

EQUITY MARKET HEAD FOR THE HIGH GROUND

Equity markets in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) rose in somewhat spectacular fashion, last Monday, following the lifting of a travel advisory warning by the **World Health Organisation** (WHO) and a vague suggestion that things would improve in the **United States** (US) at the tail end of this year.

The WHO report was accurate, of course, but the suggestion about the US economy ... well, brave be he who claims that man shall tame the sea.

For a change, international news was not particularly negative and, with the US, enjoying a long weekend in order to celebrate Memorial Day – commemorating those patriotic soldiers who died for the US in past wars – there was nothing, adverse, to colour trading in Asia.

In the US, the previous Friday, Congress approved a \$US350-billion, tax-cut Budget and, on the back of that, investors in The Land of The Free and The Home of The Brave determined that things would improve.

(For full analysis of that situation, please see last Wednesday's [TARGET Intelligence Report, Volume V, Number 99](#))

On The New York Stock Exchange, the previous Friday saw that equity market's key index, the Dow Jones Industrial Average, finish off the week with a gain of 7.36 points, equivalent to about 0.09 percent, ending the day at 8,601.38 points.

On the NASDAQ, its Composite Index added just 2.54 points, or about 0.17 percent, running back to 1,510.09 points.

In truth, there was little to commend the US equity markets since, technically, the economy of the US has stalled; and, there is little reason to think that it will gain very much, if anything, in the last half of this year.

Except, perhaps, wishful thinking on the part of certain members of the Administration and Wall Street gurus, both of whom were trying to drum up business for themselves, albeit in completely different spheres of activity.

One potentially worrying piece of information was a suggestion from the President of the US that '*tougher measures*' might be considered with regard to North Korea.

In a talk with the Japanese Prime Minister at Crawford, Texas, also, on the previous Friday, President George W. Bush said that North Korea could expect the friendship of the strongest country in the world, in very tangible form, if it abandoned its plans to be a nuclear power.

Conversely, it could expect the worst if it did not.

President George W. Bush said:

'We are confident that our diplomatic approach will bring a peaceful solution (to the impasse over the nuclear ambitions of North Korea). Yet, we agreed that further escalation of the situation by North Korea will require tougher measures from the international community.'

Prime Minister Junichiro Koizumi agreed with the US President – naturally!

In politics, of course, one is never quite certain when a diplomat is merely posturing ... or he, really, means what he says – which is not very often.

In any event, in the language of politicians: If it sounds good, then, it must be good.

In Europe, last Monday, there were grave concerns about the US economy and, of course, the poor state of 2 of the leading economies of the **European Union** (EU), namely Germany and France.

Great Britain was on holiday, last Monday.

With the exception of Italy, leading bourses of Europe lost ground, but mostly, the losses were fractional:

Amsterdam's AEX Index	Minus 0.09 percent
Great Britain's FTSE 100 Index	Closed
Germany's Frankfurt XETRA DAX Index	Minus 0.04 percent
France's CAC40 Index	Minus 0.40 percent
Switzerland's Swiss Market Index	Minus 0.79 percent
Italy's MIBTEL Index	Plus 0.15 percent

In the HKSAR, both the Main Board and The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd got off to a booming start for the week of May 26.

The Main Board's Hang Seng Index gained about 2.03 percent, rising to 9,492.71 points on an improved Total Turnover, which shot up to about \$HK10.67 billion by the time the closing bell rang, putting an end to trading for the day.

The ratio of gainers to losers was 3.42:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 1.10 percent to \$HK91.50 per share
Hutchison Whampoa Ltd (Code: 13)	Up 2.54 percent to \$HK48.40 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 3.50 percent to \$HK17.75 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 3.62 percent to \$HK48.60 per share
PetroChina Company Ltd (Code: 857)	Up 6.02 percent to \$HK2.025 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 3.43 percent to \$HK39.20 per share
Cathay Pacific Airways Ltd (Code: 293)	Up 4.74 percent to \$HK9.95 per share
Hang Seng Bank Ltd (Code: 11)	Up 1.22 percent to \$HK83.00 per share
China Telecom Corporation Ltd (Code: 728)	Up 3.66 percent to \$HK1.70 per share
CNOOC Ltd (Code: 883)	Up 4.00 percent to \$HK11.70 per share

There were a total of 47, double-digits movers of the day, with 40 of their number, rising, while just 7 of them lost 10 percent of their market capitalisations ... or more.

Xin Corporation Ltd (Code: 1141) was the biggest gainer of the day, as investors pushed up its share price by about 50 percent to 15 cents per share.

Innovative International (Holdings) Ltd (Code: 729) was the biggest loser, with about 22.22 percent of its share price, being shaved off. When the closing bell rang, the share price was 1.40 cents.

On The GEM, The Growth Enterprise Index gained about 1.93 percent, running to 1,131.69 points on a Total Turnover of about \$HK205.77 million.

The ratio of gainers to losers on this speculative market was 1.79:One.

