

THE RED INK FLOWS ON ASIAN BOURSES

The red ink flowed copiously, last Monday throughout Asia, as one stock market index after another fell to bearish sentiment, brought out, once again, by the perceived situation in the US.

Japan's 3 stock markets were, by far, the bourses that were hit the worst, however, with The Tokyo Stock Exchange, seeing its key index, the Nikkei-225 Stock Average, falling about 2.35 percent to hit 10,664.11 yen by the close of trading.

Japan was being hit by what the Americans call a double whammy because, on the one hand, there were the inherent problems with the US economy, with one company after another, having to admit its financial problems, and, then, there were the domestic problems with Japan's own economy, the solutions to which no successive Government Administration had been able to tackle for at least 2 decades.

On Wall Street, the previous Friday (June 14), it was reported that US consumer sentiment had fallen, seeming to indicate that the much-vaunted economic recovery could be facing a bit of a hiccup.

On The New York Stock Exchange, the previous Friday, the Dow Jones Industrial Average had lost 0.30 percent of its value, ending the week at 9,474.21 points, while the NASDAQ saw its Composite Index gain about 0.53 percent, ending the week at 1,504.74 points.

However, the previous Friday's situation on Wall Street came after there had been a great deal of bloodletting, during the previous session (Thursday, June 13) when The Dow had been forced to give up about 1.19 percent and the NASDAQ Composite Index had fallen to 1,496.99 points, a one-day loss of about 1.46 percent.

The statistics, with regard to retail sales in the US, did not do much to boost confidence in the world's largest single economy, having fallen about 0.90 percent in the month of May, Year-on-Year.

On The Stock Exchange of Hongkong Ltd, last Monday, investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) determined that the international situation would continue to affect the territory.

As such, it was time to sell stocks and shares – for the fifth consecutive day.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index shed another 1.13 percent of its value, falling to 10,832.26 points on a Total Turnover of about 6.40 billion.

The ratio of losing counters to gaining ones was about 4.66:One, one of the largest chasms between losers and gainers, seen in many a month.

Concern as to the further requirements for more Provisions in respect of Argentinean debt caused investors to sell their shares in one of the largest banks in the world: HSBC Holdings plc (Code: 5).

HSBC Holdings announced that it had injected another \$US221 million (about \$HK1.72 billion) into its branches in that bankrupt country.

HSBC Holdings, being a constituent member of the Hang Seng Index and representing about 25 percent of The Index, on any one day, was the largest single force to bring down levels in short order.

The Government of Mr Tung Chee Hwa announced that the unemployment rate in the territory had risen to about 7.40 percent, a pre-World War II record high level.

The Ten Most Active counters, last Monday, included:

HSBC Holdings plc (Code: 5)	Down 1.38 percent to \$HK89.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 2.09 percent to \$HK58.50 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.18 percent to \$HK63.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.84 percent to \$HK23.60 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.36 percent to \$HK69.00 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.88 percent to \$HK84.25 per share
China Unicom Ltd (Code: 762)	Down 2.84 percent to \$HK6.85 per share
Hikari Tsushin International Ltd (Code: 603)	Down 23.08 percent to 12 cents per share
Johnson Electric Holdings Ltd (Code: 179)	Up 0.54 percent to \$HK9.30 per share
CNOOC Ltd (Code: 883)	Up 0.98 percent to \$HK10.30 per share

The largest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Ananda Wing On Travel (Holdings) Ltd	1189		13.70	0.063
Brilliance China Automotive Holdings Ltd	1114		16.13	1.04
Century Legend (Holdings) Ltd	79		10.20	0.044
China Bio-Medical Group Ltd	140		15.79	0.016
China Insurance International Holdings Company Ltd	966		12.50	3.50
Chinney Alliance Group Ltd	385		10.53	0.017
Compass Pacific Holdings Ltd	1188		17.24	0.24
Dickson Group Holdings Ltd	313		13.04	0.12
Credit Card DNA Security System (Holdings) Ltd	1051		11.48	0.108
First Dragoncom Agro-Strategy Holdings Ltd	875	11.50		0.126
First Sign International Holdings Ltd	933	10.10		0.218
G-Prop (Holdings) Ltd	286		12.00	0.044
Haier-CCT Holdings Ltd	1169		10.33	0.217
Hikari Tsushin International Ltd	603		23.08	0.12
Hongkong Fortune Ltd	121	16.48		0.106
i100 Ltd	616		10.50	0.179
INNOMAXX Biotechnology Group Ltd	340		10.42	0.086
J.I.C. Technology Company Ltd	987		14.81	0.46
Lerado Group (Holding) Company Ltd	1225		11.94	1.18
Life Tec Group Ltd	1180		10.77	0.29
Melco International Development Ltd	200		11.73	1.73
Multifield International Holdings Ltd	898	10.13		0.25

Omnitech Group Ltd	94		13.51	0.064
Premium Land Ltd	164		11.49	0.208
Shenyang Public Utility Holdings Company Ltd	747		16.67	1.15
Start Technology Company Ltd	706		10.17	0.53
U-Cyber Technology Holdings Ltd	91		12.50	0.35
Wah Tak Fung Holdings Ltd	297		12.98	0.248
Wang On Group Ltd	1222		11.76	0.015
Wonson International Holdings Ltd	651		10.39	0.069
Ying Wing Holdings Ltd	1104		13.89	0.62

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

On The GEM, The Growth Enterprise Index surrendered about 2.86 percent of its value, falling back to 189.42 points on a Total Turnover of about \$HK254.76 million.

