

**AL QAEDA'S ATTACK ON SAUDI ARABIA SENDS UP
THE PRICE OF OIL TO RECORD LEVELS – AGAIN !**

While security forces in Saudi Arabia were combing the Kingdom for the killers of 22 foreign workers and executives at Khobar, the residential and business hub of the oil industry in the country, investors, throughout the world, started to become jittery, resulting in the unofficial (in some cases) price of oil on international markets to climb, once again.

By the close of last Monday's trading in oil and oil futures, the price of sweet light crude oil was being settled at \$US40.57 per barrel for July delivery, after hitting a high of \$US40.80 per barrel.

That represented a gain of 1.73 percent over the previous close: Friday, May 28.

The al Qaeda gunmen, who attacked the Khobar compound, on Saturday, May 29, had not interfered with any oil installation in Saudi Arabia, but the psychological effect of the daring raid made many investors extremely nervous.

When international markets opened for trading in oil and oil futures, on Tuesday, it was well expected that there would be a material increase in the price of the precious ooze, on which most of the modern world depends, so heavily.

The Government of Saudi Arabia tried to re-assure the world that Saudi oil would continue to flow, as normal; few people, it appeared, were listening to that Government's platitudes.

It was clear that the Saudi Government had been unable to prevent the attack on Khobar.

There was every reason to believe that, since al Qaeda had the initiative and could strike when and where it chose, the Government of the Kingdom would only be able to react to situations – after their consummation.

The Organisation of Petroleum Exporting Countries (OPEC) was scheduled to hold a meeting in Beirut, Lebanon, on Thursday, June 3, at which time, it was hoped that the oil cartel would recommend, raising oil output, considerably, in order to bring down prices.

Wall Street was closed for Memorial Day, last Monday, and a number of European bourses, also, were shut, for one holiday or another.

For the bourses that did open for business, last Monday, the attack at Khobar was a pointed reminder to investors of just how fragile is the world's situation in respect of the flow of oil.

If, for instance, Saudi Arabian oil fields were to be out of action, for just one day, it would mean 10.10 million barrels of crude oil would not hit the world's marketplace.

Saudi Arabia is known to have oil reserves, equal to about 10 percent of the world's total known reserves.

This was how the indices of those European bourses that were open, last Monday, fared:

Amsterdam's AEX Index	Plus 0.07 percent
Great Britain's FTSE 100 Index	Closed
Germany's Frankfurt XETRA DAX Index	Plus 0.48 percent
France's CAC40 Index	Closed
Switzerland's Swiss Market Index	Closed
Italy's MIBTEL Index	Minus 0.07 percent

With the exceptions of the Taiwan and South Korean equity markets, most of Asia's stock markets just drifted, last Monday.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the previous Sunday had witnessed thousands of people take to the streets of the territory in the annual display of displeasure at the crushing of the pro-democracy movement in Beijing, on June 4, 1989, at Tiananmen Square.

The marches were long, but there was no unruly element to the protests.

Investors in the HKSAR appeared to be in a very cautious mood, however, due to the events that had transpired over the weekend in the Middle East.

On the Main Board of The Stock Exchange of Hongkong Ltd, last Monday, the Hang Seng Index gained about 0.67 percent, ending the day at 12,198.24 points.

The volume of activity was very restrained, compared with the previous week's volume, at about \$HK12.39 billion.

In spite of the Hang Seng Index, being in positive territory by the close of the day, losing counters outnumbered gaining counters by just 4 counters: 502:498.

It did not bode well for the opening on Tuesday.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 1.73 percent to \$HK117.50 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.42 percent to \$HK52.00 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 0.37 percent to \$HK13.55 per share
PetroChina Company Ltd (Code: 857)	Up 1.35 percent to \$HK3.75 per share
China Telecom Corporation Ltd (Code: 728)	Unchanged at \$HK2.45 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.67 percent to \$HK22.45 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.38 percent to \$HK66.50 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.54 percent to \$HK4.60 per share
China Petroleum and Chemical Corporation (Code: 386)	Unchanged at \$HK2.925 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Unchanged at \$HK58.50 share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Buildmore International Ltd	108	15.79		0.44
Celestial Asia Securities Holdings Ltd	1049	16.33		0.57
China Rich Holdings Ltd	1191	12.20		0.046
China Sci-Tech Holdings Ltd	985		10.00	0.018
Ching Hing (Holdings) Ltd	692		10.00	0.18
Everbest Century Holdings Ltd	578	10.00		0.33
Foundation Group Ltd	1182		10.89	0.09
Harmony Asset Ltd	428		15.73	0.375
MACRO-LINK International Holdings Ltd	472	10.86		0.245
Magnum International Holdings Ltd	305	30.00		0.13
Massive Resources International Corporation Ltd	70		15.00	0.017
Ming Pao Enterprise Corporation Ltd	685		12.92	1.55
Minglun Group (Hongkong) Ltd	346	20.97		0.30
Plus Holdings Ltd	1013		14.29	0.06
REXCAPITAL Financial Holdings Ltd	555		10.53	0.051
Sino-I Technology Ltd	250	14.48		0.166
South East Group Ltd	726		12.99	0.067
Starbow Holdings Ltd	397	30.00		0.039
SUNDAY Communications Ltd	866	10.00		0.55
Tse Sui Luen Jewellery (International) Ltd	417	13.21		0.30
Universe International Holdings Ltd	1046		10.77	0.058

