

**STOCK MARKETS ENDURE THE WEEK OF
THE GREAT NORTH AMERICAN POWER FAILURE**

It was the blame game throughout the United States (US) and Canada, last Monday, as both countries tried to inculcate the other for the historic brownout/blackout/power failure of the entire northern part of North America, from Cleveland, Ohio, to Ottawa, Canada.

And, still, things were not quite back to normal.

The Mayor of Toronto, Mr Mel Lastman, warned of rolling blackouts, throughout the city until at least Wednesday, when it was hoped that things would be back to normal.

The power outage had caused billions of US dollars to be lost, throughout the areas that were affected, not to mention the inconvenience to some 50 million US citizens and residents of Canada.

Airlines had to cancel hundreds of flights, the cost of which will run into the tens of millions of US dollars.

In New York, Mayor Michael Bloomberg urged non-essential workers to take the day off.

His fears were that, since power to the heart of the commercial centre of the US had not yet been fully restored, the subway might not be able to function, fully.

Toronto followed suit.

The previous Friday, on Wall Street, investors were, still, not quite sure what had taken place with regard to the power failure: Terrorism; stupidity; a nuclear power-station failure; mechanical/electrical infrastructure hiccough?

As a result of the uncertainty, on The New York Stock Exchange, the Dow Jones Industrial Average ended the week at 9,321.69, a one-day gain of 11.13 points, or about 0.12 percent.

On the NASDAQ, the Composite Index edged up 1.66 points, equivalent to about 0.10 percent, rising to 1,702, exactly.

In Europe, last Monday, since one unknown had been deleted from the list of unknowns, investors of the eurozone determined that there was every reason to believe that things would, quickly, return to normal.

The fact that Germany, France and Italy are all enjoying economic recessions appeared to have been put out of the minds of many.

This was the way that indices on major European bourses ended, last Monday night:

Amsterdam's AEX Index	Plus	0.57 percent
Great Britain's FTSE 100 Index	Plus	0.58 percent
Germany's Frankfurt XETRA DAX Index	Plus	1.84 percent
France's CAC40 Index	Plus	0.67 percent
Switzerland's Swiss Market Index	Plus	0.59 percent
Italy's MIBTEL Index	Plus	0.70 percent

In Asia, last Monday, stock and share prices started to rise on the assurance that terrorists had not struck the US, again, and that, all things being equal, matters were likely to improve.

Every stock market in the most-populous part of the world rose, with the lone exception of the Indonesian bourse, which was closed.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), trading was brisk on both equity markets.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gained about 0.96 percent, rising to 10,525.04 points.

The Total Turnover was about \$HK13.53 billion, with the ratio of gainers to losers, being about 2.58:One.

The Ten Most Actives were:

BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 7.65 percent to \$HK9.15 per share
HSBC Holdings plc (Code: 5)	Unchanged at \$HK102.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.05 percent to \$HK19.20 per share
Hutchison Whampoa Ltd (Code: 13)	Up 2.88 percent to \$HK53.50 per share
Maanshan Iron and Steel Company Ltd (Code: 323)	Up 4.92 percent to \$HK1.92 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.46 percent to \$HK52.25 per share
Jilin Chemical Industrial Company Ltd (Code: 368)	Up 11.02 percent to \$HK1.31 per share
PetroChina Company Ltd (Code: 857)	Up 2.17 percent to \$HK2.35 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 2.38 percent to \$HK53.75 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.29 percent to \$HK87.50 per share

There were a total of 44, double-digit movers, of which number, only 6 lost 10 percent or more of their market capitalisations: All the rest saw their respective share prices move up 10 percent or more.

Chinney Alliance Group Ltd (Code: 385) was the biggest gainer of the day, as investors pushed up its share price by 69.23 percent to 2.20 cents.

Simsen International Corporation Ltd (Code: 992) was the biggest loser of the day: The price of its shares was shaved to 8.70 cents, a one-day loss of about 15.53 percent.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover stayed subdued, at about \$HK153.26 million, with the ratio of gainers to losers, being about 1.51:One.

The Growth Enterprise Index gained about 1.06 percent, ending the day at 1,179.49 points.