On this speculative market (caveat emptor), the ratio of losers to gainers was 5.58:One.

The avalanche of sellers continued throughout the 4-hour trading session.

The biggest movers on this market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
E-silkroad Holdings Ltd	8071		14.63	0.035
iAsia Technology Ltd	8101		11.62	0.175
Kinetana International Biotech Pharma Ltd	8031		15.19	0.335
MediaNation Incorporated	8160		12.20	1.08
techpacific.com Ltd	8088	10.00		0.077
Xteam Software International Ltd	8178		12.86	0.61

On The Tokyo Stock Exchange, investors were none too happy about statements, emanating from the office of Finance Minister Masajuro Shiokawa, who offered nothing of a definitive nature to solve the economic problems of the world's second largest economy.

Down came share prices on Asia's largest bourse – with a thud.

It was the fourth straight day of losses on this market; and, when the final bell of the day rang, it ushered in the lowest levels since February 28.

Losing counters swamped gaining ones by the ratio of about 16.83:One.

The 3 sections of the market that were hit especially hard included banks and finance houses, stockbrokerage houses and motors:

Banks and Finance Houses

Daiwa Bank Holdings*	Down 7.14 percent to 91 yen per share
Mitsui Tokyo Financial	Down 4.44 percent to 860,000 yen per share
Mitsui Trust	Down 6.96 percent to 254 yen per share
Mizuho Asset*	Down 8.45 percent to 65 yen per share

Mizuho Holdings	Down 4.00 percent to 286,000 yen per share
Sumitomo Mitsui Banking*	Down 7.20 percent to 606 yen per share
Sumitomo Trust and Bank*	Down 6.21 percent to 574 yen per share
UFJ Holdings	Down 5.00 percent to 308,000 yen per share

* Among the most active counters of the day

Stockbrokers

Daiwa Securities Group*	Down 4.50 percent to 785 yen per share
Kokusai Securities	Down 6.49 percent to 721 yen per share
New Japan Securities	Down 5.00 percent to 228 yen per share
Nikko Cordial*	Down 6.15 percent to 610 yen per share
Nomura Holdings*	Down 3.48 percent to 1,801 yen per share

* Among the most active counters of the day

Motors

Daihatsu Motor	Down 3.27 percent to 474 yen per share
Hino Motors	Down 2.44 percent to 360 yen per share
Honda	Down 3.75 percent to 5,130 yen per share
Kawasaki Heavy Industrial*	Down 3.51 percent to 165 yen per share
Mazda	Down 2.39 percent to 327 yen per share
Mitsubishi Motors	Down 3.85 percent to 325 yen per share
Nissan Motor*	Down 4.37 percent to 853 yen per share
Suzuki Motor	Down 3.56 percent to 1,464 yen per share
Toyota Motor*	Down 2.84 percent to 3,080 yen per share
Yamaha Motor	Down 0.32 percent to 928 yen per share

* Among the most active counters of the day

The inherent fears in Japan were real: If the US economy is faltering, Asia would get it in the neck.

On such a pleasant note, investors in the most populous area of the world went home, last Monday night:

Indonesia	Minus 0.09 percent to 544.51
Japan	Minus 2.35 percent to 10,664.11
Malaysia	Minus 0.23 percent to 746.79
The Philippines	Minus 1.18 percent to 1,250.81
Singapore	Minus 0.62 percent to 1,597.79
South Korea	Minus 1.56 percent to 809.16
Taiwan	Minus 0.44 percent to 5,537.81
Thailand	Minus 1.20 percent to 417.39

Tuesday

Wall Street's rally seemed to put some cheer into the markets of Asia, last Tuesday, but questions were being asked as to whether or not the Monday rally on US bourses was sustainable.

The consensus was that the gains on Wall Street of last Monday would not hold for the remainder of the week.

Another major Wall Street fall would, without question, precipitate an avalanche of selling of stocks and shares, throughout Asia.

Whatever the future may bring, thought the bulk of US investors on Monday in New York, many of them had smiles on their otherwise grey and determined faces.

On The New York Stock Exchange, the blue-chip Dow Jones Industrial Average put on 213.21 points, equivalent to 2.25 percent, regaining some of its lost ground and ending the day at 9,687.42 points.

