

**AL QAEDA THREATENS THE U.S. WITH MORE ATTACKS  
PRESIDENT BUSH TELLS CONGRESS: I NEED MORE MONEY !**

The Bush Administration has run out of the money in order to continue the war in Iraq and Afghanistan.

That was the essence of the 15-minute message that US President George W. Bush delivered to the world, on Sunday night, September 7, 2003.

He said that he would ask Congress for another \$US87 billion to continue the good fight.

In an emotive plea for international understanding, as well as national empathy of the plight of the United States (US), President George W. Bush said, inter alia:

*'Enemies of freedom are making a desperate stand there (in Iraq and Afghanistan) and they must be defeated. This will take time and require sacrifices\* ... Yet, we will do whatever is necessary; we will spend what is necessary (in order) to achieve this essential victory in the war on terror (in order) to promote freedom and to make our own nation more secure ... '.*

\* **TARGET** Translation: Sacrifices = more dead American soldiers

The amount of more money that will be necessary in order to continue the war is estimated to increase the Federal Budget Deficit by another 20 percent in the coming year, it was being conjectured.

That means that the 2003-2004 Budget will be a deficit, approaching \$US500 billion.

The raison d'être for the US-led war on Iraq was that former Iraqi President Saddam Hussein had weapons of mass destruction, ready to be used against anybody, and that he may sell some of those weapons of mass destruction to terrorists, such as Osama bin Laden, who had been the mastermind behind the attacks on the US on September 11, 2001 and who was said to be a friend and/or ally of Saddam Hussein.

The US thumbed its nose at the United Nations (UN), last February, and, along with 10,000 soldiers, supplied by the United Kingdom (UK), made a successful, pre-emptive attack on Baghdad, scoring a resounding victory in 21 days, last March.

Germany, France, Russia, and the People's Republic of China (PRC), among others, denounced the US-led military action because these powerhouses wanted the UN to sanction the creation of a coalition force, if it was deemed necessary, following a successful vote of the Permanent Members of the Security Council (SC) of the UN.

Since the US thought that it could not obtain a sufficient number of votes in the SC in order to sanction UN-endorsed military action, it went into Iraq with its military might, numbering about 200,000 men, with the UK, sending in about 10,000 men.

The act of the US was a divisive one, as far as the UN was concerned.

Today, however, President George W. Bush is stating the UN 'has a responsibility' to take an expanded role in Iraq.

The world listened ... and pondered.

The US Presidential Election is not far off – next year, in fact.

(Please see last Wednesday's [TARGET Intelligence Report, Volume V, Number 172](#))

Also in the news, over the weekend of September 6-7, in Taiwan, there was a demonstration of some 50,000 loyalists, who want the name of the territory to be changed from The Republic of China to, simply, Taiwan.

There was, also, another demonstration of Chinese nationalists, who want Taiwan to be independent of the PRC and to be known as an independent country, distinct from the PRC, proper.

Taiwan does not have a seat in the UN and is recognised by fewer than 30 countries.

Beijing had not commented, vociferously, on the 2 Taiwan demonstrations, last Monday, but it is thought that the suggestion of a free Taiwan would be as welcome as crabs to a teenager in heat.

On Wall Street, on Friday, September 5, there was a bit of a sell-off, following some pretty disappointing economic data, having been released by The Labour Department of the US Government. (Please see last Wednesday's **TARGET** Intelligence Report)

The New York Stock Exchange saw its Dow Jones Industrial Average drop by about 101.97 points, equivalent to about 1.06 percent, falling back to 9,485.93 points.

On the NASDAQ, its Composite Index shed about 10.41 points, or about 0.56 percent, ending the week at 1,858.56 points.

The fall from grace of stocks and shares, listed on the world's largest equity markets, followed The Labour Department, reporting that another 93,000 workers, outside the farming sector of the economy, has been told not to report back to work in September.

While the unemployment rate had dropped from about 6.20 percent in July to about 6.10 percent in August, this was due, in part or in whole, to the fact that many workers had given up all hope of finding jobs and, therefore, those statistics had not been recorded.

As it is said in Texas: *'It ain't good, pardner.'*

In Europe, seeing that Wall Street was not collapsing in early trading, last Monday, traders stepped in and took long positions on the ground that, perhaps, things will not be so bad, after all.

This was how the indices of Europe's largest bourses closed, last Monday:

Amsterdam's AEX Index	Plus	0.88 percent
Great Britain's FTSE 100 Index	Plus	0.82 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.94 percent
France's CAC40 Index	Plus	0.50 percent
Switzerland's Swiss Market Index	Plus	0.48 percent
Italy's MIBTEL Index	Plus	0.89 percent

The major equity markets of Asia held onto the previous week's closing levels, by and large, last Monday, but there were a number of visible cracks in the trading structure of many of the markets.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, investors became a little apprehensive about the situation, regarding the Taiwan freedom demonstrations of the previous Saturday.

