

**TERRORISTS TARGET SPAIN'S CAPITAL CITY:  
INDICES OF EQUITY MARKETS DROP –  
TENS OF BILLIONS OF U.S. DOLLARS WIPED OUT**

There has been, for the past month or so, a growing feeling among the gurus of Wall Street that the prices of many stocks and shares, listed in US equity markets, have risen to levels that fundamentals cannot fully justify.

At least, not at this stage of the game.

For this reason and a few others, it is explained, indices on the world's largest equity markets have been slowly drifting to lower levels.

Oil prices, being as they are at relatively high levels, are not helping the US economy, too, and this is yet another negative factor for the economy of The Land of The Free and The Home of The Brave.

Then, on Friday, March 5, it was announced that there had been an increase of just 21,000 jobs, during the month of February, according to the number-crunchers at The Labour Department of the US Government.

Anything less than a gain of 150,000 jobs per month is considered a negative because an increase of about 150,000 jobs per month is generally accepted as being the natural growth in the US jobs markets, taking into consideration school leavers, uptake of new workers, etc, etc, etc.

The fact that new jobs are not being created in the US in any material numbers bodes badly for the US economy; it is very telling.

On Friday, March 5, the prices of stocks and shares edged down on The New York Stock Exchange and the NASDAQ.

The final day of that week saw the Dow Jones Industrial Average, the blue-chip index of The New York Stock Exchange, shed about 0.07 percent of its value, falling back to 10,595.55 points.

As for the NASDAQ's Composite Index, it ended the week at 2,047.63 points, after losing about 0.36 percent on Friday.

In Europe, last Monday, uncertainty in respect of the US economy, following on from the previous Friday's pronouncement from The Labour Department, took its toll of major European equity markets.

While there was some exciting corporate news, being released, with the US equity markets still closed, investors of eurozone determined to wait for the Wall Street opening on Monday, New York time.

This is the way that major equity markets closed their respective trading days, last Monday:

Amsterdam's AEX Index	Plus	0.25 percent
Great Britain's FTSE 100 Index	Plus	0.15 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.48 percent
France's CAC40 Index	Plus	0.54 percent
Switzerland's Swiss Market Index	Minus	0.19 percent
Italy's MIBTEL Index	Plus	0.28 percent

In Asia, only 2 equity markets' key indices were in the black; the rest of the bunch saw their key indices lose fractions.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the talk continued as to who was a 'lover' of the Motherland, and who was not.

Senior officials of the National People's Congress continued to criticise some of the leading HKSAR democrats, continuing to call them names, such as 'clowns' and 'traitors' and, in one case, a leading democrat's father, long dead, was criticised for siring such a son.

For objective and impartial observers of these silly events, it was all a bit of a joke – as are certain members of the National People's Congress, without question.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index gained about 0.88 percent, rising to 13,573.54 points on a Total Turnover of about \$HK16.99 billion.

The ratio of losing counters to gaining ones was about 1.18:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 0.82 percent to \$HK123.00 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.80 percent to \$HK61.75 per share
PetroChina Company Ltd (Code: 857)	Up 1.83 percent to \$HK4.175 per share
PCCW Ltd (Code: 8)	Down 7.50 percent to \$HK5.55 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 2.01 percent to \$HK76.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.86 percent to \$HK27.45 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Unchanged at \$HK72.00 per share
Hang Seng Bank Ltd (Code: 11)	Unchanged at \$HK102.00 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 0.33 percent to \$HK15.40 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 2.29 percent to \$HK 3.35 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Alpha General (Holdings) Ltd	73	10.00		0.385
Applied (China) Ltd	472	10.96		0.405
Asia Logistics Technologies Ltd	862	14.58		0.055
CCT Tech International Ltd	261	16.67		0.021
China Elegance (Holdings) Ltd	476	10.31		0.107
China Sci-Tech Holdings Ltd	985	13.33		0.034
China Strategic Holdings Ltd	235		10.45	0.60
Dong Fang Gas Holdings Ltd	432	114.58		1.03
Kwong Sang Hong International Ltd, The	189	15.38		0.75
Mei Ah Entertainment Group Ltd	391	12.00		0.28
Ming Pao Enterprise Corporation Ltd	685	11.34		2.70
Nam Fong International Holdings Ltd	1176	15.79		0.044
Perennial International Ltd	725		10.00	0.36
Wah Yuen Holdings Ltd	2349		10.45	0.60
Zhong Hua International Holdings Ltd	1064	12.26		0.119

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, it was a little different story, however.

The Growth Enterprise Index shed about 0.67 percent of its value, falling to 1,361.09 points on a Total Turnover of about \$HK183.46 million.

The ratio of losing counters to gaining ones was about 1.07:One.

