

**THE STOCK MARKETS OF THE WORLD:
OIL PRICES RISE;
THE U.S. DOLLAR CRUMBLES;
G7 NATIONS WARN ASIA;
BUSH PLEADS FOR HELP IN IRAQ;
JAPAN GETS WALLOPED**

There, certainly, was no lack of news, last Monday, following determinations, made by delegates at the Meeting of the Group of Seven (industrialised nations) (G7) in Dubai, the United Arab Emirates, which took place the previous Saturday (September 20).

The G7 nations called on Asia to institute, what they termed, more flexibility in respect of their respective currencies.

The call was a clear entreaty: Help the US and the eurozone get back on their respective economic feet by making their products and services more competitive, worldwide.

Mr John Snow, Secretary of Treasury of the US Government, had made calls on a number of Asian countries, previous to the G7 Meeting, trying to get them to devalue their currencies.

Mr Snow singled out the People's Republic of China (PRC) and Japan as countries that could make a difference to the US economy if they agreed to devalue their currencies, or, alternatively, caused a de facto devaluation of their currencies, one way or another.

The effect of such a move would be to make PRC-manufactured products and Japan-made motor cars, electronics and electrical goods more pricey in the US marketplace, thus giving an edge to similar products, produced by US manufacturers.

The axiom, *'Misery likes Company'*, could not have been more aptly used, following the communiqué of the G7 delegates, in which it was stated that it was *'desirable for major countries or economic areas (meaning, Asia, specifically) to promote smooth and widespread adjustments in the international financial system [meaning the US and European Union (EU)]...'*

It was the US delegate, who made the biggest noise at the G7 Meeting, followed by EU delegates, who supported the US in its complaints, which were aimed, without question, at the PRC and Japan.

What the US wants is to permit market forces to determine foreign-exchange rates, rather than see artificial rates of exchange, brought about by central bank intervention on markets.

The G7 communiqué put the skids under share prices in Japan, causing key indices on The Tokyo Stock Exchange to go into a nosedive (see below).

The previous Friday, on The New York Stock Exchange, the Dow Jones Industrial Average lost 14.60 points, equivalent to about 0.15 percent, falling back to 9,644.53 points.

The NASDAQ's Composite Index shed about 0.20 percent of its value, ending the week at 1,905.74 points.

A bevy of quarterly reports from many of the *'darlings'* of US equity markets is expected in the coming weeks; many investors are thought to be holding back, awaiting those reports.

If some of these reports are considered negative by the investing public, the feeling is that, then, that there could well be a major sell-off.

In Europe, it was losers, all round.

The US dollar lost a great deal of its value against other *'hard'* currencies at the opening of equity markets in the US, last Monday – and Europe was quick to pick up on this situation.

This was how indices of major European markets ended, last Monday night:

Amsterdam's AEX Index	Minus 2.33 percent
Great Britain's FTSE 100 Index	Minus 0.68 percent
Germany's Frankfurt XETRA DAX Index	Minus 3.42 percent*
France's CAC40 Index	Minus 2.69 percent
Switzerland's Swiss Market Index	Minus 2.41 percent
Italy's MIBTEL Index	Minus 2.08 percent

* This was the largest loser of the day in Europe

It was The Tokyo Stock Exchange, which was the centre of attention in Asia, last Monday, as its Nikkei-225 Stock Average lost 463.32 yen, equivalent to about 4.24 percent, falling to 10,475.10 yen.

It was the largest slide on Asia's most-important bourse of the past 2 years or so.

The ratio of losing counters to gaining ones was about 1.74:One.

Aside from the determinations, contained in the G7 communiqué, there was, also, the matter of the Japanese yen's exchange rate against the US dollar.

Last Monday in Asia, the US dollar weakened further, hitting 111.37 yen, at one point.

By the close of the day, it was being traded at the 112.25 yen-level – and it was looking very fragile.

Just about every Japanese manufacturer, who relies on the US market for the sale of his goods, was hit hard, as investors sold scrip, expecting that things could get a lot worse before they got better.

That was not all in The Land of The Rising Sun, however, because Prime Minister Junichiro Koizumi made a much-publicised, and quite sweeping, Cabinet reshuffle.

The key appointments were:

Sadakazu Tanigaki, appointed Finance Minister
Heizo Takenaka, re-appointed Minister for Economic and Fiscal Policy
Yoriko Kawaguchi, retains his position as Foreign Minister
Shoichi Nakagawa, appointed Trade Minister
Taro Aso, appointed Minister for Public Management and Home Affairs

In the Hongkong Special Administrative Region (HKSAR) of the PRC, selling was the order of the day on the 2 equity markets.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index shed about 0.87 percent of its value, dropping to 10,873.27 points on a Total Turnover of about \$HK11.06 billion.

