

SARS RETURNS TO HAUNT ASIA
CHINA'S PREMIER VOWS TO COOL THE COUNTRY'S ECONOMY

Asia braced itself for what seemed to be the inevitable, with all but the Japanese equity markets' indices, falling heavily.

Emergency procedures were put in place, last Monday, throughout the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), following confirmation that 4 cases of Severe Acute Respiratory Syndrome (SARS), in Beijing and in the eastern province of Anhui, had been detected.

One of the patients had died of complications from the infection.

More than 120 people in the PRC, proper, were known to be under observation, the Beijing announced.

Investors in the HKSAR shuddered at the news, as people remembered the period from November 2002 to April of 2003, when many businesses in the territory nearly came to a complete standstill due, almost entirely, to SARS.

While the confirmed cases of SARS in the PRC, proper, had been limited to a small number of people, as at last Monday, it was recalled that, in November 2002, the Government of the PRC did not tell the world of the full extent of the problems in many areas of the country – including, but not limited to, the border areas of the HKSAR, specifically at Guangzhou.

It was not until the end of February 2003 that the PRC Government was forced to come clean with the facts.

By then, SARS had spread throughout the country; it had, also, reached as far away as Canada, where people were dying of the disease, the country, having been completely unprepared for the Asian epidemic, which had taken on the appearance of a pandemic.

The 2 equity markets of the HKSAR, last Monday, reeled from the news of new cases of SARS.

Would it spread to the HKSAR, as tourists from the PRC, proper, entered the territory on sight-seeing sprees?

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index shed about 2.03 percent of its value, falling to 12,132.68 points.

The Total Turnover was about \$HK13.28 billion, with trading in the shares of HSBC Holdings plc (Code: 5), accounting for nearly 9 percent of the entire volume of activity of the day.

The ratio of losing counters to gaining ones was about 5.99:One.

The Ten Most Actives, all of which were losers, by the way, were:

HSBC Holdings plc (Code: 5)	Down 0.86 percent to \$HK115.00 per share
Johnson Electric Holdings Ltd (Code: 179)	Down 19.28 percent to \$HK6.70 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 2.80 percent to \$HK20.85 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 2.49 percent to \$HK68.50 per share
PetroChina Company Ltd (Code: 857)	Down 4.11 percent to \$HK3.50 per share
China Life Insurance Company Ltd (Code: 2628)	Down 5.13 percent to \$HK4.625 per share
Aluminum Corporation of China Ltd (Code: 2600)	Down 10.45 percent to \$HK4.925 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 2.41 percent to \$HK60.75 per share
Hutchison Whampoa Ltd (Code: 13)	Down 2.28 percent to \$HK53.50 per share
Maanshan Iron and Steel Company Ltd (Code: 323)	Down 11.97 percent to \$HK2.575 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Angang New Steel Company Ltd	347		11.97	3.125
Anhui Conch Cement Company Ltd	914		12.73	9.60

Asia Tele-Net and Technology Corporation Ltd	2912		12.50	0.21
CEC International Holdings Ltd	759		19.79	0.15
Central China Enterprises Ltd	351		16.00	2.10
Aluminum Corporation of China Ltd	2600		10.45	4.925
China Eagle Group Company Ltd	493		11.39	0.35
China Nan Feng Group Ltd	979	14.55		0.063
China Strategic Holdings Ltd	235		15.18	0.475
Coastal Greenland Ltd	1124		14.23	0.205
First Natural Foods Holdings Ltd	1076		10.77	0.58
Fortuna International Holdings Ltd	530		12.50	0.014
Fushan Holdings Ltd	639		10.00	0.27
GeoMaxima Energy Holdings Ltd	702		16.06	0.115
Global Green Tech Group Ltd	274		21.19	0.93
Jiangxi Copper Company Ltd	358		10.95	3.05
Johnson Electric Holdings Ltd	179		19.28	6.70
Keck Seng Investments (Hongkong) Ltd	184		15.32	1.05
Luoyang Glass Company Ltd	1108		14.15	0.91
Maanshan Iron and Steel Company Ltd	323		11.97	2.575
Magician Industries (Holdings) Ltd	526		11.67	0.159
Mei Ah Entertainment Group Ltd	391		13.79	0.25
Morning Star Resources Ltd	542	23.08		0.08
Nam Fong International Holdings Ltd	1176	10.00		0.033
Orient Resources Group Company Ltd	467		26.67	0.044
Solartech International Holdings Ltd	1166		10.26	0.35
South China Industries Ltd	413	22.50		0.49
Swank International Manufacturing Company Ltd	663		16.67	0.06
Theme International Holdings Ltd	990		14.63	0.035
Wing On Travel (Holdings) Ltd	1189		10.00	0.018

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, share prices dropped in quick succession, in spite of the fact that the Total Turnover dropped back to about \$HK57.14 million.

