

HYPE AND HOPE LIFT EQUITY MARKETS, AROUND THE WORLD

Major stock markets in Asia roared into life, last Monday, on suggestions (and only on suggestions, mind you) that the worst was over for the major economies of the world.

North America was enjoying a booze-up, celebrating Labour Day, with Wall Street, closed until Tuesday (September 2).

As such, Asia was on its own, with Europe to follow Asia's lead.

In Europe, the hype was getting to investors: Maybe it is correct, after all – the US economic recovery will fuel recoveries in European economies?!!!

Meanwhile, France, Germany and Italy continued to enjoy economic recessions.

This is the way that indices of major European bourses, ended last Monday night:

Amsterdam's AEX Index	Plus	2.34 percent
Great Britain's FTSE 100 Index	Plus	1.04 percent
Germany's Frankfurt XETRA DAX Index	Plus	2.49 percent*
France's CAC40 Index	Plus	1.42 percent
Switzerland's Swiss Market Index	Plus	1.82 percent
Italy's MIBTEL Index	Plus	0.89 percent

* This was the biggest gainer of the day in Europe

The Nikkei-225 Stock Average, the key index of The Tokyo Stock Exchange, was the index to watch, last Monday, as investors pushed this key Japanese gauge through the proverbial roof.

The Nikkei-225 Stock Average gained 326.63 yen, equivalent to about 3.16 percent, rising to its highest level since about July 2002: 10,670.18 yen.

The ratio of gainers to losers was a resounding 6.77:One.

All kinds of reasons were being given for the spectacular gains on Asia's largest equity markets, but none of the reasons seemed to justify the very material gains of the day on The Tokyo Stock Exchange.

News wise:

- Mr Rupert Murdoch's Australian powerhouse, **News Corporation**, announced that it had sold its entire holdings in **Sky Perfect Communications Incorporated** to **Fuji Television Network Incorporated**, **Sony Broadcast Media Company** and **Itochu Corporation**. The consideration for the 8.10-percent stake in Japanese Sky Perfect was not disclosed.

Over the weekend of August 30-31, there had been reports, flowing from various orifices of the US Government, with the US President, Mr George W. Bush, proclaiming his success in turning the economy on the path from poverty to riches.

(Please see last Wednesday's report: [**BEWARE OF MIRAGES ON THOSE ECONOMIC HORIZONS !'**](#))

On Wall Street, the previous Friday (August 29), the Dow Jones Industrial Average, the blue-chip gauge of The New York Stock Exchange, ended the week, looking a little frail, as investors pushed The Dow up by just 41.61 points, or about 0.44 percent, to 9,415.82 points.

Things on the NASDAQ were not much better, as its Composite Index squeezed out a gain of about 0.58 percent, ending the week at 1,810.58 points.

There was no valid reason for US investors to pump fresh money into stocks and shares and, anyway, Labour Day festivities, which were just 24 hours away, were considered a little bit more important than trading on equity markets.

Last Monday, in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), while the volume of activity, at about \$HK14.27 billion, was not particularly low for an average trading day's business of the Main Board of The Stock Exchange of Hongkong Ltd, the movement of the Hang Seng Index – the '*barometer*' of trading in blue chips – was hardly awe-inspiring.

The Hang Seng Index ended the session at 10,903.40 points, a loss of about 0.05 percent over the previous Friday's closing level.

It was interesting to many investors to note that, in the 150-minute morning session, the Hang Seng Index had gained about 1.10 percent, compared with the previous close on Friday, August 29.

The afternoon session saw speculators take their daily winnings ... and run for the hills.

However, even so, gainers trounced losers by the ratio of about 2.12:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 1.48 percent to \$HK100.00 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.43 percent to \$HK57.75 per share
PetroChina Company Ltd (Code: 857)	Up 2.75 percent to \$HK2.80 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.65 percent to \$HK61.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.50 percent to \$HK20.15 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 1 percent to \$HK9.90 per share
China Telecom Corporation Ltd (Code: 728)	Up 6.98 percent to \$HK2.30 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.33 percent to \$HK57.00 per share

China Merchants Holdings (International) Company Ltd (Code: 144) Up 10.92 percent to \$HK9.65 per share

Hang Seng Bank Ltd (Code: 11) Up 0.58 percent to \$HK87.00 per share

As for the double-digit movers of the day, there were 52 of those '*animals*'.

Of the biggest movers of the day, only 7 of their number saw their respective market capitalisations fall by 10 percent or more; all the rest enjoyed, seeing their respective share prices gain of 10 percent or more.

Joyce Boutique Holdings Ltd (Code: 647) was the biggest gainer of the day, as its share price rose 58.33 percent to 38 cents per share.

Vitop Bioenergy Holdings Ltd (Code: 1178) had the distinction of being the biggest loser of the day, as investors pulled down its share price by about 18.37 percent to 20 cents per share.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the situation mirrored, to some extent, the trading activities of the Main Board.