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 \$HK2.25 per share
hongkong.com Corporation (Code: 8006)	Up 6 percent to 85 cents per share
Kingdee International Software Group Company Ltd (Code: 8133)	Up 9 percent to \$HK2.425 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Up 1 percent to \$HK1.75 per share
Kanstar Environmental Technology Holdings Ltd (Code: 8011)	Up 3 percent to \$HK1.14 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Golding Soft Ltd	8190	18.18		0.065
Grandmass Enterprise Solution Ltd	8108		15.38	0.011
ITE (Holdings) Ltd	8092		12.50	0.035
Jessica Publications Ltd	8137	15.38		0.30
MediaNation Incorporated	8160	14.29		0.16
Proactive Technology Holdings Ltd	8089	16.67		0.07
Q9 Technology Holdings Ltd	8129	25.00		0.04
Satellite Devices Corporation	8172		23.53	0.026
Systek Information Technology (Holdings) Ltd	8103		14.81	0.023
T S Telecom Technologies Ltd	8003		13.98	0.08
Xteam Software International Ltd	8178	13.33		0.204
Zhejiang Yonglong Enterprises Company Ltd	8211	15.87		0.365

News wise:

- The HKSAR Government announced that **the unemployment rate** was 8.70 percent for the quarter, ended July 31, 2003. That represented another record level, since, in the previous quarter, the unemployment rate was about 8.60 percent. The total labour force contracted, during the last quarter, by about 8,500 workers to 3,519,500 workers, The Census and Statistics Department said.
- **Singapore's Prime Minister, Mr Goh Chok Tong**, announced his plans to quit his post before the next general election. Translation: Brigadier Lee Hsien Loong, the son of '*Minister-In-Charge-Without-Portfolio*,' Mr Lee Kuan Yew, will continue the dynasty of dad. He is, already, Deputy Prime Minister, in any event. Singapore's economy, once the strongest in Asia, has fallen from grace under the guidance of the father-and-son duo, plus their sycophants.

In The Land of The Rising Sun, the 3 equity markets scooted higher, as investors appeared to be much relieved that the power outage in North America was the result of a man-made error of those in charge of certain power grids.

Osama bin Laden and his goons had nothing to do with it: The goons in the US had done the dirty to themselves.

On the premier bourse of Japan, The Tokyo Stock Exchange, the Nikkei-225 Stock Average – which tracks the movements of blue chips – rose 169.50 yen, or about 1.72 percent, ending the day at 10,032.97 yen.

Brokers on Asia's largest stock market were talking about the breakthrough of the 10,000-barrier, as though it were a magical number, because it was the first time, in the previous 12 months, that it had been able to accomplish that feat.

The ratio of gainers to losers was about 4.27:One – which was an impressive statistic.

It was said that foreign buyers were re-entering the market.

This was the way that Asian stock markets ended, last Monday:

HKSAR	Plus 0.96 percent to 10,525.04
Indonesia	Closed
Japan	Plus 1.72 percent to 10,032.97
Malaysia	Plus 0.05 percent to 728.84
The Philippines	Plus 0.04 percent to 1,248.53
Singapore	Plus 1.75 percent to 1,622.24
South Korea	Plus 0.43 percent to 730.10
Taiwan	Plus 0.51 percent to 5,516.80
Thailand	Plus 0.28 percent to 520.51

Tuesday

Whether or not it was justified, only history will tell, but on many major equity markets, around the world, the cry seemed to go out: Time to buy!

And many investors did just that: Buy into their favourite equities.

There was the strong suggestion, once again, that the US economy had turned the proverbial corner.

On the world's largest stock markets, it seemed that the bulls had the upper hand for most of the session, last Monday.

The great North American power outage (Please see Monday's report) had almost been forgotten on Wall Street, as investors and financial institutions got on with the business of trying to make money from buying and selling scrip on equity markets.

On The New York Stock Exchange, the Dow Jones Industrial Average gained 90.76 points, equivalent to about 0.97 percent, running back to 9,412.45 points.

The Composite Index of the NASDAQ put on 37.48 points, or about 2.20 percent, rising to 1,739.49 points.

Because trading was described as being moderate, there were some people, who were of the opinion that the strength of the world's largest bourses was likely to dissipate before the week was out.

Europe took its lead from the US, but there were those investors, who were not, totally, swayed by certain suggestions in respect of the largest single economy.

The result was that major stock markets in Europe vacillated, for most of last Tuesday's trading session.

This was how the indices of those equity markets ended their respective days:

Amsterdam's AEX Index	Plus 0.52 percent
Great Britain's FTSE 100 Index	Minus 0.50 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.08 percent
France's CAC40 Index	Plus 0.29 percent
Switzerland's Swiss Market Index	Plus 0.36 percent
Italy's MIBTEL Index	Plus 0.07 percent

There was little of any note, taking place in Asia, last Tuesday, and, as a result, indices of major markets tended to drift – not unlike the equity markets of Europe.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the news about the unemployment rate in the territory took its toll of the prices of stocks and shares. (Please see Monday's report)

While it was well expected that the jobless figures would continue to rise in view of the Government's non-action, over the previous 5 years or so, it was, nevertheless, not a welcome statistic to try to digest for most investors.

On The Stock Exchange of Hongkong Ltd, the Hang Seng Index fell 0.15 percent to 10,509.29 points.

The Total Turnover was about \$HK13.94 billion, with the ratio of losers to gainers, being 1.38:One.

