

INTERNATIONAL TERRORISM HAUNTS EQUITY MARKETS OF THE WORLD

Heightened geopolitical risks popped the balloons of many an equity market, last Monday, following the bombings of 2 synagogues in Istanbul, Turkey, on Saturday, November 15.

The bombings killed 23 innocent civilians.

A report on the following day, allegedly having emanated from al Qaeda operatives, operating in Turkey, suggested that more terrorist attacks were on the drawing board – with Japan, being high on the list of al Qaeda's targets.

Every index on every bourse in Europe suffered substantial losses, as did the indices in Asia (Wall Street had not opened for business when Asia was trading, last Monday).

As the killing of American soldiers in Iraq by Saddam Hussein loyalists and al Qaeda sympathisers continued, unabated, with more and more suggestions that more terrorist attacks were only days, or weeks, away, investors, worldwide got icy cold feet.

On Friday, November 14, there had been mild selling pressure on the world's largest equity markets due to a number of factors, but nothing of a spectacular nature.

On The New York Stock Exchange on that Friday, the Dow Jones Industrial Average had shed about 0.70 percent, falling back to 9,768.68 points, while, on the NASDAQ, its Composite Index had given up about 1.89 percent, ending the week at 1,930.26 points.

Speculation had already started in the US that the holiday season might not be the hot property that many people had, hitherto, thought likely.

On European bourses, last Monday, there were no survivors from the fallout of the selling pressure: Every equity market fell to panic selling, with Germany's equity markets, suffering the most.

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

Amsterdam's AEX Index	Minus 2.92 percent
Great Britain's FTSE 100 Index	Minus 1.32 percent
Germany's Frankfurt XETRA DAX Index	Minus 3.24 percent*
France's CAC40 Index	Minus 2.59 percent
Switzerland's Swiss Market Index	Minus 1.77 percent
Italy's MIBTEL Index	Minus 1.42 percent

* This was the largest loser in Europe, last Monday

In Asia, Japan led the way – for losing equity markets, that is.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average gave up 380.23 yen, or about 3.74 percent of its value, falling to 9,786.83 yen.

The ratio of losing counters to gaining ones was about 24.73:One, that gap between losers and gainers, being something of a record.

Japanese banks were hit especially hard, with the world's largest bank, Mizuho Financial Group, seeing Japanese investors shoot down its share price by about 10.83 percent to 215,000 yen.

UFJ Bank Ltd and Sumitomo Mitsui Financial Group both shed more than 9 percent of their respective market capitalisations, during the hectic trading day.

Mitsubishi Tokyo Financial Group was not spared, during the day, as investors pulled down its share price by about 5.91 percent to 701,000 yen.

As with the situation in Europe, airlines were, also, hit hard, as travellers, clearly, will be re-evaluating their travel plans for the Christmas season, remembering the tragic events of September 11, 2001 at New York and Washington D.C.

The Prime Minister of the second-largest economy of the world, Mr Junichiro Koizumi, was forced to make a statement about the situation with regard to terrorism.

He said that Japan would not be intimidated by any terrorist threat from Osama bin Laden's al Qaeda network of killers and fanatics.

Prime Minister Koizumi said: *'We must not give in to the threats.'*

News wise:

- **Fuji Heavy Industries Ltd**, the producer of motor vehicles under the Subaru marque, said that its Consolidated Net Profit rose by about 16.20 percent, during the first half of this Fiscal Year, Year-on-Year, to 19.40 billion yen. However, those results were embellished by one-off sales of listed shares. The Consolidated Operating Profit had dropped by about 50.40 percent, compared with the like period in 2002;
- **The Land, Infrastructure and Transport Ministry** reported that sales of overseas trips by Japanese tourists between April and September, this year, had dropped by about 38.20 percent from a year earlier, to about 767.90 billion yen. Fears of further incidents of Severe Acute Respiratory Syndrome (SARS) were said to be the culprit; and,
- **Dentsu Incorporated** said that its Group Net Profit had fallen to about 6.80 billion yen, during the first half of its Financial Year, ended September 30, 2003. That represented a drop of about 76.60 percent, Year-on-Year.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), share prices fell as soon as trading began on the territory's 2 equity markets.

Investors in the territory are traditionally skittish, in any event, running at the first sign of trouble – and this time, the very suggestion of a terrorist attack by al Qaeda on Japan was not a laughing matter because it was much too close to home.

On the Main Board of The Stock Exchange of Hongkong Ltd, the key gauge of the movements of blue chips, the Hang Seng Index, fell by about 1.69 percent, ending the day at 11,997.02 points.

The Total Turnover was about \$HK12.02 billion, with the ratio of losing counters to gaining ones, being about 3.11:One.