Also, last Friday was a public holiday in the HKSAR, being the Mid-Autumn Festival, so that many people were planning to take a 3-day break, thus dampening that ardour for trading in stocks and shares.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index lost about 0.05 percent of its value, ending the day at 11,165.28 points.

The Total Turnover was about \$HK11.44 billion, with the ratio of losing counters to gaining ones, being about 1.06:One.

The Ten Most Actives counters of the day were:

PCCW Ltd (Code: 8)	Up 5.43 percent to \$HK4.85 per share
HSBC Holdings plc (Code: 5)	Up 0.49 percent to \$HK102.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.70 percent to \$HK21.15 per share
PetroChina Company Ltd (Code: 857)	Unchanged at \$HK2.775 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.84 percent to \$HK58.75 per share
Vanda Systems and Communications Holdings Ltd (Code: 757)	Down 13.18 percent to \$HK1.12 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 1.99 percent to \$HK10.25 per share
CNOOC Ltd (Code: 883)	Down 3.44 percent to \$HK14.05 per share

Cheung Kong (Holdings) Ltd (Code: 1)  
Sun Hung Kai Properties Ltd (Code: 16)

Up 0.40 percent to \$HK63.25 per share  
Unchanged at \$HK59.00 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	39.84		1.79
Asia Orient Holdings Ltd	214	12.20		2.30
Century Legend (Holdings) Ltd	79	39.29		0.039
Cosmopolitan International Holdings Ltd	120	16.92		0.235
Dan Form Holdings Company Ltd	271	12.77		0.265
Dong Fang Gas Holdings Ltd	432	21.21		0.40
Friedmann Pacific Greater China Investments Ltd	1226	44.71		0.246
Fulbond Holdings Ltd	1041		10.71	0.025
G-Vision International (Holdings) Ltd	657	50.00		0.06
Goldbond Group Holdings Ltd	172		11.63	0.19
Guangnan (Holdings) Ltd	1203	13.48		0.202
HSBC China Fund Ltd, The	504	12.50		4.275
INNOMAXX Biotechnology Group Ltd	340	22.00		0.61
Joyce Boutique Holdings Ltd	647	12.66		0.445
Karl Thomson Holdings Ltd	7	14.00		0.285
Kong Sun Holdings Ltd	295	26.67		0.038
Millennium Sense Holdings Ltd	724	13.64		0.125
Nam Fong International Holdings Ltd	1176	13.46		0.059
Oxford Properties and Finance Ltd	220	43.62		13.50
Paladin Ltd	495	101.59		0.127
Sen Hong Resources Holdings Ltd	76	17.39		0.54
Shang Hua Holdings Ltd	371		15.00	0.085
Skynet (International Group) Holdings Ltd	577		16.67	0.01
Softbank Investment International (Strategic) Ltd	648		14.34	0.227
South East Group Ltd	726	14.55		0.063
South Sea Holding Company Ltd	680	26.67		0.019
Sun East Technology (Holdings) Ltd	365	16.67		0.455
Terabit Access Technology International Ltd	491		10.00	0.018
UDL Holdings Ltd	620	96.67		0.059
Unity Investments Holdings Ltd	913		30.00	0.126
Vanda Systems and Communications Holdings Ltd	757		13.18	1.12
Wai Yuen Tong Medicine Holdings Ltd	897		17.65	0.042

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, investors pushed up The Growth Enterprise Index by about 0.72 percent to 1,252.75 points.

The Total Turnover was about \$HK218.67 million, with the ratio of gainers to losers, being about 1.74:One.

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

CK Life Sciences International (Holdings) Incorporated (Code: 8222)  
tom.com Ltd (Code: 8001)  
SUNeVision Holdings Ltd (Code: 8008)  
Global Link Communications Holdings Ltd (Code: 8060)  
Phoenix Satellite Television Holdings Ltd (Code: 8002)

Up 1 percent to \$HK1.92 per share  
Up 1 percent to \$HK2.50 per share  
Up 5 percent to \$HK2.15 per share  
Down 3 percent to \$HK1.37 per share  
Down 1 percent to 88 cents per share

The biggest movers of the day were the following bunch:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AKuP International Holding Ltd	8179	11.43		0.039
Argos Enterprise (Holdings) Ltd	8022	16.48		0.205
B M Intelligence International Ltd	8158	10.00		0.066

