

**THE WORLD TURNS UP THE HEAT ON NORTH KOREA AND IRAN:
EQUITY MARKETS RESPOND ... WITH A YAWN**

Not since 1979, when Ayatollah Ruholla Khomeini, a Muslim cleric, took control of Iran, following the fall from grace of Shah Mohammed Reza Pahlavi, who had had absolute control of Iran for the previous 38 years, having been installed as the country's shah by the British in 1941, had there been such turmoil in the predominantly fundamentalist Muslim country, which comprises 94 percent Shi'ite Muslims.

During the weekend of June 14-15, there had been violent protests by Muslims in the vicinity of Teheran University.

That followed nearly one week of reported, restrained unrest in the Capital City of the Country, which has a total population of about 68 million people.

It was said that, originally, some 248 Muslims wanted to reform the fundamentalist Government of the country, with the call, going out that the people of Iran *'had the right to supervise fully the actions of their rulers.'*

In what was described as a strongly worded condemnation of the rulers of this Muslim country, the reformists said, inter alia:

'Sitting or making individuals sit in the position of divine and absolute power is clear heresy toward God and a clear affront to human dignity.'

There were suggestions that the US Government's Central Intelligence Agency (CIA) had had a hand in the Teheran protests.

The Government of the United States (US) had labelled Iran as part of the *'axis of evil'*, along with Iraq and North Korea.

On hearing of the unrest in Teheran, President George W. Bush remarked:

'This is the beginning of people, expressing themselves toward a free Iran, which I think is positive ... I think that freedom is a powerful incentive'.

By last Monday, the protests in Teheran had gathered momentum and many thousands had joined in with the original 248 protestors.

For the US President, things were going, very much, his way, because, having toppled Iraq's former government, headed by Saddam Hussein, and having established tentative control of the country, attention could be turned to Iran, which was, already, being examined by the United Nations (UN) in respect of its nuclear programme.

The suggestion, last Monday, New York time, was that Iran had violated some of the tenets of the UN's Nuclear Non-Proliferation Treaty, of which Iran is a de facto signatory.

Meanwhile, with regard to North Korea, the international political temperature was being raised as a number of countries were determined to stop this *'rogue'* despotic power from shipping banned substances (as defined by the UN) and materials that could be used in the construction of weapons of mass destruction to other countries.

In Europe, equity markets were relatively quiet until, late in the afternoon, a report in respect of manufacturing in the New York area gave the bourses of eurozone a bit of a fillip.

Up went European indices on major markets as though they had been waiting for the call to arms:

Amsterdam's AEX Index	Plus	2.49 percent
Great Britain's FTSE 100 Index	Plus	0.45 percent
Germany's Frankfurt XETRA DAX Index	Plus	3.02 percent

France's CAC40 Index	Plus 2.11 percent
Switzerland's Swiss Market Index	Plus 2.20 percent
Italy's MIBTEL Index	Plus 1.18 percent

As for Asia's stock markets, of the 9 major bourses, 6 of their number rose, while 3 markets saw investors pull down the values of those indices.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the Main Board's Hang Seng Index shed about 0.67 percent of its value, falling to 9,862.28 points.

The Total Turnover was about \$HK9.42 billion, with losing counters, outrunning gaining ones by the ratio of 1.13:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK95.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.79 percent to \$HK19.10 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.21 percent to \$HK48.70 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Unchanged at \$HK50.00 per share
Brilliance China Automotive Holdings Ltd (Code: 1114)	Up 2.05 percent to \$HK1.99 per share
Maanshan Iron and Steel Company Ltd (Code: 323)	Up 3.23 percent to \$HK1.24 per share
PCCW Ltd (Code: 8)	Down 0.98 percent to \$HK5.05 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 0.54 percent to \$HK1.83 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.98 percent to \$HK41.30 per share
China Unicom Ltd (Code: 762)	Up 4.85 percent to \$HK5.40 per share

As for the double-digit movers of the day, there were 35 in all, with 22 of their number, rising, while 13 big movers saw their values drop by 10 percent or more.

ehealthcareasia Ltd (Code: 835) was the big surprise of the day as investors pushed up its share price by 85.71 percent to 1.30 cents per share.

Pioneer Global Group Ltd (Code: 224), on the other hand, was the big loser of the day as investors pounced on this counter, driving down its share price by 34.38 percent, causing it to end the day at 10.50 cents per share.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, it was a similar story to that, being told on the Main Board.

The Growth Enterprise Index shed about 0.22 percent of its value, ending the day at 1,143.37 points on a Total Turnover of about \$HK173.59 million.

The ratio of losing counters to gaining ones was 1.54:One.

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

CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Plus 2 percent to \$HK1.77 per share
tom.com Ltd (Code: 8001)	Unchanged at \$HK2.60 per share
hongkong.com Corporation (Code: 8006)	Down 5 percent to 71 cents per share
Global Link Communications Holdings Ltd (Code: 8060)	Up 4 percent to \$HK1.20 per share
Wah Sang Gas Holding Ltd (Code: 8035)	Down 2 percent to 89 cents per share

As for the double-digit movers on this speculative market:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AKuP International Holdings Ltd	8179	20.00		0.03
B M Intelligence International Ltd	8158	14.29		0.08
Computech Holdings Ltd	8081	13.64		0.25
Glory Mark Hi-Tech (Holdings) Ltd	8159	11.33		0.226
Golding Soft Ltd	8190		13.64	0.095
GP NanoTechnology Group Ltd	8152	11.11		0.04

Kinetana International Biotech Pharma Ltd	8031		11.76	0.06
Linefan Technology Holdings Ltd	8166		35.71	0.045
Thiz Technology Group Ltd	8119	25.00		0.04

Investors, locked into equity markets in the most populous part of the world, were somewhat non-plussed due to what had transpired on the world's largest equity markets, the previous Friday (June 13).

