

ASIAN STOCK MARKETS RISE AS S.A.R.S. COMES UNDER CONTROL

The key index of The Tokyo Stock Exchange hit a fresh, 20-year low as Asian equity markets gave up material ground to a decidedly bearish trend.

Severe Acute Respiratory Syndrome (SARS), the perceived North Korean nuclear threat, and continuing signs that the US economy is not improving, as had earlier been predicted by some people, all contributed to the gloom and doom.

On Wall Street, the previous Friday, investors had run for cover.

On The New York Stock Exchange, the Dow Jones Industrial Average, the '*barometer*' of trading in blue chips on the world's largest equity market, fell by 133.69 points, equivalent to about 1.58 percent, ending the week at 8,306.35 points.

As for the NASDAQ, its Composite Index, laced as it is with hi-tech companies, shed about 1.56 percent of its value, falling back to 1,434.54 points.

While, from time to time, Wall Street's stock-market '*darlings*' were reporting better-than-expected results, by and large, most companies were reporting '*sick*' results, or, suggesting more problems to come in the coming Year(s).

And, even those companies, which had reported better-than-expected results – according to certain Wall Street gurus, that is – were doing so from profits' bases that, in the previous few Financial Years, had been lowered to take into account problems/losses/Provisions/Write-Offs, etc.

Things in Iraq were, relatively, quiet, over the weekend of April 26-27, but there was widespread apprehension in respect of the bilateral talks between South Korea and North Korea, scheduled to begin in earnest last Monday.

And last Monday, as the talks got under way, it was clear that they were doomed from the opening bell unless somebody could pull the proverbial rabbit from under the hat.

North Korea has stated that it has the bomb; it is known that this reclusive Communist country has the means to deliver such weapons of mass destruction; and, that being the case, unless there is a negotiated settlement between the Government of Kim Jong Il and the US/United Nations, anything is possible.

The previous week, ended April 24, the scheduled trilateral talks between the People's Republic of China (PRC), the US and North Korea were broken off, one day early, with North Korea's delegate, Mr Li Gun, who holds the title of Deputy Director General of North Korea's American Affairs Bureau, walking out of the meeting, which was held in Beijing, the Capital City of the PRC.

Equity markets hate uncertainty.

In Europe, last Monday, a statement from the **World Health Organisation (WHO)** to the effect that SARS had peaked in the Hongkong Special Administrative Region (HKSAR) of the PRC, Canada, Singapore and Vietnam helped to improve the mood of major bourses in that part of the world.

In the PRC, proper, however, there appeared to be little to make one think that SARS was abating, according to the WHO.

As a result of the WHO statement with regard to SARS in Europe, major equity markets reached for higher ground:

Amsterdam's AEX Index	Plus 3.25 percent
Great Britain's FTSE 100 Index	Plus 1.81 percent
Germany's Frankfurt XETRA DAX Index	Plus 4.08 percent*
France's CAC40 Index	Plus 2.89 percent
Switzerland's Swiss Market Index	Plus 1.80 percent
Italy's MIBTEL Index	Plus 1.94 percent

* The biggest European gainer of the day

In the HKSAR, investors were, still, rather shell-shocked at the continuing incidents of SARS, the WHO statement, having not yet reached the territory, during the trading session.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index gained about 0.31 percent, ending the day at 8,435.04 points.

The Total Turnover was about \$HK6.05 billion, with gainers, ahead of losers by the ratio of 1.52:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.31 percent to \$HK81.50 per share
PetroChina Company Ltd (Code: 857)	Up 3.64 percent to \$HK1.71 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.96 percent to \$HK42.10 per share
Cathay Pacific Airways Ltd (Code: 293)	Up 2.35 percent to \$HK8.70 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.43 percent to \$HK35.40 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.67 percent to \$HK14.95 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.97 percent to \$HK41.50 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.99 percent to \$HK76.25 per share
Legend Group Ltd (Code: 992)	Up 4.88 percent to \$HK2.15 per share
CITIC Pacific Ltd (Code: 267)	Down 1.91 percent to \$HK12.85 per share

There were a total of 37, double-digit movers of the day, of which number, 18 rose and 19 fell.

Emperor (China Concept) Investment Ltd (Code: 296) was the biggest gain of the day as investors pushed up its share price by 46.34 percent to 60 cents per share.

