

**OIL PRICES SCOOT PAST \$US40 PER BARREL:  
INVESTORS RUN FOR COVER**

All equity markets in the United States of America (US) were closed for the celebration of July 4, 1776, when the Americas, as they were, then, called, declared independence from Great Britain, resulting in the birth of the nation, which, in the course of less than 200 years, became the most powerful empire the world had ever seen.

The adoption of The Declaration of Independence in 1776 by a handful of traitors to the British Crown set the stage for a new world, of dashing, of capitalism ... and of double-speak.

As is usual in the US, Independence Day is celebrated with the downing of copious quantities of beer and other alcoholic beverages, making it difficult for Americans to concentrate on the sales and purchases of equities: Hence, equity markets are closed for this auspicious day.

Trading on European bourses was described as being wafer thin, as investors awaited the opening of American stock markets on Tuesday, New York time.

This was how indices of major bourses in Europe closed, last Monday:

Amsterdam's AEX Index	Minus 0.58 percent
Great Britain's FTSE 100 Index	Minus 0.09 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.08 percent
France's CAC40 Index	Plus 0.08 percent
Switzerland's Swiss Market Index	Minus 0.33 percent
Italy's MIBTEL Index	Plus 0.02 percent

While US equity markets were closed, last Monday, news that terrorists had blown up part of an Iraqi oil-supply line, effectively halving exports of oil from that country, drove up the price of light sweet crude to \$US39.37 per barrel for August delivery in electronic trading on The New York Mercantile Exchange (NYMEX).

The last settlement price was the highest level of the day.

It looked as though oil prices would continue to rise, as grave fears were expressed in many circles that supplies of oil from the Middle East would continue to be interrupted.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), trading conditions on the Main Board of The Stock Exchange of Hongkong Ltd were very quiet, as the Total Turnover slipped back to about \$HK9.14 billion.

The Hang Seng Index, the key index, which marks the movements of blue chips, gained about 0.26 percent, ending the day at 12,252.11 points.

Advancing counters outnumbered declining ones by the ratio of about 1.18:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK116.00 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK53.25 per share
Aluminum Corporation of China Ltd (Code: 2600)	Up 3.55 percent to \$HK4.375 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.39 percent to \$HK64.00 per share
Denway Motors Ltd (Code: 203)	Up 4.63 percent to \$HK2.825 per share
PetroChina Company Ltd (Code: 857)	Up 2.08 percent to \$HK3.675 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 0.86 percent to \$HK2.925 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.42 percent to \$HK23.70 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.30 percent to \$HK58.50 per share

As for Monday's double-digit movers on the Main Board, they were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Rare Earth Holdings Ltd	769	13.95		0.98
Fujikon Industrial Holdings Ltd	927	10.99		1.01
Gorient (Holdings) Ltd	729		10.17	0.053
Graneagle Holdings Ltd	147	30.30		0.43
INNOMAXX Biotechnology Group Ltd	340	17.04		0.158
Lai Sun Development Company Ltd	488	13.64		0.15
Magnificent Estates Ltd	201	11.11		0.05
Plus Holdings Ltd	1013		24.53	0.04
Sino Prosper Holdings Ltd	766		15.87	0.53
South China Industries Ltd	413		10.47	0.385
Wah Nam International Holdings Ltd	159	20.00		0.18
Zhejiang Glass Company, Ltd	739	15.24		1.89

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

The Growth Enterprise Index gained about 0.09 percent, closing out the day at 1,072.94 points.

The Total Turnover was about \$HK85.03 million.

The ratio of losing counters to gaining ones was about 1.51:One.

