

**PRESIDENT GEORGE W. BUSH TELLS JAPAN AND CHINA:  
LEAVE THE FOREX MARKETS, ALONE – KNUCKLE UNDER !**

The most powerful man in the world, the President of the United States (US), Mr George W. Bush, was preparing for a trip to Asia – and the world waited to see what, if anything, would come out of the trip.

It is well known that the President wants the currencies of the People's Republic of China (PRC) and Japan, especially, to be clear of any governmental interference (the term in vogue, today, is '*currency flexibility*') ... which means that the US dollar would continue to weaken against these, and other currencies, by extension, thus making it easier for US manufacturers to compete, internationally with their services and products.

On Asian markets, last Monday, the US dollar was trading at about 108.23 yen – an erosion of another 0.18 percent against the Japanese currency, which is a 3-year low for the greenback.

News of President George W. Bush's visit to Asia and his itinerary were well known, the previous week, so that traders on most US equity markets were aware, approximately, as to what to expect for the coming week.

On The New York Stock Exchange, the previous Friday, the Dow Jones Industrial Average dipped about 0.06 percent to end the week at 9,674.68 points in quiet trading conditions.

On the NASDAQ, its Composite Index rose about 0.18 percent to 1,915.31 points.

In Europe, last Monday, every bourse was in positive territory, mainly on the hopes that the reporting season in the US would bring a little cheer to European manufacturers.

While there were quite a number of parochial matters with which Europe had to contend, the most important facet of last Monday's trading pattern was the US economic picture.

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

Amsterdam's AEX Index	Plus	1.71 percent
Great Britain's FTSE 100 Index	Plus	1.19 percent
Germany's Frankfurt XETRA DAX Index	Plus	1.93 percent*
France's CAC40 Index	Plus	1.64 percent
Switzerland's Swiss Market Index	Plus	1.31 percent
Italy's MIBTEL Index	Plus	0.94 percent

\* This was the biggest gainer in Europe, last Monday

Equity markets in Asia were mixed, with 5 of the most important bourses, seeing their key indices rise, some quite spectacularly, while the 3 bourses saw their major indices fall, but only fractions, however.

Japan was closed for a national holiday.

On the 2 equity markets of the Hongkong Special Administrative Region (HKSAR) of the PRC, while both managed to score fractional improvements, trading was generally quiet.

Which is indicative of a market, ready to fall.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index, which is the key index of this market, rose about 0.22 percent to close out the day at 11,961.97 points.

The Total Turnover was about \$HK14.19 billion, with gaining counters, outnumbering losing ones by the ratio of 1.74:One.

The Ten Most Actives were:

Hutchison Whampoa Ltd (Code: 13)	Up 0.81 percent to \$HK62.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.43 percent to \$HK23.25 per share
HSBC Holdings plc (Code: 5)	Unchanged at \$HK109.50 per share
China Telecom Corporation Ltd (Code: 728)	Up 5.38 percent to \$HK2.45 per share
CITIC Pacific Ltd (Code: 267)	Up 3.46 percent to \$HK17.95 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 0.41 percent to \$HK12.30 per share
PetroChina Company Ltd (Code: 857)	Down 0.87 percent to \$HK2.85 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.52 percent to \$HK96.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.76 percent to \$HK66.00 per share
Brilliance China Automotive Holdings Ltd (Code: 1114)	Up 8.73 percent to \$HK3.425 per share

The biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Ananda Wing On Travel (Holdings) Ltd	1189	11.11		0.03
Applied (China) Ltd	472	11.67		0.067
Buildmore International Ltd	108		13.33	0.26
CASIL Telecommunications Holdings Ltd	1185	11.83		0.52
China Aerospace International Holdings Ltd	31	16.42		0.78
Easyknit International Holdings Ltd	1218	14.29		0.12
Ezcom Holdings Ltd	312	21.43		0.34
Fulbond Holdings Ltd	1041	22.22		0.022
Gorient (Holdings) Ltd	729	10.00		0.022
Guangdong Tannery Ltd	1058	22.05		0.238
Heng Fung Holdings Ltd	185	23.72		4.825
Hongkong Pharmaceutical Holdings Ltd	182	24.24		0.41
HyComm Wireless Ltd	499	21.67		0.146
KEL Holdings Ltd	681		10.00	0.063
Kong Sun Holdings Ltd	295		10.34	0.026
Leepport (Holdings) Ltd	387	10.34		0.96
LeRoi Holdings Ltd	221	10.33		0.203
Mansion House Group Ltd	376	11.32		0.295
Nam Fong International Holdings Ltd	1176		36.36	0.035
Oriental Explorer Holdings Ltd	430		11.32	0.047
Pacific Plywood Holdings Ltd	767	13.04		0.026
Proview International Holdings Ltd	334	15.00		2.30
Rontex International Holdings Ltd	1142	17.65		1.00
Rosedale Hotel Group Ltd	149	16.67		0.175
Shun Ho Technology Holdings Ltd	219	17.24		0.34
Swank International Manufacturing Company Ltd	663	40.00		0.119
Takson Holdings Ltd	918	11.35		0.206
TCC International Holdings Ltd	1136	10.00		1.10
Tse Sui Luen Jewellery (International) Ltd	417		10.26	0.35
Victory Group Ltd	1139		18.42	0.031
Wah Tak Fung Holdings Ltd	297	17.65		0.08

