

**INDONESIAN AND PHILIPPINE TERRORISTS SHAKE UP ASIA :
WALL STREET ? UNPERTURBED !**

The Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) was closed down tightly, last Monday, for a public holiday, as was Japan where the population was celebrating Sports Day.

As a result, the 5 largest stock markets in Asia were not operational – 2 stock markets of the HKSAR and 3 stock markets of Japan.

However, Indonesia made up for the closures of the largest equity markets in the most-populous area of the world as its Djakarta Stock Exchange saw its JSX Index shed 10.36 percent of its value, falling back to 337.47 points.

It was a 4-year low for the Indonesian bourse.

The Indonesian losses infected other Asian markets, such as its closest neighbours, Malaysia and the Philippines.

There had been an horrendous bomb, or a series of powerful bombs, exploding on the holiday island of Bali on Saturday, October 12. The blasts killed more than 200 tourists (mainly) and seriously wounded another 200 people.

Al Qaeda/Osama bin Laden were being blamed for what has been described as terrorist attacks on the most important tourist island in the Indonesian archipelago.

The value of the Indonesia rupiah fell against the US dollar and most other '*hard*' currencies by about 4 percent on foreign-exchange markets on Monday. It was a 5-year low for the currency.

Bali, which attracts about 1.40 million tourists per year, is, by far, the most important holiday resort island for Indonesia where something in the neighbourhood of 8 million people are engaged in the tourist trade.

Tourism is responsible for about 4 percent of the country's Gross National Product (GNP).

It is unlikely that many tourists will be returning to Bali for some time to come – and the Government of Indonesia knows this, only too well.

Hence, the fall in the price of shares on The Djakarta Stock Exchange and the decline in the value of the rupiah against '*hard*' currencies.

Indonesia has, historically, been one of the most, if not the most, corrupt countries in Southeast Asia.

Some political scientists maintain that it is even more corrupt than the PRC, proper (as distinct from the HKSAR) – which is saying quite a lot.

As such, hard-line, Indonesian Muslim fundamentalists want the country to adopt and to embrace Koranic (or Qur'anic) virtues as principles of government in view of the fact that about 90 percent of the entire human population of about 210 million people, who live in the country, are Muslims.

In short, there is growing support for the country to become an Islamic Republic.

Indonesia is the largest Muslim country in the world, today, and could, easily, go the way of Iran – Population: 65 million people; Religion: 95 percent Shi’a Muslim – with its fundamentalist outlook.

Aside from the terrorists of Indonesia, there was not much else to report on the business activities of last Monday in Asia.

It was Columbus Day in the US on Monday, October 14, and Thanksgiving Day in Canada.

That, being the case, Asia would have to go it alone and try to outguess the direction of the world’s largest bourses when they resumed business in earnest on Tuesday, October 15.

Here is the way that things looked in Asia, last Monday:

| | |
|-----------------|--------------------------------|
| Indonesia | Minus 10.36 percent to 337.47 |
| Japan | Closed |
| Malaysia | Minus 1.22 percent to 630.01 |
| The Philippines | Minus 0.44 percent to 1,067.51 |
| Singapore | Plus 0.35 percent to 1,378.44 |
| South Korea | Plus 4.55 percent to 614.27 |
| Taiwan | Plus 1.58 percent to 3,910.98 |
| Thailand | Minus 1.98 percent to 323.86 |

Tuesday

Wall Street appeared to be completely unperturbed at the news of the horrendous terrorist attack in Bali, Indonesia.

Share prices continuing to gain ground on both The New York Stock Exchange and the NASDAQ.

Although the Wall Street gains were small by comparison of the previous week’s run-up, they were, nevertheless, gains – and that was something.

On The New York Stock Exchange, while the plebeians were in the streets, celebrating Columbus Day, with parades and ticker tapes, flying in all directions, etc, trading was restrained, but still an improvement on the previous Friday’s close.

By the end of the day, the Dow Jones Industrial Average, the key index of The New York Stock Exchange, stood at 7,877.40 points, a gain of about 27.11 points, equivalent to about 0.35 percent on the previous week’s closing figures.

On the NASDAQ, its Composite Index rose 10.06 points, or about 0.83 percent, to close out the day at 1,220.53 points.

The British might have described the Wall Street session of last Monday as being an example of ‘*stiff upper lip*’, but the Americans are not known for such physiognomical features.

It was clear that Wall Street wanted to see higher levels for stocks and shares; there was a sufficient number of people to guarantee it: And so, what Wall Street wants, Wall Street gets.

But, for how long could Wall Street hang onto its gains?

On The Stock Exchange of Hongkong Ltd, investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) appeared to be taking the view that, if Wall Street was not concerned about the Bali bombings, then, *'Let's go for it!'*

Whether or not there were valid and logical reasons for the rally on The Stock Exchange of Hongkong Ltd – on both bourses – it mattered little because investors had been hard-pressed of late and, with the slightest suggestion of an improvement, they ploughed in, boots and all, hoping to be able to catch the swings and roundabouts.

