

GEOPOLITICAL TENSIONS DETERMINE THE FORTUNES OF EQUITY MARKETS

The world appeared to be in turmoil, last Monday.

Equity markets, around the world, saw their key indices fall, fast and furiously, as a direct result.

In Taiwan, the Taiwan Weighted Index (the key index of that equity market) was off about 6.60 percent at the opening of the market, following the (disputed) success of President Chen Shui Bian to be re-elected for a second term by the razor-thin margin of less than 0.02 percent of the number of votes that had been cast.

The Presidential Election, which had been held the previous Saturday (March 19), was '*marred*' by a suspect shooting incident, an incident, which observers maintain, tilted the votes in favour of the President Chen Shui Bian, who was, allegedly, wounded, superficially, in the incident.

There are some people, however, who maintain that the shooting was a put-up job by an individual(s), who wanted to be certain that the incumbent President would get a shot (excuse the pun) at a second term in office – including President Chen Shui Bian, himself.

The Taiwanese President is known for his controversial stance of independence for Taiwan from the People's Republic of China (PRC).

The Government of the PRC has warned him and the people of Taiwan, on numerous occasions, that, should he maintain such a stance, he may expect the People's Liberation Army to take appropriate measures in order to maintain the one-China policy.

That piece of news was sufficient to rattle investors in Asia, but, then, the world was shocked, last Monday, when it was reported that the State of Israel had assassinated Sheik Ahmed Yassin, as he emerged from morning prayers in Gaza City.

Sheik Ahmed Yassin, 67 years old, is the founder of Hamas, the militant Palestinian group, which has claimed responsibility for numerous deaths of Israelis over the years.

The world braced for the retaliation, which was sure to come, as tens of thousands of the devout, marched through the streets of Gaza City, mourning the death of this cleric, who had been a quadriplegic since his childhood.

Sheik Ahmed Yassin, aside from his work in Hamas, was, also, a revered religious leader to the people of the West Bank.

Secretary General of the United Nations, Mr Kofi Annan, condemned the assassination, as did many other world leaders.

Of the killing, Mr Jack Straw, Foreign Secretary of the United Kingdom, said that the assassination was '*unjustified*' and he added that it was unlikely '*to achieve its objective*'.

France joined in the chorus of objectors of the killing.

Israel's Prime Minister Ariel Sharon congratulated the Israeli Defense Force (IDF) for its success in the operation.

Wall Street was, of course, closed when the news of the assassination of Sheik Ahmed Yassin was released, but in Europe, blood spilled onto trading floors, from east to west of eurozone.

This was how major European indices ended last Monday's trading sessions:

Amsterdam's AEX Index	Minus 2.34 percent
Great Britain's FTSE 100 Index	Minus 1.90 percent
Germany's Frankfurt XETRA DAX Index	Minus 2.35 percent
France's CAC40 Index	Minus 2.05 percent
Switzerland's Swiss Market Index	Minus 2.71 percent

The previous Friday (March 19) had seen selling pressure mount on US markets and, on The New York Stock Exchange, which is one of the biggest bourses in the world, the Dow Jones Industrial Average had fallen by about 1.06 percent to end the week at 10,186.60 points.

As for the NASDAQ, its Composite Index had ended the trading week at 1,940.47 points, after falling about 1.12 percent on the final hour of the day.

Wall Street, on Friday, March 19, was looking more at the situation in Pakistan, and wondering how long it would take the forces of President Pervez Musharraf to mop up a batch of some 400 or so al-Qaeda and Taliban fighters, holed up on the border with Afghanistan.

In Asia, every major equity market was deeply in the red, last Monday night.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index gave up about 1.87 percent of its value, falling back to 12,550.91 points.

The Total Turnover was about \$HK12.82 billion.

The ratio of losing counters to gaining ones was about 4.63:One.