The Ten Most Actives were:

BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 0.55 percent to \$HK9.10 per share
HSBC Holdings plc (Code: 5)	Down 0.49 percent to \$HK101.50 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK53.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.52 percent to \$HK19.30 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.93 percent to \$HK54.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.91 percent to \$HK51.25 per share
PetroChina Company Ltd (Code: 857)	Unchanged at \$HK2.35 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.29 percent to \$HK87.25 per share
Maanshan Iron and Steel Company Ltd (Code: 323)	Down 4.17 percent to \$HK1.84 per share
Hongkong Electric Holdings Ltd (Code: 6)	Down 0.33 percent to \$HK30.30 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139		15.38	0.011
Asia Tele-Net and Technology Corporation Ltd	679		12.50	0.014
Central China Enterprises Ltd	351		10.34	0.026
China Development Corporation Ltd	487		11.36	0.39
Chinney Alliance Group Ltd	385		18.18	0.018
CIG-WH International (Holdings) Ltd	621	15.00		0.115
Fulbond Holdings Ltd	1041	26.67		0.019
Guangnan (Holdings) Ltd	1203	16.79		0.16
Hi Sun Group Ltd	818		11.11	0.40
Hongkong Construction (Holdings) Ltd	190		11.67	0.53
Hudson Holdings Ltd	758	23.08		0.128
i100 Ltd	616		11.11	0.024
KG NextVision Company Ltd	516		13.46	0.045
King Fook Holdings Ltd	280		10.34	0.39
Mei Ah Entertainment Group Ltd	391	16.67		0.28
Multifield International Holdings Ltd	898		12.00	0.088

Nanjing Panda Electronics Company Ltd	553		10.71	2.50
Oriental Explorer Holdings Ltd	430		11.11	0.048
Plus Holdings Ltd	1013	10.00		0.088
Shanghai Real Estate Ltd	1207	17.31		0.61
Shenzhen High-Tech Holdings Ltd	106	11.63		0.096
Shenzhen International Holdings Ltd	152	10.71		0.31
South East Group Ltd	726	14.29		0.056
Start Technology Company Ltd	706		11.76	0.12
Sun Innovation Holdings Ltd	547		11.11	0.016
Symphony Holdings Ltd	1223	12.21		9.65
USI Holdings Ltd	369		11.76	0.75
Wah Tak Fung Holdings Ltd	297		10.45	0.06
Wonson International Holdings Ltd	651		10.00	0.018
World Trade Bun Kee Ltd	380	10.00		1.10
Yanion International Holdings Ltd	82	10.00		0.44
Zhu Kuan Development Company Ltd	908	16.95		0.345

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover rose to about \$HK267.28 million.

In spite of The Growth Enterprise Index, being down by about 1.01 percent to 1,167.54 points, the number of gaining counters, outpaced the number of losing ones by the ratio of about 1.53:One.

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

tom.com Ltd (Code: 8001)	Down 4 percent to \$HK2.15 per share
hongkong.com Corporation (Code: 8006)	Up 1 percent to 86 cents per share
Shenzhen Dongjiang Environmental Company Ltd (Code: 8230)	Up 4 percent to 53 cents per share
Kingdee International Software Group Company Ltd (Code: 8133)	Down 2 percent to \$HK2.375 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 1 percent to \$HK1.73 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Cyber On-Air Group Company Ltd	8118		16.00	0.042
Global Digital Creations Holdings Ltd	8271		10.77	0.58
Neolink Cyber Technology (Holding) Ltd	8116	10.00		0.11
Proactive Technology Holdings Ltd	8089	28.57		0.09
Satellite Devices Corporation	8172	34.62		0.035
Soluteck Holdings Ltd	8111	17.65		0.10
T S Telecom Technologies Ltd	8003	16.25		0.093
Value Convergence Holdings Ltd	8101	10.00		0.44
Yuxing InfoTech Holdings Ltd	8005	13.79		0.33
Zheda Lande Scitech Ltd	8106	10.29		0.375

News wise:

- **Nam Fong International Holdings Ltd (Code: 1176)** suspended trading in its shares, pending the release of an explanation, concerning the most-recent, winding-up petition against the company. (Please see last Wednesday's [TARGET Intelligence Report, Volume V, Number 157](#))

In Japan, it was a 13-month high for the Nikkei-225 Stock Average, the key index of The Tokyo Stock Exchange.

Speculators pushed up the Nikkei-225 Stock Average to 10,174.10 yen, another gain of about 141.13 yen, or about 1.41 percent.

The ratio of gainers to losers was, exactly, 2.10:One.

Investors appeared to be chasing banking counters in spite of the fact that not one of them was, in real terms, doing well.

Real estate counters were, also, in heavy demand – for no apparent or logical reason, considering the state of the Japanese economy.

Hot money was said to be coming to The Land of The Rising Sun, as foreign investors determined to try to make their plays before the market cooled.