The Growth Enterprise Index, after gaining about 0.72 percent in the morning session, to 12:30 pm, lost all of its gains, ending the day with a 0.17-percent loss, at 1,200.98 points.

The Total Turnover was about \$HK281.05 million, with the ratio of gainers to losers, being about 1.19:One.

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

tom.com Ltd (Code: 8001)	Down 3 percent to \$HK2.40 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Up 2 percent to \$HK1.79 per share
hongkong.com Corporation (Code: 8006)	Down 2 percent to 85 cents per share
Greencool Technology Holdings Ltd (Code: 8056)	Up 5 percent to 80 cents per share
SUNeVision Holdings Ltd (8008)	Down 2 percent to \$HK1.97 per share

The biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025	23.64		0.068
Angels Technology Company Ltd	8112	11.67		0.335
Creative Energy Solutions Holdings Ltd	8109	10.77		0.36
Excel Technology International Holdings Ltd	8048	15.38		0.12
Jessica Publications Ltd	8137	14.93		0.385
New Universe International Group Ltd	8068	11.11		0.06
PINE Technology Holdings Ltd	8013	10.77		0.144
ProSticks International Holdings Ltd	8055		20.00	0.024
Techpacific Capital Ltd	8088	14.29		0.04
Thiz Technology Group Ltd	8119	11.90		0.047
Tiger Tech Holdings Ltd	8046		13.95	0.74
Tradeeasy Holdings Ltd	8163		16.00	0.021
Vodatel Networks Holdings Ltd	8033	11.84		0.425

And this was how other Asian equity markets saw the situation, last Monday night:

HKSAR	Minus 0.05 percent to 10,903.40
Indonesia	Plus 0.88 percent to 534.34
Japan	Plus 3.16 percent to 10,670.18
Malaysia	Closed
The Philippines	Plus 0.76 percent to 1,201.92
Singapore	Plus 0.40 percent to 1,605.60
South Korea	Plus 0.61 percent to 764.11
Taiwan	Plus 0.72 percent to 5,691.79
Thailand	Plus 1.40 percent to 545.23

Tuesday

Wall Street was still closed, as far as Asia was concerned, last Tuesday, and, in addition, the approach of Typhoon Dujuan closed down all business in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), and, naturally, proceedings on The Stock Exchange of Hongkong Ltd, after the luncheon break.

In Europe, things came to a standstill, as investors waited to see what would happen on Wall Street when it opened for the first day of the week.

This was how European investors saw the situation, last Tuesday:

Amsterdam's AEX Index	Plus 0.21 percent
Great Britain's FTSE 100 Index	Unchanged
Germany's Frankfurt XETRA DAX Index	Minus 0.11 percent
France's CAC40 Index	Plus 0.16 percent
Switzerland's Swiss Market Index	Minus 0.62 percent
Italy's MIBTEL Index	Plus 0.18 percent

The morning session of The Stock Exchange of Hongkong Ltd saw the Hang Seng Index eke out a gain of about 0.34 percent, ending half-day trading at 10,939.94 points.

The Total Turnover was about \$HK7.08 billion, with losers, beating out gainers by the ratio of about 1.20:One.

The Ten Most Actives for the shortened trading day were:

HSBC Holdings plc (Code: 5)	Up 0.50 percent to \$HK100.50 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.43 percent to \$HK58.00 per share
PetroChina Company Ltd (Code: 857)	Down 0.89 percent to \$HK2.775 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.74 percent to \$HK20.00 per share

Hang Fung Gold Technology Ltd (Code: 870)	Up 11.11 percent to \$HK1.70 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 2.15 percent to \$HK2.275 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.22 percent to \$HK62.25 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 0.51 percent to \$HK9.85 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.44 percent to \$HK57.25 per share
China Telecom Corporation Ltd (Code: 728)	Down 1.09 percent to \$HK2.275 per share

The double-digit movers of the morning session numbered 39 counters, in all, with 32 of their number, seeing their share prices gain 10 percent or more, while the rest saw their market capitalisations fall by 10 percent or more.

Gay Giano International Group Ltd (Code: 686) was the biggest mover of the double-digit bunch, as investors pushed up its share price to 28.50 cents, a gain of about 147.83 percent.

China Nan Feng Group Ltd (Code: 979) saw its share price fall by 27.78 percent, as traders pulled down its price to 1.30 cents, giving this counter the dubious honour of being the biggest loser of the session.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index put on about 0.16 percent in the morning session, which ended proceedings of the day at 12:30 pm.

The Total Turnover was about \$HK88.33 million, with losing counters, outpacing gaining ones by the ratio of about 1.52:One.