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

CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 1 percent to \$HK1.78 per share
tom.com Ltd (Code: 8001)	Up 8 percent to \$HK2.675 per share
SIIC Medical Science and Technology (Group) Ltd (Code: 8018)	Unchanged at \$HK2.075 per share
Wah Sang Gas Holding Ltd (Code: 8035)	Up 4 percent to 86 cents per share
hongkong.com Corporation (Code: 8006)	Down 3 percent to 76 cents per share

The biggest movers of the day on this market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AKuP International Holdings Ltd	8179	33.33		0.028
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd	8095	12.28		0.64

Fortune Telecom Holdings Ltd	8040	14.55		0.63
Info Communication Holdings Ltd	8082	16.67		0.028
Inno-Tech Holdings Ltd	8202		25.37	0.25
Inworld Group Ltd	8100	17.39		0.054
iSteelAsia.com Ltd	8080	60.00		0.056
Jiangsu Nandasoft Company Ltd	8045	10.26		0.43
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049	25.00		0.30
Milkyway Image Holdings Ltd	8130		10.67	0.067
Mobile Telecom Network (Holdings) Ltd	8266		12.50	0.28
Satellite Devices Corporation	8172	17.65		0.04
Shanghai Fudan Microelectronics Company Ltd	8102	12.31		0.73
Tradecasy Holdings Ltd	8163		11.76	0.03
Tungda Innovative Lighting Holdings Ltd	8229	17.73		0.239

Japan's 3 stock markets started off last week rather quietly, however, and, on The Tokyo Stock Exchange, which is the premier marketplace for the buying and selling of equities, the Nikkei-225 Stock Average moved up only about 0.52 percent to 8,227.32 yen.

However, considering that the previous Friday had resulted in the Nikkei-225 Stock Average, gaining about 1.65 percent of its value, last Monday's trading tended to be considered by analysts as simply building on the previous gains.

On the negative side of the ledger in respect of the Tokyo market, there was the matter that the 42.56-yen gain of the day was obtained in very sluggish trading conditions: Sluggish trading conditions never bode well for an equity market.

In the early evening, an earthquake hit Sendai City, which is situated about 300 kilometres north of the Capital City of Tokyo.

The earthquake hit after all 3 stock markets had gone to bed for the day so that it had no effect on trading.

News wise:

- **Snow Brand Milk Products Company** announced that it had lost about 27.10 billion yen in Fiscal 2002, ended March 31, 2003;
- **Hazama Corporation**, a cash-strapped contracting company, said that its Group Net Losses for Fiscal 2002 were 122.60 billion yen; and,
- **Yoshimoto Kogyo Company** announced that, in its 2002 Financial Year, it had logged a Net Profit Attributable to Shareholders of about 1.32 billion yen, up by about 124 percent, Year-on-Year.

In other equity markets throughout Asia, this was how they fared, last Monday:

Indonesia	Plus 1.34 percent to 478.41
Japan	Plus 0.52 percent to 8,227.32
Malaysia	Plus 0.75 percent to 655.74
The Philippines	Minus 0.04 percent to 1,046.94
Singapore	Plus 1.30 percent to 1,335.34
South Korea	Plus 1.00 percent to 617.65
Taiwan	Plus 2.67 percent to 4,465.57
Thailand	Plus 0.34 percent to 396.88

Tuesday

London, England, was on holiday, last Monday: Pubs and fish-and-chips shops were doing a roaring business.

The United States of America (USA) was on holiday, last Monday: Hamburgers and hotdog vendors were doing a roaring business as the faithful waved the flag ... in-between burps and farts.

With a couple of the world's largest equity markets not open, other markets were left to their own devices, by and large.

And so investors determined that selling was the defensive posture to take.

In Europe, last Tuesday, a report that suggested that US consumer confidence was on the mend caused some speculators to try to climb aboard this new wagon ... just in case the report was correct.

As a result, major European bourses managed moderate gains:

Amsterdam's AEX Index	Plus 0.73 percent
Great Britain's FTSE 100 Index	Plus 0.32 percent
Germany's Frankfurt XETRA DAX Index	Closed
France's CAC40 Index	Plus 0.37 percent
Switzerland's Swiss Market Index	Plus 0.64 percent
Italy's MIBTEL Index	Closed

In Asia, only 2 of the major equity markets made gains – and those gains were only of a fractional nature.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors pulled back purchases of stocks and shares.

The Total Turnover on the Main Board of The Stock Exchange of Hongkong Ltd fell back to about \$HK8.72 billion, as the Hang Seng Index lost about 0.76 percent of its value, falling to 9,420.81 points.

