

EQUITY MARKETS, AROUND THE WORLD, BANK OF HOPE, ONLY

Wall Street appeared to be on a roll, having chalked up material gains over the previous few months – and the world decided that it was high time to follow Wall Street's lead, last Monday.

'Ah, hope! What would life be, stripped of thy encouraging smiles, that teach us to look behind the dark clouds of today, for the golden beams that are to gild the morrow.' [Susanna Moodie (1803–85)]

All but one of the major equity markets of Asia saw their indices rise, some quite substantially.

Hanging onto the shirt-tails of the US equity markets, investors in the most populous part of the world plunged in, in the expectations of at least a short-term gain.

On The Stock Exchange of Hongkong Ltd, last Monday, the Hang Seng Index, the key index of the Main Board, put on about 1.58 percent, rising to 9,637.53 points on a Total Turnover of about \$HK7.67 billion.

Investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), having little reason to promote the territory, whose economics are, in a word, sick, determined to take a punt that US equity markets would continue to improve and that the gains on the US markets would cascade down to the HKSAR in the fullness of time.

The ratio of gainers to losers on the Main Board was 2.39:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK93.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 3.65 percent to \$HK18.45 per share
Hutchison Whampoa Ltd (Code: 13)	Up 2.11 percent to \$HK48.40 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 2.31 percent to \$HK39.80 per share
PetroChina Company Ltd (Code: 857)	Up 3.63 percent to \$HK2.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 2.11 percent to \$HK48.50 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.60 percent to \$HK83.50 per share
China Unicom Ltd (Code: 762)	Up 5.95 percent to \$HK4.90 per share
China Telecom Corporation Ltd (Code: 728)	Up 1.18 percent to \$HK1.71 per share
Hongkong Electric Holdings Ltd (Code: 6)	Up 0.96 percent to \$HK31.40 per share

There were a total of 43, double-digit movers of the day, of which number, 27, double-digit movers rose 10 percent or more while 16, double-digit movers fell 10 percent or more.

Hop Hing Holdings Ltd (Code: 47) was the biggest mover of the day, as its share price rose 58.33 percent to 38 cents per share.

Ching Hing (Holdings) Ltd (Code: 692) was the counter that got clobbered, as investors drove down its share price by 28.57 percent to 6 cents.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover was down to about \$HK122.54 million, as gainers edged out losers by the ratio of 1.36:One.

The Growth Enterprise Index put on about 1.07 percent, ending the day at 1,133.18 points.

The 5 biggest movers, in terms of their respective turnovers, only, were:

CK Life Sciences International (Holdings) Incorporated (Code: 8222)
tom.com Ltd (Code: 8001)
Global Link Communications Holdings Ltd (Code: 8060)
hongkong.com Corporation (Code: 8006)
Tong Ren Tang Technologies Company Ltd

Plus 1 percent to \$HK1.79 per share
Plus 4 percent to \$HK2.725 per share
Plus 1 percent to \$HK1.09 per share
Plus 2 percent to 63 cents per share
Minus 2 percent to \$HK12.00 per share

The GEM's double-digit movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AKuP International Holdings Ltd	8179	12.50		0.027
Arcontech Corporation	8097	12.94		0.192
Essex Bio-Technology Ltd	8151	12.24		0.11
First Mobile Group Holdings Ltd	8110	10.46		0.169
Fortune Telecom Holdings Ltd	8040	12.90		0.70
Greencool Technology Holdings Ltd	8056	22.45		0.60
IIN International Ltd	8128	12.82		0.044
ITE (Holdings) Ltd	8092	20.00		0.06
M Channel Corporation Ltd	8036	11.11		0.03
PINE Technology Holdings Ltd	8013		21.79	0.061
Recruit Holdings Ltd	8073	10.00		0.011
Satellite Devices Corporation	8172	20.00		0.048
Systek Information Technology (Holdings) Ltd	8103		13.64	0.019

In truth, there was nothing to commend the 2 equity markets of the HKSAR because, on the basis of the continued fall in the volume of business of the territory, and of the lack of confidence in the government of Mr Tung Chee Hwa, as well as the business prospects for the remainder of the year, if anything, the markets should have fallen to new lows.

However, psychology, as always, plays a large part in the movements of any equity market, and, with the US markets, having managed to attain 6-month highs, investors in Asia were punting on a suggestion that there was to be a turnabout situation in the largest single economy of the world.

On Wall Street, on Friday, May 30, US investors piled into stocks and shares, sending the levels of key indices to a 12-month high.