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

tom.com Ltd (Code: 8001)	Up 2 percent to \$HK2.45 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Unchanged at \$HK1.79 per share
Kanstar Environmental Technology Holdings Ltd (Code: 8011)	Down 2 percent to \$HK1.16 per share
Global Link Communications Holdings Ltd (Code: 8060)	Unchanged at \$HK1.36 per share
Greencool Technology Holdings Ltd (Code: 8056)	Up 6 percent to 85 cents per share

The biggest movers of the half-day session were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025		11.76	0.06
Aptus Holdings Ltd	8212	16.25		0.465
Argos Enterprise (Holdings) Ltd	8022	12.50		0.153
Jessica Publications Ltd	8137	22.08		0.47
PINE Technology Holdings Ltd	8013		12.50	0.126
Satellite Devices Corporation	8172		13.33	0.026

In Japan, while it is correct to state that indices on the country's 3 equity markets continued to make gains, those gains were cropped to fractions, last Tuesday.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average managed a gain of about 19.90 yen, equivalent to about 0.19 percent, ending the full day's trading (unlike trading in the HKSAR) at 10,690.08 yen.

But losing counters outnumbered gaining ones by the ratio of about 1.72:One.

Banks were especially strong in the hope that the Government of Prime Minister Junichiro Koizumi would continue to assist the economy, one way or another.

Buying more bank scrip and acquiring some of the bad loans of other companies, which are, also, in trouble, would be nice was one comment made to **TARGET**.

And, in fact, that seems to be happening.

It was announced that The **Industrial Revitalization Corporation of Japan (IRCJ)** would rescue Mitsui Mining Company and would ask Sumitomo Mitsui Banking Corporation to forgive (that means, *forget*) 171 billion yen in outstanding loans, extended to Mitsui Mining and 2 of its subsidiaries.

The IRCJ, now, has 4 cases in hand: Mitsui Mining Company; Dia Kensetsu Company, a construction company; Kumamoto bus company, Kyushu Industrial Transportation Company; and, Usui departmental store in Koriyama, Fukushima Prefecture.

In all cases, the IRCJ obtains majority stakes in ailing companies that it determines to assist by employing debt-equity programmes.

Which is, just about, the way that the Government of Japan deals with its insolvent, or near insolvent, banks.

And, with regard to all of the megabanks, they saw their share prices scoot up, quite considerably.

This was the way that indices on other Asian equity markets ended their respective trading days, last Tuesday:

HKSAR	Plus 0.34 percent to 10,939.94
Indonesia	Plus 0.86 percent to 538.94
Japan	Plus 0.19 percent to 10,690.08
Malaysia	Minus 0.17 percent to 742.02
The Philippines	Plus 1.35 percent to 1,218.10
Singapore	Minus 0.58 percent to 1,596.36
South Korea	Plus 0.31 percent to 766.50
Taiwan	Plus 0.42 percent to 5,715.95
Thailand	Minus 0.61 percent to 541.90

Wednesday

Investors, around the world, took heart, last Wednesday, thanks to statements, made by US President George W. Bush, over the Labour Day weekend, who promised, single-handedly, to save the world from international terrorism and to put American workers back into factories and on assembly lines as well as to put bottoms onto chairs in American corporate offices.

Up went indices on major equity markets of the US, with stock-market gurus of Wall Street, promising that the worst, in respect of the struggling US economy, was over.

(Please see last Wednesday's **TARGET** Intelligence Report)

On The New York Stock Exchange, last Tuesday, New York time, the Dow Jones Industrial Average gained about 107.45 points, equivalent to about 1.14 percent, rising to 9,523.27 points.

On the NASDAQ, the Composite Index added about 31.03 points, or about 1.71 percent, ending the first day of trading of last week at 1,841.48 points.

The largest equity markets of the world were responding, completely, to hype and hope that the US economy would move to higher plateaux in the coming months.

Ah! Hope! Wonderful hope!

In Europe, most of the major bourses made very useful gains, as the following **TARGET** table indicates:

Amsterdam's AEX Index	Plus 1.49 percent
Great Britain's FTSE 100 Index	Plus 1.37 percent
Germany's Frankfurt XETRA DAX Index	Plus 2.25 percent
France's CAC40 Index	Plus 1.75 percent
Switzerland's Swiss Market Index	Plus 2.04 percent
Italy's MIBTEL Index	Plus 1.22 percent

Asia had not caught the hope '*bug*', last Wednesday, with the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), having to clean up the mess, left in the wake of Typhoon Dujuan.

Of the 9 major stock markets of Asia, only 3 of their number did not end up in positive territory. And, of the 3 non-gainers, their losses were only fractional, at that.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gained about 1.49 percent, ending the day at 11,102.36 points.

The Total Turnover was about \$HK17.47 billion.

The ratio of gainers to losers was about 4.46:One.

