

THE SPARKLE DIMS ON EQUITY MARKETS

The matter of North Korea continued to dominate international discussions in the world's corridors of power, from Washington, to London, England, to Beijing, the People's Republic of China (PRC), over the weekend of July 19-20, with the Government of the United States (US), claiming to have discovered the presence of a secret nuclear facility in the Communist country, one that appears to have the ability to produce weapons-grade plutonium.

According to confirmed US reports, on North Korea's borders, elevated traces of gases have been detected, indicating that spent nuclear fuel is being reprocessed into plutonium.

The presence of Krypton 85 at these border locations rules out any possibility of them, having emanated from the known North Korean nuclear facility at Pyongyang.

Great Britain's Prime Minister, Mr Tony Blair, went to South Korea over the weekend in order to determine, among other things, the veracity of the reports and, if proved, whether or not the potentially explosive situation could be defused.

In Japan, on Saturday, July 19, Mr Blair said that the threat from North Korea was very real: It could not be ignored.

The previous Friday, Mr Mohamed El Baradei, Director General of the International Atomic Energy Agency, a branch of the United Nations (UN), said that Pyongyang was *'the most serious threat'* to nuclear proliferation.

The fears of many Western countries are that North Korea might start to sell nuclear materiel to other rogue states ... if it had not, already, that is.

On the business front, over the weekend of July 19-20 and last Monday, newspaper headlines were filled with news of mass layoffs at leading international corporations.

Ford Motor Company announced that it would be sacking up to 2,000 of its workers.

Germany's Volkswagen announced that it would cut out about 4,000 workers from its Brazilian facilities, representing about 16 percent of its total Establishment level in that country.

Singapore Airlines Ltd, facing unprecedented financial losses, said that it would be letting go 156 cabin crew, 26 pilots and 414 ground staff.

In Europe, indices on major bourses retreated, following the opening of Wall Street, which saw share prices falling, almost immediately at the opening of equity markets.

The gloss was gone from the US economic picture: Europe was concerned.

This was the way that major stock markets in Europe closed, last Monday:

Amsterdam's AEX Index	Minus 1.18 percent
Great Britain's FTSE 100 Index	Minus 0.71 percent
Germany's Frankfurt XETRA DAX Index	Minus 2.37 percent*
France's CAC40 Index	Minus 1.54 percent
Switzerland's Swiss Market Index	Minus 0.63 percent
Italy's MIBTEL Index	Plus 0.51 percent

* This was the biggest loser of the day on European bourses

In Asia, last Monday, Japan was closed down tightly for a national holiday, leaving the more minor equity markets to try to guess as to what would, most likely, be the trend for the week to come.

With Wall Street, not open when Asian equity markets start trading for the week, due to time differentials, Asia tries to set the pace.

But not last Monday in the most populous part of the world.

The only yardstick by which one might have been able to measure, to some extent, how stock markets were likely to fare for the week, started July 21, was by looking at the trading pattern for the previous Friday on the world's largest bourses: The New York Stock Exchange and the NASDAQ.

On that Friday, the Dow Jones Industrial Average, the key index of blue chips, traded on The New York Stock Exchange, rose by about 137.33 points, or about 1.52 percent, ending the week at 9,188.15 points.

As for NASDAQ's Composite Index, it ended the week of July 18 at 1,708.50 points, representing a one-day gain of about 0.62 percent.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, the Beijing-backed newspapers of the territory were singing the praises of the Chief Executive, Mr Tung Chee Hwa.

The Chief Executive had had a successful trip to Beijing, over the weekend, where the leading lights of the PRC Government had made a point of staging a fanfare for the beleaguered leader of the 7 million, mostly discontented, HKSAR residents.

The story was that both President Hu Jin Tao and Premier Wen Jia Bao supported their man on-the-spot in the HKSAR – in spite of everything.

(For more about Mr Tung Chee Hwa's '*Duty Visit*' to Beijing, please see last Wednesday's [TARGET Intelligence Report, Volume V, Number 137](#))

On The Stock Exchange of Hongkong Ltd, investors on both the Main Board and The Growth Enterprise Market (The GEM) were singularly unimpressed with photographs of Mr Tung Chee Hwa, shaking hands with members of the political aristocracy of Beijing.

On the Main Board, the Hang Seng Index lost about 0.38 percent, falling back to 10,102.86 points.