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover rose to about \$HK336.43 million, but about 32 percent of that figure could be accounted for by trading in the scrip of tom.com Ltd (Code: 8001), one of Mr Li Ka Shing's GEM listings, most of which have never made a cracker in their respective histories as corporate entities.

The Growth Enterprise Index ended the day at 1,237.80 points, a gain of about 0.61 percent compared with the previous Friday's closing level.

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

tom.com Ltd (Code: 8001)	Up 5 percent to \$2.65 per share
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Golden Meditech Company Ltd (Code: 8180)  
 CK Life Sciences International (Holdings) Incorporated (Code: 8222)  
 Bee and Bee Natural Life Products Ltd (Code: 8156)  
 hongkong.com Corporation (Code: 8006)

Down 4 percent to \$HK2.05 per share  
 Up 1 percent to \$HK1.83 per share  
 Up 1 percent to 99 cents per share  
 Down 1 percent to 85 cents per share

The double-digit movers on this market included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131	10.53		0.021
AKuP International Holding Ltd	8179	16.13		0.036
Emperor Entertainment Group Ltd	8078	13.33		0.51
Kanstar Environmental Paper Products Holdings Ltd	8397	12.90		0.35
Milkyway Image Holdings Ltd	8130	11.67		0.067
Satellite Devices Corporation	8172		15.63	0.027
TeleEye Holdings Ltd	8051		13.04	0.20

With Wall Street closed when Asia was trading, last Monday, and with the 3 Japanese equity markets closed, it was a relatively quiet trading day.

This was how other Asian markets ended their respective trading days, last Monday:

HKSAR	Plus 0.22 percent to 11,961.97
Indonesia	Minus 0.06 percent to 644.43
Japan	Closed
Malaysia	Plus 0.14 percent to 791.74
The Philippines	Plus 2.92 percent to 1,384.43
Singapore	Plus 0.27 percent to 1,750.76
South Korea	Minus 0.11 percent to 757.02
Taiwan	Plus 1.75 percent to 5,972.47
Thailand	Minus 0.61 percent to 578.59

## Tuesday

Investors on Wall Street were agog.

They saw the key indices of the world's largest equity markets rise to highs, not seen in many a moon: They wanted a piece of the action.

On The New York Stock Exchange, the Dow Jones Industrial Average hit a 16-month high of 9,764.38 points, a one-day gain of about 0.93 percent.

Over on the NASDAQ, its Composite Index ran to a 20-month high of 1,933.53 points, for a one-day gain of about 0.95 percent.

The seeming euphoria was the result, it was said in some quarters, of a report from Motorola Incorporated, the world's second-largest producer of mobile telecommunication devices.

Motorola posted a quarterly profit and delighted the equity markets by stating that it expected the fourth quarter to be stronger than had, formerly, been expected.

That seemed to be sufficient for some people to jump in, feet first, and buy some chips on the world's largest casinos.

In Europe, however, the ballyhoo was not there, at all.

As the sighting of one swallow does not guarantee that spring has come, so the financial results of one company, or a handful of companies, for that matter, all of which are claiming that things are improving, does not, necessarily, mean that things, generally, are on the mend.

This is especially true when one is working from a base, which had been lowered, considerably, in the past few years, due to losses, write-offs and provisions for this and that.

In Europe, also, there were parochial matters that tended to keep the damper on equity trading.

Also, with US President George W. Bush, preparing for his junket to Asia, his departure, having been scheduled for last Tuesday night, Washington time, there were fears as to how many people he might offend, by accident or design – if he were able to comprehend when he had offended them, in the first instance.

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

Amsterdam's AEX Index	Minus 0.68 percent
Great Britain's FTSE 100 Index	Minus 0.65 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.01 percent
France's CAC40 Index	Minus 0.46 percent
Switzerland's Swiss Market Index	Minus 0.36 percent
Italy's MIBTEL Index	Minus 0.08 percent

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), as had been widely expected in a number of quarters, indices of the territory's 2 equity markets were in full retreat.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index, which is the gauge of trading in blue chips, lost about 0.89 percent of its value, falling back to 11,856.02 points.

The Total Turnover was about \$HK15.53 billion, with the ratio of losing counters to gaining ones, being about 2.29:One.