The ratio of decliners to advancers was 1.76:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 0.55 percent to \$HK91.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.28 percent to \$HK17.70 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.86 percent to \$HK47.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 2.06 percent to \$HK47.60 per share
PetroChina Company Ltd (Code: 857)	Down 2.72 percent to \$HK1.97 per share
CNOOC Ltd (Code: 883)	Down 4.27 percent to \$HK11.20 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.30 percent to \$HK82.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.79 percent to \$HK38.50 per share
Swire Pacific Ltd "A" Shares (Code: 19)	Up 0.59 percent to \$HK33.90 per share
China Telecom Corporation Ltd (Code: 728)	Down 2.94 percent to \$HK1.65 per share

A total of 35 counters managed to see their scrip prices rise or fall 10 percent or more, with the biggest gainer, being Massive Resources International Corporation Ltd (Code: 70) as investors pushed up its share price by 50 percent to 1.50 cents.

The biggest loser of the day was G-Vision International (Holdings) Ltd (Code: 657), whose share price shed 52.13 percent, falling back to 4.50 cents.

Of these 35 counters, 26 of their number rose while 9 fell.

Over on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the pattern of trading was surprisingly similar to that of the Main Board.

The Growth Enterprise Index shed about 0.79 percent of its value, falling back to 1,122.79 points, while the Total Turnover fell to about \$HK297.51 million.

The ratio of losers to gainers was 1.38:One.

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

CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Up 3 percent to \$HK1.83 per share
tom.com Ltd (Code: 8001)	Down 4.00 percent to \$HK2.575 per share
hongkong.com Corporation (Code: 8006)	Down 16.00 percent to 64 cents per share
SUNeVision Holdings Ltd (Code: 8006)	Up 2.00 percent to \$HK1.47 per share

The biggest movers of the day, however, were reserved for this bunch:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Multimedia Ltd	8061	11.76		0.095
Cyber On-Air Group Company Ltd	8118		14.29	0.12
EVI Education Asia Ltd	8090		30.30	0.023
Grandy Applied Environmental Technology Corporation	8143		22.81	0.044
Hongkong.com Corporation	8006		15.79	0.64
Inworld Group Ltd	8100	16.67		0.063
iSteelAsia.com Ltd	8080	42.86		0.08
M21 Technology Ltd	8153	16.67		0.35
Milkyway Image Holdings Ltd	8130	10.45		0.074
New Chinese Medicine Holdings Ltd	8085	10.00		0.044
ProSticks International Holdings Ltd	8055	42.86		0.03
Recruit Holdings Ltd	8073		23.08	0.01
Satellite Devices Corporation	8172		12.50	0.035
SYSCAN Technology Holdings Ltd	8083		10.00	0.045
Systek Information Technology (Holdings) Ltd	8103	15.79		0.022
Trasy Gold Ex Ltd	8063		10.00	0.018
Value Convergence Holdings Ltd	8101	16.67		0.049

In Japan, as it turned out, luckily, the earthquake that struck Sendai City on Monday evening, Sendai City, being situated about 300 kilometres north of the Capital City of Tokyo, did little damage. There were no reports of deaths.

On the Tokyo Stock Exchange, which is the premier bourse of The Land of The Rising Sun, uncertainty resulted in falling prices – a situation, which is common for nearly all equity markets, the world round.

The Nikkei-225 Stock Average, which is the ‘*barometer*’ of trading in blue chips on The Tokyo Stock Exchange, lost about 107.08 yen, equivalent to about 1.30 percent, as investors pushed it down to 8,120.24 yen.

The ratio of losers to gainers was wide, at 4.26:One.

Exporters in Japan are concerned these days at the fact that the US dollar continues to weaken against the euro and the yen, making Japanese exports less competitive on international markets.

It is good for the US, however, which benefits from Japan’s lost business.

News wise:

- Sales at Japan’s supermarkets dropped by about 2.60 percent in April, Year-on-Year. It was the tenth consecutive month of falling sales, **The Japan Chain Stores Association** said;
- **Kumagai Gumi Company**, a faltering construction company in Japan, said that its Net Loss Attributable to Shareholders was about 295.90 billion yen for Fiscal 2002. That result compared with a Net Profit Attributable to Shareholders of about 2.55 billion yen for the 2001 Year;
- **Shinsei Bank** announced a Group Net Profit of about 53.03 billion yen for Fiscal 2002, down 13.40 percent, Year-on-Year; and,
- **The Bank of Yokohama** announced that its 2002 Group Net Profits had fallen, Year-on-Year, by about 14.80 percent to 16.90 billion yen.

And this was the way that things looked, last Tuesday night, in other Asian equity markets:

Indonesia	Plus 0.39 percent to 480.27
Japan	Minus 1.30 percent to 8,120.24
Malaysia	Minus 0.55 percent to 652.11
The Philippines	Minus 1.05 percent to 1,035.99

Singapore	Minus 0.75 percent to 1,325.30
South Korea	Minus 0.54 percent to 614.30
Taiwan	Minus 0.32 percent to 4,451.11
Thailand	Plus 0.96 percent to 400.69

Wednesday

Stock markets, around the world, acted as though they were racehorses, straining at their reins in anticipation of leaving the starting gate.