The Ten Most Actives were all losers, and by substantial amounts, too, as the following **TARGET** list indicates:

HSBC Holdings plc (Code: 5)	Down 0.84 percent to \$HK117.50 per share
Hutchison Whampoa Ltd (Code: 13)	Down 2.98 percent to \$HK57.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 2.25 percent to \$HK21.70 per share
Hang Seng Bank Ltd (Code: 11)	Down 1.76 percent to \$HK97.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 3.46 percent to \$HK62.75 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Down 2.94 percent to \$HK14.85 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 1.82 percent to \$HK13.45 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 2.82 percent to \$HK60.25 per share
Swire Pacific Ltd "A" (Code: 19)	Down 3.62 percent to \$HK45.20 per share
CLP Holdings Ltd (Code: 2)	Down 1.11 percent to \$HK35.60 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139	41.67		0.017
CATIC International Holdings Ltd	232	25.39		0.242
Central China Enterprises Ltd	351		11.54	0.023

Chaoda Modern Agriculture (Holdings) Ltd	682	13.19		2.575
Credit Card DNA Security System (Holdings) Ltd	1051		10.53	0.017
Dah Hwa International (Holdings) Ltd	600		11.95	0.199
Digital World Holdings Ltd	109		10.71	0.25
Fortuna International Holdings Ltd	530	16.67		0.014
Friedmann Pacific Greater China Investments Ltd	1226		15.79	0.16
Great China Holdings Ltd	141	20.00		0.60
Greater China Holdings Ltd	431	18.42		0.45
Haywood Investments Ltd	905	16.42		0.078
J.I.C. Technology Company Ltd	987		10.11	0.80
Leaptek Ltd	336		12.24	0.043
Mei Ah Entertainment Group Ltd	391	17.65		0.26
Minglun Group (Hongkong) Ltd	346	13.46		0.295
National Electronics Holdings Ltd	213	16.47		0.29
Northern International Holdings Ltd	736	60.00		0.024
Pico Far East Holdings Ltd	752		10.00	0.405
renren Holdings Ltd	59		13.25	0.072

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the volume of activity fell to about \$HK129.43 million, as The Growth Enterprise Index dropped 0.77 percent to end the session at 1,203.50 points.

On this speculative marketplace, the ratio of losing counters to gaining ones was relatively narrow, at about 1.33:One.

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

Panva Gas Holdings Ltd (Code: 8132)	Down 1 percent to \$HK4.075 per share
tom.com Ltd (Code: 8001)	Unchanged at \$HK2.30 per share
Golden Meditech Company Ltd (Code: 8180)	Up 3 percent to \$HK2.325 per share
Ningbo Yidong Electronic Company Ltd (Code: 8249)	Down 11 percent to 47 cents per share
Chinasoft International Ltd (Code: 8216)	Up 5 percent to 62 cents per share

The biggest GEM movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Cardlink Technology Group Ltd	8066	10.00		0.066
CASH Financial Services Group Ltd	8122	11.63		0.48
Cyber On-Air Group Company Ltd	8118	27.50		0.051
Emperor Entertainment Group Ltd	8078	34.43		0.82
EVI Education Asia Ltd	8090		10.00	0.045
Fortune Telecom Holdings Ltd	8040	15.00		0.92
Grandy Applied Environmental Technology Corporation	8143	16.00		0.145
iSteelAsia Holdings Ltd	8080		15.86	0.122
L.P. Lammas International Ltd	8029	83.33		0.055
M Channel Corporation Ltd	8036		13.64	0.019
Panorama International Holdings Ltd	8173	18.00		0.118
T S Telecom Technologies Ltd	8003	39.02		0.114
Town Health International Holdings Company Ltd	8138		10.20	0.088
Ningbo Yidong Electronic Company Ltd	8249		10.38	0.475

And, on other Asian equity markets, this was the extent that other investors got mauled, last Monday:

HKSAR	Minus 1.69 percent to 11,997.02
Indonesia	Minus 0.42 percent to 607.79
Japan	Minus 3.74 percent to 9,786.83
Malaysia	Minus 1.30 percent to 781.95
The Philippines	Minus 1.25 percent to 1,328.66

Singapore	Minus 2.22 percent to 1,698.12
South Korea	Minus 1.90 percent to 794.47
Taiwan	Minus 1.53 percent to 5,952.32
Thailand	Minus 2.52 percent to 640.84

Tuesday

As investors, business people and stockbrokers, alike, went to work on Wall Street, last Monday, New York time, the main consideration must have been: Just how much further would indices on equity markets in The Land of The Free and The Home of The Brave fall, in view of the latest series of terrorist threats from al Qaeda?

With the 2 Istanbul attacks (Please see Monday's report), still fresh in the minds of many, especially the Jews of the US, and with al Qaeda, informing Japan to watch its back, it was with some trepidation that investors approached equity trading in the US, last Monday.

On The New York Stock Exchange, on the first day of trading, the Dow Jones Industrial Average fell by about 0.59 percent, dropping back to 9,710.83 points.

On the NASDAQ, its Composite Index shed another 1.07 percent, as investors pushed it down to 1,909.61 points.

It was the third consecutive session of losses for both leading, stock-market indicators.

Aside from the threats of more terrorist attacks against US interests, and anybody in support of US foreign policy, there were other matters, also, that dogged US equity markets.

US banking giant, Morgan Stanley, agreed to pay \$US50 million in order to settle charges of mutual fund abuses.

Which is a polite way of saying that Morgan Stanley had been very naughty in the past, but instead of hanging out its soiled linen for all to see, and smell, it determined to pay up in order to get the US Authorities to shut up.