Climax International Company Ltd (Code: 439) was the biggest loser of the day as its share price was felled by 44.44 percent to one cent per share.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover dipped to about \$HK44.36 million.

While The Growth Enterprise Index registered a gain of about 0.43 percent, running back to 911.83 points, losing counters outnumbered gaining ones by the ratio of 1.75:One.

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)

Changmao Biochemical Engineering Company Ltd	8208		12.07	0.255
EVI Education Asia Ltd	8090		10.77	0.058
Fortune Telecom Holdings Ltd	8040	11.54		0.435
GreaterChina Technology Group Ltd	8032		21.43	0.11
Inworld Group Ltd	8100		11.11	0.04
PINE Technology Holdings Ltd	8013	17.65		0.06
Qianlong Technology International Holdings Ltd	8015		17.65	0.21

In The Land of The Rising Sun, it was a cold spring day, as investors continued to knock down share prices on the country's 3 equity markets.

On the premier stock market, The Tokyo Stock Exchange, the Nikkei-225 Stock Average lost 91.62 yen, equivalent to about 1.19 percent, ending the day at 7,607.88 yen.

It was a 2-decade low for the Nikkei-225 Stock Average.

SARS and/or sick corporate earnings, or the complete lack of earnings, with poor prospects for the rest of the year, all conspired to bring down share prices on Asia's largest stock market.

Management of the world's largest manufacturer of consumer electronics, Sony Corporation, saw its share price fall by the daily limit of 500 yen, for the second consecutive session, as investors marked down its share price to 2,720 yen.

That level was the lowest in the past 7 years.

Sony's share price had lost about 25 percent of its value in just 3 trading days.

News wise:

- **The Japan Department Stores Association** reported that sales at departmental stores in Japan fell by about 2.50 percent to 8.29 trillion yen in Fiscal 2002. It was the sixth consecutive decline in departmental store sales, The Association reported. The survey covered 291 outlets in 100 departmental stores;
- **The Japan Chain Stores Association** reported that supermarket sales had slipped by about 1.90 percent in Fiscal 2002 to 14.38 trillion yen. It was the sixth consecutive year of declines of supermarket sales, The Association said. The survey covered 101 operators in 8,723 outlets; and,
- Sluggish tourism and the Iraqi war played their part in bringing down Japan's activity in its tertiary industry in February by about 0.80 percent, Month-on-Month, **The Ministry of Economy, Trade and Industry (METI)** said.

In other parts of Asia, this was how those equity markets fared, last Monday:

Indonesia	Minus 0.95 percent to 430.92
Japan	Minus 1.19 percent to 7,607.88
Malaysia	Minus 0.57 percent to 624.18
The Philippines	Minus 1.25 percent to 1,036.29
Singapore	Plus 0.97 percent to 1,241.04
South Korea	Minus 0.42 percent to 569.02
Taiwan	Minus 2.22 percent to 4,139.50

Thailand	Plus 0.09 percent to 368.85
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Tuesday

For honest men, last Monday in Washington and New York, it was a banner day.

Because 10 of the leading purveyors of information to investors were fined about \$US1.40 billion by US market regulators.

After 2 years of dickering and investigations, the US Securities and Exchange Commission (SEC) forced, among others, Citigroup's Salomon Smith Barney, Credit Suisse Group's CSFB and Merrill Lynch and Company, to settle charges of securities fraud.

It was proven that analysts of these entities, and others, operating through Wall Street investment houses, had issued investment advice, based on biased research, aimed at gaining investment-banking business and duping investors in the cruelest possible manner: It was, inter alia, a breach of their duty of fidelity.

In short, at least 10 companies/corporate entities, those which had been discovered and proved to have been dishonest, that is, had cheated their clients, perpetrated acts of gross dishonesty, and, by so doing, had caused their clients to lose money.

Never in the history of the US had so much money been levied against so few investment houses by one US Government organisation (thank you, Sir Winston Churchill).

