

STOCK MARKETS BATTERED BY INTERNATIONAL STORMS

The most-powerful typhoon in the recorded history of South Korea swept through the country, claiming the lives of some 89 people, with 23 other people, missing in its wake.

It caused damage, estimated to be not less than \$US1 billion.

The fourth-largest economy of Asia took the full force of the 134-mile-per-hour winds, closing down port facilities for part of the day, last Monday, and causing tens of millions of dollars to be wiped off the market capitalisations of many a company, listed on the country's stock market.

Japan was closed for a national holiday, leaving only the 2 equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) to try to outguess the direction of indices of major international bourses for the week.

It was the first day of trading for Hongkong investors since Thursday, September 11, because the previous Friday had been a holiday – the Mid-Autumn Festival – and, as such, last Monday, saw many investors take a punt that the territory's 2 stock markets' indices would rise, during the week.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gained one percent, exactly, rising to 10,992.73 points on a Total Turnover of about \$HK10.81 billion.

The ratio of gaining counters to losing ones was about 1.81:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.50 percent to \$HK101.00 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.77 percent to \$HK57.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 3.54 percent to \$HK58.50 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 1.46 percent to \$HK10.45 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.49 percent to \$HK20.55 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 2.90 percent to \$HK62.00 per share
China Telecom Corporation Ltd (Code: 728)	Unchanged at \$HK2.075 per share
PetroChina Company Ltd (Code: 857)	Up 2.91 percent to \$HK2.65 per share
Hang Seng Bank Ltd (Code: 11)	Up 1.15 percent to \$HK88.25 per share
China Unicom Ltd (Code: 762)	Up 4.59 percent to \$HK5.70 per share

As for the biggest movers of the day, there were a total of 35 in that category of counter, with 27 of their number, seeing their share prices rise by 10 percent or more, while the rest saw their market capitalisations fall by 10 percent or more.

Jackin International Holdings Ltd (Code: 630) was the biggest gainer of the day as investors pushed its share price up by 32.47 percent to 51 cents.

Capital Prosper Ltd (Code: 1003) had the distinction of being the biggest loser of the day, following investors, dumping the stock, driving down the price by 23.81 percent to 8 cents per share.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the situation was much the same as that of the Main Board, with The Growth Enterprise Index, rising about 1.05 percent to hit 1,230.35 points by the closing bell.

The Total Turnover was about \$HK245.13 million, with the ratio of gaining counters to losing ones, being about 1.41:One.

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

tom.com Ltd (Code: 8001)	Up 7 percent to \$2.60 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Up 1 percent to \$HK1.84 per share
Wah Sang Gas Holding Ltd (Code: 8035)	Up 1 percent to 92 cents per share
PINE Technology Holdings Ltd (Code: 8013)	Up 17 percent to 44.50 cents per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	

The double-digit movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025	20.00		0.048
AKuP International Holding Ltd	8179	12.90		0.035
Bee and Bee Natural Life Products Ltd	8156	20.97		0.75
B M Intelligence International Ltd	8158		16.00	0.042
CASH Financial Services Group Ltd	8122	74.47		0.82
Global Link Communications Holdings Ltd	8060		24.00	0.95
Grandy Applied Environmental Technology Corporation	8143	44.19		0.062
Media Partners International Holdings Incorporated	8072	13.33		0.34
Milkyway Image Holdings Ltd	8130		15.22	0.039
PINE Technology Holdings Ltd	8013	17.11		0.445
Recruit Holdings Ltd	8073	21.43		0.017
Syspek Information Technology (Holdings) Ltd	8103		32.00	0.017
Thiz Technology Group Ltd	8119		18.60	0.035
Universal Technologies Holdings Ltd	8091	11.11		0.09

The 2 equity markets of the HKSAR had to ‘*go it alone*’, as the saying goes, because, while things in many parts of the world are in turmoil, or near turmoil, investors in the most-populous part of the world had to try to outguess the coming events and their probable impact on the equity markets of the day: Tomorrow’s events, by the time that the rest of the world starts to open shop fronts for *business as usual*’, will, after all, become yesterday’s news.

The previous Friday, on Wall Street, things had been very quiet, following remembrance services, held in many parts of the United States (US) in order to pay homage to the innocent dead of September 11, 2001.

On The New York Stock Exchange, on Friday, September 12, the Big Board’s Dow Jones Industrial Average gained 11.79 points, ending the week at 9,471.55 points.

As for the NASDAQ, its Composite Index put on about 0.48 percent, rising to 1,855.04 points.

The patriotic fervour of the previous day – Thursday, April 11, the 2nd Anniversary of al Qaeda’s attacks on the twin towers at Manhattan and The Pentagon at Washington D.C. – was wearing thin, even for the most gung-ho of Americans.