The Growth Enterprise Index ended the day at 1,156.32 points, representing a one-day fall of about 2 percent, which was not very different from the situation on the Main Board.

Losing counters outran gaining counters by the ratio of about 2.46:One.

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

Panva Gas Holdings Ltd (Code: 8132)	Up 1 percent to \$HK3.925 per share
TOM Group Ltd (Code: 8001)	Down 3 percent to \$HK1.80 per share
Golden Meditech Company Ltd (Code: 8180)	Up 2 percent to \$HK3.375 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Down 5 percent to \$HK16.95 per share
Phoenix Satellite Television Holdings Ltd (Code: 8002)	Down 4 percent to \$HK1.43 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B and B Natural Products Ltd	8156		12.09	0.80
Byford International Ltd	8272		16.67	0.35
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231		12.28	0.50
iSteelAsia Holdings Ltd	8080	24.59		0.076
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049		10.71	0.25
M21 Technology Ltd	8153		21.11	0.71
Recruit Holdings Ltd	8073		11.76	0.015
T S Telecom Technologies Ltd	8003		26.32	0.056
TeleEye Holdings Ltd	8051	19.28		0.099
Thiz Technology Group Ltd	8119	14.29		0.024

In Japan, seemingly undeterred by the SARS outbreak in the PRC, proper, investors on Asia's largest equity markets continued to push key indices to record levels.

By the close of last Monday's trading day, the Nikkei-225 Stock Average, a key index of trading on The Tokyo Stock Exchange, was standing at 12,163.89 yen, up about 43.23 yen, or about 0.36 percent, compared with the previous Friday's closing level.

It was the highest level since August 7, 2001.

Although the Nikkei-225 Stock Average was in positive territory, losing counters outnumbered gaining ones by the ratio of 1.34:One.

Which, probably, suggested that a major market correction was on the way.

News wise

- **Mitsui O.S.K. Lines Ltd** announced that it had raised its earnings forecast for Fiscal 2003 to a Group Net Profit of about 52 billion yen, which is an increase of about 13 percent, compared with its previous February 12 statement.

When Wall Street opened for business, last Monday, investors seemed, still, to be worried over the probability that the US Federal Reserve Board might well consider raising interest rates, off their present, 46-year lows.

(Please see last Wednesday's [TARGET Intelligence Report, Volume VI, Number 79](#), second report, for **TARGET**'s assessment of this situation.)

The fighting in Iraq was intensifying, considerably, with daily reports of US soldiers, having been killed and wounded – which did not augur well for the US Government.

On The New York Stock Exchange, last Monday, the Dow Jones Industrial Average closed at 10,444.73 points for a loss of about 0.27 points, compared with the previous Friday's closing level.

On the NASDAQ, its Composite Index shed about 0.63 percent, falling back to 2,036.77 points.

In Europe, where no cases of SARS had been reported, as at last Monday, at least, individual bourses appeared to go their individual ways, being swayed, one way or another, by parochial considerations.

After seeing the opening of The New York Stock Exchange, some major European equity markets went into reverse gear, but, in general, there were more gainers than losers.

This was how the major equity markets in Europe fared, last Monday:

Amsterdam's AEX Index	Minus 0.57 percent
Great Britain's FTSE 100 Index	Plus 0.04 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.54 percent
France's CAC40 Index	Minus 0.68 percent
Switzerland's Swiss Market Index	Plus 1.08 percent
Italy's MIBTEL Index	Plus 0.20 percent

And this was the way that investors on Asian bourses saw the situation, last Monday night:

The HKSAR	Minus 2.03 percent to 12,132.68
Indonesia	Minus 0.45 percent to 811.75
Japan	Plus 0.36 percent to 12,163.89
Malaysia	Minus 0.61 percent to 870.12
The Philippines	Minus 1.10 percent to 1,571.90
Singapore	Minus 0.98 percent to 1,849.38
South Korea	Minus 1.74 percent to 919.74
Taiwan	Minus 0.55 percent to 6,710.70
Thailand	Minus 2.09 percent to 667.61

Tuesday

The US National Association of Realtors reported that sales of existing homes in Continental US rose at an average annual rate of about 6.48 million units in March, up from 6.12 million units in February.