The Ten Most Actives were:

China Mobile (Hongkong) Ltd (Code: 941)	Down 1.72 percent to \$HK22.85 per share
HSBC Holdings plc (Code: 5)	Down 0.46 percent to \$HK109.00 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.20 percent to \$HK61.50 per share
China Telecom Corporation Ltd (Code: 728)	Unchanged at \$HK2.45 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.77 percent to \$HK64.25 per share
PetroChina Company Ltd (Code 857)	Down 1.75 percent to \$HK2.80 per share
Brilliance China Automotive Holdings Ltd (Code: 1114)	Down 2.92 percent to \$HK3.325 per share
Hongkong Electric Holdings Ltd (Code: 6)	Unchanged at \$HK29.90 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.26 percent to \$HK96.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.89 percent to \$HK64.75 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Ananda Wing On Travel (Holdings) Ltd	1189		13.33	0.026
Applied (China) Ltd	472		25.37	0.05
China Aerospace International Holdings Ltd	31		10.26	0.70
China Treasure (Greater China) Investments Ltd	810	70.00		0.425
FT Holdings International Ltd	559		13.04	0.10
Global Tech (Holdings) Ltd	143	15.15		0.114
Goldbond Group Holdings Ltd	172		11.63	0.38
Hudson Holdings Ltd	758		12.00	0.11
Jinhui Holdings Company Ltd	137	12.05		2.325
Leaptek Ltd	336		16.67	0.045
Magnum International Holdings Ltd	305	32.73		0.073
Nam Fong International Holdings Ltd	1176	14.29		0.04
Rontex International Holdings Ltd	1142	23.00		1.23
Shun Ho Technology Holdings Ltd	219		14.71	0.29
Solartech International Holdings Ltd	1166		10.45	0.60
Soundwill Holdings Ltd	878		10.00	1.80
South Sea Holding Company Ltd	680	27.27		0.014
Starlight International Holdings Ltd	485	12.33		0.246

Sun Innovation Holdings Ltd	547	27.78		0.023
Swank International Manufacturing Company Ltd	663	13.45		0.135
Victory Group Ltd	1139	35.48		0.042
Wah Tak Fung Holdings Ltd	297	15.00		0.092
Wang Sing International Holdings Group Ltd	2389	28.21		1.00

On The (speculative) Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Turnover dipped to about \$HK182.28 million, as The Growth Enterprise Index fell by about 1.46 percent to 1,219.76 points.

The number of losing counters exceeded the number of gaining ones by the ratio of about 2.63:One.

All of the losses were credited to the account of the morning session since trading in the 90-minute afternoon session was very dull.

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

tom.com Ltd (Code: 8001)	Down 2 percent to \$2.60 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 2 percent to \$HK1.79 per share
Panva Gas Holdings Ltd (Code: 8132)	Down 3 percent to \$HK3.50 per share
Kingdee International Software Group Company Ltd (Code: 8133)	Down 2 percent to \$HK2.05 per share
hongkong.com Corporation (Code: 8006)	Down 4 percent to 82 cents per share

The biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AKuP International Holding Ltd	8179		22.22	0.028
Cardlink Technology Group Ltd	8066		11.94	0.059
CASH Financial Services Group Ltd	8122		16.30	0.77
LOULAN Holdings Ltd	8039		10.00	0.126
Media Partners International Holdings Incorporated	8072	11.63		0.48
Neolink Cyber Technology (Holding) Ltd	8116	12.15		0.12
Recruit Holdings Ltd	8073		10.00	0.018
Satellite Devices Corporation	8172	18.52		0.032
Tianjin TEDA Biomedical Engineering Company Ltd	8189	10.00		0.22
TeleEye Holdings Ltd	8051	18.00		0.236
Zheda Lande Scitech Ltd	8106		12.09	0.40

In Japan, after a one-day break, it was back to business, as usual.

And Japanese investors wasted no time in trying to catch up with Wall Street's gains of Monday, which was Columbus Day for the Americans.

On The Tokyo Stock Exchange, the premier equity market of The Land of The Rising Sun, the Nikkei-225 Stock Average gained 180.39 yen, or about 1.67 percent, ending the busy trading day at 10,966.43 yen.

Japan manufactures some of the 'guts' for international conglomerates, producing telecommunication devices – such as Motorola Incorporated.

With the promise of a return to popularity of hi-techs, Japan's equity markets rose to the prospects with glee.

Even though the market was in positive territory, however, the number of losing counters outnumbered the number of gaining counters by the ratio of about 1.03:One.

And this was how other Asian equity markets finished their respective trading days, last Tuesday:

HKSAR	Minus 0.89 percent to 11,856.02
Indonesia	Plus 0.66 percent to 648.72
Japan	Plus 1.67 percent to 10,966.43

Malaysia	Minus 1.15 percent to 782.63
The Philippines	Minus 1.39 percent to 1,365.12
Singapore	Minus 1.15 percent to 1,730.73
South Korea	Plus 1.25 percent to 766.52
Taiwan	Minus 0.57 percent to 5,938.42
Thailand	Minus 1.75 percent to 568.47

### Wednesday

As had been expected, on the eve of his departure for Asia, US President George W. Bush said that he would be exerting pressure on Japan and the People's Republic of China (PRC) to stop those countries from interfering in the natural processes of foreign-exchange markets.