As for the NASDAQ, its Composite Index rose 48.55 points, about 3.23 percent, ending the day at 1,553.29 points.

The ratio of gainers to losers was about 2.93:One.

The *'talk'* on the street was that investors were bargain-hunting, last Monday in New York, but that seemed to be a lame suggestion, considering that one does not know, at this point, that stock which is under-priced and that which is overpriced.

While the traders in the US were having, what they considered, a partial field day, in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), there was a great deal of restraint.

HKSAR investors had seen too many mirages in the stock-market desert; the bones of investors of days of yore littered trading floors.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index gained 0.18 percent, rising to 10,852.04 points.

But the ratio of losers to gainers belied the seeming improvement of the Hang Seng Index: 1.99:One.

The Total Turnover was, also, nothing to write home to mom since it was just about \$HK6.99 billion.

The market looked terribly vulnerable, ready for another major correction – down the plughole.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 1.40 percent to \$HK90.50 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.79 percent to \$HK62.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.21 percent to \$HK23.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.43 percent to \$HK58.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.09 percent to \$HK68.25 per share
CLP Holdings Ltd (Code: 2)	Down 0.94 percent to \$HK31.60 per share
China Unicom Ltd (Code: 762)	Unchanged at \$HK6.85 per share
Johnson Electric Holdings Ltd (Code: 179)	Unchanged at \$HK9.30 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.30 percent to \$HK84.50 per share
Pacific Century CyberWorks Ltd (Code: 8)	Unchanged at \$HK1.90 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139		12.50	0.028
Bestway International Holdings Ltd	718	15.79		0.022
Capital Automation Holdings Ltd	493	10.34		0.64
Cedar Base Electronic (Group) Ltd	855		39.06	0.039
Century Legend (Holdings) Ltd	79	15.91		0.051
Dailywin Group Ltd	897		11.76	0.09
Emperor Technology Venture Ltd	283		13.04	0.20
Extrawell Pharmaceutical Holdings Ltd	858		10.26	0.35
Hongkong Fortune Ltd	121	21.70		0.129
HyComm Wireless Ltd	499		12.61	0.104
i100 Ltd	616		10.06	0.161
Medtech Group Company Ltd	1031		15.38	0.022
Natural Beauty Bio-Technology Ltd	157		11.34	0.86
New Ocean Green Energy Holdings Ltd	342		16.88	0.133
Orient Resources Group Company Ltd	467		13.76	0.094
Sincere Company Ltd, The	244		13.89	0.31
Sinolink Worldwide Holdings Ltd	1168		11.83	0.82
Styland Holdings Ltd	211		36.07	0.039
Sun East Technology (Holdings) Ltd	365		25.24	0.77
U-Cyber Technology Holdings Ltd	91	14.29		0.40
Water Oasis Group Ltd	1161		21.25	1.26

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, investors continued to pound this market, eroding more of the value of The Growth Enterprise Index, which fell another 1.16 percent, ending the session at 187.22 points.

Which is a new, historic low for this index.

The ratio of losing counters to gaining ones was 2.04:One, with about 71 percent of all the counters that saw some trades, hold firmly onto previous closing levels.

The Total Turnover stayed very low at about \$HK210.24 million – which was one of the most positive signs for this market.

The biggest movers on this market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Multimedia Ltd	8061	10.67		0.166
Arcontech Corporation	8097		12.61	1.04
Capinfo Company Ltd	8157	10.96		0.405
E-silkroad Holdings Ltd	8071		14.29	0.03
Excel Technology International Holdings Ltd	8048	12.90		0.35
G.A. Holdings Ltd	8126		11.27	0.63
Grandy Applied Environmental Technology Corporation	8143		14.92	0.211
iAsia Technology Ltd	8101		11.43	0.155
Kinetana International Biotech Pharma Ltd	8031		14.93	0.285
Media Partners International Holdings Incorporated	8072		11.70	0.83
ProSticks International Holdings Ltd	8055		13.04	0.10

In Japan, there was a rally on its 3 bourses, following on from the gains of Wall Street on Monday, New York time.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average put on 175.82 yen, about 1.65 percent, rising to 10,839.93 yen.

The gains of last Tuesday snapped a 4-day losing streak for Asia's largest stock market.

If Monday warranted the massive sell-off, the financial situation could not change in 24 hours.

This was what the more sophisticated institutional investors were commenting as they went home, last Tuesday night in Tokyo.

But, even so, the gains of last Tuesday were nowhere near the losses of Monday, although there had been a mild recovery in some counters.

The ratio of losers to gainers was 3.80:One.

Many investors did not believe the rally of last Tuesday: There were too many negative vibes about the Japanese stock markets.

This market looked terribly vulnerable, too.