On The New York Stock Exchange, on that Friday, the Dow Jones Industrial Average had fallen by about 79.43 points, or about 0.86 percent, ending the week at 9,117.12 points.

On the NASDAQ, its Composite Index had surrendered even more ground than the Big Board of The New York Stock Exchange, giving up about 1.64 percent of its value, ending the day's proceedings at 1,626.49 points.

There had been reports, at the end of the previous week, that indicated that, perhaps, the hoped-for turnabout situation in the US economy was not, after all, on course.

One may attempt to talk up equity markets until the proverbial cows come home, but such talk has to be substantiated by more than just hot air when day is done.

Japan, last Monday, fell victim to the situation on Wall Street, on Friday, June 13.

Asia's largest equity markets were forced to surrender substantial amounts of the gains of the previous week.

On The Tokyo Stock Exchange, the premier bourse of Japan, the Nikkei-225 Stock Average gave up 140.81 yen, equivalent to about 1.57 percent, closing the day at 8,839.83 yen.

The previous Friday, the Nikkei-225 Stock Average, which is the '*barometer*' of trading in blue chips on this market, had hit a 6-month high of 8,980.64 yen.

But that was in the past, as far as Japanese investors were concerned, last Monday.

What had pushed up share prices on The Tokyo Stock Exchange, The Osaka Stock Exchange and The Nagoya Stock Exchange, during the week, ended June 13, were concerted efforts by foreign investors to take positions in the world's second-largest economy.

Last Monday, however, many of the foreign buyers had not been in evidence.

News wise:

- **AEON Company** announced that it would acquire 15 percent of the Issued and Fully Paid-Up Share Capital of **Kasumi Company**, a supermarket chain in Japan. The **Jusco** supermarket chain is, already, in the pocket of AEON, and the acquisition of a 15-percent stake in Kasumi consolidates its position even further in this industry since that stake makes AEON the largest single shareholder of that company; and,
- There were **1,482 corporate bankruptcies** in Japan in the month of May, according to an independent survey company in Japan. That statistic marks the fifth consecutive month of declines in corporate bankruptcies.

In other Asia markets, this was the way that they ended trading, last Monday:

HKSAR	Plus 0.07 percent to 9,862.28
Indonesia	Plus 0.43 percent to 512.69
Japan	Minus 1.57 percent to 8,839.83
Malaysia	Minus 0.97 percent to 683.27
The Philippines	Plus 1.21 percent to 1,205.53
Singapore	Minus 0.96 percent to 1,465.16
South Korea	Plus 1.12 percent to 657.82
Taiwan	Plus 0.21 percent to 4,892.36

Tuesday

While the situations in both Iran and North Korea continued to fester, on Wall Street, on the first day of trading, last week, it was Buy! Buy! Buy!

Stocks and shares, listed on US equity markets, shot through the proverbial roof, so to speak, on the suggestion, yet again, that the US economy would be well on the road to recovery by the end of the year.

But against investor euphoria, there were the nagging problems, facing the world, with regard to both North Korea and Iran. (Please see Monday's report)

From the United Nations (UN), Mr Mohammed El Baradei told the International Atomic Energy Agency (IAEA) that Iran had failed to report some of its nuclear activities.

Mr Mohammed El Baradei proposed to nudge Iran into signing an additional protocol, linked to the Nuclear Non-Proliferation Treaty, a protocol which would allow the UN to inspect all nuclear sites in Iran – at short notice.

On hearing of the proposal, Iran, initially, countered, stating that such a suggestion was *'politically motivated and politically charged.'*

Then, on reflection, Iran said that it would not sign such a protocol.

International pressure was mounting, with the Foreign Secretary of the United Kingdom, Mr Jack Straw, trying to get in on the act in order to apply the thumb screws on the Muslim fundamentalist state.

Further to the east, North Korea started another round of yelling and screaming and threatening war on the world, suggesting *'limitless'* retaliation unless the US-led blockade of its ships was not halted, forthwith.

The US and many other countries of the world are terribly concerned about the seemingly irresponsible attitude of the North Korean Government in respect of its manufacture of nuclear armaments and of their delivery.

It is accepted, internationally, that North Korea has nearly full nuclear capability and that the country is *'gun-running'* as well as selling banned substances to a number of other countries in order to pay for its activities, which are deemed to be a threat to the free world.

According to the US and its allies, it is alleged that Pyongyang is exporting narcotics, counterfeit currency and missile technology in order to raise much-needed money to fund its faltering economy and to pay for its nuclear ambitions.

At a meeting in Hawaii on the weekend of June 14-15, the US made it clear to Japan and South Korea, delegates of which were attending the meeting, that the Government of President George W. Bush intends to be proactive by clamping a lock on the illegal activities of Pyongyang.