The Big Board of The New York Stock Exchange rose 139.08 points, equivalent to about 1.60 percent, ending the week at 8,850.26 points.

The NASDAQ's Composite Index rose in sympathy to its *'big brother'* on The New York Stock Exchange, rising to 1,595.91 points, a one-day gain of about 1.33 percent.

Being the last trading day of May, according to statistics, compiled by **TOLFIN***, The Dow had gained about 4.40 percent in one month, while the Composite Index of the NASDAQ had recovered about 9 percent of its former glory, during the same time period.

In respect of US equity markets, in truth, there was little to commend them, too, but US investors were praying for bigger and better things before the year was out, and, in this case, where there is a sufficiency of religious incantations, there is a little joy, being spread, like manure on the ever-fertile sod in the minds of the faithful and in the sounds, emanating forth from mouths of the accepted gurus of equity markets.

In Europe, last Monday, the most important equity markets saw their respective indices make material gains, also:

Amsterdam's AEX Index	Plus	2.00 percent
Great Britain's FTSE 100 Index	Plus	2.01 percent
Germany's Frankfurt XETRA DAX Index	Plus	2.75 percent
France's CAC40 Index	Plus	1.89 percent
Switzerland's Swiss Market Index	Plus	2.68 percent
Italy's MIBTEL Index	Plus	1.00 percent

One piece of very negative news from Europe was when the world's largest reinsurance company told its shareholders that it had turned in its fourth consecutive quarter of losses.

For the first quarter of the year, to March 31, 2003, Munich Re said that it had lost about 238 million euros, or about \$US278 million.

The losses had been calculated after making Provisions/Write-Offs of about 2.30 billion euros (about \$US2.70 billion) in respect of investments in stock and shares.

On the largest stock market of Asia, The Tokyo Stock Exchange, Japanese investors pushed up the key index to a 3-month high as technology counters determined to follow Wall Street's lead of the previous Friday.

The Nikkei-225 Stock Average, which is the gauge of trading in blue chips, listed on The Tokyo Stock Exchange, put on 122 yen, equivalent to about 1.46 percent, ending the day at 8,547.17 yen.

Against the joy, centred on Wall Street, continued consternation plagued Japan as the yen, vis-à-vis the US dollar, continued to strengthen, ending last Monday's trading day in Tokyo at about 118.89 yen.

A strong yen hurts exports from The Land of The Rising Sun to its largest single market: The US.

News wise:

- **Seibu Department Stores Ltd** and **Sogo Company** have integrated their operations. Sogo Incorporated, which is the holding company of Sogo Company, will be known, henceforth, as **Millennium Retailing Incorporated**. That, effectively, makes this newly incorporated company, Japan's largest departmental store operator with annual sales of more than one trillion yen;
- The Public Management, Home Affairs, Posts and Telecommunications Ministry of the Japanese Government has announced that **consumer prices** in Tokyo fell by about 0.40 percent in May, Year-on-Year; and,
- **Housing starts** totalled 100,276 units in April, up by about 1.40 percent, compared with the like month in 2002, The Land, Infrastructure and Transport Ministry announced. It was the first gain in the past half a year.

In other Asian markets, this was how they ended the first day of trading, last week:

Indonesia	Plus 2.21 percent to 505.72
Japan	Plus 1.46 percent to 8,547.17
Malaysia	Plus 0.06 percent to 671.84
The Philippines	Minus 0.34 percent to 1,070.06
Singapore	Plus 2.35 percent to 1,380.72
South Korea	Plus 2.41 percent to 648.71
Taiwan	Plus 3.01 percent to 4,692.94
Thailand	Plus 0.24 percent to 404.78

* **TOLFIN** = **TARGET**'s Computerised Online Financial Intelligence Service and Credit-Checking Provider

Tuesday

Wall Street got a bit of a shock, last Monday, resulting in indices, falling fast and furiously on the world's largest bourses.

Wall Street's problems are the world's problems: Equity markets, around the world, fell in line with Wall Street.

It was announced that **International Business Machines (IBM)** was under investigation by the US Securities and Exchange Commission (SEC) in respect of revenue recognition of this Dow Constituent stock for the 2000 and the 2001 Financial Years.

That was all she wrote, as far as many US investors were concerned: Down came select share prices on the Big Board of The New York Stock Exchange and the NASDAQ's Composite Index started to wobble.