The Ten Most Actives, all of which were in negative territory, were:

HSBC Holdings plc (Code: 5)	Down 1.69 percent to \$HK116.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 3.03 percent to \$HK22.40 per share
Hutchison Whampoa Ltd (Code: 13)	Down 3.90 percent to \$HK55.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 3.76 percent to \$HK64.00 per share
Semiconductor Manufacturing International Corporation (Code: 981)	Down 9.68 percent to \$HK2.10 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 4.07 percent to \$HK2.95 per share
PetroChina Company Ltd (Code: 857)	Down 2.44 percent to \$HK4.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 2.46 percent to \$HK69.50 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 0.34 percent to \$HK14.65 per share
China Life Insurance Company Ltd (Code: 2628)	Down 1.53 percent to \$HK4.825 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
A-Max Holdings Ltd	959		12.82	0.34
Asia Tele-Net and Technology Corporation Ltd	679	15.38		0.015
Century Legend (Holdings) Ltd	79	29.73		0.096
CIL Holdings Ltd	479	13.33		0.017
Earnest Investments Holdings Ltd	339		11.76	0.045
FT Holdings International Ltd	559	16.13		0.072
Golden Harvest Entertainment (Holdings) Ltd	1132	11.57		0.27
HSBC China Fund Ltd, The	504	17.04		1.58
INNOMAXX Biotechnology Group Ltd	340		12.05	0.365
Massive Resources International Corporation Ltd	70		20.59	0.027
Medtech Group Company Ltd	1031		14.29	0.012
Star East Holdings Ltd	198		14.93	0.057
UBA Investments Ltd	768	10.00		0.099
Yue Da Holdings Ltd	629	12.00		0.56

Over on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover dropped to about \$HK130.30 million.

Losing counters outbid gaining ones by the ratio of 1.73:One.

The Growth Enterprise Index ended the session at 1,249.55 points, off about 0.79 percent on the day.

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

TOM Group Ltd (Code: 8001)
 CK Life Sciences International (Holdings) Incorporated (Code: 8222)
 TOM Online Incorporated (Code: 8282)
 Kingdee International Software Group Company Ltd (Code: 8133)
 Panva Gas Holdings Ltd (Code: 8132)

Down 4 percent to \$HK1.94 per share
 Up 1percent to \$HK1.65 per share
 Down 1 percent to \$HK1.21 per share
 Up 3 percent to \$HK3.175 per share
 Down 1 percent to \$HK4.05 per share

The biggest movers on The GEM included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Billybala Holdings Ltd	8117	10.00		0.11
Changchun Da Xing Pharmaceutical Company Ltd	8067		15.28	0.305
G.A. Holdings Ltd	8126	13.60		0.142
Golding Soft Ltd	8190		12.82	0.034
HC International Incorporated	8292	10.53		2.10
HK6 Holdings Ltd	8206	42.86		0.08
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049		11.76	0.30
New Chinese Medicine Holdings Ltd	8085		11.11	0.04
QUASAR Communication Technology Holdings Ltd	8171	10.53		0.42
WLS Holdings Ltd	8021		18.82	0.069

News wise

- **BOC Hongkong (Holdings) Ltd (Code: 2388)** announced its results for the Financial Year, ended December 31, 2003. This is what the PRC, State-owned bank told shareholders:

	Financial Year ended December 31	
	2003	2002
	All Figures are Denominated in \$HK million (unless otherwise specified)	
Interest Income	17,759	21,463
Profit from Operations	8,700	8,168
Share of Profit/(Loss) of Associates	(9)	(100)
Net Profit Attributable to Shareholders	7,963	6,787
Percentage Change, Year-on-Year	Plus 17.33 percent	
Final Dividend	32 cents	21.50 cents

Japan, also, did not get off lightly, last Monday, as investors marked down the key index of The Tokyo Stock Exchange as soon as the news of the day was circulated on the trading floor.

The Nikkei-225 Stock Average gave up 100 yen, exactly, ending the session at 11,318.51 yen.

The 0.88-percent fall of last Monday saw losing counters, outpacing gaining counters by the ratio of 1.04:One.

The losses of last Monday followed on from a similar loss of the previous Friday.

Wall Street's losses of the previous Friday did not help matters on Asia's largest equity markets, but the unrest in the Middle East, coupled with the potential for unrest in Taiwan, shook Japanese investors to their shoestrings.

