

SCANDALS, SCANDALS, AND MORE SCANDALS ...
AND ASIA PAYS THE PRICE FOR THE U.S. SCANDALS

Disregarding, completely, Wall Street's very bullish trend of the previous Friday, and filled with anxiety over the potential for another corporate scandal in The Land of The Free and The Home of The Brave, last Monday saw Asia sit on its hands, so to speak, awaiting fresh revelations that most certainly would be made on the US corporate front.

It was announced that the giant drug manufacturing company, Merck and Company, a Dow Jones Constituent Stock, had recorded \$US12.40 billion in revenues – that it never collected.

The news from this giant of the US pharmaceutical industry shook Asian bourses, which, prior to the announcement, which had been confirmed by the filing of a report with the US Securities and Exchange Commission (SEC), had been expected to rise, following on from the booming session on Wall Street on Friday, July 5.

The previous Friday, on The New York Stock Exchange, the Dow Jones Industrial Average, the gauge of trading in blue chips on the world's largest stock market, saw investors go on a buying spree.

This resulted in The Dow, rising 324.53 points, equivalent to about 3.58 percent, ending the week at 9,379.50 points.

The ratio of gainers to losers on the Big Board was about 4.39:One on that Friday.

On the NASDAQ, it was a similar situation as its Composite Index gained the best part of 5 percent, with investors, pushing in the Composite Index to 1,448.36 points.

The US citizenry had been delighted that there had been no reported acts of terrorism on the homeland, in spite of the Los Angeles International Airport killings by an Arab gunman, who shot and killed 2 people at the El Al ticket counter.

However, there was, also, very negative news from the US, with Compaq's computer factory in Scotland, announcing that it would be sacking about 650 workers.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), there were other considerations, which far outweighed Wall Street and the one-day buying spree on US stock markets of the previous Friday.

The strong potential for widespread civil unrest in the HKSAR reared its head, the previous Sunday, July 7, when between 20,000 civil servants and 35,000 civil servants (nobody has a more accurate estimate than this) took to the streets, voicing and demonstrating their displeasure at the Government of the Chief Executive, Mr Tung Chee Hwa.

It was the largest labour demonstration in the 416 square miles, seen for many a moon, as member of some 113 unions determined to march in force, despite driving rain and winds.

The civil servants, part of the 180,000-strong Government Establishment, were protesting at (a) having their pay reduced by 4.40 percent, this year, and (b) that the Tung Chee Hwa Administration was driving through legislation, which left the door open wide for more changes to the terms and conditions of employment of the civil servants – in addition to slashing pay and perquisites of civil servants, willy-nilly.

Perhaps, at the root of the problem was that the Administration of Mr Tung Chee Hwa was no longer trusted by its employees in the same way that the British Administration was trusted, prior to the PRC Government, assuming sovereignty over the territory.

If a General Strike were to be called in the HKSAR, definitely, the Beijing bosses of Mr Tung Chee Hwa would take a very dim view of such an eventuality, probably culminating in the strike, being considered a '*very unfriendly*' act, one which could threaten the very fundamentals of the One-Country, Two-Systems concept of Deng Xiao Ping, the late Paramount Leader of the PRC.

It must have been to the delight of the Beijing leadership, however, to note that Mr Tung Chee Hwa's closest advisers, all members of his inner cabinet, were standing, firmly, behind the Great Man.

No dissension, here: Sycophants stand tall!

Then, came another shocker: Retail sales in the HKSAR for the month of May were off by 5.90 percent by value, Year-on-Year.

Since nearly every shop in the HKSAR has reduced its prices over the past few years, it must mean that business is as hard to obtain as Jason, the husband of Medea, looking for the elusive Golden Fleece.

Business just isn't very good in the 416 square miles that constitutes the territory, regardless of all the comments to the contrary, voiced by moguls and their retinue; and, their buying up of some of their companies' shares, listed on The Stock Exchange of Hongkong Ltd.

All this and more took its toll of trading on equity markets of the HKSAR, last Monday.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index, the '*barometer*' of trading in blue chips, lost about 0.03 percent of its value, after spurting ahead, fractionally, in early morning trading.

The day ended up with the Hang Seng Index stuck at 10,803.45 on a Total Turnover of about \$HK6.10 billion.