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

TOM Group Ltd (Code: 8001)	Down 3 percent to \$HK2.50 per share
Phoenix Satellite Television Holdings Ltd (Code: 8002)	Down 3 percent to \$HK1.51 per share
Shandong Weigao Group Medical Polymer Company Ltd (Code: 8199)	Down 3 percent to 70 cents per share
Panva Gas Holdings Ltd (Code: 8132)	Unchanged at \$HK4.10 per share
hongkong.com Corporation (Code: 8006)	Down 1 percent to 90 cents per share

The biggest GEM movers of the day, however, were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Billybala Holdings Ltd	8117		45.58	0.08
New Chinese Medicine Holdings Ltd	8085		16.67	0.05
New Universe International Group Ltd	8068		10.75	0.083
Prosten Technology Holdings Ltd	8026	18.26		0.136
Recruit Holdings Ltd	8073		15.63	0.027
SYSCAN Technology Holdings Ltd	8083	22.73		0.54
T S Telecom Technologies Ltd	8003		18.37	0.08

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average, a key index of blue chips, listed on Asia's largest equity market, edged down 34.43 yen, ending the day at 11,502.86 yen.

Even so, advancing counters eased out declining ones by the ratio of about 1.53:One.

The exchange rate for the US dollar was about 112.13 yen, which is positive for Japanese exporters, but questions were being asked as to whether or not the exchange rate would hold onto those levels for very long.

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

The HKSAR	Plus 0.88 percent to 13,573.54
Indonesia	Minus 0.66 percent to 772.87
Japan	Minus 0.30 percent to 11,502.86
Malaysia	Minus 0.60 percent to 880.85
The Philippines	Minus 0.20 percent to 1,468.76
Singapore	Minus 0.17 percent to 1,888.35
South Korea	Minus 0.58 percent to 900.10
Taiwan	Minus 0.61 percent to 6,901.48
Thailand	Plus 0.55 percent to 704.46

## Tuesday

As had been forecast by many old-timers on Wall Street, the prices of stocks and shares fell on the first day of trading, last week. (Please see Monday's report)

On The New York Stock Exchange, last Monday, the Dow Jones Industrial Average, the '*barometer*' of trading in blue chips on the world's largest bourse, fell by about 0.62 percent to 10,529.48 points.

The NASDAQ's Composite Index outdid The Dow, with a fall of about 1.90 percent, ending the hectic trading day at 2,008.78 points.

There was little impetus to give this market any idea of real direction ... so it drifted south.

Adding to the problems of many investors, worldwide, not just in the US, was the US dollar, which started to weaken, again, last Monday, New York time.

While the US dollar:Japanese yen rate was steady, at about 111.20 yen, the euro strengthened by about 0.30 percent to hit \$US1.244 by the close of the day in London, England, and New York.

In Europe, after seeing what had happened, during last Monday's trading session in the US, investors in eurozone started to sell equities in rather large lumps.

As a result, indices fell, fast and furiously.

Weakness in technology counters in the US prompted investors in Europe to scurry around in order to find buyers for their holdings.

This was how Europe's 6 largest bourses ended their respective days, last Tuesday:

Amsterdam's AEX Index	Minus 1.47 percent
Great Britain's FTSE 100 Index	Minus 0.26 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.41 percent
France's CAC40 Index	Minus 1.17 percent
Switzerland's Swiss Market Index	Minus 0.44 percent
Italy's MIBTEL Index	Minus 0.32 percent

## News wise

- **Volkswagen** warned that things were not well at Europe's largest producer of motor vehicles. Group Chairman Bernd Pischetsrieder announced: *'The operating profit for the first quarter of 2004 will be, to coin a phrase, miserable.'* Chairman Bernd Pischetsrieder, also, said that 5,000 VW workers would be receiving their pink slips.

In Asia, it was a mixed bag for equities.

On The Stock Exchange of Hongkong Ltd, there was widespread selling on the Main Board, causing the key index, The Hang Seng Index, to fall to its lowest level in more than one month.

By the close of trading, The Hang Seng Index stood at 13,397.25 points, a one-day fall of about 1.30 percent.

The fall was due, in part at least, to some apprehension over what the Government of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) was likely to do in order to increase revenue in its attempts to balance the Government's books.

The HKSAR Financial Secretary, Mr Henry Tang Ying Yen, was scheduled to deliver his Budget proposals in the Legislative Council, the following day.

It was Mr Tang's first Budget Speech and nobody was quite certain as to what he might say.

The Total Turnover on the Main Board of The Stock Exchange of Hongkong Ltd dropped back to about \$HK14.97 billion – which was, probably, a good sign, all things considered.

The ratio of losing counters to gaining ones was about 3.14:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.81 percent to \$HK122.00 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.62 percent to \$HK60.75 per share
PetroChina Company Ltd (Code: 857)	Up 1.20 percent to \$HK4.225 per share
PCCW Ltd (Code: 8)	Up 1.80 percent to \$HK5.65 per share
Hang Seng Bank Ltd (Code: 11)	Down 1.47 percent to \$HK100.50 per share
China Life Insurance Company Ltd (Code: 2628)	Down 2.68 percent to \$HK 5.45 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.04 percent to \$HK71.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.64 percent to \$HK27.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 2.30 percent to \$HK74.50 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 1.30 percent to \$HK15.20 per share