They were reacting to that which had taken place on Wall Street on the first day of trading on US equity markets.

A robust, US housing market report and a seeming gain in consumer confidence were said to have been responsible for a booming day on both The New York Stock Exchange and the NASDAQ.

The Dow Jones Industrial Average, the gauge to trading in blue chips on The New York Stock Exchange, shot up 2.09 percent, pushing up The Dow to 8,781.35 points.

It was its highest level since the middle of January.

Over on the NASDAQ, its Composite Index rose to an 11-month high of 1,566.69 points, a one-day gain of about 46.60 points, equivalent to 3.09 percent.

The news, said to have been the catalyst for the boomlet on Wall Street, included a report from The National Association of Realtors, which stated that sales of existing homes rose about 5.60 percent in April, compared with the statistics for March.

As for new home sales, the April statistics came in with a rise of about 1.70 percent, seasonally adjusted, Month-on-Month, The Commerce Department of the US Government said.

From The Conference Board, it was announced that US consumer confidence had improved between April and May, with The Consumer Confidence Index, rising from the April figure of 81 points to the May figure of 83.80 points.

Vague as these statistics may have appeared to many people, they were enough for a great number of investors, from the US to Alaska, from London, England, to Shanghai, the People's Republic of China (PRC), to take a punt on stocks and shares.

And punt they did.

In Europe, it appeared that some investors were concerned that scrip would go moldy unless it were bought in a hurry.

On major European bourses, there was a great deal of excitement, with the result that all of the major markets saw their indices rise, appreciably:

Amsterdam's AEX Index	Plus 2.38 percent
Great Britain's FTSE 100 Index	Plus 1.99 percent
Germany's Frankfurt XETRA DAX Index	Plus 1.60 percent
France's CAC40 Index	Plus 2.01 percent
Switzerland's Swiss Market Index	Plus 2.15 percent
Italy's MIBTEL Index	Plus 1.34 percent

Every major stock market in Asia gained substantial ground, too, led by South Korea, where Seoul's KOSPI Index put on 2.29 percent, rising to 628.36 points.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, both equity markets made gains, but nothing particularly spectacular, as had been the case in Europe.

In truth, nothing of any merit had changed, one day from the other, and the US statistics in respect of consumer confidence and the one-month's indication of house sales had been unsupported, in the main, with collaborative manufacturing statistics, indicating that the largest single economy of the world was out of any serious trouble.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose by about 0.95 percent, ending the day at 9,510.62 points.

The Total Turnover was about \$HK9.99 billion, while the ratio of gainers to losers was 1.29:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 1.92 percent to \$HK92.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.41 percent to \$HK17.95 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.42 percent to \$HK47.70 per share
Texwinca Holdings Ltd (Code: 321)	Down 0.78 percent to \$HK6.40 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.84 percent to \$HK48.00 per share
Legend Group Ltd (Code: 992)	Down 6.12 percent to \$HK2.30 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.04 percent to \$HK38.90 per share
Brilliance China Automotive Holdings Ltd (Code: 1114)	Down 1.56 percent to \$HK1.89 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.30 percent to \$HK83.00 per share
CNOOC Ltd (Code: 883)	Down 1.79 percent to \$HK11.00 per share

The biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Arnhold Holdings Ltd	102	11.11		0.30
Cheong Ming Investments Ltd	1196	15.79		0.33
China Bio-Medical Group Ltd	140		12.82	0.068
Ching Hing (Holdings) Ltd	692	103.70		0.11
DVN (Holdings) Ltd	500	14.29		0.80
FT Holdings International Ltd	559		12.50	0.035
Fulbond Holdings Ltd	1041	11.76		0.019
G-Vision International (Holdings) Ltd	657	11.11		0.05
Global Tech (Holdings) Ltd	143	32.22		0.119
GZI Transport Ltd	1052	14.19		1.69
Heng Fung Holdings Ltd	2939		12.60	1.11
i100 Ltd	616		21.05	0.03
Innovative International (Holdings) Ltd	729	21.43		0.017
Kamboat Group Company Ltd	318	15.00		0.46
Life Tec Group Ltd	1180		17.91	0.11
Massive Resources International Corporation Ltd	70		20.00	0.012
Mei Ah Entertainment Group Ltd	391		14.39	0.119
Multifield International Holdings Ltd	898		16.67	0.11
Neo-Tech Global Ltd	563		12.62	0.09
Oriental Explorer Holdings Ltd	430	10.87		0.051
Pacific Plywood Holdings Ltd	767	27.27		0.014
Peking Apparel International Group Ltd	761		24.63	0.101
Prosper eVision Ltd	979	11.76		0.038
Shang Hua Holdings Ltd	371	25.00		0.04
Shanghai Century Holdings Ltd	755	10.70		0.238
Shanghai Land Holdings Ltd	67		20.18	0.455
Shanghai Merchants Holdings Ltd	1104		20.97	0.245
Sincere Company Ltd, The	244	15.38		0.30
Solartech International Holdings Ltd	1166	12.50		0.18
Wah Nam International Holdings Ltd	159	19.61		0.122

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover was about \$HK188.69 million, with gaining counters, edging out losing counters by the ratio of 1.12:One.