The ratio of losers to gainers was 2.63:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.97 percent to \$HK102.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 2.92 percent to \$HK19.95 per share
Sun Hung Kai Properties Ltd (Code: 16)	Unchanged at \$HK57.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.26 percent to \$HK59.00 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.45 percent to \$HK55.75 per share
PetroChina Company Ltd (Code: 857)	Down 1.03 percent to \$HK2.40 per share
Hang Seng Bank Ltd (Code: 11)	Up 1.11 percent to \$HK91.00 per share
China Unicom Ltd (Code: 762)	Down 4.07 percent to \$HK5.90 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 0.93 percent to \$HK10.30 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 2.08 percent to \$HK1.96 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
A-Max Holdings Ltd	959		25.98	0.94
AEON Credit Service (Asia) Company Ltd	900	11.03		4.025
Central China Enterprises Ltd	351		14.63	0.035
Century City International Holdings Ltd	355	10.29		0.075
Chi Cheung Investment Company Ltd	112		11.11	0.04
China Gas Holdings Ltd	384		10.75	0.83
China Nan Feng Group Ltd	979		11.11	0.016
China Online (Bermuda) Ltd	383	13.64		1.00
Chinney Alliance Group Ltd	385		10.53	0.017
Cosmopolitan International Holdings Ltd	120	13.78		0.223
Earnest Investments Holdings Ltd	339		22.22	0.028
eSun Holdings Ltd	571		11.11	0.28
Frankie Dominion International Ltd	704		10.00	0.171
Guangdong Kelon Electrical Holdings Company Ltd	921		10.42	2.15
Hantec Investment Holdings Ltd	111		10.29	0.61
Hop Hing Holdings Ltd	47	11.11		0.40
Incutech Investments Ltd	356		15.00	0.85
KG NextVision Company Ltd	516	11.48		0.068
Medtech Group Company Ltd	1031		15.38	0.011
Millennium Sense Holdings Ltd	724		17.46	0.26
Ming Fung Jewellery Group Ltd	860		10.00	0.27
Nam Fong International Holdings Ltd	1176	16.67		0.049
Peaktop International Holdings Ltd	925		13.87	0.118
Prime Investments Holdings Ltd	721	25.64		0.49
REXCAPITAL Financial Holdings Ltd	555	14.75		0.70
REXCAPITAL International Holdings Ltd	155	16.00		0.145
Shanghai Ming Yuan Holdings Ltd	233	12.64		0.49
Softbank Investment International (Strategic) Ltd	648		13.25	0.144
Sun Innovation Holdings Ltd	547	12.50		0.018
USI Holdings Ltd	369	12.05		0.93
Wanji Pharmaceutical Holdings Ltd	835		14.89	0.04
Wo Kee Hong (Holdings) Ltd	720		13.16	0.033

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, from the first sounds of the opening bell, sellers lined up to dump stock.

By the luncheon break, the worst was over: The Growth Enterprise Index had recorded a loss of about 0.62 percent, compared with the previous Friday's close.

The 90-minute afternoon session was very quiet, compared with the morning session, but bears continued to control trading.

At the close of the day, The Growth Enterprise Index was standing at 1,174.04 points, off by about 0.63 percent on the previous Friday's closing rate.

The ratio of losers to gainers was about 2.33:One.

The Total Turnover was on the low side, at about \$HK142.04 million.

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

tom.com Ltd (Code: 8001)	Unchanged at \$2.40 per share
CASH Financial Services Group Ltd (Code: 8122)	Up 40 percent to \$HK1.70 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 1 percent to \$HK1.77 per share
hongkong.com Corporation (8006)	Unchanged at 77 cents per share
Bee and Bee Natural Life Products Ltd (Code: 8156)	Up 3 percent to 91 cents per share

With regard to the biggest movers of the day, they were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
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CASH Financial Services Group Ltd	8122	40.50		1.70
Cyber On-Air Group Company Ltd	8118	232.56		0.143
EVI Education Asia Ltd	8090	28.57		0.045
Fast Systems Technology (Holdings) Ltd	8150		11.94	0.059
Kinetana International Biotech Pharma Ltd	8031	16.67		0.063
M Channel Corporation Ltd	8036	13.04		0.026
Milkyway Image Holdings Ltd	8130	28.89		0.058
Panorama International Holdings Ltd	8173	10.81		0.082
ProSticks International Holdings Ltd	8055		13.79	0.025
T S Telecom Technologies Ltd	8003		10.53	0.102
Tradeeasy Holdings Ltd	8163		20.00	0.04

News wise:

- **SUNeVision Holdings Ltd (Code: 8008)** announced that, for the Financial Year, ended June 30, 2003, the company had recorded a Loss Attributable to Shareholders of about \$HK340.77 million. That result compared with the 2002 Year when the company reported a Loss Attributable to Shareholders of about \$HK633.85 million. SUNeVision Holdings Ltd has never made a cracker in its entire history; it is controlled by Sun Hung Kai Properties Ltd (Code: 16); and,
- **Bee and Bee Natural Life Products Ltd (Code: 8156)** reported that, for its Financial Year, ended June 30, 2003, it had earned about \$HK18 million for its shareholders. That 2003 Bottom Line compared with a Net Profit Attributable to Shareholders of about \$HK13.61 million for the 2002 Year. The Turnover increased, Year-on-Year, by about 41 percent to \$HK88.34 million.

