

A WEEK THAT MANY INVESTORS WOULD LIKE TO FORGET

The value of the US dollar, vis-à-vis other '*hard*' currencies, fell, further, last Monday, to a 10-month low against the Japanese yen and a 29-month low against the euro.

In fact, for the first time since February 2000, the US dollar reached parity with the euro.

That put the skids under stocks and shares, internationally.

There is, ironically, very good reason, today, for the US dollar to be worth less, against the currencies of its major trading partners' currencies, than it was worth a couple of years ago because the US economic growth must be the slowest, in the past year or so, since the early 1930's.

Also, the US trade deficit, which will be announced later this year, is bound to be a near record level.

Also, ironically, a weaker US dollar is good for the US economy, making goods and services, produced in the largest single economy of the world, relatively cheaper than they were just one year ago.

In Japan, last Monday, the US dollar-Japanese yen rate was about 116.18 yen, a fall of about 0.56 percent, compared with the last trade in New York, the previous Friday (July 12).

On Wall Street, the previous Friday, a discouraging report with regard to US investor confidence sent bourses in the US down – once again.

On The New York Stock Exchange, the '*key*' Dow Jones Industrial Average dropped about 117 points, equivalent to about 1.33 percent, to end the week at 8,684.53 points.

For the week, ended July 12, therefore, The Dow had been shaved by about 7.40 percent, compared with the week, ended July 5.

As for the NASDAQ, its Composite Index registered a loss of about 5.20 percent for the week, although the previous Friday's session saw the Composite Index end the week, down just about 0.93 of a point.

To put those statistics in perspective, they represented the lowest levels on the 2 major markets of the world in nearly 60 months.

Last Monday in Asia, investors saw all but one index on the 8 major stock markets fall in quick succession.

On The Stock Exchange of Hongkong Ltd, both the Main Board of The Growth Enterprise Market (The GEM) came under pressure from the sounds of the opening bells.

The volumes of activity on both exchanges were relatively low and investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) crossed themselves for having received that small mercy.

On the Main Board, the Hang Seng Index gave up about 0.63 percent of its value, ending the day at 10,581.66 points, after about \$HK4.54-billion worth of stocks and shares had changed hands.

The ratio of losers to gainers was about 2.24:One, with about 58 percent of all the counters that were traded, holding their ground.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 1.40 percent to \$HK88.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.65 percent to \$HK23.05 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.83 percent to \$HK60.00 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.42 percent to \$HK60.25 per share
Television Broadcasts Ltd (Code: 511)	Up 3.15 percent to \$HK29.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.76 percent to \$HK66.50 per share
Li and Fung Ltd (Code: 494)	Up 1.49 percent to \$HK10.20 per share
Brilliance China Automotive Holdings Ltd (Code: 1114)	Up 10.09 percent to \$HK1.20 per share
Hang Seng Bank Ltd (Code: 11)	Unchanged at \$HK83.75 per share
Swire Pacific Ltd "A" Shares (Code: 19)	Down 1.04 percent to \$HK38.10 per share

The biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Brilliance China Automotive Holdings Ltd	1114	10.09		1.20
Cheuk Nang Properties (Holdings) Ltd	131		10.00	0.018
China Development Corporation Ltd	487		20.00	0.04
Compass Pacific Holdings Ltd	1188	28.36		0.43
Dailywin Group Ltd	897		11.34	0.086
First Dragoncom Argo-Strategy Holdings Ltd	875	14.29		0.248
Great Wall Cybertech Ltd	689		16.67	0.01
Heng Fung Holdings Ltd	185		11.72	0.113
J.I.C. Technology Company Ltd	987		14.29	0.27
Karrie International Holdings Ltd	1050	11.25		1.78
Mansion House Group Ltd	376	10.45		0.37
Oriental Explorer Holdings Ltd	430		13.33	0.052
TechCap Holdings Ltd	673		11.11	0.016
UBA Investments Ltd	768		10.11	0.16
Yugang International Ltd	613	10.00		0.077

One rather startling piece of news came from Star East Holdings Ltd (Code: 198), following the release of its financial results for its Financial Year, ended March 31, 2002.

It was announced that the Turnover of this company had dropped to about \$HK179.80 million, down about 25 percent, Year-on-Year.

The company, which is chaired by Mr Alan Tam Wing Lun, a popular singer and movie star of the HKSAR, reported a Loss Attributable to Shareholders of about \$HK461.69 million.

This was very similar to the Results of the corresponding period, one year earlier, when the company reported a Loss Attributable to Shareholders of about \$HK468.70 million.

The company dropped about \$HK115 million on stock-market activities, alone.

This company is supposed to be in the business of distributing movies, television dramas, etc, as well as operating theme restaurants as its main source of income.

Movie stars, clearly, are not all that they are cracked up to be, these days, that is for sure, unless, of course, one includes their fornicating activities.