The Total Turnover was about \$HK8.23 billion, with losing counters, outnumbering gaining counters by the ratio of about 1.16:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.26 percent to \$HK94.75 per share
PCCW Ltd (Code: 8)	Up 0.57 percent to \$HK4.375 per share
PetroChina Company Ltd (Code: 857)	Up 1.12 percent to \$HK2.25 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.91 percent to \$HK51.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.49 percent to \$HK51.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.48 percent to \$HK20.90 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.22 percent to \$HK46.00 per share
China Telecom Corporation Ltd (Code: 728)	Up 3.53 percent to \$HK2.20 per share
Cathay Pacific Airways Ltd (Code: 293)	Up 1.82 percent to \$HK11.20 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.30 percent to \$HK83.50 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
21CN CyberNet Corporation Ltd	241		10.13	0.71
Anex International Holdings Ltd	723	22.86		0.086
Chung Tai Printing Holdings Ltd	55		11.63	1.52
Easyknit International Holdings Ltd	1218	17.29		0.156
EC-Founder (Holdings) Company Ltd	618		10.53	0.204
Everbest Century Holdings Ltd	578		15.38	0.011
Fortuna International Holdings Ltd	530		13.33	0.013
Gorient (Holdings) Ltd	729	41.38		0.041
Great China Holdings Ltd	141	20.00		0.30
Hi Sun Group Ltd	818		12.28	0.50
The Hongkong Building and Loan Agency Ltd	145	12.12		0.74
Huafeng Environmental Protection Textile International Group Ltd	364	14.02		1.22
i100 Ltd	616		13.79	0.025
Karce International Holdings Company Ltd	1159	11.65		0.23
Keck Seng Investments (Hongkong) Ltd	184		11.11	0.64
Kin Don Holdings Ltd	208	11.76		0.019
King Fook Holdings Ltd	280		19.35	0.25
Kong Sun Holdings Ltd	295	10.00		0.022

Magician Industries (Holdings) Ltd	526	16.00		0.087
MUI Hongkong Ltd	542		27.54	0.05
New World CyberBase Ltd	276		12.20	0.036
Orient Explorer Holdings Ltd	430		14.55	0.047
Shang Hua Holdings Ltd	371		14.00	0.043
Starlight International Holdings Ltd	485	14.62		0.243
Sun Innovation Holdings Ltd	547		15.00	0.017
Tack Hsin Holdings Ltd	611		21.35	0.14
Tem Fat Hing Fung (Holdings) Ltd	661	10.00		0.275
Tonic Industries Holdings Ltd	978	12.68		0.40
Veeko International Holdings Ltd	1173	30.77		0.119
Warderly International Holdings Ltd	607	12.24		1.10
Wong's International (Holdings) Ltd	99	11.22		1.09

Over on The GEM, The Growth Enterprise Index gained 0.28 percent, as investors nudged it up to 1,166.83 points on a Total Turnover of about \$HK173.67 million.

In spite of The Growth Enterprise Index, being ahead by fractions, losing counters outweighed gaining ones by the ratio of 1.08:One.

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

tom.com Ltd (Code: 8001)	Unchanged at \$HK2.25 per share
hongkong.com Corporation (Code: 8006)	Up 6 percent to 90 cents per share
Innovis Holdings Ltd (Code: 8065)	Down 3 percent to 41.50 cents per share
Global Link Communications Holdings Ltd (Code: 8060)	Unchanged at \$HK1.39 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 1 percent to \$HK1.68 per share

The double-digit movers on this speculative marketplace included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
A-S China Plumbing Products Ltd	8262		11.97	1.25
AKuP International Holdings Ltd	8179		15.38	0.022
Cardlink Technology Group Ltd	8066	10.00		0.088
Grandmass Enterprise Solution Ltd	8108		23.08	0.01
PINE Technology Holdings Ltd	8013		12.50	0.07
Rojam Entertainment Holdings Ltd	8075		12.28	0.10
Superdata Software Holdings Ltd	8263	24.32		0.46
T S Telecom Technologies Ltd	8003	21.21		0.08

News wise:

- Mr Li Tzar Kai, the Number 2 Son of Mr Li Ka Shing, announced that it had been he who had been buying up shares in **PCCW Ltd (Code: 8)**, thus causing the share price to stabilise.

And this was the way that things came to a halt on other Asian equity markets, last Monday night:

HKSAR	Minus 0.38 percent to 10,182.38
Indonesia	Minus 0.87 percent to 520.91
Japan	Closed
Malaysia	Plus 0.44 percent to 719.66
The Philippines	Plus 1.24 percent to 1,300.87
Singapore	Minus 0.64 percent to 1,570.79
South Korea	Minus 0.84 percent to 693.50
Taiwan	Minus 1.29 percent to 5,219.30
Thailand	Minus 1.14 percent to 487.44

Tuesday

Mr Tony Blair, Prime Minister of Great Britain, appeared to be something of a peacemaker, last Tuesday.

In a meeting with the Premier of the People's Republic of China (PRC), he expressed his sincere hope that the PRC Government would use its good offices to turn North Korea from its collision course with the Western World. (Please see Monday's report)

Mr Blair stressed the urgency of the matter and, also, stated that North Korea must be made well aware of the consequences of its actions if it continues with its nuclear programme.

He said:

'It is not acceptable for North Korea to keep on developing its nuclear weapons ... It is not acceptable for them (North Korea) to carry on proliferating and exporting nuclear weapons technology to other highly unstable states.'

Mr Blair, also, suggested that multilateral talks with North Korea could begin within weeks.