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index shed about 0.29 percent of its value, falling back to 1,126.32 points.

The Total Turnover dropped to about \$HK41.91 million, with the ratio of losing counters to gaining ones, being 1.68:One.

The low Turnover and the mounting up of losing counters were ominous signs.

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

Panva Gas Holdings Ltd (Code: 8132)	Down 1 percent to \$HK3.375 per share
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TOM Group Ltd (Code: 8001)
 MP Logistics International Holdings Ltd (Code: 8239)
 Kanstar Environmental Paper Products Holdings Ltd (Code: 8011)
 Golden Meditech Company Ltd (Code: 8180)

Unchanged at \$HK1.71 per share
 Down 1 percent to \$HK1.27 per share
 Down 1 percent to 39.50 cents per share
 Unchanged at \$HK3.425 per share

There were only 5, double-digit movers on The GEM, last Monday:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022		15.20	0.106
iSteelAsia Holdings Ltd	8080	12.31		0.073
Kinetana International Biotech Pharma Ltd	8031		10.26	0.07
Linefan Technology Holdings Ltd	8166	18.57		0.083
SYSCAN Technology Holdings Ltd	8083		17.29	0.244

Oil-supply concerns dogged the 3 equity markets of Japan, also, last Monday, resulting in investors, selling out some of their holdings.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average lost 73.20 yen, equivalent to 0.65 percent, coming to rest at 11,236.37 yen.

Losing counters outran gaining ones by the ratio of 1.23:One.

This was how other Asian equity markets closed their respective doors, last Monday:

The HKSAR	Plus 0.672 percent to 12,198.24
Indonesia	Minus 0.20 percent to 732.52
Japan	Minus 0.65 percent to 11,236.37
Malaysia	Plus 0.28 percent to 810.67
The Philippines	Minus 0.38 percent to 1,511.36
Singapore	Plus 0.08 percent to 1,788.66
South Korea	Minus 1.55 percent to 803.84
Taiwan	Minus 2.60 percent to 5,977.84
Thailand	Plus 0.39 percent to 641.05

Tuesday

The world's leaders tried, in vain, to reassure very concerned investors that al Qaeda's activities would be curtailed and that there would be no interruption in the world's supply of oil.

Investors were not listening, too carefully.

On The New York Mercantile Exchange (NYMEX), last Tuesday, up went the price of light sweet crude oil for July delivery, to a record \$US42.25 per barrel.

For August delivery, the price was settled at \$US42.11 per barrel.

The international concern was not just the attack on foreign workers in countries, such as Saudi Arabia, but that al Qaeda operatives are looking to target important oil installations in an effort to destabilise the economies of the world.

Even the Secretary of State of the United States, Mr Colin Luther Powell, got into the act, stating, publicly, that he was absolutely certain that the Saudi Arabian Government would safeguard its oil installations and that the Kingdom had the situation, in respect of the al Qaeda operatives in the country, then on the run, well in control.

But the attack on Khobar, Saudi Arabia, was worrying for many investors, around the world.

On Wall Street, during the first day of trading, last Tuesday, following the 3-day, Memorial Day holiday, investors staged a last-minute rally on both The New York Stock Exchange and The NASDAQ.

On the Big Board of The New York Stock Exchange, the Dow Jones Industrial Average put on 14.20 points, or about 0.14 percent, ending the day at 10,202.65 points.

NASDAQ's Composite Index followed suit, with a gain of about 4.03 points, or about 0.20 percent, edging up to 1,990.77 points.

In Europe, it was a different story, however.

Share prices, by and large, were off, materially.

The concern of many European investors was that interest rates in the US were likely to be increased by at least 25 basis points before the month was out.

The US Federal Reserve Board is known to have scheduled an Open Market Committee Meeting for Tuesday, June 29, at which meeting, the matter of the Federal Funds' Rate would be set anew.

The 21-year high price of oil would, surely, fan inflationary fears, worldwide, it was, correctly, reasoned.

