

**TERRORIST BOMB BLASTS UNNERVE INVESTORS, ROUND THE WORLD**

Nearly all of Asia was in reverse gear, last Monday, following disturbing economic news from the world's only superpower over the weekend of August 2-3.

The unemployment rate in the US was, officially, put down by the US Government's Bureau of Census at being 6.20 percent, however, between June 3, 2003 and July 3, 2003, not fewer than 556,000 workers had dropped out of The Department of Labour's worker 'pool'.

That put a slightly difference complexion on the situation and, according to **TARGET**'s calculations, adjusting for the worker defections etc, it put the unemployment rate in the US close to the 6.50-percent level.

Which means that there are, now, some 9.06 million US workers, roaming the streets of cities, looking for employment.

(For an in-depth study of the US economic situation, please see [TARGET Intelligence Report, Volume V, Number 147](#), published last Wednesday: ***'THE U.S ECONOMY: BELIEVE ONLY TEN PERCENT OF WHAT YOU HEAR AND NOT MORE THAN FIFTY PERCENT OF WHAT YOU READ'***)

In addition to the rising unemployment levels in the US – that is to say, **TARGET**'s adjusted statistics – the manufacturing situation in the country was no bowl of jellybeans, also.

US manufacturers of motor vehicles reported a sharp downturn in sales, despite zero-financing packages and generous cash incentives to prospective purchasers.

Further, the Big Three motor vehicle producers in the US are losing the game to their Japanese counterparts. (Please see last Wednesday's report)

Turning to the aviation industry in the US, UAL Corporation, the parent company of the world's second-largest carrier, United Airlines, reported that it had enjoyed heavy losses for the quarter, ended June 30, 2003, amounting to about \$US623 million.

That loss, however, was in addition to the \$US300 million that the airline received from the US Government in Federal assistance.

(United Airlines operates under the Bankruptcy Laws of the US, specifically, Chapter 11)

On Wall Street, on Friday, August 1, investors, trading on The New York Stock Exchange, witnessed the Dow Jones Industrial Average slip by about 0.86 percent to 9,153.97 points, while the NASDAQ's Composite Index shed about 1.12 percent of its value.

Last Monday, investors from Tokyo, Japan, to London, England, remembering the hype of Wall Street gurus of the previous week, knew that they had been constructively conned.

Down came indices of major equity markets, in Europe and in Asia.

Aside from the dreary economic news, on Sunday, August 3, it was announced that a top al Qaeda official had warned the US Government that if the US Administration harms any of the detainees in Guantanamo Bay, stand by for the wrath of Osama bin Laden!

The US Government took the threat, very seriously, but President George W. Bush did not ban the preparation of couscous or shish kebab in the White House kitchen.

In Europe, it was losses, all round for major bourses.

Europe got cold feet, seeing what was happening in the rest of the world and noting that the US economy would not take off as fast as had, hitherto, been forecast.

Certainly, an economic turnabout in the second half of the year did not look to be on the cards.

This was how Europe saw the situation, last Monday night:

Amsterdam's AEX Index	Minus 1.00 percent
Great Britain's FTSE 100 Index	Plus 0.04 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.98 percent
France's CAC40 Index	Minus 0.87 percent
Switzerland's Swiss Market Index	Minus 1.09 percent*
Italy's MIBTEL Index	Minus 0.64 percent

\* This was the largest loser in Europe, last Monday

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), there was a Government announcement to the effect that a couple of people had been selected as replacement Ministers to the Inner Cabinet of the Chief Executive, Mr Tung Chee Hwa. They will take the place of those who resigned, last month.

Ho-hummmmm!

On a more comical note, it was announced that a new group had been founded: To try to oust Mr Tung Chee Hwa from office.

Known as the Anti-Tung Solidarity, its members comprise some Legislative Council members, academic, unionists, and some political commentators.

*'Where ignorance is bliss,  
'Tis folly to be wise.'*

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index, which tracks the movements of blue chips, lost about 0.64 percent of its value, falling to 10,183.14.

The Total Turnover was about \$HK9.16 billion, with the ratio of losers to gainers, being about 1.06:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 1.03 percent to \$HK95.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.73 percent to \$HK20.30 per share
New World Development Company Ltd (Code: 17)	Up 5.81 percent to \$HK4.10 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Unchanged at \$HK52.25 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.89 percent to \$HK83.50 per share
PCCW Ltd (Code: 8)	Down 1.16 percent to \$HK4.275 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK51.50 per share
PetroChina Company Ltd (Code: 857)	Up 1.04 percent to \$HK2.425 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.21 percent to \$HK48.50 per share
Henderson Land Development Company Ltd (Code: 12)	Up 0.94 percent to \$HK26.90 per share

There were a total of 35, double-digit movers of the day, of which number, 24 rose and 11 fell.

Central China Enterprises Ltd (Code: 351) was the biggest gainer of the day, as investors pushed up its share price by 70 percent to 3.40 cents.

Matsunichi Communication Holdings Ltd (Code: 283) was the biggest loser of the day, as its share price fell by 28 percent to 21.60 cents.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the ratio of losers to gainers was about 1.05:One.

Losers outnumbered gainers in spite of The Growth Enterprise Index, being up by about 0.44 percent, to 1,163.79 points.

The Total Turnover on this speculative market was about \$HK158.30 million.