The *'barometer'* of trading on the Main Board, the Hang Seng Index, regained about 4.13 percent of its lost values, ending the day at 9,336.39 points.

The Total Turnover rose to about \$HK8.06 billion, with gainers, ahead of losers by the ratio of about 3.38:One.

The Ten Most Actives were:

| | |
|---|--|
| HSBC Holdings plc (Code: 5) | Up 3.05 percent to \$HK84.50 per share |
| China Mobile (Hongkong) Ltd (Code: 941) | Up 7.67 percent to \$HK19.65 per share |
| Hutchison Whampoa Ltd (Code: 13) | Up 7.16 percent to \$HK44.90 per share |
| Sun Hung Kai Properties Ltd (Code: 16) | Up 6.40 percent to \$HK48.20 per share |
| Cheung Kong (Holdings) Ltd (Code: 1) | Up 6.94 percent to \$HK49.30 per share |
| Hang Seng Bank Ltd (Code: 11) | Up 0.88 percent to \$HK85.50 per share |
| Swire Pacific Ltd "A" Shares (Code: 19) | Up 5.56 percent to \$HK31.30 per share |
| China Unicom Ltd (Code: 762) | Up 6.02 percent to \$HK4.40 per share |
| PCCW Ltd (Code: 8) | Up 12.90 percent to \$HK1.05 per share |
| Wharf (Holdings) Ltd (Code: 4) | Up 3.68 percent to \$HK14.95 per share |

There were a total of 44 counters, which scored double-digit movements, with 35 of their number, rising 10 percent or more, and 9 counters, falling 10 percent or more.

CIL Holdings Ltd (Code: 479) was the biggest gainer of the day, as investors pushed up its share price by 47.06 percent to 2.50 cents per share.

139 Holdings Ltd (Code: 139) was the biggest loser of the day, as its share price was shaved by 38.89 percent to 1.10 cents per share.

An interesting statistic was that nearly 20 percent of the entire volume of activity, last Tuesday, was in trading scrip of HSBC Holdings plc, a volume of trades, which amounted to about \$HK1.59 billion.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index rose about 2.58 percent to 111.59 points.

The Total Turnover on this speculative market was about \$HK111.12 million, with Mr Li Ka Shing's 2 listings, dominating the proceedings.

Trading in the shares of CK Life Sciences International (Holdings) Incorporated (Code: 8222) and tom.com Ltd (Code: 8001) accounted for about 60 percent of the entire action, as investors traded about \$HK66.73-million worth of the stock of The Great Man.

The share price of CK Life Sciences rose by about 5 percent to \$HK1.37, while the share price of tom.com outdid CK Life Sciences with an improvement of about 6 percent, to end the day at \$HK1.70 per share.

Gainers were ahead of losers by the ratio of about 1.35:One.

The biggest movers of the day were:

| Name of Company | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|--|------|--------------|--------------|----------------------|
| Changmao Biochemical Engineering Company Ltd | 8208 | 22.22 | | 0.55 |
| Creative Energy Solutions Holdings Ltd | 8109 | 20.93 | | 0.26 |
| Excel Technology International Holdings Ltd | 8048 | | 12.50 | 0.105 |
| Far Eastern Polychem Industries Ltd | 8012 | | 11.06 | 1.77 |
| Greencool Technology Holdings Ltd | 8056 | 13.64 | | 0.375 |
| Hongkong.com Corporation | 8006 | 11.97 | | 0.159 |
| Prosperity International Holdings (Hongkong) Ltd | 8139 | | 20.00 | 0.04 |
| ProSticks International Holdings Ltd | 8055 | | 10.71 | 0.05 |
| Universal Technologies Holdings Ltd | 8091 | 14.94 | | 0.10 |
| Wafer Systems Ltd | 8198 | 21.25 | | 0.194 |
| Xteam Software International Ltd | 8178 | 10.00 | | 0.33 |

In The Land of The Rising Sun, refreshed from Sports Day, Japanese investors determined to take the plunge and bought heavily into stocks and shares, listed on the country's 3 stock markets.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average put on about 307.12 yen, or 3.60 percent, rising to 8,836.12 yen.

The ratio of gainers to losers was about 8.21:One.

Hi-tech counters and motors were, just about, the flavours of the day, with banks and finance houses, taking a back seat to trading to the high-flyers, by and large.