The Growth Enterprise Index ended the day at 1,135.34 points, an increase on Tuesday's close of about 1.12 percent.

The 5, most-active counters of this speculative marketplace, in terms of turnovers, only, were:

CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 1 percent to \$HK1.82 per share
tom.com Ltd (Code: 8001)	Up 4 percent to \$HK2.675 per share
hongkong.com Corporation (Code: 8006)	Up 5 percent to 67 cents per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Down 2 percent to \$HK12.30 per share

The biggest gainers of the day, however, were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022	12.43		0.208
Creative Energy Solutions Holdings Ltd	8109	17.86		0.33
Cyber On-Air Group Company Ltd	8118		12.50	0.105
Essex Bio-Technology Ltd	8151	16.67		0.105
EVI Education Asia Ltd	8090	47.83		0.034
First Mobile Group Holdings Ltd	8110	11.20		0.139
GP Nano Technology Group Ltd	8152		33.33	0.05
Inno-Tech Holdings Ltd	8202	11.11		0.30
Inworld Group Ltd	8100		11.11	0.056
iSteelAsia.com Ltd	8080	23.75		0.099
M Channel Corporation Ltd	8036		18.75	0.026
ProSticks International Holdings Ltd	8055		23.33	0.023
T S Telecom Technologies Ltd	8003	12.05		0.093
Thiz Technology Group Ltd	8119		22.92	0.037
Wanyou Fire Safety Technology Holdings Ltd	8201	11.54		0.29
WLS Holdings Ltd	8021	25.49		0.128

In Japan, investors reversed Tuesday's losses, adding on about 1.40 percent to the value of the Nikkei-225 Stock Average, which ended the day at 8,234.18 yen (the Nikkei-225 Stock Average is the key index of The Tokyo Stock Exchange).

The Tokyo Stock Exchange was taking its cue from Wall Street, according to many stockbrokers of the Capital City of Japan, as were many other equity markets.

The yen, vis-à-vis the US dollar, continued to strengthen, much to the consternation of many investors, locked into the largest bourse in Asia.

News wise:

- **Citizen Watch Company** reported that its Group Net Profits for its Financial Year, ended March 31, 2003, had risen to about 5.82 billion yen, up from the 2001 Financial Year when the company had to report a loss situation of about 12.61 billion yen;
- **Japan Telecom Holdings Company**, which is a 66.70-percent-owned subsidiary of Great Britain's Vodafone Group plc, announced that it had swung back into the black, chalking up a Net Profit Attributable to Shareholders of about 79.50 billion yen. In 2001, Japan's third-largest telecommunications company reported a Loss Attributable to Shareholders of about 65.97 billion yen; and,
- **Japan Telecom Company**, a fixed-line telephone service company, announced a Net Profit Attributable to Shareholders of about 15.70 billion yen. In 2001, this telecommunications company dropped about 77 billion yen.

In other Asian bourses, this was how they fared, last Wednesday:

Indonesia	Plus 2.61 percent to 492.82
Japan	Plus 1.40 percent to 8,234.18
Malaysia	Plus 1.82 percent to 664.00
The Philippines	Plus 1.14 percent to 1,047.82
Singapore	Plus 1.00 percent to 1,338.60
South Korea	Plus 2.29 percent to 628.36
Taiwan	Plus 0.52 percent to 4,474.41
Thailand	Plus 0.57 percent to 402.98

Thursday

The only Asian equity markets that did not make gains, last Thursday, were the 2 markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index was flat, ending the day with a loss of about 0.02 percent, at 9,508.55 points.

The Total Turnover was about \$HK8.28 billion, with the ratio of losers to gainers, being very telling, at 2.07:One.

There was nothing to promote the equity markets of the HKSAR, considering that the economy of the territory was continuing to drift.

Even the mighty have fallen.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.54 percent to \$HK93.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.28 percent to \$HK17.90 per share
Kingboard Chemical Holdings Ltd (Code: 148)	Down 6.29 percent to \$HK6.70 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.84 percent to \$HK47.30 per share
PetroChina Company Ltd (Code: 857)	Down 2.01 percent to \$HK1.95 per share
Legend Group Ltd (Code: 992)	Up 3.26 percent to \$HK2.375 per share
CNOOC Ltd (Code: 883)	Unchanged at \$HK11 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.21 percent to \$HK47.90 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.51 percent to \$HK38.70 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.30 percent to \$HK83.25 per share

The biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Development Corporation Ltd	487		25.00	0.015
China Rich Holdings Ltd	1191		10.00	0.045
Ching Hing (Holdings) Ltd	692		11.82	0.097
Chuang's China Investments Ltd	298		12.79	0.15
CIG-WH International (Holdings) Ltd	621		14.29	0.12
e-New Media Company Ltd	128	12.50		0.189
eCyberChina Holdings Ltd	254		28.57	0.01
Get Nice Holdings Ltd	64		13.89	0.62
GoldBond Group Holdings Ltd	172	14.29		0.024
Graneagle Holdings Ltd	147		10.00	0.18
Kamboat Group Company Ltd	318		13.04	0.40
King Fook Holdings Ltd	280		10.71	0.25
Man Yue International Holdings Ltd	894	11.61		0.173
Mansion Holdings Ltd	547	22.22		0.022
Nam Fong International Holdings Ltd	1176		12.00	0.022
New Times Group Holdings Ltd	166	15.71		0.405
Oriental Metals (Holdings) Company Ltd	1208	20.00		0.21
Oriental Union Holdings Ltd	1182		25.00	0.048
Pacific Plywood Holdings Ltd	767		14.29	0.012
Peaktop International Holdings Ltd	925		10.43	0.103
Peking Apparel International Group Ltd	761	15.84		0.117
Singapore Hongkong Properties Investment Ltd	245		15.38	0.033
Shanghai Merchants Holdings Ltd	1104	14.29		0.28
Sincere Company Ltd, The	244		10.00	0.27
Sky Hawk Computer Group Holdings Ltd	1129	11.11		0.09
Wah Nam International Holdings Ltd	159	11.48		0.136
Wo Kee Hong (Holdings) Ltd	720		16.67	0.06
Yoshiya International Corporation Ltd	193	22.22		0.022
Yugang International Ltd	613	22.22		0.044

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index lost about 1.93 percent of its value, falling back to 1,113.94 points.

There was nothing flat about this market: It was down ... and soon to be out, the way things were moving.

The ratio of losers to gainers on The GEM was, also, very telling, at 1.88:One.

The Total Turnover was \$HK248.73 million, which was assisted, considerably, by trading in the 2, Li Ka Shing counters – CK Life Sciences International (Holdings) Incorporated (Code: 8222) and tom.com Ltd (Code: 8001) – the trades of scrip of these 2 counters, being responsible for about 58 percent of the entire volume of activity of the day.

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

CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 4 percent to \$HK1.74 per share
Wah Sang Gas Holding Ltd (Code: 8035)	Unchanged at 82 cents per share
tom.com Ltd (Code: 8001)	Unchanged at \$HK2.675 per share
hongkong.com Corporation (Code: 8006)	Down 10 percent to 60 cents per share
SIIC Medical Science and Technology (Group) Ltd (Code: 8018)	Unchanged at \$HK2.075 per share

The biggest movers, however, were left for the following bunch:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AKuP International Holdings Ltd	8179		17.24	0.024
Cyber On-Air Group Company Ltd	8118		33.33	0.07
EVI Education Asia Ltd	8090		26.47	0.025
Grandy Applied Environmental Technology Corporation	8143	20.00		0.048
Hongkong.com Corporation	8006		10.45	0.60
IIN International Ltd	8128	11.43		0.039
Inno-Tech Holdings Ltd	8202	10.00		0.33
iSteelAsia.com Ltd	8080		11.11	0.088
Lee's Pharmaceutical Holdings Ltd	8221	12.31		0.365
Linefan Technology Holdings Ltd	8166		40.74	0.08
LOULAN Holdings Ltd	8039		19.35	0.25
Milkyway Image Holdings Ltd	8130		41.18	0.04
PINE Technology Holdings Ltd	8013	11.27		0.079
Satellite Devices Corporation	8172	14.29		0.04
Thiz Technology Group Ltd	8119	16.22		0.043

The 2 markets of the HKSAR were reacting to what was happening, internationally, where (1) **Severe Acute Respiratory Syndrome (SARS)** was rearing its head, once again, with Toronto, Canada, being very hard hit, and with Russia, announcing the discovery of its first case – How long will it be before SARS will hit the HSKAR, again? – (2) a disappointing report from Washington, D.C., in respect of orders for durable goods, and, (3) lastly, the lack-lustre trading conditions on Wall Street, on Wednesday.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 11.77 points, equivalent to about 0.13 percent, ending last Wednesday's trading day at 8,793.12 points.

It was in stark contrast to the booming markets of last Tuesday in New York.

On the NASDAQ, its Composite Index climbed 6.55 points, or about 0.42 percent, running to 1,563.24 points.

Investors in these 2, US markets were trying to digest the data from the US Government's Commerce Department with regard to orders for US durable goods.

According to the Commerce Department, initial figures appeared to indicate a continuation of the slump in the US economy.

Orders for durable goods – durable goods are those goods that have a life expectancy, rated to last 3 years or more – fell by about 2.40 percent in April, Year-on-Year.

The US manufacturing sector of the economy is sluggish, of that there can be no question.

As soon as this report was made public, the gains of the morning session on The New York Stock Exchange were eroded, quite considerably.

