

EQUITY MARKETS HIT WITH THOUSANDS OF MORE SACKINGS IN THE U.S.

The announcement from the US Government's Census Bureau in respect of the levels of poverty in The Land of The Free and The Home of The Brave, being the shocker that it is, appeared to grease the runners of the US economic sledge on its downhill path, and this resulted in major equity markets of Asia, seeing their key indices lose ground, last Monday.

(Please see Wednesday's [TARGET Intelligence Report, Volume V, Number 182](#), for full analysis of this situation)

The previous Friday, on Wall Street, it was losers, all round.

On The New York Stock Exchange, the Dow Jones Industrial Average gave up one third of a percentage point, exactly, falling back to 9,313.08 points.

On the tech-laden NASDAQ, its Composite Index shed about 1.39 percent of its value, dropping to 1,792.07 points.

Wall Street was hit by a double whammy, the previous Friday: The poverty level in the US, standing at about 34.60 million unfortunates – and the numbers are continuing to rise – and The University of Michigan's finding that consumer spending is continuing to wane.

Led by the 2 stock markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both of which gave up material ground, all of the major equity markets in the most populous part of the world went into reverse.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index was forced to surrender about 1.32 percent of its value, ending the day at 11,141.28 points.

The Total Turnover was about \$HK12.06 billion, with losing counters, beating out winning counters by the ratio of about 2.03:One.

The market started off, losing ground, and this situation accelerated as the day got longer.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.96 percent to \$HK103.50 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 5.17 percent to \$HK11.00 per share
PCCW Ltd (Code: 8)	Up 1.94 percent to \$HK5.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.99 percent to \$HK61.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.46 percent to \$HK20.25 per share
Hutchison Whampoa Ltd (Code: 13)	Down 2.16 percent to \$HK56.25 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.53 percent to \$HK93.75 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.21 percent to \$HK61.00 per share
Hongkong Electric Holdings Ltd (Code: 6)	Down 0.50 percent to \$HK29.80 per share
PetroChina Company Ltd (Code: 857)	Down 0.97 percent to \$HK2.55 per share

The biggest Main Board movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Anex International Holdings Ltd	723		16.67	0.105
Asean Resources Holdings Ltd	22	44.34		1.53
Benefun International Holdings Ltd	1130	43.75		0.138

Central China Enterprises Ltd	351		11.43	0.031
City Telecom (Hongkong) Ltd	1137	10.58		2.875
Dah Hwa International (Holdings) Ltd	600		22.50	0.062
Fortuna International Holdings Ltd	530		18.75	0.013
Four Seas eFood Holdings Ltd	60	10.59		0.94
Global China Group Holdings Ltd	1105	11.94		0.75
Hua Lien International (Holding) Company Ltd	969	11.90		0.94
Kong Sun Holdings Ltd	295		14.71	0.029
Leaptek Ltd	336		14.63	0.035
Mansion House Group Ltd	376	10.00		0.275
Mei Ah Entertainment Group Ltd	391		10.00	0.225
Nam Fong International Holdings Ltd	1176	20.41		0.059
Playmates Holdings Ltd	635	13.42		1.69
Shenyin Wanguo (Hongkong) Ltd	218	18.28		1.10
Tristate Holdings Ltd	458		14.61	1.90
Vitop Bioenergy Holdings Ltd	1178		11.22	0.182
Wah Nam International Holdings Ltd	159		11.67	0.265
Wai Kee Holdings Ltd	610	16.28		1.00
Winfoong International Ltd	63	10.34		0.16
Wo Kee Hong (Holdings) Ltd	720	12.50		0.045
Zhong Hua International Holdings Ltd	1064		11.67	0.053
Zhongda International Holdings Ltd	909	13.21		0.30
Zida Computer Technologies Ltd	859	18.12		0.176

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover dipped to about \$HK112.18 million, as the ratio of losers to gainers widened to 2.08:One.

The Growth Enterprise Index ended the day at 1,168.52 points, off by about 0.94 percent, compared with the previous Friday's level.