The following are the fines levied against investment houses on Wall Street:

Salomon Smith Barney	\$US400 million
Merrill Lynch and Company	\$US200 million
Credit Suisse	\$US200 million
Morgan Stanley	\$US125 million
Goldman Sachs	\$US110 million
Bear Stearns	\$US80 million
J.P. Morgan Chase	\$US80 million
Lehman Brothers	\$US80 million
UBS	\$US80 million
US Bancorp	\$US32.50 million

But that is unlikely to be the end of the story because, now, class actions against some or all of the crooks are sure to follow because there has been an admission of guilt by the investment houses and/or financial analysts in the pay of the investment houses – and those investors, who got burned because of these crooks, will demand restitution.

Wall Street knew that the crooked investment houses/analysts (some were barred from the securities industry for life) would have to pay the piper for their misdeeds/malfeasance – this had been known for months – and, now, the only question was: How much?

On The New York Stock Exchange, many investors did not seem to care about the fact that some of the biggest investment houses in the US had crooks on their payroll: They were more than happy to plough into stocks and shares on the back of a statement from the World Health Organisation (WHO) with regard to SARS. (Please see Monday's report)

As oil prices fell, as the threat of SARS abated, as a handful of blue chips announced that they appeared to have turned the profits corner, so investors on the world's largest stock markets went on a buying spree.

On The New York Stock Exchange, the Dow Jones Industrial Average gained 165.26 points, equivalent to just shy of 2 percent, rising to 8,471.61 points.

On the NASDAQ, its Composite Index played *'follow the leader'*, with the result that investors pushed up the key index by about 1.93 percent to 1,462.24 points.

The price of oil on the New York Mercantile Exchange (NYMEX) fell to a 5-month low of about \$US25.35 per barrel.

But, while the sun may have been shining on New York, in France, it was raining cats and dogs, as the saying goes – and raining hard.

For the last quarter of 2002, the economy of France shrunk by about 0.10 percent.

France is the second largest economy in the Eurozone.

To many investors, the wilting flower of Europe is frightening and, perhaps, a precursor of things to come.

It was most frightening for fear that it could usher in an economic recession (3 consecutive quarters of economic contraction is, normally, defined as an economy in recession).

Then, from Sweden, news came in that the country's premier mobile telephone producer, Ericsson, had reported another loss situation: It was the company's eighth consecutive quarterly loss.

Somewhere in the neighbourhood of 7,000 workers are to receive their pink slips from this Swedish giant of industry.

Europe was not happy with its lot, as the following TARGET list of leading bourses indicates:

Amsterdam's AEX Index	Minus 1.30 percent
Great Britain's FTSE 100 Index	Minus 0.32 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.52 percent
France's CAC40 Index	Minus 0.30 percent
Switzerland's Swiss Market Index	Minus 1.01 percent
Italy's MIBTEL Index	Unchanged

In Asia, however, seemingly not much bothered by what was happening in Europe, all major stock-market indices vaulted to much higher levels.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors got stuck into buying stocks and shares on the Main Board and on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd.

The Main Board's Hang Seng Index rose by about 3.67 percent, ending the day at 8,744.22 points, while The Growth Enterprise Index gained about 2.59 percent, running back to 935.43 points.

The Total Turnover on the Main Board rose to about \$HK10.58 billion, while, on The GEM, it continued to be on the lowish side, at about \$HK70.51 million.

The ratio of gainers to losers on the Main Board was 3.48:One and, on The GEM, it was 3.56:One.

The Ten Most Actives of the Main Board were:

HSBC Holdings plc (Code: 5)	Up 3.37 percent to \$HK84.25 per share
Hutchison Whampoa Ltd (Code: 13)	Up 4.28 percent to \$HK43.90 per share

China Mobile (Hongkong) Ltd (Code: 941)	Up 4.68 percent to \$HK15.65 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 6.21 percent to \$HK37.60 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 4.10 percent to \$HK43.20 per share
Hang Seng Bank Ltd (Code: 11)	Up 2.62 percent to \$HK78.25 per share
PetroChina Company Ltd (Code: 857)	Up 3.51 percent to \$HK1.77 per share
Cathay Pacific Airways Ltd (Code: 293)	Up 6.90 percent to \$HK9.30 per share
Swire Pacific Ltd "A" Shares (Code: 19)	Up 7.13 percent to \$HK30.80 per share
Wharf (Holdings) Ltd (Code: 4)	Up 6.90 percent to \$HK13.95 per share

But the biggest movers in this mini-boom numbered 37 counters, of which number, 26 rose and 11 fell.