In Europe, last Monday, although indices of major equity markets scored positive results, trading was relatively quiet as eurozone investors determined to wait and to see what Wall Street would do when things returned to normal.

This was the way that European investors decided to play the game, last Monday:

Amsterdam’s AEX Index	Plus 0.99 percent
Great Britain’s FTSE 100 Index	Plus 0.55 percent
Germany’s Frankfurt XETRA DAX Index	Plus 0.24 percent
France’s CAC40 Index	Plus 0.48 percent
Switzerland’s Swiss Market Index	Plus 0.45 percent
Italy’s MIBTEL Index	Plus 0.06 percent

And this was how the indices of other Asian markets, closed, last Monday:

HKSAR	Plus 1.00 percent to 10,929.00
Indonesia	Minus 0.62 percent to 574.80
Japan	Closed

Malaysia	Plus 0.26 percent to 743.01
The Philippines	Plus 0.40 percent to 1,278.09
Singapore	Minus 0.28 percent to 1,579.83
South Korea	Minus 1.80 percent to 753.61
Taiwan	Minus 0.39 percent to 5,623.22
Thailand	Minus 0.32 percent to 566.54

Tuesday.

The prices of stocks and shares suffered fractional losses on the world's largest equity markets, last Monday, with trading, being very subdued.

The markets of the US were awaiting the pleasure of Dr Alan Greenspan, the Chairman of the US Federal Reserve Board, who would be making a judgment call in respect of short-term interest rates before the close of trading on Tuesday, Washington time.

On The New York Stock Exchange, the Dow Jones Industrial Average recorded a loss of about 0.24 percent, ending last Monday's trading session at 9,448.81 points.

The NASDAQ fared a little better than the Big Board of The New York Stock Exchange, as its Composite Index put on about one half of a percentage point, rising to 1,845.70 points.

Investors on the world's largest equity markets were faced with, what appeared to be, a stagnant manufacturing sector of the US economy for the month of August, according to the Federal Reserve Board.

A slowdown in the manufacture of motor vehicles brought down the national average for industrial output by about 0.10 percent, it was announced.

Other sectors of the US economy did not look hot, also.

Officials of the Bush Administration said that something had to be done to give a boost to industry.

In Europe, last Tuesday, with all eyes on The Fed, investors took a gamble that there would be no increase in short-term interest rates.

They were correct.

This was how the indices of major bourses in Europe closed, last Tuesday:

Amsterdam's AEX Index	Plus 0.90 percent
Great Britain's FTSE 100 Index	Plus 0.89 percent
Germany's Frankfurt XETRA DAX Index	Plus 1.38 percent
France's CAC40 Index	Plus 1.44 percent
Switzerland's Swiss Market Index	Plus 0.74 percent
Italy's MIBTEL Index	Plus 0.84 percent

On Asian equity markets, only the Composite Index of Malaysia's Kuala Lumpur Stock Exchange did not end up in the black.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), there was a bit of a scare, following one woman, being tested for **Severe Acute Respiratory Syndrome (SARS)**.

By the close of the day, however, it was determined that she did not have the dreaded disease, after all.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index – which charts the direction of blue chips – gained another 0.72 percent, rising to 11,071.38 points.

The Total Turnover was about \$HK11.78 billion, with gaining counters, easing out losing counters by the ratio of about 1.05:One.

The Ten Most Active counters were:

China Telecom Corporation Ltd (Code: 728)	Down 3.61 percent to \$HK2.00 per share
HSBC Holdings plc (Code: 5)	Up 0.50 percent to \$HK101.50 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.43 percent to \$HK57.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 2.19 percent to \$HK21.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.28 percent to \$HK59.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Unchanged at \$HK62.00 per share
PCCW Ltd (Code: 8)	Up 3.16 percent to \$HK4.90 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 0.48 percent to \$HK10.40 per share
CNOOC Ltd (Code: 883)	Up 2.22 percent to \$HK13.80 per share
PetroChina Company Ltd (Code: 857)	Down 0.94 percent to \$HK2.625 per share

Of the 33, double-digit movers of the day, the share prices of 23 of their number rose by 10 percent or more while 10, double-digit movers saw investors push down their share prices by 10 percent or more.

Millennium Sense Holdings Ltd (Code: 724) was, by far, the biggest gainer of the day, as its share price rose by 119.30 percent to 37.50 cents.

Nam Fong International Holdings Ltd (Code: 1176) was the biggest loser, with investors, driving down its share price by about 27.08 percent to 3.50 cents.

The Growth Enterprise Index of the speculative equity market of the HKSAR, The Growth Enterprise Market (The GEM), lost 0.85 percent of its value, falling back to 1,219.89 points on a Total Turnover of about \$HK170.72 million.