Whether or not Wednesday's trading pattern reflected unfulfilled orders of Tuesday (due to the coming and going of the typhoon, the market only traded for half a day) or HKSAAR investors, following Wall Street's lead, only time would tell.

For certain, there was little in the way of inspiring news from the HKSAR Government or from any major corporate entity of the territory, and, if pure economics were to rule the day, then, indices should have continued to fall.

The Ten Most-Active counters of the day were:

Hutchison Whampoa Ltd (Code: 13)	Up 2.16 percent to \$HK59.25 per share
HSBC Holdings plc (Code: 5)	Up 1.00 percent to \$HK101.50 per share
PetroChina Company Ltd (Code: 857)	Down 1.80 percent to \$HK2.725 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 2.01 percent to \$HK63.50 per share
China Resources Enterprise Ltd (Code: 291)	Up 9.26 percent to \$HK8.85 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 3.93 percent to \$HK59.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.50 percent to \$HK20.30 per share
CNOOC Ltd (Code: 883)	Down 1.74 percent to \$HK14.10 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 1.02 percent to \$HK9.95 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 1.10 percent to \$HK2.30 per share

There were a record number of double-digit movers, last Wednesday: 118 counters, in all.

Of that number, only 8 counters stayed in negative territory by the close of the day, having lost 10 percent or more of their respective market capitalisations.

China Nan Feng Group Ltd (Code: 979) was the biggest gainer, as investors marked up its share price by 200 percent to 3.90 cents.

Greater China Holdings Ltd (Code: 431) had the distinction of being the biggest loser, as investors trounced its share price, pulling it down by 18.75 percent to 2.60 cents.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover reached about \$HK305.45 million, with gaining counters, swamping losing ones by the ratio of 2.32:One.

The Growth Enterprise Index put on about 2.28 percent, rising to 1,230.31 points.

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

tom.com Ltd (Code: 8001)	Up 4 percent to \$HK2.55 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Up 2 percent to \$HK1.83 per share
hongkong.com Corporation (Code: 8006)	Up 5 percent to 89 cents per share
Zhejiang Yonglong Enterprises Company Ltd (Code: 8211)	Up 25 percent to 60 cents per share
SUNeVision Holdings Ltd (Code: 8008)	Up 7 percent to \$HK2.075 per share

The double-digit movers on this speculative marketplace included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AKuP International Holding Ltd	8179	10.00		0.033
FlexSystem Holdings Ltd	8050	19.05		0.125
IIN International Ltd	8128	11.11		0.04
iMerchants Ltd	8009	10.00		0.132
Jessica Publications Ltd	8137	14.89		0.54
KanHan Technologies Group Ltd	8175	25.00		0.25
Lai Fai International Holdings Ltd	8183	14.71		0.78
Leadership Publishing Group Ltd	8010	25.00		0.70

MRC Holdings Ltd	8070	14.29		0.056
New Chinese Medicine Holdings Ltd	8085	12.00		0.056
New Universe International Group Ltd	8068		13.33	0.052
PINE Technology Holdings Ltd	8013	17.46		0.148
Rojam Entertainment Holdings Ltd	8075	12.50		0.09
Satellite Devices Corporation	8172	15.38		0.03
Tiger Tech Holdings Ltd	8046		11.43	0.62
Timeless Software Ltd	8028	12.64		0.196
Town Health International Holdings Company Ltd	8138	20.27		0.089
Tradeeasy Holdings Ltd	8163	86.36		0.041
Xteam Software International Ltd	8178	12.50		0.225
Zhejiang Yonglong Enterprises Company Ltd	8211	25.00		0.60
Yuxing InfoTech Holdings Ltd	8005	12.90		0.35

In Japan, trading was somewhat restrained, but, even so, by the end of the session, indices on the 3 equity markets of the country were at 14-month highs.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average hit 10,715.69 yen by the end of the day.

The Nikkei-225 Stock Average's closing level meant that it had added another 0.24 percent to its value.

The volume of trading on First Section of The Tokyo Stock Exchange was off by nearly 9 percent, at about 1.49 billion shares, compared with Tuesday's trades.

Shades of the beginnings of a major correction?

The ratio of gainers to losers was, just about, equal, at about One:One.

News wise:

- **The Bank of Japan**, which is the Central Bank of the country, announced that it would continue to buy into shares of major commercial banks. Between August 21 and August 31, The Bank of Japan purchased about 1.67 trillion yen-worth of shares of major banks of the country. The idea, The Bank of Japan explained, was to protect Japanese banks' balance sheets from falls in the market prices of stocks and shares, listed on the country's 3 stock markets. (Please see Tuesday's report)

This was the way that other Asian equity markets ended their respective days' trading, last Wednesday:

HKSAR	Plus 1.49 percent to 11,102.36
Indonesia	Plus 3.58 percent to 558.25
Japan	Plus 0.24 percent to 10,715.69
Malaysia	Plus 0.42 percent to 745.17
The Philippines	Plus 1.92 percent to 1,241.48
Singapore	Plus 0.54 percent to 1,605.00
South Korea	Minus 0.02 percent to 766.32
Taiwan	Minus 0.75 percent to 5,673.18
Thailand	Minus 0.37 percent to 539.88

Thursday

Equity markets seemed to cool down, last Thursday in Asia, following Wall's Street rather lack-lustre performance of Wednesday, New York time.

