

**THE U.S. ECONOMY POWERS AHEAD ...
AND SO DO EQUITY MARKETS, INTERNATIONALLY**

The securities industry looked and smelled like roses, as far as many investors, the world over, saw the situation, last Monday.

Over the weekend of November 1-2, there had been a barrage of positive news, flowing from various US Government orifices, all of which suggested that the worst was over in The Land of The Free and The Home of The Brave.

On Wall Street, on Friday, October 31, major indices continued to climb to higher levels, marking the fifth consecutive day of gains.

On The New York Stock Exchange, the Dow Jones Industrial Average, the key index on the world's largest equity market, rose by about 0.15 percent, ending the week at 9,801.12 points.

On the NASDAQ, however, the Composite Index was off by about 0.02 percent, running back to 1,932.21 points.

While Wall Street did not, exactly, end on a strong note, for the week, ended October 31, statistically, it had risen by about 2.30 percent, during those 5 trading days, and, for the month of October, it had risen by about 5.70 percent, in all.

As for the NASDAQ, its Composite Index had gained 3.60 percent for the week and about 8.10 percent for the month.

There appeared to be ample reason for renewed investor confidence in the equity markets of the US, with a number of key gauges, suggesting that the bad times were in the past ... at least, for the time being.

Last Monday in Asia, with Wall Street not yet open for business and with Japan, being closed for a national holiday, most of the action was in Europe and the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

In Europe, it was reported that factory output was up, in line with reports from the US with regard to its industrial output.

According to British Government statistics, British manufacturing output rose in October at its fastest pace in the previous 9 years while, in the US, manufacturing output for October was at its best level in the previous 42 months.

Europe took heart at the very positive news.

This was how European bourses closed, last Monday:

| | | |
|-------------------------------------|------|--------------|
| Amsterdam's AEX Index | Plus | 3.17 percent |
| Great Britain's FTSE 100 Index | Plus | 1.05 percent |
| Germany's Frankfurt XETRA DAX Index | Plus | 2.42 percent |
| France's CAC40 Index | Plus | 1.95 percent |
| Switzerland's Swiss Market Index | Plus | 2.08 percent |
| Italy's MIBTEL Index | Plus | 1.21 percent |

In the HKSAR, investors jumped in, boots and all, as expectations rose to new heights that indices on the 2 equity markets would head for higher ground, during the week.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index put on a show of strength, rising about 1.61 percent to 12,386.81 points.

The Total Turnover was about \$HK16.39 billion, with trading in the scrip of HSBC Holdings plc (Code: 5), being responsible for about 9.58 percent of the activity for the day.

The ratio of gaining counters to losing ones was about 1.85:One.

The Ten Most Actives were:

| | |
|---|---|
| HSBC Holdings plc (Code: 5) | Up 1.71 percent to \$HK119.00 per share |
| Hutchison Whampoa Ltd (Code: 13) | Up 2.07 percent to \$HK61.50 per share |
| China Mobile (Hongkong) Ltd (Code: 941) U | p 3.63 percent to \$HK22.85 per share |
| AviChina Industry and Technology Company Ltd (Code: 2357) | Down 3.73 percent to \$HK1.55 per share |
| Cheung Kong (Holdings) Ltd (Code: 1) | Unchanged at \$HK64.75 per share |
| CNPC (Hongkong) Ltd (Code: 135) | Up 7.62 percent to \$HK1.13 per share |
| CNOOC Ltd (Code: 883) | Up 4.44 percent to \$HK15.30 per share |
| Hang Seng Bank Ltd (Code: 11) | Up 0.52 percent to \$HK97.50 per share |
| China Unicom Ltd (Code: 762) | Up 4.11 percent to \$HK7.60 per share |
| Guangzhou Investment Company Ltd (Code: 123) | Up 11.90 percent to \$HK0.94 per share |

As for the double-digit movers of the day, there were a total of 47 in that category, with 37 of their number, seeing their share prices rise by 10 percent or more, while 10 of their number saw their share prices suffer losses of 10 percent or more.

renren Holdings Ltd (Code: 59) was the biggest gainer of the day, as investors pushed up its share price by 83.64 percent to 10.10 cents.

Radford Capital Investment Ltd (Code: 901) had the distinction of being the biggest loser, following downward pressure on its shares, which resulted in the share price, ending the day at 30 cents, off 30.23 percent, compared with the previous close.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the situation was much quieter than on the Main Board.

The Growth Enterprise Index gained about 0.21 percent, ending the day at 1,243.64 points.

Even so, losing counters outpaced gaining ones by the ratio of about 1.13:One.

This aspect of the trading pattern on The GEM might well suggest that the market was ready for a fall.

The Total Turnover on this market was about \$HK183.25 million, which was about normal for this speculative bourse.

