

EQUITY MARKETS AWAIT THE PLEASURE OF DR ALAN GREENSPAN

As the populations of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) and Taiwan prepared to celebrate The Dragon Boat Festival, which fell last Tuesday, June 22, equity markets, throughout the region, adopted a watching brief, with the exceptions of Japan's markets and that of Thailand.

On Wall Street, concern over what might be announced at the conclusion of the June 29 Open Market Committee Meeting of the US Federal Reserve Board, when interest rates are expected to be increased by about 25 basis points, at least, caused investors to adopt a holding pattern, too.

There was, last Monday, no disagreement among gurus that interest rates would rise, but the big question was: What other message would Chairman Alan Greenspan have for the investment community?

On The New York Stock Exchange, last Monday, the Dow Jones Industrial Average lost about 0.03 percent of its value, closing the day at 10,314.64 points, while, on The NASDAQ, its Composite Index managed the fractional gain of about 0.16 percent, ending the choppy session at 1,989.83 points.

With Iraqi oil, flowing once again – to the surprise of many oil experts, who did not expect any oil exports from the country for a fortnight, at least – the price of light sweet crude fell to \$US35.41 per barrel for July delivery.

Iraq is now delivering about one million barrels of crude oil per day, which is about 50 percent of normal.

In Europe, all eyes were on the US where investors were waiting, anxiously, for an indication as to the future direction of equity markets.

Interest-rates were at the heart of the consternation of most Europeans, of course.

This was how indices of major equity markets fared, last Monday:

Amsterdam's AEX Index	Plus 0.14 percent
Great Britain's FTSE 100 Index	Minus 0.08 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.26 percent
France's CAC40 Index	Minus 0.02 percent
Switzerland's Swiss Market Index	Plus 0.40 percent
Italy's MIBTEL Index	Minus 0.68 percent

The equity market of Tokyo, the largest bourse in Japan, was the leader of the gainers in the most-populous part of the world.

However, generally, most stock markets of Asia were quiet.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), had it not been for a wishy-washy afternoon rally, indices on the Main Board of The Stock Exchange of Hongkong Ltd would have been off much more.

As it was, the Hang Seng Index, the key index of the premier stock market of the territory, was down about 0.08 percent, ending the day at 11,845.59 points.

The Total Turnover was about \$HK10.52 billion, with the ratio of losing counters to gaining ones, being about 1.33:One.

The Ten Most Active Counters were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK114.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.45 percent to \$HK22.30 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.46 percent to \$HK54.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.81 percent to \$HK61.25 per share
PetroChina Company Ltd (Code: 857)	Down 0.74 percent to \$HK3.375 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 1.20 percent to \$HK12.40 per share

Aluminum Corporation of China Ltd (Code: 2600)
 Denway Motors Ltd (Code: 203)
 China Petroleum and Chemical Corporation (Code: 386)
 Hutchison Whampoa Ltd (Code: 13)

Unchanged at \$HK3.625 per share
 Up 7.69 percent to \$HK2.80 per share
 Down 1.87 percent to \$HK2.625 per share
 Up 0.50 percent to \$HK50.50 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Arnhold Holdings Ltd	102	20.00		0.60
Asia Logistics Technologies Ltd	862	12.50		0.018
Capital Prosper Ltd	1003		13.04	0.04
Chi Cheung Investment Company Ltd	112	13.70		0.83
China Merchants DiChain (Asia) Ltd	632	13.68		0.108
Dickson Group Holdings Ltd	313	18.42		0.045
Fujian Holdings Ltd	181	16.28		0.20
GeoMaxima Energy Holdings Ltd	702		16.22	0.093
Golden Harvest Entertainment (Holdings) Ltd	1132	20.83		0.29
Millennium Group Ltd	260	20.00		0.12
Plus Holdings Ltd	1013		20.00	0.04
renren Holdings Ltd	59	18.18		0.013
Sincere Company Ltd, The	244	13.64		0.375
Sunway International Holdings Ltd	58	13.46		0.295
Swank International Manufacturing Company Ltd	663	14.89		0.054
Tse Sui Luen Jewellery (International) Ltd	417	10.62		0.25
U-Cyber Technology Holdings Ltd	91	14.41		0.135
Vantage International (Holdings) Ltd	15		11.69	0.34

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, it was a similar situation to that which existed on the Main Board.