CASH Financial Services Group Ltd	8122	24.56		0.355
Goldigit Atom-Tech Holdings Ltd	8059	11.21		0.129
Henderson Cyber Ltd	8023		14.29	0.30
ITE (Holdings) Ltd	8092	11.54		0.087
KanHan Technologies Group Ltd	8175	42.42		0.47
Linefan Technology Holdings Ltd	8166	45.45		0.048
M Channel Corporation Ltd	8036		14.29	0.024
Media Partners International Holdings Incorporated	8072		11.43	0.31
New Chinese Medicine Holdings Ltd	8085	30.36		0.073
PINE Technology Holdings Ltd	8013	70.00		0.34
Shanghai Fudan Microelectronics Company Ltd	8102	12.94		0.96
TeleEye Holdings Ltd	8051		15.87	0.106
Tiger Tech Holdings Ltd	8046	14.61		0.51
Timeless Software Ltd	8028	18.42		0.27

In Japan, after an early sell-off on The Tokyo Stock Exchange, which saw its key index, The Nikkei-225 Stock Average, lose about 0.83 percent, falling to 10,562.78 yen, short-covering by day-traders pulled up the Nikkei-225 Stock Average so that, by the close of the day, it stood at 10,683.76 yen, a gain of about 33.01 points, or about 0.31 percent, compared with the previous Friday's close.

The ratio of gainers to losers was about 1.35:One.

Japan, which sports the largest equity markets in Asia, was concerned about, what was clearly, an escalation of the war in Iraq and Afghanistan, as well as the US economy, which was beginning to look a little fragile, yet again.

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

HKSAR	Minus 0.50 percent to 11,165.28
Indonesia	Plus 0.81 percent to 587.06
Japan	Plus 0.31 percent to 10,683.76
Malaysia	Minus 1.01 percent to 748.86
The Philippines	Plus 1.49 percent to 1,259.03
Singapore	Plus 0.27 percent to 1,622.28
South Korea	Minus 0.17 percent to 760.25
Taiwan	Plus 1.56 percent to 5,727.01
Thailand	Plus 1.18 percent to 564.41

## **Tuesday**

Severe Acute Respiratory Syndrome (SARS) was discovered, again, in Singapore.

Following 48 hours of comprehensive testing of a 27-year-old, post-graduate student at The National University of Singapore in order to ascertain whether or not he had contracted the killer SARS virus, the Acting Health Minister of the Singapore Government made it official: It's back again.

Asia went into high gear in an attempt to contain the problem.

It was the first case in Singapore in the previous 5 months.

The Singapore Stock Market's Straits Times Index dived 2.60 percent to 1,580.14 points on learning of the confirmation.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), The Medical and Health Department put out a statement as to the steps that the HKSAR Government was taking in light of the Singapore case.

Vigilance at ports and entry points to the territory was stepped up.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index, which charts the direction of blue chips, lost 1.06 percent of its value, falling to 11,046.82 points.

The Total Turnover was about \$HK12.91 billion, with losing counters, outrunning gaining ones by the ratio of 4.25:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK102.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 2.36 percent to \$HK20.65 per share
PetroChina Company Ltd (Code: 857)	Down 3.99 percent to \$HK2.575 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 1.46 percent to \$HK10.10 per share
PCCW Ltd (Code: 8)	Down 4.12 percent to \$HK4.65 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 2.12 percent to \$HK57.75 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.28 percent to \$HK58.00 per share
CNOOC Ltd (Code: 883)	Down 2.49 percent to \$HK13.70 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.79 percent to \$HK62.75 per share
China Telecom Corporation Ltd (Code: 728)	Unchanged at \$HK2.25 per share

The double-digit movers numbered 64 counters, in all, with 49 of their number, losing 10 percent or more of their market capitalisations, while the remaining 15, double-digit counters gained 10 percent or more.

Greater China Holdings Ltd (Code: 431) was the biggest gainer of the day, as investors pushed up its share price by 92.31 percent to 50 cents.

CIL Holdings Ltd (Code: 479) was the biggest loser of the day, as investors pulled down its share price by 30.43 percent to 1.60 cents.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the bears took control of the market, forcing down The Growth Enterprise Index by about 2.50 percent to 1,221.45 points.

The Total Turnover on this speculative market was about \$HK270.55 million.

The ratio of losing counters to gaining ones was about 1.12:One.