The biggest movers of the day were reserved for the following bunch:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Applied (China) Ltd	472		11.11	0.36
Asia Alliance Holdings Ltd	2997		13.25	0.072
China Bio-medical Group Ltd	140	17.65		0.18
CIL Holdings Ltd	479	11.76		0.019
Compass Pacific Holdings Ltd	1188		26.53	0.36
Cosmos Machinery Enterprises Ltd	118		10.71	0.50
Dong Fang Gas Holdings Ltd	432		12.62	0.90
E2-Capital (Holdings) Ltd	378		10.53	0.34
Earnest Investments Holdings Ltd	339		32.73	0.037
eSun Holdings Ltd	571		12.50	0.35
Medtech Group Company Ltd	1031		11.11	0.016
Mei Ah Entertainment Group Ltd	391	10.71		0.31
Pacific Plywood Holdings Ltd	767		13.46	0.045
PacMOS Technologies Holdings Ltd	1010		10.00	0.45
Paladin Ltd	495		10.95	0.187
People's Food Holdings Ltd	708	11.48		6.80
Prime Investments Holdings Ltd	721		10.00	0.36
Radford Capital Investment Ltd	901		10.87	0.041
Sino Prosper Holdings Ltd	766		10.77	0.58
Universal Holdings Ltd	419	12.50		0.054
Victory Group Ltd	1139	10.00		0.044
Winsan (China) Investment Group Company Ltd	85	11.11		0.45

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, this speculative market was extremely quiet, with The Growth Enterprise Index, moving up just 0.44 points, ending the day at 1,361.09 points.

The Total Turnover on this market was about \$HK163.50 million.

Losing counters were way ahead of gaining ones, the ratio, being about 2.52:One.

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

TOM Group Ltd (Code: 8001)	Down 3 percent to \$HK2.425 per share
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Golden Meditech Company Ltd (Code: 8180)  
 Phoenix Satellite Television Holdings Ltd (Code: 8002)  
 Panva Gas Holdings Ltd (Code: 8132)  
 Tong Ren Tang Technologies Company Ltd (Code: 8069)

Up 16 percent to \$HK4.125 percent  
 Down 5 percent to \$HK1.43 per share  
 Unchanged at \$HK4.10 per share  
 Up 7.60 percent to \$HK18.40 per share

The double-digit movers of this market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Billybala Holdings Ltd	8117	56.25		0.125
FX Creations International Holdings Ltd	8136		11.24	0.15
Global Digital Creations Holdings Ltd	8271		10.91	0.49
Golden Meditech Company Ltd	8180	16.20		4.125
LOULAN Holdings Ltd	8039	16.00		0.29
Recruit Holdings Ltd	8073	11.11		0.03
Stockmartnet Holdings Ltd	8123	20.75		0.064

#### News wise

- The HKSAR will lose the patronage of the US giant, **Motorola Incorporated**, which is the world's second-largest producer of cellular telephones. The company will move its design work for semiconductors from Singapore, Taiwan and the HSKAR to India and the PRC, proper.

In Japan, the country's 3 equity markets was comparatively quiet.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average ended the day, up one quarter of a percentage point to 11,532.04 yen.

The ratio of gainers to losers was about 1.27:One.

#### News wise

- **DaimlerChrysler Japan Company** said that it would be recalling 12,000 of its motor cars because of fuel-supply, system problems. The matter has been referred to The Land, Infrastructure and Transport Ministry of the Japanese Government;
- **Orders for private-sector machinery** fell a seasonally adjusted 12.20 percent in January, Month-on-Month, The Economic and Social Research Institute of The Cabinet Office said;
- February sales at the clothing chain, **Uniqlo**, were up by about 18.40 percent, Year-on-Year, the company announced. The share price of the publicly listed company, which owns the chain, **Fast Retailing Company**, has risen by about 280 percent in the past year as a direct result of better business prospects. The share price was 8,700 yen, last Tuesday;
- **Nissan North America Incorporated** has been sued by the Superior Court of Somerset County, New Jersey, the US, over, allegedly, failing to warn Nissan's US customers of the fact that its super-bright headlights are coveted by thieves; and,
- **Mitsubishi Corporation** is selling its holdings in Malaysian, motor-car maker, Proton.

This was how other Asian markets fared, last Tuesday:

The HKSAR	Minus 1.30 percent to 13,397.25
Indonesia	Minus 0.23 percent to 771.08
Japan	Plus 0.25 percent to 11,532.04
Malaysia	Plus 0.24 percent to 882.96
The Philippines	Minus 0.89 percent to 1,455.75
Singapore	Minus 0.17 percent to 1,885.20
South Korea	Minus 0.95 percent to 891.58
Taiwan	Plus 1.05 percent to 6,973.90
Thailand	Plus 0.88 percent to 710.66

#### Wednesday

Share prices fell for the second consecutive day on the world's largest equity markets, last Tuesday, New York time.

On The New York Stock Exchange, the key index, the Dow Jones Industrial Average, gave up another 0.69 percent of its value, falling to 10,456.96 points.

On the NASDAQ, its Composite Index shed about 0.68 percent, falling back to 1,995.16 points.