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

Amsterdam's AEX Index	Minus 1.57 percent
Great Britain's FTSE 100 Index	Minus 0.18 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.46 percent
France's CAC40 Index	Minus 1.23 percent
Switzerland's Swiss Market Index	Minus 0.67 percent
Italy's MIBTEL Index	Minus 0.39 percent

In Asia, generally, investors, locked into equity markets, were undecided as to which direction to move since, in that part of the world, people were awaiting events in the US and Europe in order to see how their counterparts would view the international situation, following the attacks by al Qaeda in Saudi Arabia.

On The Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index was off 0.76 percent, closing the day at 12,105.55 points.

The Total Turnover remained on the low side, at about \$HK11.12 billion.

Losing counters outnumbered gaining ones by the ratio of about 2.07:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 1.28 percent to \$HK116.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.67 percent to \$HK22.30 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.48 percent to \$HK51.75 per share
PetroChina Company Ltd (Code: 857)	Down 1.33 percent to \$HK3.70 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 0.85 percent to \$HK2.95 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 0.74 percent to \$HK13.65 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.50 percent to \$HK65.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.28 percent to \$HK57.75 share
China Life Insurance Company Ltd (Code: 2628)	Down 1.63 percent to \$HK4.525 per share
Huaneng Power International Incorporated (Code: 902)	Down 3.40 percent to \$HK7.10 per share

The biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China United International Holdings Ltd	273		10.53	0.68
China Northern Enterprises Investment Fund Ltd	2324	11.43		0.39
E2-Capital (Holdings) Ltd	378		12.50	0.385
Foundation Group Ltd	1182	12.22		0.101
MAE Holdings Ltd	851	14.29		0.016
Magnum International Holdings Ltd	305		11.54	0.115
Minglun Group (Hongkong) Ltd	346		10.00	0.27
Multifield International Holdings Ltd	898		13.85	0.112
Paladin Ltd	495		17.69	0.214

South East Group Ltd	726	25.37		0.084
Starbow Holdings Ltd	397		10.26	0.035
Theme International Holdings Ltd	990		10.53	0.034
Tse Sui Luen Jewellery (International) Ltd	417		10.00	0.27
Universe International Holdings Ltd	1046	12.07		0.065
Van Shung Chong Holdings Ltd	1001		10.14	1.33
Wonderful World Holdings Ltd	109		11.11	0.12
Yau Lee Holdings Ltd	406		10.13	0.355

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, investors appeared to be in a hurry to unload as much of their scrip as was possible.

The Growth Enterprise Index slipped 1.29 percent to 1,111.79 points, on a Total Turnover of about \$HK62.71 million.

Declining counters outpaced advancing ones by the ratio of about 2.37:One.

Trading in the shares of Mr Li Ka Shing's TOM Online Incorporated (Code: 8282) represented about 22.12 percent of the entire volume of activity of the day. (See list below)

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

TOM Online Incorporated (Code: 8282)	Up 5 percent to \$HK1.33 per share
Golden Meditech Company Ltd (Code: 8180)	Down 2 percent to \$HK3.35 per share
TOM Group Ltd (Code: 8001)	Down 1 percent to \$HK1.70 per share
MP Logistics International Holdings Ltd (Code: 8239)	Unchanged at \$HK1.27 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Down 3 percent to \$HK15.95 per share

The GEM's double-digit movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022	14.15		0.121
China Advance Holdings Ltd	8117	21.95		0.10
Sino Stride Technology (Holdings) Ltd	8177		11.23	0.34

The 3 equity markets of Japan were relatively quiet.

On The Tokyo Stock Exchange, the key index, the Nikkei-225 Stock Average, was up 60.39 yen, equivalent to about 0.54 percent, as investors pushed it to 11,296.76 yen.

Gaining counters were ahead of losing ones by the ratio of about 1.92:One.

Japanese investors were said to be waiting for the news from OPEC – The **O**rganisation of **P**etroleum **E**xporting **C**ountries – which was holding its meeting in Beirut, Lebanon, on Thursday.

As with just about every investor in the world, the matter of the escalating violence in the Middle East and the record price for crude oil was very unsettling.

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

The HKSAR	Minus 0.76 percent to 12,105.55
Indonesia	Minus 0.18 percent to 731.20
Japan	Plus 0.54 percent to 11,296.76
Malaysia	Plus 0.20 percent to 812.27
The Philippines	Plus 0.48 percent to 1,518.55
Singapore	Plus 0.19 percent to 1,791.97
South Korea	Plus 1.48 percent to 815.77
Taiwan	Plus 0.14 percent to 5,986.20
Thailand	Minus 0.94 percent to 635.01

Wednesday

The unofficial 'word' from Beirut, Lebanon, was that The Organisation of Petroleum Exporting Countries (OPEC) was, in general, in favour of releasing more oil onto the world's markets.