The multiple allegations, made by the US Securities and Exchange Commission (SEC) and the National Association of Securities Dealers, was that Morgan Stanley failed to inform investors that it was receiving commissions/compensation for recommending and selling certain mutual funds to its clients over others.

The payment of '*Soft commissions*', as it is described in the securities industry, worldwide, is not uncommon, but, now, the SEC is clamping down.

Better late than never.

On European bourses, last Tuesday, there was a half-hearted, bounce-back from the material losses of Monday, but Tuesday's gains were only of a fractional nature, by and large.

Hurting indices of bourses in eurozone was the fact that the US dollar continued to be pummelled by speculators, who pushed down its exchange rate against the euro to \$US1.1975 in late trading.

Against the yen, the US dollar was trading at about 107.94 yen, at one point.

A weak US dollar vis-à-vis the euro and/or the yen gives US manufacturers an edge over their major international competitors.

And this was how major European bourses ended their respective trading sessions, last Tuesday:

Amsterdam's AEX Index	Minus 0.14 percent
Great Britain's FTSE 100 Index	Plus 0.36 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.22 percent
France's CAC40 Index	Minus 0.19 percent
Switzerland's Swiss Market Index	Minus 0.47 percent
Italy's MIBTEL Index	Plus 0.55 percent

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets made half-hearted attempts at higher levels – and just squeezed through.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gained just one quarter of a percentage point, running back to 12,027.26 points.

The Total Turnover was about \$HK13.87 billion, with losing counters, edging out gaining ones by the ratio of 1.02:One.

It looked, very much, as though this market was preparing for another run at much lower levels.

The Ten Most Active counters, last Tuesday, were:

Hutchison Whampoa Ltd (Code: 13)	Down 2.19 percent to \$HK55.75 per share
HSBC Holdings plc (Code: 5)	Up 0.43 percent to \$HK118.00 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 4.83 percent to \$HK14.10 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 2.79 percent to \$HK61.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 2.07 percent to \$HK59.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.92 percent to \$HK21.90 per share
PICC Property and Casualty Company Ltd (Code: 2328)	Up 2.94 percent to \$HK2.625 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 1.01 percent to \$HK15.00 per share
Hang Seng Bank Ltd (Code: 11)	Up 1.28 percent to \$HK99.00 per share
Henderson Land Development Company Ltd (Code: 12)	Down 2.54 percent to \$HK30.70 per share

The biggest movers for the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139		17.65	0.014
Asia Tele-Net and Technology Corporation Ltd	679	53.85		0.02
Ching Hing (Holdings) Ltd	692		11.30	0.212
EC-Founder (Holdings) Company Ltd	618	36.36		0.30
Fortuna International Holdings Ltd	530	14.29		0.016
Goldbond Group Holdings Ltd	172		11.76	0.30
GR Investment International Ltd	310		16.03	0.11
Great China Holdings Ltd	141		11.67	0.53
Greater China Holdings Ltd	431		10.00	0.405
Haywood Investments Ltd	905	19.23		0.093
Hudson Holdings Ltd	758		13.04	0.10
Jackley Holdings Ltd	353		37.50	0.10
Leaptek Ltd	336		13.95	0.037
Mei Ah Entertainment Group Ltd	391		11.54	0.23
Nam Fong International Holdings Ltd	1176		11.11	0.04
Northern International Holdings Ltd	736		16.67	0.02
Shougang Concord Technology Holdings Ltd	521	10.00		0.99
Starbow Holdings Ltd	397	10.00		0.011
Sun Innovation Holdings Ltd	547		11.76	0.015
TechCap Holdings Ltd	673	10.71		3.10
Unity Investments Holdings Ltd	913		73.68	0.05

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover fell back to about \$HK117.28 million.

The Growth Enterprise Index managed a gain of about 0.06 percent, ending the day at 1,204.17 points.

The ratio of gaining counters to losing ones was about 1.15:One.

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

tom.com Ltd (Code: 8001)	Up 1 percent to \$HK2.325 per share
Launch Tech Company Ltd (Code: 8196)	Up 4 percent to \$HK2.15 per share
B and B Natural Products Ltd (8156)	Up 7 percent to 97 cents per share
Ningbo Yidong Electronic Company Ltd (Code: 8249)	Down 2 percent to 465 cents per share
Fortune Telecom Holdings Ltd (8040)	Up 13 percent to \$HK1.04 per shares

The double-digit movers of The GEM were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131	17.65		0.02
CASH Financial Services Group Ltd	8122	14.58		0.55
EVI Education Asia Ltd	8090	17.78		0.053
Fortune Telecom Holdings Ltd	8040	13.04		1.04
G.A. Holdings Ltd	8126		11.39	0.14
Grandy Applied Environmental Technology Corporation	8143		10.34	0.13
Neolink Cyber Technology (Holding) Ltd	8116		13.33	0.39
New Universe International Group Ltd	8068	12.20		0.138
Panorama International Holdings Ltd	8173		12.71	0.103
Q9 Technology Holdings Ltd	8129	10.42		0.053
Systek Information Technology (Holdings) Ltd	8103	32.00		0.033
Techpacific Capital Ltd	8088	12.90		0.035
Thiz Technology Group Ltd	8119		12.00	0.022

News wise:

- **The unemployment rate** for the HKSAR for the quarter, ended October 31, 2003, was about 8 percent, seasonally adjusted, the Government said.

