

NORTH KOREA SITS DOWN TO TALK TO THE WORLD – STOCK MARKETS RALLY, MODERATELY

The lack of any stimulating news, the continuation of murders by terrorist, of one faction or another, in the Middle East, especially those between the Palestinians and Israeli Jews, and continued terroristic activities in Iraq, Iran and India, all conspired to put the skids under indices of major bourses, throughout the world, last Monday.

Wall Street was still closed when Asia was trading, last Monday, so that the direction of the largest equity markets in the world became an unknown factor.

But the previous Friday, August 22, investors had seen indices on The New York Stock Exchange and the NASDAQ, both retreat.

On The New York Stock Exchange, the previous Friday, the Dow Jones Industrial Average had shed about 0.79 percent of its value, ending the week at 9,348.87 points, while the NASDAQ Composite Index had surrendered about 0.69 percent of its value, dropping back to 1,765.31 points.

What would happen in the United States (US), during the week of August 25–29, was a complete unknown, and nobody was willing to wager anything as to the direction of US equity markets, last Monday in Asia, because, among other things, the higher prices of petroleum products/natural gas products were starting to be felt, tending to destabilise international trade and cut into profit margins of many companies.

The dichotomy of alleged, seemingly better economic statistics, being made known in the US, coupled with other factors, pulling at the very corners of the largest single economy of the world, was unsettling, to say the least.

In Europe, only 2 stock markets out of the 20 major stock markets in the eurozone managed to end their respective trading days in the black: All of the others were well into the red.

This was how Europe looked, last Monday night:

Amsterdam's AEX Index	Minus 1.06 percent
Great Britain's FTSE 100 Index	Closed
Germany's Frankfurt XETRA DAX Index	Minus 1.38 percent
France's CAC40 Index	Minus 1.13 percent
Switzerland's Swiss Market Index	Minus 1.49 percent*
Italy's MIBTEL Index	Minus 0.94 percent

* This was the largest loser of the day in Europe

In the most populous part of the world, the indices of equity markets tended to drift, with the key indices of the largest equity markets, moving only fractionally.

For many investors it was, simply put: Wait and watch.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), business news of any merit was as scarce as proverbial hen's teeth.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index – the '*barometer*' of trading in blue chips – gained about 0.03 percent, ending the day at 10,764.22 points on a Total Turnover of about \$HK14.74 billion.

Losing counters outnumbered gaining ones by the ratio of 1.44:One.

The Ten Most Actives were:

Hutchison Whampoa Ltd (Code: 13)	Up 1.78 percent to \$HK57.25 per share
HSBC Holdings plc (Code: 13)	Down 0.50 percent to \$HK100.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 2.55 percent to \$HK60.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Unchanged at \$HK20.05 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 1.06 percent to \$HK9.55 per share
PetroChina Company Ltd (Code: 857)	Down 2.91 percent to \$HK2.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.44 percent to \$HK56.50 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 8.08 percent to \$HK2.275 per share
China Unicom Ltd (Code: 762)	Down 3.31 percent to \$HK5.85 per share
PCCW Ltd (Code: 8)	Unchanged at \$HK4.50 per share

There were a total of 69, double-digit movers of the day, with 48 of their number, seeing their share prices, rising 10 percent or more, while 21, double-digit movers, each suffered losses of 10 percent or more.

Chi Cheung Investment Company Ltd (Code: 112) was the biggest gainer of the day – and the year – as investors pushed up its share price by 445.45 percent to 6 cents.

Hi Sun Group Ltd (Code: 818) suffered the most, as investors pulled down its share price by 20 percent to 3.20 cents.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, it was another matter, altogether.

While The Growth Enterprise Index lost about 1.43 percent of its value, falling back to 1,172, exactly, gainers still outran losers by the ratio of 1.15:One.

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

tom.com Ltd (Code: 8001)	Down 5 percent to \$HK2.25 per share
Zhejiang Yonglong Enterprises Company Ltd (Code: 8211)	Down 5 percent to 52 cents per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 2 percent to \$HK1.70 per share
First Mobile Group Holdings Ltd (8110)	Plus 16 percent to 27.50 cents per share
Wanyou Fire Safety Technology Holdings Ltd (Code: 8201)	Up 3 percent to 36.50 cents per share

The biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131	40.00		0.014
Asian Information Resources (Holdings) Ltd	8025	26.67		0.038
Argos Enterprise (Holdings) Ltd	8022		10.53	0.102
First Mobile Group Holdings Ltd	8110	16.03		0.275
Golding Soft Ltd	8190	15.38		0.06
Henderson Cyber Ltd	8023	33.96		0.355
Kinetana International Biotech Pharma Ltd	8031	10.00		0.066
Media Partners International Holdings Incorporated	8072	21.43		0.34
Proactive Technology Holdings Ltd	8089	53.85		0.50
Prosten Technology Holdings Ltd	8026	13.59		0.117
Q9 Technology Holdings Ltd	8129	11.76		0.038
Thiz Technology Group Ltd	8119		11.76	0.03
Town Health International Holdings Company Ltd	8138	10.29		0.075
Yuxing InfoTech Holdings Ltd	8005	17.86		0.33

In Japan, the indices of the 3 equity markets were described as enduring the second day of profit taking.