In true, Texan style, the President said:

*'I'm going to say that where there's trade imbalances, countries need to be mindful that we expect there to be fair trade ... We expect the markets to reflect the true value of the currency.'*

And **TARGET** adds: *'And that means, you, pardner!'*

Wall Street seemed to like that which the President was advocating. It resulted in indices on major equity markets, hitting new highs.

On The New York Stock Exchange, the Dow Jones Industrial Average gained about one half of a percentage point, rising to 9,812.98 points.

Over on the NASDAQ, the Composite Index, also, gained about one half of a percentage point, hitting 1,943.19 points.

For The Dow, it was its highest level since June 2002 and, for NASDAQ's Composite Index, it was its highest point since the end of January 2002.

The gains on the world's largest equity markets were helped, also, by more good news from some of Wall Street's *'darlings'*.

In Europe, seeing that Wall Street had opened strongly, up went indices on major bourses in the eurozone.

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

Amsterdam's AEX Index	Plus 1.52 percent*
Great Britain's FTSE 100 Index	Plus 0.80 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.92 percent
France's CAC40 Index	Plus 0.90 percent
Switzerland's Swiss Market Index	Plus 0.16 percent
Italy's MIBTEL Index	Plus 1.04 percent

\* This was the biggest gainer in Europe, last Wednesday

In the Hongkong Special Administrative Region (HKSAR) of the PRC, the 2 equity markets recovered some of their previous losses.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index put on about 1.69 percent, hitting 12,056.18 points by the close of trading.

The Total Turnover was about \$HK14.29 billion, with the ratio of gainers to losers, being about 2.20:One.

The Ten Most active counters were:

HSBC Holdings plc (Code: 5)	Up 2.29 percent to \$HK111.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.31 percent to \$HK23.15 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.81 percent to \$HK62.00 per share

Hang Seng Bank Ltd (Code: 11)	Up 1.81 percent to \$HK98.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 2.72 percent to \$HK66.00 per share
China Telecom Corporation Ltd (Code: 728)	Up 2.04 percent to \$HK2.50 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 3.25 percent to \$HK12.70 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.54 percent to \$HK65.75 per share
CNOOC Ltd (Code: 883)	Unchanged at \$HK14.40 per share
Maanshan Iron and Steel Company Ltd (Code: 323)	Up 5.06 percent to \$HK1.87 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Artel Solutions Group Holdings Ltd	931	11.76		0.475
AV Concept Holdings Ltd	595	25.00		0.75
Benefun International Holdings Ltd	1130		13.33	0.13
China Rich Holdings Ltd	1191		12.16	0.065
China Strategic Holdings Ltd	235	16.88		0.18
China Treasure (Greater China) Investments Ltd	810		21.18	0.335
Dah Hwa International (Holdings) Ltd	600	12.93		0.166
Gay Giano International Group Ltd	686	10.00		0.22
Graneagle Holdings Ltd	147		12.12	0.29
Heng Fung Holdings Ltd	185	12.87		5.70
Heritage International Holdings Ltd	412	11.33		0.167
HKC International Holdings Ltd	248	11.32		0.295
Magnum International Holdings Ltd	305	16.44		0.085
Mascotte Holdings Ltd	136	11.11		0.20
Neo-Tech Global Ltd	563	12.50		0.18
Pearl River Tyre (Holdings) Ltd	1187		13.64	0.475
Shun Ho Technology Holdings Ltd	219		13.79	0.25
South East Group Ltd	726	24.00		0.093
Sun Innovation Holdings Ltd	547		21.74	0.018
TechCap Holdings Ltd	673	38.00		1.38
Wanji Pharmaceutical Holdings Ltd	835		13.04	0.04
Y. T. Realty Group Ltd	75	13.13		0.56

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the volume of activity remained low, at about \$HK173.88 million, in spite of The Growth Enterprise Index, gaining about 0.26 percent, ending the day at 1,222.94 points.

There were about 1.65 losing counters for every gaining one.