But, for many Americans, there was growing concern that the boom in home sales was coming to a swift end, and, with its ending, along would come the end of the low, interest-rate honeymoon.

From The Conference Board, it was announced that consumer confidence was on the rise, with the Consumer Confidence Index up about 5.21 percentile points in April, compared with March's figure, to 92.90 points.

While there was ample evidence, indicating that the economy of the US was continuing to improve, it did not translate into higher prices of stocks and shares, at least, not last Tuesday.

On The New York Stock Exchange, the Dow Jones Industrial Average rose about one third of a percentage point to close the day at 10,478.16 points, while, on the tech-laden NASDAQ, its Composite Index eased back about 0.21 percent to 2,032.53 points.

European bourses ended their respective trading sessions, last Tuesday, mostly unchanged, compared with Monday's closes, because it appeared that there was little reason for investors in that part of the world to do much else, in the opinion of many people.

European investors had noted that US stock markets had opened on a neutral note, last Tuesday, and there was a general opinion, among European stockbrokers, that regardless of positive corporate announcements, it would be unlikely for stock markets in the US to move very far, in any direction very quickly.

This was how indices of major European bourses closed, last Tuesday:

Amsterdam's AEX Index	Minus 0.16 percent
Great Britain's FTSE 100 Index	Plus 0.09 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.20 percent
France's CAC40 Index	Minus 0.09 percent
Switzerland's Swiss Market Index	Minus 0.20 percent
Italy's MIBTEL Index	Plus 0.07 percent

The relevant health authorities in Beijing, known as The Beijing Centre of Disease Control, had quarantined not less than 600 people, by last Tuesday, it was reported, as the Government of the People's Republic of China (PRC) put on a determined and resolute face in order to reassure the world of the country's resolve to stamp out the spread of Severe Acute Respiratory Syndrome (SARS).

And, in Anhui, another 100 people had been isolated.

Between November 2002 and April 2003, it has been estimated that not less than 800 Chinese citizens had died of SARS.

And those were only the official figures.

Many of the PRC deaths had come about due to negligence on the part of the medical authorities of the country.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, investors remained concerned about the possible spread of SARS to the territory since the border between the HKSAR and the PRC is wide open, with little to no medical controls.

The HKSAR Government is, traditionally, reactive to just about anything, rather than being proactive, which is wont of the appointed Chief Executive, Mr Tung Chee Hwa, who is known to be afraid to make any definitive decision without, first, obtaining express approval from Beijing, his Lord and Master.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index regained about 0.18 percent of its value, ending the day at 12,154.91 points.

The Total Turnover dropped back to about \$HK10.64 billion, however.

The ratio of gainers to losers was about 1.16:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.43 percent to \$HK115.50 per share
Maanshan Iron and Steel Company Ltd (Code: 323)	Up 1.94 percent to \$HK2.625 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.24 percent to \$HK20.80 per share
Johnson Electric Holdings Ltd (Code: 179)	Up 2.99 percent to \$HK6.90 per share

Sun Hung Kai Properties Ltd (Code: 16)	Up 0.37 percent to \$HK68.75 per share
Aluminum Corporation of China Ltd (Code: 2600)	Down 1.02 percent to \$HK4.875 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.47 percent to \$HK53.75 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Unchanged at \$HK60.75 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 0.71 percent to \$HK14.00 per share
PetroChina Company Ltd (Code: 857)	Down 0.71 percent to \$HK3.475 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Central China Enterprises Ltd	351	19.05		2.50
Cheong Ming Investments Ltd	1196		10.17	0.53
Cheung Tai Hong Holdings Ltd	199		11.11	0.28
China Eagle Group Company Ltd	493		11.43	0.31
CITIC 21CN Company Ltd	241	10.45		0.74
Easyknit International Holdings Ltd	1218	13.68		0.133
Fulbond Holdings Ltd	1041	25.00		0.02
I-China Holdings Ltd	2911		62.90	0.046
Man Yue International Holdings Ltd	894	16.67		0.35
MAXX Bioscience Holdings Ltd	2909		25.00	0.45
Mei Ah Entertainment Group Ltd	391	20.00		0.30
Nam Fong International Holdings Ltd	1176		15.15	0.028
Paladin Ltd	495	10.10		0.218
Polytec Asset Holdings Ltd	208		10.26	0.035
SIS International Holdings Ltd	529	13.56		0.67
Stone Group Holdings Ltd	409	12.12		0.74
Sunlink International Holdings Ltd	2336		11.11	0.08
Swank International Manufacturing Company Ltd	663	15.00		0.069
Unity Investments Holdings Ltd	913		17.65	0.28