This was how other major Asian markets ended, last Monday:

The HKSAR	Minus 1.87 percent to 12,550.91
Indonesia	Closed
Japan	Minus 0.88 percent to 11,318.51
Malaysia	Plus 0.50 percent to 908.96
The Philippines	Minus 1.32 percent to 1,431.67
Singapore	Minus 1.47 percent to 1,812.16
South Korea	Minus 2.22 percent to 863.69

Taiwan	Minus 6.68 percent to 6,359.92
Thailand	Plus 0.01 percent to 681.34

Tuesday

Grave security fears continued to seem to permeate the very walls of equity markets, once again, last Tuesday in Europe and last Monday in the US, following the assassination of Sheik Ahmed Yassin.

On the first day of trading on Wall Street, sellers had it all over buyers.

On The New York Stock Exchange, last Monday, the Dow Jones Industrial Average shed another 1.20 percent of its value, ending the day at 10,064.75 points.

The NASDAQ's Composite Index gave up about 1.58 percent of its value, dropping back to 1,909.90 points.

The new, 2004 lows for Wall Street's key equity market indices were caused, almost entirely, by the killing of one of the most-revered religious leaders of the Palestinians: Sheik Ahmed Yassin.

American airline stocks were hit hard, as investors recalled the fallout from the al-Qaeda attacks on New York and Washington D.C. on September 11, 2001 when some 5,000-plus innocent civilians lost their lives to terrorists.

Leaders of the world showed their outrage at the actions of the Israeli Government, with the European Union Foreign Policy Chief, Mr Javier Solana, saying that it was *'very, very bad news'* for the peace process in the Middle East.

The US Government only said that it was *'deeply troubled'* by the killing.

In Gaza City, it was reported that more than 100,000 Palestinians had marched in the funeral procession of Sheik Ahmed Yassin, chanting *'Death to Israel!'* and *'Death to America!'*

It was, also, announced that the new Hamas leader, replacing Sheik Ahmed Yassin, was Mr Abdel Aziz al-Rantissi, who, clearly, was organising strikes on Israeli targets.

Mr Abdel Aziz al-Rantissi, known to be a hard-liner, went on international television, calling on the faithful to attack Israelis by all means and where-ever they could be found.

Europe listened and shuddered.

However, following the bloodbath on equity markets of the previous Monday, many investors looked round for bargains.

This helped lift some indices, but, by and large, the fractional gains were unconvincing.

This was how indices of major equity markets in eurozone fared, last Tuesday:

Amsterdam's AEX Index	Plus 0.25 percent
Great Britain's FTSE 100 Index	Minus 0.35 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.01 percent
France's CAC40 Index	Plus 0.02 percent
Switzerland's Swiss Market Index	Plus 0.75 percent
Italy's MIBTEL Index	Plus 0.02 percent

In Asia, the matter of the somewhat controversial, Taiwan Presidential Elections and demands for a recount of the votes continued to be unsettling for the region because of the possibility of President Chen Shui Bian, continuing to call for independence of Taiwan from the People's Republic of China (PRC).

The Taiwan Stock Market continued its retreat, last Tuesday, giving up another 2.94 percent of the value of the Taiwan Weighted Index.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, there was a bit of a bounce on The Stock Exchange of Hongkong Ltd, but it, too, as with the situation in Europe, was totally unconvincing.

By the close of the day, the Hang Seng Index, the *'barometer'* of trading on the Main Board, was up by about 0.30 percent to 12,588.36 points.

The Total Turnover was about \$HK15.35 billion, with the ratio of gainers to losers, being about 1.56:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK116.50 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK55.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.22 percent to \$HK22.45 per share
PetroChina Company Ltd (Code: 857)	Up 1.25 percent to \$HK4.05 per share
Semiconductor Manufacturing International Corporation (Code: 981)	Up 8.33 percent to \$HK2.275 per share
China Life Insurance Company Ltd (Code: 2628)	Up 3.63 percent to \$HK5.00 per share
China Petroleum and Chemical Corporation (Code: 386)	Unchanged at \$HK2.95 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.44 percent to \$HK70.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.17 percent to \$HK64.75 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 1.02 percent to \$HK14.80 per share

The biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
A-Max Holdings Ltd	959		13.24	0.295
Buildmore International Ltd	108		16.67	0.40
E. Bon Holdings Ltd	599		10.71	0.25
E2-Capital (Holdings) Ltd	378		10.81	0.33
Everbest Century Holdings Ltd	578		10.59	0.38
Harbin Brewery Group Ltd	249		10.00	3.60
Hong Tong Holdings Ltd	290	12.31		0.73
INNOMAXX Biotechnology Group Ltd	340	10.96		0.405
Jackley Holdings Ltd	353	20.00		0.072
Lai Sun Development Company Ltd	488		10.11	0.16
Mei Ah Entertainment Group Ltd	391	37.93		0.40
Neo-China Group (Holdings) Ltd	563	22.06		0.415
Orient Resources Group Company Ltd	467		35.71	0.045
Perennial International Ltd	725	33.33		0.40
Polytec Asset Holdings Ltd	208	12.00		0.056
Ruili Holdings Ltd	491	15.38		0.015
Shanghai International Shanghai Growth Investment Ltd	770	14.79		4.85
South China Industries Ltd	413		11.22	0.435
Takson Holdings Ltd	918		12.82	0.17
Yue Da Holdings Ltd	629		10.71	0.50

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index continued to fall, dropping back to 1,245.96 points.

Declining counters outnumbered advancing ones by the ratio of about 1.28:One.

The Total Turnover was about \$HK139.15 million.

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

TOM Group Ltd (Code: 8001)	Down 2 percent to \$HK1.91 per share
Panva Gas Holdings Ltd (Code: 8132)	Down 1 percent to \$HK4.025 per share
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd (Code: 8095)	Up 5 percent to \$HK1.11 per share
TOM Online Incorporated (Code: 8282)	Down 2 percent to \$HK1.19 per share
Yantai North Andre Juice Company Ltd (Code: 8259)	Up 4 percent to \$HK1.09 per share

The double-digit movers on this speculative market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Billybala Holdings Ltd	8117	13.64		0.125
Golding Soft Ltd	8190	11.76		0.038
Innovis Holdings Ltd	8065	10.53		0.315
Lai Fai International Holdings Ltd	8183		11.11	0.44

New Chinese Medicine Holdings Ltd	8085	12.50		0.045
Panorama International Holdings Ltd	8173	12.12		0.111
Proactive Technology Holdings Ltd	8089		12.50	0.14
Recruit Holdings Ltd	8073		16.67	0.025
TeleEye Holdings Ltd	8051		13.04	0.12

In Japan, it was the third consecutive day of losses for the country's 3 stock markets, which are the largest in Asia.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average shed one third of a percentage point, exactly, falling to 11,281.09 yen.

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

Japan was, of course, following Wall Street's lead where there had been considerable unease over the tense international situation, brought about by the actions of the Israeli Government's killing of Sheik Ahmed Yassin.

This was how indices of other Asian stock markets ended, last Tuesday:

The HKSAR	Plus 0.30 percent to 12,588.36
Indonesia	Minus 0.87 percent to 736.44
Japan	Minus 0.33 percent to 11,281.09
Malaysia	Minus 1.22 percent to 897.87
The Philippines	Minus 0.90 percent to 1,418.73
Singapore	Plus 0.34 percent to 1,818.41
South Korea	Plus 0.29 percent to 866.17
Taiwan	Minus 2.94 percent to 6,172.89
Thailand	Minus 0.31 percent to 679.22

Wednesday

The Western World was waiting ... and watching.

Rhetoric or threats, coupled with more terroristic acts, were some of the considerations, being pondered by leaders of the world, last Wednesday, following statements, made on international television by the new leader of Hamas, the militant branch of the Palestinian movement, Mr Abdel Aziz al-Rantissi.

There were reports that the Israeli Government was planning more attacks on Hamas and even on the elected leader of the Palestinians, Mr Yasir Arafat.

On Wall Street, investors were treated to the fourth consecutive day of losses on equity markets.

On The New York Stock Exchange, the Dow Jones Industrial Average lost 1.11 points, or about 0.01 percent, ending the session at 10,063.64 points.