Losing counters outnumbered gaining ones by the ratio of about 1.33: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 \$2.525 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Unchanged at \$HK1.84 per share
Convenience Retail Asia Ltd (Code: 8052)	Unchanged at \$HK2.40 per share
PINE Technology Holdings Ltd (Code: 8013)	Up 7 percent to 47.50 cents per share
Bee and Bee Natural Life Products Ltd (Code: 8156)	Up 12 percent to 84 cents per share

The biggest gainers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131		15.79	0.016
Bee and Bee Natural Life Products Ltd	8156	12.00		0.84
Capital Publications Ltd	8155		11.76	0.075
CASH Financial Services Group Ltd	8122	26.83		1.04
Changmao Biochemical Engineering Company Ltd	8208	16.39		0.355
FX Creations International Holdings Ltd	8136	10.47		0.19
Global Link Communications Holdings Ltd	8060	11.58		1.06
Grandy Applied Environmental Technology Corporation	8143	14.52		0.071
Henderson Cyber Ltd	8023		16.67	0.25
IIN International Ltd	8128	23.81		0.078
Medical China Ltd	8186		16.55	0.121
Milkyway Image Holdings Ltd	8130		10.26	0.035
Prosperity International Holdings (Hongkong) Ltd	8139	10.00		0.077

News wise:

- **Midland Realty (Holdings) Ltd (Code: 1200)**, the largest realtor in the HKSAR, announced that its Interim Net Profits Attributable to Shareholders were about \$HK30.14 million, up about 3.49 percent, Year-on-Year. An Interim Dividend of

1.50 cents per share was recommended. The Interim Dividend for this Year is 3 times greater than the Interim Dividend, paid out in the 2002 like period.

In Japan, suggestions that banks, operating out of Tokyo, would be given a tax break, thereby boosting profits, caused there to be a flurry of activity in that section of The Tokyo Stock Exchange.

The Nikkei-225 Stock Average added 174.22 yen, equivalent to about 1.63 percent, ending the day at 10,887.03 yen.

The banking counters that made impressive gains included Mitsubishi Tokyo Financial Group, up 9.88 percent to 734,000 yen per share, UFJ Holdings, up 12.63 percent to 446,000 yen per share, and Mizuho Financial Group, up 15.79 percent to 220,000 yen per share.

The ratio of gaining counters to losing ones was about 1.59:One.

News wise:

- **Corporate bankruptcies** are continuing to fall in Japan, it was announced by a private survey company. According to the latest statistics, the number of corporate bankruptcies, during the month of August, was down by about 15.40 percent, Year-on-Year. August represented the 8th consecutive month of declines in corporate bankruptcy filings in Japan.

In other parts of Asia, this was how those investors determined how things should go, last Tuesday:

HKSAR	Plus 0.72 percent to 11,071.38
Indonesia	Plus 1.12 percent to 581.24
Japan	Plus 1.63 percent to 10,887.03
Malaysia	Minus 0.17 percent to 741.76
The Philippines	Plus 1.36 percent to 1,295.41
Singapore	Plus 0.29 percent to 1,584.48
South Korea	Plus 1.33 percent to 763.63
Taiwan	Plus 1.35 percent to 5,699.26
Thailand	Plus 0.40 percent to 568.83

Wednesday

Wall Street was happy: The US Federal Reserve Board determined to leave interest rates, unchanged.

Surprise! Surprise!

In a statement to the world, The Fed said:

'The Federal Open Market Committee decided today to keep its target for the Federal Funds rate at 1 percent. The Committee continues to believe that an accommodative stance of monetary policy, coupled with robust underlying growth in productivity, is providing important ongoing support to economic activity. The evidence accumulated over the inter-meeting period confirms that spending is firming, although the labour market has been weakening. Business pricing power and increases in core consumer prices remain muted.

'The Committee perceives that the upside and downside risks to the attainment of sustainable growth for the next few quarters are roughly equal.

'In contrast, the probability, though minor, of an unwelcome fall in inflation exceeds that of a rise in inflation from its already low level. The Committee judges that, on balance, the risk of inflation, becoming undesirably low, remains the predominant concern for the foreseeable future. In these circumstances, the Committee believes that policy accommodation can be maintained for a considerable period.'

While investors, trapped in US equity markets, tended to look upon the above statement as indicating a positive aspect, to **TARGET's** economists, it suggests, in no uncertain terms, that The Fed is unsure as to the direction of the US economy.

‘The Committee perceives that the upside and downside risks to the attainment of sustainable growth for the next few quarters are roughly equal’ is a statement that cannot be dismissed, out of hand.

It says it all: The Fed is unsure as to what is likely to befall the US economy, during the next 6 months, but it knows that raising interest rates from the present 45-year low will not help matters.