And this was the way that other Asia markets finished their respective trading days, last Tuesday:

HKSAR	Minus 0.15 percent to 10,509.29
Indonesia	Plus 0.08 percent to 517.05
Japan	Plus 1.41 percent to 10,174.10
Malaysia	Plus 0.44 percent to 732.07
The Philippines	Plus 0.68 percent to 1,256.96
Singapore	Minus 0.43 percent to 1,615.28
South Korea	Plus 1.37 percent to 740.13
Taiwan	Minus 0.08 percent to 5,512.16
Thailand	Plus 1.04 percent to 525.94

Wednesday

There was, absolutely, no shortage of news, last Wednesday, following the bombing, on Tuesday, of the United Nations (UN) headquarters in Baghdad, Iraq.

The suicide bomber, driving a lorry, killed 20 people, outright, and injured 100 others, according to reports.

Among the dead was Mr Sergio Vieira del Mello, the UN envoy to Iraq.

Followers of the deposed President of Iraq, Saddam Hussein, were thought to have been behind the attack.

The bombing of the UN headquarters building came at the time that trading had commenced on Wall Street, but it appeared to have little effect on investors – at least, not last Tuesday.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 16.45 points, or about 0.17 percent, ending the day at 9,428.90 points.

Over on the NASDAQ, its Composite Index gained 21.62 points, equivalent to about 1.24 percent, running back to 1,761.11 points.

For the NASDAQ, it was a 16-month high.

Even so, the world's largest equity markets may have done much better had it not been for a number of factors, the bombing of the UN headquarters buildings, being but one of the material factors.

It was reported that, contrary to popular (and unsubstantiated) belief, consumer sentiment in the US was continuing to wane.

The University of Michigan Survey of Consumer Sentiment in the US fell from 90.90 points (the July reading) to 90.20 points (for August), according to the University's preliminary findings.

Then, it was determined that applications for mortgage lending had fallen in the previous week to their lowest levels in more than a year, according to anecdotal evidence.

On money markets, the US dollar made material gains against the euro, which hit a 4-month low.

The dismal state of many of the major economies of the European Union (EU) was said to have been responsible for this state of affairs.

The euro was traded at about \$US1.11, its lowest level since April this year.

The tumble in the exchange rate of the euro, vis-à-vis other 'hard' currencies, followed a confirmed report that France's economy had shrivelled by about 0.30 percent, during the April-June quarter.

France is the second-largest economy of the EU, just behind the German powerhouse, which, officially, is facing economic recession.

In Europe, the news about France's economic woes was treated with disdain because it was only last month that the Prime Minister of France, Mr Jean-Pierre Raffarin, had stated that he expected the French economy to grow by one percent in the second quarter.

The idea hit home to many European investors and institutions that the so-called economic rebound of the US and a number of other economies, such as that of Japan, may still be extremely fragile.

The bombing in Iraq and the renewed tensions in the West Bank between the Palestinians and the Jews of Israel, also, did not help matters.

This was how Europe reacted to the world events, last Wednesday:

Amsterdam's AEX Index	Minus 0.22 percent
Great Britain's FTSE 100 Index	Minus 0.79 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.09 percent
France's CAC40 Index	Minus 0.92 percent
Switzerland's Swiss Market Index	Minus 0.63 percent
Italy's MIBTEL Index	Minus 0.49 percent

In Asia, it was a matter of watching and waiting for most investors: Nobody was quite certain what would happen next.

The flare-up of the Palestinian-Israeli problem was unnerving, to say the least, and Afghanistan was far from being settled.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), many publicly listed companies were showing their bellies, in what appeared to be their protracted death throws.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index lost about 0.32 percent of its value, falling back to 10,475.33 points.

The Total Turnover was, still, relatively high, at about \$HK12.10 billion.

Gainers continued to beat off losers by the ratio of about 1.28:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.13 percent to \$HK99.50 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.40 percent to \$HK54.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.26 percent to \$HK19.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.46 percent to \$HK54.50 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Unchanged at \$HK9.10 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.86 percent to \$HK88 per share
Maanshan Iron and Steel Company Ltd (Code: 323)	Up 7.07 percent to \$HK1.97 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.49 percent to \$HK51.50 per share
Wharf (Holdings) Ltd (Code: 4)	Down 2.61 percent to \$HK16.80 per share
China Unicom Ltd (Code: 762)	Up 3.67 percent to \$HK5.65 per share

There were a total of 38, double-digit movers of the day, with 28 of their number, seeing their respective share prices gain 10 percent or more; the rest lost 10 percent or more of their respective market capitalisations.

GeoMaxima Energy Holdings Ltd (Code: 702) was the biggest gainer of the day, as investors pushed up its share price by about 53.85 percent to 26 cents per share.

Greater China Holdings Ltd (Code: 431) had the distinction of being the biggest loser of the day, as its share price fell by 24.07 percent to 20.50 cents per share.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index gained about 0.10 percent, rising to 1,168.72 points.