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

tom.com Ltd (Code: 8001)	Down 2 percent to \$HK2.10 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Up 2 percent to \$HK1.69 per share
hongkong.com Corporation (Code: 8006)	Up 2 percent to 93 cents per share

Global Digital Creations Holdings Ltd (Code: 8271)\*  
Global Link Communications Holdings Ltd (Code: 8060)

84 cents per share  
Unchanged at \$HK1.38 per share

\* This is a new listing; last Monday was the first day of trading in its shares

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B M Intelligence International Ltd	8158		13.79	0.05
Shenzhen Dongjiang Environmental Company Ltd	8230		10.71	0.50
Grandmass Enterprise Solution Ltd	8108	40.00		0.014
GreaterChina Technology Group Ltd	8032		21.43	0.11
IIN International Ltd	8128		21.43	0.033
M Channel Corporation Ltd	8036	12.50		0.018
Milkyway Image Holdings Ltd	8130		14.67	0.064
PINE Technology Holdings Ltd	8013		16.25	0.067
Prosperity International Holdings (Hongkong) Ltd	8139	11.59		0.077
ProSticks International Holdings Ltd	8055	52.94		0.026
SYSCAN Technology Holdings Ltd	8083	16.92		0.076
Techpacific Capital Ltd	8088	11.11		0.04
Tradeeasy Holdings Ltd	8163		16.67	0.02
Zhejiang Yonglong Enterprises Company Ltd	8211	12.50		0.36

News wise:

- **Hang Seng Bank Ltd (Code: 11)** announced that, for the first half of its Financial Year, to June 30, 2003, Interest Income fell by about 12.60 percent, Year-on-Year, to \$HK6.66 billion. The Net Profits Attributable to Shareholders came in at about \$HK5 billion, a fall of about 3.83 percent, compared with the like, 6-month period in 2002. Hang Seng Bank is a subsidiary of **HSBC Holdings plc**; and,
- **HSBC Holdings plc (Code: 5)** announced that, for the first half of its Financial Year, to June 30, 2003, its Bottom Line was about \$HK32.02 billion, representing an improvement of about 25.18 percent, Year-on-Year. Net Interest Income was recorded at about \$HK87.51 billion, up 47.77 percent, compared with the like period in 2002.

In The Land of The Rising Sun, on the premier bourse, The Tokyo Stock Exchange, share prices came crashing down, as the key index hit a one-month low.

By the time that the dust had cleared, the Nikkei-225 Stock Average stood at 9,452.79 yen, a loss of 158.88 yen, or about 1.65 percent, compared with the previous Friday's close.

The ratio of losing counters to gaining ones was about 1.73:One.

Investors on this market knew, only too well, that if the US economy is in trouble, then it is double-trouble for the world's second-largest economy.

News wise:

- **Japan Airlines System Corporation (JAL)** announced that it had lost about 77.28 billion yen in the first quarter of Fiscal 2003, ended June 30, 2003.

This is the way that other Asian equity markets saw the situation, last Monday night:

HKSAR	Minus 0.64 percent to 10,183.14
Indonesia	Minus 0.94 percent to 503.94
Japan	Minus 1.65 percent to 9,452.79
Malaysia	Plus 0.03 percent to 723.24
The Philippines	Minus 3.00 percent to 1,198.19
Singapore	Minus 1.27 percent to 1,537.28
South Korea	Minus 1.20 percent to 718.54

Taiwan	Minus 0.25 percent to 5,377.19
Thailand	Plus 0.67 percent to 494.84

## Tuesday

At least, 10 people were known to have died in a bomb blast in Djakarta, the Capital City of Indonesia, at a luxury hotel, last Tuesday.

According to early reports, the café, on the ground floor of the American-operated JW Marriott Hotel, took the brunt of explosion, thought to have been the work of a suicide bomber(s).

Details of the attack were not being made available, last Tuesday night, as the authorities in Djakarta kept the lid on the details of the blast.

However, what was known was that all of the lower 5 floors of the hotel were badly damaged.

The incident was put down to the work of a terrorist or terrorists.

The JW Marriott Group of hotels was founded by a Jewish group of companies.

Share prices dropped on The Djakarta Stock Exchange, as soon as the news was broadcast, with the JSX Index, losing a full 3 percent of its value.

The Djakarta bombing was carried out on Tuesday, Djakarta time, long after Wall Street had gone to bed: The new attack on an American-owned/operated property was expected to be felt on Tuesday, when The New York Stock Exchange re-opened for business, again.

Last Monday, on The New York Stock Exchange, the Dow Jones Industrial Average gave up more than one percent of its value, early in the session, but day-traders pulled up The Dow so that, by the close of the day, it stood at 9,186.04 points, about 0.35 percent better than the previous Friday's close.

Over on the NASDAQ, the Composite Index went in the opposite direction to The Dow, losing about 0.09 percent of its value, falling back to 1,714.06 points.

There was little to stimulate trading on the world's largest equity markets, with many investors, still smarting from the economic reports of the previous week. (Please see last Wednesday's **TARGET** Intelligence Report)

It looked, very much, as though the world's largest stock markets were about to experience another bout of heavy selling.

On European bourses, seemingly undaunted by the suggestion of more terrorist attacks to come in the near future, and taking its cue from the financial results of HSBC Holdings plc, investors went after the old favourites on Europe's major bourses. (Please see Monday's report)

However, some of the old-timers wondered how long one could fart against thunder.