The losses of last Tuesday were quite serious, really, in spite of the seemingly small amounts of the *'haircuts'*, because it was clear that a pattern was being established and, as the saying goes: *'When one dog barks, 100 dogs bark.'*

Grave concerns were being made manifest that the improving pace of the economy of the mightiest country of the world, and in the history of the world, for that matter, might not be as cracked up as some people had been claiming, President George W. Bush, notwithstanding.

European bourses were taking careful note of what was happening in The Land of The Free and The Home of The Brave – and investors in that part of the world were, clearly, concerned.

That, which affects the United States (US), affects the world, so that, if the US economy is stalled or is slowing down, it will, definitely, impact on the rest of the world.

This was how indices of the major European bourses ended their respective trading days, last Wednesday:

Amsterdam's AEX Index	Minus 0.28 percent
Great Britain's FTSE 100 Index	Plus 0.07 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.05 percent
France's CAC40 Index	Plus 0.56 percent
Switzerland's Swiss Market Index	Plus 0.31 percent
Italy's MIBTEL Index	Minus 0.03 percent

In Asia, every equity market went into the red, last Wednesday.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index retreated about 1.37 percent, ending the session at 13,214.20 points.

The Total Turnover was about \$HK18.60 billion, with the ratio of losing counters to gaining ones, being about 4.34:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.82 percent to \$HK121.00 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.65 percent to \$HK59.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 3.52 percent to \$HK26.05 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.40 percent to \$HK70.25 per share
PetroChina Company Ltd (Code: 857)	Down 1.78 percent to \$HK4.15 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.67 percent to \$HK74.00 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 0.66 percent to \$HK15.10 per share
Hang Seng Bank Ltd (Code: 11)	Up 1.49 percent to \$HK102.00 per share
Cathay Pacific Airways Ltd (Code: 293)	Down 1.83 percent to \$HK16.10 per share
CNOOC Ltd (Code: 883)	Unchanged at \$HK 16.55 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Alliance Holdings Ltd	2997		29.17	0.051
Asia Standard Hotel Group Ltd	292		11.54	0.345
Century Legend (Holdings) Ltd	79		10.00	0.09
China Bio-medical Group Ltd	140	11.67		0.201
China Nan Feng Group Ltd	979		12.00	0.33
Culturecom Holdings Ltd	343	13.33		0.51
Dong Fang Gas Holdings Ltd	432		21.11	0.71
E2-Capital (Holdings) Ltd	378	10.29		0.375
Fortuna International Holdings Ltd	530	10.00		0.022
IDT International Ltd	167	10.06		1.86
Magician Industries (Holdings) Ltd	526	15.02		0.245
Multifield International Holdings Ltd	898		13.85	0.112
New Times Group Holdings Ltd	166		11.84	0.335
PacMOS Technologies Holdings Ltd	1010	13.33		0.51

Paladin Ltd	495	16.58		0.218
SEEC Media Group Ltd	205	10.00		0.66
Universal Holdings Ltd	419		11.11	0.048
Vanda Systems and Communications Holdings Ltd	757		22.22	0.70
Wanji Pharmaceutical Holdings Ltd	835		18.60	0.035
Yanion International Holdings Ltd	82	14.00		0.57

On The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, bears took complete control, knocking down The Growth Enterprise Index by about 2.11 percent to 1,332.76 points.

The Total Turnover was about \$HK211.79 million.

The ratio of losers to gainers was 1.75:One.

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

Beijing Beida Jade Bird Universal Sci-Tech Company Ltd (Code: 8095)	Down 17 percent to \$HK1.54 per share
TOM Group Ltd (Code: 8001)	Down 1 percent to \$HK2.40 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Up 1 percent to \$HK18.65 per share
Panva Gas Holdings Ltd (Code: 8132)	Down 1 percent to \$HK4.075 per share
Launch Tech Company Ltd (Code: 8196)	Up 7 percent to \$HK2.375 per share

The biggest movers on this market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd	8095		17.20	1.54
Cyber On-Air Group Company Ltd	8118	52.78		0.11
LOULAN Holdings Ltd	8039		27.59	0.21
New Chinese Medicine Holdings Ltd	8085		20.00	0.04
Wumart Stores Incorporated	8277	13.22		13.70

#### News wise

- The HKSAR Financial Secretary, Mr Henry Tang Ying Yen, delivered his first **Budget Speech** to the Legislative Council. He forecast a 6-percent growth for the economy, during this Fiscal Year. The Fiscal Deficit was estimated to be about \$HK49 billion, down below the original estimate of about \$HK78 billion;
- Cathay Pacific Airways Ltd (Code: 293)** announced its results for its Financial Year, ended December 31, 2003:

	Financial Year ended December 31	
	2003	2002
	All Figures are Denominated in \$HK million (unless otherwise specified)	
Turnover	29,578	33,090
Profit from Operations	2,225	4,750
Net Profit Attributable to Shareholders	1,303	3,983
Final Dividend	17 cents	28 cents

- Liu Chong Hing Bank Ltd (Code: 1111)** announced its results for the Financial Year, ended December 31, 2003:

	Financial Year ended December 31	
	2003	2002
	All Figures are Denominated in \$HK'000 (unless otherwise specified)	
Net Interest Income	670,178	749,371
Profit from Operations	369,780	381,698
Net Profit Attributable to Shareholders	311,475	311,411
Final Dividend	35 cents	35 cents

In Japan, investors appeared to lose heart, following the falls of Wall Street on Tuesday and the Japanese Government's announcement in respect of its revised output estimate for the final quarter of 2003.