As expected, Tokyo was off on profit taking, while most other bourses in Asia were either plus or minus, only fractions.

On The New York Stock Exchange, last Wednesday, the Dow Jones Industrial Average was up by about 0.47 percent to 9,568.46 points.

On the tech-laden NASDAQ, its Composite Index gained about 0.62 percent, ending the day at 1,852.90 points.

Investors were watching the antics of the US Administration in its attempts to get shot of some, or all, of its responsibility in Iraq and Afghanistan where some 200,000 US troops are encamped in what could only be considered a police-keeping role.

The cost of maintaining such a military force is not cheap, even for the world's only superpower: About \$US1 billion per week.

In Europe, things looked a little better in certain quarters ... and not good in others.

For the working man in Germany, things were on the mend, it appeared.

The Government of Europe's largest single economy announced that the unemployment rate was steady at about 4.40 million workers in August, unchanged from the July figure, seasonally adjusted.

That is still, however, an unemployment rate in Germany of about 10.40 percent of the working population.

Which is high by any standard.

While it is true to state that the situation in respect of Germany's workers is not, seemingly, deteriorating, at the same time, it is equally true to state that it is not improving.

And, when an economy, or an industry within an economy, cannot move forward, it is accepted, generally, that, in reality, it is moving backwards.

On European bourses, in view of the fact that it appeared that Wall Street was going nowhere, caution appeared to be the generally accepted line to take in respect of buying and selling scrip.

This was the situation on major European bourses, at the end of last Thursday's trading day:

Amsterdam's AEX Index	Minus 0.48 percent
Great Britain's FTSE 100 Index	Minus 0.31 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.58 percent
France's CAC40 Index	Minus 0.35 percent
Switzerland's Swiss Market Index	Plus 0.15 percent
Italy's MIBTEL Index	Plus 0.01 percent

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the suggestion, that more people from the PRC, proper, would flood into the HKSAR, was seen by some investors, as being a fillip for the economy.

For property companies, it may, indeed, be a temporary boost to prices, which have been depressed for the past few years, but there is a knock-on effect, also: The potential for straining the entire infrastructure of the territory; the increased costs of crime prevention and crime detection; and, the potential for increased Administrative costs in keeping up with any material influx of Mainlanders, just to mention a few prospective problems on the horizon.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gained about one third of a percentage point, rising to 11,138.62 points on a Total Turnover of about \$HK18.92 billion.

However, losing counters outnumbered gaining ones by the ratio of about 1.17:One.

The Ten Most Actives of the day were:

China Mobile (Hongkong) Ltd (Code: 941)	Up 2.96 percent to \$HK20.90 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.84 percent to \$HK59.75 per share
HSBC Holdings plc (Code: 5)	Down 0.49 percent to \$HK101.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Unchanged at \$HK63.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.42 percent to \$HK59.25 per share
CLP Holdings Ltd (Code: 2)	Down 0.88 percent to \$HK33.80 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 2.51 percent to \$HK9.70 per share
PetroChina Company Ltd (Code: 857)	Up 0.92 percent to \$HK2.75 per share
China Unicom Ltd (Code: 762)	Up 3.57 percent to \$HK5.80 per share
China Resources Enterprise Ltd (Code: 291)	Unchanged at \$HK8.85 per share

There were a total of 68, double-digit movers of the day, of which number, the share prices of 39 of them rose by 10 percent or more, while 29 of their number saw their respective market capitalisations fall by 10 percent or more.

The HSBC China Fund Ltd (Code: 504) was the biggest gainer of the day, as its unit price rose by about 70.45 percent to \$HK3.00.

Berjaya Holdings (Hongkong) Ltd (Code: 288) and Pak Fah Yeow International Ltd (Code: 239) were the biggest losers of the day, both sharing the honours of seeing their respective share prices fall by 20.83 percent, as investors marked them down to 19 cents and \$HK1.90.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, gaining counters outperformed losing ones by the ratio of about 1.34:One.

This was in spite of The Growth Enterprise Index, losing about 0.74 percent, falling back to 1,221.16 points.

The Total Turnover was about \$HK282.05 million, with the top 5 counters, in terms of their trades (in Hongkong dollar terms), being responsible for about 56 percent of the entire volume of activity.