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

| | |
|---|--------------------------------------|
| Wah Sang Gas Holding Ltd (Code: 8035) | Up 3 percent to \$HK1.03 per share |
| Golden Meditech Company Ltd (Code: 8180) | Down 4 percent to \$HK1.89 per share |
| Kingdee International Software Group Company Ltd (Code: 8133) | Up 8 percent to \$HK2.85 per share |
| Greencool Technology Holdings Ltd (Code: 8056) | Up 6 percent to \$HK1.01 per share |
| tom.com Ltd (Code: 8001) | Down 1 percent to \$2.475 per share |

The biggest movers of this market included:

| Name of Company | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|--|------|--------------|--------------|----------------------|
| AcrossAsia Multimedia Ltd | 8061 | 16.67 | | 0.105 |
| AKuP International Holding Ltd | 8179 | | 13.79 | 0.025 |
| Aptus Holdings Ltd | 8212 | 16.67 | | 0.385 |
| Creative Energy Solutions Holdings Ltd | 8109 | | 10.00 | 0.27 |
| Info Communication Holdings Ltd | 8082 | | 11.11 | 0.04 |
| Jilin Province Huinan Changlong Bio-pharmacy Company Ltd | 8049 | | 12.12 | 0.29 |
| Neolink Cyber Technology (Holding) Ltd | 8116 | 56.45 | | 0.485 |
| ProSticks International Holdings Ltd | 8055 | 15.00 | | 0.023 |
| Vertex Communications and Technology Group Ltd | 8228 | 28.26 | | 0.295 |

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

| | |
|-----------|--------------------------------|
| HKSAR | Plus 1.61 percent to 12,386.81 |
| Indonesia | Minus 1.32 percent to 617.26 |
| Japan | Closed |

| | |
|-----------------|-------------------------------|
| Malaysia | Minus 0.49 percent to 813.09 |
| The Philippines | Plus 0.89 percent to 1,411.59 |
| Singapore | Plus 2.15 percent to 1,760.81 |
| South Korea | Plus 1.23 percent to 791.96 |
| Taiwan | Plus 0.70 percent to 6,087.45 |
| Thailand | Plus 3.21 percent to 659.96 |

Tuesday.

It was official: October factory output in the US had been at a pace, not seen in nearly 5 years.

Europe had got wind of this situation on the grapevine, late on Monday night, London, England time, but confirmation from The Institute of Supply Management (ISM) on Monday from New York tended to reinforce the scuttlebutt.

According to The ISM, the October Purchasing Managers' Index for October jumped to 57 points, which represents the highest level since January 2000. For September, The Index was at 53.70 points.

Wall Street liked what it heard: Up went indices on The New York Stock Exchange and the NASDAQ.

On the world's largest bourse, the Dow Jones Industrial Average gained 0.59 percent, rising to 9,858.46 points, marking the sixth consecutive day of gains for this equity market.

Over on the NASDAQ, its Composite Index was up by about 1.84 percent, running up to 1,967.70 points, its highest level since January 17, 2002.

In Europe, it was a different story because concern was over the prospects of higher interest rates and foreign-exchange translation losses for exporters.

While it was good for business, generally, to obtain confirmation that the US was powering up its industrial base, it would take some time for that situation to filter through to the eurozone, it was noted.

This was how major bourses in Europe ended their respective trading days, last Tuesday:

| | |
|-------------------------------------|--------------------|
| Amsterdam's AEX Index | Minus 0.75 percent |
| Great Britain's FTSE 100 Index | Minus 0.05 percent |
| Germany's Frankfurt XETRA DAX Index | Minus 0.07 percent |
| France's CAC40 Index | Minus 0.41 percent |
| Switzerland's Swiss Market Index | Minus 1.27 percent |
| Italy's MIBTEL Index | Plus 0.06 percent |

In Asia, every equity market was embossed in black ink.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index rose by about 145 points in the morning session, equivalent to about 1.17 percent, but, in the 90-minute afternoon session, profit-taking took its toll of the market leaders.

By the close of the day, the Hang Seng Index was ahead by just 0.44 percent, ending the seesaw trading action at 12,440.72 points.

The Total Turnover was about \$HK16 billion, with the ratio of losers to gainers, being just about One:One.

The Ten Most active counters were:

| | |
|---|--|
| HSBC Holdings plc (Code: 5) | Unchanged at \$HK119.00 per share |
| China Mobile (Hongkong) Ltd (Code: 941) | Up 0.44 percent to \$HK22.95 per share |
| Hutchison Whampoa Ltd (Code: 13) | Down 0.81 percent to \$HK61.00 per share |
| Hang Seng Bank Ltd (Code: 11) | Up 1.79 percent to \$HK99.25 per share |
| AviChina Industry and Technology Company Ltd (Code: 2357) | Up 3.23 percent to \$HK1.60 per share |
| Bank of East Asia Ltd, The (Code: 23) | Up 4.70 percent to \$HK24.50 per share |
| BOC Hongkong (Holdings) Ltd (Code: 2388) | Up 1.11 percent to \$HK13.70 per share |
| Sun Hung Kai Properties Ltd (Code: 16) | Unchanged at \$HK66.25 per share |

Cheung Kong (Holdings) Ltd (Code: 1)
CNOOC Ltd (Code: 883)