The NASDAQ Composite Index, which is heavily laden with hi-tech counters, dropped 8.10 points, or about 0.42 percent, falling to 1,901.80 points.

Geopolitical events overhung and influenced all major determinations – even positive economic statistics, being churned out by various, US Government departments.

Europe was bearish, also, as investors continued to worry about various situations, throughout the world.

A commemorative, funeral service was held in Madrid, Spain, over the bombings of that city's railway stations, on March 11, 2004, attacks which left more than 200 people dead, with another 1,500 people injured.

Leaders of the free world flew into Madrid in order to pay their respects – and to lobby the new socialistic leadership of Spain in the hope of bringing it into the fold and keeping the Spanish, armed peacekeeping force in Iraq.

This was how leading indices of major European bourses ended, last Wednesday:

Amsterdam's AEX Index	Minus 0.87 percent
Great Britain's FTSE 100 Index	Minus 0.21 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.07 percent
France's CAC40 Index	Minus 0.61 percent
Switzerland's Swiss Market Index	Minus 0.11 percent
Italy's MIBTEL Index	Plus 0.10 percent

For many European bourses, last Wednesday's closes were a fresh 2004 low.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets moved ahead, but only fractional movements were recorded.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index put on about 0.71 percent, rising to 12,678.13 points.

But the Total Turnover shrank to about \$HK14.57 billion, suggesting, perhaps, that investors were far from being in a bullish mood.

Advancing counters swamped declining ones by the ratio of about 2.40:One.

The Ten Most Actives, all of which were gainers, were:

HSBC Holdings plc (Code: 5)	Up 0.43 percent to \$HK117.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.78 percent to \$HK22.85 per share
PetroChina Company Ltd (Code: 857)	Up 1.85 percent to \$HK4.125 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.35 percent to \$HK56.25 per share
Semiconductor Manufacturing International Corporation (Code: 981)	Up 2.20 percent to \$HK2.325 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 2.54 percent to \$HK3.025 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.54 percent to \$HK65.75 per share
Brilliance China Automotive Holdings Ltd (Code: 1114)	Up 11.54 percent to \$HK3.625 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.22 percent to \$HK70.75 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 1.01 percent to \$HK14.95 per share

The biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139	12.50		0.027
Brilliance China Automotive Holdings Ltd	1114	11.54		3.625
Buildmore International Ltd	108	10.00		0.44
Cheuk Nang (Holdings) Ltd	131	11.11		2.20
Far East Technology International Ltd	36		13.33	0.26
Graneagle Holdings Ltd	147	10.14		0.38
Hi Sun Group Ltd	818		11.43	0.31
Mei Ah Entertainment Group Ltd	391		22.50	0.31
Melco International Development Ltd	200	13.83		2.675
Orient Resources Group Company Ltd	467	22.22		0.055
Perennial International Ltd	725	10.00		0.44
Proview International Holdings Ltd	334	13.39		2.075
Same Time Holdings Ltd	451	17.33		1.76
Softbank Investment International (Strategic) Ltd	648	13.51		0.126
Victory Group Ltd	1139		10.00	0.045
Wealthmark International (Holdings) Ltd	39		11.11	0.80
Wonderful World Holdings Ltd	109		11.39	0.14
Wong's International (Holdings) Ltd	99		13.01	1.07

Over on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index rose about 0.77 percent, running back to 1,255.54 points.

But, once again, the volume of activity was such as to be uninspiring of a rising equity market.

The Total Turnover slid back to about \$HK113.39 million.

On this speculative marketplace, the ratio of gainers to losers was very tight, at about 1.03:One.

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

TOM Group Ltd (Code: 8001) Up 2 percent to \$HK1.95 per share

TOM Online Incorporated (Code: 8282) Down 2 percent to \$HK1.21 per share

Panva Gas Holdings Ltd (Code: 8132) Down 1 percent to \$HK4.00 per share

Phoenix Satellite Television Holdings Ltd (Code: 8002) Up 5 percent to \$HK1.58 per share

Kanstar Environmental Paper Products Holdings Ltd (Code: 8011) Down 5 percent to 40 cents per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Billybala Holdings Ltd	8117		12.00	0.11
Golding Soft Ltd	8190		10.53	0.034
Recruit Holdings Ltd	8073	24.00		0.031
Yuxing InfoTech Holdings Ltd	8005	40.85		0.50

In Japan, it was a similar situation as that which had taken place in the HKSAR with regard to equity trading.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average gained 83.90 yen, or about 0.74 percent, running to 11,364.99 yen.