This is what happened in other Asian stock markets, last Tuesday:

Indonesia	Minus 0.86 percent to 539.81
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Japan	Plus 1.65 percent to 10,839.93
Malaysia	Plus 0.08 percent to 747.42
The Philippines	Minus 0.02 percent to 1,250.57
Singapore	Plus 0.18 percent to 1,600.60
South Korea	Plus 0.03 percent to 809.40
Taiwan	Minus 0.03 percent to 5,536.42
Thailand	Plus 0.27 percent to 418.52

Wednesday

Red ink blotted every copybook on Asian stock markets, last Wednesday.

The rout was the result, in part if not in whole, of announcements from the US with regard to yet more companies, announcing their problems.

Poor sales of personal computers led both Apple Computer and chip-maker Advanced Micro Devices (more popularly known by its acronym, AMD) to cut earnings' forecasts.

AMD was the bigger shocker, however, with Management, warning that investors should stand by for the worst: *'A substantial loss'* for its latest quarter.

AMD, also, said that second quarter revenues would be about 26 percent below previous estimates.

The share price of AMD fell about 14 percent on the news.

Apple, on the other hand, said that it would make a profit, but that its sales for the April-June quarter would be between \$US1.40 billion and \$US1.45 billion, down from earlier estimates of about \$US1.60 billion.

Management said that sales had been disappointing and that sales efforts in Europe and Japan had seen *'particularly weak'* results.

Putting one and one together, it was more grist for the US economic mill: How badly had the economic pullout slowed?

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), there was near panic on its 2 stock markets.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Total Turnover rose to about \$HK9.22 billion on a rapidly falling market – which is one of the worst possible signs of trouble.

The Hang Seng Index, the *'barometer'* of trading in blue chips, fell about 1.65 percent to 10,673.11 points (who said that it was headed for the 13,000 level, just a fortnight ago?).

The ratio of losers to gainers was about 5.18:One, while losses appeared to be very widespread.

The problem, at that point, was trying to determine how many investors had been caught in *'long'* positions and/or which investors had purchased stocks and shares on margin.

The Ten Most Actives were:

China Mobile (Hongkong) Ltd (Code: 941)	Down 1.49 percent to \$HK23.20 per share
Hutchison Whampoa Ltd (Code: 13)	Down 2.80 percent to \$HK60.75 per share
HSBC Holdings plc (Code: 5)	Down 1.10 percent to \$HK89.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.75 percent to \$HK56.56 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Unchanged at \$HK66.50 per share
China Unicom Ltd (Code: 762)	Down 1.46 percent to \$HK6.75 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.30 percent to \$HK84.25 per share
Henderson Land Development Company Ltd (Code: 12)	Down 3.34 percent to \$HK31.80 per share
Hutchison Harbour Ring Ltd (Code: 715)	Down 6.59 percent to 85 cents per share
Pacific Century CyberWorks Ltd (Code: 8)	Down 0.53 percent to \$HK1.89 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
21 CN CyberNet Corporation Ltd	241		11.17	0.159
Asia Resources Transportation Holdings Ltd	899		20.83	0.038
Bestway International Holdings Ltd	718		18.18	0.018
CCT Technology Holdings Ltd	261		25.64	0.029
Millennium Group Ltd	2936		20.51	0.031
CCT Telecom Holdings Ltd	138		11.66	1.44
CEC International Holdings Ltd	759		10.91	0.245
Cedar Base Electronic (Group) Ltd	855		28.21	0.028
Century Legend (Holdings) Ltd	79		19.61	0.041
Chevalier Construction Holdings Ltd	579	34.55		0.148
China City Natural Gas Holdings Ltd	603		11.57	0.107
China Rich Holdings Ltd	1191		10.34	0.182
China Star Entertainment Ltd	326		10.53	0.051
Dailywin Group Ltd	897		17.78	0.074
Credit Card DNA Security System (Holdings) Ltd	1051		14.71	0.087
Easyknit International Holdings Ltd	1218		17.74	0.051
Global Green Tech Group Ltd	274		15.91	1.85
Great Wall Cybertech Ltd	689		14.29	0.012
Guangdong Tannery Ltd	1058		13.79	0.25
Haier-CCT Holdings Ltd	1169		12.50	0.189
Hang Fung Gold Technology Ltd	870		11.20	0.111
Hanny Holdings Ltd	275		10.34	0.078
HKC International Holdings Ltd	248		10.00	0.27
i100 Ltd	616		14.29	0.138
iRegent Group Ltd	575	16.33		0.285
Kin Don Holdings Ltd	208		11.11	0.024
New Rank City Development Ltd	456	13.21		0.30

Ngai Lik Industrial Holdings Ltd	332		11.82	2.425
Peaktop International Holdings Ltd	925		10.71	0.25
Proview International Holdings Ltd	334		18.09	0.77
Sino-i.com Ltd	250		10.81	0.066
Skynet (International Group) Holdings Ltd	577		16.67	0.01
Starlight International Holdings Ltd	485		10.71	0.075
Sun East Technology (Holdings) Ltd	365		11.69	0.68
Wang On Group Ltd	1222		13.33	0.013
Xinao Gas Holdings Ltd	2688		16.13	2.60

Locally, there was little to nothing positive to stimulate trading in equities, one way or another: The sell off was, strictly, a knee-jerk reaction from US data, emanating from major Wall Street '*players*' and companies, listed on the New York Stock Exchange.