This was how things looked as investors of the eurozone went home to bed, last Tuesday night:

Amsterdam's AEX Index	Plus 0.85 percent
Great Britain's FTSE 100 Index	Plus 0.51 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.97 percent
France's CAC40 Index	Plus 1.45 percent*
Switzerland's Swiss Market Index	Plus 1.12 percent
Italy's MIBTEL Index	Plus 0.26 percent

\* This was the largest gainer in Europe, last Monday

In Asia, the Djakarta bombing of the Marriott Hotel caused a great deal of consternation on stock markets.

The al Qaeda warning (see Monday's report) may have been coincidental in its timing, but it had a knock-on effect, nevertheless.

On The Stock Exchange of Hongkong Ltd, the Hang Seng Index fell about 0.06 percent to end the session at 10,177.38 points on a Total Turnover of about \$HK9.47 billion.

The Hang Seng Index had been in positive territory, during the morning session, but the Djakarta bombing incident changed all that, as many investors in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) determined to sell off some of their stocks and shares ... just in case.

The 2 new replacement Ministers of the Administration of Mr Tung Chee Hwa made charming little speeches about how they would be listening to the plebeians of the HKSAR – right on cue.

It was doubtful that their prepared little speeches placated the masses very much: Such platitudes had been heard before.

The Anti-Tung Solidarity League continued conspiring to right the alleged Administrative misfeasance of 'yesterday' and to bring about Universal Suffrage. (Please see Monday's report)

The ratio of losers to gainers on the Main Board was about 1.84:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 1.04 percent to \$HK96.75 per share
Hang Seng Bank Ltd (Code: 11)	Up 1.50 percent to \$HK84.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.99 percent to \$HK20.10 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.91 percent to \$HK51.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.44 percent to \$HK47.80 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.49 percent to \$HK51.25 per share
PetroChina Company Ltd (Code: 857)	Down 2.06 percent to \$HK2.375 per share
Sinopec Beijing Yanhua Petrochemical Company Ltd (Code: 325)	Up 2.92 percent to \$HK1.41 per share
Hongkong Electric Holdings Ltd (Code: 6)	Up 0.66 percent to \$HK30.60 per share
The Hongkong and China Gas Company Ltd (Code: 3)	Up 1.49 percent to \$HK10.20 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Financial Holdings Ltd	662	15.38		1.50
Asia Tele-Net and Technology Corporation Ltd	679	38.46		0.018
Buildmore International Ltd	108	11.93		0.244
CEC International Holdings Ltd	759		10.00	0.108
Central China Enterprises Ltd	351		14.71	0.029
China Rare Earth Holdings Ltd	769	22.58		0.76
CIG-WH International (Holdings) Ltd	621		15.74	0.091
Coastal Greenland Ltd	1124		13.04	0.12
Cosmopolitan International Holdings Ltd	120	10.00		0.143
Fairwood Holdings Ltd	52	22.22		1.21
Fulbond Holdings Ltd	1041		13.33	0.013
Gorient (Holdings) Ltd	729		15.38	0.022
Hi Sun Group Ltd	818		10.00	0.45
ITC Corporation Ltd	372	11.25		0.178
Jackin International Holdings Ltd	630	11.59		0.385
Kiu Hung International Holdings Ltd	381	16.67		0.315
Lai Sun Development Company Ltd	488		11.76	0.075
Leaptek Ltd	336		11.67	0.053
Magician Industries (Holdings) Ltd	526		10.14	0.124
Matsunichi Communication Holdings Ltd	283	15.74		0.25
Mei Ah Entertainment Group Ltd	391		10.00	0.27
New World Cyberbase Ltd	276	14.29		0.04
Pacific Plywood Holdings Ltd	767		12.50	0.021
Solartech International Holdings Ltd	1166	23.40		0.58
South China Brokerage Company Ltd	619	15.38		0.03
South East Group Ltd	726	11.63		0.048
Styland Holdings Ltd	211		12.12	0.029
Tack Hsin Holdings Ltd	611	12.50		0.18
Victory Group Ltd	1139	36.67		0.041
Wonson International Holdings Ltd	651		10.53	0.017
Yau Lee Holdings Ltd	406	16.43		0.163

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index lost about 0.81 percent of its value, falling to 1,162.85 points.

The Total Turnover was about \$HK169.96 million, with losers, outrunning gainers by the ratio of about 1.19:One.

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

tom.com Ltd (Code: 8001)	Up 2 percent to \$HK2.15 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 1 percent to \$HK1.68 per share
Wah Sang Gas Holding Ltd (Code: 8035)	Up 2 percent to 94 cents per share
Global Digital Creations Holdings Ltd (Code: 8271)	Down 8 percent to 77 cents per share
hongkong.com Corporation (Code: 8006)	Up 2 percent to 93 cents per share
iSteelAsia Holdings Ltd (Code: 8080)	Up 7 percent to 19.70 cents per share

The biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B M Intelligence International Ltd	8158		10.00	0.045
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231		13.00	0.435
Glory Future Group Ltd	8071		10.00	0.09
IIN International Ltd	8128	27.27		0.042
M Channel Corporation Ltd	8036		11.11	0.016
Milkyway Image Holdings Ltd	8130		10.94	0.057
ProSticks International Holdings Ltd	8055		26.92	0.019
Satellite Devices Corporation	8172		11.11	0.04
Tianjin TEDA Biomedical Engineering Company Ltd	8189	20.00		0.24

On Asia's largest stock markets, in Japan, stocks prices fell for the second consecutive day.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average lost about 70.21 yen, equivalent to about 0.74 percent, ending the day at 9,382.58 yen.