The Growth Enterprise Index of The Stock Exchange of Hongkong Ltd lost about 0.18 percent of its previous value on a Total Turnover of about \$HK56.89 million.

On this speculative marketplace, the ratio of losing counters to gaining counters was about 1.21:One.

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

Wumart Stores Incorporated (Code: 8277)	Up 5 percent to \$HK13.70 per share
Golden Meditech Company Ltd (Code: 8180)	Down 2 percent to \$HK2.925 per share
TOM Group Ltd (Code: 8001)	Up 1 percent to \$HK1.56 per share
Kanstar Environmental Paper Products Holdings Ltd (Code: 8011)	Down 1 percent to 41.50 cents per share
Panva Gas Holdings Ltd (Code: 8132)	Up 4 percent to \$HK3.35 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Cyber On-Air Group Company Ltd	8118		11.11	2.40
DIGITALHONGKONG.COM	8007	11.36		0.098
Global Digital Creations Holdings Ltd	8271	15.79		0.44
Golding Soft Ltd	8190	29.63		0.035
KanHan Technologies Group Ltd	8175		15.38	0.66
Linefan Technology Holdings Ltd	8166		10.45	0.06
New Universe International Group Ltd	8068		19.23	0.042
Panorama International Holdings Ltd	8173		19.35	0.10
Q9 Technology Holdings Ltd	8129	13.73		0.058
Qianlong Technology International Holdings Ltd	8015	20.00		0.36

In Japan, it was a different story, completely, with the 3 equity markets of the country, being the largest gainers of last Monday.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average put on 1.92 percent, running up to 11,600.16 yen in spirited trading.

Advancing counters outperformed declining ones by the ratio of 3.78:One, exactly.

The Tokyo Stock Exchange's closing level of last Monday was just a whisker off a 2-month high.

It was considered highly unlikely, however, that Tokyo would be able to hang onto its gains for very long since the matter of US interest rates continued to be a fly in the ointment for many investors in that part of the world.

This was how other equity markets closed, last Monday:

The HK SAR	Minus 0.08 percent to 11,845.59
Indonesia	Minus 0.45 percent to 689.62
Japan	Plus 1.92 percent to 11,600.16
Malaysia	Plus 0.44 percent to 825.56
The Philippines	Plus 0.51 percent to 1,540.52
Singapore	Minus 0.25 percent to 1,787.15
South Korea	Plus 1.02 percent to 749.30
Taiwan	Minus 0.23 percent to 5,556.54
Thailand	Plus 1.18 percent to 630.03

Tuesday

Both the equity markets of the Hongkong Special Administrative Region (HK SAR) of the People's Republic of China (PRC) and Taiwan were closed, last Tuesday, for The Dragon Boat Festival.

On Wall Street, however, major indices of The NASDAQ, which is heavily laced with hi-tech counters, surprised many investors with very material gains.

The NASDAQ's Composite Index improved by about one percent, ending the day at 1,944.15 points.

But it was only a last-minute spurt in the afternoon session that did the deed: Things were relatively unchanged during the morning session and for the early part of the afternoon session, too.

As for the Dow Jones Industrial Average, the key index of the Big Board of The New York Stock Exchange, it managed a gain of just 0.23 percent, ending the day at 10,395.07 points.

Gains on the 2 largest equity markets of the world were put down to technical considerations – covering shorts, closure of books, etc – with most investors, making a determination that the markets would not be able to hold onto their gains for very long even if they spilt over into Wednesday and Thursday.

With the US Federal Reserve Board's Open Market Committee Meeting just 7 days away, it was considered highly unlikely that serious-minded investors would take a gamble, without knowing the determination of the Central Bank of the largest economy of the world.

In Europe, last Tuesday, all figures were being written in red ink.

The situation in the Middle East was hotting up, making investors very nervous.

A third civilian had been decapitated in Iraq by al Qaeda operatives in the run-up to giving Iraq full sovereignty over the country.

That event takes place on Thursday, this week.