Some of the biggest movers in these 2 sections of the market included:

Electronics

| | |
|--------------------|--|
| Advantest | Up 8.23 percent to 4,340 yen per share |
| Canon | Up 4.47 percent to 3,970 yen per share |
| Casio | Up 2.58 percent to 596 yen per share |
| Fuji Electric | Up 6.58 percent to 243 yen per share |
| Fujitsu* | Up 4.99 percent to 463 yen per share |
| Furukawa Electric* | Up 4.09 percent to 229 yen per share |

| | |
|---------------------------|---|
| Hitachi* | Up 3.77 percent to 550 yen per share |
| Kyocera | Up 3.82 percent to 7,610 yen per share |
| Mitsubishi Electric | Up 4.96 percent to 360 yen per share |
| Matsushita Electric* | Up 5.04 percent to 1,251 yen per share |
| NEC* | Up 6.13 percent to 502 yen per share |
| Oki Electrical Industrial | Up 4.52 percent to 185 yen per share |
| Pioneer | Up 3.41 percent to 1,972 yen per share |
| Ricoh | Up 6.45 percent to 2,095 yen per share |
| Rohm | Up 8.23 percent to 15,390 yen per share |
| Sanyo Electrical* | Up 6.50 percent to 377 yen per share |
| Sharp | Up 3.63 percent to 1,113 yen per share |
| Sony | Up 3.78 percent to 5,210 yen per share |
| Sumitomo Electric | Up 7.74 percent to 640 yen per share |
| TDK | Up 5.66 percent to 4,670 yen per share |
| Tokyo Electron | Up 7.71 percent to 4,610 yen per share |
| Toshiba Corporation* | Up 5.47 percent to 328 yen per share |

* Among the most active counters of the day

Motors

| | |
|---------------------------|--|
| Daihatsu Motor | Up 5.53 percent to 401 yen per share |
| Hino Motors | Up 4.81 percent to 305 yen per share |
| Honda | Up 3.41 percent to 4,850 yen per share |
| Isuzu Motors* | Up 10.00 percent to 44 yen per share |
| Kawasaki Heavy Industries | Up 2.91 percent to 106 yen per share |
| Mazda | Up 4.10 percent to 254 yen per share |
| Mitsubishi Motors | Up 3.17 percent to 228 yen per share |
| Nissan Motor | Up 3.79 percent to 848 yen per share |
| Suzuki Motor | Up 4.32 percent to 1,402 yen per share |

Toyota Motor

Up 4.11 percent to 3,040 yen per share

* Among the most active counters of the day

And, in other Asian finance centres, this was the way that those bourses ended, last Tuesday:

| | |
|-----------------|--------------------------------|
| Indonesia | Plus 1.40 percent to 342.20 |
| Japan | Plus 3.60 percent to 8,836.73 |
| Malaysia | Minus 0.93 percent to 624.16 |
| The Philippines | Minus 1.86 percent to 1,047.69 |
| Singapore | Plus 3.72 percent to 1,429.68 |
| South Korea | Plus 2.49 percent to 629.57 |
| Taiwan | Plus 5.64 percent to 4,131.47 |
| Thailand | Plus 1.37 percent to 328.29 |

Wednesday

Wall Street kept the pot on boil, last Tuesday: And its gains were felt, round the world.

The Dow Jones Industrial Average rose 378.28 points on The New York Stock Exchange, last Tuesday, equivalent to an increase of about 4.80 percent, compared with Monday's close, as investors pushed up the key index past the 8,000-level to 8,255.68 points.

The NASDAQ was caught in the tailwind of The New York Stock Exchange, with its Composite Index, shooting up 5.07 percent to 1,282.44 points.

Any excuse was being used by brokers to fan the frenzied flames on both bourses, which are the largest in the world.

It was the fourth consecutive session of gains for Wall Street.

Against the euphoria, however, major companies were announcing very poor results.

But, nobody was paying too much attention to all that muck, at least, not last Tuesday, during the booming sessions on US equity markets.

The penny would drop, of course, when time avails itself of sanity.

European bourses were caught up in the US buying frenzy, as the following select TARGET list indicates:

| | |
|--------------------------|-----------------|
| Great Britain's FTSE 100 | Up 5.05 percent |
| Germany's DAX | Up 6.95 percent |
| Paris CAC40 | Up 6.96 percent |
| Amsterdam's AEX | Up 7.74 percent |
| Italy's MIBTel | Up 5.43 percent |

In Asia, the 2 largest stock markets, those of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) and those of Japan, both continued their push for higher levels.

But trading was more restrained, last Wednesday.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index rose by about 1.32 percent, running back to 9,459.14 points.

The Total Turnover was about \$HK7.33 billion, with advancing issues, ahead of declining ones by the ratio of about 1.65:One.

HSBC Holdings plc (Code: 5) continued to be the share-of-the-hour as investors spent about \$HK1.28 billion in trading the bank's scrip.

The volume of activity on this one counter was equivalent to about 17.46 percent of the Total Turnover.

The Ten Most Actives were:

| | |
|---|--|
| HSBC Holdings plc (Code: 5) | Up 1.18 percent to \$HK85.50 per share |
| China Mobile (Hongkong) Ltd (Code: 941) | Up 2.54 percent to \$HK20.15 per share |
| Hutchison Whampoa Ltd (Code: 13) | Up 1.11 percent to \$HK45.40 per share |
| Sun Hung Kai Properties Ltd (Code: 16) | Up 0.21 percent to \$HK48.30 per share |
| Cheung Kong (Holdings) Ltd (Code: 1) | Up 0.41 percent to \$HK49.50 per share |
| Henderson Land Development Company Ltd (Code: 12) | Up 2.42 percent to \$HK23.25 per share |
| Hang Seng Bank Ltd (Code: 11) | Down 0.29 percent to \$HK85.25 per share |
| Johnson Electric Holdings Ltd (Code: 179) | Up 7.14 percent to \$HK8.25 per share |
| CLP Holdings Ltd (Code: 2) | Down 0.63 percent to \$HK31.60 per share |
| Hongkong Exchanges and Clearing Ltd (Code: 388) | Up 2.59 percent to \$HK9.90 per share |