Mr George W. Bush, President of the United States (US), speaking from his ranch in Crawford, Texas, said:

'I do believe we can solve this issue, diplomatically, by encouraging the neighbourhood – meaning, the PRC, Japan and South Korea – to join us with a single voice that says to Mr Kim Jong Il (North Korea's leader): "A decision to develop a nuclear arsenal is one that will alienate you from the rest of the world."'

The world waited to learn whether or not North Korea would respond, positively and constructively.

On Wall Street, on the first day of trading, last week, investors were not happy with their lot and expressed it in the only way that they knew was most pointed: Selling equities on the world's largest bourses.

On The New York Stock Exchange, the Dow Jones Industrial Average lost about one percent of its value, falling back to 9,096.69 points.

On the NASDAQ, the losses were far greater than those of the Big Board of The New York Stock Exchange: Its Composite Index shed 27.02 points, equivalent to about 1.58 percent, dropping to 1,681.48 points.

Poor corporate results, concern over the US economy's sluggishness, the international situation, especially in Iraq and other African countries, all conspired to knock investor confidence.

In Europe, investors tended to think that things had been a little overdone, short-term, with some investors, determining to cover short positions while others took up new long positions.

Also, there appeared to be a bit of a more bullish attitude at the opening of Wall Street, last Tuesday, so up went the indices on major European equity markets:

Amsterdam's AEX Index	Plus	0.91 percent
Great Britain's FTSE 100 Index	Plus	0.88 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.95 percent
France's CAC40 Index	Plus	0.38 percent
Switzerland's Swiss Market Index	Minus	0.16 percent
Italy's MIBTEL Index	Plus	0.29 percent

But major equity markets in Asia edged lower, as investors, as is their wont, followed the lead from Wall Street, following the closure of Monday's markets in New York.

On the 2 stock markets of the Hongkong Special Administrative Region (HKSAR) of the PRC, there were losses, all round.

The Main Board saw its Hang Seng Index shed about 0.93 percent of its value, falling to 10,008.71 points on a Total Turnover of about \$HK7.79 billion.

The ratio of losers to gainers was about 2.61:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 0.53 percent to \$HK94.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 2.63 percent to \$HK20.35 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.95 percent to \$HK50.25 per share
China Telecom Corporation Ltd (Code: 728)	Down 5.68 percent to \$HK2.075 per share
PCCW Ltd (Code: 8)	Unchanged at \$HK4.375 per share
PetroChina Company Ltd (Code: 857)	Down 1.11 percent to \$HK2.225 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.47 percent to \$HK50.25 per share

Sun Hung Kai Properties Ltd (Code: 16)
Huaneng Power International Incorporated (Code: 902)
Maanshan Iron and Steel Company Ltd (Code: 323)

Down 1.30 percent to \$HK45.40 per share
Down 3.83 percent to \$HK10.05 per share
Down 2.34 percent to \$HK1.67 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Investments Holdings Ltd	132		15.08	0.169
City e-Solutions Ltd	557	17.50		0.94
Deson Development International Holdings Ltd	262		16.67	0.02
e-New Media Company Ltd	128		11.63	0.19
Fortuna International Holdings Ltd	530	15.38		0.015
Friedmann Pacific Greater China Investments Ltd	1226		34.00	0.099
Gorient (Holdings) Ltd	729		17.07	0.034
Great China Holdings Ltd	141	13.33		0.34
Hang Ten Group Holdings Ltd	448		10.00	0.027
Harmony Asset Ltd	428	11.11		0.40
Hudson Holdings Ltd	758		20.00	0.08
INNOMAXX Biotechnology Group Ltd	340	13.38		0.178
Keck Seng Investments (Hongkong) Ltd	184	12.50		0.72
King Fook Holdings Ltd	280	16.00		0.29
Leaptek Ltd	336	30.00		0.026
Lung Cheong International Holdings Ltd	348		10.00	0.54
Pacific Plywood Holdings Ltd	767	10.53		0.021
Pioneer Global Group Ltd	224		33.33	0.126
Pricerite Group Ltd	996	12.90		1.05
Same Time Holdings Ltd	451		12.50	0.07
Sun Innovation Holdings Ltd	547	17.65		0.02
SUNDAY Communications Ltd	866	21.05		0.345
Swank International Manufacturing Company Ltd	663		18.75	0.013
Theme International Holdings Ltd	990	21.21		0.04
Veeko International Holdings Ltd	1173	11.76		0.133
Yau Lee Holdings Ltd	406		11.76	0.15
YGM Trading Ltd	375	14.29		4.80

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, Mr Li Ka Shing's counters took quite a drubbing on a fast-falling market.

The Growth Enterprise Index surrendered about 1.43 percent of its value, falling back to 1,150.16 points, as the Total Turnover shrivelled to about \$HK165.66 million.

The ratio of losers to gainers was about 1.48:One.

Trading in the scrip of the 2 Li Ka Shing counters – tom.com Ltd (Code: 8001) and CK Life Sciences International (Holdings) Incorporated (Code: 8222) – accounted for about 38 percent of the entire volume of activity for the day on this marketplace.