And, in another initiative, a total of 11 countries, at a meeting in Madrid, Spain, during the week of June 9-12, agreed to join the blockade of North Korean ships, suspected of carrying drugs, counterfeit money and materials that could be useful in the manufacture of weapons of mass destruction.

The countries were: Canada; France; Poland; Portugal; Italy; Germany; Spain; Japan, the Netherlands; Australia and the US.

International pressure was mounting at a furious pace.

While many people were watching the situations in North Korea and Iran, there were even more people, thinking how to make money on Wall Street.

The US Federal Reserve Board is due to meet this Tuesday and Wednesday and it is expected, in some quarters, that The Fed will lower short-term interest rates by another 0.25 percent.

In addition, there was a report about the manufacturing sector of New York, a report which was interpreted as being bullish for industry, in general.

What is good for New York, some people were suggesting, reflects on the entire US economy.

(**TARGET** does not hesitate to distance itself from such nonsense)

The Empire State Manufacturing Survey, which is just 2 years old, mind you, indicated that its index had hit a 2-year high.

On The New York Stock Exchange, last Monday, the Dow Jones Industrial Average, the key index of the world's largest bourse, gained 201.84 points, equivalent to about 2.21 percent, ending the session at 9,318.96 points.

It was the highest point since July of 2002.

As for the NASDAQ, its Composite Index went along for the ride as investors pushed up the key index of this technology laden market by about 2.46 percent to 1,666.58 points.

The NASDAQ's Composite Index close of last Monday, New York time, was the highest level since May of 2002.

The ratio of gainers to losers on the Big Board of The New York Stock Exchange was about 2.66:One, while, on the NASDAQ's Composite Index, it was 1.90:One.

In Europe, while the key indices of major bourses were all in the black, with one exception, only fractional gains could be squeezed out.

Europe was beginning to have second thoughts about the US economy, it appeared, and the jazziness of Monday's trading session in New York was beginning to wear a little thin.

This was how the major European bourses fared, last Tuesday:

Amsterdam's AEX Index	Plus	0.32 percent
Great Britain's FTSE 100 Index	Plus	0.90 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.67 percent
France's CAC40 Index	Plus	0.83 percent
Switzerland's Swiss Market Index	Plus	1.03 percent
Italy's MIBTEL Index	Plus	0.31 percent

In Asia, every one of the major indices of the 9 equity markets scored, some very heavily.

The only exception was The Djakarta Stock Exchange, whose main index lost ground, but the loss was only of a fractional nature, even so.

On The Stock Exchange of Hongkong Ltd, the Main Board saw its Hang Seng Index rise by 1.70 percent, ending the session at 10,030.37 points.

The Total Turnover was about \$HK10.52 billion, with gainers, outpacing losers by the ratio of 1.49:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 1.84 percent to \$HK97.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 3.40 percent to \$HK19.75 per share
PCCW Ltd (Code: 8)	Up 5.94 percent to \$HK5.35 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.62 percent to \$HK49.00 per share
China Unicom Ltd (Code: 762)	Up 6.48 percent to \$HK5.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 2.42 percent to \$HK42.30 per share
Brilliance China Automotive Holdings Ltd (Code: 1114)	Up 3.02 percent to \$HK2.05 per share
Cheung Kong (Holdings) Ltd (Code:1)	Up 1.00 percent to \$HK50.50 per share
PetroChina Company Ltd (Code: 857)	Up 2.38 percent to \$HK2.15 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 0.55 percent to \$HK1.84 per share

As for the biggest movers of the day, there were, in all, 35 of them, with 25 of their number, seeing investors push up their scrip prices by 10 percent or more, while the remainder suffered losses of 10 percent or more.

Shang Hua Holdings Ltd (Code: 371) was, by far, the biggest gainer as its share price rose by 92.31 percent to 5 cents per share.

MAE Holdings Ltd (Code: 851) was the biggest loser of the day as investors pushed down its share price by 89.89 percent to 1.80 cents per share.

On The Growth Enterprise Market (The GEM), gains were limited to fractions for most counters.

The Growth Enterprise Index edged up about 0.85 percent to 1,153.08 points.

The Total Turnover on his market was about \$HK236.60 million.

The ratio of gainers to losers was tight, at 1.14:One.

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

tom.com Ltd (Code: 8001)	Up 3 percent to \$HK2.675 per share
hongkong.com Corporation (Code: 8006)	Up 13 percent to 80 cents per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Unchanged at \$HK1.77 per share
Wah Sang Gas Holding Ltd (Code: 8035)	Up 4 percent to 93 cents per share
Global Link Communications Holdings Ltd (Code: 8060)	Down 8 percent to \$HK1.11 per share

The double-digit movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AKuP International Holdings Ltd	8179	16.67		0.035
B M Intelligence International Ltd	8158		12.50	0.07
Datasys Technology Holdings Ltd	8057		10.71	0.25
Essex Bio-Technology Ltd	8151	25.00		0.115
Excel Technology International Holdings Ltd	8048	13.70		0.083
Glory Mark Hi-Tech (Holdings) Ltd	8159		14.16	0.194
Golding Soft Ltd	8190	11.58		0.106
GP NanoTechnology Group Ltd	8152	10.00		0.044
hongkong.com Corporation	8006	12.68		0.80
Info Communication Holdings Ltd	8082	15.15		0.038
Infoserve Technology Corporation	8077		13.33	0.052
Kinetana International Biotech Pharma Ltd	8031	16.67		0.07
WLS Holdings Ltd	8021	25.00		0.125
Yuxing InfoTech Holdings Ltd	8005	13.79		0.33

The gains on the 2 equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) came on the same day that the Government of Mr Tung Chee Hwa announced that the unemployment rate had hit 8.30 percent.