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

HKSAR	Minus 0.87 percent to 10,873.27
Indonesia	Closed
Japan	Minus 4.24 percent to 10,475.10
Malaysia	Minus 0.78 percent to 738.36
The Philippines	Plus 0.32 percent to 1,314.00
Singapore	Minus 0.20 percent to 1,586.63
South Korea	Minus 4.46 percent to 714.89
Taiwan	Minus 1.43 percent to 5,675.75
Thailand	Minus 0.89 percent to 562.19

Tuesday

The G7 communiqué (see Monday's report) caused a ripple effect throughout US equity markets from the moment that they opened for business, last Monday, New York time.

While the US dollar was weakening against other 'hard' currencies – to the delight of US manufacturers, no doubt – to investment-minded Americans, it meant that foreign investment in the US could well be curtailed if it be determined that the US dollar exchange rate could be considered as being unstable over the next 6 months or so.

Repatriation of investment funds is an important consideration as far as international investors are concerned.

(Please see last Wednesday's [TARGET Intelligence Report, Volume V, Number 182](#), for a more in-depth evaluation of the US economic situation and how a weak dollar affects it)

On The New York Stock Exchange, last Monday, bears had a field day, driving down key indices.

On the Big Board of The New York Stock Exchange, the Dow Jones Industrial Average fell by about 109.41 points, equivalent to about 1.13 percent, ending the day at 9,535.41 points.

On the NASDAQ, the Composite Index shed about 1.64 percent of its value, dropping back to 1,874.47 points.

The US dollar hit a 3-year low against the Japanese yen in New York, last Monday – and it continued to look fragile, as far as foreign-exchange brokers were concerned.

In late afternoon trading, the US dollar was fetching about 112.02 yen.

In Europe, sellers continued their rout, fearful as to the effects that a weak US dollar would have on currencies of the European Union (EU).

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

Amsterdam's AEX Index	Minus 1.31 percent*
Great Britain's FTSE 100 Index	Minus 0.15 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.31 percent*
France's CAC40 Index	Minus 0.52 percent
Switzerland's Swiss Market Index	Minus 0.85 percent
Italy's MIBTEL Index	Minus 0.09 percent

* These were the largest losers of the day in Europe

In Asia, the largest equity markets, those of Japan, were closed, last Tuesday, leaving only the 2 stock markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) to go it alone.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gained about 0.65 percent, rising to 10,944.36 points.

The Total Turnover fell, once again, to about \$HK10.47 billion.

The ratio of gainers to losers was about 1.79:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK102.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Unchanged at \$HK19.95 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 2.12 percent to \$HK60.25 per share
Hang Seng Bank Ltd (Code: 11)	Up 1.10 percent to \$HK92.00 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.35 percent to \$HK56.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 2.62 percent to \$HK58.75 per share
PetroChina Company Ltd (Code: 857)	Up 4.17 percent to \$HK2.50 per share
China Telecom Corporation Ltd (Code: 728)	Up 3.32 percent to \$HK2.025 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Unchanged at \$HK10.30 per share
Brilliance China Automotive Holdings Ltd (Code: 1114)	Down 2.06 percent to \$HK2.375 per share

The biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Applied (China) Ltd	472		25.00	0.039
Asean Resources Holdings Ltd	22	13.95		0.98
C.P. Pokphand Company Ltd	43		10.17	0.265
China Bio-medical Group Ltd	140		12.37	0.085
China Nan Feng Group Ltd	979	25.00		0.02
Earrest Investments Holdings Ltd	339	17.86		0.033
Everbest Century Holdings Ltd	578	11.11		0.02
Grand Field Group Holdings Ltd	115	12.20		0.046
Guangdong Kelon Electrical Holdings Company Ltd	921	15.12		2.475
Hualing Holdings Ltd	382	16.47		0.29
I-Wood International Holdings Ltd	162	10.53		0.315
Incutech Investments Ltd	356	18.82		1.01
Jackin International Holdings Ltd	630		10.23	0.395
Kamboat Group Company Ltd	318	11.48		0.68
Kong Sun Holdings Ltd	295		13.89	0.031

Magnificent Estates Ltd	201		10.34	0.052
Mansion House Group Ltd	376	11.11		0.30
Multifield International Holdings Ltd	898		23.53	0.104
Peaktop International Holdings Ltd	925	13.56		0.134
Plus Holdings Ltd	1013	10.39		0.085
Sino Prosper Holdings Ltd	766	11.76		0.76
Skyworth Digital Holdings Ltd	751	10.96		1.62
Universe International Holdings Ltd	1046	11.76		0.152
Victory Group Ltd	1139		10.53	0.034
Wanji Pharmaceutical Holdings Ltd	835	10.00		0.044
Wo Kee Hong (Holdings) Ltd	720	12.12		0.037

Over on The Growth Enterprise Market (The GEM), the ratio of gainers and losers was exactly even, at One:One.

The Growth Enterprise Index gained about 0.19 percent, ending the session at 1,176.24 points on a Total Turnover of about \$HK163.09 million.