Climax International Company Ltd (Code: 439) was the biggest winner of the day, as its share price rose 90 percent to 1.90 cents per share.

First Dragoncom Agro-Strategy Holdings Ltd (Code: 875) shed the most, as investors pushed down its share price by 19.72 percent, coming to rest at 5.70 cents.

On The GEM, the most-active counters did not move to the extent of the Main Board, with the double-digit movers of the day, being:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AKuP International Holdings Ltd	8179	20.00		0.072
EVI Education Asia Ltd	8090		13.79	0.05
Prosperity International Holdings (Hongkong) Ltd	8139	50.00		0.045
Qianlong Technology International Holdings Ltd	8015	19.05		0.25
Thiz Technology Group Ltd	8119	21.43		0.068
Town Health International Holdings Company Ltd	8138	18.75		0.057
Tradeeasy Holdings Ltd	8163		13.51	0.032
Wafer Systems Ltd	8198	12.20		0.138
Wanasports Holdings Ltd	8020	10.00		0.11
WLS Holdings Ltd	8021	19.00		0.119

One other matter that was affecting trading in stocks and shares in Asia was a report, emanating from Washington D.C., that stated that North Korea was seen to be back to its old blackmailing tactics when dealing with the US Government over that Communist country's nuclear programme.

The US Administration is not known to cotton on, or to warm to, such tactics, to paraphrase a Texan idiom.

Japan's 3 stock markets were closed for a national holiday, last Tuesday.

News wise:

- **Hitachi Ltd** announced that the country's largest electronics company had logged in a Group Net Profit Attributable to Shareholders of about 27.87 billion yen for Fiscal 2002. In the 2001 Financial Year, the company reported a Net Loss Attributable to Shareholders of about 483.84 billion yen;
- **Mitsubishi Electric Corporation** reported a Group Net Loss for its 2002 Financial Year of about 11.83 billion yen. In the 2001 Year, this company reported a Group Net Loss of about 77.97 billion yen;
- **Oki Electric Industry Company** said that it had suffered a Net Loss of about 6.56 billion yen for Fiscal 2002. In Fiscal 2001, this company, which produces information and communication equipment, lost 34.08

billion yen. The company's 2002 Bottom Line was fattened by the one-off sales of fixed assets, which netted 19.69 billion yen; and,

- **Matsushita Electric Industrial Company** announced that it had posted a Group Net Loss of about 19.45 billion yen for Fiscal 2002. This was the second consecutive Year of losses for this company, which is the maker of the Panasonic-brand of audio-visual products and National-brand household appliances. In the 2001 Year, it lost about 427.78 billion yen.

In other parts of Asia, the following was how those equity markets behaved, last Tuesday:

Indonesia	Plus 3.08 percent to 444.18
Japan	Closed
Malaysia	Plus 0.62 percent to 628.04
The Philippines	Plus 1.17 percent to 1,048.37
Singapore	Plus 3.51 percent to 1,284.61
South Korea	Plus 4.98 percent to 597.36
Taiwan	Plus 1.47 percent to 4,200.32
Thailand	Plus 1.10 percent to 372.92

Wednesday

North Korea continued to play its hard-ball cards, but the US Administration was having none of it.

Pyongyang accused the US Government of employing a '*mean trick*', thereby hindering progress of the previous week's talks in Beijing, the People's Republic of China (PRC), aimed at ending the impasse between the 2 countries.

The North Korean statement came during its talks with the South Korean President, Mr Roh Moo Hyun, who is trying to broker a deal in the Capital City of the reclusive Communistic country.

From Washington, however, came the blast: The US Government would not reward Pyongyang '*for bad behaviour*.'

The Government of George W. Bush went so far as to state that it had no intention of making economic concessions to North Korea in exchange for a commitment from Kim Jong Il of abandonment of the country's nuclear programme.

And so the haggling continues.

On Wall Street, last Tuesday, trading quietened down, considerably, as investors started to take stock of what was happening, worldwide.

On The New York Stock Exchange, after a bit of a flurry, early in the day, the Dow Jones Industrial Average, the key index of blue chips, traded on the world's largest bourse, ended up 31.38 points, about 0.37 percent, climbing cautiously to 8,502.99 points.