And unemployment in the 416 square miles that constitute the HKSAR will, most likely, continue to rise, according to **TOLFIN's*** statistics.

The fragility of the economy of the HKSAR, however, was not even considered by most stock-market punters, last Tuesday, since all eyes were fixed on Wall Street.

In The Land of The Rising Sun, foreigners returned to buy stocks and shares on the country's 3 equity markets.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average gained 193.17 yen, equivalent to about 2.19 percent, running back to 9,033 yen, exactly.

While the Nikkei-225 Stock Average was at a 6-month high – which does not mean too much, actually – the ratio of gainers to losers did not suggest that the push could continue without some external impetus.

There were about 1.18 winners for every loser on The Tokyo Stock Exchange.

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

HKSAR	Plus 1.70 percent to 10,030.37
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Indonesia	Minus 0.71 percent to 509.04
Japan	Plus 2.19 percent to 9,033.00
Malaysia	Plus 0.26 percent to 685.06
The Philippines	Plus 4.89 percent to 1,264.51
Singapore	Plus 1.95 percent to 1,493.69
South Korea	Plus 2.56 percent to 674.66
Taiwan	Plus 1.65 percent to 4,973.19
Thailand	Plus 2.92 percent to 442.30

* **TOLFIN** = **TARGET**'s Computerised Online Financial Intelligent Report and Credit-Checking Service

Wednesday

North Korea stepped up the heat with some threatening rhetoric, last Wednesday, stating that (a) it would not hesitate to retaliate if its perceived that there was a hostile act, aimed at Pyongyang, and (b) it would never abandon its nuclear ambitions without concessions from Washington.

The official statements from the Government of North Korea makes it clear that (a) North Korea is for sale, at the right price, and (b) it wants to be rewarded for scaling down, or putting a complete halt to, its nuclear programme.

Washington responded via Secretary of State Colin Luther Powell, who asked South-East Asian nations to exert pressure on the Communist country, led by Kim Jong Il.

Over to the west, in the Capital City of Iran, Teheran, it was reported that hundreds of Iranians had taken to the streets, once again, all demanding freedom.

It was the eighth consecutive day of demonstrations. (Please see Monday's report)

There were reports that the Government of Iran had called in the militia, having previously arrested more than 100 demonstrators.

On Wall Street, last Tuesday, the bullish trend appeared to be running out of steam, with the indices of both The New York Stock Exchange and the NASDAQ, hardly moving, during the day.

On The New York Stock Exchange, the Dow Jones Industrial Average put on 4.06 points, or about 0.04 percent, ending the session at 9,323.02 points.

Over on the NASDAQ, its Composite Index rose 1.86 points, equivalent to about 0.11 percent, running up to 1,668.44 points.

Investors appeared to be uncertain as to which direction equity markets in the US would take in the short term, and this was made only too clear by the fact that, on both of the world's largest equity markets, the ratio of gainers to losers was quite tight: Losers outpaced gainers by 1.20:One on the Big Board of The New York Stock Exchange; gainers outraced losers by 1.13:One on the Composite Index of the NASDAQ.

What affected trading in New York, last Tuesday, were various reports, most of which were, definitely, negative in nature.

Treasury Secretary John Snow, in an interview with a US magazine, said that US unemployment was '*unacceptably high*', but it might rise further before it turned round.

According to an independent survey, conducted by a private company in the US, fewer than expected US companies plan to hire new employees in the latter part of this year.

The US Labour Department announced that inflation is on the move, and this is likely to allay fears of deflation, at least in the short term.

Consumer prices rose by about 0.30 percent in May, The Labour Department stated.

It was the fastest rate of growth in the previous 9 months.

The international banking giant, UBS AG, will cut its investment, banking-arm workforce by about 3 percent, it announced.

UBS AG is the world's sixth-largest financial institution.

A spokesman for UBS said, also, that one should not rule out further staff cuts if the situation, internationally, did not improve.

In Europe, every major bourse moved up, but only by fractions.

The eurozone was waiting for signals from Wall Street – and they were not coming:

Amsterdam's AEX Index	Plus	0.68 percent
Great Britain's FTSE 100 Index	Plus	0.40 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.54 percent
France's CAC40 Index	Plus	0.41 percent
Switzerland's Swiss Market Index	Plus	0.84 percent
Italy's MIBTEL Index	Plus	0.71 percent

As far as the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) was concerned, the situation was bad, bad, bad ... and getting worse.

For the quarter, ended May 31, the unemployment rate had been 8.30 percent, a record level, according to the HKSAR's Government Census and Statistics Department.

The Government blamed the poor economic situation on incidents of Severe Acute Respiratory Syndrome (SARS) in spite of the fact that the economy was in trouble long before SARS reared its head.

One is reminded of the cliché: Any excuse is better than none.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index lost about 0.60 percent, falling back to 9,970.30 points on a Total Turnover of about \$HK10.13 billion.