The Dow ended the day, off 47.55 points, equivalent to about 0.53 percent, while the NASDAQ Composite Index shed 5.16 points, or about 0.32 percent, ending the session at 1,590.75 points.

For whatever reasons, Wall Street lost a great deal of its shine, last Monday; and, it was enough to instill fear into the hearts of many an Asian investor, last Tuesday.

Of the 10, major equity markets of Asia, 4 markets made gains while the remainder lost ground.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index rose about 0.26 percent, ending the day at 9,662.82 points, while, on The Growth Enterprise Market (The GEM), its lone index, known as The Growth Enterprise Index, surrendered about 0.36 percent of its value, falling back to 1,129.13 points.

The ratio of gainers to losers on the Main Board was very close, at 1.02:One, while, on The GEM, it was the losers, which had the upper hand, the ratio of losers to gainers, being 1.29:One.

The Total Turnover on the Main Board was about \$HK7.42 billion while, on The GEM, the Total Turnover was about \$HK146.92 million.

The Ten Most Actives on the Main Board were:

HSBC Holdings plc (Code: 5)	Up 0.27 percent to \$HK93.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.81 percent to \$HK18.60 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.41 percent to \$HK48.60 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.03 percent to \$HK49.00 per share
China Unicom Ltd (Code: 762)	Up 3.06 percent to \$HK5.05 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.50 percent to \$HK40.00 per share
PetroChina Company Ltd (Code: 857)	Unchanged at \$HK2.00 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.30 percent to \$HK83.25 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 2.47 percent to \$HK7.90 per share
Legend Group Ltd (Code: 992)	Up 3.00 percent to \$HK2.575 per share

The biggest movers of the day on the Main Board were reserved for the following counters:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
21CN CyberNet Corporation Ltd	241	20.69		0.21
Benefun International Holdings Ltd	1130	51.43		0.053
Celestial Asia Securities Holdings Ltd	1049	14.81		0.62
China Bio-Medical Group Ltd	140		13.89	0.062
China Investments Holdings Ltd	132	10.64		0.26
Ching Hing (Holdings) Ltd	692		16.67	0.05
Cosmos Machinery Enterprises Ltd	118	16.67		0.385
Foutuna International Holdings Ltd	530		13.33	0.013
Group Sense (International) Ltd	601	12.90		0.35
Hop Hing Holdings Ltd	47		13.16	0.33
Kwong Sang Hong International Ltd, The	189	30.95		0.275
Mansion House Group Ltd	376	13.50		0.227
Nam Fong International Holdings Ltd	1176	48.15		0.04
Oriental Union Holdings Ltd	1182		13.95	0.037
Pacific Plywood Holdings Ltd	767		14.29	0.012
Premium Land Ltd	164	14.58		0.11
Singapore Hongkong Properties Investment Ltd	245	11.11		0.05
S E A Holdings Ltd	251	12.37		1.09
Shanxi Central Pharmaceutical International Ltd	327		27.59	0.021
Shun Cheong Holdings Ltd	650	25.00		0.10
Shun Ho Technology Holdings Ltd	219	17.24		0.136

SIS International Holdings Ltd	529	14.52		0.355
South East Group Ltd	726		12.50	0.042
Suwa International Holdings Ltd	567	15.56		0.26
Theme International Holdings Ltd	990	29.63		0.035
UDL Holdings Ltd	620	10.00		0.022
Victory Group Ltd	1139	17.50		0.047
Wonson International Holdings Ltd	651	15.38		0.03
Yanion International Holdings Ltd	82		14.29	0.42
Yoshiya International Corporation Ltd	193	25.00		0.025

On The GEM, the 5, most active counters, by turnovers, only, were:

CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Unchanged at \$HK1.79 per share
tom.com Ltd (Code: 8001)	Down 4 percent to \$HK2.625 per share
Global Link Communications Holdings Ltd (Code: 8060)	Unchanged at \$HK1.09 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Up 2 percent to \$HK12.25 per share
Greencool Technology Holdings Ltd (Code: 8056)	Down 2 percent to \$HK59 cents per share