Also, *‘The Committee judges that, on balance, the risk of inflation, becoming undesirably low, remains the predominant concern for the foreseeable future.’* This statement, according to **TARGET**’s reading of it, might well suggest that The Fed is concerned about deflation(!).

Be that as it may, Wall Street appeared to be happy ... in its innocence and/or its ignorance.

Wall Street gurus had their say, too, pumping up the market with flowery statements in attempts to read into The Fed’s statement that which did not exist.

On The New York Stock Exchange, last Tuesday, the Dow Jones Industrial Average gained about 1.25 percent, rising to 9,567.34 points.

Over on the NASDAQ, the Composite Index rose by about 2.25 percent, running up to 1,887.26 points.

In Europe, where it was known, late on Tuesday afternoon, of The Fed’s determinations, the market responded positively to the gyrations of Wall Street – but only just.

For the major European bourses, it was a mixed bag because investors, in that part of the world, were not quite certain how long it would take their American counterparts to understand, fully, what The Fed was saying.

This was how the indices on the most-important European bourses ended, last Wednesday:

Amsterdam’s AEX Index	Plus 0.86 percent
Great Britain’s FTSE 100 Index	Minus 0.14 percent
Germany’s Frankfurt XETRA DAX Index	Minus 0.10 percent
France’s CAC40 Index	Plus 0.22 percent
Switzerland’s Swiss Market Index	Plus 0.51 percent
Italy’s MIBTEL Index	Plus 0.12 percent

In Asia, as is common, these days, it was follow the leader (Wall Street).

On The Stock Exchange of Hongkong Ltd, the Main Board’s Hang Seng Index rose another 0.62 percent, ending the day at 11,140.05 points.

The Total Turnover was about \$HK14.40 billion, with gaining counters, easing out losing ones by the ratio of 1.07:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.49 percent to \$HK102.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.67 percent to \$HK21.35 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.30 percent to \$HK58.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 2.11 percent to \$HK60.50 per share
PCCW Ltd (Code: 8)	Up 1.53 percent to \$HK4.975 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 2.02 percent to \$HK63.25 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 0.96 percent to \$HK10.50 per share
PetroChina Company Ltd (Code: 857)	Down 2.86 percent to \$HK2.55 per share
China Telecom Corporation Ltd (Code: 728)	Unchanged at \$HK2.00 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.85 percent to \$HK88.75 per share

There were a total of 36, double-digit movers of the day, with 20 of their number, seeing their share prices, rising 10 percent or more, while the rest suffered at the hands of investors, who shot down their market capitalisations by 10 percent or more.

i100 Ltd (Code: 2967) was the biggest gainer of the day, as its share price doubled, exactly, ending the session at 12 cents.

Hongkong Catering Management Ltd (Code: 668) had the distinction of being the biggest loser of the day, following investors, pushing down its share price to 53 cents, a loss of 24.29 percent on the day.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover was about \$HK226.63 million, as The Growth Enterprise Index rose to 1,221.63 points, a one-day gain of about 0.14 percent.

The ratio of gainers to losers was 1.30: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 \$2.575 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Up 1 percent to \$HK1.85 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Up 2 percent to \$HK13.10 per share
Launch Tech Company Ltd (Code: 8196)	Down 1 percent to \$HK1.86 per share
Wah Sang Gas Holding Ltd (Code: 8035)	Down 1 percent to 91 cents per share

The biggest movers on this speculative market included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Capital Publications Ltd	8155		13.33	0.065
CASH Financial Services Group Ltd	8122	18.27		1.23
Excel Technology International Holdings Ltd	8048	20.00		0.21
Global Link Communications Holdings Ltd	8060		21.70	0.83
MRC Holdings Ltd	8070		16.67	0.05
PINE Technology Holdings Ltd	8013		11.58	0.42
Soluteck Holdings Ltd	8111	15.79		0.11
Systek Information Technology (Holdings) Ltd	8103	55.56		0.028
Tiger Tech Holdings Ltd	8046		12.50	0.63
Tradeeasy Holdings Ltd	8163	28.57		0.054

Encouraged by the gains on Wall Street, investors on Asia's largest stock markets, those of The Land of The Rising Sun, made very useful gains.

On The Tokyo Stock Exchange, the premier market of Japan, the Nikkei-225 Stock Average rose to a 15-month high of 10,990.11 yen, a gain of about 0.95 percent, compared with Tuesday's closing level.

Last Wednesday's volume of activity, in terms of the number of shares that changed hands, increased by about 20 percent, compared with Tuesday's, to 1.81 billion shares.

The ratio of gainers to losers was about 1.39:One.

Banking counters and large-capitalised companies gained from the seeming euphoria of investors.

While the prices of many stocks and shares were hitting new highs for this year, on the economic front, things were not all that bright.