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

Yantai North Andre Juice Company Ltd (Code: 8259)	Up 4 percent to 94 cents per share
Golden Meditech Company Ltd (Code: 8180)	Unchanged at \$HK3.00 per share
Tungda Innovative Lighting Holdings Ltd (Code: 8229)	Down 44 percent to 16.10 cents per share
TOM Group Ltd (Code: 8001)	Down 1 percent to \$HK1.74 per share
Launch Tech Company Ltd (Code: 8196)	Up 4 percent to \$HK1.82 per share

The biggest movers on this market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Cardlink Technology Group Ltd	8066		17.78	0.074
DIGITALHONGKONG.COM	8007	12.36		0.20
Era Information and Entertainment Ltd	8043	20.00		0.03
Info Communication Holdings Ltd	8082		10.14	0.062
ITE (Holdings) Ltd	8092		10.34	0.052
KanHan Technologies Group Ltd	8175		11.28	0.173
Mudan Automobile Shares Company Ltd	8188	10.17		0.65
Recruit Holdings Ltd	8073	12.50		0.018
T S Telecom Technologies Ltd	8003	12.50		0.045
Tungda Innovative Lighting Holdings Ltd	8229		44.48	0.161
Ultra Group Holdings Ltd	8203	12.20		0.046
Vodatel Networks Holdings Ltd	8033	17.65		0.40
WLS Holdings Ltd	8021		16.36	0.046

In The Land of The Rising Sun, fears that there could be a slowdown in the hi-tech industry of the US caused a sudden sell-off of electronics stocks on the country's 3 equity markets.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average lost 179.78 yen, or about 1.53 percent, falling back to 11,541.71 yen.

The ratio of losing counters to gaining ones was 6.60:One, on the nose.

This was how indices of other Asian markets fared, last Monday:

The HKSAR	Plus 0.26 percent to 12,252.11
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Indonesia	Closed
Japan	Minus 1.53 percent to 11,541.71
Malaysia	Plus 1.56 percent to 843.61
The Philippines	Minus 0.04 percent to 1,589.93
Singapore	Plus 1.27 percent to 1,862.75
South Korea	Plus 0.17 percent to 756.72
Taiwan	Minus 1.51 percent to 5,659.78
Thailand	Plus 1.28 percent to 655.87

## Tuesday

Iraq had not solved its problems in respect of executing repairs to the damaged oil pipeline, which had been sabotaged by terrorists 4 days prior.

The world was concerned.

Exports of Iraqi oil continued to be down to about 50 percent of normal.

International traders in spot oil and oil futures pushed up the price of light sweet crude on The New York Mercantile Exchange (NYMEX) to \$US39.62 per barrel for August delivery, just below the high of the day of \$US39.67 per barrel.

Americans, returning from a 3-day drinking binge, celebrating the country's independence from Great Britain, some 228 years ago, were hit with what is known in the parlance as a double whammy: The sudden explosion in the price of crude oil on international markets; and, profits' warnings from some of the Wall Street *'darlings'*.

On the first day of trading on The New York Stock Exchange, last Tuesday, the Dow Jones Industrial Average shed about 63.49 points, or about 0.62 percent, ending the day at 10,219.34 points.

On The NASDAQ, its Composite Index suffered much worse than The Dow, as investors pulled it down to 1,963.43 points, a one-day drop of about 2.15 percent.

The falls on indices of the largest equity markets on Wall Street and the uncertainty in respect of the resumption of full oil exports from Iraq took their toll of European investors, resulting in material falls in the value of indices of every major equity market in that part of the world.

In addition, European investors were more than a little worried over definitive evidence that industrial growth in the world's largest single economy was slowing, considerably.

This was how indices of major European equity markets ended last Tuesday's trading day:

Amsterdam's AEX Index	Minus 1.15 percent
Great Britain's FTSE 100 Index	Minus 0.72 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.27 percent
France's CAC40 Index	Minus 0.75 percent
Switzerland's Swiss Market Index	Minus 0.69 percent
Italy's MIBTEL Index	Minus 0.46 percent

In Asia, only the 3 equity markets of Japan fell foul of the bears of the country: All of the other 8 equity markets in the world's most-populous region saw their respective indices rise.

On the Main Board of The Stock Exchange of Hongkong Ltd, the key gauge, The Hang Seng Index, gained about 0.26 percent, running up to 12,284.08 points.

The Total Turnover on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) was about \$HK12.88 billion.