An unstable Iraq means that about 2 percent of the world's supply of crude oil is in jeopardy – and investors know this only too well.

In addition, as at last Tuesday, it would only be another 7 days before the US Federal Reserve Board would meet.

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

Amsterdam's AEX Index	Minus 1.24 percent
Great Britain's FTSE 100 Index	Minus 0.85 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.53 percent
France's CAC40 Index	Minus 1.07 percent
Switzerland's Swiss Market Index	Minus 1.02 percent
Italy's MIBTEL Index	Minus 0.48 percent

In Japan, as had been widely expected, the 3 equity markets were unable to hang onto the gains of Monday.

The Nikkei-225 Stock Average, the key index of The Tokyo Stock Exchange, lost about 18.89 yen, equivalent to about 0.16 percent, falling back to 11,581.27 yen.

In other Asian markets, this was how they closed, last Tuesday night:

The HKSAR	Closed
Indonesia	Plus 0.21 percent to 691.09
Japan	Minus 0.16 percent to 11,581.27
Malaysia	Minus 0.86 percent to 818.47
The Philippines	Plus 0.15 percent to 1,542.82
Singapore	Minus 0.07 percent to 1,785.93
South Korea	Minus 0.38 percent to 746.48
Taiwan	Closed
Thailand	Minus 0.11 percent to 629.36

Wednesday.

Wall Street rallied, late in last Wednesday's trading session, for no apparent reason.

There was a report, issued by The Labour Department in respect of the incidents of mass layoffs during the month of May, but the stock-market rally was unlikely to have been due to this announcement.

The Bureau of Labour Statistics, a section of the US Government's Department of Labour, announced that, in May, employers took 988 mass layoff actions, as measured by new filings for unemployment insurance benefits.

Each action involved not less than 50 employees from a single establishment: The number of workers, involved in the mass layoffs, totalled 87,501.

The statistics represented the lowest levels of mass layoffs since May 2000.

Between Monday and Wednesday, last week, little had taken place in the US, that is little of any materiality that could have been said to have influenced, greatly, the equity markets of the country, but, still hanging over equity markets of The Land of The Free and The Home of The Brave was the matter of the June 29 Open Market Committee Meeting of the US Federal Reserve Board.

The killings and bombings in Iraq were continuing, but Iraqi oil was continuing to flow from that chaotic country.

On the Big Board of The New York Stock Exchange, the Dow Jones Industrial Average gained about 84.50 points, or about 0.81 percent, ending the day at 10,479.57 points.

But it was on the NASDAQ, the New York equity market, heavily laden with hi-tech stocks, that the big move was made.

The Composite Index of the NASDAQ rose about 1.35 percent to hit 2,020.98 points by the time that dinner rolled round.

The ratio of gainers to losers on the Big Board of The New York Stock Exchange was about 2.30:One and, on the NASDAQ, the ratio was about 1.91:One.

While indices of major US equity markets were firmer, last Wednesday, there was, still, a great deal of concern as to the amount of increase in US interest rates that one could reasonably expect before the month was out.

Only fractional movements marked the books of indices of major European equity markets by the close of trading, last Wednesday:

Amsterdam's AEX Index	Plus 0.22 percent
Great Britain's FTSE 100 Index	Plus 0.41 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.43 percent
France's CAC40 Index	Plus 0.54 percent
Switzerland's Swiss Market Index	Minus 0.08 percent
Italy's MIBTEL Index	Plus 0.41 percent

Europe had its own problems, to be sure, but Wall Street's activities have, over the past few years, been a beacon for trading in this part of the world.

On the Main Board of The Stock Exchange of Hongkong Ltd, indices hardly moved for the entire session.

By the end of the trading day on the largest equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the Hang Seng Index was registering a gain of just 0.04 percent, at 11,849.77 points.