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

tom.com Ltd (Code: 8001)	Plus 4 percent to \$2.50 per share
Bee and Bee Natural Life Products Ltd (Code: 8156)	Up 2 percent to 93 cents per share
Milkyway Image Holdings Ltd (Code: 8130)	Plus 52 percent to 8.80 cents per share
SUNeVision Holdings Ltd (Code: 8008)	Down 3 percent to \$HK1.97 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Down 3 percent to \$HK12.10 per share

The double-digit movers on this speculative market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AKuP International Holding Ltd	8179		14.29	0.03
B M Intelligence International Ltd	8158	19.05		0.05
CASH Financial Services Group Ltd	8122		28.24	1.22
FX Creations International Holdings Ltd	8136	13.86		0.189
Global Link Communications Holdings Ltd	8060		15.87	0.53
MediaNation Incorporated	8160	25.38		0.163
Milkyway Image Holdings Ltd	8130	51.72		0.088
MRC Holdings Ltd	8070	10.00		0.055
Sing Lee Software (Group) Ltd	8076	29.03		0.40
Superdata Software Holdings Ltd	8263		11.63	0.38
SYSCAN Technology Holdings Ltd	8083		18.75	0.052

Although the 3 equity markets of Japan were closed for a national holiday, last Tuesday, companies, listed on The Tokyo Stock Exchange, continued to make reports, as did the Government of Prime Minister Junichiro Koizumi.

News wise:

- **The Japan Franchise Association** announced that sales at convenience stores in the country fell by about 3.40 percent in August, Year-on-Year. It was the 6th consecutive month of falling sales at convenience stores;
- **Japan's trade surplus** grew by about 23.10 percent in August, compared with August 2002, The Finance Ministry reported. Increased shipments of electronics and hand-held communication devices to other Asian countries were the chief reasons for the jump; and,
- **Kyocera Corporation** cut its earnings' projections for the first half of the Current Financial Year to about 13 billion yen, down from earlier estimates of a Group Net Profit of about 22 billion yen.

In other Asian equity markets, this was how those indices ended their respective sessions, last Tuesday:

HKSAR	Plus 0.65 percent to 10,944.36
Indonesia	Plus 0.48 percent to 588.51
Japan	Closed

Malaysia	Minus 0.15 percent to 737.24
The Philippines	Minus 0.84 percent to 1,303.01
Singapore	Plus 0.11 percent to 1,588.36
South Korea	Plus 0.55 percent to 718.84
Taiwan	Plus 0.15 percent to 5,684.01
Thailand	Plus 0.70 percent to 566.13

Wednesday

As the US dollar weakened on international, foreign-exchange markets, investors, around the world, shelved the fears of Monday and Tuesday, and ploughed right back into stocks and shares.

Memories are short and fervid hopes are long.

Every equity market in Asia experienced gains on major indices, led by the Main Board of The Stock Exchange of Hongkong Ltd, the principal stock market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

On Wall Street, as the helter-skelter of Monday and Tuesday on foreign-exchange markets subsided, so there was a return to seemingly normal business dealings on the 2 largest equity markets in the world.

On The New York Stock Exchange, last Tuesday, the Dow Jones Industrial Average gained 40.63 points, equivalent to about 0.43 percent, running back to 9,576.04 points.

Over on the NASDAQ, its Composite Index did even better than The Dow, regaining a full 1.45 percent of its lost value, ending the day at 1,901.72 points.

Early in the day, investors on the stock markets of the United States (US), to a great extent, were awaiting a speech, scheduled to be delivered by the President of the US, Mr George W. Bush, to the United Nations (UN) General Assembly.

As it turned out, the thrust of President George W. Bush's statements to the world body was merely an entreaty to UN delegates to help the US, peace-keeping force in Iraq from being killed by 'liberated' Iraqis and international terrorists.

The President did not apologise for his country's past actions in invading Iraq without the official blessings of the UN, an invasion, by the way, which is, still, termed as being the liberation of the oppressed Iraqis.

President George W. Bush said, inter alia:

'Because a coalition of nations acted to defend the peace – and the credibility of the United Nations – Iraq is free, and, today, we are joined by representatives of a liberated country.'

However, the US did not get off scot-free because the Secretary General of the UN, Mr Kofi Annan, reminded the General Assembly that the US took unilateral, pre-emptive action against Iraq in March, this year.

At international law, it could be held that the US had acted illegally – and many of the delegates of the UN strongly believe this to be the case.

President George W. Bush implored the UN to put aside past differences and to help the US rebuild Iraq ... and let the US off the hook.

Since there was little that could be considered contentious in the US President's address to the UN, Asia was relieved: Up went indices of major stock markets.

In Europe, just before most EU bourses closed for the day, the news spread that the Organisation of Petroleum Exporting Countries (OPEC), which was meeting in Vienna, Austria, had removed 900,000 barrels of crude oil per day from the marketplace.

That amount of oil represents about 3.50 percent of the total exports of crude oil from OPEC countries.

The OPEC countries that pushed to take this action were, specifically, Kuwait and Iran.

The price of crude oil rose by \$US1 per barrel, almost immediately.

Now, the world had another problem with which to contend.

European bourses were mixed at the close, last Wednesday, with many investors, being uncertain as to the correct course of action to take.