Down 0.39 percent to \$HK64.50 per share
Up 3.59 percent to \$HK15.85 per share

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

| Name of Company | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|---|------|--------------|--------------|----------------------|
| ABC Communications (Holdings) Ltd | 30 | 12.90 | | 0.35 |
| Anex International Holdings Ltd | 723 | 16.00 | | 0.116 |
| Chi Cheung Investment Company Ltd | 112 | | 12.82 | 1.70 |
| China Oilfield Services Ltd | 2883 | 13.04 | | 2.60 |
| China Treasure (Greater China) Investments Ltd | 810 | | 11.20 | 0.222 |
| Chinney Alliance Group Ltd | 385 | | 11.76 | 0.015 |
| Credit Card DNA Security System (Holdings) Ltd | 1051 | 11.76 | | 0.019 |
| Everbest Century Holdings Ltd | 578 | 10.00 | | 0.022 |
| FT Holdings International Ltd | 559 | | 11.29 | 0.055 |
| G-Vision International (Holdings) Ltd | 657 | | 36.00 | 0.032 |
| Golden Dragon Group (Holdings) Ltd | 329 | 11.43 | | 0.39 |
| i100 Ltd | 616 | 10.99 | | 1.01 |
| Joyce Boutique Holdings Ltd | 647 | | 13.79 | 0.25 |
| King Fook Holdings Ltd | 280 | | 12.68 | 0.62 |
| Mei Ah Entertainment Group Ltd | 391 | 29.31 | | 0.30 |
| Northern International Holdings Ltd | 736 | 28.57 | | 0.018 |
| Oriental Explorer Holdings Ltd | 430 | 19.05 | | 0.05 |
| Paul Y.- ITC Construction Holdings Ltd | 498 | 10.00 | | 0.55 |
| Quam Ltd | 952 | | 20.83 | 0.38 |
| Radford Capital Investment Ltd | 901 | | 26.67 | 0.22 |
| Rosedale Hotel Group Ltd | 149 | 18.46 | | 0.154 |
| Sincere Company Ltd, The | 244 | | 11.11 | 0.40 |
| Softbank Investment International (Strategic) Ltd | 648 | 21.25 | | 0.097 |
| Styland Holdings Ltd | 211 | 13.79 | | 0.033 |
| TechCap Holdings Ltd | 673 | | 10.71 | 2.50 |
| Theme International Holdings Ltd | 990 | | 10.26 | 0.035 |

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the pattern of trading mirrored that of the Main Board, but the difference on this speculative market was that the lone index ended down by the close of trading.

The Growth Enterprise Index shed about 0.29 percent of its value, falling to 1,240.00 on a Total Turnover of about \$HK200.27 million.

While The Growth Enterprise Index was off, fractionally, the number of gaining counters outnumbered the number of losing counters by the ratio of 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 \$2.50 per share

Wah Sang Gas Holding Ltd (Code: 8035)

Down 4 percent to 99 cents per share

Town Health International Holdings Company Ltd (Code: 8138)

Up 11 percent to 15.70 cents per share

CK Life Sciences International (Holdings) Incorporated (Code: 8222)

Unchanged at \$HK1.80 per share

Kingdee International Software Group Company Ltd (Code: 8133)

Down 2 percent to \$HK2.80 per share

The biggest movers on this market were:

| Name of Company | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|--|------|--------------|--------------|----------------------|
| Asian Information Resources (Holdings) Ltd | 8025 | | 10.09 | 0.098 |
| AKuP International Holding Ltd | 8179 | 12.00 | | 0.028 |
| CASH Financial Services Group Ltd | 8122 | 10.00 | | 0.66 |
| Creative Energy Solutions Holdings Ltd | 8109 | 11.11 | | 0.30 |
| iSteelAsia Holdings Ltd | 8080 | 28.00 | | 0.16 |
| Milkyway Image Holdings Ltd | 8130 | 10.00 | | 0.055 |
| Rojam Entertainment Holdings Ltd | 8075 | 25.00 | | 0.09 |

| | | | | |
|--|------|-------|--|-------|
| Town Health International Holdings Company Ltd | 8138 | 11.35 | | 0.157 |
|--|------|-------|--|-------|

In The Land of The Rising Sun, after a 3-day weekend holiday, the premier bourse of Japan roared back into life.

As a result, by the end of the day, the key index of The Tokyo Stock Exchange, the Nikkei-225 Stock Average, was up by 2.73 percent to 10,847.97 yen, a 21-month high.

Helping Asia's largest and most-important, equity market, of course, was the strength of Wall Street on Monday, New York time, and the weakening of the US dollar on international, foreign-exchange markets.

The US dollar was trading at about 110.28 yen, late last Tuesday.

The ratio of gaining counters to losing counters on the First Section of The Tokyo Stock Exchange was about 1.24:One.

Many of the gains on The Tokyo Stock Exchange were made in hi-tech counters, following on from the strength of the NASDAQ, which is encrusted with such entities.

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

| | |
|-----------------|--------------------------------|
| HKSAR | Plus 0.44 percent to 12,440.72 |
| Indonesia | Plus 1.50 percent to 626.49 |
| Japan | Plus 2.73 percent to 10,847.97 |
| Malaysia | Plus 0.36 percent to 815.99 |
| The Philippines | Plus 1.47 percent to 1,432.27 |
| Singapore | Plus 1.86 percent to 1,793.51 |
| South Korea | Plus 0.52 percent to 796.06 |
| Taiwan | Plus 0.35 percent to 6,108.99 |
| Thailand | Plus 0.77 percent to 665.06 |

Wednesday

Profit-taking on Wall Street, last Tuesday, shook equity markets around the world, causing investors from New Zealand to Alaska and from Tokyo to London, England, to reduce holdings of select equities ... just in case something was around the corner.

That '*something*' could well be an interest-rate increase in certain markets, it was conjectured.

On The New York Stock Exchange, the Dow Jones Industrial Average shed about 0.20 percent, ending last Tuesday's trading session at 9,838.83 points.

As for the NASDAQ, its Composite Index gave up about 0.49 percent of its value, falling back to 1,957.97 points.