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

tom.com Ltd (Code: 8001)	Down 3 percent to \$2.50 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 1 percent to \$HK1.77 per share
Panva Gas Holdings Ltd (Code: 8132)	Up 1 percent to \$HK3.60 per share
Wanyou Fire Safety Technology Holdings Ltd (Code: 8201)	Unchanged at 38.50 cents per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Up 1 percent to \$HK12.00 per share

The double-digit movers of the day, however, were reserved for the following 4 counters:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
ITE (Holdings) Ltd	8092		23.08	0.06
Milkyway Image Holdings Ltd	8130	17.54		0.067
Soluteck Holdings Ltd	8111	22.68		0.119
Syspek Information Technology (Holdings) Ltd	8103		13.33	0.026

In Europe, uncertainty as to the suggested growth (or the lack of it) of the economies of the world's most-important powers caused widespread selling on equity markets.

Also, concern over the US dollar's slide, vis-à-vis its major trading partners, which is not helpful to eurozone economies, did not help matters, at all, in the European Union (EU).

This was how indices of major eurozone bourses closed, last Monday:

Amsterdam's AEX Index	Minus 0.47 percent
Great Britain's FTSE 100 Index	Minus 0.35 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.04 percent
France's CAC40 Index	Minus 0.87 percent
Switzerland's Swiss Market Index	Minus 0.57 percent
Italy's MIBTEL Index	Minus 0.08 percent

On Asia's largest stock market, The Tokyo Stock Exchange, The Nikkei-225 Stock Average hit a one-month low, as investors pushed down the key index to 10,229.57 yen, a one-day loss of 88.87 yen, or about 0.86 percent.

Fears that the US dollar would continue to weaken against the yen and that the economy of the world's only superpower was not motoring along, as had been hoped, tended to drain the confidence of many Japanese investors, last Monday.

Last Monday, the US dollar-Japanese yen rate was about 111.20 yen.

Compared with the rate of the previous Monday (September 22), the yen's value, in terms of the US dollar, had been eroded by about 0.94 percent.

For companies, working on a net profit margin of 5 percent or less, this is a tough nut to swallow.

Losing counters on The Tokyo Stock Exchange outnumbered gaining ones by the ratio of about 2.11:One, with exporters, being among the hardest hit.

And, in other Asian equity markets, this was how the major indices ended, last Monday night:

HKSAR	Minus 1.32 percent to 11,141.28
Indonesia	Minus 0.45 percent to 597.14
Japan	Minus 0.86 percent to 10,229.57
Malaysia	Minus 0.82 percent to 736.16
The Philippines	Minus 0.27 percent to 1,310.36
Singapore	Plus 0.07 percent to 1,628.71
South Korea	Minus 0.19 percent to 696.06
Taiwan	Minus 0.12 percent to 5,643.50
Thailand	Plus 0.01 percent to 580.93

Tuesday

Despite a bit of a run on Wall Street, last Monday, Asia was having none of it: Indices of major equity markets in the most-populous part of the world moved only fractionally.

Asia has seen many a stock-market, flash-in-the-pan in the US; it was not about to be taken in again.

On The New York Stock Exchange, last Monday, the Dow Jones Industrial Average gained 67.16 points, equivalent to about 0.72 percent, ending the day at 9,380.24 points.

On the NASDAQ, its Composite Index did a great deal better than The Dow, putting on 1.81 percent, as investors pushed the tech-laden index to 1,824.56 points.

But the gains on Wall Street came in the wake of some pretty depressing, gruesome news.

Safeco Corporation announced that it would be sacking 500 of its workers, following on from its plan to sell its life insurance business.

Sun Microsystems Incorporated announced that it was expecting a first-quarter loss of more than \$US1.05 billion.

Sun Microsystems is a competitor of Hewlett-Packard Company, International Business Machines Corporation and Dell Incorporated in the high-end server market – and the company is being beaten to the punch.

For Wall Street, it was bad news, but the announcements from Safeco and Sun Microsystems came at the tail-end of trading, last Monday, and, as such, the news did not affect last Monday's trading pattern.