The Total Turnover was about \$HK11.02 billion, with the ratio of gaining counters to losing ones, being about 1.07:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK114.50 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 1.21 percent to \$HK12.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.82 percent to \$HK60.75 per share
PetroChina Company Ltd (Code: 857)	Unchanged at \$HK3.375 per share
China Mobile (Hongkong) Ltd (Code: 941)	Unchanged at \$HK22.30 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK50.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.46 percent to \$HK54.75 per share
PCCW Ltd (Code: 8)	Up 2.83 percent to \$HK5.45 per share
Tencent Holdings Ltd (Code: 700)	Up 10.63 percent to \$HK4.425 per share
China Life Insurance Company Ltd (Code: 2628)	Up 2.31 percent to \$HK4.425 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Anex International Holdings Ltd	723		20.00	0.10
Asia Logistics Technologies Ltd	862		11.11	0.016
China Agrotech Holdings Ltd	1073		18.63	0.415
Dah Hwa International (Holdings) Ltd	600		13.85	0.112
Garron International Ltd	1226		10.71	0.10
GeoMaxima Energy Holdings Ltd	702	12.90		0.105
Global Bio-chem Technology Group Company Ltd	809	11.83		5.20
Gorient (Holdings) Ltd	729		20.27	0.059
Hanison Construction Holdings Ltd	896	13.41		0.465
Harbin Power Equipment Company Ltd	1133	19.02		1.94
Jinhui Holdings Company Ltd	137	14.04		10.15
Kamboat Group Company Ltd	318	17.65		0.40
Karce International Holdings Company Ltd	1159	10.00		0.242
Lai Fung Holdings Ltd	1125	13.48		0.16
Man Yue International Holdings Ltd	894		12.00	0.44
Medtech Group Company Ltd	1031	11.54		0.058
Neo-China Group (Holdings) Ltd	563		16.67	0.25
renren Holdings Ltd	59		15.38	0.011
TCL International Holdings Ltd	1070	15.29		2.45
Technology Venture Holdings Ltd	61	14.65		0.227
Tencent Holdings Ltd	700	10.63		4.425
Tysan Holdings Ltd	687	40.48		0.295
U-Cyber Technology Holdings Ltd	91		14.07	0.116
Unity Investments Holdings Ltd	913		23.21	0.215
Wing Shing Chemical Holdings Ltd	850	13.79		0.33

Over on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover slumped to about \$HK46.09 million.

The Growth Enterprise Index dropped about 0.23 percent, falling back to 1,052.71 points.

The ratio of declining counters to advancing counters was about 1.69:One.

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

TOM Group Ltd (Code: 8001)	Down 1 percent to \$HK1.55 per share
Yantai North Andre Juice Company Ltd (Code: 8259)	Up 3 percent to 91 cents per share
Tungda Innovative Lighting Holdings Ltd (Code: 8229)	Down 5 percent to 36.50 cents per share
Panva Gas Holdings Ltd (Code: 8132)	Unchanged at \$HK3.35 per share

The GEM's biggest movers were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231	10.71		0.31
Global Link Communications Holdings Ltd	8060		13.85	0.056
Info Communication Holdings Ltd	8082	13.73		0.058
KanHan Technologies Group Ltd	8175		34.85	0.43
Linefan Technology Holdings Ltd	8166		10.00	0.054
New Universe International Group Ltd	8068	16.67		0.049
Q9 Technology Holdings Ltd	8129		13.79	0.05
Shandong Molong Petroleum Machinery Company Ltd	8261	14.04		0.65
Stockmartnet Holdings Ltd	8123		38.46	0.016
T S Telecom Technologies Ltd	8003		13.73	0.044

The 3 equity markets of Japan were extremely quiet, last Wednesday.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average ended the session with a loss of about 7 tenths of a point, ending the day at 11,580.56 yen.

While The Nikkei-225 Stock Average was only down about one percent of a percentage point, losing counters outran gaining ones by the ratio of about 2.13:One.

Japan was not at all influenced by Wall Street's rally, although some Asian markets, clearly, took heart.

News wise

- Japan's **trade surplus** grew by about 35.50 percent in May, Year-on-Year, to 934.20 billion yen, The Finance Ministry announced. It was the 11th consecutive month of expansion in the merchandise trade surplus.