On the one hand, there was the weakness of the US dollar vis-à-vis many currencies of Europe and the Far East, and, on the other hand, there was the perceived problem of higher fuel prices – with winter, being only months away.

And, in addition, the US economy was still limping along.

This was how the major indices of Europe's most-important stock markets ended their respective trading days, last Wednesday:

Amsterdam's AEX Index	Minus 0.16 percent
Great Britain's FTSE 100 Index	Plus 0.35 percent
Germany's Frankfurt XETRA DAX Index	Minus 3.04 percent*
France's CAC40 Index	Minus 0.07 percent
Switzerland's Swiss Market Index	Plus 0.35 percent
Italy's MIBTEL Index	Plus 0.15 percent

* This was the largest loser of the day in Europe

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index, the '*barometer*' of trading in blue chips, regained about 3.21 percent of its value, rising to 11,295.89 points.

The Total Turnover rose, rather spectacularly, to about \$HK19.81 billion, an increase of about 89 percent, compared with Tuesday's volume of activity.

The ratio of gaining counters to losing ones was about 3.59:One.

The Ten Most Actives were:

Sun Hung Kai Properties Ltd (Code: 16)	Up 8.51 percent to \$HK63.75 per share
Hutchison Whampoa Ltd (Code: 13)	Up 3.98 percent to \$HK58.75 per share
HSBC Holdings plc (Code: 5)	Up 1.46 percent to \$HK104.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 3.51 percent to \$HK20.65 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 6.22 percent to \$HK64.00 per share
Weiqiao Textile Company Ltd (Code: 2698)	Unchanged at \$HK9.45 per share
Hang Seng Bank Ltd (Code: 11)	Up 3.26 percent to \$HK95.00 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 3.88 percent to \$HK10.70 per share
SmarTone Telecommunications Holdings Ltd (Code: 315)	Up 11.27 percent to \$HK11.85 per share
Henderson Land Development Company Ltd (Code: 12)	Up 8.94 percent to \$HK32.30 per share

As for the biggest movers of the day, there were a total of 37 of them.

Only 3 of the double-digit movers were in the red, by the close of the day; the others, all saw their share prices rise by 10 percent or more.

PME Group Ltd (Code: 379) was the biggest gainer of the day, as investors marked up its share price by 35 percent to \$40.50 cents.

Zhong Hua International Holdings Ltd (Code: 1064) was the biggest loser of the day, following investors, knocking down its share price by 13.33 percent to 5.20 cents.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the activity was more restrained than that of the Main Board.

The Growth Enterprise Index gained 1.38 percent, rising to 1,192.47 points on a Total Turnover of about \$HK196.87 million.

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

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

Golden Meditech Company Ltd (Code: 8180)	Up 5 percent to \$HK1.80 per share
tom.com Ltd (Code: 8001)	Up 1 percent to \$2.525 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Up 2 percent to \$HK1.83 per share
CASH Financial Services Group Ltd (Code: 8122)	Up 5 percent to \$HK1.28 per share
Panva Gas Holdings Ltd (Code: 8132)	Up 1 percent to \$HK3.525 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Global Link Communications Holdings Ltd	8060		17.92	0.435
Grandmass Enterprise Solution Ltd	8108	16.67		0.014
Info Communication Holdings Ltd	8082		11.63	0.038
Innovis Holdings Ltd	8065	11.67		0.67
Inworld Group Ltd	8100	10.13		0.087
Leadership Publishing Group Ltd	8010		21.67	0.47
Prosten Technology Holdings Ltd	8026	36.72		0.175
ProSticks International Holdings Ltd	8055		16.67	0.02
Q9 Technology Holdings Ltd	8129	17.50		0.047
SYSCAN Technology Holdings Ltd	8083	11.54		0.058
Thiz Technology Group Ltd	8119	20.69		0.035

News wise:

- **SmarTone Telecommunications Holdings Ltd (Code: 315)** announced the results for its Financial Year, ended June 30, 2003:

Turnover	Up 17.92 percent to \$HK2.83 billion
Net Profit Attributable to Shareholders	Up 254 percent to \$HK407.82 million
Dividend	Special Cash: \$HK3.50 per share

- **Sino Land Company Ltd (Code: 83)** announced its results for the Financial Year, ended June 30, 2003:

Turnover	Up 54 percent to \$HK4.18 billion
Net Profit Attributable to Shareholders	Down 81 percent to \$HK50.92 million
Dividend	2 cents per share (unchanged)

In Japan, investors were not overjoyed by what was happening, internationally, and caution prevailed on the country's 3 stock markets.

While the yen had, indeed, weakened slightly, overnight, there was, still, concern that it would strengthen, once more, at any time.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average gained 0.26 percent, ending the day at 10,502.29 yen.

There was some consternation, generally, as to economic strategy changes that were likely to come about, following the reshuffle in the Cabinet of Prime Minister Junichiro Koizumi. (Please see Monday's report)

While the Nikkei-225 Stock Average was ahead by a little more than one quarter of a percentage point, declining counters outnumbered advancing ones by the ratio of 1.59:One.