The ratio of gaining counters to losing ones was about 1.69:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK116.00 per share
PetroChina Company Ltd (Code: 857)	Up 1.36 percent to \$HK3.725 per share
China Mobile (Hongkong) Ltd (Code: 941)	Unchanged at \$HK23.70 per share
China Telecom Corporation Ltd (Code: 728)	Up 0.92 percent to \$HK2.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.17 percent to \$HK64.75 per share
Denway Motors Ltd (Code: 203)	Up 2.65 percent to \$HK2.90 per share
Aluminum Corporation of China Ltd (Code: 2600)	Up 1.14 percent to \$HK4.425 per share
Yanzhou Coal Mining Company Ltd (Code: 1171)	Up 5.11 percent to \$HK9.25 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.94 percent to \$HK53.75 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 0.85 percent to \$HK2.95 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Applied International Holdings Ltd	519	15.49		0.082
Asia Commercial Holdings Ltd	104		10.20	0.44
Capital Estate Ltd	193	14.29		0.016
China Elegance (Holdings) Ltd	476	35.09		0.077
Golden Harvest Entertainment (Holdings) Ltd	1132	12.00		0.28
Guangdong Brewery Holdings Ltd	124	33.33		2.70
Jiwa Bio-Pharm Holdings Ltd	2327	20.75		0.32
Kader Holdings Company Ltd	180	12.60		0.143
Kiu Hung International Holdings Ltd	381		14.48	0.248
Lai Fung Holdings Ltd	1125	11.11		0.17
Lung Cheong International Holdings Ltd	348	10.00		0.55
Neo-China Group (Holdings) Ltd	563	11.54		0.29
Pacific Plywood Holdings Ltd	767	31.43		0.046
Plus Holdings Ltd	1013		15.00	0.034
Shougang Concord Technology Holdings Ltd	521	14.00		0.57
Shun Ho Resources Holdings Ltd	253	24.00		0.31
Sun Innovation Holdings Ltd	547	15.00		0.023
Takson Holdings Ltd	918		14.69	0.151
VST Holdings Ltd	856	11.11		0.18
Wah Nam International Holdings Ltd	159	11.11		0.20
Wonson International Holdings Ltd	651	12.50		0.018
Yardway Group Ltd	646	15.85		0.19

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index put on about 1.17 percent, ending the trading day at 1,085.48 points.

The Total Turnover on this speculative market was about \$HK74.88 million.

Advancing counters outran declining ones by the ratio of about 1.18:One.

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

TOM Group Ltd (Code: 8001)	Up 3 percent to \$HK1.80 per share
Tungda Innovative Lighting Holdings Ltd (Code: 8229)	Up 45 percent to 23.40 cents per share
Golden Meditech Company Ltd (Code: 8180)	Unchanged at \$HK3.00 per share
Panva Gas Holdings Ltd (Code: 8132)	Unchanged at \$HK3.375 per share
TOM Online Incorporated (Code: 8282)	Unchanged at \$HK1.29 per share

The biggest movers of The GEM were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B.A.L. Holdings Ltd	8079		10.71	0.025
DIGITALHONGKONG.COM	8007	10.00		0.22
Era Information and Entertainment Ltd	8043	33.33		0.04
Excel Technology International Holdings Ltd	8048		13.98	0.08
Golding Soft Ltd	8190		13.89	0.031
Ko Yo Ecological Agrotech (Group) Ltd	8042		13.16	0.33
M21 Technology Ltd	8153	33.33		1.60

Techpacific Capital Ltd	8088		14.81	0.023
Tungda Innovative Lighting Holdings Ltd	8229	45.34		0.234
Vertex Communications and Technology Group Ltd	8228		25.23	0.16
WLS Holdings Ltd	8021		13.04	0.04

In Japan, all equity markets came under intense selling pressure.

By the close of trading, last Tuesday, The Nikkei-225 Stock Average stood at 11,475.27 yen, a fall of about 66.44 yen, or about 0.58 percent.

The ratio of losers to gainers was about 2.69:One.