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

The HKSAR	Plus 0.04 percent to 11,849.77
Indonesia	Plus 1.25 percent to 699.76
Japan	Minus 0.01 percent to 11,580.56
Malaysia	Plus 0.44 percent to 822.09
The Philippines	Plus 1.99 percent to 1,573.47
Singapore	Plus 0.49 percent to 1,794.65
South Korea	Minus 1.01 percent to 738.93
Taiwan	Plus 3.11 percent to 5,729.30
Thailand	Minus 0.34 percent to 627.24

Thursday

As the countdown to June 30 continued, on which day, an Interim Government, comprising solely Iraqis, will take charge of their own political affairs and future, Iraqi terrorists and operatives of the al Qaeda network (or whatever they call themselves, these days) continued to kill their own kind ... and a couple of US servicemen to boot.

The bombings and the killings in Iraq, however, no longer have much of an impact on US equity markets, which, today, appear to be driven, almost exclusively, by news from the US Federal Reserve Board in respect of interest rates, firstly, and official announcements, emanating from various bureaux of the US Government, secondly.

On Wall Street, last Thursday, the Dow Jones Industrial Average, the key index of blue chips, traded on the Big Board of The New York Stock Exchange, fell about one third of a percentage point, dropping back to 10,443.81 points.

The Composite Index of the NASDAQ followed suit, with a fall of about 0.27 percent, ending the day at 2,015.57 points.

All that one heard on Wall Street were conversations, relating to interest rates in the US; and, prognostications as to the future direction of the world's largest economy.

In Europe, investors determined, by and large, to sit on their hands.

There were only 3 trading days left before the US Federal Reserve Board would hold its Open Market Committee Meeting, and so many influential and well-heeled investors of the eurozone decided to wait it out.

Although a 25 basis-point, interest-rate increase had, already, been factored into most European equity markets' indices, still, there was the chance that the unexpected could happen.

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

Amsterdam's AEX Index	Plus	0.81 percent
Great Britain's FTSE 100 Index	Plus	0.26 percent
Germany's Frankfurt XETRA DAX Index	Plus	1.57 percent
France's CAC40 Index	Plus	0.96 percent
Switzerland's Swiss Market Index	Plus	0.36 percent
Italy's MIBTEL Index	Plus	0.47 percent

In stark contrast to Europe, all of the major equity markets of Asia were galloping along, making material improvements in their respective indices.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors were treated to a booming market – for a change.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index regained about 2.65 percent of its value, ending the spirited trading session at 12,163.68 points.

The Total Turnover was about \$HK18.27 billion, with the ratio of gaining counters to losing ones, being 3.48:One, exactly.

The Ten Most Actives were:

Ping An Insurance (Group) Company of China, Ltd (Code: 2318)	\$HK10.40 per share*
HSBC Holdings plc (Code: 5)	Up 1.75 percent to \$HK116.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 4.26 percent to \$HK23.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 4.12 percent to \$HK63.25 per share
PetroChina Company Ltd (Code: 857)	Up 5.93 percent to \$HK3.575 per share
China Telecom Corporation Ltd (Code: 728)	Up 3.92 percent to \$HK2.65 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 4.90 percent to \$HK12.85 per share
Hutchison Whampoa Ltd (Code: 13)	Up 2.48 percent to \$HK51.75 per share
Huaneng Power International Incorporated (Code: 902)	Up 6.20 percent to \$HK6.85 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 3.65 percent to \$HK56.75 per share

* First day of trading for this Initial Public Offering

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Angang New Steel Company Ltd	347	11.70		2.625
Anhui Conch Cement Company Ltd	914	10.39		8.50
Capital Prosper Ltd	1003	17.50		0.047
China Agrotech Holdings Ltd	1073	20.48		0.50
China United International Holdings Ltd	273		10.87	0.41
Dah Hwa International (Holdings) Ltd	600	16.07		0.13
Global Tech (Holdings) Ltd	143	12.90		0.07
Guangdong Tannery Ltd	1058	22.22		0.22
Hua Lien International (Holding) Company Ltd	969	10.00		0.55
Lianhua Supermarket Holdings Company Ltd	980	10.00		7.70
Medtech Group Company Ltd	1031	24.14		0.072
New World TMT Ltd	301	10.53		0.84
Ocean Grand Holdings Ltd	1220	10.56		1.99
Oriental Metals (Holdings) Company Ltd	1208	10.00		2.20
Ruili Holdings Ltd	491		16.67	0.01
Starbow Holdings Ltd	397		19.44	0.029
Sunny Global Holdings Ltd	1094	13.08		0.121
Tai Cheung Holdings Ltd	88	10.10		2.725
Wah Nam International Holdings Ltd	159		26.32	0.14

Winfoong International Ltd	63		10.26	0.175
Wing Shing Chemical Holdings Ltd	850		12.12	0.29
Zhongda International Holdings Ltd	909		10.14	0.31

Over on The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, trading was much more restrained than on the Main Board.