On The Tokyo Stock Exchange, the key index, The Nikkei-225 Stock Average, lost 4.53 yen, or about 0.04 percent, coming to rest at 10,276.64 yen by the time that dinner was served.

Declining counters beat off advancing ones by the ratio of about 1.17:One.

News wise:

- **Japan's annual trade surplus** grew by about 7.30 percent in July, Year-on-Year, the Government of Prime Minister Junichiro Koizumi announced. However, trade with the US shrunk by about 6.20 percent in July, compared with the value of trade with the US in July 2002. It was the 7th consecutive month of a shrinking trade surplus with the country's largest customer; and,
- The Tokyo District Court Ordered 2 subsidiaries of **Daiei Incorporated** to repay about 1.38 billion yen in overdue loans to a Cayman Islands investment company, Park Credit Management Company.

And this was the way that other Asian bourses fared, last Monday:

HKSAR	Plus 0.03 percent to 10,764.22
Indonesia	Plus 0.02 percent to 529.04
Japan	Minus 0.04 percent to 10,276.64
Malaysia	Minus 0.15 percent to 742.26
The Philippines	Plus 1.35 percent to 1,262.10
Singapore	Minus 0.60 percent to 1,630.39
South Korea	Plus 0.27 percent to 756.73
Taiwan	Plus 0.71 percent to 5,686.85
Thailand	Minus 0.99 percent to 529.53

Tuesday

The largest equity markets in the world were showing signs of being extremely tired: The world's stock markets followed their leader.

On The New York Stock Exchange, on the first day of trading, last week, the Dow Jones Industrial Average shed about one third of a percentage point, dropping back to 9,317.64 points.

On the NASDAQ, the Composite Index gave up 0.06 percent of its value, ending the day at 1,764.31 points.

US investors seemed to discount news, being released by various US Government agencies and privately operated survey entities, suggesting this and that.

In Europe, only 3 of the major bourses of the eurozone managed to record positive figures; the rest lost anything from 1.40 percent, the highest loser, to 0.22 percent, the smallest loser of the day.

This was how the major equity markets of Europe, ended their respective trading days, last Tuesday:

Amsterdam's AEX Index	Minus 1.09 percent
Great Britain's FTSE 100 Index	Minus 1.15 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.27 percent
France's CAC40 Index	Minus 1.05 percent
Switzerland's Swiss Market Index	Minus 0.30 percent
Italy's MIBTEL Index	Minus 0.64 percent

Wall Street looked weak; and, it looked as though it could get weaker.

In Asia, it was, generally, another negative day: Investors continued to be unsure as to what action to take in view of what had taken place in the US, on the first day of trading, and the continued high prices for fuel oil, worldwide, was not helping matters, at all.

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

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gave up about 0.10 percent of its value, falling to 10,753.93 points.

However, the morning session saw an 89-point loss in the value of the Hang Seng Index, representing a fall of about 0.83 percent, compared with Monday's closing level.

It seemed clear that intra-day traders had been at work, lifting the Hang Seng Index by the close of the day.

The Total Turnover remained relatively high, however, at about \$HK12.85 billion.

The ratio of losers to gainers was about 1.51:One

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.25 percent to \$HK99.75 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.44 percent to \$HK57.00 per share
PetroChina Company Ltd (Code: 857)	Down 1.00 percent to \$HK2.475 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.83 percent to \$HK59.75 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 6.59 percent to \$HK2.125 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.77 percent to \$HK55.50 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 3.66 percent to \$HK9.90 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.50 percent to \$HK20.15 per share
Maanshan Iron and Steel Company Ltd (Code: 323)	Down 0.56 percent to \$HK1.77 per share
China Unicom Ltd (Code: 762)	Down 2.56 percent to \$HK5.70 per share

As for the biggest movers of the day, there were, in total, 41 of those '*animals*', with 29 of their number, gaining 10 percent or more, while 12, double-digit movers lost 10 percent or more of their respective market capitalisations.