While the Nikkei-225 Stock Average was only off fractionally, the ratio of losing counters to gaining ones was very telling, at about 4.40:One.

Japan, as with most other Asian bourses, was concerned about the Djakarta situation and the possible effects to follow.

With the ratio of losers to gainers, being so wide, it looked as though Japan's bourses were about to get a drubbing – again.

The shares prices of Japanese banks were among the hardest-hit counters, following a statement from the Government of Japan that the banks had better pull up their proverbial socks or expect to be penalised for their lack of positive performances.

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

HKSAR	Minus 0.06 percent to 10,177.38
Indonesia	Minus 3.06 percent to 488.53
Japan	Minus 0.74 percent to 9,382.58
Malaysia	Minus 0.14 percent to 722.23
The Philippines	Plus 1.65 percent to 1,217.95
Singapore	Minus 1.86 percent to 1,508.69
South Korea	Plus 0.46 percent to 721.84
Taiwan	Minus 2.19 percent to 5,259.45
Thailand	Minus 0.98 percent to 489.99

### **Wednesday**

Geopolitical jitters were re-awakened, last Tuesday in New York, as investors awaited more details of the Djakarta bombing of the JW Marriott Hotel in the Capital City of Indonesia. (Please see Tuesday's report)

The death toll had risen to 14 people, with another 150 people, having been injured.

It was confirmed that attack on the American-operated hotel had been executed by way of a car bomb, according to the Djakarta police, and that there were some similarities between the latest attack and that of the Bali (Indonesia) bombing of a tourist area, last October.

The Jemaah Islamiah network was blamed for the Bali bombing, which killed some 202 people.

The deaths in the Djakarta bomb blast included one Dutchman, 4 Singaporeans, 2 Americans, 2 Australians and one New Zealander.

The Government of President Megawati Sukarnoputri warned that more terrorist attacks were possible.

Security was tightened another notch.

Wall Street took the news, on the proverbial nose.

The prices of stocks and shares came under intense selling pressure, on both the Big Board of The New York Stock Exchange and on the NASDAQ.

As a result, on the Big Board, the Dow Jones Industrial Average lost 149.72 points, equivalent to about 1.63 percent, ending the hectic trading day at 9,036.32 points.

On the NASDAQ, the Composite Index did even better, as investors knocked off about 2.36 percent of its value, pushing it down to 1,673.56 points.

The ratio of losers to gainers on the Big Board of The New York Stock Exchange was about 2.20:One while, the NASDAQ's Composite Index saw the ratio of losers to gainers at about 2.10:One.

The fact that this company or that company had done better/worse, during the previous quarter/half Year was not as important as the prospects of another round of terrorism – no matter in which part of the globe.

In Europe, it was reported that about 10 percent of the working population of Germany was on the streets, looking for employment.

Germany is one of the financial powerhouses of the European Community (EU).

The German unemployment rate for the month of July is, now, officially, 10.40 percent, up from 10.20 percent in June, The Federal Labour Office said.

On European bourses, it was losers, all round: The Indonesia bombing and the losses on Wall Street, on Tuesday, determined the direction of stocks and shares on major bourses.

This was how the situation looked at the close of trading in Europe, last Wednesday:

Amsterdam's AEX Index	Minus 1.83 percent
Great Britain's FTSE 100 Index	Minus 1.23 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.82 percent
France's CAC40 Index	Minus 1.93 percent
Switzerland's Swiss Market Index	Minus 0.96 percent
Italy's MIBTEL Index	Minus 0.85 percent

In Asia, as had been well expected, selling dominated the major stock markets.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets were hit hard.

The Djakarta bombing had a chilling effect on investors.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index was forced to surrender about 1.87 percent of its value, falling back to 9,987.54.

The Total Turnover rose to about \$HK11.14 billion.

(A rising volume of activity on a rapidly falling market is never a good sign).

The ratio of losers to gainers was 4.10:One – on the nose.

Trading in the 2, most-active counters represented about 25.13 percent of the Total Turnover.

The Ten Most Actives were:

China Mobile (Hongkong) Ltd (Code: 941)	Down 1.74 percent to \$HK19.75 per share
HSBC Holdings plc (Code: 5)	Down 1.29 percent to \$HK95.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 4.18 percent to \$HK45.80 per share
Hutchison Whampoa Ltd (Code: 13)	Down 3.02 percent to \$HK49.70 per share
Hopewell Highway Infrastructure Ltd (Code: 737)*	\$HK3.925 per share
PetroChina Company Ltd (Code: 857)	Down 3.16 percent to \$HK2.30 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.59 percent to \$HK84.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 2.83 percent to \$HK49.80 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 1.21 percent to \$HK8.15 per share
China Petroleum and Chemical Corporation (Code: 386)	Unchanged at \$HK2.20 per share

\* This is a new listing, the shares of which were traded for the first time, last Wednesday