On The GEM, it was another very bad day for investors as The Growth Enterprise Index lost another 1.63 percent of its value, falling to 175.77 points.

The Total Turnover of this market was about \$HK113.17 million, with losers, outnumbering gainers by the ratio of 2.20:One.

The biggest losers on this speculative marketplace included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
G.A. Holdings Ltd	8126		13.40	0.42
Infoserve Technology Corporation	8077		10.34	1.30
Neolink Cyber Technology (Holdings) Ltd	8116		12.09	0.16

In The Land of The Rising Sun, the number of corporate bankruptcies, during the first 6 months of this year, rose about 4.70 percent, Year-on-Year, to 9,782 bankruptcies.

That statistic represented the highest number of bust companies to be recorded in a 6-month period since the end of World War II.

These bankruptcies left a trail of debts, equal to about 7.44 trillion yen – which must, also, be a record.

The weakness of the US dollar, coupled with the sad state of the economy of the second-largest economy of the world, caused more than a few heart flutters with investors.

On The Tokyo Stock Exchange, the blue-chip index, The Nikkei-225 Stock Average, lost 226.30 yen, falling back to 10,375.15 yen.

The loss of about 2.13 percent on the key index was, in part at least, brought about by export-orientated corporate entities, especially those whose major trading partner is the US.

The ratio of losers to gainers was about 7.86:One.

Motors, banks, brokerage houses and finance houses, and electronics, all took it on the nose:

Motors

Daihatsu Motor	Down 1.46 percent to 471 yen per share
Hino Motors	Down 2.92 percent to 332 yen per share
Isuzu Motors	Down 2.78 percent to 70 yen per share

Kawasaki Heavy Industries	Down 3.27 percent to 148 yen per share
Mazda*	Down 2.88 percent to 337 yen per share
Mitsubishi Motors	Down 2.24 percent to 306 yen per share
Nissan Motor*	Down 2.97 percent to 817 yen per share
Suzuki Motor	Down 4.39 percent to 1,417 yen per share

*Among the most active counters of the day

Banks/financial houses/brokerage companies

Daiwa Bank Holding	Down 1.10 percent to 90 yen per share
Daiwa House	Down 5.39 percent to 807 yen per share
Daiwa Securities	Down 2.77 percent to 771 yen per share
Kokusai Securities	Down 2.18 percent to 717 yen per share
Mitsubishi Financial Group	Down 3.70 percent to 859,000 yen per share
Mitsui Trust Holdings*	Down 2.39 percent to 286 yen per share
New Japan Securities	Down 4.93 percent to 212 yen per share
Nikko Cordial*	Down 2.69 percent to 579 yen per share
Nomura Holdings*	Down 2.31 percent to 1,690 yen per share
Sumitomo Mitsui Bank*	Down 2.69 percent to 650 yen per share
Sumitomo Trust and Bank*	Down 2.14 percent to 640 yen per share

* Among the most active counters of the day

Electronics

Advantest	Down 2.74 percent to 7,110 yen per share
Canon	Down 4.24 percent to 4,070 yen per share
Fuji Electric	Down 1.74 percent to 339 yen per share
Hitachi*	Down 1.63 percent to 723 yen per share

Konica	Down 2.58 percent to 718 yen per share
Kyocera	Down 2.88 percent to 8,420 yen per share
Oki Electrical Industrial	Down 2.71 percent to 251 yen per share
Rohm	Down 2.49 percent to 16,050 yen per share
Sharp	Down 2.29 percent to 1,452 yen per share
Sony	Down 2.65 percent to 5,880 yen per share
Tokyo Electron	Down 2.19 percent to 7,140 yen per share
Toshiba Corporation	Down 1.64 percent to 481 yen per share

* Among the most active counters of the day

In other Asian markets, this was how the situation looked, last Monday night:

Indonesia	Plus 0.27 percent to 480.90
Japan	Minus 2.13 percent to 10,375.15
Malaysia	Minus 0.10 percent to 739.13
The Philippines	Closed
Singapore	Minus 0.27 percent to 1,609.76
South Korea	Minus 1.19 percent to 783.52
Taiwan	Minus 0.43 percent to 5,393.01
Thailand	Minus 0.32 percent to 399.36

Tuesday

It was a horror day for margin buyers of stocks and shares, all over the world.

Asia was crushed by the international situation as investors watched one bourse after another take a substantial 'haircut', following on from what was transpiring in the US, exemplified by the first day of the trading week in that country.

Wall Street saw some of the biggest swings in its entire history, as The New York Stock Exchange witnessed its blue-chip index, the Dow Jones Industrial Average, lose more than 5 percent, midway through the trading session, only to recover in a buying rally, not seen for years.

By the close of the day, The Dow was standing at 8,639.19 points, a loss of just 45.34 points, or about 0.52 percent, on the previous Friday's closing level.