News wise:

- **Toshiba Corporation** announced that its Net Loss Attributable to Shareholders for the first half of its Financial Year would, most likely, be greater than 25 billion yen. It put down its accelerated losses to the fall-off in sales of personal computers. Toshiba's Management had suggested, earlier in the year, that losses for the first half would be about 15 billion yen;
- **The Bank of Japan** stated that it had re-assessed the situation in the country. It cited improved prospects for exports, as the economy of the US hardens. In its August report, The Bank of Japan had stated that economic activity in the country was *'flat'*; and,
- **Sales at departmental stores** in Tokyo fell by about 3.70 percent in August, Year-on-Year, The Japan Department Stores Association said. The Association's survey covered 28 departmental stores, operated by 13 companies in Tokyo's 23 wards. These stores, in aggregate, posted sales of about 132.27 billion yen. It was the 21st consecutive month of declines for Tokyo departmental stores.

In other Asian markets, this was the way that those indices fared, last Wednesday:

HKSAR	Plus	0.62 percent to 11,140.05
Indonesia	Plus	0.80 percent to 585.91
Japan	Plus	0.95 percent to 10,990.11
Malaysia	Plus	0.71 percent to 747.00
The Philippines	Plus	1.95 percent to 1,320.61
Singapore	Plus	1.15 percent to 1,602.75
South Korea	Plus	0.39 percent to 766.59
Taiwan	Plus	0.84 percent to 5,747.14
Thailand	Minus	1.78 percent to 558.70

Thursday

It had taken a full day for the penny to drop on Wall Street.

But it did – and, then, the values of stocks and shares started to fall on the world’s largest equity markets as a direct consequence.

Investors determined, after all, that that which the US Federal Reserve Board had said, the previous day, was not bullish, after all. (Please see Wednesday’s report)

On The New York Stock Exchange, last Wednesday, the Dow Jones Industrial Average lost 21.69 points, equivalent to about 0.23 percent, ending the session at 9,545.65 points.

The Composite Index of the NASDAQ suffered, similarly, as investors knocked about 0.22 percent off its value, which put it back to 1,883.10 points.

It appeared that US investor sentiment went along the following lines: If The Fed cannot be definitive as to the direction of the US economy for the last half of this year, then, for what reason should I take a gamble on buying into US stocks and shares?

Europe had, as far back as last Tuesday, decided that things were not all that rosy in the US economic ‘*garden*’, and many investors had started a gradual sell-off of US equities.

Last Thursday, in Europe, however, there was news that early trading on Wall Street was experiencing a little rebound ... and, so, eurozone investors went along for the ride.

This was how indices of major European markets saw the situation, last Thursday night:

Amsterdam’s AEX Index	Plus	0.30 percent
Great Britain’s FTSE 100 Index	Plus	0.51 percent
Germany’s Frankfurt XETRA DAX Index	Plus	1.43 percent
France’s CAC40 Index	Plus	0.62 percent
Switzerland’s Swiss Market Index	Plus	0.44 percent
Italy’s MIBTEL Index	Plus	1.04 percent

In Asia, sellers dominated the action for the most part on the equity markets in that part of the world.

Only 2 stock markets in the most-populous part of the world had their respective indices in the black when their doors closed for the day – and those indices were only ahead by fractions, at that.

In the Hongkong Special Administrative Region (HKSAR) of the People’s Republic of China (PRC), losses were widespread, during the morning session on The Stock Exchange of Hongkong Ltd, but there was a late flurry of activity, resulting in a partial recovery, at least for the Main Board.

The Hang Seng Index, which plots the course of blue chips, listed on the Main Board, lost about 0.64 percent of its value, coming to rest at 11,069.22 points by the time that the closing bell rang.

The Total Turnover was about \$HK12.48 billion, with losing counters, outpacing gaining ones by the ratio of about 2.79:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.49 percent to \$HK102.50 per share
PetroChina Company Ltd (Code: 857)	Down 3.92 percent to \$HK2.45 per share
Hutchison Whampoa Ltd (Code: 13)	Down 2.14 percent to \$HK57.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.64 percent to \$HK21.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.65 percent to \$HK59.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.58 percent to \$HK62.25 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.28 percent to \$HK89.00 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 6.35 percent to \$HK1.99 per share
China Telecom Corporation Ltd (Code: 728)	Down 1.00 percent to \$HK1.98 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Unchanged at \$HK10.50 per share