The ratio of gainers to losers was about 2.12:One.

News wise

- **Resona Holdings Incorporated** was said to be in the final stages of selling a major slice of Cosmo Securities Company to CSK Corporation. Resona Bank owns about 60 percent of the publicly listed, securities company, which is based in Osaka; and,
- **Japan's trade surplus** rose about 51.70 percent in February, Year-on-Year, to 1,406 trillion yen (about \$US13.22 billion), The Ministry of Finance said.

And, in other parts of Asia, this was how major indices ended the trading day of March 25, 2004:

The HKSAR	Plus 0.71 percent to 12,678.13
Indonesia	Plus 0.32 percent to 738.79
Japan	Plus 0.74 percent to 11,364.99
Malaysia	Minus 0.29 percent to 895.31
The Philippines	Minus 2.03 percent to 1,389.87
Singapore	Plus 0.93 percent to 1,835.29
South Korea	Minus 0.51 percent to 861.72
Taiwan	Plus 0.66 percent to 6,213.56
Thailand	Minus 0.24 percent to 677.61

Thursday

As the dust cleared on the very volatile international situation, last Thursday, investors took stock of their situations and determined that, perhaps, things were not so bad, after all.

Aside from the continuing threat of more attacks by radical extremists in the Middle East, especially, on the economic front, things were continuing to be on the mend.

Hamas had talked a big story, but, as at last Thursday, it was rhetoric, and little else.

One hoped that that would remain to be the status quo for the foreseeable future.

On The New York Stock Exchange, last Wednesday, the Dow Jones Industrial Average fell about 15.14 points, equivalent to about 0.15 percent, ending the proceedings at 10,048.23 points.

Over on the NASDAQ, its Composite Index rose about 0.40 percent to 1,909.48 points.

The volume of activity was relatively heavy, suggesting that the market was ready for a rebound.

In Europe, there was no question of a future rebound: It had arrived.

Every bourse in eurozone made material gains.

This was how **TARGET**'s batch of some of the largest equity markets in Europe closed, last Thursday:

Amsterdam's AEX Index	Plus	2.51 percent
Great Britain's FTSE 100 Index	Plus	1.49 percent
Germany's Frankfurt XETRA DAX Index	Plus	2.30 percent
France's CAC40 Index	Plus	1.48 percent
Switzerland's Swiss Market Index	Plus	1.60 percent
Italy's MIBTEL Index	Plus	1.32 percent

International security concerns were put to one side, by and large, last Thursday, following the European Union, agreeing to mount a task force in order to combat international terrorism.

In Asia, only the Japanese markets made any appreciable gains.

Most indices of major equity markets in the region saw tens of billions of dollars chopped off the prices of stocks and shares, following a continuous barrage of selling pressure.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index fell about 1.25 percent to 12,520.21 points on a Total Turnover of about \$HK15.32 billion.

The volume of activity was not sufficiently high to cause anxiety among many investors since it was clear that the selling was orderly and relatively light.

The ratio of losing counters to gaining ones was about 4.81:One.

The Ten Most Active counters, all in negative territory, were:

HSBC Holdings plc (Code: 5)	Down 1.28 percent to \$HK115.50 per share
PetroChina Company Ltd (Code: 857)	Down 6.06 percent to \$HK3.875 per share
Li and Fung Ltd (Code: 494)	Down 12.68 percent to \$HK12.05 per share
China Telecom Corporation Ltd (Code: 728)	Down 7.27 percent to \$HK2.55 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.78 percent to \$HK55.25 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 4.96 percent to \$HK2.875 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.41 percent to \$HK69.75 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 2.28 percent to \$HK64.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.88 percent to \$HK22.65 per share
CLP Holdings Ltd (Code: 2)	Down 0.47 percent to \$HK42.10 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Alliance Holdings Ltd	616		32.56	0.29
BALtrans Holdings Ltd	562		27.17	1.93
Chitaly Holdings Ltd	1198	35.85		3.60
Culturecom Holdings Ltd	343	13.56		0.67
EC-Founder (Holdings) Company Ltd	618		11.11	0.40
Everest International Investments Ltd	204		16.67	0.055
Fushan Holdings Ltd	639	11.11		0.30
Graneagle Holdings Ltd	147		10.53	0.34