The NASDAQ followed a similar pattern to that of the Big Board of The New York Stock Exchange and, after being down more than 4 percent, at one point in the day, recovered all of its losses and, actually, ended the day at 1,382.62 points, up 9.12 points, equivalent to about 0.66 percent, compared with the close of Friday, July 12.

The Wall Street gyrations reverberated round the world.

In the United Kingdom, it was speculated that about £55 billion had been wiped off the value of shares and stocks on The London Stock Exchange.

London's Financial Times Index (FTSE) lost about 1.25 percent of its value; the stock-market losses of late are seriously damaging pension and investment funds.

In Paris, France, there was a 2.17-percent loss on the Paris Bourse's CAC, while, in Zurich, Switzerland, its Market Index shed 2.81 percent of its value.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), there was nowhere for investors to hide as indices gave up huge chunks.

On The Stock Exchange of Hongkong Ltd, both the Main Board and The Growth Enterprise Market (The GEM) surrendered substantial values.

The Main Board's Hang Seng Index ended the day at its low point, 10,421.49 points, a loss of about 1.51 percent, compared with Monday's close.

And it was only too apparent that more losses would follow in the days ahead.

The Total Turnover stayed relatively low, at about \$HK6.44 billion, with losers, outpacing gainers by the ratio of about 3.91:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 1.14 percent to \$HK87.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.95 percent to \$HK22.60 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 3.01 percent to \$HK64.50 per share
Hutchison Whampoa Ltd (Code: 13)	Down 2.90 percent to \$HK58.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 2.92 percent to \$HK58.25 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.90 percent to \$HK83.00 per share
Henderson Land Development Company Ltd (Code: 12)	Down 2.16 percent to \$HK31.70 per share
Swire Pacific Ltd "A" Shares (Code: 19)	Down 0.79 percent to \$HK37.80 per share
Li and Fung Ltd (Code: 494)	Down 0.49 percent to \$HK10.15 per share
Tracker Fund of Hongkong (Code: 2800)	Down 1.40 percent to \$HK10.55 per share

The biggest losers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asean Resources Transportation Holdings Ltd	899		11.90	0.037

Century Legend (Holdings) Ltd	79		11.11	0.032
China Bio-Medical Group Ltd	140		12.50	0.014
China Elegance International Fashion Ltd	476		11.11	0.016
Dailywin Group Ltd	897		20.93	0.068
Daiwa Associate Holdings Ltd	1037		25.76	0.49
e-New Media Company	128		12.28	0.25
Fortuna International Holdings Ltd	530		13.79	0.025
Fulbond Holdings Ltd	104		10.64	0.042
Hi Sun Group Ltd	818		11.11	0.80
Hongkong Fortune Ltd	121		10.00	0.135
Hua Lien International (Holding) Company Ltd	969		66.33	0.67
Keck Seng Investments (Hongkong) Ltd	184		11.11	0.80
KEL Holdings Ltd	681	16.85		0.104
Omnitech Group Ltd	94		10.94	0.057
SC Industrial Development Company Ltd	554		13.51	0.32
Shanxi Central Pharmaceutical International Ltd	327		12.50	0.245
Sino InfoTech Holdings Ltd	205	11.35		0.255
Soundwill Holdings Ltd	878		15.56	0.038
Styland Holdings Ltd	211	18.42		0.09
TechCap Holdings Ltd	673		12.50	0.014
Victory Group Ltd	1139		12.98	0.114

News wise, the HKSAR Government's Census and Statistics Department announced that the unemployment rate had hit a post, World War II high of about 7.70 percent for the April to June quarter.

That compared with an unemployment rate of about 4.60 percent for the like period in 2001.

It was the 12th consecutive month that the unemployment rate had risen.

Well done, Mr Tung Chee Hwa, Beijing's Chief Executive Designate!

As for The GEM, its Growth Enterprise Index lost about 2.09 percent of its value, ending the day at 172.10 points.

The Total Turnover on this speculative market was about \$HK1.56 billion, the highest Total Turnover in more than 3 years.

The reason for the massive volume of activity was the debut of Mr Li Ka Shing's CK Life Sciences International (Holdings) Incorporated (Code: 8222).

Totally, about 664.48 million shares in this start-up company changed hands, during the trading day, with the share price, fluctuated between a low of \$HK2.10 and a high of \$HK2.275, ending the day at \$HK2.15.

The Offer/Placement price of the shares of CK Life Sciences was \$HK2.00.

The flotation has turned out to be a wet squib.

(Please see last Friday's [TARGET Intelligence Report, Volume IV, Number 134](#), for analysis of this situation)

The Turnover of CK Life Sciences, at about \$HK1.45 billion, represented about 93 percent of the GEM's Total Turnover of the day.

The ratio of losers to gainers on this market was about 5.31:One, but about 74 percent of all the counters, listed on The GEM, saw no movement in their share prices.