In other parts of Asia, this was how the major indices on the most-important equity markets fared, last Wednesday:

HKSAR	Plus	3.21 percent to 11,295.89
Indonesia	Plus	2.91 percent to 605.62
Japan	Plus	0.26 percent to 10,502.29
Malaysia	Plus	1.05 percent to 744.99

The Philippines	Plus	1.19 percent to 1,318.57
Singapore	Plus	2.88 percent to 1,634.03
South Korea	Plus	0.82 percent to 724.70
Taiwan	Plus	0.67 percent to 5,722.36
Thailand	Plus	1.66 percent to 575.55

Thursday

Asia woke up to learn that the price of crude oil, last Thursday, had risen by more than \$US1 per barrel, equivalent to an increase of about 3 percent.

The **Organisation of Petroleum Exporting Countries (OPEC)** had shocked the world by removing about 3.50 percent of daily oil exports from the market.

The aim of the OPEC cartel, comprising 11 countries, is to keep the price of crude oil higher than \$US25 per barrel.

The cuts, equivalent to 900,000 barrels per day, will come into effective from November 1, 2003.

On Wall Street, last Wednesday, share prices slumped on the OPEC news, which hit the market, late in the day.

By the close of trading on The New York Stock Exchange, the Dow Jones Industrial Average was standing at 9,425.51 points, a loss of about 1.57 percent, compared with Tuesday's closing level.

As for the NASDAQ, its Composite Index was off by about 3.05 percent, coming to rest at 1,843.70 points.

Europe had learned about the determination of OPEC, during late trading, the previous day, so that much of shock value had dissipated when Europe started trading, again, last Thursday.

However, after seeing what had happened on Wall Street, it was hardly any wonder that European bourses continued their falls.

This was how the indices of major European equity markets, ended last Thursday:

Amsterdam's AEX Index	Minus	1.24 percent
Great Britain's FTSE 100 Index	Minus	0.81 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.57 percent
France's CAC40 Index	Minus	1.02 percent
Switzerland's Swiss Market Index	Minus	1.34 percent
Italy's MIBTEL Index	Minus	0.69 percent

In Asia, last Thursday, as the well-worn axiom goes: Markets do not like uncertainty.

The indices of the largest equity markets in the most-populous part of the world went into reverse, in direct contrast to Wednesday's trading pattern.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), fractional losses marked trading on the territory's 2 stock exchanges.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index lost about 0.08 percent of its value, falling back to 11,286.52 points.

The Total Turnover was relatively high, at about \$HK21.36 billion.

Declining counters outpaced advancing ones by the ratio of 1.28:One.

Such a trading pattern, usually, indicates that investors are waiting to see what the immediate future will bring before making definitive determinations.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)

Up 0.96 percent to \$HK105.00 per share

China Mobile (Hongkong) Ltd (Code: 941)	Down 0.73 percent to \$HK20.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.39 percent to \$HK64.00 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 5.14 percent to \$HK11.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 4.30 percent to \$HK61.25 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.85 percent to \$HK58.25 per share
PCCW Ltd (Code: 8)	Up 1.51 percent to \$HK5.05 per share
Hang Seng Bank Ltd (Code: 11)	Down 1.05 percent to \$HK94.00 per share
PetroChina Company Ltd (Code: 857)	Up 1.98 percent to \$HK2.575 per share
Weiqiao Textile Company Ltd (Code: 2698)	Up 4.76 percent to \$HK9.90 per share

The biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Central China Enterprises Ltd	351		12.50	0.035
China Bio-medical Group Ltd	140	10.00		0.11
China Online (Bermuda) Ltd	383	23.85		1.61
China Treasure (Greater China) Investments Ltd	810	12.00		0.28
Daido Group Ltd	544		16.00	0.063
G-Vision International (Holdings) Ltd	657	18.64		0.07
Greater China Holdings Ltd	431	11.11		0.35
Hongkong Chinese Ltd	655	26.80		1.23
INNOMAXX Biotechnology Group Ltd	340	16.85		0.52
KEL Holdings Ltd	681		20.25	0.063
Leaptek Ltd	336		18.37	0.04
LeRoi Holdings Ltd	221		11.67	0.265
Lippo China Resources Ltd	156	10.45		0.148
Mansion House Group Ltd	376		12.28	0.25
Matsunichi Communication Holdings Ltd	283	13.40		1.10
Millennium Sense Holdings Ltd	724		22.26	0.206
Min Xin Holdings Ltd	222		10.20	1.32
Multifield International Holdings Ltd	898	10.17		0.13
Northern International Holdings Ltd	736		13.33	0.013
NWS Holdings Ltd	659	10.71		6.20
Oriental Explorer Holdings Ltd	430	10.42		0.053
Prime Success International Group Ltd	210	11.11		0.30
REXCAPITAL Financial Holdings Ltd	555	12.12		0.74
Stelux Holdings International Ltd	84	10.00		0.33
Wai Yuen Tong Medicine Holdings Ltd	897	12.50		0.018
Wo Kee Hong (Holdings) Ltd	720	13.89		0.041

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the situation mirrored that of the Main Board, with The Growth Enterprise Index, shedding about 0.29 percent of its value, falling back to 1,189.04 points.