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

tom.com Ltd (Code: 8001)	Down 6 percent to \$HK2.125 per share
hongkong.com Corporation (Code: 8006)	Down 3 percent to 87 cents per share
SIIC Medical Science and Technology (Group) Ltd (Code: 8018)	Unchanged at \$HK2.075 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 2 percent to \$HK1.65 per share
Global Link Communications Holdings Ltd (Code: 8060)	Down 1 percent to \$HK1.38 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd	8095	20.90		0.81
iSteelAsia.com Ltd	8080	34.00		0.134
Medical China Ltd	8186		15.25	0.10

Milkyway Image Holdings Ltd	8130		11.54	0.069
New Chinese Medicine Holdings Ltd	8085		11.29	0.055
T S Telecom Technologies Ltd	8003	10.00		0.088

In Japan, on the first day of trading for the week – Monday was a public holiday – investors continued to offload stocks and shares on the country's 3 bourses.

On the premier bourse of the country, The Tokyo Stock Exchange, the Nikkei-225 Stock Average, which measures the movements of blue chips, lost 41.76 yen, about 0.44 percent, falling to 9,485.97 yen.

It was generally believed, on trading floors, that foreign investors were cutting back on their exposure in their Japanese stock portfolios.

As a result, the ratio of losers to gainers was about 2.18:One.

This was the way that investors on other Asian equity markets saw the situation, last Tuesday night:

HKSAR	Minus 0.93 percent to 10,008.71
Indonesia	Minus 0.79 percent to 516.78
Japan	Minus 0.44 percent to 9,485.97
Malaysia	Minus 0.94 percent to 712.86
The Philippines	Plus 0.05 percent to 1,301.48
Singapore	Minus 1.29 percent to 1,550.51
South Korea	Plus 0.89 percent to 699.70
Taiwan	Plus 0.80 percent to 5,261.01
Thailand	Plus 0.23 percent to 488.58

Wednesday

Stock markets of the world took off – with only a few notable exceptions – following a report that the US Army had managed to kill a couple of the sons of the deposed President of Iraq.

It was reported, early in the trading session on Wall Street, that Messrs Uday Hussein and Qusay Hussein had been shot to death and missiled to smithereens by soldiers of the US Army in a 6-hour battle in Mosul, Iraq.

Deploying themselves in a complete ring around a villa, owned by a cousin of Saddam Hussein, while US Army helicopter gunships rained down missile after missile on the building, and while the soldiers discharged tens of thousands of rounds of bullets into the edifice, eventually killing all of the 4 occupants, the trapped sons were riddled with so many bullet holes that they were said to have resembled pieces of Swiss cheese.

Thus ended the lives of these 2 men, considered grave threats to the peace of Iraq, the stability of the Arab world, and, by extension, the peace of the entire world.

Investors on Wall Street were ecstatic to learn that about 100, US soldiers had managed, at long last, to kill 2 of the most-wanted men in Iraq, following the partial demolition of the villa, said to have been constructed in the manner of a brick s..t house.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 61.76 points, or about 0.68 percent, ending the session at 9,158.45 points.

On the NASDAQ, its Composite Index put on 24.61 points, equivalent to about 1.46 percent, running back to 1,706.02 points.

The US Government believes that the deaths of the sons of Saddam Hussein will put paid to any suggestion of them, ever, coming back to rule the country.

Viva Zapata! (1919 Mexico)

On the business front, Eastman Kodak announced that it would be laying off between 4,500 and 6,000 of its workers.

In Europe, investors followed the lead of Wall Street ... as usual.

But European bourses ended their respective trading day, somewhat mixed:

Amsterdam's AEX Index	Minus 0.69 percent
Great Britain's FTSE 100 Index	Plus 0.17 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.41 percent
France's CAC40 Index	Minus 0.10 percent
Switzerland's Swiss Market Index	Plus 0.67 percent
Italy's MIBTEL Index	Minus 0.26 percent

Investors in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) did not put as much store in the killing of the sons of Saddam Hussein as, obviously, did the North Americans, but continued to feel that economic and financial considerations continued to determine the direction of stocks and shares, listed on Recognised Stock Exchanges.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index lost about 1.08 percent of its value, falling to 9,900.56 points.

The Total Turnover was about \$HK8.84 billion, while the ratio of losing counters to gaining ones was about 3.13:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.53 percent to \$HK93.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 2.21 percent to \$HK19.90 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.50 percent to \$HK50.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 3.74 percent to \$HK43.70 per share
Maanshan Iron and Steel Company Ltd (Code: 323)	Down 7.19 percent to \$HK1.55 per share
PetroChina Company Ltd (Code: 857)	Down 3.37 percent to \$HK2.15 per share
Huaneng Power International Incorporated (Code: 902)	Down 4.98 percent to \$HK9.55 per share
Huafeng Environmental Protection Textile International Group Ltd (Code: 364)	Down 11.48 percent to \$HK1.08 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.09 percent to \$HK49.70 per share
China Telecom Corporation Ltd (Code: 728)	Down 3.61 percent to \$HK2.00 per share

There were a total of 33, double-digit movers on this market, with 13 of their number, rising 10 percent or more, while the remaining 20 counters, lost 10 percent or more.