On The New York Stock Exchange, last Tuesday, the Dow Jones Industrial Average actually gained 18.70 points, equivalent to about 0.19 percent, ending the day at 9,706.12 points.

On the NASDAQ, its Composite Index was off by about 10.47 points, or about 0.67 percent, ending the day at 1,542.82 points.

The markets in the US had not reacted to the news of ADM and Apple, due to the timing of the 2 announcements.

That '*joy*' would be spread on Wednesday's trading floors, it was generally felt.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index crept closer to the 100 level as investors marked it down by about 2.14 percent.

The Index ended the day at 183.22 points.

The Total Turnover was about \$HK213.03 million, with trading in Mr Li Ka Shing's tom.com Ltd (Code: 8001), being responsible for about \$HK40.34 million of that figure, equivalent to about 19 percent.

tom.com has been a consistent loser, during its entire corporate life, but its share price had, over previous few months, risen to what many people consider to be a ridiculously high level.

tom.com's share price ended the session at about \$HK3.40, which, considering that the company has a negative net worth, is to many considered outrageously high.

Losers were ahead of gainers on this market by the ratio of about 5.62:One.

The biggest movers on The GEM were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
E-silkroad Holdings Ltd	8071		33.33	0.02
Kinetana International Biotech Pharma Ltd	8031		12.28	0.25
MediaNation Incorporated	8160		10.89	0.90
Panva Gas Holdings Ltd	8132		11.84	3.35
Systek Information Technology (Holdings) Ltd	8103		10.00	0.072

It was in Japan where investors' '*blood*' flowed the most freely in the most populous area of the world.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average lost 363.75 yen, dropping back to 10,476.18 yen, a one-day loss of about 3.36 percent.

The closing level represented a 4-month low for The Nikkei-225 Stock Average.

Japan was staggered by the announcements of US high-techs, such as Apple, ADM and Ciena.

As a result, electronics were among the hardest hit, last Wednesday:

Advantest	Down 5.39 percent to 7,550 yen per share
Casio	Down 4.61 percent to 580 yen per share
Fuji Electric	Down 6.23 percent to 331 yen per share
Fuji Photo Film	Down 3.07 percent to 3,790 yen per share
Fujitsu*	Down 1.87 percent to 840 yen per share
Hitachi*	Down 6.04 percent to 762 yen per share
JVC	Down 3.49 percent to 775 yen per share
Konica	Down 4.65 percent to 800 yen per share
Kyocera	Down 5.86 percent to 8,200 yen per share
Mitsubishi Electric	Down 4.29 percent to 535 yen per share
NEC*	Down 4.23 percent to 838 yen per share
Nikon	Down 5.60 percent to 1,316 yen per share
Oki Electric Industrial	Down 6.67 percent to 252 yen per share
Pioneer	Down 2.89 percent to 2,185 yen per share
Ricoh	Down 3.73 percent to 2,065 yen per share
Rohm	Down 2.17 percent to 17,110 yen per share
Sanyo Electric*	Down 4.54 percent to 526 yen per share
Sharp	Down 2.51 percent to 1,476 yen per share
Sony	Down 2.93 percent to 6,290 yen per share
Sumitomo Electric	Down 4.55 percent to 860 yen per share
TDK	Down 5.97 percent to 5,670 yen per share
Tokyo Electron	Down 5.11 percent to 7,800 yen per share

Toshiba Corporation* Down 5.99 percent to 471 yen per share

* Among the most active counters of the day

While electronics and producers of consumer electronic items were hard hit, last Wednesday, they were not the only counters to be hard-pressed because Japanese investors realised that, its major corporations of the ilk of Toshiba, Sony et al, were having a very hard time of it.

Banks, also, must be stuck in the mire, it was conjectured. As a result, banks, such as Daiwa Bank Holdings, came under immediate pressure.

Daiwa Bank saw its share price sink by about 4.35 percent to hit 88 yen by the close, Sumitomo Mitsui Trust was cut down by about 3.43 percent to 591 yen per share, while Sumitomo Trust saw its share price fall by about 6.19 percent to 546 yen per share.

It was not a day for the weak of heart, to be sure, as the ratio of losers to gainers hit about 10.64:One.

In other Asian bourses, this was how the situation looked, last Wednesday:

Indonesia	Minus 0.98 percent to 534.52
Japan	Minus 3.36 percent to 10,476.18
Malaysia	Minus 0.47 percent to 743.90
The Philippines	Minus 2.42 percent to 1,220.34
Singapore	Minus 2.25 percent to 1,564.55
South Korea	Minus 4.08 percent to 776.37
Taiwan	Minus 2.47 percent to 5,399.50
Thailand	Minus 2.88 percent to 406.47

Thursday

As expected, share prices on the world's largest stock market fell quickly at the opening, last Wednesday, as investors, worried about the US economic prospects in the short term, bailed out of stocks and shares.