Applied (China) Ltd (Code: 472) had the distinction of being the biggest gainer of the day, as investors pushed up its share price by 72.22 percent to 6.20 cents.

Victory Group Ltd (Code: 1139) was the biggest loser of the day, following selling pressure, which reduced its share price to 3.30 cents, a one-day fall of 34 percent.

Over on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, bears had their way, as The Growth Enterprise Index was pushed down to 1,162.73 points.

Last Tuesday's losses, amounting to about 0.79 percent, was on a Total Turnover of about \$HK141.40 million.

The ratio of losing counters to gaining ones was about 1.35:One.

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

tom.com Ltd (Code: 8001)	Down 1 percent to \$HK2.225 per share
Global Link Communications Holdings Ltd (Code: 8060)	Unchanged at \$HK1.37 per share
Proactive Technology Holdings Ltd (Code: 8089)	Up 12 percent to 56 cents per share
Tiger Tech Holdings Ltd (Code: 8046)	Down 11 percent to 90 cents per share
Wah Sang Gas Holding Ltd (Code: 8035)	Down 3 percent to 91 cents per share

The double-digit movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025	10.53		0.042
Cardlink Technology Group Ltd	8066		15.29	0.072
ePRO Ltd	8086	11.11		0.05
Essex Bio-Technology Ltd	8151	20.00		0.12
Henderson Cyber Ltd	8023		12.68	0.31
iSteelAsia Holdings Ltd	8080		11.35	0.125
New Chinese Medicine Holdings Ltd	8085	12.00		0.056
Proactive Technology Holdings Ltd	8089	12.00		0.56

Tiger Tech Holdings Ltd	8046		10.89	0.90
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News wise:

- **China Petroleum and Chemical Corporation (Code: 386)** is planning to sack about 50,000 of its workers, between now and 2006. The company is controlled by the Government of the PRC and ranks as the second-largest oil producer in the country.

In Japan, the premier bourse was relatively quiet, but the key index, the Nikkei-225 Stock Average, recovered all, and then some, of Monday's losses, ending the day at 10,332.57 yen, a gain of a little more than one half of a percentage point.

But the ratio of gainers to losers was tight, at about 1.06:One, suggesting that the market had yet to find its feet.

News wise:

- **Toyota Motors** is in negotiations to sell a 10-percent stake in its Indian joint venture. It will sell its stake to its local partner for about \$US26 million. The local partner is Kirloskar Group, one of India's oldest engineering groups. That will raise Kirloskar's stake in the venture to 11 percent.

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

HKSAR	Minus 0.10 percent to 10,753.93
Indonesia	Minus 0.05 percent to 528.76
Japan	Plus 0.54 percent to 10,332.57
Malaysia	Minus 0.17 percent to 741.02
The Philippines	Minus 1.05 percent to 1,248.85
Singapore	Minus 1.86 percent to 1,600.02
South Korea	Minus 0.49 percent to 753.00
Taiwan	Minus 2.26 percent to 5,558.25
Thailand	Plus 0.29 percent to 531.06

Wednesday

The North Korean talks got underway in Beijing, the People's Republic of China (PRC), last Wednesday, where representatives of the Governments of North Korea, South Korea, Russia, the PRC, Japan and the United States (US) sat down at one table in an attempt to try to iron out fundamental differences – between North Korea and the rest of the world.

The trick, as far as all of the delegates were concerned, with the lone exception of North Korea, of course, was to twist the arm of Pyongyang to abandon its determination to be a nuclear power.

While the odds were against anything of materiality, being determined at these talks, it was, nevertheless, a giant step forward, considering all of the threats and recriminations that had been hurled, in every direction, during the past half a year or so.

The US Government is determined that North Korea shall give up its nuclear programme, while North Korea wants a guarantee that it will not be treated in the same way that the US Government treated the former Government of Iraq, under President Saddam Hussein: Tanks ablazing with cities under siege.

The Government of President George W. Bush has refused, point blank, to sign a non-aggression pact with Pyongyang without, first, Pyongyang, agreeing to dismantle its nuclear facilities and shutting down all of its nuclear facilities in the country.

Internationally, that was the big news of last Wednesday because, potentially, the North Korean situation is considered a powder keg that could explode, at any time – and into a 'pocket' nuclear war.

On Wall Street, last Tuesday, a last-minute flurry of activity brought up key indices, which had been in negative territory, for most of the day.

On The New York Stock Exchange, the Dow Jones Industrial Average ended the day, up 22.81 points at 9,340.45 points.