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

tom.com Ltd (Code: 8001)	Up 1 percent to \$2.625per share
Golden Meditech Company Ltd (Code: 8180)	Unchanged at \$HK2.05 per share
hongkong.com Corporation (Code: 8006)	Up 4 percent to 85 cents per share
Shenzhen EVOC Intelligent Technology Company Ltd (Code: 8285)	Down 2 percent to 91 cents per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Up 1 percent to \$HK1.80 per share

The biggest gainers of the day, however, were reserved for the following bunch:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025		17.39	0.038
ePRO Ltd	8086		13.64	0.038
Excel Technology International Holdings Ltd	8048		11.11	0.16
Grandmass Enterprise Solution Ltd	8108	18.18		0.013
ITE (Holdings) Ltd	8092	18.18		0.065
Media Partners International Holdings Incorporated	8072	12.50		0.54
New Chinese Medicine Holdings Ltd	8085		10.00	0.045
WorldMetal Holdings Ltd	8161		10.71	0.15

Zheda Lande Scitech Ltd	8106	12.50		0.45
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#### News wise:

- **The trade surplus** of the PRC, for the month of September, fell by about 86.70 percent, Year-on-Year. The reduced trade surplus is indicative of a growing economy as its more affluent human population opts to purchase more foreign-made, imported goods. For the first 3 quarters of this fiscal year, the PRC's trade surplus had been reduced by about 54 percent, compared with the like period in 2002.

Last Wednesday, Japanese investors were starting to get a little apprehensive about the visit to their country of US President George W. Bush, a visit that, in fact, took place last Friday in Tokyo.

Liquidation of some of the long positions was in order on The Tokyo Stock Exchange, last Wednesday ... just in case the Texan did something stupid.

Which was quite likely, according to his record of diplomacy, thus far.

The Nikkei-225 Stock Average ended the day, down 0.61 percent to 10,899.95 yen.

The ratio of losing counters to gaining counters was 1.60:One.

#### News wise:

- **Seiyu Ltd**, a Japanese supermarket chain, reported a Net Loss Attributable to Shareholders of about 8.43 billion yen for its first half year, to August 31, 2003. On a consolidated basis, the Operating Profit fell by about 80.40 percent, during this 6-month period, to about 2.50 billion yen; and,
- **Lawson Incorporated**, the second-largest, convenience-store operator in Japan, reported a Group Net Profit of about 10.18 billion yen for the 6-month period, ended August 31, 2003. That result was an increase, Year-on-Year, of about 123.40 percent. Lawson closed 342 outlets in the first half of the 2002 Financial Year, booking a one-time charge of about 15.20 billion yen in respect of restructuring charges.

In other Asian markets, last Wednesday, this was how they fared:

HKSAR	Plus 1.69 percent to 12,056.18
Indonesia	Plus 0.27 percent to 650.44
Japan	Minus 0.61 percent to 10,899.95
Malaysia	Plus 0.07 percent to 783.21
The Philippines	Minus 0.66 percent to 1,356.15
Singapore	Plus 1.05 percent to 1,748.96
South Korea	Minus 0.30 percent to 764.23
Taiwan	Minus 0.24 percent to 5,924.38
Thailand	Plus 1.34 percent to 576.10

#### Thursday

While Asian markets were on edge due to the impending visit to the most-populous part of the world of US President George W. Bush, more positive data about the US economy caused speculators on foreign-exchange markets to buy up dollars, thus strengthening the currency against other 'hard' medium of exchange.

The US dollar strengthened to \$US1.1571 euros and 110.32 yen, a gain of 3 cents and 2 yen, respectively.

The US dollar's strength was good news for Asia, but it was not particularly good news for US manufacturers.

On Wall Street, last Wednesday, the Dow Jones Industrial Average, the key index of The New York Stock Exchange, eased back about one tenth of a percentage point to close the day at 9,803.05 points.

The NASDAQ's Composite Index shed about 0.21 percent of its value, falling back to 1,939.10 points.



Again, some of Wall Street's 'darlings' were giving positive financial results, or so it seemed, albeit only after they had written off/written down/making provisions for everything in sight in the previous few years.

In Europe, it was reported by Nokia, the world's largest producer of hand-held telecommunication devices, that it had delivered more bad news to its shareholders.

The company said that earnings for the July-September period were flat.

And, for the last quarter of the year, don't hold your breath, the company announced, because things will not improve, appreciably, and are quite likely to deteriorate, further.

European investors have seen many false starts of late, and so many an investor determined to wait awhile, rather than make a commitment at this stage in the proceedings.

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

Amsterdam's AEX Index	Minus 3.54 percent*
Great Britain's FTSE 100 Index	Minus 0.67 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.20 percent
France's CAC40 Index	Minus 0.52 percent
Switzerland's Swiss Market Index	Plus 0.01 percent
Italy's MIBTEL Index	Minus 0.11 percent

\* This was the biggest loser in Europe, last Thursday

In Asia, only the equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) and Indonesia did not see their indices rise: All of the other stock markets, numbering 7 markets, in all, made very reasonable gains.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index lost about 0.24 percent of its value, dropping to 12,027.57 points.

The Total Turnover was about \$HK18.09 billion, with the ratio of losers to gainers, being about 1.10:One.