The double-digit movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CCT Telecom Holdings Ltd	138		10.11	0.80
Central China Enterprises Ltd	351		17.24	0.024
China Online (Bermuda) Ltd	2954		16.67	0.50
Far East Technology International Ltd	36		15.79	0.16
Foundation Group Ltd	1182		16.98	0.22
FT Holdings International Ltd	559	16.00		0.058
G-Vision International (Holdings) Ltd	657		16.67	0.05
Golden Harvest Entertainment (Holdings) Ltd	1132		10.53	0.255
Harmony Asset Ltd	428		10.00	0.45
Hongkong Pharmaceutical Holdings Ltd	182		10.53	0.34
I-Wood International Holdings Ltd	162	12.50		0.36
Jackley Holdings Ltd	353		12.24	0.208
Karce International Holdings Company Ltd	1159		14.91	0.234
Lai Sun Development Company Ltd	488		10.67	0.067
Leaptek Ltd	336		15.09	0.045
Magnum International Holdings Ltd	305	16.00		0.058
Mansion House Group Ltd	376	17.92		0.25
Matsunichi Communication Holdings Ltd	283		11.20	0.222
Nam Fong International Holdings Ltd	1176		11.76	0.06
Oriental Explorer Holdings Ltd	430	11.90		0.047
South East Group Ltd	726	12.50		0.054
Star East Holdings Ltd	198		13.64	0.038
Starlight International Holdings Ltd	485		10.26	0.21
Sun Innovation Holdings Ltd	547		11.11	0.016
Symphony Holdings Ltd	1223	12.74		8.85
Tack Hsin Holdings Ltd	611		13.89	0.155

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover fell to about \$HK123.97 million, as The Growth Enterprise Index shed about 0.97 percent of its value, ending the day at 1,151.56 points.

The ratio of losing counters to gaining ones was 2.65:One.

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

Wah Sang Gas Holding Ltd (Code: 8035)	Up 2 percent to 95 cents per share
tom.com Ltd (Code: 8001)	Down 3 percent to \$HK2.075 per share
hongkong.com Corporation (Code: 8006)	Down 5 percent to 88 cents per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Up 1 percent to \$HK1.69 per share
Tiger Tech Holdings Ltd (Code: 8046)	Down 8 percent to \$HK1.20 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131		41.18	0.01



B M Intelligence International Ltd	8158		20.00	0.036
GP NanoTechnology Group Ltd	8152		10.00	0.036
Milkyway Image Holdings Ltd	8130		17.54	0.047
ProSticks International Holdings Ltd	8055	10.53		0.021
Q9 Technology Holdings Ltd	8129		25.00	0.03
Satellite Devices Corporation	8172		10.00	0.036

#### News wise:

- The **Public Opinion Poll** of The University of Hongkong determined that there is widespread dissatisfaction in the territory with the HKSAR Government of Chief Executive Tung Chee Hwa. It has hit bottom, it appears. The Poll, conducted on 1,037 respondents, indicated that about 67 percent of the population – by extrapolation – was dissatisfied with the Government's strategies for improving the lot of people's livelihood. About 9 percent of the respondents said that they were pleased with the Government's efforts; and,
- **Cathay Pacific Airways Ltd (Code: 293)** reported that, for the first half of its Financial Year, to June 30, 2003, it had suffered a Loss Attributable to Shareholders of about \$HK1.24 billion. That result compared with a Profit Attributable to Shareholders of about \$HK1.41 billion for the like 2002 Half Year. The Interim Dividend was slashed from 16 cents per share to 3 cents per share.

In Japan, selling was the order of the day on the country's 3 equity markets, following Wall Street, falling out of bed on Tuesday and the Djakarta bombing of the JW Marriott Hotel.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average gave up 58.67 yen, equivalent to about 0.63 percent, falling to 9,323.91 yen.

Selling was right across the board.

#### News wise:

- **Bandai Company**, a major manufacturer of toys in Japan, posted a Group Net Profit of 4.01 billion yen for the quarter, ended June 30, 2003. This is the first year that the company has published its quarterly earnings so that there were no comparative figures;
- **Nintendo Company**, another major player in the toy industry of Japan, announced that its Group Net Profits for the quarter, ended June 30, 2003, were 11.45 billion yen;
- **Toyota Motor Corporation** reported a Consolidated Net Profit Attributable to Shareholders of 222.59 billion yen for the same quarter, ended June 30, 2003. That result represented a decline of about 9.70 percent, Year-on-Year.

And this was the way that things looked, last Wednesday night on equity markets in the most-populous part of the world:

HKSAR	Minus 1.87 percent to 9,987.54
Indonesia	Plus 1.21 percent to 494.44
Japan	Minus 0.63 percent to 9,323.91
Malaysia	Minus 0.46 percent to 718.91
The Philippines	Minus 1.12 percent to 1,204.32
Singapore	Plus 0.10 percent to 1,510.18
South Korea	Minus 1.93 percent to 707.88
Taiwan	Minus 0.64 percent to 5,225.83
Thailand	Minus 0.04 percent to 489.77

#### Thursday

Fears of more terroristic activities continued to weigh heavily on the minds of many investors, last Thursday: It was well expected that Islamic fundamentalists, especially those who are loyal to Osama bin Laden and Saddam Hussein, would strike again.

Wall Street, last Wednesday, continued to lose ground ... and the losses on the largest equity markets in the world helped to knock the legs from under Asian bourses.