On The New York Stock Exchange, the Dow Jones Industrial Average shed 144.55 points, about 1.44 percent, ending the session at 9,561.57 points. But it had been down much more at the opening of the market.

As for the NASDAQ, its Composite Index gave up 46.13 points, or about 2.99 percent, hitting 1,496.83 points at the close.

The confirmed problems at AMD and Apple (Please see Wednesday's report) took their respective toll of the market, to be sure, but there was the added problem, last Wednesday, of 2 more suicide bombings in Jerusalem where Arab fanatics were taking their revenge of Jews.

More than 26 Jews were killed and about 100 more wounded in the fracas.

The Jewish Defense Force re-entered parts of the West Bank and said that the army was determined to stay and root out the killers.

The New York Stock Exchange saw the ratio of losers to gainers expand to about 1.67:One.

In Asia, last Thursday, having discounted what was likely to happen in the US, last Wednesday, investors returned to the equity markets, seeking oversold positions in order to try to take short-term profits.

On The Stock Exchange of Hongkong Ltd, after a very tentative morning start to trading, things picked up in the 90-minute afternoon session, resulting in the Hang Seng Index, the gauge of trading in blue chips on the Main Board, rising about 0.76 percent to hit 10,754.41 by the close of the day.

The Total Turnover of the day was about \$HK6.93 billion, with gaining counters, outperforming losing ones by the ratio of about 1.35:One.

The Ten Most Actives were:

Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK60.75 per share
HSBC Holdings plc (Code: 5)	Up 0.28 percent to \$HK89.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 3.98 percent to \$HK58.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.65 percent to \$HK23.35 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.88 percent to \$HK67.75 per share
China Unicom Ltd (Code: 762)	Down 2.96 percent to \$HK6.55 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.30 percent to \$HK84.50 per share
Swire Pacific Ltd “A” Shares (Code: 19)	Up 1.49 percent to \$HK40.90 per share
Henderson Land Development Company Ltd (Code: 12)	Up 2.83 percent to \$HK32.70 per share
Johnson Electric Holdings Ltd (Code: 179)	Unchanged at \$HK9.40 per share

The biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139	11.11		0.03
Ananda Wing On Travel (Holdings) Ltd	1189	12.73		0.062
CEC International Holdings Ltd	759	16.33		0.285
Chi Cheung Investment Company Ltd	112		13.73	0.044
Credit Card DNA Security System (Holdings) Ltd	1051	32.18		0.115
Everbest Century Holdings Ltd	578		13.04	0.02
Hongkong Fortune Ltd	121		10.77	0.116
Hung Fung Group Holdings Ltd	1141	10.00		0.011
Medtech Group Company Ltd	1031	19.05		0.025
Omnitech Group Ltd	94	11.29		0.069
Peaktap International Holdings Ltd	925	10.00		0.275
REXCAPITAL International Holdings Ltd	155		16.67	0.015
Sinocan Holdings Ltd	1095		11.36	0.039
Sun’s Group Ltd, The	988	17.65		0.04
UDL Holdings Ltd	620	10.67		0.083
Yue Da Holdings Ltd	629		13.33	0.65

On The GEM, The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, investors looked to pick up bargain-basement sales.

They were not to be had, however.

The Growth Enterprise Index shed another 0.34 percent of its value, falling back to another new low of 182.60 points.

However, in the morning session, to 12:30 pm, The Index had been down about 2.08 percent, compared with Wednesday's closing level, so that one could say that there had been somewhat of a recovery in the 90-minute afternoon session.

The situation looked precarious, to say the least, so that many investors stayed away from this speculative, and highly volatile, marketplace.

The Total Turnover rose to about \$HK321.95 million, with trading in First Mobile Group Holdings Ltd (Code: 8110), accounting for about 58 percent of the entire volume of activity on the market.

The share price of First Mobile fell 20.45 percent to 70 cents on a turnover of about 251 million shares, representing a dollar value of about \$HK185.41 million.

The reason for this sell-off was due to a company announcement to the effect that an Executive Director had Placed 163,792,000 shares at 76 cents per share and, at the same time, had agreed to Subscribe to an equal number of shares at the same price.

This, in effect, pumped in about \$HK130 million into the company's coffers.

The market perceived the obvious: The company needed more money.

The ratio of losers to gainers on The GEM was about 1.22:One, with about 67 percent of all the counters that saw some trading in their scrip, holding firmly onto previous closes.