That was left for the following day, it was presumed by the more experienced market players with whom **TARGET** spoke.

In Europe, there was no waiting, however.

It was clear that the main New York drag, called Wall Street, was strewn with huge boulders, all of which would impede any sustained movement of any vehicle, for the time being – and, perhaps, for some time to come.

Also, the US dollar hit another glitch, last Tuesday, as its exchange rate vis-à-vis the Japanese yen and the euro dropped abruptly.

Wall Street's opening, last Tuesday, saw sellers line up to unload scrip, as soon as buyers could be located.

Europe took careful note of Wall Street's Tuesday opening.

Then, as if that were not enough, news came to Europe, just before the closing of many of its equity markets, that there had been a sharp drop in consumer sentiment in the US.

Down came indices of all major stock markets in Europe.

This was how the indices on major eurozone bourses closed, last Tuesday:

Amsterdam's AEX Index	Minus 1.84 percent
Great Britain's FTSE 100 Index	Minus 1.24 percent
Germany's Frankfurt XETRA DAX Index	Minus 2.00 percent*
France's CAC40 Index	Minus 1.68 percent
Switzerland's Swiss Market Index	Minus 1.55 percent
Italy's MIBTEL Index	Minus 1.45 percent

* This was the largest loser in Europe, last Tuesday

The gains, recorded on the Main Board of The Stock Exchange of Hongkong Ltd, last Tuesday, were thought by many to be somewhat surprising, considering that the following day, that is, last Wednesday, was a public holiday in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) and the PRC, proper.

Last Wednesday was National Day for Chinese loyalists, the world over.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index put on about 0.80 percent, as investors pushed up the key index to 11,229.87 points.

The Total Turnover was on the low side, at about \$HK12.47 billion.

The ratio of gainers to losers was about 1.70:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 0.48 percent to \$HK104.00 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.44 percent to \$HK56.50 per share
PCCW Ltd (Code: 8)	Down 1.90 percent to \$HK5.15 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.74 percent to \$HK20.40 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 2.03 percent to \$HK62.75 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 1.82 percent to \$HK11.20 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.41 percent to \$HK61.25 per share
Hang Seng Bank Ltd (Code: 11)	Up 1.33 percent to \$HK95.00 per share
Brilliance China Automotive Holdings Ltd (Code: 1114)	Up 1.96 percent to \$HK2.60 per share
China Unicom Ltd (Code: 762)	Up 1.60 percent to \$HK6.35 per share

As for the double-digit movers of the day, they included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asean Resources Holdings Ltd	22	29.41		1.98
Benefun International Holdings Ltd	1130	18.12		0.163
China Gas Holdings Ltd	384	11.49		0.97
China Strategic Holdings Ltd	235	13.04		0.182
Chinney Alliance Group Ltd	385		10.00	0.018

Continental Mariner Investment Company Ltd	119	16.05		0.94
Daido Group Ltd	544	19.05		0.075
eSun Holdings Ltd	571		10.71	0.25
First Natural Foods Holdings Ltd	1076	11.86		0.66
Friedmann Pacific Greater China Investments Ltd	1226	12.82		0.22
Fulbond Holdings Ltd	1041	10.53		0.021
Hon Po Group (Lobster King) Ltd	228		18.55	0.101
i100 Ltd	616		15.13	1.01
KG NextVision Company Ltd	516		10.00	0.063
Leaptek Ltd	336	14.29		0.04
Mei Ah Entertainment Group Ltd	391	17.78		0.265
Melco International Development Ltd	200	11.84		2.125
New Times Group Holdings Ltd	166		15.56	0.38
Oriental Metals (Holdings) Company Ltd	1208	18.87		0.315
Pacific Plywood Holdings Ltd	767		11.11	0.024
Paladin Ltd	495	10.66		0.135
Plus Holdings Ltd	1013	16.28		0.10
Pricerite Group Ltd	996	15.61		2.00
Rontex International Holdings Ltd	1142	11.63		0.96
Sen Hong Resources Holdings Ltd	76	30.00		0.78
Shang Hua Holdings Ltd	371		20.63	0.05
Stelux Holdings International Ltd	84		18.84	0.28
UBA Investments Ltd	768		20.91	0.087
Universe International Holdings Ltd	1046	11.80		0.18
Wah Nam International Holdings Ltd	159	13.21		0.30

Over on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover stayed low, at about \$HK122.10 million, in spite of The Growth Enterprise Index, regaining about 1.43 percent of its value, rising to 1,185.27 points.