The ratio of losing counters to gaining ones was about 1.49:One.

The Total Turnover was about \$HK242.95 million.

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

tom.com Ltd (Code: 8001)	Up 3 percent to \$2.60 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 2 percent to \$HK1.80 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Down 1 percent to \$HK12.00 per share
Panva Gas Holdings Ltd (Code: 8132)	Up 2 percent to \$HK3.60 per share
Innovis Holdings Ltd (Code: 8065)	Down 4 percent to 64 cents per share

The double-digit movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B M Intelligence International Ltd	8158		20.00	0.04

Cyber On-Air Group Company Ltd	8118		11.54	0.115
Global Link Communications Holdings Ltd	8060		13.79	0.375
IIN International Ltd	8128	22.81		0.07
Leadership Publishing Group Ltd	8010		27.66	0.34
Milkyway Image Holdings Ltd	8130		23.17	0.063
ThinSoft (Holdings) Incorporated	8096		12.50	0.28

News wise:

- **Sun Hung Kai Properties Ltd (Code: 16)** announced its results for the 2003 Financial Year, ended June 30, 2003:

Turnover	\$HK22.95 billion (down 9.54 percent)
Net Profits Attributable to Shareholders	\$HK6.58 billion (down 22.77 percent)
Dividend	\$HK1 per share (unchanged)

In Japan, the OPEC determination tended to knock the stuffing out of the country's 3 equity markets.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average deteriorated by about 1.83 percent, dropping to 10,310.04 yen.

Tokyo tends to follow the antics and gyrations of Wall Street, a little more closely than most other Asian equity markets, and so, with Wall Street, in full retreat, on Wednesday, Tokyo followed suit.

The ratio of losers to gainers was about 5.70:One.

Airlines, throughout Asia, were among the biggest losers of the day due to the fact that 60 percent of the operating costs of airlines can be attributed to the cost of fuel.

News wise:

- **The Japanese Ministry of Economy, Trade and Industry** announced that tertiary industrial activity in July fell 2.50 percent, compared with June 2003; and,
- Sales at supermarkets and departmental stores continued to fall in August, Year-on-Year, by about 3.90 percent, **The Japan Chain Stores Association** said. Sales of foodstuffs were off by about 2.20 percent to 715.98 billion yen.

And this was the way that things looked on other Asian equity markets, last Thursday night:

HKSAR	Minus 0.08 percent to 11,286.52
Indonesia	Minus 0.32 percent to 603.71
Japan	Minus 1.83 percent to 10,310.04
Malaysia	Minus 0.31 percent to 742.67
The Philippines	Minus 0.33 percent to 1,314.19
Singapore	Minus 0.26 percent to 1,629.82
South Korea	Minus 1.54 percent to 713.52
Taiwan	Minus 0.60 percent to 5,688.23
Thailand	Plus 0.20 percent to 576.68

Friday

Levi Strauss slashed another 2,000 jobs in North America, closing down its remaining plants on the continent.

To some people, the news was a bit of a shock, but to many analysts, Levi Strauss's actions were in keeping with good business practices because, after all, if management of US and Canadian factories cannot do the job, then, management must seek other climes.

But the Levi Strauss news was only a small item that shook up equity markets in the US, last Thursday.

Eastman Kodak, in what was considered an unprecedented move, slashed its dividend by 70 percent to 50 cents (US) per share.

Eastman Kodak is facing increased competition from Japan, South Korea and many other Asian countries as well as many other parts of the world for cameras and film – and it is losing the battle, at that.

The share price of Eastman Kodak dropped by about 18 percent to \$US22.15, last Thursday.

On The New York Stock Exchange, the Eastman Kodak announcement put the skids under the prices of stocks and shares, once again.

By the close of the day, the Dow Jones Industrial Average was standing at 9,343.96 points, a one-day loss of about 0.87 percent.

On the NASDAQ, its Composite Index gave up 1.44 percent of its value, dropping back to 1,817.20 points.

There was a report from The Labour Department of the US Government, stating that Initial Claims for Unemployment Insurance had dropped, in the past week, to 381,000 Claims.

But The Labour Department was quick to point out that no store should be paid to this statistic due to Hurricane Isabel, which hit the US, during the previous week.

The US Commerce Department announced that durable goods orders had dipped by about 0.90 percent in August, Year-on-Year. It was the first decline of its kind since April.

In Europe, with the price of oil, starting to rise again, investors sold out, fearful that the weekend could bring further problems.

This was how indices on major eurozone bourses closed the week:

Amsterdam's AEX Index	Minus 1.34 percent
Great Britain's FTSE 100 Index	Minus 1.07 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.04 percent
France's CAC40 Index	Minus 0.43 percent
Switzerland's Swiss Market Index	Minus 0.57 percent
Italy's MIBTEL Index	Minus 0.67 percent

Asia was not happy with its lot, and with its interpretation as to what was taking place in The Land of The Free and The Home of The Brave.

Generally, equity markets in Asia were on the defensive, with some of the biggest bourses, giving up fractions.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), share prices tended to drift lower.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index managed to put on about 0.03 percent, ending the week at 11,290.08 points.

