thing'*, trying to control the exchange rate between the yen and the US dollar, the rate of which was held, tightly, during last Wednesday's trading day, at between 123.93 and 124.24, ending the day at 124.01.

Which was much to the delight of traders and manufacturers of consumer electronics, no doubt.

On the negative side of the ledger, it was reported that capital spending in Japan, during the first quarter of the year, fell by about 16.80 percent, Year-on-Year.

It was the second consecutive quarter of declines in this important statistic, which charts how industrialists view the coming economic situation in the country and take, or decline to take, appropriate action.

The new data was much worse than had, hitherto, been expected.

Banks and financial institutions were hit especially hard by the news as Mizuho Holdings lost about 3.40 percent of its market capitalisation, falling to 315,000 yen, and Mitsubishi Tokyo Financial Group saw its scrip shed about 4 percent to end the day at 998,000 yen.

From the electronic giant, NEC, it was announced that it would be selling its stake in Thomson Multimedia, cutting its stake in the French company to about 1.07 percent, down from 4.96 percent.

NEC has held its shares in Thomson Multimedia for the past 4 years.

The sales of the shares will result in NEC, taking in about 10 billion yen in Net Profits.

The announcement from NEC, which was made after The Tokyo Stock Exchange closed for the day, was a rare bit of positive news for the market.

The ratio of losers to gainers was about 1.06:One.

In other parts of Asia, this was how those stock markets saw the situation, last Wednesday night:

Indonesia	Plus 0.29 percent to 520.46
Japan	Plus 0.09 percent to 11,663.87
Malaysia	Minus 0.48 percent to 746.93
The Philippines	Minus 1.17 percent to 1,311.70
Singapore	Plus 0.38 percent to 1,654.00
South Korea	Plus 0.40 percent to 809.59
Taiwan	Plus 1.30 percent to 5,599.42
Thailand	Plus 2.12 percent to 411.07

Thursday

Most of Asia went into reverse gear, last Thursday, despite a late-day rally on Wall Street, on Wednesday, New York time.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the weakness of the general economy was underscored by the closure of a restaurant chain, leaving another 1,500 workers, pounding the pavements, looking for alternate employment.

One estimate put the losses of this former, 21-chain restaurant at more than \$HK2 billion, that sum of money to include the cost of paying compensation to former staff members.

The 7.10-percent unemployment of the HKSAR is, now, bound to rise, closer to the 7.50-level, in TARGET's opinion, because there is a guarantee of a knock-on effect from the hospitality industry, which will cascade down the line in due course.

As it is, in the first quarter of this year, about 1,000 workers in this industry found themselves, unemployed.

While the failure of a restaurant chain is hardly earth-shattering and, definitely, it will not affect the overall economy of the HKSAR, it is indicative, to some extent, of the situation in the territory because the predominantly Chinese population are in the habit of eating out, more so than other ethnic groups.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index hardly moved the entire day.

By the close of trading, at 4 pm, the Index stood at 11,380.77 points, a one-day loss of 0.19 percent.

The Total Turnover was about \$HK6.38 billion, with losers, outrunning gainers by the ratio of about 1.13:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK95.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.20 percent to \$HK24.95 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.38 percent to \$HK65.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.40 percent to \$HK63.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.35 percent to \$HK72.00 per share
China Resources Enterprise Ltd (Code: 291)	Up 1.62 percent to \$HK9.40 per share

China Petroleum and Chemical Corporation (Code: 386)	Up 3.76 percent to \$HK1.37 per share
First Pacific Company Ltd (Code: 142)	Up 11.41 percent to \$HK1.66 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.57 percent to \$HK87.75 per share
Johnson Electric Holdings Ltd (Code: 179)	Down 2.38 percent to \$HK10.25 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Bestway International Holdings Ltd	718	10.00		0.022
Compass Pacific Holdings Ltd	1188		10.77	0.29
Continental Holdings Ltd	513	13.04		0.78
First Pacific Company Ltd	142	11.41		1.66
G-Prop (Holdings) Ltd	286	10.91		0.061
Gold Wo International Holdings Ltd	90		10.00	0.018
Guangdong Kelon Electrical Holdings Company Ltd	921	11.43		1.17
Hai Xia Holdings Ltd	384	14.50		1.50
J.I.C. Technology Company Ltd	987		18.54	1.67
Mansion Holdings Ltd	547	27.27		0.056
Premium Land Ltd	164		14.90	0.217
Starlight International Holdings Ltd	485	11.25		0.089
TechCap Holdings Ltd	673		11.54	0.023

It was very clear that investors of the Main Board of the Stock Exchange of Hongkong Ltd were totally unmoved by Wall Street's seeming recovery of last Wednesday.

In short, it was not believed to be indicative of anything and, as far as Asia was concerned, one could expect further declines in US equity markets: The worst is not yet here.