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

CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 4 percent to \$HK1.84 per share
tom.com Ltd (Code: 8001)	Down 5 percent to \$2.375 per share
hongkong.com Corporation (Code: 8006)	Down 1 percent to 86 cents per share
PINE Technology Holdings Ltd (Code: 8013)	Up 29 percent to 44 cents per share
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd (Code: 8095)	Unchanged at 90 cents per share

The biggest GEM movers were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025		20.00	0.04
AKuP International Holding Ltd	8179		20.51	0.031
B M Intelligence International Ltd	8158		24.24	0.05
CASH Financial Services Group Ltd	8122	12.68		0.40
Essex Bio-Technology Ltd	8151	10.89		0.112
Excel Technology International Holdings Ltd	8048	25.00		0.15
Fortune Telecom Holdings Ltd	8040		10.91	0.49
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231	14.00		0.57
Golding Soft Ltd	8190	10.67		0.083
Info Communication Holdings Ltd	8082		11.11	0.032
iSteelAsia Holdings Ltd	8080	13.45		0.135
Jiangsu Nandasoft Company Ltd	8045	12.24		0.55
Kinetana International Biotech Pharma Ltd	8031		20.00	0.052
New Chinese Medicine Holdings Ltd	8085		16.44	0.061

PINE Technology Holdings Ltd	8013	29.41		0.44
Prosten Technology Holdings Ltd	8026	23.00		0.123
ProSticks International Holdings Ltd	8055		13.79	0.025
Rojam Entertainment Holdings Ltd	8075		10.00	0.09
T S Telecom Technologies Ltd	8003	19.77		0.103
Tiger Tech Holdings Ltd	8046	19.61		0.61
Town Health International Holdings Company Ltd	8138		15.73	0.075
Zhejiang Yonglong Enterprises Company Ltd	8211		10.17	0.53
Zheda Lande Scitech Ltd	8106	15.91		0.51

On Wall Street, on the first day of trading, last week, the news of the lone, SARS case in Singapore had yet to make the rounds of brokers and investors so that US investors on the world's largest equity markets were trading on the basis of the status quo, which existed in Asia, the previous Friday.

On The New York Stock Exchange, the Dow Jones Industrial Average gained about 0.87 percent, ending last Monday's session at 9,586.29 points.

On the NASDAQ, its Composite Index was ahead by 1.63 percent to 1,888.62 points by the time that dinner was ready.

The talk on Wall Street was that the economy of the largest industrial and economic power in the world was improving, barring employment, and so, now, it was the time to invest.

As for the \$US87 billion, needed to fund the US war effort in the Middle East, well, that was not of great concern, last Monday in New York, when the stock-market *'horses'* were running.

In Europe, last Tuesday, it was another story, however.

European investors knew of the SARS case in Singapore and, also, there was a great deal of consternation in respect of the US economy.

There was a confirmed report from Nokia, one of the world's largest producers of mobile telecommunication equipment, that it expected *'flat'* sales for the rest of the year.

Where was the resurgence of economic activity in the US, as had been promised?

With eurozone investors, feeling somewhat discouraged, it was hardly surprising that only 2 European bourses out of a total of 23 bourses managed to make any headway in the rough European seas.

This was how European indices of major bourses saw the situation, last Tuesday night:

Amsterdam's AEX Index	Minus 1.36 percent
Great Britain's FTSE 100 Index	Minus 0.66 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.29 percent
France's CAC40 Index	Minus 1.01 percent
Switzerland's Swiss Market Index	Minus 0.72 percent
Italy's MIBTEL Index	Minus 0.93 percent

As for Asia's largest equity markets, those of The Land of The Rising Sun, share prices rose, following a recommendation from one international bank that it was time to buy into Japanese equities.

SARS had not been consideration, last Tuesday in Tokyo, because, while the Tokyo market was open, the Singapore Government had yet to release its medical findings.

But SARS would, no doubt, be a consideration for investors before the end of the week, to be sure.

And, if another SARS case were to be confirmed, anywhere in Asia, all Hell could break loose in the most-populous part of the globe.

On The Tokyo Stock Exchange, last Tuesday, the Nikkei-225 Stock Average put on a show of strength, with the closing figures, being 10,922.04 yen, representing a one-day gain of 2.23 percent.

It was another, 14-month high for the key index of the premier bourse of Japan.

The ratio of gainers to losers was about 2.81:One.

This was the way that the indices of other Asian markets ended, last Tuesday:

HKSAR	Minus 1.06 percent to 11,046.82
Indonesia	Minus 0.30 percent to 585.29
Japan	Plus 2.23 percent to 10,922.04
Malaysia	Minus 0.81 percent to 742.83
The Philippines	Plus 3.20 percent to 1,299.33
Singapore	Minus 2.60 percent to 1,580.14
South Korea	Plus 0.95 percent to 767.46
Taiwan	Minus 0.81 percent to 5,680.69
Thailand	Minus 1.22 percent to 557.55

### **Wednesday**

Tens of billions of dollars were wiped off the values of stocks and shares in Asia, last Wednesday.

On some equity markets, the scene was reminiscent of panic selling.

SARS – Severe Acute Respiratory Syndrome – was the reason for the major sell-off.

The fact that Wall Street gurus were singing the praises of the US economy was discounted – because the here and the now was the only consideration for Asian investors, who still remembered the last time that SARS visited the region.