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

tom.com Ltd (Code: 8001)	Down 4 percent to \$HK2.45 per share
hongkong.com Corporation (Code: 8006)	Up 2 percent to 91 cents per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 3 percent to \$HK1.78 per share
SUNeVision Holdings Ltd (Code: 8008)	Down 2 percent to \$HK2.025 per share
Phoenix Satellite Television Holdings Ltd (Code: 8002)	Up 3 percent to 91 cents per share

The biggest movers on The GEM included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131	13.33		0.017
Argos Enterprise (Holdings) Ltd	8022	10.34		0.16
CASH Financial Services Group Ltd	8122	10.49		0.179
Golding Soft Ltd	8190	10.00		0.077
Henderson Cyber Ltd	8023	12.90		0.35
Inworld Group Ltd	8100	15.79		0.066
ITE (Holdings) Ltd	8092	19.57		0.055
Jessica Publications Ltd	8137		14.81	0.46
Lai Fai International Holdings Ltd	8183		12.82	0.68
Leadership Publishing Group Ltd	8010	17.14		0.82
Linefan Technology Holdings Ltd	8166	22.58		0.038
New Chinese Medicine Holdings Ltd	8085	16.07		0.065
PINE Technology Holdings Ltd	8013	14.86		0.17
ProSticks International Holdings Ltd	8055	12.00		0.028
Q9 Technology Holdings Ltd	8129	26.83		0.052
QUASAR Communication Technology Holdings Ltd	8171		23.64	0.42
Tiger Tech Holdings Ltd	8046		26.61	0.455

News wise:

- **Arnhold Holdings Ltd (Code: 102)**, once a big cheese in the HKSAR with regard to the supply of toilets, wash basins, etc, to the construction industry, as well as the installation of fixtures for kitchens and toilets, etc, announced that it was continuing to lose money. On a Turnover of about \$HK173.63 million for the first half of this Financial Year, to June 30, 2003, the company reported a Loss Attributable to Shareholders of about \$HK4.10 million. For the like 2002 period, the company reported a Loss Attributable to Shareholders of about \$HK5.76 million. How the mighty have fallen!

In The Land of The Rising Sun, it appeared that the stock-market's sun was beginning to set.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average, the key index, which tracks to direction of blue chips, shed 68.74 yen, or about 0.64 percent, ending the day at 10,646.95 yen.

Losing counters outnumbered gaining ones by the ratio of about 1.25:One.

It was the end of a 4-day winning streak.

The market was dragged down by a late sell-off of banking stocks, following substantial gains in these counters, made in the previous sessions.

Helping the 3 equity markets of Japan was a confirmed report that The Bank of Japan was stepping in on forex markets, forcing down the value of the yen against other 'hard' currencies, such as the US dollar.

The value of the yen, vis-à-vis the US dollar, hit a 105-day low at just a tad below 117 yen.

A 'cheaper' yen means that Japanese exports are more competitive in the marketplace, although imports into Japan cost more, in terms of foreign exchange, and these costs have to be passed onto consumers or reduce profit margins, whichever is smaller.

In other Asian equity markets, this was the situation, last Thursday night:

HKSAR	Plus 0.33 percent to 11,138.36
Indonesia	Plus 3.04 percent to 575.19
Japan	Minus 0.64 percent to 10,646.95
Malaysia	Plus 0.95 percent to 752.26
The Philippines	Minus 0.61 percent to 1,233.87
Singapore	Plus 0.33 percent to 1,610.23
South Korea	Minus 0.28 percent to 764.15
Taiwan	Minus 0.84 percent to 5,625.63
Thailand	Plus 1.03 percent to 545.43

Friday

South Korea's Seoul Stock Market was the only Asian equity market whose main index did not rise, last Friday, but the gains on the other major Asian stock markets were of a fractional nature, in any case.

Europe and Asia were looking, very hard, at what was happening, internationally, and, especially, at the antics of the US Government.

While the US Administration, led by President George W. Bush, continued to try to pressure the Security Council (SC) of the United Nations (UN) to send in an armed UN force into Iraq in order to relieve the 150,000-odd American soldiers and the 10,000-odd United Kingdom (UK) forces, France and Germany, both, pooh-poohed the US Draft Resolution.

French President Jacques Chirac commented that the proposed SC Resolution was *'quite far from what appears to us the primary objective, namely the transfer of political responsibility to an Iraqi Government as soon as possible.'*

German's Chancellor, Mr Gerhard Schröder, speaking from Dresden, Germany, remarked that the draft resolution was *'not dynamic and not sufficient.'*

Without the votes in the SC of Germany and France, the US Administration is doomed to failure if it continues to press ahead with its determination in respect of its draft Resolution.

France and Germany see the US ploy as getting the Bush Administration off the hook, militarily and financially.

On Wall Street, last Thursday, trading was quiet on both The New York Stock Exchange and the NASDAQ, however, both equity markets indices continued to rise, albeit fractionally.