On The New York Stock Exchange, last Wednesday, the Dow Jones Industrial Average clawed back about 108.96 points, equivalent to 1.12 percent, ending the rally, that only took place at the tail end of the day, at 9,796.80.

On the tech-laden NASDAQ, investors followed the Main Board, with the Composite Index, gaining 17.13 points, equivalent to about 1.09 percent, ending the day at 1,595.25 points.

There was precious little to promote the largest bourse in the world and so investors, already distrustful of corporate America, stayed away, for the most part.

News wise, it was reported that UBS AG, the Swiss banking giant, had determined to cut 200 people out of its London headquarters.

Stand by for more paring activity in other international offices?

Back in the HKSAR, trading on the speculative market, known as The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, was, once again, very dull.

When the closing bell sounded, The Growth Enterprise Index stood at 198.84 points for a one-day fall of about 0.30 percent.

Losing counters were ahead of gaining ones by the ratio of about 1.13:One.

The Total Turnover was about \$HK174.84 million.

The largest movers on this market included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Cyber On-Air Group Company Ltd	8118		16.67	0.175
Infro Communication Holdings Ltd	8082		13.40	0.084
ITE (Holdings) Ltd	8092	14.29		0.20
Panda-Recruit Ltd	8073	24.14		0.036
Tradeeasy Holdings Ltd	8163		19.05	0.255
Universal Technologies Holdings Ltd	8091		22.97	0.285

In Japan, investors unloaded holdings in anticipation of the Government's announcement of last Friday, an announcement that would indicate just how bad, or how good, is the second-largest economy of the world.

The data, with regard to the **Gross Domestic Product (GDP)** for the first quarter, is not expected to set the economy on fire, although it could be a balm, in the short term.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average fell 88.93 yen, equivalent to about 0.76 percent, to end the day at 11,574.94 yen.

The ratio of losers to gainers was 3.50:One, exactly.

The US dollar was buying yen at the rate of 124.86 yen in late afternoon trading, which was an improvement of about 0.56 yen in late New York trading, on Wednesday.

The Bank of Japan continued to do its job of supporting the US dollar vis-à-vis the Japanese yen by standing in the markets when the yen was under pressure.

Banks and financials continued to be under the gun for most of the trading day, but most other counters managed to hold onto previous levels, or surrender fractional amounts, for the most part.

UFJ Holdings Incorporated, the largest banking conglomerate in the world in terms of assets under its control, told the world that it was looking at another non-performing loan situation, this time from Fujiki Komuten Company, a mid-sized construction company, based in the southern port city of Osaka.

Fujiki Komuten owes UFJ about 13.20 billion yen and UFJ is unlikely to recover its loan, at least, not in full.

Fujiki Komuten Company filed for the protection of the Courts from its creditors under the Japanese Corporate Rehabilitation Law.

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

Indonesia	Minus 1.29 percent to 513.72
Japan	Minus 0.76 percent to 11,574.94
Malaysia	Minus 0.80 percent to 752.88
The Philippines	Minus 0.69 percent to 1,302.68
Singapore	Plus 0.09 percent to 1,652.46
South Korea	Closed
Taiwan	Minus 0.15 percent to 5,591.02
Thailand	Plus 1.63 percent to 417.76

Friday

It all happened in one lump, last Friday – and just about every stock market in the world suffered a knee-jerk reaction, almost immediately.

And it started in Wall Street.

Last Thursday, on The New York Stock Exchange, selling pressure mounted, following a report from Intel, the world's largest manufacturer of electronic chips, whose management lowered its profits' forecast for its second quarter.

While the Intel announcement was non-definitive, during the trading session in New York, on Thursday, it was sufficiently clear for investors and institutions alike to realise that this giant of the hi-tech world was about to shock industry watchers with very disappointing news.

That was enough: Down came the Dow Jones Industrial Average, the key index of blue chips on The New York Stock Exchange, by about 1.76 percent to 9,624.64 points.

The Composite Index of the NASDAQ followed The Dow in short order, shedding about 2.53 percent of its value to hit 1,554.88 points at the time of the closing bell.

Intel's statement, also, added that weak demand in Europe for its products had been partially responsible for its woes.

Down came all leading stock markets of Europe:

Belgium, Bel-20	Minus 1.26 percent
London, FTSE 100:	Minus 1.63 percent
Denmark, KFX	Minus 1.96 percent
Frankfurt, DAX:	Minus 2.58 percent
Paris, Cac-40:	Minus 2.70 percent
Italy, MIBtel:	Minus 1.30 percent
Netherlands, AEX:	Minus 2.66 percent
Switzerland, Swiss Market:	Minus 2.32 percent

After the markets closed for the day in the US, Intel, whose share price had already fallen 17 percent on The New York Stock Exchange, said that sales for the quarter, ending June 30, 2002, would, likely, be not higher than \$US6.50 billion.