Airlines stocks were hit especially hard because, should another SARS case be detected, it would, without question, affect revenues of Asian airlines: Passenger traffic would be cut by between 50 percent and 70 percent, almost immediately.

On the Main Board of The Stock Exchange of Hongkong Ltd, the key gauge to trading, The Hang Seng Index, lost about 2.14 percent of its value, falling back to 10,810.31 points.

The Total Turnover rose to about \$HK14.91 billion – a rising volume of activity on a rapidly falling market is never a good sign – while the ratio of losing counters to gaining ones was about 5.14:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 1.47 percent to \$HK100.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 5.63 percent to \$HK54.50 per share
Hutchison Whampoa Ltd (Code: 13)	Down 3.02 percent to \$HK56.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 2.66 percent to \$HK20.10 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 4.78 percent to \$HK59.75 per share
PetroChina Company Ltd (Code: 857)	Down 0.97 percent to \$HK2.55 per share
China Telecom Corporation Ltd (Code: 728)	Down 5.56 percent to \$HK2.125 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 0.50 percent to \$HK10.05 per share
New World Development Company Ltd (Code: 17)	Down 4.80 percent to \$HK5.95 per share
Cathay Pacific Airways Ltd (Code: 293)	Down 4.96 percent to \$HK12.45 per share

As for the biggest movers of the day, there were 36 counters that qualified, but only 5 of them managed to see their share prices rise double-digit figures; the rest saw their market capitalisations fall by 10 percent or more.

China Rich Holdings Ltd (Code: 1191) was the biggest gainer of the day, as its share price rose 17.95 percent to 9.20 cents.

i100 Ltd (Code: 2966) was the biggest loser of the day, with its share price, being shot down by 34.21 percent to \$HK1.00, exactly.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, as with the Main Board, the volume of activity rose on a rapidly falling market.

The Growth Enterprise Index dropped another 1.58 percent, ending the session at 1,202.18 points.

The Total Turnover was about \$HK219.49 million.

The ratio of losers to gainers was about 2.67:One.

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

tom.com Ltd (Code: 8001)	Unchanged at \$2.375 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 3 percent to \$HK1.79 per share
hongkong.com Corporation (Code: 8006)	Down 3 percent to 83cents per share
Kingdee International Software Group Company Ltd (Code: 8133)	Down 3 percent to \$HK2.10 per share
Kanstar Environmental Technology Holdings Ltd (Code: 8011)	Down 1 percent to \$HK1.20 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025	20.00		0.048
CASH Financial Services Group Ltd	8122	10.00		0.44
Grandmass Enterprise Solution Ltd	8108		13.33	0.013
Grandy Applied Environmental Technology Corporation	8143	16.13		0.036
Linefan Technology Holdings Ltd	8166	15.22		0.053
ProSticks International Holdings Ltd	8055	16.00		0.029
Satellite Devices Corporation	8172	17.86		0.033
Sonavox International Holdings Ltd	8226		10.45	0.30
Tradeeasy Holdings Ltd	8163		17.50	0.033

Not that it mattered a hoot to Asian investors, last Wednesday, but on Wall Street, last Tuesday, there had been a bit of a sell-off, too.

But the sell-off in New York was for a completely different reason: SARS was not an issue for US investors.

While certain gurus continued to beat the drum of the bulls, on The New York Stock Exchange, the Dow Jones Industrial Average lost about 0.83 percent, falling to 9,507.20 points.

On the NASDAQ, its Composite Index gave up 0.80 percent, ending the day at 1,873.43 points.

It was clear that if, indeed, the US economy was on the upswing, one could not tell it by what took place on US equity markets, last Tuesday.

In Europe, major indices of the most-important bourses continued to lose ground as investors, in that part of the world, determined to wait and to see what would happen on Wall Street – and whether or not the world was set for another bout of SARS.

This was how the indices of major European bourses fared, last Wednesday:

Amsterdam's AEX Index	Minus 1.93 percent
Great Britain's FTSE 100 Index	Minus 0.28 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.60 percent
France's CAC40 Index	Minus 1.38 percent
Switzerland's Swiss Market Index	Plus 0.16 percent
Italy's MIBTEL Index	Minus 0.95 percent

In Japan, The Tokyo Stock Exchange followed the equity markets of the HKSAR and Indonesia ... down.

The Tokyo Stock Exchange's Nikkei-225 Stock Average lost 0.60 percent, ending the day at 10,856.32 yen.



Even so, gainers outnumbered losers by the ratio of about 1.02:One.

Profit taking was first consideration for Japanese investors, who, also, were somewhat concerned about the confirmed Singapore SARS case, remembering, only too well, what happened the last time that SARS hit the area.