The ratio of gainers to losers on both markets was, just about, One:One.

Equities were under pressure, around the world, last Wednesday, following the Central Bank of Australia, pushing up its key lending rate – and suggesting that more increases were likely in order to control the galloping economy of the country.

In Europe, the shock announcement of the interest-rate hike in Australia appeared to confirm that which investors and financial institutions had feared: More interest-rate increases in the Antipodes could easily cascade down the line to other economies, such as those of the European Union (EU).

The Bank of England's Monetary Policy Committee (MPC) was fully expected to follow the Australian Central Bank and to raise rates in Great Britain, but the question was by how much.

Interest rates were standing at a 48-year low of 3.50 percent, last Wednesday.

With the exception of 2 of the smallest bourses in Europe, it was losses, all round.

This was how major bourses in Europe ended their respective trading days, last Wednesday:

| | |
|-------------------------------------|--------------------|
| Amsterdam's AEX Index | Minus 0.64 percent |
| Great Britain's FTSE 100 Index | Minus 0.62 percent |
| Germany's Frankfurt XETRA DAX Index | Minus 0.64 percent |
| France's CAC40 Index | Minus 0.92 percent |
| Switzerland's Swiss Market Index | Minus 0.93 percent |
| Italy's MIBTEL Index | Minus 0.51 percent |

In Asia, fractional movements were the marks of trading on the largest and most-important equity markets.

But, as the saying goes: A market that cannot rise must fall.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index fell by about 0.01 percent to 12,438.92 points.

The Total Turnover dropped to about \$HK13.10 billion, with the ratio of losers to gainers, being about 1.53:One.

The Ten Most Actives were:

| | |
|---|--|
| HSBC Holdings plc (Code: 5) | Unchanged at \$HK119.00 per share |
| Hutchison Whampoa Ltd (Code: 13) | Unchanged at \$HK61.00 per share |
| Hang Seng Bank Ltd (Code: 11) | Up 0.76 percent to \$HK100.00 per share |
| China Mobile (Hongkong) Ltd (Code: 941) | Unchanged at \$HK22.95 per share |
| Sun Hung Kai Properties Ltd (Code: 16) | Up 1.13 percent to \$HK67.00 per share |
| BOC Hongkong (Holdings) Ltd (Code: 2388) | Up 0.37 percent to \$HK13.75 per share |
| Cheung Kong (Holdings) Ltd (Code: 1) | Down 0.78 percent to \$HK64.00 per share |
| AviChina Industry and Technology Company Ltd (Code: 2357) | Down 1.88 percent to \$HK1.57 per share |
| PetroChina Company Ltd (Code: 857) | Unchanged at \$HK2.85 per share |
| Denway Motors Ltd (Code: 203) | Up 4.72 percent to \$HK6.65 per share |

The double-digit movers of the day included:

| Name of Company | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|---|------|--------------|--------------|----------------------|
| Applied (China) Ltd | 472 | 12.82 | | 0.088 |
| Asia Zirconium Ltd | 395 | 10.53 | | 1.26 |
| Benefun International Holdings Ltd | 1130 | | 16.50 | 0.086 |
| Chevalier iTech Holdings Ltd | 508 | 18.92 | | 0.88 |
| China Rich Holdings Ltd | 1191 | 10.96 | | 0.081 |
| Climax International Company Ltd | 439 | 13.04 | | 0.026 |
| eSun Holdings Ltd | 571 | | 11.54 | 0.23 |
| G-Vision International (Holdings) Ltd | 657 | 18.75 | | 0.038 |
| Greater China Holdings Ltd | 431 | 16.42 | | 0.39 |
| Harmony Asset Ltd | 428 | | 16.67 | 0.35 |
| Heng Fung Holdings Ltd | 185 | 30.05 | | 5.95 |
| Hongkong Catering Management Ltd | 668 | | 23.08 | 0.60 |
| J.I.C. Technology Company Ltd | 987 | 21.88 | | 0.78 |
| Mei Ah Entertainment Group Ltd | 391 | | 17.00 | 0.249 |
| Neo-Tech Global Ltd | 563 | 12.82 | | 0.44 |
| Northern International Holdings Ltd | 736 | | 11.11 | 0.016 |
| Oriental Explorer Holdings Ltd | 430 | | 10.00 | 0.045 |
| Plus Holdings Ltd | 1013 | 15.00 | | 0.069 |
| Prime Investments Holdings Ltd | 721 | 10.34 | | 0.32 |
| SEEC Media Group Ltd | 205 | 14.71 | | 0.39 |
| Shell Electric Manufacturing (Holdings) Company Ltd | 81 | 12.14 | | 1.94 |
| Shun Ho Technology Holdings Ltd | 219 | | 12.50 | 0.21 |
| SIS International Holdings Ltd | 529 | 14.58 | | 0.55 |
| South China Brokerage Company Ltd | 619 | 13.64 | | 0.05 |
| Suwa International Holdings Ltd | 567 | | 10.00 | 0.315 |
| Tongda Group Holdings Ltd | 698 | 20.93 | | 0.26 |

Over on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the situation was very close to that which had transpired on the Main Board.

The Growth Enterprise Index shed about 0.27 percent of its value, falling to 1,236.61 points on a Total Turnover of about \$HK180.40 million.

The ratio of losers to gainers was about 1.29:One.