Saudi Arabia's Oil Minister, Mr Ali al-Naimi, said that the Kingdom had spare capacity, in the region of 2 million barrels per day, and it was '*fully ready*' to boost output, immediately.

Mr Chakib Khelil, the Energy Minister of Algeria, indicated, also, that his country was very much in favour of temporarily suspending the oil quota, previous set by OPEC.

And the United Arab Emirates announced that it would raise oil production by about 400,000 barrels per day, starting this month.

The stage was set, clearly, for the oil-thirsty world to be given a more plentiful supply of the black ooze, which is controlled as to about 33 percent by the members of OPEC.

On The New York Mercantile Exchange (NYMEX), last Wednesday, the price of light sweet crude dropped to \$US40.24 per barrel for July delivery and \$US40.18 per barrel for delivery in August.

On The New York Stock Exchange, the Dow Jones Industrial Average added about 0.59 percent to its value, ending the day at 10,262.97 points.

Over on The NASDAQ, its Composite Index did not fare as well as the Big Board of The New York Stock Exchange, as investors unloaded hi-tech scrip, forcing down the index by about 0.09 percent to 1,988.98 points.

European investors appeared to be relieved at the situation, internationally, because, for once, it appeared that definitive action was being taken by OPEC.

The noises from OPEC were, certainly, encouraging.

Taking their cue from Wall Street, most major European bourses shot up, last Wednesday, as the following **TARGET** list indicates:

Amsterdam's AEX Index	Plus 0.78 percent
Great Britain's FTSE 100 Index	Unchanged
Germany's Frankfurt XETRA DAX Index	Plus 0.62 percent
France's CAC40 Index	Plus 0.60 percent
Switzerland's Swiss Market Index	Plus 0.75 percent
Italy's MIBTEL Index	Plus 0.44 percent

Asia did not fare at all well, last Wednesday, however, with most of the indices of the most important equity markets of the region, wallowing in red ink.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), there was a general feeling that the worst was behind the world and that, now, was the time to get reinvested.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gained about 0.80 percent, ending the session at 12,201.75 points.

The Total Turnover was, quite low, however, at about \$HK10.99 billion.

Which did not smack of a market recovery.

The ratio of gaining counters to losing ones was about 1.60:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 1.29 percent to \$HK117.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.12 percent to \$HK22.55 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.38 percent to \$HK65.25 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK51.75 per share
PetroChina Company Ltd (Code: 857)	Up 2.03 percent to \$HK3.775 per share
China Telecom Corporation Ltd (Code: 728)	Up 2.08 percent to \$HK2.45 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Unchanged at \$HK13.65 per share
CNOOC Ltd (Code: 883)	Up 1.47 percent to \$HK3.45 per share

China Petroleum and Chemical Corporation (Code: 386)
 Cheung Kong (Holdings) Ltd (Code: 1)

Up 0.85 percent to \$HK2.975 per share
 Up 0.43 percent to \$HK58.00 share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Applied International Holdings Ltd	519		18.18	0.09
Mexan Ltd	22	20.48		2.50
Asia Commercial Holdings Ltd	104	24.14		0.54
Foundation Group Ltd	1182		10.89	0.09
FT Holdings International Ltd	559	11.11		0.04
Garron International Ltd	1226		23.91	0.14
Harbin Brewery Group Ltd	249	16.67		5.95
K.P.I. Company Ltd	605	20.79		0.122
MAXX Bioscience Holdings Ltd	512		11.11	0.16
Ming Pao Enterprise Corporation Ltd	685	14.84		1.78
New World TMT Ltd	301	21.25		0.97
Paladin Ltd	495	40.19		0.30
Plus Holdings Ltd	1013		12.31	0.057
Radford Capital Investment Ltd	901		13.33	0.026
renren Holdings Ltd	59	20.00		0.012
Singapore Hongkong Properties Investment Ltd	245	17.42		0.155
Sky Hawk Computer Group Holdings Ltd	1129	10.75		0.103
South East Group Ltd	726		10.71	0.075
South Sea Holding Company Ltd	680	11.76		0.019
Sun East Technology (Holdings) Ltd	365	12.16		0.83
Theme International Holdings Ltd	990	17.65		0.04
Tomorrow International Holdings Ltd	760	11.22		1.09
Tysan Holdings Ltd	687		16.67	0.25
Victory Group Ltd	1139		12.00	0.022
Wanji Pharmaceutical Holdings Ltd	835		13.04	0.02
Winsor Properties Holdings Ltd	1036	15.08		3.625
World Trade Bun Kee Ltd	380	14.29		1.04
Yunnan Enterprises Holdings Ltd	455	10.00		0.44
Zida Computer Technologies Ltd	859	11.54		0.145

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the situation was very similar to that, which had taken place on the Main Board.