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover dropped to another 2004-low of about \$HK46.87 million.

It was apparent that The GEM had become somewhat of a bore to many investors of the HKSAR: The Growth Enterprise Index gained about 0.02 percent.

Although The Growth Enterprise Index had registered a fractional gain, the number of losing counters outnumbered the number of gaining ones by the ratio of about 1.28:One.

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

TOM Group Ltd (Code: 8001)	Unchanged at \$HK1.80 per share
Panva Gas Holdings Ltd (Code: 8132)	Up 1 percent to \$HK3.95 per share
Golden Meditech Company Ltd (Code: 8180)	Down 4 percent to \$HK3.25 per share
MP Logistics International Holdings Ltd (Code: 8239)	Unchanged at \$HK1.30 per share
Kingdee International Software Group Company Ltd (Code: 8133)	Up 4 percent to \$HK3.00 per share

The double-digit movers of the market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Multimedia Ltd	8061	37.02		0.285
Angels Technology Company Ltd	8112	16.67		0.35
Glory Future Group Ltd	8071	11.11		0.04
iSteelAsia Holdings Ltd	8080		14.47	0.065
Leadership Publishing Group Ltd	8010	16.67		0.07
M21 Technology Ltd	8153		21.13	0.56
Panorama International Holdings Ltd	8173		10.58	0.093
Stockmartnet Holdings Ltd	8123		12.50	0.035
T S Telecom Technologies Ltd	8003	16.07		0.065
TeleEye Holdings Ltd	8051		10.10	0.089

On The Tokyo Stock Exchange, there was a widespread market correction, which shaved the key index, the Nikkei-225 Stock Average, by about 0.98 percent, which fell to 12,044.88 yen.

Losing counters outran gaining ones by the ratio of 2.14:One, exactly.

News wise

- **Nissan Motor Company**, which is owned as to 44 percent by France's **Renault S.A.**, announced that it had posted an Operating Profit of about \$US7.56 billion for the Financial Year, ended March 31, 2004. This result represented an increase of about 12 percent, compared with the previous Year. Nissan is Japan's third-largest producer of motor vehicles;
- **Toshiba Corporation**, the world's largest producer of laptop computers, announced that its Group Net Income had risen to about \$US644 million for the quarter, ended March 31, 2004, a 35.62-percent jump, Year-on-Year;
- **Fujitsu**, Japan's premier computer producer, announced that its Group Net Profits for its Financial Year, ended March 31, 2004, totalled 49.70 billion yen. That compared with a Loss Attributable to Shareholders of about 122.07 billion yen for the 2003-Year;
- **Sony Corporation** posted a fall in its Net Profit for its Financial Year, ended March 31, 2004, to 88.51 billion yen, down about 23.40 percent, Year-on-Year; and,
- **Nikko Cordial Corporation**, Japan's third-largest securities company, announced a Net Profit Attributable to Shareholders of about 38.70 billion yen for Fiscal-2003. It was the first time in 3 Financial Years that the company had been in the black.

This is the way that other Asian bourses ended their respective trading days, last Tuesday:

The HKSAR	Plus 0.18 percent to 12,154.91
Indonesia	Plus 0.79 percent to 818.16
Japan	Minus 0.98 percent to 12,044.88
Malaysia	Minus 0.21 percent to 868.32
The Philippines	Plus 1.59 percent to 1,596.93
Singapore	Plus 0.23 percent to 1,853.58
South Korea	Minus 0.46 percent to 915.47
Taiwan	Minus 0.95 percent to 6,646.80
Thailand	Plus 1.99 percent to 680.89

Wednesday.

If it is not one thing, then, it is something else.