The Growth Enterprise Index rose about 0.65 percent, ending the day at 1,059.51 points.

The Total Turnover was about \$HK62.70 million.

Advancing counters beat off declining ones by the ratio of about 1.83:One.

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

Yantai North Andre Juice Company Ltd (Code: 8259)	Down 1 percent to 90 cents per share
TOM Group Ltd (Code: 8001)	Up 2 percent to \$HK1.58 per share
Phoenix Satellite Television Holdings Ltd (Code: 8002)	Up 1 percent to \$HK1.40 per share
Panva Gas Holdings Ltd (Code: 8132)	Down 1 percent to \$HK3.30 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Up 2 percent to \$HK16.75 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Creative Energy Solutions Holdings Ltd	8109	11.11		0.20
G.A. Holdings Ltd	8126		23.02	0.097
Henderson Cyber Ltd	8023	10.00		0.165
IIN International Ltd	8128		16.67	0.05
Info Communication Holdings Ltd	8082	17.24		0.068
iSteelAsia Holdings Ltd	8080	10.87		0.051
KanHan Technologies Group Ltd	8175		30.23	0.30
Ko Yo Ecological Agrotech (Group) Ltd	8042		12.82	0.34
Lang Chao International Ltd	8141	12.50		0.36
New Chinese Medicine Holdings Ltd	8085	14.29		0.04
QUASAR Communication Technology Holdings Ltd	8171	21.05		0.23
Stockmartnet Holdings Ltd	8123	31.25		0.021
T S Telecom Technologies Ltd	8003	13.64		0.05
Techpacific Capital Ltd	8088	12.90		0.035
Ultra Group Holdings Ltd	8203		14.04	0.049

On Asia's largest equity market, that of The Tokyo Stock Exchange, its Nikkei-225 Stock Average rose 163.59 yen, equivalent to about 1.41 percent, ending the session at 11,744.15 yen.

Gaining counters were ahead of losing ones by the ratio of about 2.73:One.

Japan was following the lead, set by Wall Street on Wednesday, when hi-tech counters became the '*darlings*' of the day.

While that matter of the meeting of the US Federal Reserve Board was, still, a Sword of Damocles, hanging over the 3 stock markets of The Land of The Rising Sun, more important to many Japanese investors was the matter of the strength of the US economy.

After all, the markets of North America are, still, the major buyers of Japanese-produced motor cars, television sets, luxury sail boats, cameras, etc, etc, etc.

News wise

- **Sales** at Japanese supermarkets and departmental stores sagged in May 2004, compared with May 2003, The Japan Chain Stores Association announced. Supermarket sales dipped by about 3.60 percent, Year-on-Year, while sales at departmental stores were off by about 2.40 percent, Year-on-Year.

And this was how other Asian bourses closed their respective trading doors, last Thursday:

The HKSAR	Plus 2.65 percent to 12,163.68
Indonesia	Plus 1.37 percent to 709.35
Japan	Plus 1.41 percent to 11,744.15

Malaysia	Plus 0.57 percent to 826.80
The Philippines	Plus 0.02 percent to 1,573.77
Singapore	Plus 0.27 percent to 1,799.48
South Korea	Plus 3.28 percent to 763.13
Taiwan	Plus 0.87 percent to 5,779.09
Thailand	Plus 1.56 percent to 637.03

Friday

Shock! Shock! Shock!

The US economy is not growing as fast as had, hitherto, been anticipated or expected.

Last Friday, the US Commerce Department presented US investors with the news that the growth in **Gross Domestic Product (GDP)** – the total value of goods and services, produced in a country over a period of time – for the quarter, ended March 31, 2004, had been downgraded, for about 4.40 percent to 3.90 percent.