As for the NASDAQ's Composite Index, it managed a gain of just 6.33 points, equivalent to about 0.36 percent, coming to rest at 1,770.64 points by the close of the trading.

The ratio was tight for gainers and losers, with the Big Board of The New York Stock Exchange, at about 1.13:One, while, on the NASDAQ, it was about 1.29:One.

The reason for the end-run, so to speak, was a Conference Board report, which suggested that consumer confidence was picking up in The Land of The Free and The Home of The Brave.

Against that report, however, was news that mortgage applications for the week, ended August 22, had fallen 13.30 percent, Week-on-Week.

The Mortgage Bankers Association of America announced that its seasonally adjusted gauge for mortgage applications had fallen to 638.60 points, down from 736.70 points for the week, ended August 15.

The gauge was at its lowest point since the week of June 14, 2002.

Then, from Detroit, it was announced that the Big Three motor-car companies were having trouble, moving their stocks, with foreign-produced motor vehicles, stealing the show.

Ford Motor Company and Chrysler Corporation, both, admitted that they had lost a slice of their respective market share to international competition in the month of July.

Motor vehicle manufacturers in the US have, for about 2 years, been offering zero financing packages, as well as cash rebates to prospective buyers.

But to no avail, it appears: US consumers are opting for foreign-made products ... or no new financial commitments.

From Washington, D.C., it was reported that Congress is afraid that the 2004 Budgetary Deficit would hit \$US480 billion.

The US Congressional Budget Office, in forecasting the prospective record budget deficit, cast a pall over the entire US economy.

It was seen as putting a damper on the prospects of President George W. Bush, being re-elected to the hottest seat in the world.

While this was going on, in Europe, share prices started to rise, spurred on, mainly, by parochial considerations.

This was how equity markets in eurozone saw the situation, last Wednesday:

Amsterdam's AEX Index	Plus	1.23 percent
Great Britain's FTSE 100 Index	Plus	0.69 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.80 percent
France's CAC40 Index	Plus	0.72 percent
Switzerland's Swiss Market Index	Plus	0.45 percent
Italy's MIBTEL Index	Plus	0.57 percent

As for Asia, it was another negative day for the major equity markets.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, while deflation continued to erode the economy, and while equity markets were in full reverse, the Government of Chief Executive Tung Chee Hwa was hailing the opening of a second HKSAR outlet of a restaurant, said to be famous in Shanghai, the PRC, proper.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index – which tracks the direction of blue chips – fell by about 0.70 percent to 10,678.55 points.

The Total Turnover dropped, slightly, to about \$HK11.68 billion, with the ratio of losing counters to gaining ones, being about 1.32:One.

The Ten Most Actives were:

Hutchison Whampoa Ltd (Code: 13)	Down 0.44 percent to \$HK56.75 per share
HSBC Holdings plc (Code: 5)	Down 0.75 percent to \$HK99.00 per share

BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 0.51 percent to \$HK9.85 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.42 percent to \$HK59.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.99 percent to \$HK19.75 per share
PetroChina Company Ltd (Code: 857)	Down 1.01 percent to \$HK2.45 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 1.18 percent to \$HK2.15 per share
Hutchison Harbour Ring Ltd (Code: 715)	Up 5.56 percent to 76 cents per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.90 percent to \$HK55.00 per share
PCCW Ltd (Code: 8)	Down 3.23 percent to \$HK4.50 per share

Of the 54 largest movers of the day, 32 of their number saw their respective share prices gain 10 percent or more, while the remaining 22, double-digit movers saw their respective share prices decline by 10 percent or more.

Orient Resources Group Company Ltd (Code: 467) was the biggest mover of the day as its share price doubled to 6 cents.

Hi Sun Group Ltd (Code: 818) had the distinction of being the biggest loser of the day, as investors pushed down its share price by 25 percent to 24 cents.

Over on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover dropped back to about \$HK118.64 million.

The Growth Enterprise Index gave up about 0.38 percent to hit 1,158.33 points by the close of the day.