The ratio of losers to gainers was 2.02:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK97.00 per share
PCCW Ltd (Code: 8)	Down 3.74 percent to \$HK5.15 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 2.28 percent to \$HK19.30 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.82 percent to \$HK48.60 per share
CLP Holdings Ltd (Code: 2)	Up 0.59 percent to \$HK34.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.39 percent to \$HK49.80 per share
PetroChina Company Ltd (Code: 857)	Unchanged at \$HK2.15 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.29 percent to \$HK85.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.71 percent to \$HK42.00 per share
China Telecom Corporation Ltd (Code: 728)	Down 0.55 percent to \$HK1.80 per share

As for the double-digit movers of the day, they included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
APT Satellite Holdings Ltd	1045	43.42		2.725
Asia Resources Holdings Ltd	899	14.81		0.31
CCT Technology Holdings Ltd	261	13.64		0.025
Central China Enterprises Ltd	351		12.00	0.022
China Eagle Group Company Ltd	493		25.81	0.184
Credit Card DNA Security System (Holdings) Ltd	1051		11.11	0.016

Far East Tech International Ltd	36	12.00		0.168
FT Holdings International Ltd	559	28.95		0.049
Great China Holdings Ltd	141	11.34		0.54
Guangdong Tannery Ltd	1058		14.29	0.18
Hansom Eastern (Holdings) Ltd	279		11.84	0.067
ING Beijing Investment Company Ltd	1062		21.05	0.15
Innovative International (Holdings) Ltd	729		13.04	0.02
KEL Holdings Ltd	681	12.50		0.09
KG NextVision Company Ltd	516	11.54		0.058
MUI Hongkong Ltd	542		16.67	0.05
Neo-Tech Global Ltd	563		11.36	0.078
New Spring Holdings Ltd	690	10.00		0.88
Orient Power Holdings Ltd	615		10.81	0.66
Pacific Plywood Holdings Ltd	767		15.38	0.011
Prosper eVision Ltd	979	10.00		0.022
Shanghai Ming Yuan Holdings Ltd	233	175.00		0.154
Simsen International Corporation Ltd	993	15.38		0.075
SUNDAY Communications Ltd	866	12.50		0.18
Suwa International Holdings Ltd	567		16.13	0.26
Theme International Holdings Ltd	990		11.76	0.03
Victory Group Ltd	1139		12.77	0.041
Wonson International Holdings Ltd	651	11.54		0.029

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover fell back to about \$HK134.75 million, with the ratio of losers to gainers, being 2.03:One.

The Growth Enterprise Index surrendered about 1.35 percent of its value, retreating to 1,137.50 points.

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

tom.com Ltd (Code: 8001)	Down 3 percent to \$HK2.60 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Down 2 percent to \$HK12.05 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 1 percent to \$HK1.75 per share
hongkong.com Corporation (Code: 8006)	Down 1 percent to 79 cents per share
Wah Sang Gas Holding Ltd (Code: 8035)	Up 2 percent to 95 cents per share

As for the biggest movers of the day, they included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Angels Technology Company Ltd	8112	20.00		0.30
Essex Bio-Technology Ltd	8151		12.17	0.101
EVI Education Asia Ltd	8090	13.33		0.034
G.A. Holdings Ltd	8126	10.17		0.325
Medical China Ltd	8186	12.12		0.074
QUASAR Communication Technology Holdings Ltd	8171		17.11	0.63
Systek Information Technology (Holdings) Ltd	8103		26.32	0.014
Universal Technologies Holdings Ltd	8091	14.88		0.139
WLS Holdings Ltd	8021		20.00	0.10

News wise:

- **PCCW Ltd (Code: 8)** announced the Mr Richard Li Tzar Kai, the Number 2 son of Mr Li Ka Shing, would step down as Chief Executive Officer of the company. He will remain as Executive Chairman, however;
- **Wheelock and Company Ltd (Code: 20)** announced a Net Profit Attributable to Shareholders of about \$HK64 million for its Financial Year, ended March 31, 2003. That result compared with the 2002 Year when the company reported a Net Profit of about \$HK546.60 million. The 88.29-percent fall in the Bottom Line of this former hong was achieved on an increased Turnover, which jumped from the 2002 figure of about \$HK7.16 billion to the 2003 figure of about \$HK9.87 billion; and,

- **Timeless Software Ltd**, formerly a high-flyer on The GEM, reported that, for its Financial Year, ended March 31, 2003, it had enjoyed a Loss Attributable to Shareholders of about \$HK117.06 million. That result compared favourably to the previous Year, however, when the company reported a Loss Attributable to Shareholders of about \$HK338.11 million. The Turnover of this company fell from the 2002 figure of about \$HK47.48 million to the 2003 figure of about \$HK27.97 million. It was a priceless result, not a Timeless one.

On Asia's largest equity market, The Tokyo Stock Exchange, its key index continued to make gains, albeit reduced to fractions.

The Nikkei-225 Stock Average gained 59.97 yen, equivalent to about 0.66 percent, running up to a new, 6-month high of 9,092.97 yen.

One Japanese analyst, employed by a well-known securities company, based in Tokyo, suggested that the scrip of many Japanese companies was underpriced, compared with many US companies.

(!!!)

The ratio of gainers to losers was 1.34:One.