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

| Name of Company | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|--|------|--------------|--------------|----------------------|
| Ananda Wing On Travel (Holdings) Ltd | 1189 | | 11.11 | 0.016 |
| Bestway International Holdings Ltd | 718 | 11.76 | | 0.019 |
| Boto International Holdings Ltd | 585 | 13.33 | | 0.034 |
| CEC International Holdings Ltd | 759 | | 17.33 | 0.124 |
| Central China Enterprises Ltd | 351 | | 12.50 | 0.042 |
| Dynamic Global Holdings Ltd | 231 | 12.82 | | 0.044 |
| ehealthcareasia Ltd | 835 | | 13.48 | 0.077 |
| Emperor (China Concept) Investment Ltd | 296 | 21.76 | | 0.207 |
| Gay Giano International Group Ltd | 686 | | 15.93 | 0.095 |
| Harmony Asset Ltd | 428 | 15.15 | | 0.038 |
| Heng Fung Holdings Ltd | 185 | 16.00 | | 0.058 |
| Hon Po Group (Lobster King) Ltd | 228 | 12.15 | | 0.12 |
| HyComm Wireless Ltd | 499 | 11.36 | | 0.098 |
| Matsunichi Communication Holdings Ltd | 283 | 12.73 | | 0.31 |

| | | | | |
|---------------------------------------|------|-------|-------|-------|
| New World CyberBase Ltd | 276 | | 11.11 | 0.016 |
| Orient Power Holdings Ltd | 615 | | 15.07 | 0.31 |
| SC Industrial Development Company Ltd | 554 | 14.61 | | 0.51 |
| Shanghai Real Estate Ltd | 1207 | 10.20 | | 0.54 |
| Shougang Concord Century Holdings Ltd | 103 | 10.86 | | 0.245 |
| Shun Ho Resources Holdings Ltd | 253 | | 36.05 | 0.11 |
| Silvernet Group Ltd | 622 | 16.00 | | 0.058 |
| Star Cruises Ltd | 678 | | 12.96 | 2.35 |
| Theme International Holdings Ltd | 990 | 16.00 | | 0.029 |
| Tongda Group Holdings Ltd | 698 | 15.91 | | 0.051 |
| U-Cyber Technology Holdings Ltd | 91 | 14.81 | | 0.31 |
| Universal Appliances Ltd | 419 | 11.54 | | 0.029 |
| Zhu Kuan Development Company Ltd | 908 | | 10.71 | 0.25 |

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, things were much more constrained.

The Growth Enterprise Index lost about 0.20 percent of its value, falling back to 111.37 points.

The Total Turnover was about \$HK114.51 million, with gainers and losers, almost neck-to-neck at 1.03:One.

The double-digit movers on this, rather boring market were:

| Name of Company | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|-----------------------------------|------|--------------|--------------|----------------------|
| Arcontech Corporation | 8097 | | 12.90 | 0.27 |
| Greencool Technology Holdings Ltd | 8056 | 10.67 | | 0.415 |
| IA International Holdings Ltd | 8047 | 10.53 | | 0.84 |
| Info Communication Holdings Ltd | 8082 | 17.24 | | 0.034 |
| Sinotronics Holdings Ltd | 8115 | 10.71 | | 0.93 |

A little sanity returned to the 3 stock markets of Japan with the result that the gains of last Wednesday were of a fractional nature.

On The Tokyo Stock Exchange, the blue-chip, Nikkei-225 Stock Average gained just 48.14 yen, equivalent to about 0.54 percent, clawing back room to close at 8,884.87 yen.

Advantest, whose share price had logged up a gain of about 8.23 percent on Tuesday, saw investors shave down that gain as about 6.20 percent was lopped off the price of the scrip, which fell to 4,070 yen.

It was the same story for many of the big gainers of Tuesday.

Gainers, however, managed to edge out losers by the ratio of 1.20:One.

Japan has seen quite a number of false starts in the past few years and its investors are, by and large, savvy to the workings of equity markets.

There was an announcement from a credit research company that corporate bankruptcies in the first half of the year had totalled 9,642 firms.

That figure was a decline of about 0.20 percent, Year-on-Year.

In spite of that, however, the numbers were, still, the fourth highest on record.

There had been 13 publicly listed companies that formed part of the busts.