The Total Turnover on this speculative marketplace was about \$HK160.85 million, with gainers, beating off losers by the ratio of about 1.05:One.

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

Golden Meditech Company Ltd (Code: 8180)	Up 10 percent to \$HK1.72 per share
tom.com Ltd (Code: 8001)	Up 2 percent to \$HK2.15 per share
hongkong.com Corporation (Code: 8006)	Down 1 percent to 85 cents per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 1 percent to \$HK1.71 per share
Global Link Communications Holdings Ltd (Code: 8060)	Up 1 percent to \$HK1.36 per share

The GEM's double-digit movers included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Cyber On-Air Group Company Ltd	8118		11.90	0.037
ePRO Ltd	8086	12.50		0.045
iSteelAsia Holdings Ltd	8080	11.97		0.131
Medical China Ltd	8186	12.24		0.11
Proactive Technology Holdings Ltd	8089	34.44		0.121
ProSticks International Holdings Ltd	8055	10.00		0.022
Q9 Technology Holdings Ltd	8129		13.16	0.033
Satellite Devices Corporation	8172		11.43	0.031
Systek Information Technology (Holdings) Ltd	8103	18.18		0.026
Thiz Technology Group Ltd	8119		11.76	0.03
Value Convergence Holdings Ltd	8101	100.00		0.88
Zhejiang Yonglong Enterprises Company Ltd	8211	15.00		0.46

News wise:

- **Lianhua Supermarket Holdings Ltd (Code: 980)** reported that, for the first half of its Financial Year, to June 30, 2003, it had recorded a Net Profit Attributable to Shareholders of about \$HK85.12 million, up by about 55.77 percent, Year-on-Year. The Turnover, during this period, had risen from the 2002 figure of about \$HK2.43 billion to the 2003 figure of about \$HK4.56 billion. (Please see last Wednesday's **TARGET** Intelligence Report, Volume V, Number 157);
- **Pacific Century Insurance Holdings Ltd (Code: 65)** reported its first half-year earnings. On a Turnover of about \$HK785.14 million – down about \$HK52.58 million, Year-on-Year – it had managed to log in a Net Profit Attributable to Shareholders of about \$HK107.09 million. That Bottom Line was an improvement of about 32.50 percent, compared with the like 2002 period. This is a Li Ka Shing company; and,
- **Star Cruises Ltd (Code: 678)**, a Singaporean-based and managed company, listed on the Main Board of The Stock Exchange of Hongkong Ltd, announced that it had lost about \$US37.11 million for its first half Year, to June 30, 2003. In the like 2002 period, it earned a Net Profit Attributable to Shareholders of about \$US22.97 million. The losses were recorded on an increased Interim Turnover, which rose from the 2002 figure of about \$US757.80 million to the 2003 figure of about \$US780.66 million.

In Japan, it appeared that investors were oblivious of any of the major problems, facing the world.

With Japan's second-largest customers – the EU – having mountains of trouble, one would have thought that Japanese smoke signals would have been seen from afar.

It was not so, however, because investors on The Tokyo Stock Exchange continued to buy into stocks and shares, sending the Nikkei-225 Stock Average to a fresh, 13-month high.

The Nikkei-225 Stock Average gained another 1.16 percent, ending the session at 10,292.06 yen.

The broader-based TOPIX Index blasted through the 1,000-yen level for the first time since July 19, 2002, rising 1.05 percent to 1,001.08 yen.

The ratio of gainers to losers was about 1.96:One.

News wise, there was little to report from The Land of The Rising Sun.

On other Asian bourses, this was how those investors saw the situation, last Wednesday night:

HKSAR	Minus 0.32 percent to 10,475.33
Indonesia	Plus 0.33 percent to 518.78
Japan	Plus 1.16 percent to 10,292.06
Malaysia	Plus 0.02 percent to 732.24
The Philippines	Minus 1.12 percent to 1,242.86
Singapore	Minus 0.20 percent to 1,611.97
South Korea	Minus 0.40 percent to 737.20
Taiwan	Plus 0.57 percent to 5,543.61
Thailand	Minus 0.92 percent to 521.10

Thursday

While Wall Street had a slightly more difficult time of it, last Wednesday, in Asia, it was all stops out as investors ploughed into equity markets, sending some indices to new highs for the year.

All of the major stock markets of Asia made material gains.

It was suggested that a great deal of *'hot'* money was finding its way into equities, listed on major stock markets, throughout Asia, with Japan, being the hot favourite.

This was confirmed, late in the day, by the Government of the Japan. (Please see below)

Wall Street had been hit with the Iraqi situation, as more dead bodies were pulled from the near wrecked United Nations (UN) headquarters building.

The confirmed death toll had risen to 23.

On The New York Stock Exchange, the blue-chip index, the Dow Jones Industrial Average, slipped about 31.39 points, or about one third of a percentage point, ending the day at 9,397.51 points.