And, in other Asian bourses, this was the way that those investors saw the situation, last Wednesday:

HKSAR	Minus 0.60 percent to 9,970.30
Indonesia	Minus 1.14 percent to 503.23
Japan	Plus 0.66 percent to 9,092.97
Malaysia	Minus 0.19 percent to 683.76
The Philippines	Minus 0.91 percent to 1,253.02
Singapore	Minus 0.47 percent to 1,486.70
South Korea	Plus 0.16 percent to 675.75
Taiwan	Plus 0.52 percent to 4,999.07
Thailand	Plus 0.88 percent to 446.20

Thursday

Things were hotting up for Iran, last Wednesday and Thursday, with demonstrations, continuing in the Capital City of the country, Teheran, and with the US Ambassador to the United Nations, Mr Kenneth Brill, engaging in a frontal attack on the government of that fundamentalist Muslim country.

Ambassador Brill accused Iran of repeated '*violations and evasions*' of international nuclear safeguards.

In a report, prepared by the **International Atomic Energy Agency (IAEA)**, Director General Mohamed El Baradei accused Iran of failing to declare some aspects of its nuclear programme.

From Washington, President George W. Bush put in his oar, too, stating:

'The international community must come together to make it very clear to Iran that we will not tolerate construction of a nuclear weapon ... Iran would be dangerous if they have a nuclear weapon.'

Aside from the US President's poor grammar, the use of the word, 'we', when referring to the '*international community*', makes it very clear that, once again, the US is leading the charge.

Which is its right, being the country with most of the military might in the world, today, one might be tempted to argue.

Shades of the precursory events, leading up to the US-led war on Iraq and the eventual overthrow of Saddam Hussein by the armed forces of the US and the United Kingdom.

On Wall Street, last Wednesday, it was put down to profit-taking when indices started to back-pedal.

On The New York Stock Exchange, the Dow Jones Industrial Average lost about 0.31 percent of its value, ending the session at 9,293.80 points.

As for the tech-laden NASDAQ, its Composite Index gained about 0.52 percent, hitting a new, 6-month high of 1,677.14 points.

There was little to promote trading in stocks and shares on the world's largest bourses and so, by and large, prices tended just to drift.

In Europe, the situation was a little more definitive: Europe is in a mess; and, the US economy may not be turning the proverbial corner very quickly, if at all – at least, not this month.

And so major European markets went into reverse gear:

Amsterdam's AEX Index	Minus 2.20 percent
Great Britain's FTSE 100 Index	Minus 1.79 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.73 percent
France's CAC40 Index	Minus 1.53 percent
Switzerland's Swiss Market Index	Minus 1.48 percent
Italy's MIBTEL Index	Minus 0.81 percent

Asia's stock markets were generally higher, with only 2 bourses, losing ground.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index shed about 0.10 percent of its value, ending the day at 9,980.11 points.

The fractional gain was made in the morning session, with the 90-minute afternoon period, seeing very little activity.

The Total Turnover was about \$HK9.11 billion, with advancing counters, outnumbering declining counters by the ratio of 1.24:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.52 percent to \$HK96.50 per share
PCCW Ltd (Code: 5)	Unchanged at \$HK5.15 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.55 percent to \$HK19.60 per share
Maanshan Iron and Steel Company Ltd (Code: 323)	Up 5.51 percent to \$HK1.34 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.21 percent to \$HK48.70 per share
Cathay Pacific Airways Ltd (Code: 293)	Down 0.47 percent to \$HK10.70 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.20 percent to \$HK49.70 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.71 percent to \$HK42.30 per share
Brilliance China Automotive Holdings Ltd (Code: 1114)	Up 7.41 percent to \$HK2.175 per share
Beijing Capital Land Ltd (2868)	Unchanged at \$HK1.66 per share

The biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Applied International Holdings Ltd	519		17.65	0.056
Central China Enterprise Ltd	351	13.64		0.025
Century City International Holdings Ltd	355	16.67		0.021
Chaoda Modern Agriculture (Holdings) Ltd	682	24.18		1.13
China Agrotech Holdings Ltd	1073	10.59		0.47
China Sci-Tech Holdings Ltd	985	19.05		0.025
CIL Holdings Ltd	479		15.00	0.017
Dah Hwa International (Holdings) Ltd	600	11.11		0.05
Dickson Group Holdings Ltd	313	25.00		0.04
Credit Card DNA Security System (Holdings) Ltd	1051	12.50		0.018
e-Kong Group Ltd	524	10.27		0.204

Fushan Holdings Ltd	639		10.34	0.26
Guangdong Tannery Ltd	1058	11.11		0.20
Hanison Construction Holdings Ltd	896	10.00		0.33
Kantone Holdings Ltd	1059		10.14	0.062
Keck Seng Investments (Hongkong) Ltd	184		11.90	0.74
MAE Holdings Ltd	851	61.11		0.029
Oriental Union Holdings Ltd	1182	15.15		0.038
Perennial International Ltd	725	11.43		0.39
Plus Holdings Ltd	1013		21.57	0.08
Singapore Hongkong Properties Investment Ltd	245	21.15		0.063
Shang Hua Holdings Ltd	371		40.00	0.03
Shun Cheong Holdings Ltd	650		24.44	0.068
South China Brokerage Company Ltd	619		15.38	0.022
Suwa International Holdings Ltd	567	11.54		0.29

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index lost about 0.50 percent of its value as investors marked down the lone index to 1,131.86 points.