In other parts of Asia, this was the situation in those equity markets:

| | |
|-----------------|-------------------------------|
| Indonesia | Plus 4.43 percent to 357.37 |
| Japan | Plus 0.54 percent to 8,884.87 |
| Malaysia | Plus 1.65 percent to 634.46 |
| The Philippines | Plus 0.05 percent to 1,048.17 |
| Singapore | Plus 0.66 percent to 1,439.05 |
| South Korea | Plus 1.06 percent to 636.25 |
| Taiwan | Plus 2.22 percent to 4,223.32 |
| Thailand | Plus 1.37 percent to 332.80 |

Thursday

As had been widely expected, Wall Street had to surrender a large proportion of its Tuesday gains – because there, really, had been little reason for the run-up, in any case.

The Dow Jones Industrial Average lost 219.65 points, equivalent to 2.66 percent, exactly, ending the day at 8,036.03 points.

As for the Composite Index of the tech-laden NASDAQ, it ended last Wednesday's session at 1,232.42 points, which was a retreat of exactly 3.90 percent on Tuesday's tally.

Disappointing earnings reports from this company or that company was put down as the reason for the decline in the share prices of many companies, but the truth was that the economy of the US is such that it did not warrant, and still does not warrant, such a substantial improvement in equity markets.

That is, of course, if one takes the view that it deserves any improvement, at all.

After all, equity markets are supposed to reflect, to some extent, at least, the future financial trend, or trends, of companies, operating within an economic environment, at a certain time in history.

Wall Street can hardly make such a claim, today, because there are so many extraneous factors, colouring the world's largest equity markets.

Asia, as always, watches Wall Street for its cue, but last Thursday, many investors, in the most populous area of the world, were, clearly, confused as to what action to take – if any.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index rose by about 1.24 percent to run to 9,576.15 points.

The Total Turnover was about \$HK7.55 billion, with gainers, outrunning losers by the ratio of about 2.11:One.

The Ten Most Active counters were:

| | |
|---|--|
| HSBC Holdings plc (Code: 5) | Up 0.88 percent to \$HK86.25 per share |
| China Mobile (Hongkong) Ltd (Code: 941) | Up 0.74 percent to \$HK20.30 per share |
| Hutchison Whampoa Ltd (Code: 13) | Up 3.30 percent to \$HK46.90 per share |
| Cheung Kong (Holdings) Ltd (Code: 1) | Up 2.53 percent to \$HK50.75 per share |

| | |
|--|--|
| Sun Hung Kai Properties Ltd (Code: 16) | Up 1.86 percent to \$HK49.20 per share |
| Hang Seng Bank Ltd (Code: 11) | Up 0.59 percent to \$HK85.75 per share |
| BOC Hongkong (Holdings) Ltd (Code: 2388) | Up 1.92 percent to \$HK7.95 per share |
| Huaneng Power International Incorporated (Code: 902) | Up 6.60 percent to \$HK5.65 per share |
| CLP Holdings Ltd (Code: 2) | Unchanged at \$HK31.60 per share |
| China Unicom Ltd (Code: 762) | Up 3.80 percent to \$HK4.775 per share |

The double-digit movers of the day included:

| Name of Company | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|--|------|--------------|--------------|----------------------|
| APT Satellite Holdings Ltd | 1045 | 11.11 | | 1.60 |
| Sinopec Beijing Yanhua Petrochemical Company Ltd | 325 | 11.27 | | 0.79 |
| Benefun International Holdings Ltd | 1130 | | 24.00 | 0.038 |
| Bestway International Holdings Ltd | 718 | 10.53 | | 0.021 |
| CCT Technology Holdings Ltd | 261 | | 15.79 | 0.016 |
| China Development Corporation Ltd | 487 | 50.00 | | 0.024 |
| China Southern Airlines Company Ltd | 1055 | 11.26 | | 2.025 |
| Chongqing Iron and Steel Company Ltd | 1053 | 10.96 | | 0.81 |
| Coastal Realty Group Ltd | 1124 | 12.50 | | 0.09 |
| Daido Group Ltd | 544 | | 12.50 | 0.028 |
| Dan Form Holdings Company Ltd | 271 | 15.56 | | 0.156 |
| First Tractor Company Ltd | 38 | 15.38 | | 0.60 |
| Guangzhou Shipyard International Company Ltd | 317 | 15.38 | | 0.75 |
| Hanison Construction Holdings Ltd | 896 | 12.00 | | 0.28 |
| Harbin Power Equipment Company Ltd | 1133 | 14.52 | | 0.71 |
| Jackley Holdings Ltd | 353 | 10.61 | | 0.365 |
| Kwong Sang Hong International Ltd, The | 189 | 10.71 | | 0.155 |
| Mansion Holdings Ltd | 547 | 14.29 | | 0.024 |
| Mascotte Holdings Ltd | 136 | | 35.90 | 0.25 |
| Matsunichi Communication Holdings Ltd | 283 | 19.35 | | 0.37 |
| New City (Beijing) Development Ltd | 456 | 12.00 | | 0.28 |
| New World CyberBase Ltd | 276 | 18.75 | | 0.019 |
| Omnitech Group Ltd | 94 | | 26.32 | 0.014 |
| Orient Power Holdings Ltd | 615 | 12.90 | | 0.35 |
| Shanghai Ming Yuan Holdings Ltd | 233 | 10.00 | | 0.66 |
| Shenzhen High-Tech Holdings Ltd | 106 | 11.76 | | 0.076 |
| Shougang Concord Grand (Group) Ltd | 730 | 12.73 | | 0.62 |
| Theme International Holdings Ltd | 990 | | 24.14 | 0.022 |
| Titan (Holdings) Ltd | 1192 | 12.90 | | 0.35 |
| UDL Holdings Ltd | 620 | | 51.92 | 0.025 |
| Victory Group Ltd | 1139 | | 16.36 | 0.046 |

Once again, what was somewhat interesting about the volume of traffic on the Main Board of The Stock Exchange of Hongkong Ltd was that investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) continued to pump vast sums of money into just one counter: HSBC Holdings plc.