And, last Wednesday, that '*something else*' was concern about the booming economy of the People's Republic of China (PRC): It was said to be a worry for hard-nosed investors, financial analysts and economists of the Western World.

Aside from the very real prospects for higher interest rates in the US – which could be announced within this week – investors in the US were, also, discussing, among other things, the escalation of the fighting in Iraq, as well as the prospects of the PRC's economy, which was said to be overheating at a very fast clip.

Boom and, then, bust, was the concern in respect of the economy of the PRC, proper.

On The New York Stock Exchange, the Dow Jones Industrial Average lost about 1.29 percent of its value, falling to 10,342.60 points.

On the NASDAQ, its Composite Index surrendered about 2.12 percent, ending the session at 1,989.54 points.

In Europe, every key index of every major bourse lost materially, as the following **TARGET** list illustrates:

Amsterdam's AEX Index	Minus 1.71 percent
Great Britain's FTSE 100 Index	Minus 1.12 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.65 percent

France's CAC40 Index	Minus 1.57 percent
Switzerland's Swiss Market Index	Minus 1.30 percent
Italy's MIBTEL Index	Minus 0.80 percent

The reasons for the dumping of stocks and shares in Europe was (1) the weak performances of Wall Street, over the past week or so (2) the increasing bloody violence in Iraq, with the prospects of the US Government, having to pump a great deal more money into keeping its occupation forces fully manned, armed and equipped (3) a bomb scare at a London airport (4) deadly gun battles in both Syria and Thailand and (5) a reluctance on the part of European investors to take on any fresh commitments in view of the geopolitical risks, which were popping up, almost on a daily basis, now.

All this and no economic nirvana on the horizon.

In Asia, there were other considerations.

Premier Wen Jia Bao went on record, last Wednesday: The people of the Hongkong Special Administrative Region (HKSAR) of the PRC, ultimately, would be permitted to elect, directly, the Chief Executive of the territory.

However, the timetable for the implementation of Universal Suffrage in the HKSAR was not mentioned.

The statements by this leader of the most-populous country in the world, although wishy-washy, were the first of its kind.

Translation: It seems clear that Beijing is afraid that to deny, repeatedly, the 7 million-odd human population of the HKSAR, the right to choose their own leader, is fast becoming a dangerous way to play the game of Chinese politics in the PRC enclave at the foot of the country.

Appeasement was the objective of this top, Beijing politician.

The statements of Premier Wen Jia Bao did little for the 2 equity markets of the HKSAR, however.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gained about 0.09 percent, ending the session at 12,165.31 points.

The Total Turnover continued to be relatively low, at about \$HK10.54 billion.

Losing counters, however, outran gaining ones by the ratio of about 1.33:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.43 percent to \$HK115.50 per share
Maanshan Iron and Steel Company Ltd (Code: 323)	Up 1.94 percent to \$HK2.625 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.24 percent to \$HK20.80 per share
Johnson Electric Holdings Ltd (Code: 179)	Up 2.99 percent to \$HK6.90 per share
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Aluminum Corporation of China Ltd (Code: 2600)	Down 1.02 percent to \$HK4.875 per share
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As for the double-digit movers of the day, they included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Central China Enterprises Ltd	351	19.05		2.50
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Swank International Manufacturing Company Ltd	663	15.00		0.069
Unity Investments Holdings Ltd	913		17.65	0.28

Over on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the situation was, just about, a mirror image of the Main Board.

The Growth Enterprise Index gained about 0.13 percent, rising to about 1,157.95 points.

The Total Turnover was about \$HK62.58 million.

However, on this speculative marketplace, gaining counters were ahead of losing ones by the ratio of about 1.23:One.

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

Golden Meditech Company Ltd (Code: 8180)	Up 7 percent to \$HK3.475 per share
TOM Group Ltd (Code: 8001)	Down 1 percent to \$HK1.78 per share
Panva Gas Holdings Ltd (Code: 8132)	Down 3 percent to \$HK3.825 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Down 1 percent to \$HK16.55 per share
Launch Tech Company Ltd (Code: 8196)	Up 2 percent to \$HK2.35 per share

The biggest movers on this market, however, were reserved for the following bunch:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Multimedia Ltd	8061	37.02		0.285
Angels Technology Company Ltd	8112	16.67		0.35
Glory Future Group Ltd	8071	11.11		0.04
iSteelAsia Holdings Ltd	8080		14.47	0.065
Leadership Publishing Group Ltd	8010	16.67		0.07
M21 Technology Ltd	8153		21.13	0.56
Panorama International Holdings Ltd	8173		10.58	0.093
Stockmartnet Holdings Ltd	8123		12.50	0.035
T S Telecom Technologies Ltd	8003	16.07		0.065
TeleEye Holdings Ltd	8051		10.10	0.089

In Japan, following Wall Street's example of the previous day, lacklustre trading conditions unfolded on The Tokyo Stock Exchange.