The Tokyo Stock Exchange saw the Nikkei-225 Stock Average give up 98.80 yen, equivalent to about 0.86 percent of its value, dropping back to 11,433.24 yen.

Widespread selling of hi-tech counters overpowered investors. This, obviously, mirrored what had happened on Wall Street on Tuesday.

The ratio of losing counters to gaining ones was about 1.03:One.

#### News wise

- **Japan Airlines System Corporation** will be sacking about 8 percent of its entire Establishment Level. That is equivalent to about 4,500 Japanese workers, hitting the streets, looking for alternative employment;
- The **Current Account** for Japan for the month of January was about 1.05 trillion yen, an increase of about 135.20 percent, Year-on-Year, The Finance Ministry announced;
- The **Industrial Revitalisation Corporation of Japan (IRC)** announced that it would refinance **Kanebo Ltd**, the country's second-largest cosmetics company, which is in financial trouble. IRC, a State-operated company, will pump about 366 billion yen into the public company; and,
- The Japanese Government has revised its original estimate for the **Gross Domestic Product** for the final quarter of 2003, from 7 percent to 6.40 percent.

And this was how things ended, last Wednesday, on the Asia's 9 stock markets:

The HKSAR	Minus 1.37 percent to 13,214.20
Indonesia	Minus 1.39 percent to 760.33
Japan	Minus 0.86 percent to 11,433.24
Malaysia	Minus 0.81 percent to 875.83
The Philippines	Minus 0.01 percent to 1,455.67
Singapore	Minus 0.54 percent to 1,875.02
South Korea	Minus 1.75 percent to 876.02
Taiwan	Minus 1.42 percent to 6,874.91
Thailand	Minus 0.76 percent to 705.29

#### Thursday

More than 192 people were killed and some 1,200 people were injured in the Capital City of Spain, last Thursday, in what was, without question, the worst terrorist attack in that country in the past 70 years.

Residents of Spain could not remember a time in living history that such devastation had been caused by, clearly, a small band of terrorists, bent of death and destruction.

The world was revolted at the scenes of the dead and the dying at train stations in Madrid.

Undisclosed terrorists planted more than 10 bombs at railway stations in Madrid, all of which were timed to detonate between 0730 hours and 0800 hours, Madrid time (between 0630 hours Greenwich Mean Time and 0700 hours Greenwich Mean Time).

The international terrorist group, al-Qaeda, the leader of which is Osama bin Laden, the most-hated man in the world, claimed responsibility for the Madrid carnage.

That announcement came after a minivan was discovered, containing an audio-tape, extolling the virtues of Islam, just outside the Madrid city limits.

A London-based Arabic newspaper, al-quds al-Arabi, was e-mailed the al-Qaeda admission.

But Spanish Police were not convinced about the al-Qaeda claim; Spanish investigations were continuing into whether or not the Basque separatist group, ETA, was involved, partially or completely.

When European equity markets opened for business, last Thursday, selling was the order of the day: All other considerations were put on ice.

This was the economic carnage, left in the wake of the Madrid bombings:

Amsterdam's AEX Index	Minus 2.95 percent
Great Britain's FTSE 100 Index	Minus 2.20 percent
Germany's Frankfurt XETRA DAX Index	Minus 3.46 percent*
France's CAC40 Index	Minus 2.97 percent
Switzerland's Swiss Market Index	Minus 2.90 percent
Italy's MIBTEL Index	Minus 2.07 percent

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

The US equity markets were not open for business when the news of the Madrid killings was broadcast, round the world, but, on Wednesday, stocks and shares in the US had come under heavy fire for completely different reasons.

It was announced that the US trade deficit for the month of January was \$US43.10 billion.

It was a record level for any one month in the history of the US.

And, the record trade deficit was despite the ever-weakening US dollar, vis-à-vis the euro and the Japanese yen.

Wall Street did not like the news, at all.

On The New York Stock Exchange, the Dow Jones Industrial Average fell 160.07 points, equivalent to about 1.53 percent, ending the day at 10,296.89 points.

On the NASDAQ, the Composite Index followed suit, with a fall of 31.01 points, or about 1.55 percent, dropping back to 1,964.15 points.

Last Wednesday's close on The New York Stock Exchange meant that The Dow had lost all of the gains, made so far this year.

As for the NASDAQ, last Thursday's closing level for the Composite Index was 1.96 percent lower than the level at the end of 2003.

And, in view of the Madrid terrorist attacks, more losses were well expected when US equity markets re-opened for business, the following day.