Last Thursday, once again, HSBC Holdings was the most-active counter, with its volume of activity, being equal to about 19 percent of the Total Turnover.

On The GEM – The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd – the volume of activity picked up, considerably, hitting about \$HK254.68 million by the close of the day.

However, one counter, that of China Data Broadcasting Holdings Ltd (Code: 8016), was responsible for a large proportion of that figure.

Trading in the scrip of China Data Broadcasting, at about \$HK142.17 million, represented nearly 56 percent of the Total Turnover.

The share price of China Data Broadcasting, after hitting a low of \$HK1.73, settled at \$HK1.78, a fall of about 4 percent, compared with the previous close.

The Growth Enterprise Index gained about 1.30 percent, rising to 112.82 points.

However, losers outstripped gainers by the ratio of about 1.36:One in spite of the gains of the main index.

The biggest movers of the day were:

| Name of Company | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|--|------|--------------|--------------|----------------------|
| Grandmass Enterprise Solution Ltd | 8108 | 11.54 | | 0.029 |
| Greencool Technology Holdings Ltd | 8056 | 32.53 | | 0.55 |
| Jilin Province Huinan Changlong Bio-pharmacy Company Ltd | 8049 | 10.00 | | 0.33 |
| Kinetana International Biotech Pharma Ltd | 8031 | 13.33 | | 0.136 |
| Mudan Automobile Shares Company Ltd | 8188 | 10.14 | | 0.76 |
| Rojam Entertainment Holdings Ltd | 8075 | 10.28 | | 0.118 |
| Tradecasy Holdings Ltd | 8163 | | 59.09 | 0.018 |
| Vital BioTech Holdings Ltd | 8193 | 20.83 | | 0.29 |
| Zheda Lande Scitech Ltd | 8106 | | 15.25 | 0.50 |

In Japan, it was another quiet day on The Tokyo Stock Exchange, but, nevertheless, the key, blue-chip index, the Nikkei-225 Stock Average, did manage to keep in the black, for the fourth consecutive day.

When the market closed, the Nikkei-225 Stock Average stood at 8,959.88 yen, representing a gain of 75.01 yen, compared with Wednesday's closing level.

Aside from a handful of useful gains and losses, made in a number of sections of the market by '*special*' corporations, taking advantage of this or that, most share prices held firm and managed only fractional gains or fractional losses.

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

Just before the close of the day, it was announced that a bomb, or 2 bombs, had been detonated in the southern Philippine city of Zamboanga, a predominantly Muslim area of the country.

It was reported that the bombs had destroyed 2 shopping centres in the city and that there had been a number of deaths.

It was thought to be the work of terrorists.

Development Bank of Japan, a Government-controlled bank, announced that it had in place, a bailout package for troubled supermarket chain, Daiei Incorporated.

The amount of the bailout is about 10 billion yen.

Daiei Incorporated holds the largest amount of debt of any Japanese supermarket.

Mizuho Holdings Incorporated, UFJ Holdings Incorporated and Sumitomo Mitsui Banking Corporation will come to the Daiei *'party'*, Bank of Japan said in an announcement.

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

| | |
|-----------------|--------------------------------|
| Indonesia | Minus 0.64 percent to 355.11 |
| Japan | Plus 0.84 percent to 8,959.88 |
| Malaysia | Plus 0.70 percent to 638.93 |
| The Philippines | Minus 0.82 percent to 1,039.58 |
| Singapore | Plus 1.87 percent to 1,466.02 |
| South Korea | Plus 1.32 percent to 644.66 |
| Taiwan | Plus 1.36 percent to 4,280.81 |
| Thailand | Plus 0.11 percent to 333.18 |

Friday

Investors on Wall Street were looking for any reason at all to push for higher levels on The New York Stock Exchange and the NASDAQ.

They found them – and so, up went share prices, for whatever reason was convenient.

'The worst is over!' some brokers were telling clients, last Thursday.

'Buy! Buy! Buy!'

TARGET replies: *'Bull! Bull! Bull S..t!!!'*

However, regardless of the reasons, valid or invalid, one cannot knock success.

And the success was that the bulls ran the day.

Trading on The New York Stock Exchange was exciting, to be sure, with the Dow Jones Industrial Average, gaining 2.97 percent to end the day at 8,275.04 points.