In spite of The Growth Enterprise Index, being in negative territory, gainers outpaced losers by the ratio of about 1.17: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 \$HK2.175 per share
hongkong.com Corporation (Code: 8006)	Up 4 percent to 82 cents per share
Global Link Communications Holdings Ltd (Code: 8060)	Down 1 percent to \$HK1.36 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Unchanged at \$HK1.69 per share
Innovis Holdings Ltd (Code: 8065)	Unchanged at 49 cents per share

And, the biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131	38.46		0.018
AcrossAsia Multimedia Ltd	8061		12.84	0.095
Argos Enterprise (Holdings) Ltd	8022	18.18		0.13
B M Intelligence International Ltd	8158	10.00		0.055
Digitalhongkong.com	8007	11.11		0.10
Global Digital Creations Holdings Ltd	8271	10.34		0.64
Golding Soft Ltd	8190	10.00		0.066
iLink Holdings Ltd	8107		25.00	0.036
Info Communication Holdings Ltd	8082		13.16	0.033
L.P. Lammas International Ltd	8029	77.78		0.032
M Channel Corporation Ltd	8036	10.00		0.022
Medical China Ltd	8186	12.17		0.129
PINE Technology Holdings Ltd	8013	29.03		0.12
Satellite Devices Corporation	8172		16.00	0.021
Soluteck Holdings Ltd	8111		10.00	0.09
Thiz Technology Group Ltd	8119	17.24		0.034
Yuxing InfoTech Holdings Ltd	8005		13.64	0.285

In The Land of The Rising Sun, the bears took control of the country's 3 stock markets.

On the premier equity market, The Tokyo Stock Exchange, the Nikkei-225 Stock Average gave up 23.58 yen, or about 0.23 percent, dropping back to 10,308.99 yen.

The ratio of losers to gainers was about 1.29:One.

With the exception of a handful of counters, share-price movements were small, relative to the previous week's movements, however, it was noted that the volume of activity, in value terms, topped 1.10 trillion yen (about \$HK73.09 billion): It was the first time in a week that the value of trades had risen to more than one trillion yen in one day.

News wise:

- **Nomura Principal Finance Company** will assume control of **Huis Ten Bosch Company**, the bust, theme-park operator in Sasebo, Nagasaki Prefecture. Nomura Principal Finance Company is the investment arm of **Nomura Securities**. It was suggested that Nomura Principal Finance Company had offered in excess of 30 billion yen for the pleasure of assuming control of the theme park, which is, presently, being operated under the supervision of the Court; and,
- **Resona Holdings Incorporated** will cut a swath through its corporate structure, reducing the number of its subsidiaries and associates by about 75 percent of their present number, President Eiji Hosoya announced.

This was the way that other Asian markets fared, last Wednesday:

HKSAR	Minus 0.70 percent to 10,678.55
Indonesia	Plus 0.40 percent to 530.86
Japan	Minus 0.23 percent to 10,308.99
Malaysia	Plus 0.49 percent to 744.62
The Philippines	Minus 0.48 percent to 1,242.91
Singapore	Minus 0.34 percent to 1,594.52
South Korea	Plus 0.79 percent to 758.98
Taiwan	Minus 0.09 percent to 5,553.43
Thailand	Minus 0.99 percent to 525.82

Thursday

Indices of equity markets in the world's largest single economy were going nowhere, very fast: The world took note.

While pundits continued to talk up the economy of the US, there was, also, apprehension to the effect that hype was not growth, only b... s....

On The New York Stock Exchange, last Wednesday, the Dow Jones Industrial Average shed 0.07 percent of its value, ending the day at 9,333.79 points, while the NASDAQ Composite Index rose by about 0.65 percent to 1,782.13 points.

To state that the equity markets of the US were dull would be to be a bore.

However, the following Monday (today) was Labour Day for North Americans (which includes Canada, of course) so that, historically, just before this holiday for workers, which falls on a Monday, meaning that there is a long, 3-day holiday weekend, there is a bit of a spurt of activity on stock markets, as investors take a punt.

Thursday and Friday would tell the tale for US equity markets.

News wise:

- **The US Federal Reserve Board** announced the issuance of a Combined Consent Order to Cease and Desist, and an Order of Assessment of a Civil Money Penalty against **WestLB AG**, Dusseldorf, Germany, and its New York Branch. WestLB consented to the issuance of the Combined Order for violations of anti-tying restrictions in Section 106 of the Bank Holding Company Act Amendments of 1970 and related unsafe and unsound banking practices. The Combined Order resolves allegations that, in 2001, WestLB conditioned the availability or price of credit to corporate customers on the corporate customer's appointment of WestLB as an underwriter for issuances of debt securities. The Order requires that WestLB pay a civil money penalty of \$US3 million and implement various policies and procedures designed to prevent future violations of this law.

In Europe, stock markets were, generally, quiet.

Following Wall Street has become a bit of a habit for major bourses in Europe because the economy of the US is of the utmost importance to all of the eurozone countries.