The biggest movers of the Main Board, last Thursday, included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139		11.11	0.016
Art Textile Technology International Company Ltd	565	10.00		0.77
Cheong Ming Investments Ltd	1196	20.78		0.465
Cheung Tai Hong Holdings Ltd	199		10.96	0.325
Chi Cheung Investment Company Ltd	112	33.33		0.048
China Nan Feng Group Ltd	979		12.50	0.021
China Rich Holdings Ltd	1191		12.05	0.073
Earnest Investments Holdings Ltd	339	10.00		0.044
Far East Technology International Ltd	36		10.53	0.255
First Natural Foods Holdings Ltd	1076		10.29	0.61
Guangdong Tannery Ltd	1058		14.29	0.21
i100 Ltd	2967	31.67		0.158
INNOMAXX Biotechnology Group Ltd	340		10.00	0.54
Leaptek Ltd	336	39.47		0.053
Man Sang International Ltd	938		10.05	0.17
Man Yue International Holdings Ltd	894	29.41		0.33
Mei Ah Entertainment Group Ltd	391		10.77	0.29
Melco International Development Ltd	200	16.67		2.10
Multifield International Holdings Ltd	898	49.53		0.16
Nam Fong International Holdings Ltd	1176		16.00	0.042
National Electronics Holdings Ltd	213	14.50		0.229
Peking Apparel International Group Ltd	761	16.00		0.145
renren Holdings Ltd	59	20.37		0.065
REXCAPITAL Financial Holdings Ltd	555	10.64		0.52
S.A.S. Dragon Holdings Ltd	1184		12.05	0.73
SIS International Holdings Ltd	529	11.11		0.50
Sun Innovation Holdings Ltd	547	11.76		0.019
Vitop Bioenergy Holdings Ltd	1178	13.16		0.215
Wai Yuen Tong Medicine Holdings Ltd	897		19.05	0.017
Winfoong International Ltd	63	11.27		0.158
Wing Shan International Ltd	570		17.27	0.455
World Houseware (Holdings) Ltd	713		13.68	0.41

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, losing counters swamped gaining ones by the ratio of 2.32:One.

The big HKSAR sell-off, which followed in the wake of the losses of the US, NASDAQ market, caused The Growth Enterprise Index to shed about 2.22 percent of its value, falling back to 1,194.56 points.

And it appeared that the selling had not dried up by the close of the day: More seemed likely for Friday.

The Total Turnover was light, at about \$HK147.51 million.

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 \$2.50 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 2 percent to \$HK1.81 per share
Bee and Bee Natural Life Products Ltd (Code: 8156)	Up 4 percent to 88 cents per share
Timeless Software Ltd (Code: 8028)	Down 8 percent to 24 cents per share
Tungda Innovative Lighting Holdings Ltd (Code: 8229)	Unchanged at 35 cents per share

The double-digit movers of this market included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131	20.00		0.018
Asian Information Resources (Holdings) Ltd	8025	12.50		0.054
CASH Financial Services Group Ltd	8122	21.14		1.49
FX Creations International Holdings Ltd	8136		11.11	0.168
Global Link Communications Holdings Ltd	8060		21.69	0.65
Grandmass Enterprise Solution Ltd	8108		15.38	0.011
M Channel Corporation Ltd	8036		14.81	0.023
ProSticks International Holdings Ltd	8055		22.22	0.028
Sing Lee Software (Group) Ltd	8076		20.00	0.32
SYSCAN Technology Holdings Ltd	8083	12.70		0.071
Value Convergence Holdings Ltd	8101	21.13		0.86

News wise:

- The Government of Chief Executive Tung Chee Hwa announced that the **unemployment rate** of the territory was 8.60 percent for the quarter, ended August 31, 2003. That figure represented a decline of 0.10 percent, compared with the previous quarter, ended July 31, 2003; and,
- **Pacific Century Insurance Holdings Ltd (Code: 65)** announced that a Substantial Shareholder of the company, China Insurance Hongkong (Holdings) Company Ltd, was starting to sell part of its holdings in the Li Ka Shing company. Management of Pacific Century Insurance said that China Insurance Hongkong has dumped 1.10 million, Pacific Century Insurance shares, representing about 0.13 percent of the Issued and Fully Paid-Up Share Capital of the company.

In Japan, after an early morning sell-off, which saw about one percent shaved off the value of the key index, the Nikkei-225 Stock Average, which is the blue-chip gauge of The Tokyo Stock Exchange, short-covering resulted in the Nikkei-225 Stock Average, recovering all of its earlier losses.

By the end of the day, the Nikkei-225 Stock Average stood at 11,033.32 yen, a gain of about 0.39 percent, compared with Wednesday's closing level.

Banking counters were the big winners, again, following a decision by the Tokyo Metropolitan Government in respect of the local tax rate. (Please see 'News wise', below)

For the first time, the ratio of gainers to losers was, exactly, even, at One:One.

It was reported from anecdotal evidence that Fujitsu Ltd had revised its contract with the British Government for the supply of Information Technology infrastructure services, from 680 million pounds to 929 million pounds (about \$US1.50 billion; \$HK11.70 billion).