The ratio of gaining counters to losing ones was about 1.39:One.

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

tom.com Ltd (Code: 8001)	Up 1 percent to \$2.525 per share
Launch Tech Company Ltd (Code: 8196)	Up 2 percent to \$HK1.74 per share
Convenience Retail Asia Ltd (Code: 8052)	Up 7 percent to \$HK2.225 per share
hongkong.com Corporation (Code: 8006)	Up 3 percent to 77 cents per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Up 1 percent to \$HK1.78 per share

The biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Multimedia Ltd	8061	34.62		0.105
Capital Publications Ltd	8155	18.06		0.085
Cyber On-Air Group Company Ltd	8118		32.22	0.061
Prosperity International Holdings (Hongkong) Ltd	8139	12.31		0.073
Recruit Holdings Ltd	8073	25.00		0.02
Sing Lee Software (Group) Ltd	8076		14.29	0.30
Syspek Information Technology (Holdings) Ltd	8103	15.38		0.03

Over in The Land of The Rising Sun, there were suggestions that The Bank of Japan was supporting the yen, by selling US dollars on foreign-exchange markets.

The US Government does not appreciate interference on money markets because a strong dollar is harmful to US industry, generally, at this ticklish time, with business sentiment, hardly inspired to bigger and greater things.

But, for The Empire of Japan, protection of its industries and of its exporters is of vital importance.

The US dollar tested the waters of 3 years earlier, hitting 110.57 yen before, for unknown reasons, which tended to point to intervention on the foreign-exchange markets, it recovered some of its lost ground.

Against the euro, the US dollar fell to \$US1.17.

In Tokyo, Finance Minister Sadakazu Tanigaki refused to say whether or not the Government had intervened in the matter, stating only: *'It is our consistent position not to comment.'*

But, he went on to state that it was Japan's firm position that it was ready and willing to intervene on international, foreign-exchange markets in order to prevent rapid foreign-exchange movements, which do nobody any good in the long run.

On The Tokyo Stock Exchange, the key index, The Nikkei-225 Stock Average, after an early gain of about 2 percent, started to lose its sheen.

Investors started selling scrip to such an extent that it brought down the Nikkei-225 Stock Average below the waterline, to end the day with a fractional loss of one tenth of a percentage point.

The Nikkei-225 Stock Average's closing figure of 10,219.05 yen reflected only the last stage in the trading activity of the market, last Tuesday, because, regardless of the close, gaining counters still outnumbered losing ones by the ratio of about 2.20:One.

News wise:

- **Japan Airlines System (JAL) and All Nippon Airways (ANA)**, the 2 largest carriers of Japan, are to get emergency funding from The Development Bank of Japan, the Government's bank. JAL, which is, easily, Asia's largest airline, will be getting emergency funding of about 70 billion yen, and ANA will be receiving about 15 billion yen. Following the September 2001 attacks on the US by Arab madmen, The Development Bank of Japan had lent 154 billion yen to JAL and 85 billion yen to ANA.

And this was how indices of other major Asian markets ended their respective sessions, last Tuesday:

HKSAR	Plus 0.80 percent to 11,229.87
Indonesia	Plus 0.09 percent to 597.65
Japan	Minus 0.10 percent to 10,219.05
Malaysia	Minus 0.37 percent to 733.45
The Philippines	Minus 0.99 percent to 1,297.42
Singapore	Plus 0.13 percent to 1,630.80
South Korea	Plus 0.21 percent to 697.52
Taiwan	Minus 0.57 percent to 5,611.41
Thailand	Minus 0.34 percent to 578.98

Wednesday

Ford Motor Company shocked the world by announcing that it was planning to slash up to 12,000 workers from its payroll.