As for the NASDAQ, its Composite Index added 9.06 points, equivalent to about 0.62 percent, ending the day at 1,471.30 points.

On the world's oil markets, the price of crude oil continued to fall – no doubt, to the delight of industry.

On the New York Mercantile Exchange (NYMEX), the price of crude oil dropped for the sixth consecutive day, falling to \$US25.14 per barrel.

In London, England, the price of Brent North Sea Crude fell 22 cents per barrel for June delivery to \$US23.28 per barrel.

In Europe, equity markets appeared to be marking time, with most of their indices, either plus or minus just fractions.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, people were preparing for the one-day holiday of last Thursday, Labour Day, and, as such, there was little interesting in trading in stocks and shares.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index lost about 0.31 percent, falling back to 8,717.22 points.

The Total Turnover was, however, relatively high, at about \$HK9.55 billion, with losers, outnumbering gainers by the ratio of 1.33:One.

The market was dominated by trading in the shares of HSBC Holdings plc (Code: 5), as investors traded about 24.84 million of its shares, representing, in dollar terms, about 22.09 percent of the entire volume of activity.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 1.19 percent to \$HK85.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Unchanged at \$HK15.65 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.14 percent to \$HK43.40 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.23 percent to \$HK43.10 per share
Cathay Pacific Airways Ltd (Code: 293)	Up 1.08 percent to \$HK9.40 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 2.66 percent to \$HK36.60 per share
PetroChina Company Ltd (Code: 857)	Up 0.56 percent to \$HK1.78 per share
Hang Seng Bank Ltd (Code: 11)	Down 1.28 percent to \$HK77.25 per share
Denway Motors Ltd (Code: 203)	Down 4.63 percent to \$HK2.575 per share
CLP Holdings Ltd (Code: 2)	Down 1.54 percent to \$HK31.90 per share

The double-digit movers of the day numbered 39 counters, with 25 counters, gaining ground, while 25 counters lost ground.

The biggest gainer of the day was Chevalier Construction Holdings Ltd (Code: 579), the share price of which rose 73.08 percent to end the day at 9 cents per share.

A-Max Holdings Ltd (Code: 959) was the biggest loser, with its share price, falling by about 50 percent, as investors pushed it down to 2.60 cents.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, this speculative market gave up some of the previous day's gains: The Growth Enterprise Index shed 0.80 percent, falling back to 927.95 points.

The Total Turnover on The GEM continued to be low, at about \$HK50.29 million, with the ratio of losers to gainers, being 1.24:One.

The biggest movers on this market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
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EVI Education Asia Ltd	8090		56.00	0.022
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231	13.16		0.43
IIN International Ltd	8128		18.92	0.03
iSteelAsia.com Ltd	8080		16.67	0.02
Lee's Pharmaceutical Holdings Ltd	8221	10.29		0.375
Recruit Holdings Ltd	8073	20.00		0.012
Rojam Entertainment Holdings Ltd	8075		11.11	0.08
Tradecasy Holdings Ltd	8163	15.63		0.037

In Japan, the 3 equity markets were sparked into life, following the Central Bank's determination to ease monetary restraints.

The Bank of Japan said that, in view of the international situation, it would raise the outstanding balance of current accounts, held by private financial houses, to between 22 trillion yen and 27 trillion yen, up from the previous level of between 17 trillion yen and 22 trillion yen.

The action by the country's Central Bank means that it was loosening its purse strings and causing there to be more liquidity in the banking system.

As expected, up went the prices of select bank shares, with 2 of the biggest, being:

UFJ Holdings	Up 11.60 percent to 96,000 yen per share
Sumitomo Mitsui Financial	Up 14.00 percent to 187,000 yen per share

The announcement put a fire under equity markets in The Land of The Rising Sun.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average gained 223.54 yen, equivalent to about 2.94 percent, ending the session at 7,831.42 yen.

But against the move of The Bank of Japan, the Government of Prime Minister Junichiro Koizumi announced that the Japanese economy faced a bleak outlook for the rest of the year.

The Ministry of Health, Labour and Welfare reported that, in the month of March, the average monthly wage packet fell by about 2.10 percent, Year-on-Year.

It was the largest drop in about 11 years, The Ministry said.