Friedmann Pacific Greater China Investments Ltd (Code: 1226) was the biggest gainer of the day, as the price of this investment company's stock rose by 29.29 percent to 12.80 cents per share.

Hang Ten Group Holdings Ltd (Code: 448) was the biggest loser of the day, as investors pushed down its share price to 1.90 cents, a one-day fall of 29.63 percent.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the ratio of losers to gainers was about 1.39:One.

The Growth Enterprise Index gave up another 1.72 percent of its value, falling to 1,130.38 points.

The Total Turnover of the day was about \$HK222.63 million.

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

tom.com Ltd (Code: 8001) Down 6 percent to \$HK1.99 per share

Beijing Beida Jade Bird Universal Sci-Tech Company Ltd (Code: 8095) Up 11 percent to 90 cents per share

Global Link Communications Holdings Ltd (Code: 8060) Up 1 percent to \$HK1.39 per share

CK Life Sciences International (Holdings) Incorporated (Code: 8222) Down 2 percent to \$HK1.61 per share

hongkong.com Corporation (Code: 8006) Down 6 percent to 82 cents per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd	8095	11.11		0.90

iMerchants Ltd	8009	10.53		0.105
iSteelAsia.com Ltd	8080	86.57		0.25
ITE (Holdings) Ltd	8092	10.34		0.064
MediaNation Incorporated	8160	11.58		0.106
Recruit Holdings Ltd	8073	15.38		0.015
Shanghai Fudan Microelectronics Company Ltd	8102	10.81		0.82

News wise:

- The **HKSAR Consumer Price Index (CPI)** experienced its largest single month's fall since last December, the Government said. The Consumer Price Index dropped about 3.10 percent in June, compared with the value of the CPI in June 2002, The Census and Statistics Department announced.

In Japan, prices of stocks and shares were higher on The Tokyo Stock Exchange as the Nikkei-225 Stock Average regained about 1.36 percent of its value, ending the session at 9,615.34 yen.

But the market was said to be almost entirely dominated by day-traders, looking to make a quick profit.

Institutional investors were not in evidence.

The ratio of gainers to losers was 4.61:One.

Japanese investors were not moved by the success of the US Army in Iraq in its killing spree since what Japanese investors were looking to see was a turnabout situation in the US economy.

And evidence of that was nowhere in sight.

In any event, the Japanese know what it is like to engage in a good war and to taste victory and defeat, having had a great deal of experience between 1931 and 1945.

And this was how other Asian stock markets ended, last Wednesday:

HKSAR	Minus 1.08 percent to 9,900.56
Indonesia	Minus 0.80 percent to 512.62
Japan	Plus 1.36 percent to 9,615.34
Malaysia	Unchanged at 712.87
The Philippines	Minus 0.22 percent to 1,298.59
Singapore	Plus 0.41 percent to 1,556.82
South Korea	Minus 0.57 percent to 695.74
Taiwan	Plus 0.51 percent to 5,287.89
Thailand	Minus 1.67 percent to 480.44

Thursday

Trading was reserved on equity markets of the US, last Wednesday, with everybody and his cat, waiting to hear the latest news about the fate of their stock-market '*darlings*', during the previous quarter/half-Year, etc.

As a result, on The New York Stock Exchange, the Dow Jones Industrial Average see-sawed all of the trading day, but managed to scrape together a gain of 35.79 points by the close of the session, ending the day at 9,194.24 points.

On the NASDAQ, its Composite Index did a little better than the Big Board of The New York Stock Exchange, rising 13.05 points, equivalent to about 0.76 percent, coming to rest at 1,719.15 points by the time that the hammer came down, signifying the end to trading for last Wednesday.

The proceedings on equity markets in New York were interrupted, during the entire afternoon session, due to a madman, entering City Hall and shooting up the place, killing a couple of people.

In Europe, DaimlerChrysler announced that its core profits had taken quite a blow: Down about 62 percent for the second quarter of this year, Year-on-Year, to about \$US736 million.

DaimlerChrysler is the world's 5th largest manufacturer of motor vehicles, whose marques include Mercedes Benz, Chrysler, Jeep, Dodge and Freightliner.

The bugbear, the company said, were the losses, incurred in its US subsidiary, Chrysler.

But European markets, in general, did not pay too much attention to the announcement from this heavyweight since the company had warned, earlier in the year, to expect the worst.

And the company was true to its word.

Of what Europe did take note, however, was what was happening on Wall Street where a report was circulating, early Thursday morning, suggesting that jobless claims were falling.