In the US, alone, Ford said that it would be sacking 3,000 salaried employees.

In Belgium, the Genk Plant is to be shut for the loss of 3,000 jobs.

Ford's German plant will dispense with the services of another 1,700 workers, it was confirmed.

Ford is the world's second-largest producer of motor vehicles, but it has been facing difficult times for a number of years, requiring some 35,000 workers to be cut from the Establishment level.

And, now, there is to be another *'retrenchment'*, according to Management.

The Ford news was bad enough for investors on Wall Street, but they were hit, also, by further depressing news, this time from The Conference Board's Consumer Sentiment Index.

According to The Conference Board, consumer confidence has fallen to its lowest level since March, this year.

The Consumer Sentiment Index for September was stuck at 76.80 points, down from August's 81.70 points.

The Conference Board's findings tended to reconfirm and add credence to the findings of The University of Michigan. (Please see last Wednesday's **TARGET** Intelligence Report)

The news, that from Ford and that from the Conference Board, was too much for investors on the world's largest equity markets.

Indices dropped, as would a boulder, being dumped into a deep well.

On The New York Stock Exchange, the Dow Jones Industrial Average lost 105.18 points, equivalent to about 1.12 percent, ending the session at 9,275.06 points.

On the NASDAQ, its Composite Index shed 37.77 points, or about 2.07 percent, dropping back to 1,786.79 points.

As had been widely expected, Sun Microsystems Incorporated took it on the nose, losing about 15 percent of its market capitalisation. (Please see Tuesday's report)

Other hi-tech counters suffered, likewise.

In Europe, while the news was bad, bad, bad, and seemingly getting worse, there was considerable profit taking for those investors who had gone short on major bourses in previous sessions.

Short covering lifted indices, considerably.

Many European investors were of the opinion that there could not be further horrors in the works ... could there?

But they had yet to hear from DaimlerChrysler, another motor-vehicle manufacturer, which is almost certain to follow in the footsteps of Ford.

This was how indices on major eurozone bourses closed, last Monday:

Amsterdam's AEX Index	Plus	1.56 percent
Great Britain's FTSE 100 Index	Plus	1.90 percent
Germany's Frankfurt XETRA DAX Index	Plus	2.24 percent
France's CAC40 Index	Plus	1.79 percent
Switzerland's Swiss Market Index	Plus	0.35 percent
Italy's MIBTEL Index	Plus	1.10 percent

The equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) and of the PRC, proper, were closed for National Day, last Wednesday.

In Japan, it was confirmed: The Government of The Land of The Rising Sun has been supporting the battered US dollar, thus keeping the lid on the yen.

Japan's Finance Minister, Mr Sadakazu Tanigaki, said that he would take '*decisive*' steps in order to protect the Japanese Government from foreign-exchange speculators.

As he spoke, last Wednesday, the US dollar's exchange rate fell to about 111.25 yen.

The fall was in spite of The Bank of Japan, standing in at international foreign exchanges, buying US dollars.

On the positive side of the ledger, The Bank of Japan published its quarterly TANKAN Report, which indicated improved sentiment among industrialists in Japan.

The TANKAN Report scored a Plus 1 for the month of September, versus a Negative 5 for June.

The TANKAN Report findings gave a fillip to trading on the country's 3 equity markets.

On the premier bourse of the country, The Tokyo Stock Exchange, the Nikkei-225 Stock Average gained about 1.39 percent, rising to 10,361.24 yen.

However, the ratio of gainers to losers was tight, at about 1.06:One.

The fact, that the ratio of gainers to losers was tight, suggested that the rally was unlikely to be sustained for any great length of time.

Banks, however, had a good day, with Mizuho Financial Group, the world's biggest bank in terms of assets under its control, seeing its share price gain 16 percent to hit a record-high of 290,000 yen.

Mitsubishi Tokyo Financial Group saw its share price put on about 14.18 percent, ending the hectic trading day at 805,000 yen. That was its highest level since November 2002.