The high point for sales of its chips had been put at a ceiling of about \$US7 billion in earlier management estimates.

It was clear that if Intel was experiencing falling sales, other hi-techs must, also, be suffering, similarly.

Investors in the US had, already, knocked down the share prices of many hi-tech counters by considerable amounts, during last Thursday's trading session.

Asia was not spared the bloodletting.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the Intel announcement was not the only thing, bothering investors on the second largest bourse in Asia.

The Bank of East Asia Ltd (Code: 23, Main Board, The Stock Exchange of Hongkong Ltd) announced that it would be closing down 14 of its branches and sacking another 100 staff members.

The bank, the largest local bank in the HKSAR, is to be left with 110 branches.

Then, the HKSAR Government announced that retail sales, during the month of April, had fallen by about 3.60 percent, Year-on-Year, to \$HK15 billion.

It was very clear that HKSAR consumers were not buying a heck of a lot from local suppliers.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index lost another 0.84 percent of its value, ending the week at 11,284.71 points.

The Total Turnover rose to about \$HK7.32 billion, with losers, outrunning gainers by the ratio of about 1.75:One.

The Ten Most Actives were:

China Mobile (Hongkong) Ltd (Code: 941)	Down 2.61 percent to \$HK24.30 per share
HSBC Holdings plc (Code: 5)	Down 1.31 percent to \$HK94.25 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.76 percent to \$HK65.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.04 percent to \$HK72.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.40 percent to \$HK62.75 per share
PetroChina Company Ltd (Code: 857)	Up 3.05 percent to \$HK1.69 per share
Johnson Electric Holdings Ltd (Code: 179)	Down 2.44 percent to \$HK10.00 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 0.73 percent to \$HK1.38 per share
China Unicom Ltd (Code: 762)	Unchanged at \$HK7.20 per share
Li and Fung Ltd (Code: 494)	Down 1.36 percent to \$HK10.90 per share

The largest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
C.P. Pokphand Company Ltd	43	18.46		0.154
China Investment Fund Company Ltd	612	10.81		0.41
Gold Wo International Holdings Ltd	90		11.11	0.016
Hongkong Fortune Ltd	121	11.43		0.078
J.I.C. Technology Company Ltd	987		38.32	1.03
Medtech Group Company Ltd	1031	11.11		0.03
Peace Mark (Holdings) Ltd	304		27.78	0.39
Prestige Properties Holdings Ltd	75		10.53	0.34
Shougang Concord Technology Holdings Ltd	521	13.73		0.58
Stelux Holdings International Ltd	84	16.02		0.21

Wireless InterNetworks Ltd	261		31.00	0.069
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The tally for the week was that the Hang Seng Index had lost just 17.23 points, equivalent to about 0.15 percent.

On The GEM, The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, the question was just how many of the companies, listed on this speculative marketplace, were, technically insolvent.

The Growth Enterprise Index ended the week at 199.40 points for a one-day gain of about 0.28 percent.

The Total Turnover, however, fell to about \$HK114.73 million.

Though, technically, the market was in positive territory, relative to Thursday's close, losers were far ahead of gainers, by the ratio of about 1.46:One, in fact.

The biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Universal Technologies Holdings Ltd	8091		12.28	0.25

The tally for this market was, when the closing bell sounded, that The Growth Enterprise Index had lost about 1.66 percent of its value in 5 trading days.

In Japan, despite somewhat pleasant news with regard to the economy, the premier Japanese stock market, The Tokyo Stock Exchange, headed south.

The US news had tainted the atmosphere in The Land of The Rising Sun.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average lost 1.18 percent of its value, ending the week at 11,438.53 yen.

The Japanese Government announced that the **Gross Domestic Product (GDP)** has grown by about 1.40 percent in the first quarter of the year.

It was the best trade statistic, coming out of the Government for the past 2 years, but it failed to raise the spirits of the Japanese investor.

The trouble was that there were doubts that the economy could continue to expand in the coming 3 quarters due to international events that were overtaking the second largest economy of the world.

An announcement from a subsidiary of Matsushita Electric Industrial Company did little to allay such fears, too.

Matsushita Refrigeration Company, based in Osaka, Japan, announced that it would close down its factory in that southern city in August.

About 200 Japanese workers will find themselves on the streets in the middle of the year, it seems.

Matsushita Refrigeration, also, announced that it would close its factory in Mie Prefecture, also.

Things looked bad for Japan's struggling economy.

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

Indonesia	Plus 0.06 percent to 514.02
Japan	Minus 1.18 percent to 11,438.53

Malaysia	Plus 0.31 percent to 755.21
The Philippines	Minus 2.13 percent to 1,274.87
Singapore	Unchanged at 1,652.46
South Korea	Minus 1.78 percent to 795.16
Taiwan	Minus 2.83 percent to 5,433.02
Thailand	Minus 0.10 percent to 417.33

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