The Commerce Department, also, revised its estimate for inflation throughout the US, during the quarter.

The newest figure is 2 percent, up from the original estimate of 1.70 percent.

And, in addition, The Commerce Department reported that orders for durable goods – manufactured goods with a lifespan of 3 years or more – fell in the month of May, for the second consecutive month of falls.

The figures came in at a drop of 1.60 percent, Month-on-Month.

In April, there had been a fall of about 2.60 percent, compared with March's Bottom Line.

Now, the cat was really among the chickens.

It seemed almost a dead certainty that the US Federal Reserve Board would hike interest rates by at least 25 basis points when it meets on Tuesday, June 29.

On Wall Street, last Friday, investors, stuck into hi-tech equities, continued to buy and to make fresh commitments, but US investors, fully committed to bread-and-butter stocks and shares, started to sell part of their holdings.

On The New York Stock Exchange, the Dow Jones Industrial Average lost 71.97 points, or about 0.69 percent, ending the week at 10,371.84 points.

Over on the NASDAQ, its Composite Index gained about 0.49 percent, running up to 2,025.47 points.

Throughout the trading day, however, market sentiment swayed back and forth, following the release of US Government announcements.

In Europe, major markets witnessed lacklustre trading conditions.

With so many hot irons in so many international fires, so to speak, most investors determined to wait it out rather than make any fresh investment commitments.

This was how the indices of major equity markets in the eurozone ended the week of June 25, 2004:

Amsterdam's AEX Index	Plus 0.08 percent
Great Britain's FTSE 100 Index	Minus 0.19 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.16 percent
France's CAC40 Index	Minus 0.36 percent
Switzerland's Swiss Market Index	Plus 0.12 percent
Italy's MIBTEL Index	Plus 0.19 percent

On The Stock Exchange of Hongkong Ltd, the volume of trading dried up, considerably, with the Main Board's Hang Seng Index, gaining 0.18 percent to end the week at 12,185.52 points.

The Total Turnover was about \$HK12.36 billion.

Advancing counters were just about neck-to-neck with declining ones, the ratio, being about 1.02:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK116.50 per share
Ping An Insurance (Group) Company of China, Ltd (Code: 2318)	Down 0.96 percent to \$HK10.30 per share
China Telecom Corporation Ltd (Code: 728)	Unchanged at \$HK2.65 per share
Aluminum Corporation of China Ltd (Code: 2600)	Up 2.55 percent to \$HK4.025 per share
PetroChina Company Ltd (Code: 857)	Up 0.70 percent to \$HK3.60 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.43 percent to \$HK23.35 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 1.95 percent to \$HK13.10 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.40 percent to \$HK63.00 per share
PCCW Ltd (Code: 8)	Up 1.82 percent to \$HK5.60 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.44 percent to \$HK56.50 per share

The double-digit movers of the Main Board were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
ABC Communications (Holdings) Ltd	30	26.67		0.57
Artel Solutions Group Holdings Ltd	931	14.29		0.24
BEP International Holdings Ltd	2326		13.33	0.26
Capital Prosper Ltd	1003	23.40		0.058
Century Legend (Holdings) Ltd	79		14.08	0.061
China Eagle Group Company Ltd	493		11.74	0.203
China Rich Holdings Ltd	1191	13.16		0.043
Daiwa Associate Holdings Ltd	1037		10.91	0.49
Global Tech (Holdings) Ltd	143		10.00	0.063
Hon Po Group (Lobster King) Ltd	228	17.24		0.068
Jinhui Holdings Company Ltd	137	18.27		12.30
Joyce Boutique Holdings Ltd	647	18.97		0.345
Kwong Sang Hong International Ltd, The	189	15.25		0.68
Le Saunda Holdings Ltd	738	25.58		0.54
Magnum International Holdings Ltd	305		11.11	0.08
Medtech Group Company Ltd	1031	12.50		0.081
Ruili Holdings Ltd	491	10.00		0.011
Shougang Concord Grand (Group) Ltd	730		10.17	0.53
Shun Ho Technology Holdings Ltd	219	10.00		0.33
SMI Corporation Ltd	198	17.65		0.04
Sun Innovation Holdings Ltd	547		10.00	0.018
Tomorrow International Holdings Ltd	760	13.64		1.00
UDL Holdings Ltd	620		13.79	0.025
United Pacific Industries Ltd	176		11.54	0.23
Wanji Pharmaceutical Holdings Ltd	835	15.00		0.023
Water Oasis Group Ltd	1161		10.84	0.37
Zhong Hua International Holdings Ltd	1064		19.85	0.105

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, it was a similar story to that, being told on the Main Board – but in reverse: The Growth Enterprise Index lost about 0.14 percent of its value, falling back to 1,058.07 points.