And, in other Asian bourses:

Indonesia	Plus 1.50 percent to 450.86
Japan	Plus 2.94 percent to 7,831.42
Malaysia	Plus 0.37 percent to 630.37
The Philippines	Plus 1.89 percent to 1,068.15
Singapore	Minus 0.26 percent to 1,281.33
South Korea	Plus 0.30 percent to 599.35
Taiwan	Minus 1.24 percent to 4,148.07
Thailand	Plus 0.46 percent to 374.63

Thursday

Last Thursday was May Day: Power to the Workers! ... And all that stuff and nonsense!

And the workers of Asia, by and large, stayed in pubs, bars, restaurants and homes, getting drunk or, generally, lounging around: It was their day.

Because it was May Day, the stock markets of Malaysia, the Philippines, Singapore, South Korea, Taiwan, Thailand, the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), and the PRC, proper, and were closed.

That left only the Japanese and Indonesian bourses to trade, last Thursday, in Asia.

While the US and Canada were said to honour the first day of May as being the coming of Spring, and the picking of Spring flowers, known as maying, in Israel, Gaza and Iraq, killing appeared to be the order of the day for some people.

Some 15 Iraqi civilians, claiming to be holding peaceful demonstrations in the southern city of Falluja, were said to have been shot dead by US Army troops in the streets of their beloved country.

The US Army said that it was just returning gunfire, after its soldiers were fired upon by some of the '*peaceful*' civilians.

In retaliation, some 7 US soldiers were wounded in a grenade attack at their base in the same city: An eye for an eye?

In Gaza, Israeli troops tried to take out some suspected terrorist leaders and, in the attempt, some people, including a 2-year-old child and a 13-year-old boy, were killed.

On Wall Street, last Thursday, both key indices, those of The New York Stock Exchange and the NASDAQ, headed south.

The Dow Jones Industrial Average, the '*barometer*' of trading in blue chips on The New York Stock Exchange, end down 22.90 points, or about 0.27 percent, ending the choppy session at 8,480.09 points.

As for the Composite Index of the NASDAQ, it ended the day, down just short of 7 points, at 1,464.31 points, off by about 0.48 of a percentage point.

The US, not being a Communist nation and, thereby, not inclined to embrace Marxism and/or Leninism, had little reason to celebrate the events of last Wednesday in The Land of The Free and The Home of The Brave.

Europe was, just about, closed for business, as its workers took the opportunity to take a break.

However, in London, England, where Karl Marx wrote his famous work, '*Das Kapital*', investors pushed down the FTSE by about 1.17 percent.

In Japan, notwithstanding May Day, there was little to cheer up investors, stuck in the 3 equity markets of The Land of The Rising Sun.

The Nikkei-225 Stock Average, which plots the course of blue chips on Asia's largest stock market, was up by about 0.41 percent to 7,863.29 yen.

Gaining counters were far ahead of losing ones by the ratio of 2.36:One.

Banks, generally, continued to rise on hopes that The Bank of Japan's loosening of the country's purse strings would help to stimulate the world's second-largest economy. (Please see Wednesday's report)

Although the equity markets of Japan did not close down for Labour Day, it did not stop unionised workers from staging rallies, nationwide: They want assurances that they will not be sacked even though a company may be in dire straits.

It was estimated that not less than 65,000 workers hit the streets of Tokyo, last Thursday.

News Wise:

- **All Nippon Airways Company**, Japan's second-largest airline, announced that, for its 2002 Financial Year, ended March 31, 2003, it had logged in a Group Net Loss of about 28.26 billion yen. In the 2001 Year, it had lost about 9.46 billion;
- **Nomura Holdings Incorporated**, the largest stockbroker in Japan, announced a Consolidated Net Profit of 119.91 billion yen for Fiscal 2002. That was down by about 28.60 percent, compared with the results of Fiscal 2001;
- **Canon Incorporated** announced that its Consolidated Net Profit for the first quarter of 2003 jumped by about 126.20 percent, Year-on-Year. It was a record quarter, with about 71.60 billion yen in the bank, the company said; and,
- **The Ministry of Economy, Trade and Industry (METI)**, a branch of Government, said that industrial production in Japan rose by about 2.60 percent in Fiscal 2002. It was the first recorded increase in 2 years, METI added.