The Ten Most Actives were:

BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 6.30 percent to \$HK13.50 per share
HSBC Holdings plc (Code: 5)	Down 0.90 percent to \$HK110.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.43 percent to \$HK23.05 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.61 percent to \$HK61.00 per share
Maanshan Iron and Steel Company Ltd (Code: 323)	Up 5.88 percent to \$HK1.98 per share
Hang Seng Bank Ltd (Code: 11)	Up 1.02 percent to \$HK99.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.14 percent to \$HK65.25 per share
Huaneng Power International Incorporated (Code: 902)	Unchanged at \$HK11.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Unchanged at \$HK65.75 per share
China Telecom Corporation Ltd (Code: 728)	Up 1.00 percent to \$HK2.525 per share

The biggest movers of the Main Board were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Ananda Wing On Travel (Holdings) Ltd	1189		16.67	0.02
Anhui Conch Cement Company Ltd	914	13.33		8.50
Applied (China) Ltd	472	10.00		0.055
Asia Resources Holdings Ltd	899	10.17		0.65
Capital Estate Ltd	193	10.53		0.021
China Rich Holdings Ltd	1191	13.85		0.074
China Shipping Development Company Ltd	1138	12.37		5.45
China Strategic Holdings Ltd	235		11.11	0.16
China Treasure (Greater China) Investments Ltd	810		10.45	0.30
China United International Holdings Ltd	273	17.65		1.40

Chinney Alliance Group Ltd	385	11.11		0.02
Coastal Greenland Ltd	1124	22.00		0.183
FT Holdings International Ltd	559		14.13	0.079
Goldbond Group Holdings Ltd	172		11.59	0.305
Jiwa Bio-Pharm Holdings Ltd	2327	10.00		0.495
K. Wah Construction Materials Ltd	27	10.53		0.63
Kee Shing (Holdings) Ltd	174		10.00	0.45
New World China Land Ltd	917		14.70	1.77
New World Infrastructure Ltd	301		13.94	1.42
NWS Holdings Ltd	659	13.64		7.50
Shang Hua Holdings Ltd	371	17.65		0.06
Shimao China Holdings Ltd	649	14.63		0.47
Softbank Investment International (Strategic) Ltd	648		24.58	0.089
Sunway International Holdings Ltd	58	10.00		0.44
TechCap Holdings Ltd	673	43.48		1.98
Tem Fat Hing Fung (Holdings) Ltd	661		16.85	0.37
Van Shung Chong Holdings Ltd	1001	10.65		1.87
Vital BioTech Holdings Ltd	1164	10.77		0.72

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, trading in Mr Li Ka Shing's counter, CK Life Sciences International (Holdings) Incorporated (Code: 8222), was responsible for about 32 percent of the entire volume of activity for the day.

With a gain in the price of its shares of about 3 percent, trading in the scrip of this company was a definite fillip to the market, which, otherwise, was just drifting, aimlessly, for most of the trading day.

The Growth Enterprise Index put on about 0.34 percent, recovering to 1,227.15 points on a Total Turnover of about \$HK246.72 million.

The ratio of declining counters to advancing counters was about 1.61:One.

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

CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Up 3 percent to \$HK1.85 per share
Golden Meditech Company Ltd (Code: 8180)	Down 1 percent to \$HK2.025 per share
tom.com Ltd (Code: 8001)	Down 2 percent to \$2.575 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Down 1 percent to \$HK11.90 per share
Wah Sang Gas Holding Ltd (Code: 8035)	Up 2 percent to 92 cents per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022	14.50		0.229
China Medical Science Ltd	8120	13.30		0.247
Global Link Communications Holdings Ltd	8060		19.44	0.29
Milkyway Image Holdings Ltd	8130		10.77	0.058
Mudan Automobile Shares Company Ltd	8188	14.89		1.08
Neolink Cyber Technology (Holding) Ltd	8116	53.91		0.177
Superdata Software Holdings Ltd	8263	15.00		0.46
Systek Information Technology (Holdings) Ltd	8103		10.00	0.018
TeleEye Holdings Ltd	8051		13.79	0.20
WorldMetal Holdings Ltd	8161		20.00	0.12
Zheda Lande Scitech Ltd	8106		13.33	0.39

#### News wise:

- **Recruit Holdings Ltd (Code: 8073)** put out an announcement, stating that it was making a declaration at the demand of The Stock Exchange of Hongkong Ltd to the effect that *'the Board (of Directors) is not aware of any reason for such changes* (in the fluctuation in the price of its shares)...'. It, also, stated that there were no matters, discloseable under the general obligations, imposed under Rule 17.10 of The Listing Rules of The GEM\*; and,

\* [Please see TARGET Intelligence Report, Volume V, Number 196,](#)  
published last Wednesday, for a possible reason

- **New World Development Company Ltd (Code: 17)** announced that, for its Financial Year, ended June 30, 2003, the property/hotel-operating company had recorded a Net Loss Attributable to Shareholders of about \$HK4.81 billion. That result compared with a Net Profit Attributable to Shareholders of about \$HK1.28 billion for the 2002 Financial Year. The company skipped the Final Dividend.