As for the GEM's double-digit movers of the day, they were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131	100.00		0.02
Essex Bio-Technology Ltd	8151	20.91		0.133
EVI Education Asia Ltd	8090	40.00		0.035
First Mobile Group Holdings Ltd	8110	14.20		0.193
GP Nano Technology Group Ltd	8152	10.00		0.055
Grandmass Enterprise Solution Ltd	8108	40.00		0.014
GreaterChina Technology Group Ltd	8032	10.34		0.16
iSteelAsia.com Ltd	8080		12.50	0.07
Lee's Pharmaceutical Holdings Ltd	8221		10.00	0.315
Linefan Technology Holdings Ltd	8166	18.39		0.103
Milkyway Image Holdings Ltd	8130		14.55	0.047
Prosperity International Holdings (Hongkong) Ltd	8139	23.44		0.079
ProSticks International Holdings Ltd	8055	21.74		0.028
Q9 Technology Holdings Ltd	8129	20.00		0.03

New wise:

- The Government of Mr Tung Chee Hwa was reported to have been considering offloading all or part of its interest in the **Disneyland theme park**, planned for the HKSAR (the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China [PRC]). The suggestion is that the HKSAR Government cannot afford to finance it.

In Europe, it was a similar story to that, being told on other major equity markets, throughout Asia, generally speaking, as all of the major European bourses saw their respective indices lose ground.

The following tells the tale:

Amsterdam's AEX Index	Minus	0.99 percent
Great Britain's FTSE 100 Index	Minus	0.33 percent
Germany's Frankfurt XETRA DAX Index	Minus	1.23 percent
France's CAC40 Index	Minus	0.29 percent
Switzerland's Swiss Market Index	Minus	0.88 percent
Italy's MIBTEL Index	Minus	0.89 percent

In Japan, after losing moderately, early in the trading session, following on from what had taken place on Wall Street, short covering propped up the largest equity markets of Asia so that major indices were able to record fractional gains.

On the premier equity market of The Land of The Rising Sun, the Nikkei-225 Stock Average put on 17 yen, or about 0.20 percent, ending the day at 8,564.49 yen.

Regardless of the very small gains of last Tuesday, technically, it meant that, for 5 consecutive trading days, the key index of this market had been on the rise.

Or, put another way, of the 9, consecutive trading sessions, the Nikkei-225 Stock Average had made gains, 8 sessions out of 9 sessions.

News wise:

- **Kobe Steel Ltd** said that, by the end of the 2005 Fiscal Year, it aimed to be able to report Group Net Profits of more than 20 times its present levels, bringing up its Bottom Line to about 36 billion yen. For its 2002 Financial Year, ended March 31, 2003, Group Net Profits stood at about 1.70 billion yen.

And, in other Asian equity markets, this was how they ended their respective trading sessions, last Tuesday:

Indonesia	Minus 0.65 percent to 502.43
Japan	Plus 0.20 percent to 8,564.49
Malaysia	Plus 0.41 percent to 674.57
The Philippines	Plus 1.75 percent to 1,088.83
Singapore	Minus 0.17 percent to 1,378.39
South Korea	Minus 1.81 percent to 636.94
Taiwan	Minus 0.32 percent to 4,678.08
Thailand	Minus 0.27 percent to 403.69

Wednesday

It was a day of excitement, around the world, last Wednesday, with US President George W. Bush, putting his little toe into the muddy waters of the Middle East in an attempt to do that which nobody has been able to accomplish since 1948: Peace between the Jews and the Arabs/Palestinians.

From Wall Street, last Tuesday, came news that FedEx, the international courier service, was planning to sack about 14,000 of its workers; subpoenas were flying, left, right and centre, as US financial regulators widened their search for crooked Wall Street gurus; the Chairman of the US Federal Reserve Board, Dr Alan Greenspan, suggested that interest rates might fall before the end of the year, again; and, the giant British telecommunications company, Cable and Wireless plc, announced that it shall be forced to pull out of all operations in Continental United States.

On Wall Street, last Tuesday, New York time, investors were treated to a very choppy session on both the Big Board of The New York Stock Exchange and the NASDAQ.

By the close of trading on The New York Stock Exchange, the Dow Jones Industrial Average stood at 8,922.95 points, a one-day gain of about 0.28 percent, however, The Dow had been in and out of the red for most of the day and, in the view of many observers, it was propitious that it ended the day in the black.

As for the NASDAQ's Composite Index, it ended the session with a gain of about 12.81 points, equivalent to about 0.81 percent, coming home at 1,603.56 points by the time that trading ended.

The US equity markets were reacting and over-reacting to news from many sources, and, probably, the most important single piece of news that influenced trading on equity markets came from Berlin, the Capital City of Germany, where Dr Alan Greenspan told a conference on monetary policy:

'It is too early to get any real fix on the American economy in the period ahead ... There are indications that we are stabilising and there is some indication of a return, but it is, at this stage, not by any means clear ... The best that we can judge is that the acceleration has not yet begun even though, obviously, the marked moves of the stock market in recent weeks, and, especially, the credit markets, are suggesting a fairly marked turnabout.