In Japan, spirited buying on The Tokyo Stock Exchange pulled up key indices from a 3-month low.

Day traders covered shorts, while speculators made forays at what they considered were counters, which had been badly oversold on Monday.

The Nikkei-225 Stock Average ended the day at 9,897.05 yen, a gain of about 1.13 percent, compared with Monday's close.

During last Tuesday's morning session, the Nikkei-225 Stock Average had dropped to a low of 9,678.78 yen, representing another fall of 108.05 yen, or about 1.10 percent on Monday's close.

In spite of the Nikkei-225 Stock Average, being in positive territory by the close of the day, losing counters outran gaining counters by the ratio of about 2.11:One.

Which is ominous and portends further losses in the days or weeks to come.

The hot topic in Japan, last Monday and Tuesday, was, still, the matter of that report in the London-based, Arab-language newspaper, al-Quds al-Arabi, which stated that al Qaeda was planning more attacks against the US and her allies, including Japan.

News wise:

- **Japan's Trade Minister**, Mr Shoichi Nakagawa, said that the recent decline in the value of shares, listed on Japan's 3 stock markets, would have a very negative aspect on the economy of the country;
- **Meiji Dairies Corporation** announced that its Group Net Profits for the first half of its Fiscal Year, to September 30, 2003, was about 5.69 billion yen, up about 42.20 percent, Year-on-Year;
- **Japan Telecom Holdings Company** said that, for the first half of its Financial Year, to September 30, 2003, its Bottom Line was a Loss Attributable to Shareholders of about 125.04 billion yen. For the comparable period in 2002, the company had recorded a Net Profit Attributable to Shareholders of about 43.52 billion yen. Japan Telecom is a subsidiary of England's **Vodafone Group plc**; and,
- **Tokyo Electric Power Company** posted a Net Profit Attributable to Shareholders of about 86.85 billion yen for the first half of its Financial Year, to September 30, 2003. That result compared poorly with the first half of the 2002 Financial Year, by about 44 percent, in fact.

This was the way that other Asian bourses fared, last Tuesday:

HKSAR	Plus 0.25 percent to 12,027.26
Indonesia	Minus 0.33 percent to 605.79

Japan	Plus 1.13 percent to 9,897.05
Malaysia	Plus 0.03 percent to 782.17
The Philippines	Minus 0.05 percent to 1,328.04
Singapore	Plus 0.60 percent to 1,708.38
South Korea	Plus 0.82 percent to 800.97
Taiwan	Minus 0.22 percent to 5,939.47
Thailand	Minus 0.64 percent to 636.75

Wednesday

As the saying goes, if it is not one thing, then, it is something else.

And the '*something else*', last Tuesday in New York, was a scandal, which was about to be unearthed.

According to The Securities Exchange Commission (SEC), there was a major investigation under way into known mutual fund scams in the US, and allegations were about to be laid against quite a number of stockbrokers on The Street.

Morgan Stanley had, already, agreed to pay \$US50 million as a penalty for its past wrongdoings, thus putting an end to the publicity that would surely have followed if this huge US bank had determined to fight it out in a court of law, win or lose. (Please see Tuesday's report)

And, last Tuesday, in the US, it was well known that hundreds of other stock-market scams had been discovered, with many arrests, having been made of some very senior and, former, well-respected personages of Wall Street.

On The New York Stock Exchange, with so many potential problems, worrying investors, pocket books were kept tightly shut.

The Dow Jones Industrial Average, the key index on the world's largest equity market, lost another 0.89 percent, ending the day at 9,624.16 points, last Tuesday.

On the NASDAQ, the Composite Index was shaved to the extent of about 1.46 percent to 7,881.75 points.

Investors on Wall Street were disenchanted with their lot – and rightly so, too, because there are, and have been, just too many crooks on Wall Street, raping investors for too long a period of time.

In Europe, US President George W. Bush's state visit to London took centre stage.

It was estimated that about 100,000 people would be protesting at the US Government's policy toward Iraq and Afghanistan, with President Bush, being labelled as being a war monger.

With Wall Street, continuing to be in full retreat, and with anything likely to happen, during the Bush visit to London, investors in the eurozone played the game, close to their chests.

This was how major European bourses ended last Wednesday's trading sessions:

Amsterdam's AEX Index	Minus 0.39 percent
Great Britain's FTSE 100 Index	Minus 0.63 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.38 percent
France's CAC40 Index	Minus 0.28 percent
Switzerland's Swiss Market Index	Minus 1.00 percent
Italy's MIBTEL Index	Minus 0.36 percent

In Asia, it was another bad day for bulls: Every equity market suffered substantial losses, led by South Korea's market.

On The Stock Exchange of Hongkong Ltd, both equity markets' indices lost material amounts.

On the Main Board, the Hang Seng Index shed another 1.28 percent of its value, falling back to 11,872.99 points.