The share price of Fujitsu rose 9.50 percent to 634 yen on the news.

News wise:

- **The Tokyo Metropolitan Government** reduced the local tax rate on banks' Gross Operating Profits from 3.00 percent to 0.90 percent. As such, The Tokyo Metropolitan Government said that it would return 234.40 billion yen out of the 317.30

billion yen that it collected from banks from Fiscal 2000 to Fiscal 2002 (Please see Tuesday's report);

- **Nissan Diesel Motor Company** is in talks with **Mizuho Corporate Bank** and other creditors with a view to working out a bailout plan for the lorry manufacturer. Nissan Diesel is pressing for its debts to be converted into equity in the company. The company has debts of about 390 billion yen; and,
- **Suntory Ltd** said that it would sell all of its shares in its subsidiary, **MacGregor Golf Japan Ltd** to MacGregor Golf Company of the US. No price was released.

In other Asian markets, this was how investors in those markets saw the situation, last Thursday:

HKSAR	Minus 0.64 percent to 11,069.22
Indonesia	Minus 0.55 percent to 582.69
Japan	Plus 0.39 percent to 11,033.32
Malaysia	Minus 0.48 percent to 743.43
The Philippines	Minus 0.07 percent to 1,319.72
Singapore	Minus 0.09 percent to 1,601.23
South Korea	Minus 1.10 percent to 758.18
Taiwan	Plus 0.06 percent to 5,750.81
Thailand	Minus 0.96 percent to 553.32

Friday

As Hurricane Isabel cut a swath through the eastern seaboard of the United States (US), knocking out electrical power to an estimated 6 million Americans, last Thursday, it appeared to be time for a reassessment of the situation, as far as many investors were concerned.

In Asia, especially, there was a full retreat on major equity markets, as investors, fearful of what might transpire over the weekend of September 20-21, sold stocks and shares in what was clearly a defensive posture.

On Wall Street, there were questions as to how much damage the hurricane would bring to the eastern part of the US.

But, within hours of the hurricane, landing in North Carolina, it started to weaken.

However, even so, flooding and power outages were commonplace, from Florida to New York and up to Canada, so extensive was the storm.

On The New York Stock Exchange, last Thursday, the Big Board's Dow Jones Industrial Average gained about 1.19 percent, rising to 9,659.13 points, while, on the tech-laden NASDAQ, its Composite Index put on a show of strength, rising 26.45 points, equivalent to about 1.40 percent, ending the session at 1,909.55 points.

The US Government's Labour Department said that the Initial Claims for unemployment benefits had moderated, slightly, Week-on-Week: That was enough for the gurus of Wall Street to acclaim that the bulls were still running down Wall Street.

Post hoc ergo proctor hoc!

In Europe, with the exception of 2 minor equity markets, there was red ink, bespattered over copybooks.

For the United Kingdom, the losses on equity markets were the largest for the previous 2 months, or so.

European investors did not share the same level of bullishness as was prevalent on Wall Street to be sure.

The following was how the indices of the major European bourses closed the week of September 19, 2003:

Amsterdam's AEX Index	Minus 1.06 percent
Great Britain's FTSE 100 Index	Minus 1.34 percent*
Germany's Frankfurt XETRA DAX Index	Minus 0.92 percent

France's CAC40 Index	Minus 1.21 percent
Switzerland's Swiss Market Index	Minus 0.65 percent
Italy's MIBTEL Index	Minus 0.12 percent

* This was the largest loser of the day in Europe

The Total Turnover on the Main Board of The Stock Exchange of Hongkong Ltd rose to about \$HK18.26 billion, but the heavier-than-usual volume of activity was on a falling market.

And that is never a good sign.

The Hang Seng Index, the '*barometer*' of the blue chips, traded on the Main Board, finished the week at 10,968.42 points, representing a one-day loss of about 0.91 percent.