'We have concluded that inflation is not something of significance for the Federal Reserve to be concerned about, which means that we would be far more inclined ... to be taking out insurance against economic weakness.'

While Dr Greenspan was talking, a dozen or so Wall Street investment houses were receiving charming little requests from the Securities Exchange Commission (SEC), demanding documentation in respect of what the SEC investigators claim were biased research reports on companies, listed in The New York Stock Exchange and the NASDAQ.

The SEC made it clear that it was not finished with 10 of the leading Wall Street investment houses, those, already having been found wanting and, already, having had to pay, in aggregate, \$US1.40 billion for their past misdeeds; and, that individuals, within these houses, might expect to see themselves in Court in the near future, defending their prior actions for fraud on investors and prospective investors as well as conspiracy to defraud in addition to perverting the course of justice – and perjury, of course.

FedEx announced that it would cut out about 14,000 members of its workforce, representing about 10 percent of its Establishment level in the US.

The move will cost the company a one-off charge of about \$US290 million, at the most, but the company is expected to save between \$US150 million and \$US190 million, annually by this move.

From London, England, Cable and Wireless plc announced that it had lost about \$US10.40 billion in the past Financial Year and that Management intended to pull out of the US market, completely.

The European stock markets, at first, did not take kindly to the plethora of international news, and was clobbered, even further, when the internationally renowned pottery company, Waterford Wedgwood, announced that it would be sacking about 1,000 of its workers with the closure of its 2 factories, located in Stoke-on-Trent, Staffordshire, England.

Also, part of the company's operations is to be moved to Asia in order to save money.

However, the very idea that there could be a short-term cut in the interest rate that banks charge for overnight money tended to bolster equities, generally, throughout eurozone.

This is the way that European bourses reacted to the news from around the world, last Wednesday:

Amsterdam's AEX Index	Plus	2.25 percent
Great Britain's FTSE 100 Index	Plus	0.26 percent
Germany's Frankfurt XETRA DAX Index	Plus	1.76 percent
France's CAC40 Index	Plus	0.80 percent
Switzerland's Swiss Market Index	Plus	0.75 percent
Italy's MIBTEL Index	Plus	0.10 percent

The stock markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) and Taiwan were closed, last Wednesday, due to the Dragon Boat Festival.

That left only the 3 equity markets of Japan as the largest and most-important markets to trade in Asia.

On The Tokyo Stock Exchange, trading was flat, by and large, with the closing figure of the Nikkei-225 Stock Average, coming in at 8,557.86 yen, being off by about 6 yen, equivalent to about 0.08 percent.

News wise:

- **Intel Corporation**, the world's largest producer of semiconductors, has agreed to invest \$US100 million in **Elpida Memory Incorporated**. Elpida is the only Japanese producer of **Dynamic Random Access (RAM)** memory chips. Satisfaction of the investment by the US giant electronics company will be via the issuance of Intel's scrip. Elpida is 50 percent owned by **Hitachi Ltd** and 50 percent owned by **NEC Corporation**;
- **Infoseek Japan KK** and **Lycos Japan Incorporated** will combine their respective web portals on or about September 1, 2003; and,
- **Japan Airlines Company** said that it would be seeking '*volunteers*' to take a one-month, no-paid holiday before the end of the year. The company, which is Japan's largest airline, admitted that it is badly overstaffed, in any event.

In other Asian markets, this is the way that they ended, last Wednesday night:

Indonesia	Plus	0.42 percent to 504.53
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Japan	Minus 0.08 percent to 8,557.86
Malaysia	Minus 0.26 percent to 672.84
The Philippines	Plus 3.06 percent to 1,122.13
Singapore	Plus 1.65 percent to 1,401.20
South Korea	Plus 0.52 percent to 640.27
Taiwan	Closed
Thailand	Plus 2.23 percent to 412.68

Thursday

Not since August of 2002 had the Dow Jones Industrial Average, the key index of The New York Stock Exchange, been at such a level: 9,038.98 points.

The 116.03-point gain of last Wednesday was in investor anticipation of what the tail end of the year would bring for the US economy.

As for the tech-laden NASDAQ, its Composite Index put on 31.09 points, or about 1.94 percent, coming to rest at 1,634.65 points.

There were reports, and reports, and reports, but investors on Wall Street tended to look at one side of the economic picture, discounting the flip side, and determined that the worst must be over.