The biggest movers on this market included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
E-silkroad Holdings Ltd	8071	50.00		0.03
First Mobile Group Holdings Ltd	8110		20.45	0.70
iAsia Technology Ltd	8101		15.71	0.118
Intcera High Tech Group Ltd	8041	25.00		0.20
Kinetana International Biotech Pharma Ltd	8031	14.00		0.285
MediaNation Incorporated	8160	10.00		0.99
Techwayson Holdings Ltd	8098	14.29		0.80

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average gained 136.80 yen to recover some lost ground, following Wednesday's losses, ending the day at 10,612.98 yen.

The gains on this market meant very little because, in The Land of The Rising Sun, it is normal for Japanese investors to try to cash in on a fast-falling market – as was Wednesday's – the following day in the hope of making a quick yen.

There was no special local news to have been responsible for the precipitous falls of Wednesday, falls which had been touched off by fears with regard to announcements from hi-tech counters in the US.

And there, really, was no reason for the gains of Thursday, to be sure.

Some financial analysts, with vested interests, no doubt, were trying to talk up the markets of Japan, but, in reality, there was little to promote the largest single bourse in Asia.

Gaining counters outran losing ones by the ratio of about 2.21:One.

Japan appeared to be ready for another fall on Friday.

This is the way that things looked in other Asian stock markets, last Thursday:

Indonesia	Minus 0.85 percent to 530.00
Japan	Plus 1.31 percent to 10,612.98
Malaysia	Plus 0.32 percent to 746.27
The Philippines	Minus 0.25 percent to 1,217.28
Singapore	Plus 0.62 percent to 1,574.30
South Korea	Plus 0.06 percent to 776.81
Taiwan	Plus 0.86 percent to 5,445.77
Thailand	Minus 0.78 percent to 403.31

Friday

The final day of trading on equity markets, throughout Asia, ended as the week started: On very bearish overtones.

Wall Street set the pace, once again; Asia followed suit.

The US dollar came under international pressure, yet again, following a report from the US Commerce Department that April's trade deficit had widened to a record \$US35.94 billion, and the Current Account Deficit had, also, widened in the first quarter of this year, to a record level of \$US112.50 billion.

That was enough for international currency speculators: Down came the US-dollar: Japanese yen rate to about 123.31 yen.

On Wall Street, last Thursday, stock prices fell on the news.

On The New York Stock Exchange, the Dow Jones Industrial Average lost 129.80 points, equivalent to about 1.36 percent, to end the day at 9,431.77 points.

On the NASDAQ, the Composite Index gave up about 2.14 percent of its value, falling back to 1,464.75 points.

More news came from Finland where Nokia, the mobile telephone giant, announced that its growth forecast for handset sales for the year was unlikely to be more than 10 percent over the previous year.

Nokia is the world's largest producer of mobile telephones.

In Asia, putting all the news into one mixing bowl did not suggest that the baking would result in much of a very tasty cake.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors were clearly shaken.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index fell by about 1.51 percent to 10,591.86 points on a Total Turnover of about \$HK6.36 billion.

The ratio of losing counters to gaining ones was, exactly, 2: One.

The Finance Sectorial Index pulled down the market as it lost about 1.49 percent of its value.

Trading in the shares of HSBC Holdings plc (Code: 5) represented about 21 percent of the entire volume of activity for the day on the Main Board, with a dollar value of the trades, being about \$HK1.32 billion.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 1.67 percent to \$HK88.25 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.65 percent to \$HK59.75 per share
China Unicom Ltd (Code: 762)	Down 5.34 percent to \$HK6.20 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.71 percent to \$HK22.95 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 2.21 percent to \$HK66.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.28 percent to \$HK58.00 per share
Hang Seng Bank Ltd (Code: 11)	Down 1.18 percent to \$HK83.50 per share
Swire Pacific Ltd "A" Shares (Code: 19)	Down 1.96 percent to \$HK40.10 per share
CLP Holdings Ltd (Code: 20)	Down 0.63 percent to \$HK31.30 per share
Cathay Pacific Airways Ltd (Code: 293)	Down 1.24 percent to \$HK11.90 per share

The biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CCT Technology Holdings Ltd	261		10.34	0.026
	1049		26.70	1.40
Dransfield Holdings Ltd	632	10.88		0.265
Easyknit International Holdings Ltd	1218		12.77	0.041
Far East Technology International Ltd	36	12.45		0.28
Golden Dragon Group (Holdings) Ltd	329		16.00	0.42
Guangdong Tannery Ltd	1058		13.73	0.22
Hop Hing Holdings Ltd	47		14.29	0.30
Multifield International Holdings Ltd	898	11.32		0.295
Skynet (International Group) Holdings Ltd	577	10.00		0.011
Suwa International Holdings Ltd	567		13.79	0.25
UDL Holdings Ltd	620		15.66	0.07
Yue Da Holdings Ltd	629	15.38		0.75

For the week, therefore, the Hang Seng Index had lost 363.66 points, equivalent to about 3.32 percent.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, it was another rough day for investors on this speculative marketplace as The Growth Enterprise Index slipped further, ending the week at 180 points, exactly.