The Total Turnover on The GEM was about \$HK197.60 million, with gaining counters, outnumbering losing ones by the ratio of 1.22:One.

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

tom.com Ltd (Code: 8001)

Wah Sang Gas Holding Ltd (Code: 8035)

CK Life Sciences International (Holdings) Incorporated (Code: 8222)

Panva Gas Holdings Ltd (Code: 8132)

Global Link Communications Holdings Ltd (Code: 8060)

Down 5 percent to \$HK2.475 per share

Up 4 percent to 99 cents per share

Down 1 percent to \$HK1.73 per share

Up 5 percent to \$HK3.35 per share

Up 8 percent to \$HK1.23 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022		36.24	0.095
Emperor Entertainment Group Ltd	8078	18.00		0.59
Excel Technology International Holdings Ltd	8048	12.05		0.093
Golding Soft Ltd	8190		28.30	0.076
Inworld Group Ltd	8100	12.24		0.055
Medical China Ltd	8186		13.51	0.064
Q9 Technology Holdings Ltd	8129		23.53	0.026
QUASAR Communication Technology Holdings Ltd	8171		28.57	0.45
Systek Information Technology (Holdings) Ltd	8103	14.29		0.016
WLS Holdings Ltd	8021	15.00		0.115

In Japan, for the third consecutive day, investors pushed up the key index of The Tokyo Stock Exchange to a new, 6-month high.

Not that that meant much in the preparation of traditional miso soup, but, statistically, it looked good.

By the close of the trading day, the Nikkei-225 Stock Average, the '*barometer*' of trading in blue chips, stood at 9,110.51 yen, up by about 0.19 percent, compared with Wednesday's closing level.

There was little fresh news from The Land of The Rising Sun to stimulate trading, one way or another ... and so prices tended to drift, for the most part.

In other Asian bourses, this was how they ended, last Thursday night:

HKSAR	Plus 0.10 percent to 9,980.11
Indonesia	Plus 1.31 percent to 509.83

Japan	Plus 0.19 percent to 9,110.51
Malaysia	Minus 0.30 percent to 681.69
The Philippines	Minus 0.10 percent to 1,251.81
Singapore	Plus 2.32 percent to 1,521.15
South Korea	Plus 2.18 percent to 690.49
Taiwan	Plus 1.00 percent to 5,048.91
Thailand	Plus 1.79 percent to 454.19

Friday

Pressure continued to build up against the Governments of Iran and North Korea, as the US President pressed the United Nations (UN) to condemn North Korea for its decision to continue with its nuclear weapons programme.

The United States (US) circulated a draft statement to the 5 permanent members of the UN's Security Council, which stated, in essence, that Pyongyang must be forced to dismantle its nuclear programme *'in a verifiable and irreversible manner.'*

The 5, Permanent Members of the Security Council are:

The United States	The United Kingdom
The People's Republic of China (PRC)	Russia
France	

The Government of Kim Jong Il countered, stating that, in the event that the US garnered support in the Security Council, North Korea would be forced to respond with *'strong emergency measures.'*

The European Union (EU) got into the act, also, issuing a stern warning to North Korea over that reclusive country's nuclear activities.

In Iran, the protests continued in Teheran, with Washington, fanning the flames of the would-be democratic revolution.

On Wall Street, last Thursday, share prices took a bit of a tumble on weakness from a couple of blue chip *'darlings'*, managements of which warned of lower profits, this year.

On The New York Stock Exchange, the Dow Jones Industrial Average lost 114.27 points, equivalent to about 1.22 percent, with the key index, ending the day at 9,179.53 points.

On the NASDAQ, the Composite Index shed 28.50 points, or about 1.69 percent, falling back to 1,648.64 points.

An interesting statistic was that 27 constituent stocks, which make up the Dow Jones Industrial Average, fell, out of the total number of 30 constituent stocks.

The fall in The Dow was on the announcement that the initial claims for unemployment insurance in the US had fallen for the second consecutive week, but the fall was just 13,000 claims, which, really, is insignificant; actually, it means very little.

In Europe, all but one of the major bourses made headway on the last day of trading for the week.

The opinion of many investors and brokers was that the US Federal Reserve Board would do something to stimulate trade in the US at tomorrow's meeting – and that such a move would be positive for the eurozone. (Please see Tuesday's report)

This is the way that the 6 leading stock markets fared, last Friday:

Amsterdam's AEX Index	Plus 1.18 percent
Great Britain's FTSE 100 Index	Plus 0.69 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.25 percent
France's CAC40 Index	Plus 0.80 percent
Switzerland's Swiss Market Index	Plus 0.37 percent

Italy's MIBTEL Index

Plus 0.56 percent

Asian bourses saw the majority of key indices of the most important equity markets fall back, but mostly only fractionally.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors pulled up buying orders in anticipation of the meeting of The Fed.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index lost another one half of a percentage point, ending the week at 9,930.31 points.