Losers outpaced gainers by the ratio of about 1.57:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.56 percent to \$HK90.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.43 percent to \$HK23.50 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.81 percent to \$HK61.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.12 percent to \$HK66.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.40 percent to \$HK62.00 per share
Shandong International Power Development Company Ltd (Code: 1071)	Down 4.76 percent to \$HK2.00 per share
Hang Seng Bank Ltd (Code: 11)	Down 1.17 percent to \$HK84.75 per share

Swire Pacific Ltd “A” Shares (Code: 19)

Down 0.51 percent to \$HK39.40 per share

CNOOC Ltd (Code: 883)

Up 2.82 percent to \$HK10.95 per share

The Bank of East Asia Ltd (Code: 23)

Down 1.59 percent to \$HK15.50 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Orient Holdings Ltd	214		15.00	0.034
B-Tech (Holdings) Ltd	412	14.29		0.12
C.P. Pokphand Company Ltd	43	11.11		0.20
CCT Technology Holdings Ltd	261	40.00		0.042
Century Legend (Holdings) Ltd	79	12.12		0.037
Guangdong Tannery Ltd	1058		13.73	0.22
KTP Holdings Ltd	645		13.33	0.26
Poly Investments Holdings Ltd	263		10.00	0.315
Sun Hing Vision Group Holdings Ltd	125	13.33		2.55
TechCap Holdings Ltd	673	11.11		0.02
Veeko International Holdings Ltd	1173	12.20		0.138
Wah Tak Fung Holdings Ltd	297		17.86	0.138
Yeebo (International Holdings) Ltd	259	10.00		0.33
Yoshiya International Corporation Ltd	193		16.38	0.148

On The Growth Enterprise Market (The GEM), it was repeat performance to that which transpired on the Main Board.

The Growth Enterprise Index ended the session at 180.31 points, a loss of about 0.03 percent, compared with the previous Friday's closing level.

The Total Turnover was about \$HK115.56 million, with losing counters, outnumbering advancing ones by the ratio of about 1.72:One.

The biggest movers on this speculative marketplace were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Computech Holdings Ltd	8081	19.19		0.59
Henderson Cyber Ltd	8023	25.00		0.50
Info Communication Holdings Ltd	8082		16.87	0.069
Qianlong Technology International Holdings Ltd	8015	10.26		0.43
Trasy Gold EX Ltd	8063	11.43		0.039
WLS Holdings Ltd	8021		16.92	0.27

In The Land of The Land of The Rising Sun, Japanese investors had an added problem with which to contend: The US dollar continued its descent against the yen.

This, if left unchecked, would hurt exports of Japanese-produced goods to its biggest single market: The US.

The US dollar was being traded at about 118.95 yen, down about 1.20 percent, compared with the previous Friday's rate in New York.

The Bank of Japan, the Central Bank of Japan, has vowed, on numerous occasions, to support the US dollar but, try as it might last Monday, it could not stem the avalanche of sellers of US dollars on foreign-exchange markets.

On the premier stock market of Japan, The Tokyo Stock Exchange, the key index, The Nikkei-225 Stock Average, lost 56.89 yen, equivalent to about 0.52 percent, ending the day at 10,936.70 yen.

During the morning session, however, the market was up about 2 percent, but the strength of the Japanese yen, plus the emerging Merck accounting '*correction*', took its toll of Japanese investor confidence.

Trading companies took it on the nose because their already slim margins of profit will be shaved, once again, if the Japanese yen continues to strengthen too quickly against the US dollar.

An example was seen when the giant trading house of Mitsui and Company saw its share price cut down by about 5 percent, falling back to 742 yen.

Of course, in this company, there are the good beginnings of an accounting/back-hander scandal, also, but, in addition, there is a squeeze on profits – which is likely to get a lot worse in a very short space of time.

Making things worse was the confirmed report that Dai Nippon Construction had filed for Court protection in Tokyo from creditors, under the Corporate Rehabilitation Law of Japan.

Dai Nippon Construction is an affiliate of Kinki Nippon Railway Company.

It is thought to have liabilities of about 297.40 billion yen, having suffered a loss of about one billion yen for its 2001 Financial Year.

It is listed on The Tokyo Stock Exchange, The Nagoya Stock Exchange and The Osaka Stock Exchange.

The ratio of losers to gainers on The Tokyo Stock Exchange was 1.87:One.

On such a depressing note, Japanese investors went home, last Monday night, wondering what the morrow would bring.

In other Asian markets, this was the situation:

Indonesia	Minus 1.66 percent to 484.61
Japan	Minus 0.53 percent to 10,769.20
Malaysia	Minus 1.19 percent to 735.78
The Philippines	Plus 0.13 percent to 1,121.23
Singapore	Minus 1.23 percent to 1,621.28
South Korea	Minus 0.57 percent to 783.35
Taiwan	Plus 2.33 percent to 5,377.86
Thailand	Minus 0.59 percent to 398.75

Tuesday

Wall Street saw equity prices ease further, last Monday, but Asia was somewhat surprised that the slide had not been greater.