Li and Fung Ltd	494		12.68	12.05
Multifield International Holdings Ltd	898	15.97		0.138
New World Development Company Ltd	2903		12.76	1.71
Radford Capital Investment Ltd	901		10.00	0.036
Wonson International Holdings Ltd	651		10.34	0.026

On The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, investors followed the lead of those investors on the Main Board.

By the close of the day, The Growth Enterprise Index was off by 1.05 percent, exactly, to 1,242.36 points.

The Total Turnover continued to be on the low side, at about \$HK123.08 million.

Losing counters outran gaining ones by the ratio of 2:One, exactly.

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

TOM Group Ltd (Code: 8001)	Down 5 percent to \$HK1.85 per share
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd (Code: 8095)	Down 8 percent to \$HK1.02 per share
Kingdee International Software Group Company Ltd (Code: 8133)	Up 6 percent to \$HK3.425 per share
TOM Online Incorporated (Code: 8282)	Down 2 percent to \$HK1.18 per share
Panva Gas Holdings Ltd (Code: 8132)	Down 1 percent to \$HK3.975 per share

The biggest movers on this market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Glory Future Group Ltd	8071		25.00	0.051
Golding Soft Ltd	8190	14.71		0.039
HK6 Holdings Ltd	8206	12.50		0.09
PINE Technology Holdings Ltd	8013		15.17	0.246
Proactive Technology Holdings Ltd	8089		14.29	0.12

The 3 Japanese stock markets had the distinction of being the only real gainers in Asia, last Thursday.

The Nikkei-225 Stock Average, a key gauge to trading in blue chips on The Tokyo Stock Exchange, rose by about 1.46 percent, ending a rather busy trading day at 11,530.91 yen.

The ratio of gaining counters to losing ones was about 3.56:One.

It appeared that many Japanese investors had put behind them, at least for the time being, the fears of more international terrorism.

This was how other Asian equity markets fared, last Thursday:

The HKSAR	Minus 1.25 percent to 12,520.21
Indonesia	Minus 1.58 percent to 727.10
Japan	Plus 1.46 percent to 11,530.91
Malaysia	Minus 0.58 percent to 890.14
The Philippines	Plus 0.23 percent to 1,393.12
Singapore	Minus 0.27 percent to 1,830.40
South Korea	Minus 0.97 percent to 853.38
Taiwan	Minus 0.91 percent to 6,156.73
Thailand	Minus 1.91 percent to 664.66

Friday

US investors went on a buying binge, last Thursday.

It was as though there would not be sufficient scrip for everybody.

As a result, on The New York Stock Exchange, the Dow Jones Industrial Average rose 170.59 points, equivalent to about 1.70 percent, ending the hectic trading day at 10,218.82 points.

Over on the NASDAQ, its Composite Index jumped 57.69 points, or about 3.02 percent, running back to 1,967.17 points.

For the NASDAQ, its gains of last Thursday represented the largest single day of improvement in the previous 9 months.

For the Big Board of The New York Stock Exchange, the gains of last Thursday represented the end of a 5-day losing streak.

It appeared that American investors had stopped having Saint Vitus's Dance and calm had been restored.

In Europe, following Thursday's rather large gains, investors determined to take things easy, with many, taking their profits to the bank.

Fractional gains and losses marked major eurozone indices, last Thursday, as the following makes clear:

Amsterdam's AEX Index	Plus 0.21 percent
Great Britain's FTSE 100 Index	Minus 0.37 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.27 percent
France's CAC40 Index	Plus 0.62 percent
Switzerland's Swiss Market Index	Minus 0.09 percent
Italy's MIBTEL Index	Plus 0.24 percent

The new Hamas leader, Mr Abdel Aziz al-Rantissi, continued to make noises, but nothing else had taken place.