This is the way that European bourses ended last Thursday's trading session:

Amsterdam's AEX Index	Plus	1.82 percent
Great Britain's FTSE 100 Index	Plus	1.54 percent
Germany's Frankfurt XETRA DAX Index	Plus	2.13 percent
France's CAC40 Index	Plus	2.18 percent*
Switzerland's Swiss Market Index	Plus	1.36 percent
Italy's MIBTEL Index	Plus	0.89 percent

* This was the biggest gainer of the day on European bourses

In Taiwan and the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), trading was influenced by the effects of a rather violent typhoon, which touched down just north of the HKSAR on the coast of the PRC, proper, in the middle of the night.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index managed to squeeze out a gain of just 0.23 percent, rising to 9,923.14 points on a Total Turnover of about \$HK6.82 billion.

The ratio of gainers to losers was about 1.59:One.

The Ten Most Actives of the day were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK93.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.25 percent to \$HK19.95 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.69 percent to \$HK43.40 per share
Huaneng Power International Incorporated (Code: 902)	Up 0.52 percent to \$HK9.60 per share
Maanshan Iron and Steel Company Ltd (Code: 323)	Up 2.58 percent to \$HK1.59 per share
PetroChina Company Ltd (Code: 857)	Up 1.16 percent to \$HK2.175 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK50.00 per share
China Telecom Corporation Ltd (Code: 728)	Unchanged at \$HK2.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.60 percent to \$HK50.00 per share
PCCW Ltd (Code: 8)	Unchanged at \$HK4.325 per share

As for the biggest gainers of the Main Board, they were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Century City International Holdings Ltd	355	15.00		0.023
Deson Development International Holdings Ltd	262	10.00		0.022
Digital World Holdings Ltd	109	10.00		0.165
Fortuna International Holdings Ltd	530	20.00		0.018
Four Seas eFood Holdings Ltd	60	12.90		0.70
Hang Ten Group Holdings Ltd	448	10.53		0.021
KG NextVision Company Ltd	516	16.00		0.058
Leaptek Ltd	336		13.33	0.026
Mansion House Group Ltd	376		11.11	0.16
Mirabell International Holdings Ltd	1179	13.51		1.26
Nam Fong International Holdings Ltd	1176	23.26		0.053
Oriental Union Holdings Ltd	2953	11.11		0.30

Shanxi Central Pharmaceutical International Ltd	327	15.38		0.015
Shui On Construction and Materials Ltd	983	11.79		5.45
Theme International Holdings Ltd	990		15.38	0.033
Tongda Group Holdings Ltd	698	15.86		0.168
U-Cyber Technology Holdings Ltd	91	14.74		0.218
World Trade Bun Kee Ltd	380	14.44		1.03

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover fell back, again, to about \$HK124.48 million.

The Growth Enterprise Index gained about 0.37 percent, ending the day at 1,134.60 points.

The ratio of gainers to losers was 1.18:One.

tom.com Ltd (Code: 8001)

Global Link Communications Holdings Ltd (Code: 8060)

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

hongkong.com Corporation (Code: 8006)

Panva Gas Holdings Ltd (Code: 8132)

Up 2 percent to \$HK2.025 per share

Unchanged at \$HK1.39 per share

Down 1 percent to \$HK1.60 per share

Up 1 percent to 83 cents per share

Up 5 percent to \$HK3.75 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022	21.82		0.134
Cardlink Technology Group Ltd	8066	20.00		0.096
FX Creations International Holdings Ltd	8136	11.88		0.179
Grandy Applied Environmental Technology Corporation	8143	10.34		0.032
IIN International Ltd	8128		13.33	0.039
iSteelAsia.com Ltd	8080		18.00	0.205
Milkyway Image Holdings Ltd	8130		13.04	0.06
MRC Holdings Ltd	8070		12.73	0.048
New Universe International Group Ltd	8068		16.67	0.04
Prosperity International Holdings (Hongkong) Ltd	8139	11.59		0.077
ProSticks International Holdings Ltd	8055	11.11		0.02
SYSCAN Technology Holdings Ltd	8083	10.42		0.053

News wise:

- **The Hongkong and Shanghai Hotels Ltd (Code: 45)**, the owners and operators of the prestigious Peninsula Hotel of the HKSAR, announced another rather horrid half-Year's results, with the Bottom Line, having fallen by 82 percent, Year-on-Year. The Pen, as it is affectionately known, announced that its Net Profits Attributable to Shareholders were about \$HK21 million for the 6-month period, ended June 30, 2003. That result compared with a Net Profit of about \$HK116 million for the like 2002 half-Year. The Turnover fell from the 2002 figure of about \$HK1.25 billion to about 1.09 billion, a fall of about 13 percent. No Interim Dividend was recommended.

In The Land of The Rising Sun, trading was generally slow, but there were suggestions that European investors were snapping at the heels of select banking shares, such as Mizuho Financial Group, in efforts to cover short positions, generally.

But, aside from that tidbit, investors appeared to be waiting to learn of the financial results of the world's largest, consumer-product manufacturer, Sony Corporation, whose results were announced after trading came to a halt for the day.