As a result, all but one of the stock markets of the world's most populous area saw their indices rise material amounts.

Wall Street was reeling from the Merck and Company report (Please see Monday's article) and was awaiting a statement from the President of the United States, Mr George W. Bush, who had been scheduled to make a definitive statement of the growing concern of Americans in respect of the frauds and '*creative accounting customs*' of some of the largest companies, listed on bourses in the US.

When the President did make a statement about corporate wrongdoing, as expected, he advocated punitive action for the perpetrators.

The questions were: Was it political rhetoric? Was it for real? Was it enough?

On The New York Stock Exchange, on the first trading day of the week, the Dow Jones Industrial Average lost 104.60 points, equivalent to about 1.11 percent, falling back to 9,274.90 points.

The tech-laden NASDAQ, however, was not as restrained as its older brother on The New York Stock Exchange, because its Composite Index gave up 2.95 percent of its value, dropping to 1,405.62 points.

More worrying to Asia than a one-day drop in the value of The Dow or the NASDAQ's Composite Index was the US dollar's declining value against most '*hard*' currencies. It was being traded at about 118.54 yen at the close of the business day in New York, last Monday.

That represented a drop of about 1.52 percent from the previous Friday's quote for the greenback.

Tokyo was closely monitoring the weakness of the US dollar because, for many companies in Japan, a net profit margin of one percent is tops in the present depressed state of many of the world's economies.

As the US dollar weakens, it has the effect of making yen-denominated goods more expensive on the world's marketplaces.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), trading was extremely thin on the 2 markets of The Stock Exchange of Hongkong Ltd.

The Main Board saw its Hang Seng Index gain about 0.37 percent, rising to 10,843.15 points on a Total Turnover of about \$HK4.98 billion.

Had it not been for trading in some 7.70 million shares in HSBC Holdings plc (Code: 5), the market would, without question, have been deeply in negative territory.

HSBC Holdings, a Constituent Stock of the Hang Seng Index, weighs heavily on the Hang Seng Index, representing about 25 percent of its movement, on most days.

Although the Hang Seng Index was up, losers outnumbered gainers by the ratio of 1.08:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 1.39 percent to \$HK91.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.38 percent to \$HK66.25 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK61.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.21 percent to \$HK23.45 per share
Sun Hung Kai Properties Ltd (Code: 16)	Unchanged at \$HK62.00 per share

The Bank of East Asia Ltd (Code: 23)	Down 0.32 percent to \$HK15.45 per share
CNOOC Ltd (Code: 883)	Unchanged at \$HK10.95 per share
The Hongkong and China Gas Company Ltd (Code: 3)	Up 0.96 percent to \$HK10.55 per share
Swire Pacific Ltd “A” Shares (Code: 19)	Up 0.51 percent to \$HK39.60 per share
Hang Seng Bank Ltd (Code: 11)	Up 1.18 percent to \$HK85.75 per share

The double-digit movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Orient Holdings Ltd	214	11.76		0.038
CCT Technology Holdings Ltd	261		14.29	0.036
China Elegance International Fashion Ltd	476	11.76		0.019
China Treasure (Greater China) Investments Ltd	810	12.73		0.62
Dan Form Holdings Company Ltd	271		13.79	0.25
Earnest Investments Holdings Ltd	339	19.44		0.043
ehealthcareasia Ltd	835		10.00	0.126
Guangdong Tannery Ltd	1058	15.91		0.255
Heng Fung Holdings Ltd	185	13.64		0.125
Man Yue International Holdings Ltd	894		11.11	0.16
Medtech Group Company Ltd	1031	17.39		0.027
Sen Hong Resources Holdings Ltd	76		12.06	0.175
Wah Tak Fung Holdings Ltd	297	26.09		0.174
Yanion International Holdings Ltd	82	16.19		1.22

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, there was little movement, either way, during the entire trading session.

By the close of trading at 4 pm, The Growth Enterprise Index stood at 179.94 points, representing a loss of about 0.21 percent over Monday’s close.

The Total Turnover fell to about \$HK99 million, with declining counters, outperforming advancing ones by the ratio of about 1.25:One.