This was how major bourses on Europe fared, last Thursday:

Amsterdam's AEX Index	Plus 0.03 percent
Great Britain's FTSE 100 Index	Minus 0.20 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.28 percent
France's CAC40 Index	Plus 1.31 percent
Switzerland's Swiss Market Index	Plus 0.41 percent
Italy's MIBTEL Index	Plus 0.33 percent

In Asia, while the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) was treated to a little bit of a boost in its 2 equity markets, most other major stock markets were in retreat.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index gained about 0.76 percent, rising to 10,760.12 points.

The Total Turnover dipped to about \$HK10.95 billion, but it was bolstered, considerably, by trading in the share capital of PetroChina Company Ltd (Code: 857), whose volume of activity accounted for about 9.41 percent of the 'play' for the day.

The ratio of gainers to losers was about 1.43:One

The Ten Most Actives were:

PetroChina Company Ltd (Code: 857)	Up 6.12 percent to \$HK2.60 per share
HSBC Holdings plc (Code: 5)	Up 1.01 percent to \$HK100.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.27 percent to \$HK20.00 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.44 percent to \$HK57.00 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 4.65 percent to \$HK2.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.45 percent to \$HK54.75 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.42 percent to \$HK59.25 per share
CNOOC Ltd (Code: 883)	Up 3.75 percent to \$HK13.85 per share
CITIC Pacific Ltd (Code: 267)	Down 4.23 percent to \$HK15.85 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 1.02 percent to \$HK9.95 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	959	10.53		1.05
Anex International Holdings Ltd	723		17.65	0.07
Applied (China) Ltd	472		11.59	0.061
Arnhold Holdings Ltd	102	17.02		0.55
Asia Commercial Holdings Ltd	104		26.83	0.15
Asia Financial Holdings Ltd	662	11.33		1.67
Berjaya Holdings (Hongkong) Ltd	288		33.33	0.06
Century Legend (Holdings) Ltd	79	12.00		0.028
China Gas Holdings Ltd	384		13.19	0.79
China Rich Holdings Ltd	1191	12.07		0.065
China Silver Dragon Group Ltd	2960	72.84		0.28
Climax International Company Ltd	439		14.81	0.023
Everbest Century Holdings Ltd	578	13.33		0.017
Far East Consortium International Ltd	35	15.46		1.12
GeoMaxima Energy Holdings Ltd	702	19.37		0.265
Guangdong Tannery Ltd	1058	10.00		0.22
Hongkong Catering Management Ltd	668		17.65	0.56
ING Beijing Investment Company Ltd	1062		11.33	0.133
Mei Ah Entertainment Group Ltd	391	13.79		0.33
New City (Beijing) Development Ltd	456	15.87		0.146
Orient Resources Group Company Ltd	467	33.33		0.08
Oriental Press Group Ltd	18	13.64		2.50

QPL International Holdings Ltd	243	14.58		2.20
Sino Prosper Holdings Ltd	766		11.11	0.64
South East Group Ltd	726		11.43	0.062
Star East Holdings Ltd	198	13.21		0.06
Sun Innovation Holdings Ltd	547	17.65		0.02
Sunny Global Holdings Ltd	1094		10.14	0.31
Tem Fat Hing Fung (Holdings) Ltd	661	22.58		0.38
Topsearch International (Holdings) Ltd	2323	10.00		0.88
Vanda Systems and Communications Holdings Ltd	757	20.69		0.70

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index added about 1.15 percent, rising to 1,171.63 points by the close of the day.

The Total Turnover, however, remained at the low level, at about \$HK155.21 million.

The ratio of gainers to losers was 1.26: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 \$HK2.25per share
hongkong.com Corporation (Code: 8006)	Up 4 percent to 86 cents per share
First Mobile Group Holdings Ltd (Code: 8110)	Up 8 percent to 27.50 cents per share
Global Link Communications Holdings Ltd (Code: 8060)	Up 1 percent to \$HK1.37 per share
SUNeVision Holdings Ltd (8008)	Up 3 percent to \$HK1.88 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131		11.11	0.016
Asian Information Resources (Holdings) Ltd	8025	36.36		0.06
Cardlink Technology Group Ltd	8066		24.62	0.049
Golding Soft Ltd	8190	10.61		0.073
Info Communication Holdings Ltd	8082	18.18		0.039
ITE (Holdings) Ltd	8092	18.75		0.038
Rojam Entertainment Holdings Ltd	8075		11.11	0.08
Satellite Devices Corporation	8172	33.33		0.028
SYSCAN Technology Holdings Ltd	8083		21.79	0.061
Thiz Technology Group Ltd	8119	14.71		0.039
Tradeeasy Holdings Ltd	8163	30.00		0.026
Zhejiang Yonglong Enterprises Company Ltd	8211		16.00	0.42