It looked, very much, as though Asia's largest stock market was about to fall, heavily

#### News wise:

- **Private-sector machinery orders** fell by about 3.10 percent in July, compared with the June figures, to 924.60 billion yen, The Cabinet Office said. However, compared with July 2002, private-sector machinery orders were up by about 6.10 percent, unadjusted for seasonal variations; and,
- The Tokyo Stock Exchange imposed a penalty on **HSBC Securities (Japan) Ltd** of a fine of 2 million yen and requested a business improvement report for the act of soliciting securities transactions from a certain customer with a promise to provide special benefits to the customer. In January 1997 and January 1998, HSBC Securities solicited securities transactions from a certain customer (a securities investment advisor, who provides discretionary investment service) with a promise to make a payment to the customer under the pretext of advisory fees in return for orders from the customer. The foregoing is acknowledged to fall under the act of soliciting business from any customer with a promise to provide any special benefit to the customer in connection with the sale or purchase of, or any other form of transaction in, a security provided for in Item (2), Article 2 of the Ministerial Ordinance Concerning Prudential Standards, etc. of Securities Company (before the Ordinance No.33 of Prime Minister's Office and Ministry of Finance of 1998 became effective on December 1, 1998). On July 28, 2003, The Tokyo Stock Exchange imposed on HSBC Securities (Japan), a suspension of commissioned sales and purchases of stocks at its Tokyo Branch from August 4 to August 6, 2003, pursuant to the Trading Participant Rule. In January 1997 and January 1998, HSBC Securities solicited securities transactions from a certain customer (a securities investment advisor, which provides discretionary investment service) with a promise to make a payment to the customer under the pretext of advisory fee, in return for orders from the customer. The foregoing is acknowledged to fall under the act of soliciting business from any customer with a promise to provide any special benefit to the customer in connection with the sale or purchase of, or any other form of transaction in, a security provided for in Item (2), Article 2 of the Ministerial Ordinance Concerning Prudential Standards, etc. of Securities Company (before the Ordinance No.33 of Prime Minister's Office and Ministry of Finance of 1998 became effective on December 1, 1998).

And this was how other Asian bourses closed, last Wednesday:

HKSAR	Minus 2.14 percent to 10,810.31
Indonesia	Minus 2.13 percent to 572.85
Japan	Minus 0.60 percent to 10,856.32
Malaysia	Minus 0.89 percent to 736.32
The Philippines	Minus 0.52 percent to 1,292.52
Singapore	Minus 0.85 percent to 1,566.71
South Korea	Closed
Taiwan	Minus 1.01 percent to 5,623.43
Thailand	Minus 1.22 percent to 557.55

#### Thursday

A message to the world from Osama bin Laden and his right-hand man, Ayman al-Zawahri, the arch terrorists of the Century, as far as the Western World is concerned, rang the bell of remembrance in the hearts of those, who had come to learn of some 3,000-odd innocent civilians, who had died in the attacks on New York and Washington D.C. by the al Qaeda messengers of death, followers of the Saudi fanatic, who has made it his lifelong ambition to kill as many Americans as is possible.

In a message, which was broadcast on the Arabic television station, Al Jazeera, the accepted leaders of al Qaeda said:

*'To our struggling brothers in Iraq, we pray to God to be on your side in fighting the crusades ... Rely on God and devour the Americans as lions do; and, bury them in the graveyard of Iraq.'*

The message was broadcast less than 36 hours before the United States (US) was to hold a day of remembrance, marking the second anniversary of September 11, 2001: The day of infamy when al-Qaeda launched its attacks on American soil.

Last Thursday, as was the infamous attack on Pearl Harbour by the Japanese on December 7, 1941, a chilling reminder of what fanatics and war-mongers are capable of doing.

New York reacted to the message from al-Qaeda: Selling pressure hotted up, quickly.

On The New York Stock Exchange, the Dow Jones Industrial Average lost only about 0.91 percent, ending the session at 9,420.46 points.

But, on the NASDAQ, it was a different matter.

On that market, heavily laden as it is with hi-tech counters, investors knocked down its Composite Index by about 2.64 percent to 1,823.88 points.

Adding to the gloom and doom was a confirmed report from 3Com Corporation that it planned to sack another 1,000 of its staff members.

The sackings represent about one third of its workforce.

The company will, also, shut down its remaining manufacturing plant in Ireland. That plant had been making equipment, used by companies to direct traffic on the Internet.

In Europe, generally, the situation was up the air because investors were uncertain whether or not there would be further terrorist attacks in the US in order to allow al-Qaeda to continue to strike fear in the hearts of its enemies.

While things appeared to be going well in New York and Washington, and while commemorative services were held in many parts of the US in order to grieve those who had died on September 11, 2001, European investors thought that caution was the watchword of the day.