The double-digit movers on this market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources Holdings	8025	12.50		0.09
China Medical Science Ltd	8120		11.76	0.30
Computech Holdings Ltd	8081		13.16	0.495
FX Creations International Ltd	8136		13.57	0.121
Grandy Applied Environmental Technology Corporation	8143		13.99	0.123
Kinetana International Biotech Pharma Ltd	8031		15.84	0.17
Neolink Cyber Technology (Holdings) Ltd	8116		16.88	0.133
Proactive Technology Holdings Ltd	8089		15.38	0.11
Timeless Software Ltd	8028		10.00	0.234
Trasy Gold EX Ltd	8063	12.50		0.145

In Japan, it was another bad day for investors on the 3 stock markets in the second largest economy of the world.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average lost another 124.73 yen, equivalent to 1.20 percent.

Motors, electronics, banks and telecommunications counters suffered some of the largest falls in their respective share prices, but investors did not stop at those counters, selling scrip of any colour whenever there were buyers in plenty to be found.

Losers were ahead of gainers by the ratio of about 4.26:One.

One brave strategist from Nissay Asset Management Corporation, a Mr Eiji Arima, was telling his people that it was time to buy into the Japanese stock market and that *'investors may well expect a return of 10 percent to 15 percent on investment at the current price level.'* (copied verbatim)

Mr Arima was basing his opinions on historic earnings, of course.

Ah, well, hope springs eternal!

In other Asian markets, this was how things looked to investors as they went home, last Tuesday evening:

Indonesia	Plus 0.18 percent to 481.76
Japan	Minus 1.20 percent to 10,250.42
Malaysia	Minus 0.65 percent to 734.36
The Philippines	Plus 0.61 percent to 1,168.73
Singapore	Minus 1.49 percent to 1,585.85
South Korea	Minus 1.54 percent to 771.45
Taiwan	Minus 1.39 percent to 5,318.01
Thailand	Minus 1.71 percent to 392.55

Wednesday

Asian stock markets continued to be mauled by bears, as one wave of selling after another rocked bourses in the most populous area of the world.

Asia was feeling the whiplash of the US where, for the 7th consecutive day, stocks and shares lost ground on the largest stock market in the world.

On The New York Stock Exchange, the Dow Jones Industrial Average lost 166.08 points, equivalent to about 1.92 percent, ending the day at 8,473.11 points.

As for the tech-laden NASDAQ, its Composite Index dropped 7.36 points, ending the day at 1,375.26 points for a one-day loss of about 0.53 percent.

The losses on the world's largest stock markets were in spite of Dr Alan Greenspan, the Chairman of the US Federal Reserve Board, uttering what might be considered soothing words to the US Congress about the economy.

He made the statements in his semi-annual report on the State of the US Economy.

Dr Greenspan said that he and his colleagues expected the US economy to grow between 3.50 percent and 3.75 percent, measured against the 4th quarter of 2001.

Ahead of Dr Greenspan's statements to Congress, The Dow was off about 230 points; it picked up some losses in late afternoon trading.

Investors in the US are still smarting from the crooks and schnooks, who are running rampant, throughout publicly listed companies in the US.

While Dr Greenspan was trying in vain to placate stock markets in his country, from Santa Clara, California, came news from Intel, the world's largest chipmaker, that it would be sacking another 4,000 of its workers, equal to about 5 percent of its entire workforce.

Lacklustre demand for personal computers, internationally, was put down as the reason for the staff cutbacks.

Apple Computer, a biggie in the manufacture of personal computers, announced that profits fell nearly 50 percent in the quarter to June 30, Year-on-Year, with sales, down about 3 percent, to about \$US1.43 billion.

That was not all, however, because Motorola, the world's second largest producer of mobile telephones, announced that sales had slipped by about 11 percent in that quarter, to about \$US6.70 billion.

It, also, announced a 300-percent increase in losses for that quarter, to about \$US2.30 billion.

It is difficult to fart into the wind and not expect to smell one's foul odour.

Asia took careful note of all of this and reacted accordingly: All but 2 countries' stock markets fell out of bed – again.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors, knocked by the higher unemployment rate and seeing that the HKSAR Government is doing little to nothing to revitalise the sagging economy, sold stocks and shares on The Stock Exchange of Hongkong Ltd.

On the Main Board, the Hang Seng Index surrendered another 0.83 percent of its value, ending the day at 10,335.12 points.

The Total Turnover rose to about \$HK7.48 billion, with losers, outrunning gainers by the ratio of about 3.65:One.