The Total Turnover was about \$HK13.21 million, with losing counters, outnumbering gaining ones by the ratio of about 2.90:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 1.27 percent to \$HK116.50 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.79 percent to \$HK54.75 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Unchanged at \$HK14.10 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 2.54 percent to \$HK57.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.60 percent to \$HK21.55 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 2.46 percent to \$HK59.50 per share
Hang Seng Bank Ltd (Code: 11)	Down 1.52 percent to \$HK97.50 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 3.16 percent to \$HK2.30 per share
Playmates Holdings Ltd (Code: 635)	Down 7.51 percent to \$HK1.60 per share
PetroChina Company Ltd (Code: 857)	Down 0.88 percent to \$HK2.825 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Tele-Net and Technology Corporation Ltd	679		20.00	0.016
China Online (Bermuda) Ltd	383		12.71	1.03
EC-Founder (Holdings) Company Ltd	618		23.33	0.23
Mascotte Holdings Ltd	136	10.00		0.22
Massive Resources International Corporation Ltd	70	10.00		0.011
Nam Fong International Holdings Ltd	1176	12.50		0.045
Northern International Holdings Ltd	736		10.00	0.018
PacMOS Technologies Holdings Ltd	1010	11.11		0.60
Sun Innovation Holdings Ltd	547	13.33		0.017
Tai Ping Carpets International Ltd	146		10.64	1.26
Unity Investments Holdings Ltd	913	82.00		0.091
VST Holdings Ltd	856	29.08		0.182
Wonson International Holdings Ltd	651		14.29	0.018

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index gave up about 1.05 percent of its value, ending the session at 1,191.55 points.

The Total Turnover was about \$HK140.17 million.

The ratio of losing counters to gaining ones was about 1.90:One.

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

Sau San Tong Holdings (Cayman Islands) Ltd (Code: 8200)	78 cents per share*
Panva Gas Holdings Ltd (Code: 8132)	Up 7 percent to \$HK4.375 per share
tom.com Ltd (Code: 8001)	Down 2 percent to \$HK2.275 per share
Launch Tech Company Ltd (Code: 8196)	Up 2 percent to \$HK2.20 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 1 percent to \$HK1.72 per share

*This was a new listing, with last Wednesday, being its first day of trading

The biggest movers of the day, however, were reserved for the following 10 counters:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131		10.00	0.018
Advanced Card Systems Holdings Ltd	8210	10.00		0.275
Argos Enterprise (Holdings) Ltd	8022	24.00		0.248
CASH Financial Services Group Ltd	8122	14.55		0.63
Fortune Telecom Holdings Ltd	8040	23.08		1.28

Grandy Applied Environmental Technology Corporation	8143		11.54	0.115
M Channel Corporation Ltd	8036		10.00	0.018
Panorama International Holdings Ltd	8173	19.42		0.123
Prosten Technology Holdings Ltd	8026	10.29		0.15
Vodatel Networks Holdings Ltd	8033		12.66	0.345

In Japan, it was another bloodbath for investors on Asia's largest equity market.

As the yen weakened against the US dollar, so exporters saw their profit margins slashed, and slashed, and slashed ... and where it stops, nobody seemed to know.

On The Tokyo Stock Exchange, the key index of blue chips, the Nikkei-225 Stock Average, surrendered another 2.85 percent of its value, falling to 9,614.60 yen.

Investors sold scrip the moment that buyers could be located – at any reasonable price.

The ratio of losing counters to gaining ones was about 1.53:One.

There were some massive losers, led by Japan Telecom Holdings Company whose share price fell by about 15 percent to 283,000 yen. (Please see Tuesday's report)

News wise:

- **Snow Brand Milk Products Company** reported a Group Net Profit of about 392 million yen for the first 6 months of its Financial Year, to September 30, 2003. In the like 2002 period, the company reported a Loss Attributable to Shareholders of about 45.36 billion yen. In 2000, this company was ravaged by a food-poisoning outbreak, attributed to its milk products; and,
- **Fuji Television Network Incorporated** announced that its Group Net Profit for the first half of its Financial Year, also to September 30, 2003, was about 14.07 billion yen, up about 37.40 percent, Year-on-Year.

And, in other Asian markets, this was how investors saw the situation, last Wednesday night:

HKSAR	Minus 1.28 percent to 11,872.99
Indonesia	Minus 0.64 percent to 601.94
Japan	Minus 2.85 percent to 9,614.60
Malaysia	Minus 2.07 percent to 765.95
The Philippines	Minus 0.73 percent to 1,318.31
Singapore	Minus 1.82 percent to 1,677.35
South Korea	Minus 3.65 percent to 771.70
Taiwan	Minus 1.25 percent to 5,865.51
Thailand	Minus 2.78 percent to 619.03

Thursday

The Securities Exchange Commission (SEC) and other regulatory authorities of the US Government, including The Federal Bureau of Investigation (FBI), swooped down on Wall Street currency and equity traders, alike, last Wednesday, arresting 47 of their number.

The arrested included members of JP Morgan Chase, UBS Warburg Dillon Read and Dresdner Kleinworth Benson.

The 'word' went out that many of the arrested were to be charged with fraud.

But on Wall Street, trading in equities was relatively unaffected by the alleged crooks and snooks, as investors determined to cover short positions and/or to take punts on some of the 'darlings' of the market on the ground that, probably, the worst of the selling was behind them.

