

AVIAN INFLUENZA TAKES ITS TOLL OF EQUITY MARKETS IN ASIA

The first day of equity trading, following what was, in reality, a week-long, Chinese New Year holiday, saw investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) somewhat nonplussed.

Because the dreaded Avian Influenza was spreading, quickly, throughout the most-populous part of the world.

News hit the trading floors of the 2 equity markets of The Stock Exchange of Hongkong Ltd that a child had died from the effects of the Avian Influenza in Thailand.

The **World Health Organisation** (WHO) warned that the Avian Influenza, dubbed '*bird flu*' because its origins are known to be rooted in chickens, could be more devastating than the outbreak of SARS (Severe Acute Respiratory Syndrome), which hit the southern part of the PRC, proper, in about December 2002 and the HKSAR in March of 2003.

The Government of Japan announced, last Monday, that it had banned the importation of poultry and poultry meat from Indonesia.

Japan had imposed a ban in the importation of poultry from Thailand, the previous Thursday, as had imports of poultry from Cambodia, Vietnam and South Korea.

Asia watched and waited for the fallout.

Would the PRC, proper, be next in line?

Europe had other considerations, however, and, in spite of massive mergers and acquisitions, investors in eurozone were very reluctant to make any material new investments in equities.

Wall Street had yet to open when Europe was trading, last Monday morning.

This was how Europe saw the situation, last Monday night:

Amsterdam's AEX Index	Minus 0.43 percent
Great Britain's FTSE 100 Index	Minus 0.30 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.56 percent
France's CAC40 Index	Minus 0.48 percent
Switzerland's Swiss Market Index	Minus 0.20 percent
Italy's MIBTEL Index	Plus 0.01 percent

But, in the HKSAR, day-trippers from the PRC, proper, flooded into the 416-square-mile territory on shopping expeditions, boosting trade in the many shops of the Chinese enclave.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index, the gauge of trading in blue chips, slipped 0.17 percent to end the day at 13,727.27 points on a Total Turnover of about \$HK19.68 billion.

The ratio of losing counters to gaining ones was about 1.05:One.

Many HKSAR investors were still on holiday, last Monday, celebrating the Lunar New Year festivities, thus causing the principal equity market of the territory to be a rather dull venue for trading in stocks and shares.

The Ten Most Actives of the day were:

HSBC Holdings plc (Code: 5)	Down 1.20 percent to \$HK123.50 per share
PetroChina Company Ltd (Code: 857)	Down 3.07 percent to \$HK3.95 per share

Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK68.25 per share
PCCW Ltd (Code: 8)	Up 0.83 percent to \$HK6.10 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 2.90 percent to \$HK79.75 per share
Hang Seng Bank Ltd (Code: 11)	Up 2.88 percent to \$HK107.00 per share
China Life Insurance Company Ltd (Code: 2628)	Down 1.64 percent to \$HK6.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.98 percent to \$HK27.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.65 percent to \$HK78.00 per share
Swire Pacific Ltd "A" (Code: 19)	Unchanged at \$HK55.75 per share

There were a total of 33, double-digit movers of the day, with only 3 of their number, seeing their share prices drop by 10 percent or more.

Singapore Hongkong Properties Investment Ltd (Code: 245) was the biggest, double-digit mover of the 30 big gainers, as investors pushed up its share price by about 132.50 percent to 18.60 cents per share.

G-Prop (Holdings) Ltd (Code: 286) was the biggest loser of the day, as investors shot down its share price by about 42 percent to 58 cents per share.

The end result of trading on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd was slightly better than that of the Main Board, but only slightly.

The Total Turnover on this speculative bourse was about \$HK177.10 million.

The Growth Enterprise Index put on about 0.35 percent, rising to 1,305.86 points.

Losing counters outpaced gaining counters by the ratio of about 1.05:One.

The 5, most-active counters, in terms of their respective turnovers, only, were:

tom.com Ltd (Code: 8001)	Up 1 percent to \$HK2.525 per share
hongkong.com Corporation (Code: 8006)	Up 16 percent to 86 cents per share
Phoenix Satellite Television Holdings Ltd (Code: 8002)	Up 1 percent to \$HK1.34 per share
Wumart Stores, Incorporated (Code: 8227)	Up 6 percent to \$HK8.50 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Up 1 percent to \$HK1.81 per share

As for the biggest GEM movers of the day, they were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022	12.50		0.18
CASH Financial Services Group Ltd	8122	10.34		0.64
Grandy Applied Environmental Technology Corporation	8143	12.68		0.08
hongkong.com Corporation	8006	16.22		0.86
Kanstar Environmental Paper Products Holdings Ltd	8011		14.49	0.295
Leadership Publishing Group Ltd	8010	10.58		0.115
Satellite Devices Corporation	8172	11.11		0.03

An unconfirmed report that the fourth largest bank in Japan, UFJ Holdings Incorporated, was under investigation by the Japanese regulatory authorities caused its share price to drop on The Tokyo Stock Exchange by about 11.65 percent, last Monday, as investors marked down the share price to 470,000 yen.

The fall in the share price of UFJ Holdings dragged down the Nikkei-225 Stock Average, the key index of The Tokyo Stock Exchange.

By the time that the closing bell had rung, the Nikkei-225 Stock Average was standing at 10,972.60 yen, signifying a fall of about 96.41 yen, equivalent to about 0.87 percent, compared with the previous Friday's closing level.

It was suggested, last Monday, that the Japanese Government's Financial Services Agency (FSA) was looking into the loan portfolio of UFJ Holdings in order to ascertain whether or not some large borrowers might pose a threat to the bank.

The ratio of losing counters to gaining ones was 1.50:One.

News wise

- **The Japan Chain Stores Association** and **The Japan Department Stores Association** announced that sales at the country's supermarkets had dropped 3.20 percent in 2003, while sales at departmental stores had fallen by about 2.80 percent, Year-on-Year. This was the 7th consecutive year of falls at Japan's departmental stores and supermarkets;
- **The Governor of The Bank of Japan** warned that the continuing strength of the yen vis-à-vis the US dollar could well undermine Japan's economic recovery; and,
- **Surging exports** to the PRC, during December 2003, caused Japan's trade surplus to rise by about 41.20 percent, Year-on-Year, it was reported, officially.

This was the way that other Asian equity markets closed, last Monday night:

The HKSAR	Minus 0.17 percent to 13,727.27
Indonesia	Plus 0.13 percent to 786.87
Japan	Minus 0.87 percent to 10,972.60
Malaysia	Plus 0.39 percent to 827.87
The Philippines	Minus 0.79 percent to 1,547.70
Singapore	Plus 0.55 percent to 1,899.98
South Korea	Plus 0.89 percent to 869.04
Taiwan	Closed
Thailand	Minus 3.83 percent to 725.56

Tuesday

It was boom time on The New York Stock Exchange, last Monday, New York time, as indices rose to 30-month highs.

Likewise on the NASDAQ.

The Dow Jones Industrial Average, which charts ... [CLICK TO ORDER FULL ARTICLE](#)

***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.