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

| | |
|---|---------------------------------------|
| Xi'An Haitian Antenna Technologies Company Ltd (Code: 8227) | 80 cents per share* |
| tom.com Ltd (Code: 8001) | Up 2 percent to \$2.55 per share |
| Town Health International Holdings Company Ltd (Code: 8138) | Up 5 percent to 16.50 cents per share |
| Golden Meditech Company Ltd (Code: 8180) | Up 1 percent to \$HK1.92 per share |
| Wah Sang Gas Holding Ltd (Code: 8035) | Unchanged at 99 cents per share |

* This was a new issue, with last Wednesday, being the first day of trading

The biggest movers of the day included:

| Name of Company | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|--|------|--------------|--------------|----------------------|
| Asian Information Resources (Holdings) Ltd | 8025 | | 10.20 | 0.088 |
| Global Digital Creations Holdings Ltd | 8271 | 10.00 | | 0.66 |
| Glory Future Group Ltd | 8071 | | 24.62 | 0.049 |
| IA International Holdings Ltd | 8047 | | 11.11 | 0.48 |
| M Channel Corporation Ltd | 8036 | 25.00 | | 0.025 |
| Neolink Cyber Technology (Holding) Ltd | 8116 | | 21.65 | 0.38 |
| Recruit Holdings Ltd | 8073 | 25.00 | | 0.02 |

In Japan, there was widespread selling in the morning session of The Tokyo Stock Exchange, but short-covering and day-traders propped up the market, later in the day to closing.

When it was time for Japanese brokers to go home for dinner, the '*barometer*' of the blue chips, the Nikkei-225 Stock Average, was standing about 10,837.54 yen, a fall of about one tenth of a percentage point.

But the ratio of losing counters to gaining ones told a slightly different story because it was damning of the market, at about 1.66:One.

Which could be taken to mean that the market was ready for a major '*correction*' (which is the securities' industry parlance for a fall).

News wise:

- **Toyota Motor Corporation** announced that its Group Net Profit for the first half of its Financial Year, to September 30, 2003, was about 524.46 billion yen, up by about 23 percent, Year-on-Year;
- **Mitsubishi Pharma Corporation** announced that it would be sacking about 1,200 of its workers;
- **Bandai Company**, the leading toy manufacturer in Japan, said that it enjoyed a 5.30-percent increase in Operating Profit, during the first half of this Financial Year, to September 30, 2003, Year-on-Year. But the Net Profit Attributable to Shareholders fell by about 4.90 percent to 6.73 billion yen, compared with the like period in 2002, Management said;
- Japan's second-largest toy maker, **Takara Company**, said that it would acquire a controlling stake in the motor-car accessories producer, **Wako Corporation**; and,
- **Shiseido Company** announced that its Net Profits had fallen to about 6.56 billion yen in the first half of this Financial Year, to September 30, 2003. The Bottom Line represented a drop, Year-on-Year, of about 33 percent.

This was the way that other Asian markets ended their respective trading days, last Wednesday:

| | |
|-----------|---------------------------------|
| HKSAR | Minus 0.01 percent to 12,438.92 |
| Indonesia | Plus 1.49 percent to 635.82 |
| Japan | Minus 0.10 percent to 10,837.54 |
| Malaysia | Minus 0.31 percent to 813.49 |

| | |
|-----------------|--------------------------------|
| The Philippines | Minus 0.09 percent to 1,430.94 |
| Singapore | Minus 0.91 percent to 1,777.25 |
| South Korea | Plus 1.19 percent to 805.51 |
| Taiwan | Plus 0.55 percent to 6,142.32 |
| Thailand | Plus 1.30 percent to 673.70 |

Thursday.

The waiting in Europe was over: The Bank of England determined to following the Central Bank of Australia's lead and to raise interest rates in Great Britain.

For the first time in 48 months, interest rates were raised by one quarter of a percentage point to 3.75 percent.

On European bourses, the 2-day losing streak ended with gains, all round.

But, still, there was the question of the unemployment rate in the US and the number of people, making claims against their entitlements for Unemployment Insurance.

Those statistics would not be known until Friday, Washington time.

This was how major European bourses ended their respective sessions, last Thursday:

| | |
|-------------------------------------|-------------------|
| Amsterdam's AEX Index | Plus 0.86 percent |
| Great Britain's FTSE 100 Index | Plus 0.48 percent |
| Germany's Frankfurt XETRA DAX Index | Plus 0.44 percent |
| France's CAC40 Index | Plus 0.56 percent |
| Switzerland's Swiss Market Index | Plus 0.62 percent |
| Italy's MIBTEL Index | Plus 0.47 percent |

On Wall Street, last Wednesday, investors were waiting for some more fresh news from the US Government with regard to the economy of The Land of The Free and The Home of The Brave.

Friday was the day when all would be known.

Until then, investors determined to sit on their hands.

On The New York Stock Exchange, the Dow Jones Industrial Average fell by about 0.18 percent to 9,820.83 points, while, on the NASDAQ, its Composite Index was up by about 0.07 percent to 1,959.37 points.

And, once again, the ratio of losing counters to gaining ones was about One:One.

In Asia, every major equity market suffered substantial losses, the 3 stock markets of Japan and the 2 equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), leading the Asian losers, in that order.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index gave up about 2.32 percent of its value, to end the day at 12,150.09 points.