On The New York Stock Exchange, last Wednesday, the Dow Jones Industrial Average gained about 0.28 percent, ending the day at 9,061.74 points, while, on the Composite Index of the tech-laden NASDAQ, it was treated to a loss of about 1.24 percent, falling back to 1,652.68 points.

While there were few new events to shake up equity markets in The Land of The Free and The Home of The Brave, the uncertainty of the international situation, and especially the prospects of more terrorist bombs, going off, as well as attacks on American properties, unnerved many investors.

On European bourses, investors determined to sit on their hands, for the most part, being uncertain as to which way to go: Buy; sell; or, hold the line.

There were regional considerations, as well as the well-publicised international ones, all of which appeared to be in variance with determinations, which were being made in other parts of the world.

Uncertainty is one of the aspects to equity trading, which investors do not appreciate.

This was how the major European equity markets closed, last Thursday:

Amsterdam's AEX Index	Plus 0.26 percent
Great Britain's FTSE 100 Index	Plus 0.62 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.30 percent
France's CAC40 Index	Plus 0.14 percent
Switzerland's Swiss Market Index	Minus 0.25 percent
Italy's MIBTEL Index	Plus 0.12 percent

In Asia, major stock markets lost ground.

Investors had made up their minds, unlike their European counterparts.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index was off by about 0.30 percent, coming to rest at 9,958.05 points by the close of trading at 4 pm.

The Total Turnover was about \$HK8.75 billion, with the ratio of losing counters to gaining ones, being about 1.53:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 13)	Up 0.26 percent to \$HK95.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.27 percent to \$HK19.50 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.80 percent to \$HK49.30 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.97 percent to \$HK44.90 per share
PetroChina Company Ltd (Code: 857)	Down 1.09 percent to \$HK2.275 per share
Huaneng Power International Incorporated (Code: 902)	Down 4.76 percent to \$HK10.00 per share
Cathay Pacific Airways Ltd (Code: 293)	Up 3.20 percent to \$HK11.30 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.60 percent to \$HK49.50 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.30 percent to \$HK84.50 per share
Hopewell Highway Infrastructure Ltd (Code: 737)	Up 0.64 percent to \$HK3.95 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
A-Max Holdings Ltd	2958		15.96	1.87
Applied (China) Ltd	472	10.34		0.032
Asia Financial Holdings Ltd	662	10.87		1.53
Baoye Group Company Ltd	2355	11.25		2.225
Beijing Development (Hongkong) Ltd	154		11.58	0.84
Central China Enterprises Ltd	351		12.50	0.021
Chengdu PUTIAN Telecommunications Cable Company Ltd	1202		14.05	1.04
China Investments Holdings Ltd	132	13.33		0.238
China Treasure (Greater China) Investments Ltd	810		33.33	0.20
Daido Group Ltd	544	13.64		0.05
Far East Technology International Ltd	36	12.50		0.18

Friedmann Pacific Greater China Investments Ltd	1226		17.27	0.115
Hop Hing Holdings Ltd	47		11.11	0.28
INNOMAXX Biotechnology Group Ltd	340	23.35		0.28
Kiu Hung International Holdings Ltd	381	15.25		0.34
Leaptek Ltd	336		11.11	0.04
Nam Fong International Holdings Ltd	1176	16.67		0.07
Orient Overseas (International) Ltd	316	14.63		11.75
Paladin Ltd	495	13.11		0.069
Plus Holdings Ltd	1013		10.00	0.09
Shougang Concord Grand (Group) Ltd	730	12.28		0.64
Shougang Concord Technology Holdings Ltd	521	11.11		0.70
Tack Hsin Holdings Ltd	611		12.90	0.135
U-Cyber Technology Holdings Ltd	91	11.36		0.245
World Trade Bun Kee Ltd	380	12.22		1.01
Zhong Hua International Holdings Ltd	1064	14.86		0.085
Zhongda International Holdings Ltd	909	15.38		0.30

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index surrendered about 1.34 percent of its value, ending the day at 1,136.11 points.

The ratio of losers to gainers was about 1.16:One.

The Total Turnover on this speculative market was about \$HK125.47 million, with trades in Mr Li Ka Shing's 2 listings, being responsible for about 33 percent of the entire volume of activity on The GEM for the day.

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

CK Life Sciences International (Holdings) Incorporated (Code: 8222)*	Down 4 percent to \$HK1.62 per share
tom.com Ltd (Code: 8001)*	Down 1 percent to \$HK2.05 per share
hongkong.com Corporation (Code: 8006)	Down 8 percent to 81 cents per share
Global Link Communications Holdings Ltd (Code: 8060)	Unchanged at \$HK1.37 per share
Tiger Tech Holdings Ltd (Code: 8046)	Up 3 percent to \$HK1.24 per share

\* These counters are controlled by the Li Ka Shing Camp

The double-digit movers on this market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AKuP International Holding Ltd	8179		13.64	0.019
Aptus Holdings Ltd	8212		10.64	0.42
Excel Technology International Holdings Ltd	8048	12.50		0.108
Universal Technologies Holdings Ltd	8091		15.05	0.079