There were only 3 big movers on this market – and they all went south:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Kinetana International Biotech Pharma Ltd	8031		10.18	0.247
MediaNation Incorporated	8160		10.23	0.79
Prosten Technology Holdings Ltd	8026		12.00	0.176

On The Tokyo Stock Exchange, the ‘mild’ reaction to the Merck and Company accounting admission gave rise to a mildly bullish sentiment.

The Nikkei-225 Stock Average, the gauge of trading in blue chips, rose 191.05 yen, equivalent to about 1.77 percent over Monday’s closing level, to 10,960.25 yen.

Banks were strong on the assumption that The Bank of Japan would continue to buffer the effects of the ever-strengthening US dollar.

Some of the biggest movers among the popular banking/financial stocks included:

Daiwa Bank Holdings	Up 3.23 percent to 96 yen per share
Mitsubishi Financial Group	Up 1.47 percent to 897,000 yen per share
Mitsui Trust	Up 3.44 percent to 271 yen per share
Sumitomo Mitsui Banking*	Up 4.72 percent to 666 yen per share
Sumitomo Trust	Up 3.90 percent to 639 yen per share

* Among the most active counters of the day

But for most counters, they had to be content with just fractional changes.

However, the general mood of investors was that there had to be an end of their misery, somewhere down the line.

The ratio of gainers to losers was about 4.68:One.

In other Asian stock markets, this was how they fared, last Tuesday:

Indonesia	Minus 0.89 percent to 480.30
Japan	Plus 1.77 percent to 10,960.25
Malaysia	Plus 1.06 percent to 743.58
The Philippines	Plus 1.53 percent to 1,138.43
Singapore	Plus 1.48 percent to 1,645.26
South Korea	Plus 2.38 percent to 801.99
Taiwan	Plus 0.20 percent to 5,388.52
Thailand	Plus 1.12 percent to 403.22

Wednesday

Investors cooled to the statements, made by US President George W. Bush, with regard to punishing the perpetrators of corporate malfeasance in the US.

The statements sent Wall Street, crashing through new lows, last Tuesday.

The rest of the world responded in like fashion.

It was well expected that investor selling would not dry up in a hurry.

On The New York Stock Exchange, the Dow Jones Industrial Average shed another 178.81 points, equivalent to about 1.93 percent, hitting 9,096.09 points by the close of trading.

To break The Dow's 9,000 level was a given, according to many New York brokers.

As for the Composite Index of the NASDAQ, it surrendered another 1.74 percent of its value, ending the day at 1,381.12 points.

President Bush recommended a number of adjustments to the way in which things are done in The Land of The Free and The Home of The Brave in respect of white-collar crimes, but all of his suggestions will take time to come to pass.

And, in the meantime, cooking the books of corporate America continues, in the opinion of many investors who are infuriated at having been duped by big business.

Down came the value of the US dollar vis-à-vis other *'hard'* currencies as investors pulled up stakes in Wall Street, looking for safer investment pastures.

The US dollar was trading at about 117.98 yen, down nearly one half of a percentage point, compared with Monday's closing level in New York.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), there continued to be lethargy in respect of trading on Asia's second-largest bourse despite some interesting and exciting corporate news.

The Main Board of The Stock Exchange of Hongkong Ltd recorded a loss of about 0.51 percent, falling back to 10,787.54 points.

But this, as far as many investors were concerned, was just the stock market's hors d'oeuvre: More losses would come within a few days.

The Total Turnover fell to about \$HK4.96 billion, with losers, outrunning gainers by the ratio of about 1.77:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 1.09 percent to \$HK90.50 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK61.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.07 percent to \$HK23.20 per share
Sun Hung Kai Properties Ltd (Code: 16)	Unchanged at \$HK62.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.75 percent to \$HK66.75 per share
Swire Pacific Ltd "A" Shares (Code: 19)	Down 1.26 percent to \$HK39.10 per share
Television Broadcasts Ltd (Code: 511)	Down 3.70 percent to \$HK31.20 per share
China City Natural Gas Holdings Ltd (Code: 603)	Up 7.69 percent to 14 cents per share
Pacific Century CyberWorks Ltd (Code: 8)	Down 0.56 percent to \$HK1.79 per share
Hutchison Harbour Ring Ltd (Code: 715)	Up 6.02 percent to 88 cents per share