Every sub-index was off, led by Utilities, whose Sectorial Index gave up about 0.90 percent.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.29 percent to \$HK86.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.66 percent to \$HK22.45 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 2.33 percent to \$HK63.00 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.85 percent to \$HK58.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.43 percent to \$HK58.00 per share
Hang Seng Bank Ltd (Code: 11)	Unchanged at \$HK83.00 per share
Henderson Land Development Company Ltd (Code: 12)	Down 2.21 percent to \$HK31.00 per share
CLP Holdings Ltd (Code: 2)	Down 0.97 percent to \$HK30.50 per share
Tracker Fund of Hongkong (Code: 2800)	Down 1.42 percent to \$HK10.40 per share
Li and Fung Ltd (Code: 494)	Down 3.45 percent to \$HK9.80 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Bestway International Holdings Ltd	718		10.53	0.017
China United Holdings Ltd	2949		14.29	0.024
CIL Holdings Ltd	2948		16.00	0.021
Compass Pacific Holdings Ltd	1188		12.50	0.35
Dailywin Group Ltd	897		22.06	0.053
DVN (Holdings) Ltd	500	13.04		1.56
Euro-Asia Agricultural (Holdings) Company Ltd	932		15.35	1.82
Hua Lien International (Holding) Company Ltd	969		10.45	0.60
J.I.C. Technology Company Ltd	987		13.73	0.22
Medtech Group Company Ltd	1031		13.04	0.02
Omnitech Group Ltd	94		10.53	0.051
SC Industrial Development Company Ltd	554		10.94	0.285
Sen Hong Resources Holdings Ltd	76		11.27	0.126
Shanghai Merchants Holdings Ltd	1104		12.28	0.50
Styland Holdings Ltd	211	11.11		0.10
TechCap Holdings Ltd	673		21.43	0.011
Van Shung Chong Holdings Ltd	1001		11.76	0.60
Wang On Group Ltd	1222		13.33	0.013

It strongly appeared that any company, having anything to do with the US and US trade, came under fire: Uncertainty is the biggest killer of confidence in a marketplace.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, investors watched as another 2.46 percent was shaved off The Growth Enterprise Index.

Losers were ahead of gainers by the ratio of about 4.93:One; The Growth Enterprise Index ended the session at a 2-year low of 167.86 points.

The Total Turnover of the day was about \$HK392.83 million, with Mr Li Ka Shing's new listing, CK Life Sciences International (Holdings) Incorporated (Code: 8222), being responsible for about \$HK276.01 million of that figure, equivalent to about 70.26 percent.

CK Life Sciences ended the session at \$HK2.10 per share, down 5 cents on Tuesday's close, or about 2.33 percent.

The low for this stock, however, was \$HK2.025; and, it was only a matter of time before bears would be able to better that figure, it was conjectured.

The biggest movers of the day on The GEM were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025		11.11	0.08
Grandy Applied Environmental Technology Corporation	8143		11.38	0.109
Info Communication Holdings Ltd	8082	17.14		0.082
Kinetana International Biotech Pharma Ltd	8031		11.76	0.15
MediaNation Incorporated	8160		10.53	0.85
Neolink Cyber Technology (Holdings) Ltd	8116	24.81		0.166
Panda-Recruit Ltd	8073		10.00	0.027
Prosperity International Holdings (Hongkong) Ltd	8139		14.56	0.088
ProSticks International Holdings Ltd	8055		15.29	0.072
techpacific.com Ltd	8088		24.59	0.046
Tianjin TEDA Biomedical Engineering Company Ltd	8189		14.94	0.37
Trasy Gold EX Ltd	8063	11.11		0.05

In Japan, things were a little restrained, compared with the events of the previous 2 trading sessions on The Tokyo Stock Exchange.

The key index of the largest stock market in Asia, the Nikkei-225 Stock Average, gained about 45.60 yen, or about 0.44 percent, rising to 10,296.02 yen.

It was a late-afternoon rally that brought up the Nikkei-225 Stock Average. Many people wondered whether or not it represented short-covering, only.

Once again, the US dollar lost ground against the Japanese yen, causing consternation in the manufacturing industry.

The US-dollar-Japanese-yen rate was about 115.95 yen, down from Tuesday level in New York of about 115.50 yen.

The US dollar had hit a 17-month low against the yen.

Motors and electronics came under renewed pressure, throughout the day, despite the fractional rise in the value of the Nikkei-225.

The ratio of gainers to losers was about 1.13:One.

The Japan Department Stores Association released its statistics for the January-June half, showing that sales at departmental stores in Tokyo had fallen by about one trillion yen, down about 3 percent, compared with the like period in 2001.

Sales of clothing, usually the largest item in terms of sales in departmental stores, were off by about 1.90 percent, while sales of food, the second-largest seller, traditionally, were down by about 2.30 percent.

This would appear to indicate that Mr and Mrs Japan are trying desperately to economise on the purchases of both food items and clothing.

A sad state of affairs for any economy.

A major machinery producer, Nachi-Fujikoshi Corporation, told its shareholders that it had posted a Net Loss Attributable to Shareholders of about 152 million yen for the first half of the year, ended May 31, 2002.

It was noted that only Japan's massive stock markets and Thailand's minute bourse had posted gains, last Wednesday.