On The New York Stock Exchange, the Dow Jones Industrial Average gained about 0.69 percent, rising to 9,690.46 points.

On the technology laden NASDAQ, its Composite Index went along with the flow, rising about 0.95 percent to 1,899.65 points.

Whether or not the indices would be able to hold onto the gains of Wednesday was a question that many people were asking in the light of that which was happening, internationally.

That, which was not known, during Wall Street's trading session, last Wednesday, was what was about to happen in far-off Turkey, within the following 12 hours.

In Europe, last Thursday morning, **Greenwich Mean Time (GMT)**, long after brokers on Wall Street had gone to sleep, 2 more bomb blasts, within 15 minutes of each other, rocked Turkey's Capital City, Istanbul.

It marked the second terrorist attack in less than a week.

In total, 27 more people had been killed by a group, claiming to be part of the al Qaeda network, namely, The Islamic Great Eastern Raiders Front (IBDA-C).

One bomb demolished part of the Turkish headquarters of HSBC Holdings plc (Code: 5, The Stock Exchange of Hongkong Ltd) while, across town, at the British Consulate, another bomb killed the British Consulate General, Mr Roger Short, along with 13 other people.

The bomb blasts sent another icy chill through equity markets in Europe, naturally, reversing earlier gains.

The following are last Thursday's closing figures of major indices of European bourses:

Amsterdam's AEX Index	Minus 0.51 percent
Great Britain's FTSE 100 Index	Minus 0.45 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.39 percent
France's CAC40 Index	Minus 0.57 percent
Switzerland's Swiss Market Index	Plus 0.06 percent
Italy's MIBTEL Index	Minus 0.32 percent

In Asia, the situation in Turkey was not known, during trading on the 9 main equity markets.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index fell by about 0.23 percent to 11,845.41 points, but the Total Turnover dropped to about \$HK10.62 billion.

The ratio of losing counters to gaining ones was about 2.38:One.

The Ten Most active counters were:

HSBC Holdings plc (Code: 5)	Down 0.43 percent to \$HK116.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.70 percent to \$HK21.40 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.91 percent to \$HK55.25 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 1.42 percent to \$HK13.90 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.84 percent to \$HK59.00 per share
PCCW Ltd (Code: 8)	Down 2.45 percent to \$HK4.975 per share
CLP Holdings Ltd (Code: 2)	Up 2.20 percent to \$HK37.20 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.87 percent to \$HK58.00 per share
PetroChina Company Ltd (Code: 857)	Down 2.65 percent to \$HK2.75 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.51 percent to \$HK97.00 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139		20.00	0.012
Capital Estate Ltd	193		17.39	0.019
Daido Group Ltd	544	12.70		0.071
Dickson Group Holdings Ltd	313		11.11	0.048

Everbest Century Holdings Ltd	578		12.50	0.021
Fortuna International Holdings Ltd	530		12.50	0.014
Gorient (Holdings) Ltd	729	11.11		0.02
Kee Shing (Holdings) Ltd	174		11.11	0.48
KEL Holdings Ltd	681	15.00		0.069
Lee Hing Development Ltd	68	29.14		1.95
Magician Industries (Holdings) Ltd	526	12.28		0.32
Nam Fong International Holdings Ltd	1176		15.56	0.038
Neo-China Group (Holdings) Ltd	563	15.00		0.46
Oriental Explorer Holdings Ltd	430		10.64	0.042
QPL International Holdings Ltd	243		10.53	2.975
Radford Capital Investment Ltd	901		13.43	0.116
Shun Cheong Holdings Ltd	650		28.00	0.054
Styland Holdings Ltd	211	16.67		0.028
Unity Investments Holdings Ltd	913	25.27		0.114
Vanda Systems and Communications Holdings Ltd	757		10.75	0.83
Yau Lee Holdings Ltd	406	13.33		0.238

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, which is the speculative bourse of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), losses were greater than on the Main Board.

The Growth Enterprise Index shed about 0.88 percent of its value, ending the day at 1,181.10 points.

The Total Turnover on this market was about \$HK179.55 million.

The ratio of losers to gainers was 1.50:One.

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

Sau San Tong Holdings (Cayman Islands) Ltd (Code: 8200)	Down 6 percent to 73 cents per share
Panva Gas Holdings Ltd (Code: 8132)	Up 6 percent to \$HK4.65 per share
tom.com Ltd (Code: 8001)	Down 1 percent to \$HK2.25 per share
Creative Energy Solutions Holdings Ltd (Code: 8109)	Down 5 percent to 30.50 cents per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 3 percent to \$HK1.67 per share

The biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AKuP International Holding Ltd	8179	14.29		0.032
Cyber On-Air Group Company Ltd	8118	13.73		0.058
Inworld Group Ltd	8100		34.48	0.038
PINE Technology Holdings Ltd	8013	11.11		0.40
Recruit Holdings Ltd	8073	17.65		0.02
Systek Information Technology (Holdings) Ltd	8103		12.12	0.029

News wise:

- The Government of the HKSAR is considering sending the **Airport Authority** public on the Main Board of The Stock Exchange of Hongkong Ltd in order to rake in some money so as to reduce the territory's budget deficit. The Airport Authority is the operator of Chek Lap Kok Airport and has a Book Value of about \$HK37 billion. The Government of Chief Executive Tung Chee Hwa has gone on record as saying that it would be selling assets, valued at about \$HK112 billion, during the next 5 years.