This was how the most important European indices on the largest bourses closed, last Thursday:

Amsterdam's AEX Index	Minus 0.17 percent
Great Britain's FTSE 100 Index	Minus 0.23 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.85 percent
France's CAC40 Index	Plus 0.59 percent
Switzerland's Swiss Market Index	Plus 0.14 percent
Italy's MIBTEL Index	Plus 0.14 percent

Many Asian markets were closed, or half closed, last Thursday, as people in that part of the world were preparing to celebrate the Mid-Autumn Festival, in accordance with the lunar calendar.

The equity markets of South Korea and Taiwan were shut, leaving only the markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) and Japan as the largest ones to be operating in the world's most-populous area.

(The HKSAR markets were closed for a public holiday, last Friday.)

On The Stock Exchange of Hongkong Ltd, the Main Board recovered some of the previous day's losses, following continued silence from the Singapore Government in respect of the lone confirmed case of **Severe Acute Respiratory Syndrome (SARS)**.

The fear of SARS seemed to be abating, but one may never be certain when dealing with certain Asian governments, especially in respect of the Singapore Government, which advocates and promotes totalitarianism.

The Total Turnover on the Main Board, last Thursday, the last day of trading for the week, was about \$HK10.80 billion.

The ratio of gainers to losers was about 3.99:One.

The Ten Most Actives were:

Hutchison Whampoa Ltd (Code: 13)	Up 0.44 percent to \$HK56.50 per share
Orient Overseas (International) Ltd (Code: 316)	Up 1.90 percent to \$HK16.10 per share

Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.84 percent to \$HK60.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 3.67 percent to \$HK56.50 per share
HSBC Holdings plc (Code: 5)	Unchanged at \$HK100.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.74 percent to \$HK20.45 per share
China Telecom Corporation Ltd (Code: 728)	Down 2.35 percent to \$HK2.075 per share
PetroChina Company Ltd (Code: 857)	Up 0.98 percent to \$HK2.575 per share
Hongkong Electric Holdings Ltd (Code: 6)	Up 0.32 percent to \$HK30.90 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 2.49 percent to \$HK10.30 per share

There were a total of 47 double-digit movers of the day, of which number the share prices of 44 double-digit movers rose 10 percent or more, while the remainder saw their share prices fall by 10 percent or more.

The biggest gainer of the day was Gay Giano International Group Ltd (Code: 686), whose share price gained 30.04 percent, closing the day at 29 cents.

As for the biggest loser of the day, Kiu Hung International Holdings Ltd (Code: 381) had the distinction as its market capitalisation was pared by 18.67 percent to 30.5 per share.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover was about \$HK195.87 million, as The Growth Enterprise Index rose about 1.28 percent to end the week at 1,217.56 points.

The ratio of gainers to losers was 2.39: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 \$2.425 per share
Phoenix Satellite Television Holdings Ltd (Code: 8002)	Down 2 percent to 82 cents per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Up 2 percent to \$HK1.83 per share
hongkong.com Corporation (Code: 8006)	Down 2 percent to 81 cents per share
Convenience Retail Asia Ltd (Code: 8052)	Up 2 percent to \$HK2.40 per share

The biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025		16.67	0.04
Bee and Bee Natural Life Products Ltd	8156	21.57		0.62
Excel Technology International Holdings Ltd	8048	11.11		0.18
Fortune Telecom Holdings Ltd	8040	10.20		0.54
Golding Soft Ltd	8190	10.67		0.083
Grandy Applied Environmental Technology Corporation	8143	19.44		0.043
IIN International Ltd	8128	31.25		0.063
Info Communication Holdings Ltd	8082	25.00		0.04
Leadership Publishing Group Ltd	8010		10.26	0.70
PINE Technology Holdings Ltd	8013		10.59	0.38
ProSticks International Holdings Ltd	8055	17.24		0.034
Tiger Tech Holdings Ltd	8046	15.15		0.76
Timeless Software Ltd	8028	11.57		0.27
Tradeeasy Holdings Ltd	8163	36.36		0.045

News wise:

- **Phoenix Satellite Television Holdings Ltd (Code: 8002)**, the only publicly listed company in the HKSAR, which is controlled by the Australian media mogul, Mr Rupert Murdoch, announced its Annual Results for the Financial Year, ended June 30, 2003: A Loss Attributable to Shareholders of about \$HK72.22 million. That result compared with the 2002 Year when the company reported a Loss Attributable to Shareholders of about \$HK199.72 million.

The tally for the 4-day trading week, therefore, was:

The Hang Seng Index	Down 2.57 percent
The Growth Enterprise Index	Down 2.11 percent

In Japan, last Thursday, there was *'blood'* on the trading floors of the 3 equity markets of the country.