The Growth Enterprise Index rose about 0.82 percent to 1,120.88 points on a Total Turnover of about \$HK81.50 million.

However, there was one major difference between trading on the Main Board and on The GEM: Losing counters outran gaining ones by the ratio of 1.17:One.

Which tended to make one think that this could well be a harbinger of Thursday's trading trend.

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

TOM Online Incorporated (Code: 8282)	Up 5 percent to \$HK1.39 per share
TOM Group Ltd (Code: 8001)	Up 4 percent to \$HK1.76 per share
Panva Gas Holdings Ltd (Code: 8132)	Unchanged at \$HK3.35 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Up 3 percent to \$HK1.53 per share
MP Logistics International Holdings Ltd (Code: 8239)	Up 2 percent to \$HK1.29 per share

As for the biggest GEM movers, they were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Multimedia Ltd	8061		10.00	0.18
B M Intelligence International Ltd	8158	29.03		0.04
Cyber On-Air Group Company Ltd	8118		12.50	3.50
Kinetana International Biotech Pharma Ltd	8031		14.29	0.06
Q9 Technology Holdings Ltd	8129		46.43	0.045
Tiger Tech Holdings Ltd	8046		77.65	0.038

Vertex Communications and Technology Group Ltd	8228		11.25	0.213
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The 3 equity markets of The Land of The Rising Sun were quiet.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average shed about 54.42 yen, or about 0.48 percent, ending the day at 11,242.34 yen.

How many Japanese investors thought, negatively, about the short-term future of their stocks and shares was evident by an examination of the ratio of losing counters to gaining ones, which was about 2.59:One.

Oil fears continued to dominate this market, as did many other markets in the region.

And this was how other Asian equity markets fared, last Wednesday:

The HKSAR	Plus 0.80 percent to 12,201.75
Indonesia	Minus 1.66 percent to 719.04
Japan	Minus 0.48 percent to 11,242.34
Malaysia	Minus 0.73 percent to 806.36
The Philippines	Plus 0.55 percent to 1,526.94
Singapore	Closed
South Korea	Minus 1.40 percent to 804.39
Taiwan	Minus 1.85 percent to 5,875.67
Thailand	Closed

Thursday.

Investors waited with bated breath, last Thursday, from Tokyo, Japan, to Wellington, New Zealand, to Wall Street, the United States of America, to London, England, as the 11-nation members of The Organisation of Petroleum Exporting Countries (OPEC) sat in Beirut, Lebanon, in an attempt to reach a consensus on the amount of future increases of oil deliveries to the world markets.

Equity markets, around the world, feared that the Arabs members of OPEC, as is their wont, would be unable, in their deliberations, to agree on increases that would make a dent in the then current, record-high oil price.

Some Arab members feared, it was said, that the oil price would collapse if more oil were put onto the market.

It is a well-known fact that, when 2 Arabs sit down to try to find a solution to a problem, there will be at least 3 different opinions.

Eventually an announcement was made: OPEC would raise output by 2 million barrels, daily.

On The New York Stock Exchange, last Thursday, investors were, still, concerned about oil and the prospects of al Qaeda, or some other madmen, attacking oil installations, thereby disrupting the flow of oil to international markets.

The Dow Jones Industrial Average, the key index of the Big Board of The New York Stock Exchange, fell about 0.65 percent in the rather light, trading session, ending the day at 10,195.91 points.

On The NASDAQ, its Composite Index shed about 1.44 percent of its value, dropping back to 1,960.26 points.

Losing counters, on the Big Board, were ahead of gaining ones by the ratio of about 3:One, and, on The NASDAQ, by the ratio of about 2:One.

On The New York Mercantile Exchange (NYMEX), the price of oil for July delivery settled at \$US39.18 per barrel, with August delivery, being settled at \$US39.16 per barrel.

Europe waited, anxiously, for the OPEC deliberations.

When the official announcement from OPEC reached the marketplaces of Europe, it was greeted with some enthusiasm.

Up went the indices of major bourses:

Amsterdam's AEX Index

Plus 0.62 percent

Great Britain's FTSE 100 Index	Plus 0.28 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.74 percent
France's CAC40 Index	Plus 0.22 percent
Switzerland's Swiss Market Index	Plus 0.51 percent
Italy's MIBTEL Index	Minus 0.15 percent

Oil and oil issues dominated all bourses in this part of the world.

In Asia, however, not knowing about the OPEC determination, during the trading sessions, due to the time differential, indices of equity markets slumped.

Every index of every equity market in the region (with the exception of The Jakarta Stock Exchange, which was closed) lost material values due to fears of another increase in the price of oil, or another al Qaeda attack in the Middle East, targeting oil installations.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors were shocked when, late in the morning session, selling heated up on the territory's 2 stock markets.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index shed about 2.23 percent of its value, falling to 11,929.93 points.