And in Indonesia, The Djakarta Stock Exchange's JSX Index squeezed out a gain of 0.30 percent, ending trading for the first day of May at 452.20 points.

Indonesia	Plus 0.30 percent to 452.20
Japan	Plus 0.41 percent to 7,863.29
Malaysia	Closed
The Philippines	Closed
Singapore	Closed
South Korea	Closed
Taiwan	Closed
Thailand	Closed

Friday

Last Thursday, while US President George W. Bush was declaring victory over the evil forces of Iraq, on Wall Street, investors were not at all enamoured by the flag-waving.

President George W. Bush, speaking from the aircraft carrier USS Abraham Lincoln, said that the undeclared war on Iraq was directly linked to the September 11, 2001 attacks on New York and Washington D.C.

He said, also, that the hunt was on for weapons of mass destruction, both biological and chemical.

Prior to the outbreak of hostilities, the world was told by Secretary of State Colin Luther Powell, at a meeting of the Security Council of the United Nations, that the US Government knew of Iraq's weapons of mass destruction; and, knew where to look for them.

Now, a similar tune is being played by the US Government's orchestra, but the lyrics have been changed, considerably.

On The New York Stock Exchange, the Dow Jones Industrial Average gave up 25.84 points, or about 0.30 percent, falling to 8,454.25 points.

However, on the NASDAQ, its Composite Index managed to gain about 8.25 points, equivalent to about 0.56 percent, ending the day at 1,472.56 points.

Information, indicating that the US economy is still struggling, was said to be the cause of the rot of last Thursday on New York.

In Europe, last Friday, however, investors saw the same statistics in a slightly different light: It was not as bad as had been anticipated, after all.

On the major European bourses, this was how they finished the week of May 2:

Amsterdam's AEX Index	Minus 1.17 percent
Great Britain's FTSE 100 Index	Plus 1.87 percent
Germany's Frankfurt XETRA DAX Index	Plus 1.49 percent
France's CAC40 Index	Plus 0.32 percent
Switzerland's Swiss Market Index	Minus 0.58 percent
Italy's MIBTEL Index	Plus 0.03 percent

Leading indices of the major stock markets of Asia were mixed, as investors and brokers stumbled back to work after enjoying the May Day celebrations.

On The Stock Exchange of Hongkong Ltd, the Main Board and The Growth Enterprise Market (The GEM), both registered gains on the final day of trading for the week, ended May 2, 2003.

On the Main Board, the Hang Seng Index put on about 1.04 percent, ending the session at 8,808.18 points on a Total Turnover of about \$HK7.28 billion.

The ratio of gainers to losers was 1.99:One.

The Ten Most Actives (all gainers, by the way) were:

HSBC Holdings plc (Code: 5)	Up 0.29 percent to \$HK85.50 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.61 percent to \$HK44.10 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.28 percent to \$HK15.85 per share
PetroChina Company Ltd (Code: 857)	Up 2.25 percent to \$HK1.82 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.97 percent to \$HK78.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.16 percent to \$HK43.60 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 2.19 percent to \$HK37.40 per share
Swire Pacific Ltd "A" Shares (Code: 19)	Up 0.32 percent to \$HK31.00 per share
Cathay Pacific Airways Ltd (Code: 293)	Up 2.66 percent to \$HK9.65 per share
CNOOC Ltd (Code: 883)	Up 0.49 percent to \$HK10.30 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
A-Max Holdings Ltd	959	11.54		0.029
Berjaya Holdings (Hongkong) Ltd	288		31.51	0.05