The following are the losses of the other Asian bourses:

Indonesia	Minus 0.50 percent to 479.37
Japan	Plus 0.44 percent to 10,296.02
Malaysia	Minus 0.43 percent to 731.17
The Philippines	Minus 0.97 percent to 1,157.34
Singapore	Minus 0.16 percent to 1,583.30
South Korea	Closed
Taiwan	Minus 1.26 percent to 5,250.82
Thailand	Plus 0.45 percent to 394.32

Thursday

Wall Street broke its 7-day losing streak, last Wednesday – and the world's stock markets seemed to breathe a sign of relief.

On The New York Stock Exchange, last Wednesday, the Dow Jones Industrial Average gained 69.37 points, rising to 8,542.48 points, an improvement of about 0.44 percent over Tuesday's close.

The NASDAQ Composite Index followed The Dow, rising about 1.60 percent to hit 1,397.25 by the close of trading.

There had been a batch of corporate earnings reports that appeared to give heart to some US investors, but, at the same time, things had not changed from one day to the next – and there were, still, those corporate '*worms*', crawling out of the woodwork.

In Asia, it was a matter of clinging onto any leaf when the wind is blowing, strongly.

But leaves have been known to blow away in high winds.

Investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were happy for any kind of relief, real or imagined, last Thursday, or so it appeared, and, so, up went share prices on the Main Board of The Stock Exchange of Hongkong Ltd.

In spite of the failure of the flotation of Mr Li Ka Shing's CK Life Sciences International (Holdings) Incorporated (Code: 8222, The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd), a float

which caused a great many people to lose a great deal of money since the market price of the shares had been such that there was no profit for anybody, bulls chased away bears, pushing up share prices on the Main Board.

The Hang Seng Index ended last Thursday's session at 10,452.55 points, a one-day gain of about 1.14 percent.

The Total Turnover was about \$HK5.62 billion with gainers ahead of losers by the ratio of about 1.05:One.

The relatively light Total Turnover appeared to indicate that it was quite likely that the market would reverse its direction in the near future.

Trading in the shares of HSBC Holdings plc (Code: 5) was responsible for much of last Thursday's gains.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 2.02 percent to \$HK88.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.11 percent to \$HK22.70 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.86 percent to \$HK58.50 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.72 percent to \$HK59.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.98 percent to \$HK64.25 per share
CLP Holdings Ltd (Code: 2)	Down 0.33 percent to \$HK30.40 per share
Henderson Land Development Company Ltd (Code: 12)	Up 0.97 percent to \$HK31.30 per share
Hang Seng Bank Ltd (Code: 11)	Up 1.51 percent to \$HK84.25 per share
Wharf (Holdings) Ltd (Code: 4)	Down 0.59 percent to \$HK16.80 per share
Swire Pacific Ltd "A" Shares (Code: 19)	Down 0.53 percent to \$HK37.30 per share

The biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Century Legend (Holdings) Ltd	79		12.50	0.028
China Rich Holdings Ltd	1191		13.33	0.13
Earnest Investments Holdings Ltd	339	11.90		0.047
Easyknit International Holdings Ltd	1218		55.56	0.02
Great China Holdings Ltd	141	15.00		0.46
Hopson Development Holdings Ltd	754		14.97	1.25
JCG Holdings Ltd	626		15.34	3.725
Pacific Plywood Holdings Ltd	767	11.54		0.029
Star East Holdings Ltd	198		11.27	0.063
Starlite Holdings Ltd	403	14.29		0.40
Styland Holdings Ltd	211		22.00	0.078
Tse Sui Luen Jewellery (International) Ltd	417		16.67	0.20
Winton Holdings (Bermuda) Ltd	510		12.73	0.48

From the news front, it was confirmed that HSBC Holdings was hatching a plan to try to take over Mexico's biggest retail banking group: Grupo Financiero Bital.

This bank was said to have 6 million depositors in its 1,380 branches.

It is thought that the takeover will cost about £1 billion.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, there was a bit of a rally toward the end of the session, but it did little for this speculative marketplace.

By the close of trading at 4 pm, The Growth Enterprise Index stood at 168.31 points, a gain of about 0.27 percent over Wednesday's close.

The Total Turnover on this market was about \$HK270.99 million, with, once again, trading in the shares of CK Life Sciences, being the dominant counter as investors traded about 70.55 million shares in this Li Ka Shing company.

After zigzagging between a low of \$HK2.075 per share and a high of \$HK2.125 per share, it settled at the high of the day.

The value of the trades in this counter represented about 55 percent of the entire volume of activity of the market.

But, other than this little excitement, there was little else happening on this market where the ratio of gainers to losers was 1.50:One.

It is said that the market that cannot rise, must fall.

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Info Communication Holdings Ltd	8082		13.41	0.071
Infoserve Technology Corporation	8077		17.50	0.99
ProSticks International Holdings Ltd	8055	15.28		0.083
Q9 Technology Holdings Ltd	8129	30.00		0.13
techpacific.com Ltd	8088		13.04	0.04

In The Land of The Rising Sun, things were a little happier as the US dollar strengthened slightly against the Japanese yen, causing exporters and manufacturers of motor vehicles and electronics to feel a little relieved – at least, for a short space of time.