The Total Turnover on this speculative market was about \$HK54.66 million, however trading in the shares of Mr Li Ka Shing's TOM Online Incorporated (Code: 8282) accounted for about 31.37 percent of the entire volume of activity for the day.

Losing counters were ahead of gaining ones by the ratio of about 1.29:One.

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

TOM Online Incorporated (Code: 8282)	Up 3 percent to \$HK1.35 per share
Nanjing Sample Technology Company Ltd (Code: 8287)	Unchanged at \$HK5.30 per share
Panva Gas Holdings Ltd (Code: 8132)	Up 2 percent to \$HK3.375 per share
Golden Meditech Company Ltd (Code: 8180)	Unchanged at \$HK2.95 per share
MP Logistics International Holdings Ltd (Code: 8239)	Unchanged at \$HK1.26 per share

The biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B.A.L. Holdings Ltd	8079	13.33		0.034
DIGITALHONGKONG.COM	8007	11.93		0.122
Era Information and Entertainment Ltd	8043		10.71	0.025
Global Digital Creations Holdings Ltd	8271		15.00	0.34
Ko Yo Ecological Agrotech (Group) Ltd	8042		10.29	0.305
Mudan Automobile Shares Company Ltd	8188		13.11	0.53
New Universe International Group Ltd	8068	32.65		0.065
Northeast Tiger Pharmaceutical Company Ltd	8197	14.71		0.117
PINE Technology Holdings Ltd	8013		14.77	0.127
QUASAR Communication Technology Holdings Ltd	8171	15.22		0.265
Ultra Group Holdings Ltd	8203		10.20	0.044
WorldMetal Holdings Ltd	8161	30.77		0.034
Zheda Lande Scitech Ltd	8106		10.26	0.35

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

The Hang Seng Index	Plus 2.78 percent
The Growth Enterprise Index	Plus 0.99 percent

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average closed the week at 11,780.40 yen, a one-day gain of 36.25 yen, or about 0.31 percent.

With such a short time before the US Federal Reserve Board was to make its determinations as to the new Fed Funds' Rate, it was well expected that Japanese investors would not take any unnecessary risks.

While the Nikkei-225 Stock Average was in positive territory at the close of trading, gaining counters were only ahead of losing ones by the ratio of about 1.34:One.

One could hardly call this a bullish equity market.

The Bank of Japan is due to release its quarterly TANKAN Report of corporate sentiment in Japan, this Thursday, and many investors expect it to be positive.

The tally for the week was:

The Nikkei-225 Stock Average	Plus 3.42 percent
------------------------------	-------------------

And this was how other Asian equity markets ended the week:

The HKSAR	Plus 0.18 percent to 12,185.52
Indonesia	Plus 1.53 percent to 720.23
Japan	Plus 0.31 percent to 11,780.40
Malaysia	Minus 0.31 percent to 824.23
The Philippines	Plus 0.36 percent to 1,579.51
Singapore	Plus 0.33 percent to 1,805.54
South Korea	Plus 2.08 percent to 779.03
Taiwan	Plus 0.41 percent to 5,802.55
Thailand	Plus 1.09 percent to 644

-- E N D --

*While TARGET makes every attempt to ensure accuracy of all data published,
TARGET cannot be held responsible for any errors and/or omissions.*

*If readers feel that they would like to voice their opinions about that which
they have read in TARGET, please feel free to e-mail your views to
editor@targetnewspapers.com or targnews@hkstar.com. TARGET does not
guarantee to publish readers' views, but reserves the right so to do subject
to the laws of libel.*

 [Site Meter](#)