So, buy! Buy! Buy!

Bolstering the idea, that the worst was over, was a report from The Institute of Supply Management (ISM), which indicated that there had been a strong increase in activity in the service sector of the US economy, with the ISM's Non-Manufacturing Business Activity Index, having jumped from the April figure of 50.70 points to the May figure of 54.50 points.

The ISM, also, stated that there had been a substantial increase in back orders for goods and services.

The ISM findings appeared to be the icing on the US economic 'cake', and more than enough reason for investors to maintain that there would be renewed activity in equity markets in the US as business, generally, picked up.

That belief cascaded down the line, initially, from Europe to Asia.

In Europe, all eyes were on the European Central Bank (ECB) in anticipation of an interest-rate cut.

It came: Interest rates were cut by one half of a percentage point to 2 percent in the 12-nation eurozone, as it is known, today.

The reason for the violent, interest-rate cut, equivalent to about 20 percentile points, is that the ECB is concerned about the prospects of deflation, leading to recession.

However, in England, The Bank of England held interest rates, firmly, at 3.75 percent – no change.

On European bourses, there was a great deal of excitement, first due to the seeming power of Wall Street on Wednesday, and, second, the fillip that was expected to be felt by the reduction in interest rates in eurozone.

However, midway through the trading session, there were negative reports about the US economy, which included higher unemployment and lower orders for US-manufactured goods.

Caught in an information vice, investors played it, defensively.

The leading bourses of Europe, all fell back, but only one of them lost more than fractions:

Amsterdam's AEX Index	Minus	0.12 percent
Great Britain's FTSE 100 Index	Minus	0.54 percent
Germany's Frankfurt XETRA DAX Index	Minus	1.31 percent
France's CAC40 Index	Minus	0.97 percent

Switzerland's Swiss Market Index
Italy's MIBTEL Index

Minus 0.88 percent
Minus 0.31 percent

In Asia, with the exception of the 2 equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), every stock market scored plus marks.

The Manila Stock Exchange was the biggest mover of the day, as the PHS Composite Index gained 3.90 percent, running to 1,165.86 points.

It was an 11-month high.

On the 2 equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), there was widespread selling.

The Main Board's Hang Seng Index shed about one quarter of a percentage point, ending the day at 9,639.01 points.

The Total Turnover, however, was extraordinarily high, relative to the volume of activity over the previous few months, at about \$HK10.76 billion.

Declining counters were ahead of advancing ones by the ratio of 1.23:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.54 percent to \$HK93.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.61 percent to \$HK18.30 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.75 percent to \$HK40.30 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.20 percent to \$HK48.90 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.62 percent to \$HK48.30 per share
Swire Pacific Ltd "A" Shares (Code: 19)	Up 2.02 percent to \$HK35.30 per share
CLP Holdings Ltd (Code: 2)	Down 1.79 percent to \$HK32.90 per share
Hongkong Electric Holdings Ltd (Code: 6)	Down 1.62 percent to \$HK30.40 per share
Cathay Pacific Airways Ltd (Code: 293)	Up 4.55 percent to \$HK10.35 per share
Johnson Electric Holdings Ltd (Code: 179)	Down 6.25 percent to \$HK9.00 per share

There were a total of 41, double-digit movers of the day, with 22 of their number, losing 10 percent or more, while 19, double-digit movers, rose 10 percent or more.

Berjaya Holdings (Hongkong) Ltd (Code: 288) was the biggest gainer, as investors pushed up its share price by 41.54 percent to 9.20 cents.

MUI Hongkong Ltd (Code: 542) was taken to task, however, as HKSAR investors shot down its share price by 36.36 percent to 5.60 cents.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, there were a number of rather large swings.

The Growth Enterprise Index shed about 1.95 percent of its value, falling back to 1,107.08 points on a Total Turnover of \$HK179.65 million.

The ratio of losers to gainers was very telling, at exactly 2:One.