The double-digit movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
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Asia Resources Transportation Holdings Ltd	899	10.00		0.044
Bestway International Holdings Ltd	718	15.00		0.023
Century Legend (Holdings) Ltd	79		12.82	0.034
China Bio-Medical Group Ltd	140		11.76	0.015
China Development Corporation Ltd	487		17.39	0.038
CIL Holdings Ltd	479	13.04		0.026
Dailywin Group Ltd	897	73.81		0.073
Dan Form Holdings Company Ltd	271	10.00		0.275
ehealthcareasia Ltd	835		11.11	0.112
Emperor (China Concept) Investment Ltd	296		14.81	0.023
Hop Hing Holdings Ltd	47	12.50		0.36
iRegent Group Ltd	575	13.21		0.30
K.P.I. Company Ltd	605		11.82	0.097
Medtech Group Company Ltd	1031		18.52	0.022
Nanjing Panda Electronic Company Ltd	553		13.00	1.74
Northern International Holdings Ltd	736	13.33		0.017
ONFEM Holdings Ltd	230	10.00		0.55
Pacific Plywood Holdings Ltd	767		10.71	0.025
South China Information and Technology Ltd	175		37.16	0.465
Vision Tech International Holdings Ltd	922	40.00		0.189

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, trading in Mr Li Ka Shing's tom.com Ltd (Code: 8001) hugged the limelight as investors traded about 18.92 million shares of this loss-maker. (Please see following report on this company)

The Total Turnover on this bourse was about \$HK146.38 million, with trades in shares of tom.com, representing nearly 56 percent of that figure.

The Growth Enterprise Index gained 0.55 percent, rising to 180.93 points. Tom.com trading was responsible for most of that gain.

Even though The Growth Enterprise Index was up a little more than one half of a percentage point, losers outnumbered gainers by the ratio of exactly 2:One.

The biggest movers on this market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Blu Spa Holdings Ltd	8176		16.39	0.051
G.A. Holdings Ltd	8126	10.00		0.495
Riverhill Holdings Ltd	8127	12.12		0.37
T S Telecom Technologies Ltd	8003		11.26	0.134
WLS Holdings Ltd	8021		12.96	0.235

Just after trading on The Stock Exchange of Hongkong Ltd ended for the day, it was announced by the Li Ka Shing Camp that tom.com Ltd would be buying 32.75 percent of the Issued and Fully Paid-Up Share Capital of Asia Television Ltd (ATV) and 50 percent of its website, HKATV.com.

The aggregate consideration was to be about \$HK361 million, to be satisfied by the issuance of shares in tom.com.

For the 32.75-percent stake in ATV, it had been tentatively agreed that the tom.com share price would be fixed at \$HK3.33, while, for the 50-percent stake in HKATV, the fixed price of the tom.com shares would be marked up to \$HK5.51.

This puts Mr Li Ka Shing in bed with media mogul Rupert Murdoch, who owns about 46 percent of ATV via the GEM-listed company, Phoenix Satellite Television Holdings Ltd (Code: 8002).

The rationale for the acquisition was not understood by a number of financial analysts (TARGET included), but, no doubt, a statement will be made in the fullness of time in order to satisfy the HKSAR Authorities – even though investors may be kept in the dark.

In any event, it is noted that corporate *'paper'* was used for the acquisitions, leaving tom.com's cash in the bank.

In Japan, the gains of Tuesday were erased as investors sought to sell equities while there was still time.

Japanese investors did not seem to appreciate the way that things were progressing in the US, with fears that the next quarter could see lower corporate profits – when they appeared, that is.

On The Tokyo Stock Exchange, the key Nikkei-225 Stock Average lost 207.59 yen, equivalent to about 1.89 percent, ending the day at the four note of 10,752.66 yen.

The ratio of losers to gainers was about 2.71:One.

The strength of the yen vis-à-vis the US dollar sapped the juice out of the market, with motors and electronics, feeling the pressure.

It is clear that The Bank of Japan is having trouble, stemming the tide of those investors/speculators, determined to sell their stocks of US dollars.

Some of the big losers of the day included:

Motors

Daihatsu Motor	Down 1.23 percent to 480 yen per share
Honda	Down 2.39 percent to 4,900 yen per share
Isuzu Motors	Down 5.13 percent to 74 yen per share
Mitsubishi Motors	Down 1.51 percent to 326 yen per share
Toyota Motor	Down 1.63 percent to 3,010 yen per share
Yamaha Motor	Down 1.94 percent to 910 yen per share

Electronics

Advantest	Down 4.68 percent to 7,340 yen per share
Canon	Down 2.68 percent to 4,360 yen per share
Fuji Electric	Down 3.31 percent to 350 yen per share
Fujitsu*	Down 3.82 percent to 832 yen per share