In Japan, last Thursday, investors, unaware of the second terrorist attack on the Capital City of Turkey, were in a buying mood, following the very material losses, incurred on the country's 3 stock markets on Monday and Wednesday.

On The Tokyo Stock Exchange, the premier bourse of The Land of The Rising Sun, the Nikkei-225 Stock Average regained about 2.61 percent of its value, running back to 9,865.70 yen.

Gainers outran losers by the ratio of 2.49:One.

The US dollar strengthened to 108.84 yen, up from Wednesday's level of about 107.60 yen, as it became known that The Bank of Japan was interceding on international foreign-exchange markets in support of the yen.

News wise:

- **Japan's trade surplus** widened in October, the fourth consecutive month of such gains. For the month of October, the figures came in at 1,073 billion yen, up about 20.40 percent, compared with 891.90 billion yen, recorded in October 2002. Sales to the PRC, proper, were the main reasons for the trade surplus, however;
- **JFE Holdings** reported that its Net Profits for the first 6 months of its Financial Year, to September 30, 2003, had risen to about 45 billion yen, up by about 156 percent, Year-on-Year. JFE is the country's largest producer of steel by market capitalisation;
- **Kobe Steel**, Japan's fourth-largest producer of steel, announced that its Net Profits Attributable to Shareholders for the first half of its Financial Year, to September 30, 2003, were about 9 billion yen, up by about 72 percent, compared with the like period in 2002;
- **Kanebo Ltd** reported that it had suffered a Loss Attributable to Shareholders of about 67.08 billion yen for the 6-month period, ended September 30, 2003. For the first 6 months of 2002, the cosmetics company reported a Net Profit Attributable to Shareholders of about 135 million yen;
- **Matsumotokiyoshi Company**, the largest drugstore chain in Japan, reported that its Net Profits had fallen, Year-on-Year, by about 2.30 percent, to about 2.82 billion yen;
- **Starbucks Coffee Japan Ltd** said that, in the first 6 months of its Financial Year, it had seen its Net Profits fall to about 93 million yen, down by about 58 percent, compared with the previous Year's like period;
- **Nippon Television Network Corporation** said that its Group Net Profits for the first half of its Financial Year, to September 30, 2003, were about 9.33 billion yen, down 14.10 percent, compared with the first half of the 2002 Year;
- **Isuzu Motors Ltd** said that its Consolidated Net Profits came in at about 24.92 billion yen for the April-September period. In the like 2002 April-September period, the company reported a Loss Attributable to Shareholders of about 84.23 billion yen. The company is a major producer of lorries in Japan and is owned as to 12.04 percent by **General Motors** of the US; and,
- **Nissan Diesel Motor Company**, another major lorry maker in Japan, reported that it had suffered a Consolidated Net Loss for the first half of its Financial Year, to September 30, 2003, of about 9.65 billion yen. In the comparable period in 2002, this company reported a Loss Attributable to Shareholders of about 4.57 billion yen.

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

HKSAR	Minus 0.23 percent to 11,845.41
Indonesia	Plus 0.64 percent to 605.81
Japan	Plus 2.61 percent to 9,865.70
Malaysia	Plus 1.47 percent to 777.21
The Philippines	Plus 1.06 percent to 1,332.34
Singapore	Minus 0.89 percent to 1,662.43
South Korea	Minus 0.29 percent to 769.45
Taiwan	Minus 0.53 percent to 5,834.24
Thailand	Minus 0.78 percent to 614.23

Friday

When bankers, investors and stockbrokers went to work, last Thursday in New York, they were shocked to discover the second terrorist attack on Turkey's Capital City, Istanbul. (Please see Thursday's report)

Down came indices of equity markets, throughout the US, led by Wall Street's markets, which were dragged down, considerably, in early trading.

By the close of last Thursday's proceedings, the Dow Jones Industrial Average, the gauge that tracks the movements of blue chips, listed on The New York Stock Exchange, was off by about 0.73 percent to 9,619.42 points.

And, on the NASDAQ, its Composite Index shed about 0.93 percent of its value, ending the day at 1,881.92 points.

The Istanbul terrorist attacks completely overshadowed all else in the world, even the matter of the alleged crooks of Wall Street, who were about to be arraigned for their misdeeds.

From Washington D.C., Dr Alan Greenspan, the Chairman of the US Federal Reserve Board, warned that creeping protectionism by the US Government or any other government, for that matter, was not good for business.

In Europe, which knew of the Istanbul attacks on Thursday, during the trading sessions of all of the equity markets, investors, considering that the losses had been overdone, covered up some positions, resulting in the following:

Amsterdam's AEX Index	Minus 0.14 percent
Great Britain's FTSE 100 Index	Plus 0.25 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.12 percent
France's CAC40 Index	Plus 1.26 percent
Switzerland's Swiss Market Index	Plus 0.10 percent
Italy's MIBTEL Index	Plus 0.09 percent

In Asia, major equity markets were off by fractions, as investors determined to wait in order to see what the weekend would bring.