In Asia, Japan led the leaders of the major 9 stock markets, but there a couple of outstanding losers, also.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index fell about 0.30 percent to end the week at 12,483.24 points.

The Total Turnover was on the low side, at about \$HK14.75 billion.

The ratio of losing counters to gaining ones was about 1.56:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK115.50 per share
Li and Fung Ltd (Code: 494)	Down 2.49 percent to \$HK11.75 per share
PetroChina Company Ltd (Code: 857)	Down 0.65 percent to \$HK3.85 per share
China Unicom Ltd (Code: 762)	Down 12.27 percent to \$HK7.15 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.66 percent to \$HK22.50 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 2.61 percent to \$HK2.80 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.78 percent to \$HK63.75 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.36 percent to \$HK56.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Unchanged at \$HK69.75 per share
China Telecom Corporation Ltd (Code: 728)	Up 0.98 percent to \$HK2.575 per share

The biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
A-Max Holdings Ltd	959		32.20	0.20
Asia Alliance Holdings Ltd	616		14.83	0.247
BALtrans Holdings Ltd	562	13.99		2.20
Bestway International Holdings Ltd	718	13.33		0.034
Bright International Group Ltd	1163		20.39	0.82
Central China Enterprises Ltd	351		10.87	2.05
China Fair Land Holdings Ltd	169		13.56	0.51
China Unicom Ltd	762		12.27	7.15
Midas International Holdings Ltd	1172		10.39	0.69
Tack Hsin Holdings Ltd	611	12.69		0.151

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, trading was quiet, with the Total Turnover, reaching only \$HK159.22 million.

The Growth Enterprise Index lost about 0.11 percent, falling back to 1,241.06 points.

The ratio of losers to gainers was about 1.52:One.

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

Launch Tech Company Ltd (Code: 8196)	Unchanged at \$HK2.40 per share
TOM Group Ltd (Code: 8001)	Unchanged at \$HK1.85 per share
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd (Code: 8095)	Down 10 percent to 92 cents per share
TOM Online Incorporated (Code: 8282)	Unchanged at \$HK1.18 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Up 4 percent to \$HK1.67 per share

The biggest GEM movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Advanced Card Systems Holdings Ltd	8210	11.76		0.285
Glory Mark Hi-Tech (Holdings) Ltd	8159	10.00		0.33
Golding Soft Ltd	8190		12.82	0.034
Milkyway Image Holdings Ltd	8130	10.53		0.042
Pan Sino International Holding Ltd	8260		11.36	0.39
Stockmartnet Holdings Ltd	8123		10.71	0.05
Wumart Stores Incorporated	8277		10.48	11.10

The tally for the week on the 2 equity markets of the HKSAR were:

The Hang Seng Index	Down 2.40 percent
The Growth Enterprise Index	Down 1.46 percent

For the second consecutive day, Japan's premier stock market, The Tokyo Stock Exchange, was the biggest gainer in Asia.

Investors pulled up the key index of this market, The Nikkei-225 Stock Average, by 239.74 yen, or about 2.08 percent, causing it to hit a 22-month high of 11,770.65 yen.

The ratio of gaining counters to losing ones was about 1.27:One.

Tokyo was following Wall Street, to be sure, because there was no other legitimate reason for this market's key index to reach for levels, not seen since August 15, 2001.

The tally for the week for this market was:

The Nikkei-225 Stock Average	Up 2.51 percent
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And this was how indices on other Asian stock markets, ended the week of March 27, 2004:

The HKSAR	Minus 0.30 percent to 12,483.24
Indonesia	Minus 1.78 percent to 714.13
Japan	Plus 2.08 percent to 11,770.65
Malaysia	Plus 0.56 percent to 895.12
The Philippines	Minus 0.16 percent to 1,390.92
Singapore	Minus 0.18 percent to 1,827.11
South Korea	Plus 1.24 percent to 863.95
Taiwan	Minus 0.39 percent to 6,132.62
Thailand	Plus 0.09 percent to 665.25

***While TARGET makes every attempt to ensure accuracy of all data published,
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