On the NASDAQ, it was a similar story to that, being told on the Big Board of The New York Stock Exchange, as its Composite Index shot up 3.24 percent to 1,272.29 points.

A couple of bullish corporate reports was all the impetus that Wall Street needed to fuel the flames of investors, who had been starved for some time for positive news, anyway.

However, against the euphoria, there were some sobering reports, too.

Sears Roebuck announced that its profits had dropped about 28 percent in its third quarter, and Apple Computer reported a steep loss in its fourth quarter.

Delta Air Lines announced that it would have to let go about 8,000 of its staff due to poor business and poor business prospects in the future.

Delta is the third-largest airline in the US; it has, already, cut out about 10,000 of its staff.

Sun Microsystems went along with Delta and said that it would be sacking about 4,400 of its workers.

And, from Stockholm, Sweden, Ericsson, the world's largest supplier of telecommunication equipment for infrastructure, reported third quarter losses of about \$US420 million.

The massive company went further, however, and warned of a 20-percent fall in its results for its mobile telecommunications systems for the remainder of this year.

And the worst is over, Mr Wall Street stockbroker?

In Asia, buoyed by the events of Wall Street, equity markets rose in quick succession, with the exception of The Philippines (please see Thursday's report) and Singapore (which is known for its repressive and dictatorial government, in any event, so that many investors stay away from it, not knowing what will happen in that territory from one day to another).

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors were a little cautious, however, since water is hardly available at a desert mirage.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index gained only 0.39 percent.

Aside from the losses on the Singapore and The Philippine stock markets, the gains of the Main Board of The Stock Exchange of Hongkong Ltd were the smallest in Asia.

The Total Turnover was about \$HK9.90 billion, with gainers, ahead of losers by the ratio of 1.56:One.

The Utility Sector of the Main Board, however, came off badly as its Sectorial Index was dropped back by about 1.38 percent.

The Ten Most Actives were:

| | |
|--|--|
| HSBC Holdings plc (Code: 5) | Unchanged at \$HK86.25 per share |
| Hutchison Whampoa Ltd (Code: 13) | Up 2.13 percent to \$HK47.90 per share |
| Cheung Kong (Holdings) Ltd (Code: 1) | Up 2.46 percent to \$HK52.00 per share |
| China Mobile (Hongkong) Ltd (Code: 941) | Up 1.23 percent to \$HK20.55 per share |
| Sun Hung Kai Properties Ltd (Code: 16) | Down 0.20 percent to \$HK49.10 per share |
| CLP Holdings Ltd (Code: 2) | Down 1.90 percent to \$HK31.00 per share |
| Hang Seng Bank Ltd (Code: 11) | Down 1.46 percent to \$HK84.50 per share |
| China Unicom Ltd (Code: 762) | Up 4.19 percent to \$HK4.975 per share |
| PetroChina Company Ltd (Code: 857) | Down 1.29 percent to \$HK1.53 per share |
| Hongkong Electric Holdings Ltd (Code: 6) | Down 2.85 percent to \$HK30.70 per share |

The double-digit movers of the day included:

| Name of Company | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|--------------------------------------|------|--------------|--------------|----------------------|
| Ananda Wing On Travel (Holdings) Ltd | 1189 | 12.50 | | 0.018 |

| | | | | |
|--|------|--------|-------|-------|
| Applied (China) Ltd | 472 | 10.00 | | 0.044 |
| Can Do Holdings Ltd | 172 | | 11.11 | 0.032 |
| CEC International Holdings Ltd | 759 | 14.52 | | 0.142 |
| Cedar Base Electronic (Group) Ltd | 855 | 13.33 | | 0.017 |
| Cheong Ming Investments Ltd | 1196 | | 17.96 | 0.201 |
| China Insurance International Holdings Company Ltd | 966 | 10.00 | | 3.575 |
| Chuang's China Investments Ltd | 298 | | 23.53 | 0.13 |
| Daido Group Ltd | 544 | 28.57 | | 0.036 |
| Easyknit International Holdings Ltd | 1218 | 14.56 | | 0.118 |
| Far East Technology International Ltd | 36 | | 13.33 | 0.195 |
| HyComm Wireless Ltd | 499 | 11.58 | | 0.106 |
| Magician Industries (Holdings) Ltd | 526 | | 40.71 | 0.083 |
| Mansion Holdings Ltd | 547 | | 12.50 | 0.021 |
| Mascotte Holdings Ltd | 136 | | 14.80 | 0.213 |
| Ming Fung Jewellery Group Ltd | 860 | | 11.54 | 0.23 |
| Moiselle International Holdings Ltd | 130 | 26.44 | | 0.55 |
| New Century Group Hongkong Ltd | 234 | | 14.42 | 0.445 |
| Orient Resources Group Company Ltd | 467 | 32.50 | | 0.106 |
| Prosper eVision Ltd | 979 | 10.75 | | 0.103 |
| Rising Development Holdings Ltd | 1004 | 15.38 | | 0.30 |
| SC Industrial Development Company Ltd | 554 | 12.50 | | 0.54 |
| Sino InfoTech Holdings Ltd | 205 | 10.80 | | 0.195 |
| South China Brokerage Company Ltd | 619 | | 10.64 | 0.042 |
| SunCorp Technologies Ltd | 1063 | | 11.59 | 0.305 |
| Swank International Manufacturing Company Ltd | 663 | 105.26 | | 0.078 |
| Technology Venture Holdings Ltd | 61 | 13.74 | | 0.24 |
| UDL Holdings Ltd | 620 | | 12.00 | 0.022 |
| Victory Group Ltd | 1139 | 19.57 | | 0.055 |
| Wai Yuen Tong Medicine Holdings Ltd | 897 | 12.90 | | 0.035 |