The NASDAQ's Composite Index shed about 0.57 points, falling back to 1,760.54 points.

A number of disappointing corporate results took the wind out of the sails of many investors: They had expected much better results.

Dell Incorporated, a major manufacturer (assembler) of personal computers (PCs) and printers, announced that it had cut its prices for its PCs and printers by up to 22 percent.

The announcement came one day after Hewlett-Packard Company, Dell's biggest rival, reported its first-ever loss in its Personal Computer Division.

The computer *'war'* had begun.

In Europe, the comparative weakness of the euro against the US dollar gave European manufacturers a bit of a shot in the proverbial arm because, as the euro weakens against the US dollar, so European-manufactured goods become more price-competitive in the US.

As at last Thursday, since June, the euro has had to give up about 8 percent of its buying power in terms of the US dollar.

Last Thursday, the euro sank to a new, 4-month low of about \$US1.09 – the first time that it has hit this level since April.

This was how major European bourses ended, last Thursday night:

Amsterdam's AEX Index	Plus 1.37 percent
Great Britain's FTSE 100 Index	Plus 0.14 percent
Germany's Frankfurt XETRA DAX Index	Plus 1.83 percent

France's CAC40 Index	Plus	0.80 percent
Switzerland's Swiss Market Index	Plus	1.05 percent
Italy's MIBTEL Index	Plus	0.13 percent

Foreign buyers stepped up to the plate, so to speak, in Asia, last Thursday, causing major bourses to experience a bit of a fillip.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), a bevy of bullish corporate reports added to the excitement of many investors.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gained about 1.61 percent, rising to 10,643.63 points.

The Total Turnover was about \$HK13.91 billion, with the ratio of gainers to losers, being about 2.55:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 1.01 percent to \$HK100.50 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.38 percent to \$HK55 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 3.30 percent to \$HK9.40 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 3.67 percent to \$HK56.50 per share
PCCW Ltd (Code: 8)	Up 5.85 percent to \$HK4.525 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.82 percent to \$HK19.60 per share
PetroChina Company Ltd (Code: 857)	Up 2.08 percent to \$HK2.45 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 3.88 percent to \$HK53.50 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.57 percent to \$HK88.50 per share
Swire Pacific Ltd "A" Shares (Code: 19)	Up 5.38 percent to \$HK41.10 per share

Of the 58, double-digit movers of the day, only 4 of their number did not gain ground; all the rest saw their respective share prices move up by 10 percent or more.

South Sea Holding Company Ltd (Code: 680) was the biggest gainer of the day, as investors pushed up its share price by 50 percent to 1.50 cents.

Oriental Explorer Holdings Ltd (Code: 430) saw its share price whittled down by about 15.38 percent to 4.40 cents, making it the biggest loser of the day.

On the very speculative Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index put on about 1.17 percent, ending the day at 1,182.33 points.

The Total Turnover was about \$HK187.23 million, with the ratio of gainers to losers, being 2.10:One.

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

tom.com Ltd (Code: 8001) Up 5 percent to \$HK2.30 per share

Golden Meditech Company Ltd (Code: 8180) Up 5 percent to \$HK1.81 per share

Global Link Communications Holdings Ltd (Code: 8060) Unchanged at \$HK1.36 per share

Innovis Holdings Ltd (Code: 8065) Up 6 percent to 46 cents per share

CK Life Sciences International (Holdings) Incorporated (Code: 8222) Up 1 percent to \$HK1.72 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Bee and Bee Natural Life Products Ltd	8156	15.79		0.55
Digitalhongkong.com	8007		10.00	0.09
Goldigit Atom-Tech Holdings Ltd	8059	17.02		0.11
Golding Soft Ltd	8190		16.67	0.05
iLink Holdings Ltd	8107	75.00		0.035

Inworld Group Ltd	8100	11.36		0.049
ITE (Holdings) Ltd	8092		21.05	0.03
Jessica Publications Ltd	8137	13.85		0.37
M Channel Corporation Ltd	8036		23.08	0.02
PINE Technology Holdings Ltd	8013	21.43		0.085
Proactive Technology Holdings Ltd	8089	73.55		0.21
Thiz Technology Group Ltd	8119	13.33		0.034
Yuxing InfoTech Holdings Ltd				

News wise:

- **Hutchison Whampoa Ltd (Code: 13)** announced that it had logged in a Net Profit Attributable to Shareholders of about \$HK6.07 billion for the first half of its Financial Year, ended June 30, 2003. That result represented a 2-percent improvement, Year-on-Year;
- **Cheung Kong (Holdings) Ltd (Code: 1)** announced that its Bottom Line for the first half of its Financial Year, to June 30, 2003, had improved, Year-on-Year, by about 4 percent, to just a tad higher than \$HK4 billion. Mr Li Ka Shing is the Substantial Shareholder of both Cheung Kong and Hutchison; and,
- **Nam Fong International Holdings Ltd (Code: 1176)** announced that, indeed, it had received another Winding-Up Petition and that the Hearing Date had been set for October 8, 2003. (For **TARGET**'s exclusive report on this matter, please see **TARGET** Intelligence Report, Volume V, Number 157, published on August 20, 2003).