On The Tokyo Stock Exchange, the *'barometer'* of trading in blue chips, the Nikkei-225 Stock Average, dropped by about 2.86 percent to 10,546.33 yen.

The ratio of losers to gainers was 3.88:One.

The newest message from Osama bin Laden and his henchman, just before the second anniversary of the attacks on the US by forces of al-Qaeda, unnerved investors on Asia's largest equity markets.

It was apparent that there were to be more terrorist attacks, but few people, outside of the al-Qaeda network, knew where the attacks would be launched.

Also, the antics on the world's largest stock markets were not helping to instill confidence in Japanese investors about the long-term benefits of investing in stocks and shares.

This was the way that other Asian markets ended, last Thursday night:

HKSAR	Plus 0.68 percent to 10,883.52
Indonesia	Minus 1.26 percent to 565.64
Japan	Minus 2.86 percent to 10,546.33
Malaysia	Plus 0.92 percent to 743.00
The Philippines	Minus 0.81 percent to 1,282.00
Singapore	Plus 1.69 percent to 1,593.25
South Korea	Closed
Taiwan	Closed
Thailand	Plus 0.19 percent to 561.66

## **Friday**

It was a sombre atmosphere that permeated trading floors throughout the US, from New York to California, as Americans remembered the innocent dead of the attack by al-Qaeda on American soil on September 11, 2001.

Share prices rose on the world's largest equity markets of the country, thought to have been caused, mainly, due to patriotism, rather than any economic determinations.

On The New York Stock Exchange, the Dow Jones Industrial Average ended the Day of Remembrance at 9,459.76 points, a gain of about 0.42 percent, compared with Thursday's closing level.

On the NASDAQ, the Composite Index rose even more, ending the session at 1,846.09 points, an improvement of about 1.22 percent on the day.

US Investors were willing to overlook the poor jobless situation in the US, which was, clearly, becoming a real problem to the US Administration, and even the ever-widening trade deficit.

According to The Commerce Department of the US Government, in the month of July, Americans purchased about \$US40.30 billion more imported goods than the country exported.

In the month of June, the trade deficit was about \$US40 billion.

From The Labour Department of the US Government came more bad news: The number of Initial Claims for Unemployment Benefits (that means, cash) rose another 3,000 claims for the week, ended September 6, to 422,000 Claims.

No matter how one cuts it, it is clear that unless US manufacturers can export in greater quantities and improve the quality of their products and/or compete with similar imported products, the US economy cannot move forward.

What is very clear about the latest set of statistics is that, as far as American consumers are concerned, *'Made in America'* does not, necessarily, mean a sign of superior quality.

In Europe, last Friday, there was nothing sentimental about trading in stocks and shares on major bourses.

Losses were widespread: Eurozone investors realised, only too well, what was happening in The Land of The Free and The Home of The Brave.

And they did not like it, at all.

This was how the major bourses ended the week of September 12:

Amsterdam's AEX Index	Minus 0.67 percent
Great Britain's FTSE 100 Index	Minus 0.10 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.65 percent
France's CAC40 Index	Minus 0.77 percent
Switzerland's Swiss Market Index	Minus 0.11 percent
Italy's MIBTEL Index	Minus 0.32 percent

In Asia, many people were celebrating the Mid-Autumn Festival, with the markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) and South Korea, closed up, tightly.

That left only the 3 Japanese equity markets to trade, those markets, being the only Asian markets that mean much, internationally, when the 2 HKSAR stock markets are not open for business.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average regained some of Thursday's losses, ending the week at 10,712.81 yen, a gain of about 1.58 percent, compared with Thursday's *'bloodbath'*.

The ratio of gainers to losers was about 3.86:One.

The tally for the week, therefore, for the premier Japanese bourse was:

The Nikkei-225 Stock Average      Up 0.58 percent

#### News wise:

- The **Japanese economy** grew by one percent in the quarter, ended June 30, 2003, The Cabinet Office announced. The Cabinet Office suggested that the results of the last quarter indicate that the second-largest economy of the world is staging a recovery; and,
- The **Current Account Surplus** rose about 34.60 percent in July, Year-on-Year, to 1.55 trillion yen, The Finance Ministry announced. The figures are being interpreted to mean that there had been a rise in exports and a fall-off in overseas tourism.

As Asians celebrated the Mid-Autumn Festival, last Friday, this was how those markets that stayed open, fared:

HKSAR	Closed
Indonesia	Plus 2.25 percent to 578.38
Japan	Plus 1.58 percent to 10,712.81
Malaysia	Minus 0.28 percent to 740.94
The Philippines	Minus 0.70 percent to 1,272.99
Singapore	Minus 0.56 percent to 1,584.27
South Korea	Closed
Taiwan	Plus 0.39 percent to 5,645.28
Thailand	Plus 1.19 percent to 568.37

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