UFJ Holdings Incorporated, another of the Big Four Japanese banks, added 11.39 percent to its market capitalisation, as investors pushed up its share price to 489,000 yen.

The last of the Big Four, Sumitomo Mitsui Financial Group, went along for the ride, with a gain of 11.11 percent, as its share price was pushed to 500,000 yen.

Fundamentally, nothing suggested that there should have been gains in the prices of the shares of these 4 major banks, all of which, in international terms, could be considered very sick, in terms of non-performing loans and the requirements for provisions for bad and doubtful debts.

The inscrutable Japanese way of doing business!

News wise:

- **The unemployment rate** in Japan eased to about 5.10 percent in August, The Labour Force Statistics Office announced. It was the lowest level in the past 2 years;
- **The Finance Ministry** said that it had spent about 4.46 trillion yen in intervention measures on foreign-exchange markets between August 28 and September 26. Since the beginning of 2003, the Japanese Government has lashed out not less than 13.48 trillion yen in keeping the yen under wraps;
- **Industrial production** in Japan fell 0.50 percent in August, seasonally adjusted. It was the first monthly drop in the past quarter, The Ministry of Economy, Trade and Industry announced; and,
- **Nissan Diesel Motor Company** requires an additional 106 billion yen if it is to be bailed out of its financial mess. The money will have to come from its parent company, **Nissan Motor Company**, and the company's 3 major creditor banks – **Mizuho Corporate Bank**, **Resona Bank** and **Mizuho Trust and Banking Company**. The creditor banks had agreed to a debt-equity swap arrangement, but it appears that that 90 billion yen is still not sufficient for Nissan Diesel Motor Company to restructure itself. Nissan Motor Company, which holds a 22.50-percent stake in Nissan Diesel Motor Company, has agreed to forgive 16 billion yen in debts in return for Preferred Shares in Nissan Diesel Motor Company. **Renault SA**, of France, is a 22.50-percent shareholder of Nissan Diesel Motor Company.

In other parts of Asia, this was how those equity markets closed, last Wednesday:

HKSAR	Closed
Indonesia	Plus 1.40 percent to 606.04
Japan	Plus 1.39 percent to 10,361.24
Malaysia	Plus 0.57 percent to 737.64
The Philippines	Minus 0.72 percent to 1,288.11
Singapore	Unchanged at 1,630.72
South Korea	Plus 0.97 percent to 704.29
Taiwan	Minus 0.53 percent to 5,581.66
Thailand	Minus 1.59 percent to 569.75

Thursday

One cannot help but admire the American way of life; and, of the population's ability to face, and, then, promptly forget, adversity, almost as quickly as it came to earth.

Such was, clearly, the situation, last Wednesday, in the US, when, following on from one shock announcement after another, the indices of major equity markets went sky high – just one day after shocked investors, from one part of the world to another, sold billions of US dollars' worth of scrip for fear that the worst was not, yet, over.

On The New York Stock Exchange, last Wednesday, the Dow Jones Industrial Average rang up a gain of 194.14 points, equivalent to about 2.09 percent, ending the very busy session at 9,466.20 points.

On the tech-laden NASDAQ, its Composite Index outdid The Dow with a gain of about 2.54 percent, as investors pushed the index to 1,832.25 points.

The reasons for last Wednesday's gains were the result of 2 independent factors: (1) the large losses in certain counters, during previous sessions; and, (2) a report from the Institute of Supply Management (ISM).

The short-covering of certain stocks on select counters, whose share prices had fallen, dramatically, in previous sessions, and the picking up of what appeared to be cheapies were natural phenomena, which occurs on all equity markets, the world over, but the ISM report was something else, again.

The ISM Manufacturing Index dipped to 53.70 points in September, down from August's figure of 54.70 points.

One would have thought that that was bad news, but the gurus of Wall Street determined that it could have been much worse and, therefore, it was a good report.

(!!!)

It was the third consecutive month of declines in the ISM's index, mind you.

Logic dictated that last Wednesday's market was a false one.

In Europe, last Thursday, there was a bit of stink with regard to the Dutch retailer, Ahold.