In Europe, investors were indicating concern about the possibility that earlier reports about the US economy may not have been everything that they had been cracked up to be.

As a result, equity markets started to drift:

Amsterdam's AEX Index	Minus 0.29 percent
Great Britain's FTSE 100 Index	Plus 0.29 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.44 percent
France's CAC40 Index	Plus 0.66 percent
Switzerland's Swiss Market Index	Closed
Italy's MIBTEL Index	Plus 0.62 percent

In Japan, the premier stock market of The Land of The Rising Sun saw investors return in droves.

And, for no clear or apparent reason.

If anything, there were ample economic reasons for the market to fall.

As a result of the buying spurt, the Nikkei-225 Stock Average, the key index of The Tokyo Stock Exchange, gained 1.71 percent, rising to 8,375.36 yen.

It was a 2-month high for the Nikkei-225 Stock Average.

There was little to promote the equity markets of Japan, but investors were counting on a turnabout situation in the economy of the US, it was reported.

If that should transpire, then, Japan was sure to benefit, it was being mooted, but by how much was, still, not determined.

News wise:

- **Aozora Bank** announced that its Group Net Profit had been 23.40 billion yen for Fiscal 2002. This result was an increase of about 25 percent, compared with the 2001 Year;
- **NHK** announced that, for its 2002 Financial Year, ended March 31, 2003, Operating Revenues had exceeded Expenses by about 10.20 billion yen; and,
- **Toei Company**, a major film studio in Japan, said that its Group Net Profit for the Financial Year, ended March 31, 2003, was 1.71 billion yen, an 88-percent increase, Year-on-Year.

In other parts of Asia, this was how those equity markets ended last Thursday night:

Indonesia	Plus 0.40 percent to 494.78
Japan	Plus 1.71 percent to 8,375.36
Malaysia	Plus 1.21 percent to 672.05
The Philippines	Plus 1.78 percent to 1,066.47
Singapore	Plus 0.43 percent to 1,344.30
South Korea	Plus 0.65 percent to 632.43
Taiwan	Plus 1.53 percent to 4,543.04
Thailand	Plus 0.10 percent to 403.40

Friday

Fractional movements of equity markets, internationally, were the rule, last Friday.

Investors appeared to be undecided as to which direction to go: Buy; Sell; or, Hold?

And, for good reason, in **TARGET's** opinion.

Economic news from the various US Government departments continued to flow and to be released, but it was, all, not sufficiently definitive as to be able to fit into the equation, signaling the direction of equity markets.

On The New York Stock Exchange, last Thursday, the Dow Jones Industrial Average slid 81.94 points, equivalent to about 0.93 percent, falling back to 8,711.18 points.

On the tech-laden NASDAQ, its Composite Index gained 11.71 points, or about three quarters of a percentage point, rising to 1,574.95 points.

For the NASDAQ, its volume of trading was the heaviest of the year, but, at the same time, the ratio of gainers to losers was tight, at about 1.20:One.

From the US Labour Department came news that the number of people, receiving Unemployment Insurance Benefits was at the highest level in the past 18 months.

For the week of May 17, the number of people, receiving Unemployment Insurance Benefits, was about 3.76 million.

Mixed signals dogged investors on the world's largest equity markets.

In Europe, with the lone exception of Germany, equity markets were directionless, with most markets, seeing only fractional movements:

Amsterdam's AEX Index	Plus 0.99 percent
Great Britain's FTSE 100 Index	Minus 0.87 percent
Germany's Frankfurt XETRA DAX Index	Plus 2.87 percent *
France's CAC40 Index	Plus 0.76 percent
Switzerland's Swiss Market Index	Minus 0.73 percent
Italy's MIBTEL Index	Plus 0.64 percent

* This was the biggest gainer of the day

In Asia, it was fractional movements, all round also.

On the second-largest bourse in the most-populous part of the world, investors on the Main Board of The Stock Exchange of Hongkong Ltd were a-mind to sell.

As a result, the Hang Seng Index, the key index of The Stock Exchange of Hongkong Ltd, dropped back by about 0.22 percent, ending the week at 9,487.38 points.

The Total Turnover was about \$HK7.79 billion.

The ratio of gainers to losers was 1.57:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.27 percent to \$HK93.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.56 percent to \$HK17.80 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.21 percent to \$HK47.40 per share
PetroChina Company Ltd (Code: 857)	Down 1.03 percent to \$HK1.93 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.52 percent to \$HK38.90 per share
Yue Yuen Industrial (Holdings) Ltd (Code: 551)	Up 2.25 percent to \$HK18.15 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.84 percent to \$HK47.50 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.30 percent to \$HK83.00 per share
CNOOC Ltd (Code: 883)	Down 0.91 percent to \$HK10.90 per share
Hutchison Harbour Ring Ltd (Code: 715)	Up 4.10 percent to 71 cents per share

There were a total of 34, double-digits movers of the day, with 25 of their number, rising, while just 9 of them lost 10 percent of their market capitalisations ... or more.