The Total Turnover fell back to about \$HK13.99 billion.

Retreating counters outnumbered advancing ones by the ratio of 1.19:One.

The Ten Most Actives were:

Hutchison Whampoa Ltd (Code: 13)	Down 0.43 percent to \$HK58.00 per share
HSBC Holdings plc (Code: 5)	Down 0.48 percent to \$HK104.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.95 percent to \$HK62.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.24 percent to \$HK20.55 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 3.11 percent to \$HK11.60 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.82 percent to \$HK61.75 per share
Lee and Man Paper Manufacturing Ltd (Code: 2314)	Unchanged at \$HK4.70 per share
PCCW Ltd (Code: 8)	Up 1.98 percent to \$HK5.15 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.27 percent to \$HK94.25 per share
Swire Pacific Ltd "A" Shares (Code: 19)	Up 0.65 percent to \$HK46.70 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Anex International Holdings Ltd	723	40.00		0.126
Applied (China) Ltd	472	15.00		0.046
Asia Commercial Holdings Ltd	104		16.67	0.25
Benefun International Holdings Ltd	1130	60.00		0.096
Capital Estate Ltd	193		10.00	0.018
Celestial Asia Securities Holdings Ltd	1049		14.74	0.81
Ching Hing (Holdings) Ltd	692		10.71	0.25
CIL Holdings Ltd	479	23.08		0.016
CNT Group Ltd	701		12.18	0.137
Emperor International Holdings Ltd	163		12.50	2.10
G-Vision International (Holdings) Ltd	657		17.14	0.058
Gorient (Holdings) Ltd	729		13.64	0.019
KEL Holdings Ltd	681	17.46		0.074
Medtech Group Company Ltd	1031	27.27		0.014
Oriental Explorer Holdings Ltd	430		11.32	0.047
Paladin Ltd	495	42.86		0.13
Prime Success International Group Ltd	210	16.67		0.35
Star East Holdings Ltd	198		21.82	0.043
Start Technology Company Ltd	706	15.89		0.175
Symphony Holdings Ltd	1223	15.95		1.89
Wai Yuen Tong Medicine Holdings Ltd	897	11.11		0.02
Zhong Hua International Holdings Ltd	1064	25.00		0.06

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, last Friday was the weakest day of the week, as The Growth Enterprise Index slipped about 0.79 percent to 1,179.62 points.

But the Total Turnover dropped to about \$HK105.94 million.

The ratio of losers to gainers was about 1.76:One.

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

tom.com Ltd (Code: 8001)	Down 1 percent to \$2.575 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Down 1 percent to \$HK11.90 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 1 percent to \$HK1.79 per share
Panva Gas Holdings Ltd (Code: 8132)	Down 1 percent to \$HK3.55 per share
Golden Meditech Company Ltd (8180)	Unchanged at \$HK1.86 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CASH Financial Services Group Ltd	8122		10.83	1.07
Cyber On-Air Group Company Ltd	8118		13.91	0.099
Fast Systems Technology (Holdings) Ltd	8150		11.86	0.052
Golding Soft Ltd	8190	11.11		0.08
Prosperity International Holdings (Hongkong) Ltd	8139		18.75	0.065
SYSCAN Technology Holdings Ltd	8083	17.86		0.066
Value Convergence Holdings Ltd	8101		11.11	0.72

The tally for the week, ended September 26, was:

The Hang Seng Index	Up 2.93 percent
The Growth Enterprise Index	Down 0.16 percent

After an early sell-off on The Tokyo Stock Exchange, short-covering lifted key indices on Asia's largest bourse, resulting in the Nikkei-225 Stock Average, ending the day at 10,318.44 yen, a fractional gain of about 0.08 percent, compared with Thursday's close.

The ratio of losers to gainers was about 1.05:One.

There had been a series of earthquakes in the north of the country, and that situation was worrying some investors.

Japanese investors remembered the 1995 earthquake that flattened part of Kobe.

More important, however, was what was happening in the US where investors in Asia were receiving a mixed bag of data, some negative and some, very positive.

The Eastman Kodak announcement about the closure of its plants in North America is good news for Japan because (a) it means that Japanese camera-makers (especially, those which are producing digital cameras) and film-makers have stolen the show from this US, blue-chip company and (b) North America's loss is Asia's gain because Eastman Kodak will, no doubt, move some, or all, of its operations to Asia.

The tally for the week for the largest equity market in Asia was:

The Nikkei-225 Stock Average Down 5.57 percent

And this was how other Asian equity markets finished the week of September 26, 2003:

HKSAR	Plus 0.03 percent to 11,290.15
Indonesia	Minus 0.64 percent to 599.84
Japan	Plus 0.08 percent to 10,318.44
Malaysia	Minus 0.06 percent to 742.22
The Philippines	Minus 0.03 percent to 1,313.85
Singapore	Minus 0.14 percent to 1,627.54
South Korea	Minus 2.26 percent to 697.40
Taiwan	Minus 0.67 percent to 5,650.11
Thailand	Plus 0.73 percent to 580.87

-- E N D --

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