It was reported that the company enjoyed losses of about 1.208 billion euros (about \$US1.03 billion) in the 2002 Financial Year due to the cooking of the books in the US subsidiary, Foodservice.

At the end of the day, it was seen that Ahold had inflated its 2002 profits by about \$US880 million – and delayed that admission by months.

That did not sit well with eurozone investors, to be sure.

This was how indices on major eurozone bourses closed, last Monday:

Amsterdam's AEX Index	Plus	0.93 percent
Great Britain's FTSE 100 Index	Plus	0.96 percent
Germany's Frankfurt XETRA DAX Index	Minus	1.60 percent
France's CAC40 Index	Plus	0.06 percent
Switzerland's Swiss Market Index	Plus	0.33 percent
Italy's MIBTEL Index	Minus	0.04 percent

In Asia, there were serious gains, made on major equity markets, led by Indonesia's Djakarta Stock Exchange's Composite Index, which shot up 2.24 percent.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index put on about 2.82 percent, rising to 11,515.67 points on an increased Total Turnover, which topped about \$HK19.85 billion.

The ratio of gainers to losers was 2.06:One.

Investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), having had a one-day break to celebrate China's National Day, seemed to be pumped up at the thought of higher levels for their beloved bourse.

The idea of bigger and better things to come to pass in the HKSAR was due to the gains of Wall Street, of the previous day.

(The equity markets of the PRC, proper, were closed for a full week in order to permit the human population to take full advantage of many celebrations in the country, commemorating National Day)

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 1.92 percent to \$HK106.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 8.37 percent to \$HK68.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.96 percent to \$HK20.80 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 6.12 percent to \$HK65.00 per share
Hutchison Whampoa Ltd (Code: 13)	Up 2.21 percent to \$HK57.75 per share
Hang Seng Bank Ltd (Code: 11)	Up 2.11 percent to \$HK97.00 per share
Henderson Land Development Company Ltd (Code: 12)*	Up 7.38 percent to \$HK34.90 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 2.23 percent to \$HK11.45 per share
China Unicom Ltd (Code: 762)	Up 4.72 percent to \$HK6.65 per share
CNOOC Ltd (Code: 883)	Up 3.79 percent to \$HK13.70 per share

* See News wise, below

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Associated International Hotels Ltd	105	14.53		4.925
CEC International Holdings Ltd	759	10.76		0.175
Chi Cheung Investment Company Ltd	112	25.00		0.05
China Everbright International Ltd	257	15.25		0.34
Chinney Alliance Group Ltd	385	11.11		0.02
Climax International Company Ltd	439	25.00		0.03
Fortuna International Holdings Ltd	530	14.29		0.016
Hon Po Group (Lobster King) Ltd	228	24.75		0.126
HyComm Wireless Ltd	499		13.66	0.139
Magician Industries (Holdings) Ltd	526	11.98		0.215
Magnificent Estates Ltd	201	11.11		0.06
Midland Realty (Holdings) Ltd	1200	11.11		2.00
Multifield International Holdings Ltd	898		12.00	0.11
NWS Holdings Ltd	659	11.11		7.00
Sen Hong Resources Holdings Ltd	76	10.26		0.86
Skyworth Digital Holdings Ltd	751	10.46		1.69
Sun Innovation Holdings Ltd	547		11.76	0.015
Sunny Global Holdings Ltd	1094		23.87	0.185
Tan Chong International Ltd	693	16.79		1.60
Tian Teck Land Ltd	266	15.38		2.10
Victory City International Holdings Ltd	539		10.77	2.90
Victory Group Ltd	1139		12.50	0.028
Wai Yuen Tong Medicine Holdings Ltd	897		16.67	0.015
Xin Corporation Ltd	1141	11.84		0.085

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, while The Growth Enterprise Index was up by about 0.87 percent to close the day at 1,195.60 points, the Total Turnover shrank to about \$HK113.25 million.

The low Total Turnover would suggest that the rally is not sustainable, over the long pull.

The ratio of gaining counters to losing ones was about 1.79:One.