By the close of the trading day, Japanese investors had pushed down the key index of this equity market, which is the largest of its kind in Asia, to 12,004.29 yen, a fall of about 40.59 yen, or about 0.34 percent.

The ratio of losers to gainers was about 1.19:One.

Another factor, which tended to be a factor in the direction of indices on this market, was the fact that it was the last trading day of the week, last Friday, being a public holiday.

News wise

- **Honda Motor Company**, Japan's third-largest manufacturer of motor vehicles, reported a record-high Bottom Line for Fiscal 2003 of about 464.30 billion yen, an increase, Year-on-Year, of about 8.80 percent. It was the third consecutive Year of higher profits for Honda. Management, however, warned investors that, for the Current Financial Year, profits would, most likely, sink back to about 390 billion yen, a fall of about 16 percent on the 2003-Year's profits;
- **Sharp Corporation** reported a Net Profit Attributable to Shareholders of about 60.72 billion yen for its Financial Year, ended March 31, 2004. That result represented an increase, Year-on-Year, of about 86 percent;
- **Hitachi Ltd** announced that its Net Profits Attributable to Shareholders fell about 43 percent to 15.88 billion yen, during Fiscal 2003;

- **NEC Corporation** reported that, during Fiscal 2003, its Net Profits had risen to 41.08 billion yen. That was a complete turnabout since, in Fiscal 2002, this company had reported a Loss Attributable to Shareholders of about 24.56 billion yen;
- **Yamaha Motor Company** announced that, in Fiscal 2003, ended March 31, 2004, it had posted a Net Profit Attributable to Shareholders of about 40.10 billion yen, an increase of about 57 percent, compared with Fiscal 2002;
- **Nippon Steel Corporation** joined the reporting 'party', announcing a Net Profit Attributable to Shareholders of about 41.52 billion for Fiscal 2003. In Fiscal 2002, this company had lost about 51.69 billion yen;
- **Matsushita Electric Industrial Company** announced its results for its Financial Year, ended March 31, 2004. The company said that the Bottom Line was about 42.15 billion yen, compared with a Loss Attributable to Shareholders for the previous Financial Year of about 42.15 billion yen;
- **KDDI Corporation**, Japan's second-largest, telecommunications operator, said its Group Net Profits for its Financial Year, ended March 31, 2004, was about 117.02 billion yen, which is nearly double the previous Year's results; and,
- The Japanese Government announced that **industrial production** in the country had risen an unadjusted 3.40 percent in Fiscal 2003, compared with Fiscal 2002. It was the second consecutive year of gains.

This was how other Asian markets fared, last Wednesday:

The HKSAR	Plus 0.18 percent to 12,154.91
Indonesia	Plus 0.79 percent to 818.16
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The Philippines	Plus 1.59 percent to 1,596.93
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Thailand	Plus 1.99 percent to 680.89

Thursday

Every major equity market in Asia – with the exception of Japan's 3 markets, all of which were closed for a public holiday, last Thursday – suffered badly at the hands of the bears.

The rout was due to statements by Premier Wen Jia Bao of the People's Republic of China (PRC), who said that immediate steps would be taken to cool the economy of the country.

Foreign investors have been pumping tens of billions of US dollars into the country in the hope of catching the PRC economic 'train', which is running at an ever-increasing speed.

On the Main Board of The Stock Exchange of Hongkong Ltd, the premier market of the Hongkong Special Administrative Region (HKSAR) of the PRC, its Hang Seng Index gave up about 1.31 percent of its value, falling back to 12,005.58 points.

It was a 5-month low for this market.

Losing counters were ahead of gaining ones by the ratio of about 6.79:One.

The Total Turnover rose to about \$HK15.97 billion, an increase of about 50 percent, compared with Wednesday's volume of activity.