Chuang's China Investments Ltd	298	54.10		0.188
Computer and Technologies Holdings Ltd	46	11.11		1.20
Cosmopolitan International Holdings Ltd	120	13.67		0.158
Credit Card DNA Security System (Holdings) Ltd	1051		11.11	0.016
DVN (Holdings) Ltd	500	11.11		0.80
e-Kong Group Ltd	524	13.64		0.10
eSun Holdings Ltd	571		19.57	0.185
Far East Consortium International Ltd	35		12.50	0.245
Fortuna International Holdings Ltd	530	25.00		0.015
Gay Giano International Group Ltd	686	19.05		0.05
Heng Fung Holdings Ltd	185	12.00		0.056
KG NextVision Company Ltd	516	12.50		0.045
Kwong Sang Hong International Ltd, The	189	20.00		0.198
Lippo China Resources Ltd	156	24.59		0.076
Magician Industries (Holdings) Ltd	526	15.85		0.095
Millennium Sense Holdings Ltd	724		16.67	0.10
New World CyberBase Ltd	276	11.11		0.02
New World Infrastructure Ltd	301	10.34		0.48
Same Time Holdings Ltd	451	13.85		0.074
Shanghai Merchants Holdings Ltd	1104		27.54	0.25
Shougang Concord Technology Holdings Ltd	521	10.71		0.465
Sky Hawk Computer Group Holdings Ltd	1129		15.15	0.14
Sun East Technology (Holdings) Ltd	365		11.76	0.15
Sunny Global Holdings Ltd	1094	15.79		0.44
Technology Venture Holdings Ltd	61	17.05		0.103
Telecom Plus Holdings Ltd	1013		21.29	0.122
USI Holdings Ltd	369	12.90		0.70
VTech Holdings Ltd	303	14.44		5.15

On The GEM, The Growth Enterprise Index ended the week on a very positive note, with a gain of about 1.58 percent as The Index clipped 942.57 points.

Advancing counters led declining ones by the ratio of 1.14:One.

The Total Turnover was about \$HK70.12 million.

The double-digit counters of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Blu Spa Holdings Ltd	8176	10.00		0.011
Emperor Entertainment Group Ltd	8078		10.45	0.60
iSteelAsia.com Ltd	8080		15.00	0.017
Media Partners International Holdings Incorporated	8072	11.11		0.20
Tradeeasy Holdings Ltd	8163		21.62	0.029

The tally for the 4-day trading week, therefore, was:

Hang Seng Index	Up 4.75 percent
The Growth Enterprise Index	Up 3.81 percent

News wise:

- **Hutchison Whampoa Ltd (Code: 13)** confirmed that it had withdrawn its bid to buy a 61.50-percent stake in the US-based company, Global Crossing. Hutchison, along with its partner in this takeover, the Singapore Government's Singapore Technologies Group, via ST Telemedia, is under investigation by the US Government's Committee on Foreign Investment. The US Government is concerned that Hutchison and its Substantial Shareholder, Mr Li Ka Shing, have close ties with the Government of the PRC and its military arm. Hutchison has denied that the PRC Government has any ties with any member of the Board of Directors in spite of the fact that Mr Li Ka Shing is, right up there, with the highest PRC Government muck-a-mucks.

In Japan, investors on Asia's largest stock market continued to push prices up for the third straight day.

On the premier bourse, The Tokyo Stock Exchange, the Nikkei-225 Stock Average ended the week at 7,907.19 yen, up 0.56 percent on Thursday's close.

Banks continued to be strong, due in large part to the stimulus of The Central Bank of the country. (Please see Wednesday's report)

The tally for The Tokyo Stock Exchange's key index for the 5-day trading week was:

Nikkei-225 Stock Average Up 2.70 percent

News wise:

- **Ricoh Company** reported a Group Net Profit for its 2002 Financial Year, ended March 31, 2003, of 72.51 billion, up 17.70 percent, Year-on-Year.
- **Millea Holdings Incorporated**, the parent company of Tokio Marine and Fire Insurance Company and Nichido Fire and Marine Insurance Company, announced that it had revised down its Group profit forecast for its 2002 Financial Year to about 56 billion yen, which is off by about 36.40 percent from the 88-billion yen forecast, released in December 2002; and,
- **The Japan Automobile Dealers Association** said that April sales of new motor vehicles fell by about 6.50 percent, Year-on-Year. It was the first reported drop in sales in the previous 8 months.

And, in other Asian markets, this was the way that they ended the week of May 2, 2003:

Indonesia	Minus 0.97 percent to 447.82
Japan	Plus 0.56 percent to 7,907.19
Malaysia	Minus 0.49 percent to 627.26
The Philippines	Closed
Singapore	Plus 1.40 percent to 1299.22
South Korea	Minus 0.32 percent to 597.44
Taiwan	Plus 0.96 percent to 4,187.32
Thailand	Plus 0.16 percent to 375.24

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