The ratio of losing counters to gaining ones was about 2.42:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.98 percent to \$HK103.50 per share
TPV Technology Ltd (Code: 903)	Down 8.23 percent to \$HK3.625 per share
Techtronic Industries Company Ltd (Code: 669)	Down 3.14 percent to \$HK16.95 per share
Hutchison Whampoa Ltd (Code: 13)	Down 2.18 percent to \$HK56.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 2.14 percent to \$HK20.55 per share
Hang Seng Bank Ltd (Code: 11)	Up 1.12 percent to \$HK90.00 per share
PetroChina Company Ltd (Code: 857)	Down 1.02 percent to \$HK2.425 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 3.78 percent to \$HK57.25 per share
Guorun Holdings Ltd (Code: 175)	Down 6.41 percent to 73 cents per share
China Unicom Ltd (Code: 762)	Up 3.36 percent to \$HK6.15 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Applied (China) Ltd	472		18.46	0.053
Century Legend (Holdings) Ltd	79		12.50	0.028
China Nan Feng Group Ltd	979		14.29	0.018
China United International Holdings Ltd	273	18.18		1.30
CIG-WH International (Holdings) Ltd	621	11.90		0.141
Coastal Greenland Ltd	1124		13.57	0.121
Cosmopolitan International Holdings Ltd	120		10.91	0.196
Dah Hwa International (Holdings) Ltd	600	22.22		0.088
Earnest Investments Holdings Ltd	339		18.18	0.036
First Sign International Holdings Ltd	933	12.99		0.435
Frankie Dominion International Ltd	704		11.63	0.19
Goldbond Group Holdings Ltd	172	38.39		0.31
Guangdong Tannery Ltd	1058	16.67		0.245
Heng Fung Holdings Ltd	185	16.67		3.50
ING Beijing Investment Company Ltd	1062		14.58	0.205
INNOMAXX Biotechnology Group Ltd	340		26.85	0.395
Karl Thomson Holdings Ltd	7		10.71	0.25
Kong Sun Holdings Ltd	295	20.00		0.036
Man Yue International Holdings Ltd	894		15.15	0.28
Multifield International Holdings Ltd	898		15.00	0.136
Quam Ltd	952		19.19	0.40
REXCAPITAL Financial Holdings Ltd	555	17.31		0.61
Sewco International Holdings Ltd	209		15.58	0.65
Skyworth Digital Holdings Ltd	751		10.91	1.47
Sun Innovation Holdings Ltd	547		15.79	0.016
Tanrich Financial Holdings Ltd	812		12.50	0.63
Theme International Holdings Ltd	990		11.36	0.039
Tomorrow International Holdings Ltd	760		14.86	0.63
Victory Group Ltd	1139		15.56	0.038

Wanji Pharmaceutical Holdings Ltd	835		14.55	0.047
Wong's International (Holdings) Ltd	99		19.08	1.23
Wonson International Holdings Ltd	651		14.29	0.024

Over on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, share prices continued to slide, as had been widely expected.

The Growth Enterprise Index slid back about 1.10 percent to 1,181.50 points on a Total Turnover of about \$HK173 million.

Declining counters outpaced advancing ones by the ratio of about 1.67:One.

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

tom.com Ltd (Code: 8001)	Down 4 percent to \$2.40 per share
Bee and Bee Natural Life Products Ltd (Code: 8156)	Unchanged at 88 cents per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 2 percent to \$HK1.78 per share
Panva Gas Holdings Ltd (Code: 8132)	Up 1 percent to \$HK3.55 per share
Tiger Tech Holdings Ltd (Code: 8046)	Up 5 percent to 66 cents per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CASH Financial Services Group Ltd	8122		18.79	1.21
Glory Future Group Ltd	8071		14.29	0.09
IIN International Ltd	8128		13.89	0.062
Milkyway Image Holdings Ltd	8130	28.57		0.045
New Chinese Medicine Holdings Ltd	8085		12.90	0.054
Soluteck Holdings Ltd	8111		10.00	0.099
Superdata Software Holdings Ltd	8263		10.42	0.43

The tally for the week was:

The Hang Seng Index	Up 0.78 percent
The Growth Enterprise Index	Down 3.97 percent

In Japan, a strengthening yen, vis-à-vis the US dollar, put the skids under exporters in The Land of The Rising Sun.

Some investors were perplexed as they watched the US dollar, rising to a 30-month high against the Japanese yen, to about 115.30 yen.

At one point, during the day, a single US dollar fetched only 114.70 yen.

A strong yen cuts deeply into the bottom line of Japanese companies, which rely on the US market for a largest proportion of their sales.

On The Tokyo Stock Exchange, the key Nikkei-225 Stock Average fell about 0.86 percent to 10,938.43 yen, but, ironically, advancing counters were ahead of declining ones by the ratio of about 1.31:One.

The tally for the 4-day trading week of the premier bourse of Japan was:

The Nikkei-225 Stock Average	Up 2.11 percent
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And this was the way that other equity markets closed in Asia, last Friday:

HKSAR	Minus 0.91 percent to 10,968.42
Indonesia	Plus 0.51 percent to 585.67
Japan	Minus 0.86 percent to 10,938.42
Malaysia	Minus 0.75 percent to 741.17

The Philippines	Minus 0.75 percent to 1,309.81
Singapore	Minus 0.71 percent to 1,589.86
South Korea	Minus 1.31 percent to 748.25
Taiwan	Plus 0.12 percent to 5,757.91
Thailand	Plus 2.51 percent to 567.21

-- E N D --

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