European equity markets would, most likely, have fallen on the strength of the poor US economic news, in any event, but the carnage at Madrid took precedence over all-else.

In Asia, the news of the terrorist attacks in Spain was not known until late in the day so that it was not totally responsible for some of the large falls of indices on select stock markets in the region.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), Wall Street's weakness impacted on investors, dragging down the indices on both equity markets.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index fell about 1.44 percent, ending the day at 13,024.06 points.

The Total Turnover rose to about \$HK21.43 billion: A rising volume of activity on a falling market is never a good sign.

The ratio of losing counters to gaining ones was about 6.16:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.83 percent to \$HK120.00 per share
Weichai Power Company Ltd (Code: 2338)	Unchanged at \$HK13.45 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 3.26 percent to \$HK25.20 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 2.49 percent to \$HK68.50 per share
PetroChina Company Ltd (Code: 857)	Down 3.61 percent to \$HK4.00 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.67 percent to \$HK58.75 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 1.66 percent to \$HK14.85 per share
Aluminum Corporation of China Ltd (Code: 2600)	Down 2.48 percent to \$HK5.90 per share
China Life Insurance Company Ltd (Code: 2628)	Down 2.75 percent to \$HK5.30 per share
PCCW Ltd (Code: 8)	Down 3.51 percent to \$HK 5.50 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AV Concept Holdings Ltd	595		14.55	1.41
Buildmore International Ltd	108		19.39	0.395
CCT Tech International Ltd	261		13.64	0.019
China Bio-medical Group Ltd	140	19.40		0.24
Chinney Alliance Group Ltd	385		15.00	0.017
Credit Card DNA Security System (Holdings) Ltd	1051		11.84	0.067
DVN (Holdings) Ltd	500		10.83	1.40
E-Life International Ltd	370	12.50		0.09
Fujian Holdings Ltd	181		12.50	0.028
Gorient (Holdings) Ltd	729		10.00	0.018
Interchina Holdings Company Ltd	202		10.55	0.212
Kong Sun Holdings Ltd	295		13.89	0.031
Luoyang Glass Company Ltd	1108		13.25	1.31
Medtech Group Company Ltd	1031		12.50	0.014
Morning Star Resources Ltd	542	16.00		0.087
Ngai Hing Hong Company Ltd	1047		23.21	0.86
Singapore Hongkong Properties Investment Ltd	245		10.56	0.127
Shenyang Public Utility Holdings Company Ltd	747		13.85	1.12
Vanda Systems and Communications Holdings Ltd	757		11.43	0.62
Zhong Hua International Holdings Ltd	1064		17.39	0.095

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, there was blood on the trading floor, as The Growth Enterprise Index suffered its largest loss this year: Down 3.43 percent to 1,287.04 points.

The Total Turnover was about \$HK783.60 million, but trading in just one counter was responsible for nearly 63 percent of that volume of activity.

That one counter was newly listed Mr Li Ka Shing's TOM Online Incorporated (Code: 8282), a PRC-based, Internet services, something-or-other, whose debut saw its share price skid nearly 7 percent under the Offer Price of \$HK1.50, to end the day at \$HK1.40.

A total of 492.59 million, TOM Online shares changed hands, representing about 35 percent of the total number of shares that were Offered to the investing public.

Pity those investors that applied for these shares!

Other losses were well expected in trading days to come.

The ratio of losing counters to gaining ones on The GEM was about 2.48:One.

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

TOM Online Incorporated (Code: 8282)	\$HK1.40 per share (first day of trading)
TOM Group Ltd (Code: 8001)	Down 10 percent to \$HK2.15 per share
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd (Code: 8095)	Down 12 percent to \$HK1.36 per share
Phoenix Satellite Television Holdings Ltd (Code: 8002)	Up 1 percent to \$HK1.46 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Down 3 percent to \$HK18.00 per share

The biggest movers on this market included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd	8095		11.69	1.36
Chengdu Top Sci-Tech Company Ltd	8135		10.64	0.42
Chinasoft International Ltd	8216		10.14	0.62
Cyber On-Air Group Company Ltd	8118	80.91		0.199
Galileo Capital Holdings Ltd	8029	42.86		0.03
Global Digital Creations Holdings Ltd	8271		10.64	0.42
HK6 Holdings Ltd	8206	19.51		0.049
hongkong.com Corporation	8006		10.47	0.77
Info Communication Holdings Ltd	8082	10.77		0.072
iSteelAsia Holdings Ltd	8080		11.39	0.07

M21 Technology Ltd	8153		20.00	1.00
Media Partners International Holdings Incorporated	8072		10.87	0.41
New Chinese Medicine Holdings Ltd	8085	12.50		0.045
Prosten Technology Holdings Ltd	8026		15.44	0.115
Q9 Technology Holdings Ltd	8129		15.84	0.085
Tai Shing International (Holdings) Ltd	8103		16.67	0.50
Thiz Technology Group Ltd	8119	10.00		0.033
TOM Group Ltd	8001		10.42	2.15
Vaso Digital International Holdings Ltd	8220	10.34		0.16
Yuxing InfoTech Holdings Ltd	8005		11.11	0.40

### News wise

- **Legend Group Ltd (Code: 992)**, the largest producer of Personal Computers in the PRC, proper, is to sack about 600 of its workers. A spokesman for the company refused to state how many Legend employees would be given pink slips in the HSKAR.