News wise:

- **PetroChina Company Ltd (Code: 857)**, the PRC Government's second-largest oil producer, announced its results for the first half of its Financial Year, ended June 30, 2003. On a Turnover of about 147.96 billion renminbi (up 37 percent, compared with the like 2002 period), it had logged a Net Profit Attributable to Shareholders of about 38.62 billion renminbi. That result represents a 102.45-percent increase, Year-on-Year, the company said; and,
- **CITIC Pacific Ltd (Code: 267)**, also a PRC-controlled entity, which is engaged, mainly, in finance, announced that, for its first half-Year, to June 30, 2003, it had suffered a reversal of fortunes, with the Bottom Line, coming in at about \$HK419 million, down by about 78.49 percent, Year-on-Year. The reduced Net Profit was on an increased Turnover, which rose from the 2002 figure of about \$HK11.48 billion to the 2003 figure of about \$HK15.70 billion.

In Japan, The Nikkei-225 Stock Average fell for the second consecutive day, as investors determined that the market was unlikely to go very far, very quickly.

The Nikkei-225 Stock Average surrendered another 83.77 yen, ending the session at 10,225.22 yen.

The ratio of losing counters to gaining ones was about 2.41:One.

In other Asian markets, this was how they ended their respective trading days, last Thursday:

HKSAR	Plus 0.76 percent to 10,760.12
Indonesia	Minus 0.12 percent to 530.24
Japan	Minus 0.81 percent to 10,225.22
Malaysia	Plus 0.25 percent to 746.49
The Philippines	Minus 1.97 percent to 1,218.42
Singapore	Minus 0.06 percent to 1,593.58
South Korea	Minus 0.81 percent to 752.81
Taiwan	Minus 0.55 percent to 5,523.12
Thailand	Plus 1.92 percent to 535.91

Friday.

The North Korean (crisis) talks ended with what was described as the best possible result: The delegates of the 6 negotiating countries agreed to meet again in the coming few months.

But North Korea wanted to make certain that the negotiating parties knew, full well, that this reclusive Communistic country was dancing to its own version of the world's music: It announced that it had an atom bomb; it would be detonating it under test conditions, prior to the next meeting international meeting.

And the object of the (crisis) talks had been to create a nuclear-free Korean Peninsula!

On Wall Street, last Thursday, the Dow Jones Industrial Average, the key index of The New York Stock Exchange, rose about 0.46 percent to end the day at 9,376.66 points.

Over on the NASDAQ, its Composite Index gained about 18.05 points, equivalent to about 1.01 percent, running up to 1,800.18 points.

But trading was very subdued: Many investors and day-traders took off early in order to hit the road, prior to the long, Labour Day weekend holiday. (US equity markets are closed, today)

From The Labour Department of the US Government came news that Claims for Unemployment Insurance Benefits had risen by about 3,000 Claims, Week-on-Week, to 394,000 Claims.

From Washington, D.C., came even worse news: The US economy had grown by about 3.10 percent in the second quarter, to June 30, 2003, but the gains were on the back of increased spending on defence.

The *'killer'* was that the country was not earning sufficient, externally, to put people back on the assembly lines: The US economy was not generating growth, other than making guns and tanks and other materiel for war.

Europe tried to digest the statistics, pouring out of US Government orifices in order to take a lead.

It was not good, by any stretch of the imagination.

European economists were quick to spot the deficiencies in the US economy – unlike, it appeared, the gurus of Wall Street.

In Europe, this was how the indices of major bourses closed, last Friday:

Amsterdam's AEX Index	Minus 0.51 percent
Great Britain's FTSE 100 Index	Minus 0.88 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.23 percent
France's CAC40 Index	Minus 0.35 percent
Switzerland's Swiss Market Index	Minus 1.48 percent
Italy's MIBTEL Index	Minus 0.46 percent

Most Asian stock markets were moderately strong, following Wall Street's pace on Wednesday.

However, it was not all beer and skittles on every marketplace in the world's most populous area.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the Main Board's Hang Seng Index gained about 1.38 percent, ending the week at 10,908.99 points.

The Total Turnover rose to about \$HK15.21 billion, with the ratio of gainers to losers, being about 2.86:One.

Last Friday, it was the turn of HSBC Holdings plc (Code: 5) to set the pace of trading, as investors swapped about 14.18 million HSBC scrip, representing about \$HK1.44 billion, or 9.47 percent of the entire volume of activity for the day.