On The New York Stock Exchange, the Dow Jones Industrial Average put on another 19.44 points, or about 0.20 percent, ending the day at 9,587.60 points.

The Composite Index of the NASDAQ rose by about 0.87 percent to 1,868.98 points.

Investors on the world's largest equity markets had to contend with a number of situations, which, in some ways, contradicted each other.

The number of unemployed, applying for Initial Unemployment Insurance benefits in The Land of The Free and The Home of The Brave, had risen, once again, above the 400,000 claims level, to 413,000 claims for the week, ended August 30, 2003.

That put paid to the suggestion that workers were being put back on assembly lines and into offices.

The US Government's Labour Department, also, announced that US productivity grew at a 6.80-percent annual rate, during the second quarter.

What The Labour Department did not state was that US workers – those who are employed, that is – were toiling longer hours in order to achieve higher productivity levels, Quarter-on-Quarter ... and, in many cases, receiving less pay for their work.

Higher productivity levels, for whatever reason, coupled with a fall-off in employment and an economy that appears not be moving forward could well indicate that deflation could rear its head, again.

On the scandal front, Goldman Sachs Group Incorporated has agreed to pay \$US9.30 million in order to settle charges in respect of a former economist of the company, who had been accused of insider trading, permitting Goldman Sachs to earn millions of dollars, trading in US Government bonds.

The culprit was Mr John Youngdahl, who was named in an indictment, filed last Thursday, suggesting, in no uncertain terms, insider trading as well as perjury.

The settlement breakdown was \$US5 million, being a fine, and \$US4.30 million, being profits from illegal dealings.

The indictment stated that information had been stolen from The Treasury Department of the US Government and, then, that information had been passed on to traders at Goldman Sachs in order to allow this merchant bank to be ahead of the game, making a profit along the way.

In addition to Mr John Youngdahl, Mr Peter Davis Junior, a Washington consultant, pleaded guilty to insider-trading charges and conspiracy with Mr Youngdahl.

In Europe, the economic data, pouring out of US Government departments, did not please investors.

Hype and hope are nice, of course, but, unless they are coupled with positive economic facts, like sex, they do not linger long.

This was how indices of major European bourses ended the week of September 5:

Amsterdam's AEX Index	Minus 0.16 percent
Great Britain's FTSE 100 Index	Plus 0.20 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.66 percent
France's CAC40 Index	Minus 0.53 percent
Switzerland's Swiss Market Index	Plus 0.22 percent
Italy's MIBTEL Index	Plus 0.07 percent

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investor interest in stocks and shares was on the wane.

On The Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gained about 0.29 percent, coming to rest at 11,170.61 points by the time that dinner was served.

The Total Turnover dipped to about \$HK12.54 billion, with the ratio of losing counters to gaining ones, being about 1.13:One.

The Ten Most Actives were:

China Mobile (Hongkong) Ltd (Code: 941)	Up 1.91 percent to \$HK21.30 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 3.61 percent to \$HK10.05 per share
HSBC Holdings plc (Code: 5)	Up 0.50 percent to \$HK101.50 per share
Hang Seng Bank Ltd (Code: 11)	Unchanged at \$HK88.00 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.84 percent to \$HK59.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.42 percent to \$HK59.00 per share
Far East Consortium International Ltd (Code: 35)	Down 5.38 percent to \$HK1.23 per share
PetroChina Company Ltd (Code: 857)	Up 0.91 percent to \$HK2.775 per share
CNOOC Ltd (Code:883)	Up 2.46 percent to \$HK14.55 per share

There were a total of 43 double-digit movers of the day, of which number, 30 double-digit movers gained 10 percent or more of their market capitalisation, while 13 of their number saw investors knock down their respective share prices by 10 percent or more.

The biggest gainer of the day was UDL Holdings Ltd (Code: 620) whose share price scooted up 66.67 percent to 3 cents.

Le Saunda Holdings Ltd (Code: 738) had the distinction of seeing its share price fall the greatest amount: Down 24.68 percent to 29 cents.

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On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, spurred on by the gains of the NASDAQ, which is awash with hi-tech companies, The Growth Enterprise Index gained another 1.86 percent, ending the week at 1,243.83 points.

The Total Turnover was about \$HK408.43 million, which is extraordinarily high for this speculative market, relative to the past year or so.

About 48 percent of the Total Turnover was the result of trading in one counter: That of Mr Li Ka Shing's CK Life Sciences International (Holdings) Incorporated (Code: 8222).

The volume of trades in the Share Capital of CK Life Sciences, at about 194.85 million shares, represented a turnover in this counter of about \$HK102.37 million.