The Tokyo Stock Exchange's Nikkei-225 Stock Average, which tracks the movements of blue chips, rose about 0.58 percent to 9,671.00 yen.

The ratio of gainers to losers was close, at about 1.03:One.

It looked as though the market was ready to reverse its course.

News wise:

- **Sony Corporation** announced a 98-percent fall, Year-on-Year, in its Net Profits for the quarter, ended June 30, 2003. The figures came in at 1.10 billion yen. Total sales were off, during the period, by nearly 7 percent to 1.60 trillion yen; and,

- **Japan's domestic exports** were flat for the month of June, this year, compared with June 2002, The Ministry of Finance reported. Lack of demand for Japanese-manufactured products in the US and in Asia, generally, the country's 2 major markets, was the reason for the fall-off in trade, the Government said.

And this was the way that other Asian stock markets saw the situation, last Thursday night:

HKSAR	Plus 0.23 percent to 9,923.14
Indonesia	Minus 1.48 percent to 505.04
Japan	Plus 0.58 percent to 9,671.00
Malaysia	Minus 0.35 percent to 710.37
The Philippines	Minus 1.02 percent to 1,285.37
Singapore	Minus 0.49 percent to 1,549.25
South Korea	Plus 1.03 percent to 702.94
Taiwan	Plus 2.17 percent to 5,402.75
Thailand	Minus 0.32 percent to 478.90

Friday

Investors were undecided as to which way investment winds would blow on major equity markets, round the world, last Friday.

This followed conflicting reports that were filtered down from one area of the world to another, but not one of the reports was sufficiently definitive to permit investors to make a positive determination.

As a result, indices on major equity markets drifted for the most part.

On Wall Street, last Thursday, investors were told that claims for unemployment insurance in The Land of The Free and The Home of The Brave had fallen from the previous week, but, coupled with that report, The Labour Department, a branch of the US Government, cautioned on reading too much into that statistic since, historically, July is a volatile month.

On The New York Stock Exchange, the Dow Jones Industrial Average gave up 81.73 points, or about 0.89 percent, ending the day at 9,112.51 points.

On the NASDAQ, its Composite Index declined 17.73 points, equivalent to about 1.03 percent, falling back to 1,701.45 points.

In Iraq, as **TARGET** had suspected, the general populace of the country doubted the veracity of the statements by the US Government with regard to the killing of the 2 sons of Saddam Hussein. (Please see Wednesday's report)

Investors on European bourses got a bit of a shock, last Friday, when Volkswagen, the largest, motor-vehicle manufacturer in Europe, announced that its profits had fallen by about 55 percent in the first half of its Financial Year, compared with the like period in 2002.

VW announced Pre-Tax Profits of about \$US1.16 billion.

Major bourses in eurozone went into reverse because it was the second such report in 2 days.

This was how major stock markets ended the week of July 25:

Amsterdam's AEX Index	Minus 1.27 percent
Great Britain's FTSE 100 Index	Minus 0.44 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.45 percent
France's CAC40 Index	Minus 1.51 percent
Switzerland's Swiss Market Index	Minus 0.49 percent
Italy's MIBTEL Index	Minus 0.70 percent

On The Stock Exchange of Hongkong Ltd, trading on both the Main Board and The Growth Enterprise Market (The GEM) was very subdued.

On the Main Board, the key index, the Hang Seng Index, rose by about 0.16 percent, ending trading for the week at 9,939.20 points.

The Total Turnover slipped back to about \$HK6.72 billion, while the ratio of gainers to losers was about 1.05:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.53 percent to \$HK94.25 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK50.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.75 percent to \$HK19.80 per share
Huaneng Power International Incorporated (Code: 902)	Up 0.52 percent to \$HK9.65 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.38 percent to \$HK44.00 per share
Shun Tak Holdings Ltd (Code: 242)	Up 16.87 percent to \$HK2.425 per share
CNOOC Ltd (Code: 883)	Up 1.24 percent to \$HK12.20 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Unchanged at \$HK50.00 per share
PetroChina Company Ltd (Code: 857)	Unchanged at \$HK2.175 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 1.51 percent to \$HK1.96 per share

The biggest movers of the day, however, were the following bunch:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Anex International Holdings Ltd	723		12.22	0.079
Artfield Group Ltd	1229		13.16	0.495
AV Concept Holdings Ltd	595		14.61	0.38
CCT Tech International Ltd	261		13.33	0.013
China Investments Holdings Ltd	132	18.34		0.20
China Silver Dragon Group Ltd	2960		25.50	0.149
Chuang's China Investments Ltd	298		15.26	0.161
CIL Holdings Ltd	479	15.00		0.023
Compass Pacific Holdings Ltd	1188		17.00	0.166
Fortuna International Holdings Ltd	530		16.67	0.015
Four Seas eFood Holdings Ltd	60	14.29		0.80
Gorient (Holdings) Ltd	729		12.90	0.027
J.I.C. Technology Company Ltd	987	19.54		0.52
Lai Sun Development Company Ltd	488		13.51	0.032
LeRoi Holdings Ltd	221	21.23		0.217
Mansion House Group Ltd	376	18.75		0.19
Nam Hing Holdings Ltd	986		21.05	0.225
Paladin Ltd	495	13.64		0.05
Pico Far East Holdings Ltd	752	16.67		0.35
Shun Tak Holdings Ltd	242	16.87		2.425
Spread Prospects Holdings Ltd	572	10.14		0.76
Titan (Holdings) Ltd	1192	15.00		0.345
Water Oasis Group Ltd	1161	14.61		0.51
Wo Kee Hong (Holdings) Ltd	720		34.33	0.044