Jackley Holdings Ltd (Code: 353) was the biggest gainer of the day, as investors pushed up its share price by about 39.53 percent to 30 cents per share.

Sun Man Tai Holdings Company Ltd (Code: 433) was the biggest loser, with about 19.89 percent of its share price, being shaved off. When the closing bell rang, the share price was 1.41 cents.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover dropped back to about \$HK141.49 million in spite of The Growth Enterprise Index, gaining about 0.69 percent, running up to 1,121.15 points.

The ratio of gainers to losers was 1.56:One.

Mr Li Ka Shing's 2 counters accounted for about 44 percent of the entire volume of activity.

The 5, most active counters of the day, in terms of volume, only, were:

CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Plus 2 percent to \$HK1.77 per share
tom.com Ltd (Code: 8001)	Minus 2 percent to \$HK2.625 per share
Global Link Communications Holdings Ltd (Code: 8060)	Plus 1 percent to \$HK1.08 per share
hongkong.com Corporation (Code: 8006)	Plus 3 percent to 62 cents per share
SUNeVision Holdings Ltd (Code: 8008)	Up 1 percent to \$HK1.43 per share

The biggest movers on this market included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022		10.00	0.189
Capinfo Company Ltd	8157	10.45		0.37
Cyber On-Air Group Company Ltd	8118		28.57	0.05
Eco-Tek Holdings Ltd	8169	22.45		0.30
Excel Technology International Holdings Ltd	8048	14.86		0.085
Linefan Technology Holdings Ltd	8166	12.50		0.09
LOULAN Holdings Ltd	8039		19.20	0.202
Milkyway Image Holdings Ltd	8130	40.00		0.056
Prosperity International Holdings (Hongkong) Ltd	8139	60.00		0.064

The tally for the week, ended May 30, therefore, was

Hang Seng Index	Plus 1.97 percent
The Growth Enterprise Index	Plus 0.98 percent

In Japan, shares prices continued to rise, building on Thursday's cracker-jack day as investors pushed up the key index of The Tokyo Stock Exchange of 8,424.51 yen, up about 0.59 percent on Thursday's close.

The gains on the premier stock market were in spite of a Japanese Government report in respect of the jobless rate in The Land of The Rising Sun (please see below) and a continued strengthening of the yen, vis-à-vis other *'hard'* currencies.

In the past 2 months, the yen has appreciated by about 5 percent against the US dollar.

This tends to hurt Japan's ability to compete on international markets with its goods and services.

News wise:

- The Ministry of Public Management, Home Affairs, Posts and Telecommunications announced that Japan's **seasonally adjusted jobless rate** stood at about 5.40 percent in April, unchanged from the March figure. It is, now, just a smidgen below the record high of 5.50 percent, the Government department said;
- **Industrial production** for the domestic market fell as seasonally adjusted mark of 1.20 percent in April, compared with the March figures, The Ministry of Economy, Trade and Industry (METI) announced. It was the first reported drop in 2 months. The announcement, also, stated that *'production is weakening'* in Japan;
- **Millea Holdings Incorporated**, a company which controls non-life insurers, Tokio Marine and Fire Insurance Company and Nichida Fire and Marine Insurance Company, announced that its Group Net Profit was about 56.62 billion yen for its

Financial Year, ended March 31, 2003;

- **Mitsui Sumitomo Insurance Company** said that it posted a Net Profit Attributable to Shareholders of about 32.81 billion yen for its 2002 Financial Year, ended March 31, 2003. That result was an improvement of about 72.80 percent, Year-on-Year;
- **Resona Holdings Incorporated** said that it had suffered a 549.40-billion yen loss on its Preferred Shares in the last Year. Thus far, public funds, injected into Resona totalled about 1.17 trillion yen. From Fiscal 1998 to Fiscal 2002, about 10.43 trillion yen of Japanese taxpayers' money had been spent on trying to prop up failed corporate entities, according to Japanese Government statistics; and,
- **Hino Motors Ltd** said that it had formed a capital alliance with US-based leasing company, **Penske Corporation**. The 2 companies will cooperate in the leasing business in the US, as well as work together to sell more Hino lorries in the world's largest single marketplace. Hino is a subsidiary of **Toyota Motor Corporation**.

For the week, therefore, the tally of the Nikkei-225 Stock Average was:

Nikkei-25 Stock Average Up 2.93 percent

In other Asian bourses, this was how they ended the week of May 30, 2003:

Indonesia	Closed
Japan	Plus 0.59 percent to 8,424.51
Malaysia	Minus 0.09 percent to 671.46
The Philippines	Plus 0.68 percent to 1,073.69
Singapore	Plus 0.35 percent to 1,349.00
South Korea	Plus 0.16 percent to 633.42
Taiwan	Plus 0.28 percent to 4,555.90
Thailand	Plus 0.10 percent to 403.82

-- E N D --

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