Losing counters swamped gaining ones by the ratio of about 5.11:One.

The Total Turnover was about \$HK14.76 billion.

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

HSBC Holdings plc (Code: 5)	Down 1.28 percent to \$HK116.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 3.07 percent to \$HK63.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 3.10 percent to \$HK21.85 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.93 percent to \$HK50.75 per share
PetroChina Company Ltd (Code: 857)	Down 3.31 percent to \$HK3.65 per share
China Telecom Corporation Ltd (Code: 728)	Down 5.10 percent to \$HK2.325 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 3.66 percent to \$HK13.15 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.72 percent to \$HK57.00 share
CNOOC Ltd (Code: 883)	Down 3.62 percent to \$HK3.325 per share
Huaneng Power International Incorporated (Code: 902)	Down 3.55 percent to \$HK6.80 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Carry Wealth Holdings Ltd	643	10.00		0.55
Central China Enterprises Ltd	2921	16.67		0.35
Century Legend (Holdings) Ltd	79	14.86		0.085
China Conservation Power Holdings Ltd	290	12.35		0.91
China Gas Holdings Ltd	384	11.67		0.67
China Merchants DiChain (Asia) Ltd	632		10.00	0.099
China Rich Holdings Ltd	1191		10.42	0.043
China Sci-Tech Holdings Ltd	985		10.00	0.018
Chun Wo Holdings Ltd	711		11.11	0.80
China Northern Enterprises Investment Fund Ltd	2324		10.26	0.35
Daido Group Ltd	544	10.26		0.086
Dan Form Holdings Company Ltd	271		13.33	0.26
Dickson Group Holdings Ltd	313		11.11	0.04
EC-Founder (Holdings) Company Ltd	618	10.91		0.305
First Sign International Holdings Ltd	933		10.00	0.27
Lai Fung Holdings Ltd	1125		22.55	0.182
MAE Holdings Ltd	851		11.76	0.015
Mascotte Holdings Ltd	136		18.18	0.18
Massive Resources International Corporation Ltd	70		11.76	0.015
New World TMT Ltd	301		10.31	0.87
Sunlink International Holdings Ltd	2336		12.00	0.066
Sunny Global Holdings Ltd	1094		13.44	0.161

Theme International Holdings Ltd	990		12.50	0.035
United Power Investment Ltd	674		12.50	0.14
Wanji Pharmaceutical Holdings Ltd	835	25.00		0.025
Wonson International Holdings Ltd	651		10.00	0.018

Over on the very speculative **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index surrendered 1.76 percent of its value, dropping back to 1,101.15 points.

The Total Turnover was about \$HK92.90 million, with the ratio of losing counters to gaining ones, being 4.20:One, exactly.

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

TOM Online Incorporated (Code: 8282)	Down 6 percent to \$HK1.30 per share
TOM Group Ltd (Code: 8001)	Down 4 percent to \$HK1.69 per share
Superdata Software Holdings Ltd (Code: 8263)	Down 2 percent to 49 cents per share
Tiger Tech Holdings Ltd (Code: 8046)	Up 29 percent to 4.90 cents per share
Wumart Stores Incorporated (Code: 8277)	Unchanged at \$HK14.95 per share

The GEM's double-digit movers were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Multimedia Ltd	8061	11.11		0.20
Creative Energy Solutions Holdings Ltd	8109		20.50	0.19
Eco-Tek Holdings Ltd	8169	11.54		0.29
Excel Technology International Holdings Ltd	8048		20.14	0.111
HK6 Holdings Ltd	8206		39.39	0.06
Info Communication Holdings Ltd	8082		10.17	0.053
Innovis Holdings Ltd	8065		24.49	0.37
Mudan Automobile Shares Company Ltd	8188		11.76	0.60
Q9 Technology Holdings Ltd	8129	15.56		0.052
Sino Stride Technology (Holdings) Ltd	8177	14.71		0.39
Techpacific Capital Ltd	8088		18.18	0.018
Tiger Tech Holdings Ltd	8046	28.95		0.049
Vertex Communications and Technology Group Ltd	8228		24.88	0.16

In Japan, as the market waited for the news from OPEC, investors were taking no chances, lest something untoward might transpire.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average gave up 215.29 yen, equivalent to about 1.91 percent, ending the choppy session at 11,027.05 yen.

Declining counters beat off advancing counters by the ratio of about 4.93:One.

The market opened on a weak note – and never recovered.

Japanese manufacturers know, only too well, of their dependence of energy imports; and, the cost of energy is a big factor in the cost of producing goods in The Land of The Rising Sun.