On The GEM, it was a very similar situation as that which transpired on the Main Board: The Growth Enterprise Index put on just 0.15 percent, ending the week at 1,136.32 points.

The Total Turnover was about \$HK138.83 million, with the ratio of gainers to losers, being exactly even at One:One.

In the 90-minute afternoon session, there was exactly zero movement in the lone index of this speculative market – which was almost exactly that which transpired on the Main Board.

As for the 5, most-active counters in terms of their respective turnovers, only, they were:

tom.com Ltd (Code: 8001) Up 1 percent to \$HK2.05 per share

Panva Gas Holdings Ltd (Code: 8132) Unchanged at \$HK3.75 per share

Innovis Holdings Ltd (Code: 8065) Down 1 percent to 41.50 cents per share

Global Link Communications Holdings Ltd (Code: 8060) Down 1 percent to \$HK1.37 per share

hongkong.com Corporation (Code: 8006) Up 2 percent to 85 cents per share

The double-digit movers on this market included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022	17.91		0.158
Henderson Cyber Ltd	8023		30.38	0.181
Milkyway Image Holdings Ltd	8130		13.33	0.052
Sing Lee Software (Group) Ltd	8076		10.71	0.50
Superdata Software Holdings Ltd	8263		11.11	0.40
WLS Holdings Ltd	8021		20.00	0.10
Xteam Software International Ltd	8178	13.49		0.143

News wise:

- **Vanda Systems and Communications Holdings Ltd (Code: 757)** will lose control of some 29.60 percent of its Issued and Fully Paid-Up Share Capital to DBS Group Holdings Ltd of Singapore, it was announced. Vanda Systems has been having a great number of problems over the past few years; it has been suffering substantial financial losses. The importance of this force majeure share transaction is that Vanda Systems cannot, now, hold an Extraordinary General Meeting in order to pass an Extraordinary Resolution, without the express agreement and approval of DBS Group, which is the largest banking conglomerate in Asia.

The tally for the week was:

The Hang Seng Index	Down 1.62 percent
The Growth Enterprise Index	Down 2.34 percent

In Japan, as appeared to be only too obvious by the pattern of trading on Thursday, the Nikkei-225 Stock Average, the '*barometer*' of trading in blue chips, listed on The Tokyo Stock Exchange, fell back by nearly 23 yen, equivalent to about 0.24 percent, ending the week at 9,648.01 yen.

The largest equity market in Asia was badly bruised by an announcement from Mitsubishi Motors Corporation, Japan's 4th largest manufacturer of motor vehicles.

MMC, as it is commonly known in The Land of The Rising Sun, announced that it would be deep in the red for the first half its Financial Year, ended September 30, 2002.

That announcement came on the heels of Sony's announcement. (Please see Thursday's report)

The ratio of losers to gainers was about 1.76:One.

News wise:

- **Japan's trade surplus** fell by about 30.70 percent in June, Year-on-Year, to 846 billion yen, The Ministry of Finance said. That put the trade surplus for the 6-month period, ended June 30, 2003, at 4.38 trillion yen, down by about 10.10 percent, compared with the same period in 2002. The trade surplus with the US – the US, being Japan's largest single market – fell 21.70 percent to 483.10 billion yen in June. It was the 6th consecutive month of falls; and,
- Japan will raise the **tariff on imported refrigerated beef** to 50 percent, up from the current rate of 38.50 percent, the Japanese Government leaked out to industry sources. The increase will come into force on August 1, 2003. There is strong opposition to this increase in the tariff from the US and Australia.

And the tally for the 4-day trading week on The Tokyo Stock Exchange was:

The Nikkei-225 Stock Average	Up 1.26 percent
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In other Asian markets, this was the way that they ended the week of July 25, 2003:

HKSAR	Plus 0.16 percent to 9,939.20
Indonesia	Plus 1.00 percent to 510.08
Japan	Minus 0.24 percent to 9,648.01
Malaysia	Plus 0.02 percent to 710.53
The Philippines	Minus 0.12 percent to 1,283.80
Singapore	Plus 1.14 percent to 1,566.93

South Korea	Plus 0.31 percent to 705.09
Taiwan	Minus 0.15 percent to 5,394.75
Thailand	Plus 1.24 percent to 484.86

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