#### News wise:

- **CITIC Ka Wah Bank Ltd**, a subsidiary of **CITIC International Financial Holdings Ltd (Code: 183)**, has been granted permission to establish branches in New York and Los Angeles, California, the Order, having been approved on August 6 and signed by Mr Robert deV Frierson, Deputy Secretary of the Board of the US Federal Reserve System;
- **Swire Pacific Ltd (Code: 87)** announced that its Net Profits Attributable to Shareholders, for the 6-month period, ended June 30, 2003, had fallen by about 56.25 percent, Year-on-Year, to about \$HK1.19 billion;
- **CK Life Sciences International (Holdings) Incorporated (Code: 8222)** announced that it had booked a Net Profit Attributable to Shareholders of about \$HK478,000 for the first half of this Financial Year, to June 30, 2003. That result compared with a Loss Attributable to Shareholders of about \$HK49.37 million for the like period in 2002.
- **GP NanoTechnology Group Ltd (Code: 8152)** suspended trading in its shares '*pending the release of a formal announcement in respect of a (sic) price-sensitive information of the Company,*' it told The Stock Exchange of Hongkong Ltd. (Please see [TARGET Intelligence Report, Volume V, Number 149](#), published last Friday); and,
- The value of total **retail sales** fell by about 6.40 percent in June, compared with June 2002, to \$HK13.60 billion, The Hongkong Government's Census and Statistics Department said. In May, this year, the value of total retail sales in the HKSAR was about \$HK13.80 billion, down 11.10 percent in value, Year-on-Year.

Investors on Asia's biggest equity market, The Tokyo Stock Exchange, witnessed the fourth consecutive day of falling prices.

Such a relative long period of losses had not taken place since the first week of April, this year.

The key index of The Tokyo Stock Exchange was forced to retreat another 58.35 yen, equivalent to about 0.63 percent, ending the day at 9,265.56 yen.

The ratio of losers to gainers was about 1.74:One.

The market was terribly weak; buyers were hard to find.

#### News wise:

- Domestic sales of new imported motor cars into Japan, during the month of July, were about 22,636 vehicles, down about 1.90 percent, Year-on-Year, **The Japan Automobile Importers Association** announced. Volkswagen is, still, the best-selling motor car in Japan, however, dominating the market to the extent of about 21.70 percent; and,
- The Group Net Sales of the motorcycles, produced by **Yamaha Motor Company**, were about 257.39 billion yen for the quarter, ended June 30, 2003. That represents a 3.30-percent rise, Year-on-Year.

In other Asian markets, this was the way that things came to rest, last Thursday night:

HKSAR	Minus 0.13 percent to 9,945.22
Indonesia	Plus 2.80 percent to 508.27
Japan	Minus 0.63 percent to 9,265.56
Malaysia	Plus 0.12 percent to 719.79
The Philippines	Plus 0.24 percent to 1,207.25
Singapore	Plus 1.55 percent to 1,533.61
South Korea	Plus 0.27 percent to 709.81
Taiwan	Plus 0.64 percent to 5,259.07
Thailand	Plus 1.76 percent to 498.38

#### Friday

Another bomb was exploded by terrorists, last Friday, rocking equity markets, again.

This time, it was a bomb, secreted in a lorry, which had been parked outside the Jordanian Embassy in Baghdad, Iraq.

The bomb killed 11 people and injured 65 others.

The latest attack on the Jordanian Embassy came one week after Jordan had granted safe passage to 2 daughters of Saddam Hussein: Raghd and Rana.

Security, internationally, was on high alert.

On Wall Street, investors did not appear to be too nervous about the latest act of wanton killing by terrorists: They were becoming increasingly accustomed to such irresponsible behaviour.

On the New York Stock Exchange, the Dow Jones Industrial Average climbed about 0.63 percent, ending the day at 9,119 points.

Over on the NASDAQ, the Composite Index fell by about 0.09 percent, to 1,651 points.

The US Federal Reserve Board announced that consumer credit had shrunk in June by about \$US400 million.

It was the first time since November 2002 that there had been such an anomaly.

In Europe, it was announced that Italy was, officially, enjoying an economic recession.

For the quarter, to June 30, 2003, the economy contracted by about 0.10 percent.

It was the second consecutive quarter of a shrinking economy, meaning that the country had met the traditional definition of an economic recession, according to Italian economists.

**TARGET** hastens to add that many American economists maintain that the criterion for an economic recession is an economy that has enjoyed 3 consecutive quarters of contractions.

On European bourses, investors appeared to be taking the chance that, come the following Monday, things would improve, considerably.

This was the way that major European bourses closed, last Friday night:

Amsterdam's AEX Index	Plus	0.98 percent
Great Britain's FTSE 100 Index	Plus	1.27 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.01 percent
France's CAC40 Index	Plus	1.12 percent
Switzerland's Swiss Market Index	Plus	0.39 percent
Italy's MIBTEL Index	Plus	0.64 percent

In Asia, there was little taking place of any real importance and, as a result, indices on equity markets tended to move sideways.

The adage goes that a market that cannot rise must fall.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index fell by another 0.13 percent, ending the week below the 10,000-figure, at 9,945.22 points.

It was a clean sweep: The Hang Seng Index had lost ground for the entire, 5-day trading week.

The Total Turnover, last Friday, was about \$HK8.25 billion.

Even though the Hang Seng Index was off, fractionally, advancing counters managed to beat off declining ones by a hair, with the ratio of gainers to losers, being 1.005:One.