In Japan, for the second consecutive session, the Nikkei-225 Stock Average, the benchmark of The Tokyo Stock Exchange, fell to selling pressure, ending the day at 11,297.04 yen, representing a one-day loss of about 1.19 percent.

Japanese stock brokers closed their offices too early to learn about the Madrid bombings, last Thursday, with the 3 equity markets of the country, following catch-up with Wall Street's falls of last Wednesday.

The ratio of losers to gainers was about 1.98:One.

And this was how other Asian bourses ended their respective trading days, last Thursday:

The HKSAR	Minus 1.44 percent to 13,024.06
Indonesia	Minus 2.52 percent to 741.20
Japan	Minus 1.19 percent to 11,297.04
Malaysia	Plus 0.42 percent to 879.50
The Philippines	Minus 1.42 percent to 1,435.07
Singapore	Minus 1.45 percent to 1,847.78
South Korea	Minus 0.70 percent to 869.93
Taiwan	Plus 0.06 percent to 6,879.11
Thailand	Plus 0.35 percent to 707.74

### Friday

The toll from the bombings in Madrid, Spain, had risen to 199 known dead and more than 1,500 others, having been injured, but because there were so many limbs at the train sites, Spanish Authorities were still undecided as to how many innocent civilians had lost their lives on what was being called, Spain's 9/11.

But, in an outpouring of grief, internationally, people took to the streets of major capitals of Europe, expressing sorrow and solidarity with the Spanish people at what had taken place.

The people of Spain turned out in their hundreds of thousands, walking the streets of major cities of the country, in what surely must have been one of the most-touching scenes the world has ever witnessed, following the horror of last Thursday morning's death and destruction at the hands of terrorists, who did not have the courage of their convictions to come forward and to state: *'Yes! We did it; and, this is the reason for our actions.'*

Not only were the mourners, those who had lost relatives and friends in the bomb attacks, expressing grief on the streets of Spain, but, also, there were those people, not even close to Madrid, who stood in piazzas, throughout the country, stone still, as a sign of respect.

But it was a sign also, one which said: *'We shall not be intimidated! We shall fight for a free society; a safe society; a way of life, in which the old and young may walk the streets without fear.'*

Leaders from around the world sent messages of condolence to Spain: Personal fights were pushed aside in a forceful display of oneness with the grief of Spain.

And, on European bourses, as though to say to the terrorists, *'Piss on you!'* indices rose for no other reason, other than a message to the terrorists that intimidation and killings will not sway the free peoples of the world from their way of life, and will not arrest the march of civilisation.

This was how indices on major European bourses ended last Friday's sessions:

Amsterdam's AEX Index	Plus 0.56 percent
Great Britain's FTSE 100 Index	Plus 0.50 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.27 percent
France's CAC40 Index	Plus 0.42 percent
Switzerland's Swiss Market Index	Minus 0.11 percent
Italy's MIBTEL Index	Minus 0.49 percent

On The New York Stock Exchange, last Thursday, on learning of the news of the Madrid bombings, the Dow Jones Industrial Average fell 168.51 points, hitting 10,128.38 points by the time that the hammer came down, signifying the end of the day's activities on the world's largest equity market.

The 1.64-percent loss was the largest single day's fall since May 2003.

On the NASDAQ, its Composite Index shed 20.26 points, or about 1.03 percent, falling back to 1,943.89 points.

On international, foreign-exchange markets, the value of the US dollar bounced back: Many people were selling their currencies in favour of the US dollar in fear that, in the event of another devastating terrorist attack, one such as last Thursday's in Madrid, Spain, the US dollar was the only safe haven.

The euro lost about 0.70 percent against the US dollar, ending the trading session in Tokyo, Japan, last Friday night, at about \$US1.2355.

As for the Japanese yen, it steadied at about 111.15 yen=\$US1.

In Asia, only one equity market's key index was in the black.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), share prices fell in sympathy with Madrid.

No other consideration was taken into account.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index dropped back 0.71 percent, ending the week at 12,932.23 points.

The Total Turnover was about \$HK24.42 billion, with the ratio of losing counters to gaining ones, being about 1.86:One.