This was the way that indices in other Asian markets closed their respective doors, last Thursday:

The HKSAR	Minus 2.23 percent to 11,929.93
Indonesia	Closed
Japan	Minus 1.91 percent to 11,027.05
Malaysia	Minus 0.96 percent to 798.58
The Philippines	Plus 0.37 percent to 1,532.63
Singapore	Minus 0.62 percent to 1,780.88
South Korea	Minus 4.27 percent to 770.06
Taiwan	Minus 3.48 percent to 5,671.45
Thailand	Minus 1.18 percent to 627.54

Friday

Oil prices, internationally, continued to fall, last Friday, following on from the determination of The Organisation of Petroleum Exporting Countries (OPEC) to increase output (Please see Thursday's report).

The immediate reaction to the OPEC announcement would appear to have been contrary to what the President of OPEC had said just one fortnight earlier.

The last trade in light sweet crude oil on The New York Mercantile Exchange, last Friday, was settled at \$US38.49 per barrel for July delivery, and \$US38.53 per barrel for August delivery.

And the world sighed in relief.

What had become apparent by the events of the week, ended June 4, 2004, was that OPEC's days as a powerhouse in controlling the price of oil, worldwide, may be coming to an abrupt end – if it has not, already.

Saudi Arabia was the first OPEC member to break ranks.

No doubt, others will follow.

The one thing about the Arab world that is undisputable is that every Arab has his own agenda, and rarely does he consider the entire, global picture.

On Wall Street, last Friday, investors rallied to the drop in the price of crude oil, sending up prices on both major equity markets.

On The New York Stock Exchange, the Dow Jones Industrial Average gained about 0.46 percent, ending the week at 10,242.82 points.

On the tech-laden NASDAQ, its Composite Index gained about 0.94 percent, running up to 1,978.62 points.

The ratio of gainers to losers on both markets was bordering on 2:One.

But, oil was one thing; the state of the US economy was another.

The US Labour Department announced that job creation, during the month of May, was about 248,000 jobs.

So, the US economy continues to strengthen, contrary to that which some pundits had suggested of late.

However, the unemployment rate in The Land of The Free and The Home of The Brave is, still, about 5.60 percent – which ain't good, by any standards.

And, when the US Federal Reserve Board meets on Tuesday, June 29, the prospects of an increase in the Fed Funds' Rate appear to be high.

Which is something with which the markets will have to contend, in the run-up to that Open Market Committee Meeting.

Europe was, seemingly, delighted by the drop in the price of oil and the bullish economic statistics, pouring out of the US.

The question that some economists were pondering, however, was whether or not the May increases in job creation in the US was a flash-in-the-pan or a definite indication that the worst, as far as the US economy was concerned, is over.

This was how indices on major European bourses fared, last Friday:

Amsterdam's AEX Index	Plus	0.75 percent
Great Britain's FTSE 100 Index	Plus	0.43 percent
Germany's Frankfurt XETRA DAX Index	Plus	1.14 percent
France's CAC40 Index	Plus	1.22 percent
Switzerland's Swiss Market Index	Plus	0.49 percent
Italy's MIBTEL Index	Plus	0.75 percent

In Asia, it was a mixed bag of tricks on the most-important equity markets, but there were, still, more pluses than minuses.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), it was the eve of the democracy movement at Tiananmen Square, Beijing, when an estimated one million Chinese students protested that the country should enjoy more freedoms.

On June 4, 1989, the student-led demonstration at Beijing was crushed on the stroke of midnight, as tanks of the People's Liberation Army roared through Tiananmen Square, squashing all of those who stood in their way.

The HKSAR has become the last bastion of democracy in the PRC, as well as having become, somewhat, the conscience of the Motherland.

But money talks and bullshit walks – and the making money is, to most Chinese in Asia, more important than airy-fairy concepts of freedom and democracy.

Also, when you are a country of about 1.30 billion human beings, undergoing an economic miracle, which is the envy of the rest of the world, other countries want a piece of that pie and are quite willing to put the telescope to the blind eye, as did Vice Admiral (later Viscount) Horatio Nelson at the Battle of Copenhagen on April 2, 1801.

The candle vigil to commemorate the 15th Anniversary of the crushing of the democracy movement at Beijing went off without a hitch at Victoria Park, the HKSAR, with an estimated 80,000 people in attendance.

And Beijing yawned.

On The Stock Exchange of Hongkong Ltd, last Friday, the Hang Seng Index gained about 0.78 percent, ending the day at 12,022.64 points.

The Total Turnover was about \$HK8.93 billion, the lowest Turnover of the week.