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

tom.com Ltd (Code: 8001)	Unchanged at \$2.525 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Up 1 percent to \$HK1.79 per share
Convenience Retail Asia Ltd (Code: 8052)	Up 3 percent to \$HK2.30 per share
Tungda Innovative Lighting Holdings Ltd (Code: 8229)	Up 12 percent to 36 cents per share
Wanyou Fire Safety Technology Holdings Ltd (Code: 8201)	Up 8 percent to 45.50 cents per share

As for the double-digit movers of the day, they were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Multimedia Ltd	8061	18.10		0.124
Digital Hongkong.com Ltd	8007		13.64	0.095
Grandy Environmental Technology Corporation	8143	14.29		0.088
iLink Holdings Ltd	8107	12.50		0.036
Infoserve Technology Corporation	8077		11.11	0.04
Intcera High Tech Group Ltd	8041		10.31	0.087
Panorama International Holdings Ltd	8173	10.00		0.088
ThinSoft (Holdings) Incorporated	8096		10.77	0.232
Tungda Innovative Lighting Holdings Ltd	8229	12.50		0.36

News wise:

- **Henderson Land Development Company Ltd (Code: 12)** announced its results for its Financial Year, ended June 30, 2003:

Turnover	\$HK7.67 billion (up 23.11 percent)
Net Profit Attributable to Shareholders	\$HK2.24 billion (up 4.19 percent)
Final Dividend	45 cents per share (unchanged)

In Japan, buoyed by the success of The Bank of Japan in containing the rises, internationally, of the yen vis-à-vis the US dollar, as well as seeing the strength of Wall Street, on Wednesday, in the face of more depressing economic news, up went indices on the country's 3 equity markets.

On The Tokyo Stock Exchange, the premier market of the country, the Nikkei-225 Stock Average rose about 2.24 percent to 10,593.53 yen.

The ratio of gainers to losers was about 4.65:One.

Last Thursday, the US dollar-Japanese yen rate fluctuated between 110.95 yen and 111.30 yen.

What gave this market a great deal of oomph were statements, made by certain Cabinet Ministers, who said that Japan would intervene on the money markets in order to protect its currency from international speculators.

Chief Cabinet Secretary Yasuo Fukuda was quoted as saying:

'Rapid fluctuations (of the exchange rate between the US dollar and the yen) are not favourable. If there are sudden fluctuations, we (meaning, the Japanese Government) will take firm measures.'

News wise:

- **Morimoto Corporation**, a construction company, which was established in 1890 and is based in Osaka, has applied to the Osaka District Court in order to be placed under the Civil Rehabilitation Law. The company has total liabilities of about 215.30 billion yen. Morimoto owes about 80 billion yen to **Sumitomo Mitsui Banking Corporation**;
- **The Japan Automobile Dealers Association** announced that domestic sales of new motor cars, lorries and buses rose 4.20 percent in September, Year-on-Year, to 404,506 vehicles; and,
- **Mycal Corporation**, the bust supermarket chain, which is operating under the auspice of The Tokyo District Court, under the Civil Rehabilitation Law, will receive a capital injection of 20 billion yen from **AEON Company**, thus permitting the company to go forward with its restructuring plans.

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

HKSAR	Plus 2.82 percent to 11,546.12
Indonesia	Plus 2.24 percent to 619.59
Japan	Plus 2.03 percent to 10,593.53

Malaysia	Minus 0.03 percent to 737.43
The Philippines	Plus 0.76 percent to 1,297.89
Singapore	Plus 0.81 percent to 1,644.01
South Korea	Plus 1.55 percent to 715.24
Taiwan	Plus 2.12 percent to 5,699.86
Thailand	Minus 0.48 percent to 567.02

Last Saturday was a public holiday in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), being the Chung Yeung Festival, the time when homage is paid to one's ancestors. In the PRC, proper, all equity markets were closed for one week, starting last Wednesday, in order to allow the population of the country to celebrate National Day. TARGET was unable to obtain the closing prices on The Stock Exchange of Hongkong Ltd, last Friday, due to the above.

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