The Total Turnover was about \$HK19.91 billion, but about 34.61 percent of that volume of activity was the result of hectic trading in (a) the first day's play on one Initial Public Offer: PICC Property and Casualty Company Ltd (Code: 2328) and (b) HSBC Holding plc (Code: 5).

The buying and selling of the scrip of the most-active counter of the day, PICC Property and Casualty Company Ltd (Code: 2328), was mostly due to hype and little else, but the trades in the shares of the second, most-active counter, HSBC Holdings plc (Code: 5), was the direct reaction to the determination of The Bank of England to raise interest rates in Great Britain.

The ratio of losers to gainers on Asia's second-largest equity market was about 3.39:One.

The Ten Most Actives were:

PICC Property and Casualty Company Ltd (Code: 2328)

\$HK2.70 per share*

| | |
|--|---|
| HSBC Holdings plc (Code: 5) | Down 2.52 percent to \$HK116.00 per share |
| China Mobile (Hongkong) Ltd (Code: 941) | Down 2.83 percent to \$HK22.30 per share |
| Hutchison Whampoa Ltd (Code: 13) | Down 2.87 percent to \$HK59.25 per share |
| Hang Seng Bank Ltd (Code: 11) | Down 0.50 percent to \$HK99.50 per share |
| Cheung Kong (Holdings) Ltd (Code: 1) | Down 2.73 percent to \$HK62.25 per share |
| Sun Hung Kai Properties Ltd (Code: 16) | Down 1.49 percent to \$HK66.00 per share |
| BOC Hongkong (Holdings) Ltd (Code: 2388) | Down 1.82 percent to \$HK13.50 per share |
| CNOOC Ltd (Code: 883) | Down 5.14 percent to \$HK14.75 per share |
| Legend Group Ltd (Code: 992) | Down 6.34 percent to \$HK3.325 per share |

* This was a new issue, with last Thursday, being the first day of trading

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

| Name of Company | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|------------------------------------|------|--------------|--------------|----------------------|
| Capital Estate Ltd | 193 | | 15.38 | 0.022 |
| CEC International Holdings Ltd | 759 | 20.00 | | 0.168 |
| Central China Enterprises Ltd | 351 | | 11.54 | 0.023 |
| China Sci-Tech Holdings Ltd | 985 | | 21.05 | 0.015 |
| Everbest Century Holdings Ltd | 578 | 14.29 | | 0.024 |
| GR Investment International Ltd | 310 | 23.89 | | 0.14 |
| Haywood Investments Ltd | 905 | | 10.71 | 0.075 |
| Heng Fung Holdings Ltd | 185 | | 12.61 | 5.20 |
| Hongkong Catering Management Ltd | 668 | 30.00 | | 0.78 |
| Kin Don Holdings Ltd | 208 | | 15.79 | 0.032 |
| Leaptex Ltd | 336 | | 22.73 | 0.034 |
| Man Yue International Holdings Ltd | 894 | | 12.70 | 0.275 |
| Neo-Tech Global Ltd | 563 | 20.45 | | 0.53 |
| Pak Tak International Ltd | 2668 | | 11.59 | 0.61 |
| Shun Cheong Holdings Ltd | 650 | | 26.67 | 0.055 |
| South China Brokerage Company Ltd | 619 | | 12.00 | 0.044 |
| United Power Investment Ltd | 674 | | 13.46 | 0.18 |
| Victory Group Ltd | 1139 | | 10.81 | 0.033 |
| Wah Ha Realty Company Ltd | 278 | 15.38 | | 1.20 |
| Wanji Pharmaceutical Holdings Ltd | 835 | 20.00 | | 0.048 |

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, things were quiet, relative to what had transpired on the Main Board.

The Growth Enterprise Index was off by about 0.67 percent, falling to 1,228.39 points, while the Total Turnover stayed low at about \$HK162.68 million.

Losing counters outnumbered gaining counters by the ratio of 1.75:One.

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

| | |
|---|--|
| Wah Sang Gas Holding Ltd (Code: 8035) | Up 2 percent to \$HK1.01 per share |
| Town Health International Holdings Company Ltd (Code: 8138) | Down 10 percent to 14.90 cents per share |
| CK Life Sciences International (Holdings) Incorporated (Code: 8222) | Unchanged at \$HK1.78 per share |
| Golden Meditech Company Ltd (Code: 8180) | Up 3 percent to \$HK1.97 per share |
| Panva Gas Holdings Ltd (Code: 8132) | Down 1 percent to \$HK3.60 per share |

The double-digit movers of the day included:

| Name of Company | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|---|------|--------------|--------------|----------------------|
| EVI Education Asia Ltd | 8090 | 27.91 | | 0.055 |
| Global Link Communications Holdings Ltd | 8060 | | 10.00 | 0.18 |
| Linefan Technology Holdings Ltd | 8166 | | 10.00 | 0.036 |
| New Chinese Medicine Holdings Ltd | 8085 | 55.81 | | 0.067 |
| Neolink Cyber Technology (Holding) Ltd | 8116 | 14.47 | | 0.435 |
| ProSticks International Holdings Ltd | 8055 | | 13.04 | 0.02 |

| | | | | |
|---------------------------------------|------|-------|-------|-------|
| Q9 Technology Holdings Ltd | 8129 | | 14.29 | 0.042 |
| Recruit Holdings Ltd | 8073 | | 10.00 | 0.018 |
| Sino Stride Technology (Holdings) Ltd | 8177 | 12.07 | | 0.325 |
| Sys Solutions Holdings Ltd | 8182 | | 11.43 | 0.31 |

On the premier stock market of Japan, investors pounded counters on the First Section of The Tokyo Stock Exchange, dragging down the Nikkei-225 Stock Average by about 2.63 percent to 10,552.30 yen.