The Ten Most Active counters of the day were:

HSBC Holdings plc (Code: 5)	Up 0.26 percent to \$HK96.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 2.82 percent to \$HK18.95 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.20 percent to \$HK\$HK49.40 per share
Cathay Pacific Airways Ltd (Code: 293)	Up 2.21 percent to \$HK11.55 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 2.23 percent to \$HK45.90 per share
PetroChina Company Ltd (Code: 857)	Down 1.10 percent to \$HK2.25 per share
Hongkong Electric Holdings Ltd (Code: 6)	Down 0.66 percent to \$HK30.20 per share
Hang Seng Bank Ltd (Code: 11)	Unchanged at \$HK84.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.81 percent to \$HK49.90 per share
CNOOC Ltd (Code: 883)	Down 1.99 percent to \$HK12.30 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Beijing Development (Hongkong) Ltd	154	13.10		0.95
China Sci-Tech Holdings Ltd	985		12.50	0.014
Emperor (China Concept) Investments Ltd	296	20.00		1.08
Far East Technology International Ltd	36		11.11	0.16
Great Eagle Holdings Ltd	41	10.48		5.80
HyComm Wireless Ltd	499	13.51		0.084
LifeTec Group Ltd	1180		21.51	0.073
Luk Fook Holdings (International) Ltd	590	10.68		1.14
Mei Ah Entertainment Group Ltd	391		12.00	0.22
Oriental Watch Holdings Ltd	398	11.03		1.51
Peking Apparel International Group Ltd	761		14.75	0.104
Regal Hotels International Holdings Ltd	78	18.39		0.103

renren Holdings Ltd	59	12.00		0.028
Rontex International Holdings Ltd	1142		11.04	1.45
Sino Hotels (Holdings) Ltd	1221	12.88		1.49
Sino Prosper Holdings Ltd	766		12.50	0.63
South East Group Ltd	726		14.55	0.047
Star East Holdings Ltd	198	15.79		0.044
Suwa International Holdings Ltd	567		10.53	0.255
Tak Shun Technology Group Ltd	1228		11.59	0.305
Victory Group Ltd	1139	22.22		0.044
Zhongda International Holdings Ltd	909		16.67	0.25

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, investors were treated to the fourth day of losses, as The Growth Enterprise Index gave up about 1.16 percent of its value, falling back to 1,122.99 points.

The Total Turnover on this market was about \$HK130.53 million, with the ratio of losers to gainers, being about 1.73:One.

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

tom.com Ltd (Code: 8001)	Down 2 percent to \$HK2.00 per share
hongkong.com Corporation (Code: 8006)	Down 7 percent to 75 cents per share
Wah Sang Gas Holding Ltd (8035)	Up 1 percent to 95 cents per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Unchanged at \$HK1.62 per share
Panva Gas Holdings Ltd (Code: 8132)	Up 2 percent to \$HK3.85 per share

The biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AKuP International Holding Ltd	8179	15.79		0.022
CCID Consulting Company Ltd	8235	10.00		0.275
GreaterChina Technology Group Ltd	8032		16.67	0.10
ITE (Holdings) Ltd	8092		15.15	0.056
Rojam Entertainment Holdings Ltd	8075		18.95	0.077
SYSCAN Technology Holdings Ltd	8083	19.72		0.085

#### News wise:

- **Mr Tung Chee Hwa, the Chief Executive** of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), was reported to have pledged to try to meet some of the lower classes of the territory in order to try to get to grips with some of the problems of the underprivileged, according to the Hongkong Council of Social Services. He was reported to have said that, if he, personally, could not meet a couple of members of the underprivileged, some of his underlings would go in his stead. It is the first time, since taking office in 1997, that he has deigned to consider such a meeting.

The tally for the week of the 2 equity markets of the HKSAR was:

The Hang Seng Index	Down 2.96 percent
The Growth Enterprise Index	Down 3.08 percent

In Japan, for the first session in 5 sessions, prices rose on the premier equity market: The Tokyo Stock Exchange.

The Nikkei-225 Stock Average, the '*barometer*' of trading on Asia's largest bourse, was up by about 0.67 percent to 9,327.53 yen.

The ratio of gainers to losers was 1.71:One.

The fractional gains were put down to some encouraging news from a couple of stock-market '*darlings*' and the fact that, the following week, marked the beginning of the Obon Holidays when, traditionally, families pay homage to ancestors.

While equity markets stay open for the Obon Holidays, it, usually, means a lower volume of activity.

#### News wise:

- **NTT DoCoMo Incorporated** announced a Group Net Profit of 196.82 billion yen for the quarter, ended June 30, 2003, on sales of 1.25 trillion yen. It was the first time that Japan's largest mobile telecommunications company had disclosed quarterly results so that no comparative figures were released; and,

- **Fuji Television Network Incorporated** said that it had posted a Group Net Profit of 9.02 billion yen for its last quarter, ended June 30, 2003

The tally for the premier Japanese equity market was:

The Nikkei-225 Stock Average          Down 2.96 percent

And this was how Asia saw the situation on its equity markets, last Friday:

HKSAR	Minus 0.13 percent to 9,945.22
Indonesia	Minus 0.57 percent to 505.36
Japan	Plus 0.67 percent to 9,327.53
Malaysia	Minus 0.34 percent to 722.21
The Philippines	Plus 2.12 percent to 1,232.88
Singapore	Plus 0.06 percent to 1,534.54
South Korea	Minus 0.80 percent to 704.14
Taiwan	Minus 0.50 percent to 5,232.55
Thailand	Plus 0.97 percent to 503.20

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***While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.***

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