Actually, in the morning session, to 12:30 p.m., the Hang Seng Index had been off by about 247.86 points, equivalent to about 1.90 percent, but investors were taking no chances at being caught short, and were covering positions lest there be another turn of events over the weekend.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 0.83 percent to \$HK119.00 per share
PetroChina Company Ltd (Code: 857)	Up 1.25 percent to \$HK4.05 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.59 percent to \$HK24.80 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 2.41 percent to \$HK70.75 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.85 percent to \$HK58.25 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 0.34 percent to \$HK14.80 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.94 percent to \$HK5.25 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 0.79 percent to \$HK3.20 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.46 percent to \$HK67.50 per share
China Telecom Corporation Ltd (Code: 728)	Down 0.93 percent to \$HK 2.675 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Applied International Holdings Ltd	519		10.26	0.105
Asia Alliance Holdings Ltd	2997		34.78	0.03

Buildmore International Ltd	108	24.05		0.49
Capital Strategic Investment Ltd	497		13.33	0.195
Central China Enterprises Ltd	351		10.00	2.025
Chinney Alliance Group Ltd	385	17.65		0.02
Chongqing Iron and Steel Company Ltd	1053	18.18		5.20
Credit Card DNA Security System (Holdings) Ltd	1051	31.34		0.088
Eagle Nice (International) Holdings Ltd	2368	11.54		2.175
Earnest Investments Holdings Ltd	339	13.89		0.041
First Sign International Holdings Ltd	933		17.11	0.315
Gay Giano International Group Ltd	686		11.67	0.265
Gorient (Holdings) Ltd	729		11.11	0.016
Guangzhou Shipyard International Company Ltd	317	10.49		1.79
Haywood Investments Ltd	905		17.12	0.121
Hong Tong Holdings Ltd	290	10.71		0.62
HSBC China Fund Ltd, The	504		42.68	0.90
ING Beijing Investment Company Ltd	1062		10.49	0.145
Interchina Holdings Company Ltd	202		11.32	0.188
Jinhui Holdings Company Ltd	137	11.44		30.20
Kiu Hung International Holdings Ltd	381		10.71	0.25
LifeTec Group Ltd	1180	10.49		0.179
MAXX Bioscience Holdings Ltd	512		10.77	0.058
Minglun Group (Hongkong) Ltd	346	10.22		0.248
Multifield International Holdings Ltd	898	14.29		0.128
PacMOS Technologies Holdings Ltd	1010	11.76		0.57
Singapore Hongkong Properties Investment Ltd	245	11.02		0.141
Tak Sing Alliance Holdings Ltd	126	12.90		0.35
TravelSky Technology Ltd	696		18.54	6.15

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, this speculative market continued its free-fall.

By the close of the day, The Growth Enterprise Index was off by about 1.67 percent, at 1,265.52 points.

The Total Turnover was about \$HK285.06 million, with declining counters, outpacing advancing counters by the ratio of about 2.41:One.

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

TOM Group Ltd (Code: 8001)	Down 3 percent to \$HK2.075 per share
TOM Online Incorporated (Code: 8282)	Down 3 percent to \$HK1.36 per share
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd (Code: 8095)	Up 6 percent to \$HK1.44 per share
Panva Gas Holdings Ltd (Code: 8132)	Down 1 percent to \$HK4.05 per share
Golden Meditech Company Ltd (Code: 8180)	Down 4 percent to \$HK3.525 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Aptus Holdings Ltd	8212		13.29	0.15
China Data Broadcasting Holdings Ltd	8016	35.67		2.225
Cyber On-Air Group Company Ltd	8118		15.58	0.168
Digitalhongkong.com	8007		10.53	0.085
Everpride Biopharmaceutical Company Ltd	8019		10.29	0.157
EVI Education Asia Ltd	8090	21.95		0.05
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231		11.11	0.56
Innovis Holdings Ltd	8065		12.50	0.35
MediaNation Incorporated	8160	14.29		0.136
New Chinese Medicine Holdings Ltd	8085	11.11		0.05
ProSticks International Holdings Ltd	8055		14.29	0.06
Recruit Holdings Ltd	8073		11.11	0.024
ThinSoft (Holdings) Incorporated	8096		14.14	0.17

The tally for the week on Asia's second-largest equity markets were:

Hang Seng Index	Down 3.88 percent
The Growth Enterprise Index	Down 7.64 percent

In Japan, it was another down day for investors on Asia's largest equity markets.

On the premier stock market of the country, The Tokyo Stock Exchange, the Nikkei-225 Stock Average lost 134.29 yen, equivalent to about 1.19 percent, ending the week at 11,162.75 yen.

The ratio of losing counters to gaining ones was 3.80:One.

It was the third, consecutive day of losses for Japanese investors, but last Friday's losses were, clearly, a reaction to the carnage at Madrid.

News wise

- **Corporate bankruptcies** in February fell about 23.80 percent to 1,208 filings, Year-on-Year, according to a private research firm in Tokyo. It was the 14<sup>th</sup> consecutive month of decreases.

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

The Nikkei-225 Stock Average                      Down 3.25 percent

And this was how other Asian stock markets ended the week of March 13, 2004:

The HKSAR	Minus 0.71 percent to 12,932.23
Indonesia	Minus 0.41 percent to 738.15
Japan	Minus 1.19 percent to 11,162.75
Malaysia	Plus 0.57 percent to 884.55
The Philippines	Minus 0.79 percent to 1,423.79
Singapore	Minus 0.69 percent to 1,835.08
South Korea	Minus 2.43 percent to 848.8
Taiwan	Minus 1.15 percent to 6,800.24
Thailand	Minus 1.79 percent to 695.08

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