News wise, there was little to stimulate the market, one way or the other, so that investors had to play *'follow the leader'*, and take their lead from the largest equity markets in the world.

For the 4-day week, ended October 18, 2002, therefore, the tally was that the second-largest stock market in Asia had regained 647.34 points, or about 7.22 percent.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, investors on this speculative marketplace were, no doubt, delighted to see their Growth Enterprise Index regain another 2.61 percent of its value, ending the week at 115.76 points.

That gave this market's lone index a gain for the week of about 6.42 percent.

The Total Turnover on The GEM was about \$HK190.12 million, with trading in the shares of the 2 counters of the The Great Man – Mr Li The Cash – being responsible for about 66 percent of that figure, at about \$HK125.26 million.

The 2 counters are, of course, CK Life Sciences International (Holdings) Incorporated (Code: 8222) and tom.com Ltd (Code: 8001).

With tom.com, taking the lead on The GEM, investors pushed up the price of this loss-maker by about 8 percent to \$HK1.85.

As for CK Life Sciences, its share price only managed to squeak out a gain of about one percent, rising to \$HK1.41 per share.

An interesting fact about this market is that, persistently, the leaders in the Most Actives, day after day, are those companies with the biggest losses, as is the case of The Great Man's companies.

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

The biggest movers of the day were:

| Name of Company | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|--|------|--------------|--------------|----------------------|
| Acrontech Corporation | 8097 | 10.17 | | 0.325 |
| Golden Meditech Company Ltd | 8180 | 15.75 | | 1.47 |
| Greencool Technology Holdings Ltd | 8056 | 18.18 | | 0.65 |
| M Channel Corporation Ltd | 8036 | | 12.50 | 0.049 |
| Media Partners International Holdings Incorporated | 8072 | 15.04 | | 0.26 |
| Medical China Ltd | 8186 | 20.00 | | 0.24 |
| ProSticks International Holdings Ltd | 8055 | | 10.00 | 0.045 |
| Tradecasy Holdings Ltd | 8163 | 188.89 | | 0.052 |

On the largest bourse in Asia, last Friday, for the fifth consecutive session, it chalked up another gain.

The Tokyo Stock Exchange's Nikkei-225 Stock Average gained another 174.92 yen, rising to 9,134.80 yen.

The close of last Friday meant that the Nikkei-225 Stock Average had posted an improvement of about 567.52 yen, equivalent to about 6.67 percent, for the week, ended October 18, 2002.

There were a number of interesting aspects to the Japanese stock markets of last Friday as investors ploughed into the more speculative counters, noticeably that of Daiei Incorporated, pushing up its share price by about 10.74 percent to 160 yen per share. (Please see Thursday's report)

Banks, in spite of their huge and admitted problems, with a surfeit of non-performing loans, were the choice of many investors, who spent billions of yen in picking up their shares.

Mizuho Holdings, the largest bank in the world in terms of assets under its control, saw its share price rise by about 3.93 percent to 185,000 yen, and UFJ Holdings, a close runner to Mizuho, gained about 4.44 percent, hitting 188,000 yen by the close of trading.

However, on the negative side of the ledger, Fast Retailing Company, a casual wear retailer in Japan, announced that its Profits Attributable to Shareholder, parent-only, fell by about 47 percent to 21.52 billion yen.

Monex Incorporated, an online brokerage company, announced that it has incurred an Unconsolidated Pretax Loss of about 828 million yen for the first half of 2002.

That result compared with a Net Profit of about 416 yen for the like period in 2001.

The company declined to suggest what were its prospects for the remainder of the year.

Interesting!

And that was, just about, that for the week of October 18, 2002.

This was how other Asian markets fared, last Friday:

| | |
|-----------|-------------------------------|
| Indonesia | Plus 1.63 percent to 360.90 |
| Japan | Plus 1.41 percent to 9,086.13 |

| | |
|-----------------|--------------------------------|
| Malaysia | Plus 2.08 percent to 652.25 |
| The Philippines | Minus 1.15 percent to 1027.67 |
| Singapore | Minus 0.32 percent to 1,461.39 |
| South Korea | Plus 4.05 percent to 670.79 |
| Taiwan | Plus 4.14 percent to 4,458.17 |
| Thailand | Plus 2.79 percent to 342.46 |

-- E N D --

While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.

If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to editor@targetnewspapers.com or targnews@hkstar.com. TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.