On The Tokyo Stock Exchange, the key, Nikkei-225 Stock Average gained 202.24 yen, rising to 10,498.26 yen, an improvement over Wednesday's close of about 1.96 percent.

Electronics were, very much, sought after, following the pounding that they have been taking of late.

In fact, the electronics section of the market was the biggest gainer of the day.

Some of the big movers in this section included:

Advantest	Up 4.49 percent to 7,450 yen per share
Canon	Up 3.90 percent to 4,260 yen per share

Casio	Up 2.87 percent to 645 yen per share
Fuji Electric	Up 2.09 percent to 342 yen per share
Fujitsu*	Up 1.97 percent to 827 yen per share
Hitachi*	Up 5.41 percent to 779 yen per share
JVC	Up 7.78 percent to 873 yen per share
Kyocera	Up 5.28 percent to 8,980 yen per share
NEC*	Up 4.04 percent to 825 yen per share
Nikon	Up 3.59 percent to 1,270 yen per share
Oki Electrical Industrial	Up 5.00 percent to 252 yen per share
Pioneer	Up 3.34 percent to 2,165 yen per share
Rohm	Up 8.66 percent to 17,570 yen per share
Sanyo Electric	Up 3.36 percent to 553 yen per share
Sharp	Up 6.56 percent to 1,543 yen per share
Sony	Up 4.32 percent to 5,800 yen per share
Toshiba Corporation*	Up 4.37 percent to 502 yen per share

* Among the most active counters of the day

Although there was a bit of an upward movement in stocks and shares on The Tokyo Stock Exchange, investors remained unconvinced that the boomlet would continue for any great length of time.

This was in spite of gainers, being ahead of losers by the ratio of about 3.09:One.

Everybody and his cat in Japan have seen quite a number false images in the stock market's desert of the past few years.

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

Indonesia	Plus 1.84 percent to 488.22
Japan	Plus 1.96 percent to 10,498.26
Malaysia	Plus 0.37 percent to 733.87
The Philippines	Minus 0.06 percent to 1,156.60
Singapore	Minus 0.21 percent to 1,579.90

South Korea	Plus 0.31 percent to 773.85
Taiwan	Minus 0.17 percent to 5,242.11
Thailand	Plus 0.91 percent to 397.91

Friday

The world's stock markets reeled under the heavy selling pressure that prevailed on The New York Stock Exchange, as more bad – and sad – news rocked investor confidence, yet again.

In Asia, only one of the major bourses managed to record a positive figure, last Friday.

In Europe, the stock markets of London, Frankfurt and Paris all lost in excess of 3 percent of their respective indices' values.

On Wall Street, last Thursday, there was one report after another about this company and that company that was having its problems.

The US Government's reports hardly inspired investors with confidence, also.

On The New York Stock Exchange, the Dow Jones Industrial Average lost 132.99 points, equivalent to about 1.56 percent, ending the session at 8,409.49 points.

The NASDAQ's Composite Index gave up 40.27 points, about 2.88 percent, dropping back to 8,409.49 points.

At the giant conglomerate, AOL Time Warner, it was reported that the Chief Operating Officer, Mr Robert Pittman, had '*resigned*' amid suggestions that this company could be the next in line to be put under the microscope of the US regulatory authorities.

Its share price sank another 5 percent.

Asia could hardly be expected to disregard the goings on, on the world's largest stock markets.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the week ended as it started: On a very negative note.

The Main Board's Hang Seng Index lost about 1.22 percent of its value, falling to 10,325.46 points on a Total Turnover of about \$HK5.22 billion.

The ratio of losers to gainers was 3.08:One, as the Finance Sectorial Index took its toll of the Hang Seng Index, losing about 0.75 percent of its value.

The Ten Most Actives of the day included:

HSBC Holdings plc (Code: 5)	Down 0.85 percent to \$HK87.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.54 percent to \$HK22.35 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.27 percent to \$HK58.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.71 percent to \$HK57.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.56 percent to \$HK63.25 per share

Henderson Land Development Company Ltd (Code: 12)	Down 1.92 percent to \$HK30.70 per share
CNOOC Ltd (Code: 883)	Down 2.87 percent to \$HK10.15 per share
Wharf (Holdings) Ltd (Code: 4)	Down 2.08 percent to \$HK16.45 per share
CLP Holdings Ltd (Code: 2)	Up 0.33 percent to \$HK30.50 per share
Hang Seng Bank Ltd (Code: 11)	Unchanged at \$HK84.25 per share

The biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CCT Telecom Holdings Ltd	138		11.81	1.12
China Rich Holdings Ltd	1191		15.38	0.11
China United Holdings Ltd	2949	22.73		0.027
Dah Hwa International (Holdings) Ltd	600		12.50	0.112
Emperor Technology Venture Ltd	283	11.73		0.20
Fairwood Holdings Ltd	52		13.08	0.113
Far East Hotels and Entertainment Ltd	37		12.50	0.35
Haier-CCT Holdings Ltd	1169		12.12	0.145
Omnitech Group Ltd	94		10.00	0.045
SC Industrial Development Company Ltd	554		16.95	0.245
Shanxi Central Pharmaceutical International Ltd	327		76.55	0.053
Sino-i.com Ltd	250		11.86	0.052
Skynet (International Group) Holdings Ltd	577	10.00		0.011
Soundwill Holdings Ltd	878	29.27		0.053
Victory Group Ltd	1139		10.00	0.099
Yoshiya International Corporation Ltd	193		17.16	0.111

For the week, therefore, the Hang Seng Index had lost 322.84 points, equivalent to 3.03 percent.

And all of the losses could be ascribed to Wall Street.

As for The GEM, The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, its single index, The Growth Enterprise Index, edged down another notch, ending the week at 165.84 points.

Last Friday's 1.47-percent loss meant that The Growth Enterprise Index had shed 5.65 percent of its value for the 5-day trading week.

The Total Turnover of last Friday, at about \$HK204.39 million, was, once again, boosted by trading in Mr Li Ka Shing's CK Life Sciences International (Holdings) Incorporated (Code: 8222).

That counter's activity represented about 51 percent of the total activity on this speculative marketplace.

After some 49.91 million, CK Life Sciences's shares had changed hands, during the day, the price had fallen to \$HK2.10 per share.

Aside from this counter, however, the ratio of losers to gainers was extended to about 6.10:One.

Investors, clearly, had lost heart on this market, which is the worst-performing bourse in the world, and has been for the past few years.

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Capital Publications Ltd	8155		45.28	0.29
Creative Energy Solutions Holdings Ltd	8109		12.50	0.70
Q9 Technology Holdings Ltd	8129		23.08	0.10
Trasy Gold EX Ltd	8063		11.54	0.046
Wafer Systems Ltd	8198		15.63	0.27
WLS Holdings Ltd	8021		16.67	0.20

In Japan, The Tokyo Stock Exchange saw investors throw up their hands in disgust as one counter after another came under selling pressure.

By the end of the day, the Nikkei-225 Stock Average had recorded a loss of about 295.90 yen, down 2.82 percent on Thursday's close.

Last Friday's close meant that the Nikkei-225 Stock Average had surrendered about 3.76 percent of its value in 5 trading days.

Once again, it was in the electronics section of the market that got hit the hardest, as the following TARGET list indicates:

Advantest	Down 5.50 percent to 7,040 yen per share
Canon	Down 3.52 percent to 4,110 yen per share
Fuji Electric	Down 3.22 percent to 331 yen per share
Fujitsu	Down 2.42 percent to 807 yen per share
Hitachi*	Down 4.49 percent to 744 yen per share
Kyocera	Down 3.67 percent to 8,650 yen per share
Matsushita Electrical Industries	Down 3.74 percent to 1,543 yen per share
NEC*	Down 3.52 percent to 796 yen per share
Nikon	Down 3.54 percent to 1,225 yen per share
Oki Electrical Industrial	Down 5.56 percent to 238 yen per share
Pioneer	Down 2.54 percent to 2,110 yen per share
Ricoh	Down 2.46 percent to 1,985 yen per share
Rohm	Down 4.95 percent to 16,700 yen per share
Sanyo Electrical	Down 3.07 percent to 536 yen per share

Sharp	Down 2.85 percent to 1,499 yen per share
Sony*	Down 4.66 percent to 5,530 yen per share
TDK	Down 3.68 percent to 5,490 yen per share
Tokyo Electron	Down 3.16 percent to 7,040 yen per share

* Among the most active counters of the day

However, in addition to electronics, select securities companies were hit, especially hard:

Daiwa Securities	Down 5.00 percent to 760 yen per share
New Japan Securities	Down 4.93 percent to 212 yen per share
Nikko Cordial	Down 3.04 percent to 574 yen per share
Nomura Holdings*	Down 5.25 percent to 1,715 yen per share

* Among the most active counters of the day

Japan was hurting, to be sure, because, in addition to the ever-weakening US dollar, it was seeing its major trading partner, the US, in serious trouble – which must, inevitably, cascade down to The Land of The Rising Sun.

In other Asian bourses, this was the way that things looked, last Friday night:

Indonesia	Minus 0.69 percent to 484.85
Japan	Minus 2.82 percent to 10,202.36
Malaysia	Minus 1.01 percent to 726.48
The Philippines	Plus 0.95 percent to 1,167.56
Singapore	Minus 1.25 percent to 1,560.18
South Korea	Minus 2.48 percent to 754.62
Taiwan	Minus 1.53 percent to 5,161.92
Thailand	Minus 0.91 percent to 394.27

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