Aside from some political considerations in Japan, the 3 equity markets were reacting to the lacklustre performance on US equity markets, by and large.

The ratio of losing counters to gaining ones was about 5.58:One.

News wise:

- **Nippon Steel Corporation**, the largest steel producer in Japan, announced that it had posted a Net Profit Attributable to Shareholders of about 36.73 billion yen for the first half of its Fiscal Year, ended September 30, 2003. For the comparable period in 2002, the company posted a Net Loss of about 5.10 billion yen;
- **Yamaha Motor Company** announced that its Net Profits Attributable to Shareholders for the 6-month period, ended September 30, 2003, had jumped by about 67.10 percent, Year-on-Year, to about 19.18 billion yen; and,
- **Mazda Motor Corporation** said that its Consolidated Net Profits for the first half of this Financial Year, to September 30, 2003, had hit 11.15 billion yen, up by about 100 percent, Year-on-Year.

And, in other Asian stock markets, this was how they ended their respective sessions, last Thursday:

| | |
|-----------------|---------------------------------|
| HKSAR | Minus 2.32 percent to 12,150.09 |
| Indonesia | Minus 0.47 percent to 623.81 |
| Japan | Minus 2.63 percent to 10,552.30 |
| Malaysia | Minus 0.53 percent to 809.14 |
| The Philippines | Minus 0.17 percent to 1,423.39 |
| Singapore | Minus 0.79 percent to 1,763.13 |
| South Korea | Minus 1.92 percent to 790.04 |
| Taiwan | Minus 2.10 percent to 6,013.40 |
| Thailand | Minus 0.91 percent to 667.54 |

Friday

Asia did not know, definitively, of the bullish news about the US economy, during trading on equity markets, last Friday, but, toward the tail end of trading in Europe, because of the time differential, the news was circulating.

The news was bullish of the US economy – and so, up went indices on the most important European bourses.

This was how major European bourses ended their respective sessions, last Friday:

| | |
|-------------------------------------|-------------------|
| Amsterdam's AEX Index | Plus 1.21 percent |
| Great Britain's FTSE 100 Index | Plus 1.22 percent |
| Germany's Frankfurt XETRA DAX Index | Plus 1.30 percent |
| France's CAC40 Index | Plus 1.20 percent |
| Switzerland's Swiss Market Index | Plus 1.22 percent |
| Italy's MIBTEL Index | Plus 1.07 percent |

The report from the US Bureau of Labour Statistics was that the economy had generated about 126,000 jobs in October, a great deal more than most economists had speculated.

The Bureau, also, said that it thought that, in the month of September, employment levels rose by about 125,000 jobs, instead of the 57,000 jobs, previously considered to be the correct figures.

What it all means is that employment in the US has grown for 3 consecutive months.

Unemployment is, now, thought to be at about 6 percent, down from 6.10 percent in September.

Coincidentally, the Chairman of the US Federal Reserve Board, Dr Alan Greenspan, had delivered a speech, one day earlier, suggesting, in very clear terms, that he thought that the situation in the US labour market was improving and that that situation would become clear, very soon.

From Washington, D.C., it was announced that claims for Unemployment Insurance benefits had dropped for the week, ended October 31, to a level that had not been seen since pre-2001.

The Labour Department announced that Claims for Unemployment Benefits were about 348,000 for the previous week, down by about 43,000 Claims, Week-on-Week.

The encouraging news, however, had already been factored into the value of stocks and shares on Wall Street so that there was very little movement of key indices on US equity markets, last Thursday.

On The New York Stock Exchange, the Dow Jones Industrial Average rose about 0.37 percent to end the day at 9,856.97 points, while the NASDAQ's Composite Index climbed about 0.87 percent to 1,976.37 points.

Asia did not know of the announcements in respect of the US economy, but there had been some indication, via the statements of Dr Alan Greenspan and other dignitaries of the US Government.

Most major equity markets in the most-populous part of the world ran to higher levels, last Friday, but the gains were limited to fractions.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors appeared to be marking time, waiting to see what the weekend would bring.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gained about 0.54 percent, ending the week at 12,215.17 points.

The ratio of gainers to losers was about 1.77:One.

The Total Turnover was about \$HK13 billion, considerably lower than previous sessions.

Once again, trading in the counters of PICC Property and Casualty Company Ltd (Code: 2328) and HSBC Holdings plc (Code: 5) dominated the activities for the day.

The volume of trades in the scrip of these 2 heavyweights represented about 26 percent of the Total Turnover.