In Japan, the main news of the day continued to be the utterances of US President George W. Bush, who told an interviewer at Fuji Television Network Incorporated that he would try to persuade Prime Minister Junichiro Koizumi *to stop messing around on foreign-exchange markets.*

President George W. Bush said:

*'I will remind him that our (the US) position, when it comes to currency exchanges, is that the market ought to decide the relative values of currencies based upon the fiscal policy of each government, the monetary policy of each government, the future economic picture of each country...'*

The pressure was mounting, just one day before America One/Air Force One/Bush Pilot One was due to touch down in Japan.

On The Tokyo Stock Exchange, the morning session saw sellers unload scrip, but, in the afternoon session, Japanese investors went back into the market, erasing the earlier gains and causing the Nikkei-225 Stock Average to rise by about 1.15 percent, ending the day at 11,025.1 yen.

The ratio of gainers to losers was 1.67:One.

News wise:

- **Toray Industries Incorporated** said that it was raising its Group Net Earnings forecast for the first half of its Financial Year to 10.50 billion yen, up by about 50 percent from the August 5 forecast of about 7 billion yen, Toray is the country's largest producer of synthetic fibres;
- Japan saw an erosion of about **117,600 jobs** in Fiscal 2002, according to a private research company in Japan;
- FamilyMart Company, the third-largest convenience chain in Japan, said that its Group Net Profit for the first half of its Financial Year, ended August 31, 2003, was up by about 0.70 percent to about 7.93 billion yen. FamilyMart operates some 3,586 outlets in Japan, South Korea, Taiwan and Thailand; and,
- **Nissan Motor Company**, the Number 3, motor-vehicle manufacturer in Japan, reported a 15-percent jump in its Operating Profit for the first half its Financial Year, ended September 30, 2003, to 401 billion yen. However, the Net Profit Attributable to Shareholders fell by about 17 percent, Year-on-Year, to about 237.70 billion yen. Nissan is owned as to 44 percent by France's Renault.

In other Asian equity markets, this was how they closed, last Thursday:

HKSAR	Minus 0.24 percent to 12,027.57
Indonesia	Minus 0.18 percent to 649.30
Japan	Plus 1.15 percent to 11,025.15
Malaysia	Plus 0.12 percent to 784.12
The Philippines	Plus 0.90 percent to 1,368.30
Singapore	Plus 0.30 percent to 1,754.19
South Korea	Plus 1.67 percent to 776.97
Taiwan	Plus 1.88 percent to 6,035.74
Thailand	Plus 1.30 percent to 583.61

## **Friday**

US President George W. Bush's aeroplane touched down in Tokyo, last Friday, on the first leg of his 6-day jaunt to Asia and the antipodes.

In addition to the 17-hour stay in Japan, President George W. Bush was scheduled to visit the Philippines, Thailand, Singapore, Indonesia and Australia.

Many investors in Asia were on tenterhooks, wondering what would be the outcome of the Texan's visit. (Please see Monday's report)

On Wall Street, last Thursday, while more seemingly positive economic data continued to flow from various orifices of the US Government and private enterprise, investors were becoming somewhat phlegmatic.

The Dow Jones Industrial Average, the key index of The New York Stock Exchange, eased back about 0.12 percent to 9,791.72 points while, on the NASDAQ, its Composite Index rose about 0.57 percent to 1,950.14 points.

The signs were present for a major stock-market correction.

In Europe, investors were continuing to concern themselves over the so-called recovery of the US economy because, for every positive piece of news, flowing from The Land of The Free and The Home of The Brave, there appeared to be an equal number of negative pieces of news.

Further the gyrations of the US dollar against the euro were worrying manufacturers in the European Union.

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

Amsterdam's AEX Index	Plus 2.22 percent
Great Britain's FTSE 100 Index	Plus 0.10 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.71 percent*
France's CAC40 Index	Minus 0.11 percent
Switzerland's Swiss Market Index	Minus 0.30 percent
Italy's MIBTEL Index	Minus 0.43 percent

\* This was the biggest loser in Europe, last Friday

In Asia, for the most part, indices of major equity markets moved only fractionally.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), after a sell-off, during the morning session of The Stock Exchange of Hongkong Ltd, investors took a fling in the 90-minute afternoon session, causing the Main Board's Hang Seng Index to register a plus 0.14 percent, ending the week at 12,044.49 points.

However, the ratio of gainers to losers was very tight, at about 1.005:One.