The Ten Most Actives of the day were:

HSBC Holdings plc (Code: 5)	Up 1.50 percent to \$HK101.50 per share
PetroChina Company Ltd (Code: 857)	Up 4.81 percent to \$HK2.725 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.88 percent to \$HK57.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.06 percent to \$HK20.05 per share
CNOOC Ltd (Code: 883)	Up 5.42 percent to \$HK14.60 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 2.11 percent to \$HK60.50 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 5.56 percent to \$HK2.375 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 2.74 percent to \$HK56.25 per share
Cathay Pacific Airways Ltd (Code: 293)	Up 5.47 percent to \$HK13.50 per share
Legend Group Ltd (Code: 992)	Up 8.94 percent to \$HK3.35 per share

Of the 56 double-digit movers of the day, the share prices of 48 rose 10 percent or more while 8 declined 10 percent or more.

FT Holdings International Ltd (Code: 559) was the biggest mover of the day, as investors pushed up its share price to 13.40 cents, a one-day gain of 69.62 percent.

G-Vision International (Holdings) Ltd (Code: 657) was the biggest loser of the day, as 40 percent was shaved of its market capitalisation, ending the day at 3 cents per share.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, investors were treated to a very pleasant surprise as The Growth Enterprise Index put on a display of strength.

On the last day of the week, The Growth Enterprise Index gained about 2.68 percent, ending the 5-day work week at 1,202.98 points.

The volume of activity was, also, much larger than usual, rising to about \$HK376.71 million.

The ratio of gainers to losers was about 2.13:One.

However, on the other side of the coin, it was trading in Mr Li Ka Shing's 2 GEM counters – tom.com Ltd (Code: 8001) and CK Life Sciences International (Holdings) Incorporated (Code: 8222) – that caused most of the flurry of activity for the day.

Trading in these 2 counters, at about \$HK212 million, represented about 56 percent of the Total Turnover.

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

tom.com Ltd (Code: 8001) Up 10 percent to \$HK2.475 per share

CK Life Sciences International (Holdings) Incorporated (Code: 8222) Up 3 percent to \$HK1.76 per share

hongkong.com Corporation (Code: 8006) Up 1 percent to 87 cents per share

SUNeVision Holdings Ltd (8008) Up 6 percent to \$HK2.00 per share

First Mobile Group Holdings Ltd (Code: 8110) Up 4 percent to 28.50 cents per share

As for the largest movers of the day, they were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
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abc Multiactive Ltd	8131		12.50	0.014
AKuP International Holding Ltd	8179	10.00		0.033
Digitalhongkong.com	8007	12.00		0.112
Greencool Technology Holdings Ltd	8056	13.43		0.76
Inworld Group Ltd	8100	10.00		0.055
Jessica Publications Ltd	8137		10.67	0.335
M Channel Corporation Ltd	8036	27.27		0.028
MediaNation Incorporated	8160	10.00		0.165
Panorama International Holdings Ltd	8173	10.29		0.075
ProSticks International Holdings Ltd	8055	36.36		0.03
tom.com Ltd	8001	10.00		2.475

The tally for the week, ended August 29, therefore, was:

The Hang Seng Index	Up 1.38 percent
The Growth Enterprise Index	Up 1.17 percent

Over in The Land of The Rising Sun, investors took their cue from what was happening on Wall Street on Wednesday and, as a result, trading was brisk on the country's 3 equity markets.

On the premier stock market, The Tokyo Stock Exchange, the ratio of gainers to losers was about 2.58:One, in spite of trading, being described as moderately reduced, compared with Thursday's volume of activity.

The Nikkei-225 Stock Average finished the week at 10,343.55 yen, representing a one-day gain of about 1.16 percent.

There had been suggestions, during the week, ended August 29, that things were turning up in the world's second-largest economy, but it appeared to **TARGET** that this was more talk than anything else.

However, if it is said long enough and loud enough, people start to think that it must be true.

One has to remember that Japanese stockbrokers have learned their trade from their Wall Street counterparts, many of whom have been found sadly lacking in proprietary of late.

And this was the tally for Asia's largest bourse, last Friday:

The Nikkei-225 Stock Average	Up 0.61 percent
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In other Asian equity markets, this was how they saw the situation, last Friday:

HKSAR	Plus 1.38 percent to 10,908.99
Indonesia	Minus 0.11 percent to 529.68
Japan	Plus 1.16 percent to 10,343.55
Malaysia	Minus 0.43 percent to 743.30
The Philippines	Minus 2.20 percent to 1,192.83
Singapore	Plus 0.36 percent to 1,599.25
South Korea	Plus 0.90 percent to 759.47
Thailand	Plus 0.34 percent to 537.71

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