In Japan, foreign buying of stocks and shares were said to have been greatly responsible for the gains on the country's 3 equity markets.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average put on another 0.69 percent, rising to 10,362.69 yen.

It was the fourth, consecutive day of gains for the largest stock market in Asia, but it appeared that this market was starting to run out of steam.

The ratio of gainers to losers was tight, at about 1.04:One.

There was no particular pattern to the market, which was being influenced, greatly, by the movements of blue chips, most of which made useful gains.

According to the Finance Ministry of the Government of Japan, foreign investors had increased their holdings in Japanese stocks and shares by about 5 times, Week-on-Week, to about 450 billion yen.

This was the way that other equity markets performed in Asia, last Thursday:

HKSAR	Plus 1.61 percent to 10,643.63
Indonesia	Plus 1.31 percent to 525.58
Japan	Plus 0.69 percent to 10,362.69
Malaysia	Plus 1.05 percent to 739.96
The Philippines	Plus 0.20 percent to 1,245.34
Singapore	Plus 1.45 percent to 1,635.34
South Korea	Plus 2.33 percent to 754.34
Taiwan	Plus 1.23 percent to 5,611.86
Thailand	Plus 1.75 percent to 530.21

Friday

More and more evidence is pouring out of 'organs' of the US Government and well-respected institutions that the US economy is, indeed, showing signs of material improvements.

The US Federal Reserve's Bank of Philadelphia reported that its monthly industrial gauge had risen by 22.10 points in August, up from 8.30 points in July.

The Bank of Philadelphia stated that it was the third consecutive month of expansion in the industrialised area of the US, known as the Mid-Atlantic Region.

There was, also, an announcement from the US Labour Department that Initial Unemployment Insurance Claims had fallen, slightly, during the past week, but such weekly statistics, taken in isolation, tend to mean very little.

One swallow, or course, does not make a Spring, but there have been a great number of swallows, flying over Capistrano, of late.

Investors on Wall Street, last Thursday, took note of the news of increased industrial production in the US, but it did not appear to influence trading, too much.

On The New York Stock Exchange, the Dow Jones Industrial Average gained 26.17 points, or about 0.28 percent, rising to 9,423.68 points.

On the NASDAQ, its Composite Index rose 17.01 points, equivalent to about 0.97 percent, ending the day at 1,777.55 points.

It was the highest level of the NASDAQ's Composite Index since the middle of 2002.

While the situation in the US may well be showing signs of improvement, to **TARGET's** way of thinking, it may still be a little too early to make any definitive prognostications about the near-term or intermediate-term future of the world's largest single economy.

News wise:

- **Citigroup's Salomon Smith Barney** was fined \$US1 million by The New York Stock Exchange for failures in respect of the regulation of its brokers. **Mr Michael Grace**, Atlanta Branch Manager of Salomon Smith Barney, was ordered by The New York Stock Exchange to be suspended for 3 months.

In Europe, equity market enjoyed some excitement as the exchange rate of the euro vis-à-vis the US dollar fell 2 percent!

And, in New York, it went even lower, by another 0.30 percent, to \$US1.0885.

The euro had, by last Friday's last quote in London, England, fallen by 9 percent in a matter of 2 months.

This is the way that Europe saw the situation insofar as major equity markets were concerned, last Friday night:

Amsterdam's AEX Index	Plus 1.17 percent
Great Britain's FTSE 100 Index	Plus 0.06 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.46 percent
France's CAC40 Index	Plus 0.68 percent
Switzerland's Swiss Market Index	Plus 0.82 percent
Italy's MIBTEL Index	Plus 0.33 percent

In Asia, with the lone exception of the Japanese stock markets, most major stock markets continued to be somewhat bullish.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index gained another 1.10 percent, ending the week at 10,760.73 points.

The Total Turnover was about \$HK14.95 billion, with the ratio of gainers to losers, being 2.19:One.

An interesting statistic was that nearly 70 percent of last Friday's gains came in the closing hour of the market.

Short-covering?

The Ten Most Actives were:

Hutchison Whampoa Ltd (Code: 5)	Up 2.27 percent to \$HK56.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 3.98 percent to \$HK58.75 per share
HSBC Holdings plc (Code: 5)	Unchanged at \$HK100.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 2.30 percent to \$HK20.05 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 5.14 percent to \$HK56.25 per share
PetroChina Company Ltd (Code: 857)	Up 5.10 percent to \$HK5.575 per share

China Unicom Ltd (Code: 762)	Up 6.14 percent to \$HK6.05 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 0.53 percent to \$HK9.45 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.46 percent to \$HK86.00 per share
PCCW Ltd (Code: 8)	Down 0.55 percent to \$HK4.50 per share

There were a total of 59 double-digit movers of the day, of which the market capitalisations of 52 gained 10 percent or more, while the rest saw their share prices dropped by 10 percent or more.