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

CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Up 7 percent to \$HK1.91 per share
Tungda Innovative Lighting Holdings Ltd (Code: 8229)	Unchanged at 38 cents per share
tom.com Ltd (Code: 8001)	Up 1 percent to \$HK2.475 per share
hongkong.com Corporation (Code: 8006)	Down 1 percent to 90 cents per share
Global Link Communications Holdings Ltd (Code: 8060)	Up 3 percent to \$HK1.41 per share

As for the biggest movers on this speculative marketplace, they included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
A-S China Plumbing Products Ltd	8262	10.69		1.45
abc Multiactive Ltd	8131	11.76		0.019
Asian Information Resources (Holdings) Ltd	8025		13.79	0.05
Argos Enterprise (Holdings) Ltd	8022	10.00		0.176
CASH Financial Services Group Ltd	8122	59.22		0.285
Creative Energy Solutions Holdings Ltd	8109	10.81		0.41
FX Creations International Holdings Ltd	8136	21.21		0.16
IIN International Ltd	8128	12.50		0.045
ITE (Holdings) Ltd	8092	41.82		0.078
KanHan Technologies Group Ltd	8175	22.22		0.33
Linefan Technology Holdings Ltd	8166		13.16	0.033
New Chinese Medicine Holdings Ltd	8085		13.85	0.056
PINE Technology Holdings Ltd	8013	17.65		0.20
Rojam Entertainment Holdings Ltd	8075	10.00		0.099
Tianjin TEDA Biomedical Engineering Company Ltd	8189	10.00		0.22
Yuxing InfoTech Holdings Ltd	8005	21.62		0.45

News wise:

- **Mr Tung Chee Hwa, Chief Executive of the HKSAR**, said:

'... because the Hongkong community (sic) continues to have some doubts and concerns about the provisions of the proposed legislation, we have decided to withdraw The National Security (Legislative Provisions) Bill from the legislative programme so as to allow sufficient time for the community (sic) to study the enactment question ... '.

The proposed controversial law relates to Article 23 of The Basic Law of the HKSAR, which states that the territory may enact legislation to safeguard the HKSAR from sedition, treason, etc. It is, generally, held that the original draft of this new law was aimed, more, at gagging free speech and other freedoms that residents of the HKSAR enjoy, by right, and the publication of information that the public, at large, ought to be able to view if so desired;

- **BOC Hongkong (Holdings) Ltd (Code: 2388)**, a PRC, State-run bank with offices in the HKSAR, announced that Interest Income had fallen by about 14.60 percent in the first half of this Financial Year, to June 30, 2003, Year-on-Year, to about \$HK9.36 billion. The Net Profit Attributable to Shareholders had fallen by about 12 percent, during this period, to about \$HK3.01 billion, compared with about \$HK3.42 billion for the like 2002 half Year;
- **SCMP Group Ltd (Code: 583)**, the largest, English-language daily newspaper of the HKSAR, which has fallen from grace since 1997, due to what many people maintain is self-censorship, announced that its Net Profits Attributable to Shareholders had dipped by about 62.28 percent in the first half of its Financial Year, to June 30, 2003, to about \$HK33.98 million, Year-on-Year. The Turnover, during the period under review, fell by about 8.40 percent, to about \$HK613.64 million; and,
- **The City of London Group of Companies** is threatening to kick out **HSBC Asset Management (Taiwan)** as its investment manager for the New York, closed-end Taiwan Fund, which is listed on The New York Stock Exchange. The City of London Group is the Taiwan Fund's largest single shareholder. The City of London Group is dissatisfied with the performance of management of HSBC Asset Management.

The tally for the week in the HKSAR equity markets, therefore, was:

Hang Seng Index	Up 2.40 percent
The Growth Enterprise Index	Up 3.40 percent

In Japan, the word, dull, would have been an understatement if one were to try to describe the 3 equity markets of the country.

The Tokyo Stock Exchange saw its key index, The Nikkei-225 Stock Average, gain just 0.04 percent, ending the week at 10,650.77 yen.

That result was a far cry from the previous Monday's booming market in Tokyo.

The ratio of losers to gainers was about 1.49:One.

News wise:

- **The Finance Ministry** announced that corporate capital investment had risen by about 6.40 percent, during the quarter April-June, 2003, compared with the like period in 2002.

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

The Nikkei-225 Stock Average	Up 2.97 percent
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And this was how other Asian markets ended the week of September 5, 2003:

HKSAR	Plus 0.29 percent to 11,170.61
Indonesia	Plus 1.24 percent to 582.32
Japan	Plus 0.04 percent to 10,650.77
Malaysia	Plus 0.56 percent to 756.48
The Philippines	Plus 0.54 percent to 1,240.58

Singapore	Plus 0.47 percent to 1,617.84
South Korea	Minus 0.34 percent to 761.55
Taiwan	Plus 0.24 percent to 5,639.03
Thailand	Plus 2.27 percent to 557.81

-- E N D --

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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