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

Kingdee International Software Group Company Ltd (Code: 8133)	Down 2 percent to \$HK1.54 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 3 percent to \$HK1.73 per share
tom.com Ltd (Code: 8001)	Down 6 percent to \$HK2.475 per share
Global Link Communications Holdings Ltd (Code: 8060)	Unchanged at \$HK1.09 per share
Wah Sang Gas Holding Ltd (Code: 8035)	Down 1 percent to 82 cents per share

As for the biggest movers on this speculative marketplace, they included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131		50.00	0.01
Asian Information Resources (Holdings) Ltd	8025	10.53		0.042
Argos Enterprise (Holdings) Ltd	8022		11.76	0.15
Creative Energy Solutions Holdings Ltd	8109		13.85	0.28
Cyber On-Air Group Company Ltd	8118	10.00		0.055
GP Nano Technology Group Ltd	8152		12.73	0.048
Grandmass Enterprise Solution Ltd	8108		14.29	0.012
Infoserve Technology Corporation	8077		20.00	0.06
iSteelAsia.com Ltd	8080	20.00		0.084
Linefan Technology Holdings Ltd	8166		26.21	0.076
MediaNation Incorporated	8160	12.00		0.084
Medical China Ltd	8186		10.00	0.09
Prosperity International Holdings (Hongkong) Ltd	8139	10.13		0.087
Q9 Technology Holdings Ltd	8129		16.67	0.025
Rojam Entertainment Holdings Ltd	8075		13.33	0.065

News wise:

- British telecommunications giant, **Cable and Wireless plc**, announced that it had unloaded its remaining 14-percent interest in **PCCW Ltd (Code: 8, Main Board)** for about \$US400 million (about \$HK3.12 billion). **Citigroup Global Markets Ltd**, which arranged the sales of some 651.88 million, PCCW shares, said that the 265 buyers of the PCCW shares agreed to take them, but only at a 9-percent discount to the market price of \$HK5.25 per share: \$HK4.78 per share. Thus ends Cable and Wireless's 3-year association with the Li Ka Shing Camp, it would appear. Questions were being raised as to the reason that Cable and Wireless would want to wash its hands of PCCW and of the Li Ka Shing mob.

In The Land of The Rising Sun, there was a broadly based rally on the country's 3 equity markets.

On The Tokyo Stock Exchange, the premier stock market of the country, the Nikkei-225 Stock Average gained 1.16 percent, rising to 8,657.23 yen, with gainers, outnumbering losers by the ratio of 1.91:One.

Banks were, especially, strong, with the share price of Sumitomo Mitsui Financial Group, rising 10.28 percent to 236,000 yen, and another banking giant, Mitsubishi Tokyo Financial Group, putting on about 4.21 percent, running back to 495,000 yen per share – a 3-month high for this counter.

In other Asian markets, this was how investors saw the situation, last Thursday night:

Indonesia	Plus 1.31 percent to 511.17
Japan	Plus 1.16 percent to 8,657.23
Malaysia	Plus 1.43 percent to 682.43
The Philippines	Plus 3.90 percent to 1,165.86
Singapore	Plus 1.88 percent to 1,427.61
South Korea	Plus 0.33 percent to 642.38
Taiwan	Plus 1.29 percent to 4,738.34
Thailand	Plus 0.71 percent to 415.63

Friday

Unemployment in the US rose to a 5-week high, it was announced, last Thursday: That was enough to put the fox in the henhouse, as far as US investors were concerned.

Investors on Wall Street had a difficult road to hoe because, at the beginning of last week, there were indications of an improving US economy, but, toward the end of the week, things did not look quite so propitious, after all.

Equity markets do not appreciate uncertainty or confusing signals.

On The New York Stock Exchange, the key index, the Dow Jones Industrial Average, gained 2.32 points, equivalent to about 0.03 percent, coming to rest at 9,041.30 points, last Thursday.

The NASDAQ's Composite Index did a little better as investors pushed it to 1,646.01 points, a one-day gain of about 11.36 points, or about 0.69 percent.

What was upsetting the largest equity markets of the world was a report from the US Labour Department, which stated that Initial Unemployment Insurance claims rose by about 16,000 claims for the week, ended May 31.

There were more reports, being churned out by various departments of the US Government, and they, too, did not paint a particularly bullish picture of the economy.

In Europe, however, all things considered, investors took a rather positive stand.

The lowering of interest rates in eurozone by the **European Central Bank** (ECB) (Please see Thursday's report) helped heaps, as the British like to say:

Amsterdam's AEX Index	Plus	3.52 percent*
Great Britain's FTSE 100 Index	Plus	1.13 percent
Germany's Frankfurt XETRA DAX Index	Plus	2.89 percent
France's CAC40 Index	Plus	1.95 percent
Switzerland's Swiss Market Index	Plus	1.70 percent
Italy's MIBTEL Index	Plus	1.01 percent

* This was the biggest gainer in Europe for the day

In Asia, equity markets were mixed, in the main, with only the Japanese bourse, managing to score more than one percent.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), there, really, was nothing about which to cheer since the economy of the territory continued to drift ... in the direction of the southern hemisphere.