Hitachi*	Down 3.01 percent to 740 yen per share
JVC	Down 2.95 percent to 790 yen per share
Konica	Down 3.97 percent to 775 yen per share
Kyocera	Down 3.23 percent to 8,700 yen per share
Mitsubishi Electric*	Down 4.31 percent to 533 yen per share
NEC*	Down 1.67 percent to 825 yen per share
Nikon	Down 5.01 percent to 1,270 yen per share
Oki Electrical Industrial	Down 4.35 percent to 264 yen per share
Pioneer	Down 3.20 percent to 2,115 yen per share
Rohm	Down 2.13 percent to 16,980 yen per share
Sony	Down 3.17 percent to 6,100 yen per share
TDK	Down 3.58 percent to 5,650 yen per share
Tokyo Electron	Down 4.05 percent to 7,340 yen per share
Toshiba Corporation*	Down 4.09 percent to 493 yen per share
Yamaha	Down 3.23 percent to 1,229 yen per share

* Among the most active counters of the day

And it was on this note that trading came to a halt, last Wednesday night, in Asia.

This is how other bourses of the region fared:

Indonesia	Minus 0.61 percent to 477.37
Japan	Minus 1.89 percent to 10,752.66
Malaysia	Minus 0.06 percent to 743.17
The Philippines	Plus 1.29 percent to 1,153.12
Singapore	Minus 0.81 percent to 1,631.94
South Korea	Minus 0.91 percent to 794.71
Taiwan	Minus 2.35 percent to 5,262.01
Thailand	Minus 0.06 percent to 402.97

Thursday

It is said that when one dog howls, 100 dogs howl.

That was the way that things were, last Thursday in Asia, following the virtual, investor bloodbath on Wall Street: One screaming institutional investor led a chorus of screaming institutional investors, all anxious to unload stocks and shares while there were still buyers to be found.

On The New York Stock Exchange, last Wednesday, investors were beside themselves with fear as key indices dropped from one low to another.

By the close of trading, the Dow Jones Industrial Average had lost 282.59 points, equivalent to about 3.11 percent. The Dow's closing level of 8,813.50 points was the lowest since September 27, 2001.

On the NASDAQ, however, its Composite Index fell to a 62-month low of 1,346.01 points, having given up about 2.54 percent, last Wednesday alone.

Declining counters outnumbered advancing ones by the ratio of about 3.04:One on Big Board of The New York Stock Exchange, and by about 2.11:One on the NASDAQ.

The sell-off was the culmination of the build-up, over the past few months, of the very negative sentiment of investors, many of whom had been badly burnt by corporate America and its frauds.

US President George W. Bush had done little to allay the fears of the multitudes. (Please see Wednesday's report)

The very negative American fungus spread throughout the Western World, and to Asia.

In Europe, London's FTSE 100 Share Index hit a new, 5-year low, dropping to 4,324 points, before recovering about 20 points to end the session at 4,344 points.

Other European bourses gave up between 1.50 percent and 2 percent of their respective values.

In Asia, every major stock market saw its indices off, some by as much as 3.75 percent.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors were stunned as the Main Board's Hang Seng Index surrendered 2.12 percent of its value, falling back to 10,558.81 points.

The Total Turnover was about \$HK7.62 billion, with losing counters, outrunning gaining ones by the ratio of about 3.11:One.

It was the finance sector and the utility sector of the market that dragged down The Index, it was noted.

Once again, HSBC Holdings plc (Code: 5) was dominant in its trades. It is generally held that, when the share price of this giant banking conglomerate moves, dramatically, it is responsible for about 25 percent of the entire movement of the Hang Seng Index.

The Ten Most Actives of the day were:

HSBC Holdings plc (Code: 5)	Down 2.21 percent to \$HK88.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.29 percent to \$HK22.90 per share
Hutchison Whampoa Ltd (Code: 13)	Down 2.87 percent to \$HK59.25

Sun Hung Kai Properties Ltd (Code: 16)	per share Down 3.23 percent to \$HK60.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 2.25 percent to \$HK65.25 per share
Swire Pacific Ltd “A” Shares (Code: 19)	Down 2.30 percent to \$HK38.20 per share
Li and Fung Ltd (Code: 494)	Down 2.83 percent to \$HK10.05 per share
Hang Seng Bank Ltd (Code: 11)	Down 2.05 percent to \$HK83.75 per share
Television Broadcasts Ltd (Code: 511)	Down 4.33 percent to \$HK29.85 per share
China City Natural Gas Holdings Ltd (Code: 603)	Down 0.71 percent to 13.90 cents per share

But the biggest movers of the day were reserved for the following counters:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139	12.00		0.028
Bestway International Holdings Ltd	718		17.39	0.019
CIL Holdings Ltd	479		11.54	0.023
Dailywin Group Ltd	897	30.14		0.095
Fortuna International Holdings Ltd	530		10.34	0.026
Lai Sun Development Company Ltd	488		25.83	0.112
South China Information and Technology Ltd	175		33.33	0.31
Styland Holdings Ltd	211	11.29		0.069
TechCap Holdings Ltd	673		10.00	0.018

On The GEM – The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd – there was no quarter given as The Growth Enterprise Index hit another new low of 178 points, exactly.