The Total Turnover fell back to about \$HK7.36 billion, with losers, squashing gainers by the ratio of 1.78:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 0.52 percent to \$HK96.00 per share
PetroChina Company Ltd (Code: 857)	Up 4.65 percent to \$HK2.25 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK48.70 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.77 percent to \$HK19.45 per share
Beijing Capital Land Ltd (2868)	Unchanged at \$HK1.66 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.21 percent to \$HK49.10 per share
Maanshan Iron and Steel Company Ltd (Code: 323)	Down 0.75 percent to \$HK1.33 per share
PCCW Ltd (Code: 8)	Down 0.97 percent to \$HK5.10 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.29 percent to \$HK84.75 per share
Brilliance China Automotive Holdings Ltd (Code: 1114)	Up 1.62 percent to \$HK2.20 per share

As for the double-digit movers of the day, they included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Anex International Holdings Ltd	723		14.29	0.06
APT Satellite Holdings Ltd	1045		15.60	2.30
Century Legend (Holdings) Ltd	79		29.41	0.012
Cheung Tai Hong Holdings Ltd	199		11.11	0.16
China Eagle Group Company Ltd	493		25.26	0.145
China Rich Holdings Ltd	1191	12.50		0.063
China Sci-Tech Holdings Ltd	985		12.00	0.022
Ching Hing (Holdings) Ltd	692	29.41		0.11
e-Kong Group Ltd	524	15.69		0.236
Everest International Investments Ltd	204	25.00		0.10
FT Holdings International Ltd	559	20.83		0.058
Fulbond Holdings Ltd	1041	13.33		0.017
GeoMaxima Energy Holdings Ltd	702	21.48		0.164
Greater China Sci-Tech Holdings Ltd	431		13.51	0.32
Guangdong Kelon Electrical Holdings Company Ltd	921	13.43		1.52
Hang Ten Group Holdings Ltd	448	16.67		0.014
Hanison Construction Holdings Ltd	896	12.12		0.37
Hanny Holdings Ltd	275		11.43	0.93
Hongkong Fortune Ltd	121	22.67		0.092
JIC Technology Company Ltd	987	16.00		0.29
Kamboat Group Company Ltd	318	11.25		0.445
MAE Holdings Ltd	851		13.79	0.025
Massive Resources International Corporation Ltd	70	10.00		0.011
New City (Beijing) Development Ltd	456	18.18		0.26
Shang Hua Holdings Ltd	371	66.67		0.05
Simsen International Corporation Ltd	993	10.29		0.075
Sincere Company Ltd, The	244		10.91	0.245
Styland Holdings Ltd	211		12.50	0.014
Theme International Holdings Ltd	990	16.67		0.035
United Pacific Industries Ltd	176		10.00	0.27
Zida Computer Technologies Ltd	859	10.56		0.199

Over on The Growth Enterprise Index, after a mild sell-off, during the morning session, investors came back into the market, pushing up The Growth Enterprise Index to just short of Thursday's close.

When the closing bell rang, ending equity trading for the week, The Growth Enterprise Index was standing at 1,132.50 points, which meant that it had shed about 0.06 percent, compared with Thursday's level at 4 pm.

The Total Turnover of the day was about \$HK201.44 million, with losers, outrunning gainers by the ratio of 1.55:One.

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

tom.com Ltd (Code: 8001)	Down 1 percent to \$HK2.45 per share
Wah Sang Gas Holding Ltd (Code: 8035)	Up 4 percent to \$HK1.03 per share
SIIC Medical Science and Technology (Group) Ltd (Code: 8018)	Unchanged at \$HK2.075 per share
Panva Gas Holdings Ltd (Code: 8132)	Up 5 percent to \$HK3.525 per share
Chinasoft International Ltd (Code: 8216)	Unchanged at 42 cents per share

The GEM's double-digit movers included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Multimedia Ltd	8061		11.67	0.106
AKuP International Holdings Ltd	8179		14.29	0.03
Argos Enterprise (Holdings) Ltd	8022	16.84		0.111
Inworld Group Ltd	8100		10.91	0.049
iSteelAsia.com Ltd	8080		12.50	0.07
Milkyway Image Holdings Ltd	8130		20.83	0.038
Thiz Technology Group Ltd	8119		25.00	0.03
WLS Holdings Ltd	8021	14.78		0.132

The tally for the week, therefore, was:

The Hang Seng Index	Up 0.08 percent
The Growth Enterprise Index	Down 1.17 percent

Investors, trading on Asia's largest stock market, The Tokyo Stock Exchange, continued to witness dull trading conditions, with much of the buying, coming from European investors, according to reports.

The Nikkei-225 Stock Average, the gauge to trading in blue chips, finished the week at 9,120.39 yen, a one-day gain of about 0.11 percent.

The ratio of gainers to losers was 1.24:One.

With The Fed only days away from its short-term interest meeting, Japanese investors determined to sit on their hands, awaiting the determination of Chairman Alan Greenspan et al.

For the week, ended June 20, therefore, the tally for the largest bourse in the most populous part of the world was:

The Nikkei-225 Stock Average	Up 1.55 percent
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And, in other Asian equity markets, this was the way that they ended the week of June 20, 2003:

HKSAR	Minus 0.50 percent to 9,930.31
Indonesia	Plus 0.32 percent to 511.45
Japan	Plus 0.11 percent to 9,120.39
Malaysia	Plus 0.11 percent to 682.44
The Philippines	Minus 0.89 percent to 1,240.68
Singapore	Minus 0.13 percent to 1,519.16

South Korea	Minus 0.62 percent to 686.22
Taiwan	Minus 0.92 percent to 5,002.58
Thailand	Minus 0.34 percent to 452.66

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