On the 2 equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), losses were widespread, especially on the speculative Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index shed about 0.05 percent of its value, ending the week at 11,839.80 points.

The Total Turnover was about \$HK12.74 billion, with the ratio of losing counters to gaining ones, being about 2.16:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.43 percent to \$HK115.50 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK55.25 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 3.30 percent to \$HK2.20 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.17 percent to \$HK21.65 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.42 percent to \$HK59.25 per share
PetroChina Company Ltd (Code: 857)	Down 1.82 percent to \$HK2.70 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 0.36 percent to \$HK13.95 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.43 percent to \$HK58.25 per share
The Hongkong and China Gas Company Ltd (Code: 3)	Up 3.13 percent to \$HK11.55 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.52 percent to \$HK97.50 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Chu Kong Shipping Development Company Ltd	560	19.19		1.18
Fortuna International Holdings Ltd	530	14.29		0.016
Fulbond Holdings Ltd	1041		10.53	0.017
Golden Dragon Group (Holdings) Ltd	329	12.50		0.45
Hi Sun Group Ltd	818		12.00	0.22
Leaptek Ltd	336	17.95		0.046
Mei Ah Entertainment Group Ltd	391	21.43		0.255
Pak Tak International Ltd	2668		15.52	0.49
Paul Y. - ITC Construction Holdings Ltd	498	10.17		0.65
Pokfulam Development Company Ltd	225		12.09	2.00

Shun Cheong Holdings Ltd	650	14.81		0.062
Sino Technology Investments Company Ltd	1217	13.64		0.75
Soundwill Holdings Ltd	878		10.00	2.025

On The GEM, The Growth Enterprise Index ended the week with a loss of about 1.21 percent, falling back to 1,166.87 points.

The Total Turnover on this market was about \$HK472.69 million, with trading in the shares of Wumart Stores Incorporated (Code: 8277), being responsible for about 66 percent of the total activity of the day.

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

Wumart Stores Incorporated (Code: 8277)	\$HK7.05 per share*
Yantai North Andre JuiceCompany Ltd (Code: 8259)	Up 4 percent to 25 cents per share
tom.com Ltd (Code: 8001)	Down 2 percent to \$HK2.20 per share
Panva Gas Holdings Ltd (Code: 8132)	Up 1 percent to \$HK4.70 per share
Convenience Retail Asia Ltd (Code: 8052)	Down 1 percent to \$HK2.00 per share

* This was a new listing, with last Friday, being its first day of trading

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
A-S China Plumbing Products Ltd	8262	13.79		1.98
abc Multiactive Ltd	8131		11.11	0.016
Cardlink Technology Group Ltd	8066	10.29		0.075
Emperor Entertainment Group Ltd	8078	27.78		1.15
Global Link Communications Holdings Ltd	8060		17.13	0.15
Glory Future Group Ltd	8071	37.50		0.121
Inworld Group Ltd	8100	36.84		0.052
Kinetana International Biotech Pharma Ltd	8031	10.00		0.066
Milkyway Image Holdings Ltd	8130		12.00	0.044
Neolink Cyber Technology (Holding) Ltd	8116		12.50	0.35
Rojam Entertainment Holdings Ltd	8075		16.67	0.075
Sau San Tong Holdings (Cayman Islands) Ltd	8200		15.07	0.62
Town Health International Holdings Company Ltd	8138	11.96		0.103
Vertex Communications and Technology Group Ltd	8228	28.10		0.31

The tally for the week on the second, most-important equity markets of the most-populous area of the world was:

The Hang Seng Index	Down 2.98 percent
The Growth Enterprise Market	Down 3.79 percent

In Japan, on Asia's largest and most-important equity markets, trading was quiet on the country's 3 stock markets.

The day closed with the Nikkei-225 Stock Average, which is the 'barometer' of trading in blue chips on The Tokyo Stock Exchange, ending the week at 9,852.83 yen, a one-day fall of about 0.13 percent.

However, gaining counters outperformed losing counters by the ratio of about 1.58:One.

Japan, naturally, was somewhat jittery over the 2 terrorist attacks in Istanbul in the period of just one week.

News wise:

- **UFJ Bank Ltd** said that it would acquire **Nippon Shinpan Company**, a consumer credit company, which boasts of having 14.52 million card holders; and,
- **Mitsui Chemicals Incorporated** announced that its Net Profits Attributable to Shareholders tumbled about 71.30 percent, Year-on-year, to about 3.71 billion yen for the 6-month period, ended September 30, 2003. Mitsui Chemicals is Japan's largest chemical company.

The tally for the week for The Tokyo Stock Exchange was:

The Nikkei-225 Stock Average

Down 3.09 percent

This was the way that other Asian markets performed, last Friday:

HKSAR	Minus 0.05 percent to 11,839.80
Indonesia	Plus 1.86 percent to 617.08
Japan	Minus 0.13 percent to 9,852.83
Malaysia	Plus 0.93 percent to 784.47
The Philippines	Plus 0.15 percent to 1,334.30
Singapore	Minus 0.31 percent to 1,657.25
South Korea	Plus 0.17 percent to 770.78
Taiwan	Minus 0.07 percent to 5,830.06
Thailand	Minus 0.13 percent to 613.43

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