It lost about 1.62 percent of its value in one trading day, with more to come in the very near future, it appeared.

The Total Turnover was about \$HK243.22 million, but, of that figure, about \$HK150.68 million was the result of trading in one counter, that of Golden Meditech Company Ltd (Code: 8180), the share price of which gave up 5.68 percent of its value, falling to \$HK2.075.

The ratio of losers to gainers was about 5.33:One, with about 73 percent of the entire market, holding onto previous levels.

The biggest movers of the day on this speculative market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Essex Bio-Technology Ltd	8151		10.26	0.35
EVI Education Asia Ltd	8090		32.43	0.05
MediaNation Incorporated	8160	12.79		0.97

In Japan, as with every major market in Asia, shares prices crumbled into a heap of losers.

On The Tokyo Stock Exchange, its blue-chip index, the Nikkei-225 Stock Average, lost 266.92 yen, equivalent to about 2.48 percent, dropping back to 10,485.74 yen.

There were more and more stories of investigations into major US companies by US regulatory authorities and, with each report, imagined or confirmed, investors became more and more concerned.

Losses on Asia's largest bourse were widespread: No mercy!

The ratio of losers to gainers was something of a record, at about 9.33:One.

Parochial considerations were almost completely disregarded because corporate America was beating a retreat – and others had to follow, or be trampled in the US stock-market stampede.

The Asian stock-market losers of last Thursday looked like this:

Indonesia	Minus 1.37 percent to 470.81
Japan	Minus 2.48 percent to 10,485.74
Malaysia	Minus 0.58 percent to 738.85
The Philippines	Minus 1.21 percent to 1,139.14
Singapore	Minus 1.46 percent to 1,608.19
South Korea	Minus 3.75 percent to 764.88
Taiwan	Minus 1.13 percent to 5,202.59
Thailand	Minus 1.24 percent to 397.97

Friday

It was the turn of US drug-maker, Bristol-Myers Squibb, to announce that it is under investigation by the US Securities and Exchange Commission (SEC) over allegations that Bristol-Myers inflated last year's revenues by about \$US1 billion.

The confirmation of the investigation led investors on Wall Street to dump stocks and shares, initially, but short-covering and bargain-hunting saved major indices on the world's largest bourse from suffering a continuous, 4-day savage attack.

The New York Stock Exchange's Dow Jones Industrial Average ended last Thursday's session at 8,801.53 points, a loss of about 11.97 points, compared with Wednesday's close.

On the NASDAQ, its Composite Index actually climbed out of its hole, ending the day at 1,374.43 points, a one-day improvement of about 2.11 percent.

International speculators and money-dealers unloaded US dollars on foreign-exchange markets, forcing down the value of the greenback against the Japanese yen to 116.86 yen, a loss of about 0.70 percent over Wednesday's last quote in New York.

Asia took careful note of the gyrations of Wall Street, but short-covering was the order of the day, in any event, on most stock markets in the world's most populous region.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), after a quiet morning session on both the Main Board of The Stock Exchange of Hongkong Ltd and its speculative marketplace, the Growth Enterprise Market (The GEM), investors decided to take the plunge on the eve of the weekend break.

The result was that the Main Board's Hang Seng Index gained about 0.85 percent, ending the week at 10,648.30 points, while The Growth Enterprise Index put on about 0.39 percent, ending the day at 178.69 points.

The Total Turnover on the Main Board was about \$HK5.50 billion, while the Total Turnover on The GEM was about \$HK119.23 million.

Low volumes by any reckoning.