That level represented a one-day loss of about 1.42 percent.

The Total Turnover was the lowest seen for many a moon, at about \$HK98.96 million.

The ratio of losers to gainers was about 1.97: One, with about 66 percent of all the counters, which saw some action, holding firmly onto previous closing price levels.

The double-digit movers on this market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (SHK)
Asian Information Resources (Holdings) Ltd	8025	21.43		0.085
B M Intelligence International Ltd	8158		11.32	0.235
E-silkroad Holdings Ltd	8071	20.00		0.036
Emperor Entertainment Group Ltd	8078		10.67	0.67
EVI Education Asia Ltd	8090		12.50	0.14
Fortune Telecom Holdings Ltd	8040	14.49		0.79
G.A. Holdings Ltd	8126		17.86	0.46
iAsia Technology Ltd	8101		11.02	0.105
Info Communication Holdings Ltd	8082	14.29		0.08
Prosperity International Holdings (Hongkong) Ltd	8139	21.05		0.092
ProSticks International Holdings Ltd	8055		16.85	0.074

For the week, therefore, The Growth Enterprise Index had lost about 7.69 percent, one of the biggest losses for one week in this market's short history.

In Japan, share prices on The Tokyo Stock Exchange fell to their lowest levels since last February.

Continued weakness on Wall Street and the outlook for US technology companies were the main reason for the selling spree.

On the premier stock market of Japan, the Nikkei-225 Stock Average gave up another 258.63 yen, equivalent to about 2.44 percent, to end the week at 10,354.35 yen.

The Finance Ministry of the Japanese Government announced that the May trade surplus had jumped to about 619.20 billion yen, an increase of about 715 percent, Year-on-Year.

The jump marked the third consecutive month of growth, the Ministry said.

The key to the growth was said to be in the exports of motor vehicles and information technology products. (Please see the first story of today's TARGET)

From the Japan Franchise Association came a very damning report: Sales at convenience stores throughout the country had declined in May by about 1.80 percent, Year-on-Year.

It was the 11th consecutive month of declines with regard to sales at convenience stores.

Losses in share prices on The Tokyo Stock Exchange were widespread, with nearly every sector, taking it on the nose.

The only question, being asked last Friday, was: How much lower can the market fall?

Some of the big losers in various sectors of the market included:

Electronics

Advantest	Down 3.35 percent to 7,210 yen per share
Canon	Down 3.30 percent to 4,390 yen per share
Fuji Electric	Down 4.56 percent to 314 yen per share
JVC	Down 5.19 percent to 730 yen per share
Konica	Down 5.41 percent to 752 yen per share
Kyocera	Down 2.52 percent to 8,120 yen per share
Oki Electrical Industrial	Down 3.04 percent to 255 yen per share
Pioneer	Down 4.13 percent to 2,090 yen per share
Sanyo Electric*	Down 4.18 percent to 504 yen per share
Sony	Down 4.14 percent to 6,020 yen per share
Sumitomo Electric	Down 3.89 percent to 840 yen per share
TDK	Down 3.65 percent to 5,550 yen per share
Tokyo Electron	Down 3.25 percent to 7,450 yen per share
Toshiba Corporation*	Down 2.87 percent to 473 yen per share

* Among the most active counters of the day

Motors

Hino Motors	Down 4.31 percent to 333 yen per share
Honda	Down 3.16 percent to 4,900 yen per share
Isuzu Motors*	Down 6.67 percent to 70 yen per share
Kawasaki Heavy Industrial	Down 2.52 percent to 155 yen per share
Mitsubishi Motors	Down 5.09 percent to 317 yen per share
Nissan Motor*	Down 3.08 percent to 817 yen per share

Yamaha Motor Down 2.06 percent to 905 yen
per share

* Among the most active counters of the day

Banks and Finance Houses/Brokerages

Daiwa Securities Down 4.81 percent to 732 yen per
share
Kokusai Securities Down 2.96 percent to 655 yen per
share
Mitsui Tokyo Down 5.27 percent to 827,000 yen
Finance per share
Nikko Cordial Down 6.21 percent to 574 yen per
share
Nomura Holdings* Down 4.37 percent to 1,665 yen
per share
Sumitomo Mitsui Down 3.16 percent to 582 yen per
Bank* share

* Among the most active counters of the day

And, this is the way that things looked in other Asian bourses, last Friday night:

Indonesia	Minus 0.78 percent to 525.86
Japan	Minus 2.44 percent to 10,354.35
Malaysia	Minus 0.39 percent to 743.35
The Philippines	Minus 0.26 percent to 1,214.15
Singapore	Minus 1.78 percent to 1,546.25
South Korea	Plus 0.22 percent to 778.53
Taiwan	Plus 0.27 percent to 5,460.53
Thailand	Minus 1.95 percent to 395.46

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