Wai Yuen Tong Medicine Holdings Ltd (Code: 897) was the biggest gainer of the day, as investors pushed up its share price by about 70 percent to 1.70 cents per share.

China Bio-medical Group Ltd (Code: 140) had the distinction of being the biggest loser of the day, as its share price fell by 13.45 percent to 10.30 cents per share.

On the speculative bourse of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), known, facetiously, as The GEM, or The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd, things picked up a little, but only a little, mind you.

The Growth Enterprise Index gained about 0.57 percent, running up to 1,189.05 points.

The Total Turnover was about \$HK206.34 million, but about 39 percent of that volume could be accounted for by the trades in the shares of tom.com Ltd (Code: 8001).

The ratio of gaining counters to losing ones was about 1.29:One.

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

tom.com Ltd (Code: 8001)	Up 3 percent to \$HK2.375 per share
Zhejiang Yonglong Enterprises Company Ltd (Code: 8211)	Up 22 percent to 55 cents per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Up 1 percent to \$HK1.74 per share
Wanyou Fire Safety Technology Holdings Ltd (Code: 8201)	Up 9 percent to 35.50 cents per share
Global Link Communications Holdings Ltd (Code: 8060)	Up 1 percent to \$HK1.37 per share

The biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025		23.08	0.03
Argos Enterprise (Holdings) Ltd	8022		12.31	0.114
Cardlink Technology Group Ltd	8066		17.12	0.092
EVI Education Asia Ltd	8090	26.67		0.038
iLink Holdings Ltd	8107	31.43		0.046
Info Communication Holdings Ltd	8082	11.76		0.038
Media Partners International Holdings Incorporated	8072	15.70		0.28
Proactive Technology Holdings Ltd	8089	54.76		0.325
Town Health International Holdings Company Ltd	8138	15.25		0.068
Zhejiang Yonglong Enterprises Company Ltd	8211	22.22		0.55

News wise:

- **Deflation** continues to hound the HKSAR, it seems, according to the Government's latest statistics. The Census and Statistics Department announced that the Composite Consumer Price Index (CPI) fell by about 4 percent in July, Year-on-Year. The CPI fell by about 3.10 percent in the previous month, compared June of 2002; and,
- The best, 5-star hotel chain of the HKSAR, **Shangri-La Asia Ltd (Code: 69)**, reported an 88.30-percent drop in its half-Yearly Bottom Line, Year-on-Year, to about \$US5.60 million. In the like period, this hotel company produced a Net Profit Attributable to Shareholders of about \$US47.93 million. Turnover for the period fell from the 2002 figure of about \$US290.21 million to \$US221.98 million, a fall of about 24 percent.

The tally for the week, therefore, was:

The Hang Seng Index	Plus 3.22 percent
The Growth Enterprise Index	Plus 1.88 percent

In Japan, as had been widely expected, share prices started to slide, last Friday.

The Tokyo Stock Exchange had had 4 consecutive days of gains so that it was only natural for investors to try to lock in profits.

The Nikkei-225 Stock Average lost 81.52 yen, or about 0.79 percent, ending the week at 10,281.17 yen.

The ratio of losers to gainers was about 2.03:One.

News wise:

- **Mitsui Trust Holdings Incorporated** will close 7 of the branches of its subsidiary, Chuo Mitsui Trust and Banking Company, it announced. The Financial Services Agency of the Japanese Government demanded it be done; and,
- Internet shopping operator, **Rakuten Incorporated**, announced record group sales and Operating Profit for the first half of this Fiscal Year, to June 30, 2003. Sales rose 78 percent, Year-on-Year, to 7.75 billion yen, while Operating Profit was up by about 67.10 percent to 1.75 billion yen. The Group Net Profit came in at 416 million yen. That result compared with a Loss Attributable to Shareholders of about 105 million yen for the like period in 2002.

The tally for Asia's largest stock market, therefore, was:

The Nikkei-225 Stock Average	Plus 4.23 percent
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And this was how other Asian bourses ended the week of August 22, 2003:

HKSAR	Plus 1.10 percent to 10,760.73
Indonesia	Plus 0.64 percent to 528.94
Japan	Minus 0.79 percent to 10,281.17
Malaysia	Plus 0.46 percent to 743.35
The Philippines	Closed
Singapore	Plus 0.30 percent to 1,640.19
South Korea	Plus 0.05 percent to 754.72
Taiwan	Plus 0.62 percent to 5,646.62
Thailand	Plus 0.87 percent to 534.81

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