The Ten Most Actives on the Main Board were:

HSBC Holdings plc (Code: 5)	Up 0.85 percent to \$HK89.25 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.27 percent to \$HK60.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.83 percent to \$HK60.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.31 percent to \$HK23.20 per share
Television Broadcasts Ltd (Code: 511)	Down 4.19 percent to \$HK28.60 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.15 percent to \$HK66.00 per share
Li and Fung Ltd (Code: 494)	Unchanged at \$HK10.05 per share
Pacific Century CyberWorks Ltd (Code: 8)	Up 3.45 percent to \$HK1.80 per share
Hang Seng Bank Ltd (Code: 11)	Unchanged at \$HK83.75 per share
Swire Pacific Ltd “A” Shares (Code: 19)	Up 0.79 percent to \$HK38.50 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Alco Holdings Ltd	328	17.07		0.96
China Bio-Medical Group Ltd	140	13.33		0.017
China Development Corporation Ltd	487	21.95		0.05
Chinney Alliance Group Ltd	385		12.50	0.014
Chinney Investments Ltd	216	24.44		0.28
Climax International Company Ltd	439	16.67		0.035
Easyknit International Holdings Ltd	1218	45.16		0.045
eSun Holdings Ltd	571	12.12		0.37
First Dragoncom Agro-Strategy Holdings Ltd	875	11.86		0.217
Grand Field Group Holdings Ltd	115	16.67		0.112
Heng Fung Holdings Ltd	185	14.29		0.128
imGO Ltd	67	14.81		0.93
Jackley Holdings Ltd	353	10.00		0.33
J.I.C. Technology Company Ltd	987		14.86	0.315
Kader Holdings Company Ltd	180	12.00		0.168
Melco International Development Ltd	200	15.85		1.90
New World CyberBase Ltd	276	17.78		0.053
Premium Land Ltd	164	12.83		0.255
Sing Tao Holdings Ltd	233	29.90		1.26
Yeebo (International Holdings) Ltd	259	11.59		0.385
Zida Computer Technologies Ltd	859		12.82	0.34

The ratio of gainers to losers was 1.83:One.

For the week, therefore, the Hang Seng Index had lost 157.86 points, equal to about 1.46 percent.

As for The GEM, no news was not good news for this bourse, which has the reputation for being the world's worst-performing stock market.

While the ratio of gainers to losers was about 1.34:One, the low volume of trading said it all: Investors were not interested in risking money on this marketplace.

The biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025	21.21		0.08
Blu Spa Holdings Ltd	8176	10.00		0.055
Essex Bio-Technology Ltd	8151	10.00		0.385
iAsia Technology Ltd	8101	10.64		0.104
Info Communication Holdings Ltd	8082	10.61		0.073
Infoserve Technology Corporation	8077		18.54	1.45
M Channel Corporation Ltd	8036	11.59		0.154
Medical China Ltd	8186	12.50		0.63
Panorama International Holdings Ltd	8173		11.11	0.16
techpacific.com Ltd	8088		10.29	0.061

The week, therefore, ended with The Growth Enterprise Index, registering a 5-day loss of about 0.92 percent – its lowest level of the past 2 years.

In Japan, the US dollar-Japanese yen rate sank to 116.72 yen in late trading, another 0.14-yen fall, compared with New York's last trade on Thursday.

It was open to speculation as to whether or not The Bank of Japan would step in, once again, in support of the US dollar.

Since July 1, just 12 days prior, the US dollar had lost about 3 percent of its value against the yen. Last Friday's rate in Japan represented a 10-month low for the US dollar.

The ever-escalating gains of the yen vis-à-vis the US dollar is making life very difficult for Japanese manufacturers, especially motor-car producers, such as Honda, whose sales of vehicles are heavily weighted toward the US market, where about 80 percent of this company's profits are generated.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average gained 115.71 yen, ending the week at 10,601.45 yen.

Gains were widespread, but technology counters benefitted the most, due to the gains on Wall Street.

The ratio of gainers to losers was about 1.23:One.

Whether or not Wall Street would be able to hang onto its gains of last Thursday was questionable because, with another probable US corporate scandal about to be unearthed, confidence in trading in stocks and shares in the US could be hit on the head, yet again.

Every major stock market in Asia reversed its course, last Friday, compared with Thursday's sell-off, as the following TARGET list indicates:

Indonesia	Plus 1.87 percent to 479.61
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Japan	Plus 1.10 percent to 10,601.45
Malaysia	Plus 0.14 percent to 739.85
The Philippines	Plus 1.98 percent to 1,161.69
Singapore	Plus 0.37 percent to 1,614.09
South Korea	Plus 3.67 percent to 792.93
Taiwan	Plus 4.11 percent to 5,416.50
Thailand	Plus 0.68 percent to 400.66

It was a week that many people in Asia would like to forget, but there were growing fears that more selling could come to pass in the weeks to come.

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