The Total Turnover was about \$HK15.52 billion.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.45 percent to \$HK111.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 2.30 percent to \$HK66.75 per share
PCCW Ltd (Code: 8)	Up 5.50 percent to \$HK5.75 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.41 percent to \$HK61.25 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 0.74 percent to \$HK13.40 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.22 percent to \$HK23.00 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.25 percent to \$HK99.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.14 percent to \$HK65.00 per share
Guangdong Investment Ltd (Code: 270)	Up 12.42 percent to \$HK1.72 per share
Maanshan Iron and Steel Company Ltd (Code: 323)	Up 2.27 percent to \$HK2.025 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
A-Max Holdings Ltd	959		12.50	0.56
Applied (China) Ltd	472	16.36		0.064
Chia Tai Enterprises International Ltd	121	14.81		0.124
China Rich Holdings Ltd	1191	14.86		0.085
Daido Group Ltd	544		11.94	0.059
Dong Fang Gas Holdings Ltd	432	16.92		0.38
Earnest Investments Holdings Ltd	339		27.78	0.026
Everbest Century Holdings Ltd	578	15.79		0.022
Fortuna International Holdings Ltd	530	15.38		0.015
Guangdong Investment Ltd	270	12.42		1.72
Guangnan (Holdings) Ltd	1203	10.18		0.184
Nam Fong International Holdings Ltd	1176		11.90	0.037
Neo-Tech Global Ltd	563	11.11		0.20
ONFEM Holdings Ltd	230	19.05		0.50
Paladin Ltd	495	12.50		0.108
Paul Y. - ITC Construction Holdings Ltd	498	22.22		0.55
QPL International Holdings Ltd	243	11.65		2.875
Rontex International Holdings Ltd	1142		11.54	1.15
Shang Hua Holdings Ltd	371	58.33		0.095
Shun Ho Technology Holdings Ltd	219	10.87		0.255
Star East Holdings Ltd	198	27.91		0.055
Starlight International Holdings Ltd	485	10.44		0.275
Synergis Holdings Ltd	2340	10.13		0.87
TechCap Holdings Ltd	673	14.90		2.275
Tem Fat Hing Fung (Holdings) Ltd	661	12.16		0.415
Vital BioTech Holdings Ltd	1164	12.50		0.81
Yau Lee Holdings Ltd	406	10.00		0.22

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, it was a very similar story to that, being told in the Main Board.

The Growth Enterprise Index gained just 0.13 percent, rising to 1,228.74 points on a Total Turnover of about \$HK175.24 million.

But losing counters outnumbered gaining ones by the ratio of 1.15:One.

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

Wah Sang Gas Holding Ltd (Code: 8035)	Up 5 percent to 97 cents per share
tom.com Ltd (Code: 8001)	Up 1 percent to \$2.60 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 1 percent to \$HK1.84 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Unchanged at \$HK11.90 per share
Tungda Innovative Lighting Holdings Ltd (Code: 8229)	Up 11 percent to 46 cents per share

The biggest movers on this speculative market included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Global Link Communications Holdings Ltd	8060		16.21	0.243
M Channel Corporation Ltd	8036	16.67		0.028
Neolink Cyber Technology (Holding) Ltd	8116	24.29		0.22
Sino Stride Technology (Holdings) Ltd	8177		16.27	0.247
TeleEye Holdings Ltd	8051	10.00		0.22
Tungda Innovative Lighting Holdings Ltd	8229	10.84		0.46

News wise:

- **HSBC Holdings plc (Code: 5)** said that it would sack about 4,000 workers from its **United Kingdom (UK)** Establishment over the next 30 months. The banking conglomerate intends to move many UK jobs to Asia where costs are lower and, presumably, efficiency is equal to, or higher than, that of the UK.

The tally for the week for the HKSAR's 2 equity markets was:

The Hang Seng Index	Up	0.91 percent
The Growth Enterprise Index	Down	0.12 percent

On the largest equity market in Asia, investors sat on their hands, for the most part.

The Tokyo Stock Exchange was relatively quiet, as the Nikkei-225 Stock Average managed to make the fractional gain of just 0.12 percent, ending the week at 11,037.89 yen.

Even so, for Japan, its key index was standing at a 16-month high.

On the other side of the coin, however, it was noted that the ratio of losing counters to gaining ones was 1.08:One.

News wise:

- **Fast Retailing Company**, the operator of Uniqlo chain of stores of Japan, announced that its Net Profits Attributable to Shareholders dropped by about 24.80 percent, Year-on-Year, to about 20.93 billion yen for its Financial Year, ended August 31, 2003. It was the second consecutive Year of falling profits for this company.

For The Tokyo Stock Exchange, the tally for the 4-day trading week was:

Nikkei-225 Stock Average	Up 2.33 percent
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And this was how other Asian markets ended the week of October 17, 2003:

HKSAR	Plus 0.14 percent to 12,044.49
Indonesia	Plus 0.05 percent to 649.65
Japan	Plus 0.12 percent to 11,037.89
Malaysia	Minus 0.39 percent to 781.05
The Philippines	Plus 0.82 percent to 1,367.33
Singapore	Plus 1.33 percent to 1,772.18
South Korea	Plus 0.46 percent to 767.75
Taiwan	Plus 0.12 percent to 6,042.71
Thailand	Plus 0.86 percent to 588.60

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