The market was spooked by the statements of Premier Wen Jia Bao.

Investors were concerned that there would be a knock-on effect in the HKSAR when the PRC Government applied the thumb screws to corporate entities of the PRC, proper.

The Ten Most Active counters of the day were:

HSBC Holdings plc (Code: 5)

Down 1.29 percent to \$HK114.50 per share

BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 3.23 percent to \$HK13.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Unchanged at \$HK20.80 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.10 percent to \$HK67.50 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.41 percent to \$HK52.50 per share
China Life Insurance Company Ltd (Code: 2628)	Down 5.03 percent to \$HK4.25 per share
PetroChina Company Ltd (Code: 857)	Down 2.82 percent to \$HK3.45 per share
Aluminum Corporation of China Ltd (Code: 2600)	Down 9.60 percent to \$HK4.475 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 0.91 percent to \$HK2.725 per share
Maanshan Iron and Steel Company Ltd (Code: 323)	Down 8.00 percent to \$HK2.30 per share

As for the double-digit movers of the day, there were a total of 41 counters that fitted that bill.

Of those 41, double-digit movers, only 2 of their number saw shareholders push up their share prices by 10 percent or more.

A total of 39 counters was shot down by 10 percent or more.

The biggest gainer of the day was Chinney Alliance Group Ltd (Code: 385), whose share price rose 13.33 percent to 1.70 cents. Forefront International Holdings Ltd (Code: 885) was the biggest loser of the day, as investors marked down its share price by 25 percent to 42 cents.

On The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, it was another blood-bath for investors, locked into shares, listed on this speculative marketplace.

The Growth Enterprise Index lost about 2.68 percent of its value, ending the trading day at 1,126.83 points.

The Total Turnover was about \$HK66.86 million.

Losing counters outpaced gaining ones by the ratio of about 5.07:One.

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

TOM Group Ltd (Code: 8001)	Down 2 percent to \$HK1.74 per share
Lang Chao International Ltd (Code: 8141)	34.50 cents per share*
Panva Gas Holdings Ltd (Code: 8132)	Down 3 percent to \$HK3.725 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Down 5 percent to \$HK15.70 per share
MP Logistics International Holdings Ltd (Code: 8239)	Unchanged at \$HK1.30 per share
* This was the first day of trading for this new listing	

The biggest movers on this market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Multimedia Ltd	8061	17.50		0.235
Media Partners International Holdings Incorporated	8072		14.29	0.30
Mudan Automobile Shares Company Ltd	8188		10.26	0.70
Stockmartnet Holdings Ltd	8123		11.11	0.032
Thiz Technology Group Ltd	8119		12.50	0.021

On Wall Street, investors pulled down indices on the 2 largest equity markets of the world, as the word spread that the US Federal Reserve Board could well opt for highest interest rates, sooner than later.

The definitive statements of the Premier Wen Jia Boa only added to the gloom and doom.

On The New York Stock Exchange, the Dow Jones Industrial Average shed about 0.68 percent to end the day at 10,271.84 points.

On the NASDAQ, its Composite Index surrendered about 1.55 percent of its value, falling back to 1,958.78 points.

In Europe, seeing the way that things had gone on major Asian markets, and noting the weakness at the opening of Wall Street, every index of every bourse in Europe fell – and some fell very heavily.

For the major bourses of Europe, this was how their respective indices fared, last Thursday:

Amsterdam’s AEX Index	Minus 1.27 percent
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Great Britain's FTSE 100 Index	Minus 0.11 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.40 percent
France's CAC40 Index	Minus 0.89 percent
Switzerland's Swiss Market Index	Minus 0.16 percent
Italy's MIBTEL Index	Minus 0.57 percent

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

The HKSAR	Minus 1.31 percent to 12,005.58
Indonesia	Minus 1.95 percent to 801.97
Japan	Closed
Malaysia	Minus 1.38 percent to 849.72
The Philippines	Minus 1.76 percent to 1,581.95
Singapore	Minus 1.93 percent to 1,812.13
South Korea	Minus 2.93 percent to 875.41
Taiwan	Minus 2.62 percent to 6,402.21
Thailand	Minus 2.37 percent to 656.38

Due to Saturday, May 1, being a public holiday in the HKSAR and the PRC, proper, as well as in many other Asian markets, this week's stock market report had to be shortened to include only 4 days of trading.

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