The ratio of gaining counters to losing ones was about 1.57:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 0.86 percent to \$HK117.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.92 percent to \$HK22.05 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.49 percent to \$HK51.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.79 percent to \$HK63.75 per share
Harbin Brewery Group Ltd (Code: 249)	Down 6.72 percent to \$HK5.55 per share
China Telecom Corporation Ltd (Code: 728)	Unchanged at \$HK2.325 per share
PetroChina Company Ltd (Code: 857)	Down 1.37 percent to \$HK3.60 per share
Huaneng Power International Incorporated (Code: 902)	Down 0.74 percent to \$HK6.75 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.44 percent to \$HK57.25 share
Aluminum Corporation of China Ltd (Code: 2600)	Down 0.61 percent to \$HK4.05 per share

As for the double-digit movers, last Friday, they were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Alpha General (Holdings) Ltd	73		10.77	0.29
First Sign International Holdings Ltd	933	11.11		0.30
Global Tech (Holdings) Ltd	143		23.81	0.064
Hang Ten Group Holdings Ltd	448	10.00		0.011
Heng Fung Holdings Ltd	185	10.34		0.16
I-China Holdings Ltd	240	11.76		0.019
I-Wood International Holdings Ltd	162	10.13		0.435
ITC Corporation Ltd	372	11.11		0.30
Karl Thomson Holdings Ltd	7		10.42	0.215
Pacific Plywood Holdings Ltd	767		10.53	0.034
Rontex International Holdings Ltd	1142		10.09	0.205
SIS International Holdings Ltd	529	10.00		0.66
Sunny Global Holdings Ltd	1094		22.36	0.125
Tse Sui Luen Jewellery (International) Ltd	417	18.00		0.295
UDL Holdings Ltd	620		25.81	0.023
Sinochem Hongkong Holdings Ltd	297	14.04		0.325
Zhongda International Holdings Ltd	909	15.00		0.345

Over on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index regained 1.06 percent of its value, running back to 1,112.82 points.

The Total Turnover on this speculative market was, also, on the very low side, at about \$HK48.58 million.

Gaining counters outnumbered losing ones by the ratio of about 1.22:One.

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

Tiger Tech Holdings Ltd (Code: 8046)	Up 43 percent to 7.00 cents per share
TOM Online Incorporated (Code: 8282)	Unchanged at \$HK1.30 per share
TOM Group Ltd (Code: 8001)	Unchanged at \$HK1.69 per share
Wumart Stores Incorporated (Code: 8277)	Unchanged at \$HK15.00 per share
Kanstar Environmental Paper Products Holdings Ltd (Code: 8011)	Up 1 percent to 40.00 cents per share

The biggest movers on this market included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Multimedia Ltd	8061		10.00	0.18
China Advance Holdings Ltd	8117	12.00		0.112
Era Information and Entertainment Ltd	8043		19.35	0.075
Shenzhen EVOC Intelligent Technology Company Ltd	8285		11.94	0.59
Excel Technology International Holdings Ltd	8048		18.02	0.091
IIN International Ltd	8128		27.54	0.05
Recruit Holdings Ltd	8073	11.76		0.019
T S Telecom Technologies Ltd	8003		11.29	0.055
Thiz Technology Group Ltd	8119		22.22	0.014
Tiger Tech Holdings Ltd	8046	42.86		0.07
Vertex Communications and Technology Group Ltd	8228	20.00		0.192

News wise

- **Phoenix Satellite Television Holdings Ltd (Code: 8002)** confirmed that it is seeking a listing on the Main Board of The Stock Exchange of Hongkong Ltd and that it is, also, looking to purchase radio stations in the PRC, proper. Phoenix Satellite Television Holdings is controlled by media magnate Rupert Murdoch of Australia.

The tally for the week for the second-largest equity market in Asia was:

The Hang Seng Index	Minus 0.78 percent
The Growth Enterprise Index	Minus 1.49 percent

In Japan, the indices of the 3 equity markets, all rose.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average gained 101 yen, or about 0.91 percent, ending the week at 11,128.05 yen.

Gaining counters outran losing ones by the ratio of about 2.32:One.

For the most part, it was the old game of catch-up on this equity market since, by and large, Japanese investors had been pounded, considerably, of late over the matter of oil.

So, the tally for the largest equity market in Asia was:

The Nikkei-225 Stock Average	Minus 1.61 percent
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This was the way that other Asian equity markets saw the situation, last Friday night:

The HKSAR	Plus 0.78 percent to 12,022.64
Indonesia	Minus 2.93 percent to 697.94
Japan	Plus 0.91 percent to 11,128.05
Malaysia	Plus 0.53 percent to 802.82
The Philippines	Minus 0.53 percent to 1,524.45
Singapore	Plus 0.6 percent to 1,791.7
South Korea	Plus 1.38 percent to 780.74
Taiwan	Plus 0.94 percent to 5,724.89

Thailand	Minus 0.17 percent to 626.47
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