On The Stock Exchange of Hongkong Ltd, both the Main Board and The Growth Enterprise Market (The GEM), managed fractional gains on their respective indices.

The Main Board's Hang Seng Index ended the week with a gain of about 0.58 percent, running to 9,694.63 points on a Total Turnover of about \$HK9.72 billion.

The ratio of gainers to losers was 1.29:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.53 percent to \$HK94.25 per share
PCCW Ltd (Code: 8)	Down 0.95 percent to \$HK5.20 per share
Yue Yuen Industrial (Holdings) Ltd (Code: 551)	Up 2.25 percent to \$HK20.45 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.83 percent to \$HK48.70 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.64 percent to \$HK18.60 per share
COSCO Pacific Ltd (Code: 1199)	Up 6.25 percent to \$HK8.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.43 percent to \$HK49.60 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.74 percent to \$HK40.60 per share
PetroChina Company Ltd (Code: 857)	Unchanged at \$HK2.05 per share
Cathay Pacific Airways Ltd (Code: 293)	Up 1.45 percent to \$HK10.50 per share

There were a total of 36, double-digit movers of the day, of which number, 24, double-digit movers rose 10 percent or more while 12, double-digit movers fell 10 percent or more.

New City (Beijing) Development Ltd (Code: 456) was the biggest mover of the day, as its share price rose 33.33 percent to 20 cents per share.

K and P International Holdings Ltd (Code: 675) was the counter that got clobbered, as investors drove down its share price by 21.26 percent to 10 cents.

Over on The GEM, The Growth Enterprise Index had to be content with a gain of 0.69 percent, ending the week at 1,114.75 points.

The Total Turnover on this market was about \$HK116.85 million, but in spite of The Growth Enterprise Index, rising, losing counters were ahead of gaining ones by the ratio of 1.57:One.

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

tom.com Ltd (Code: 8001)	Up 3 percent to \$HK2.55 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Up 1 percent to \$HK1.75 per share
Global Link Communications Holdings Ltd (Code: 8060)	Unchanged at \$HK1.09 per share
Kingdee International Software Group Company Ltd (Code: 8133)	Down 3 percent to \$HK1.45 per share
Launch Tech Company Ltd (Code: 8196)	Down 3 percent to \$HK1.45 per share

The biggest movers of the day, however, were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Multimedia Ltd	8061	10.24		0.14
B M Intelligence International Ltd	8158		33.70	0.061
Infoserve Technology Corporation	8077		20.00	0.048
Inno-Tech Holdings Ltd	8202	12.70		0.355
iSteelAsia.com Ltd	8080	11.90		0.094
M Channel Corporation Ltd	8036		10.00	0.027
PINE Technology Holdings Ltd	8013	13.11		0.069
ProSticks International Holdings Ltd	8055		28.57	0.02
Trasy Gold Ex Ltd	8063		13.33	0.013

For the week, therefore, the tally was:

Hang Seng Index	Plus 2.20 percent
The Growth Enterprise Index	Minus 0.57 percent

In Japan, the 3 equity markets finished the week on a high note.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average gained 1.49 percent, coming to rest at 8,785.87 yen when the doors closed for the week.

By and large, it was the gains in technology counters that pulled up the key index of this market.

The closing level of last Friday meant that the week's tally was:

The Nikkei-225 Stock Average	Plus 4.28 percent
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News wise:

- The monthly pay increase, granted in the spring wage negotiations, was, on average, 1.65 percent, the second, lowest-level on record, according to **The Japan Business Federation (Nippon Keidanren)**; and,
- Capital spending by industry in Japan dropped by about 3 percent in the first quarter of this year, to March 31, according to **The Finance Ministry**. In the last quarter of 2002, to December 31, 2002, the amount of capital investment was off by about 1.80 percent, Year-on-Year.

And this was how other Asian equity markets ended the week of June 6, 2003:

Indonesia	Minus 0.09 percent to 510.69
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Japan	Plus 1.49 percent to 8,785.87
Malaysia	Minus 0.13 percent to 681.57
The Philippines	Minus 0.17 percent to 1,163.84
Singapore	Plus 0.82 percent to 1,439.25
South Korea	Closed
Taiwan	Plus 0.04 percent to 4,740.45
Thailand	Plus 0.62 percent to 418.21

-- E N D --

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