The Ten Most Actives were:

| | |
|---|--|
| PICC Property and Casualty Company Ltd (Code: 2328) | Down 1.85 percent to \$HK2.65 per share |
| HSBC Holdings plc (Code: 5) | Up 0.86 percent to \$HK117.00 per share |
| China Mobile (Hongkong) Ltd (Code: 941) | Unchanged at \$HK22.30 per share |
| Hutchison Whampoa Ltd (Code: 13) | Up 0.84 percent to \$HK59.75 per share |
| Cheung Kong (Holdings) Ltd (Code: 1) | Up 0.40 percent to \$HK62.50 per share |
| Sun Hung Kai Properties Ltd (Code: 16) | Up 1.15 percent to \$HK65.75 per share |
| AviChina Industry and Technology Company Ltd (Code: 2357) | Up 1.29 percent to \$HK1.57 per share |
| Hang Seng Bank Ltd (Code: 11) | Down 0.25 percent to \$HK99.25 per share |
| BOC Hongkong (Holdings) Ltd (Code: 2388) | Up 1.11 percent to \$HK13.65 per share |
| Jiangxi Copper Company Ltd (Code: 358) | Up 2.63 percent to \$HK2.925 per share |

As for the double-digit movers, there were a total of 34 counters that qualified for this '*club*', with 24 of their number, seeing their share prices rise by 10 percent or more, while the remaining 10, double-digit movers saw investors hammer them down by 10 percent or more.

The biggest gainer of the day was Wah Ha Realty Company Ltd (Code: 278), whose share price gained about 52.50 percent, closing the day at \$HK1.83.

Nam Fong International Holdings Ltd (Code: 1176) had the distinction of being the biggest loser of the day, as investors pushed down its share price by 17.95 percent to 3.20 cents.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover rose to about \$HK208.93 million.

The Growth Enterprise Index fell by about 0.11 percent, ending the week at 1,227.00 points, exactly.

Advancing counters beat out declining counters by about 1.12:One.

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

| | |
|---|---------------------------------------|
| tom.com Ltd (Code: 8001) | Down 6 percent to \$HK2.40 per share |
| Wah Sang Gas Holding Ltd (Code: 8035) | Up 5 percent to \$HK1.06 per share |
| Panva Gas Holdings Ltd (Code: 8132) | Up 3 percent to \$HK3.70 per share |
| Golden Meditech Company Ltd (Code: 8180) | Up 4 percent to \$HK2.05 per share |
| Tong Ren Tang Technologies Company Ltd (Code: 8069) | Down 1 percent to \$HK14.05 per share |

As for the double-digit movers on this market, they were:

| Name of Company | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|--|------|--------------|--------------|----------------------|
| Essex Bio-Technology Ltd | 8151 | | 22.79 | 0.105 |
| Fortune Telecom Holdings Ltd | 8040 | 10.94 | | 0.71 |
| Global Link Communications Holdings Ltd | 8060 | 16.11 | | 0.209 |
| Glory Future Group Ltd | 8071 | 63.27 | | 0.08 |
| Jilin Province Huinan Changlong Bio-pharmacy Company Ltd | 8049 | 13.79 | | 0.33 |
| Linefan Technology Holdings Ltd | 8166 | 11.11 | | 0.04 |
| M Channel Corporation Ltd | 8036 | | 12.50 | 0.021 |
| New Chinese Medicine Holdings Ltd | 8085 | | 16.42 | 0.056 |
| Q9 Technology Holdings Ltd | 8129 | 16.67 | | 0.049 |
| Sino Biopharmaceutical Ltd | 8027 | 12.96 | | 3.05 |
| Yuxing InfoTech Holdings Ltd | 8005 | | 10.64 | 0.42 |

The tally for the week, therefore, was:

| | |
|-----------------------------|--------------------|
| The Hang Seng Index | Plus 0.21 percent |
| The Growth Enterprise Index | Minus 1.13 percent |

In Japan, short-covering was the order of the day, following Thursday's losses on The Tokyo Stock Exchange.

The Nikkei-225 Stock Average ended the 4-day trading week with a gain of about 0.73 percent, running back to 10,628.98 yen.

Gainers outran losers by the ratio of about 1.21:One.

News wise:

- **McDonald's Japan** warned that it would be reporting a second consecutive year of losses. The company said that, now, it expected to record a Loss Attributable to Shareholders of about 3.70 billion yen for the Financial Year, ending December 31, 2003;
- **The number of vehicles**, imported and sold in Japan in the month of October, was about 21,035 units, up by about 5.80 percent, compared with October 2002;
- **Toray Industries Incorporated** announced that its Group Net Profit for the 6 months, ended September 30, 2003, was about 10.95 billion yen, up by about 754.60 percent on the like period in 2002;
- **Takeda Chemical Industries Ltd**, Japan's largest producer of drugs, said its Net Profits Attributable to Shareholders were about 140.55 billion for the 6-month period, ended September 30, 2003. That result represented a 5.10-percent improvement over the 2002 like, first half year; and,
- **Sankyo Company**, the second-largest producer of drugs in Japan, reported that its first 6 months of this year had seen its profits rise by about 5.30 percent, compared with the like period in 2002, to about 23.83 billion yen.

And the tally for the 4-day trading week for the premier market of Japan was:

The Nikkei-225 Stock Average Plus 0.73 percent

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

| | |
|-----------------|-----------------------------------|
| HKSAR | Plus 0.54 percent to 12,215.17 |
| Indonesia | Minus 0.96 percent to 626.74 |
| Japan | Plus 0.73 percent to 10,628.98 |
| Malaysia | Minus 0.29 percent to 806.78 |
| The Philippines | Minus 0.72 percent to 1,413.11 |
| Singapore | Plus 0.34 percent to 1,769.09 |
| South Korea | Plus 1.77 percent to 804.05 |
| Taiwan | Plus 0.72 percent to 6,056.83 |
| Thailand | Plus 0.52 percent to 671.00 |

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