The international oil situation and the possibility of a continuing interruption in supplies were affecting trading on the largest equity market in Asia, last Tuesday.

This was how other Asian equity markets closed, last Tuesday:

The HKSAR	Plus 0.261 percent to 12,284.08
Indonesia	Plus 3.12 percent to 768.26
Japan	Minus 0.58 percent to 11,475.27
Malaysia	Plus 0.97 percent to 851.80
The Philippines	Plus 0.06 percent to 1,590.95
Singapore	Plus 0.63 percent to 1,874.57
South Korea	Plus 0.23 percent to 758.47
Taiwan	Plus 1.30 percent to 5,733.57
Thailand	Plus 1.34 percent to 664.69

### **Wednesday**

Iraq, within 5 working days, had restored full oil exports, following the sabotage of one of its oil pipelines.

And the price of light sweet crude oil started to retreat.

Light sweet crude oil for August delivery was being settled at \$US39.27 per barrel ... and the price looked as though it would continue to fall.

Wall Street recovered some of the gains of Tuesday, but it was hardly anything about which to write home to mom.

The Dow Jones Industrial Average, the key index of blue chips, listed on The New York Stock Exchange, put on about 0.21 percent, ending the day at 10,240.29 points.

On The NASDAQ, its Composite Index squeezed out a gain of about 0.13 percent, limping to 1,966.08 points.

The 2 equity markets' performances were hardly indicative of markets, headed for higher levels.

The financial health of some of the major corporate entities in the US was the big question on Wall Street, last Wednesday.

On major European bourses, the slump continued, unabated, for the 6<sup>th</sup> consecutive session.

Every index of the major equity markets in Europe was being written in red ink.

The problems were, still, the matter of the high price of oil and the likelihood that it could go higher, at any time, and concern over industrial production in the US.

Europeans were bracing themselves for lower profits from major US corporations and they, also, well expected that there would be further disruptions to the flow of crude oil from the Middle East in the months to follow, Iraq notwithstanding.

This was how indices of major equity markets closed, last Wednesday night:

Amsterdam's AEX Index

Minus 0.34 percent

Great Britain's FTSE 100 Index	Minus 0.28 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.36 percent
France's CAC40 Index	Minus 0.01 percent
Switzerland's Swiss Market Index	Minus 0.15 percent
Italy's MIBTEL Index	Minus 0.08 percent

Fractional losses or gains marked trading in the most-populous part of the world.

Which is, certainly, indicative of markets, ready to fall at the first hint of anything untoward.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets made smallish gains.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index put on about 0.30 percent, ending the trading day at about \$HK14.46 billion.

Gaining counters nudged out losing ones by the slim ratio of about 1.14:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK116.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.63 percent to \$HK23.55 per share
PetroChina Company Ltd (Code: 857)	Up 1.34 percent to \$HK3.775 per share
Denway Motors Ltd (Code: 203)	Up 7.76 percent to \$HK3.125 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.16 percent to \$HK65.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.27 percent to \$HK59.75 per share
China Telecom Corporation Ltd (Code: 728)	Down 2.73 percent to \$HK2.675 per share
Aluminum Corporation of China Ltd (Code: 2600)	Unchanged at \$HK4.425 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.47 percent to \$HK53.50 per share
Brilliance China Automotive Holdings Ltd (Code: 1114)	Up 5.26 percent to \$HK2.50 per share

As for the Main Board's double-digit movers of the day, they were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AMS Public Transport Holdings Ltd	77	10.00		1.21
Applied International Holdings Ltd	519		10.98	0.073
Asia Logistics Technologies Ltd	2927		17.65	1.40
China Treasure (Greater China) Investments Ltd	810		12.65	0.214
First Asia Capital Investment Ltd	1227		17.24	0.36
Foundation Group Ltd	1182		12.50	0.07
Guangdong Brewery Holdings Ltd	124		14.81	2.30
Hon Po Group (Lobster King) Ltd	228	10.00		0.066
Oriental Explorer Holdings Ltd	430	19.44		0.043
Shun Cheong Holdings Ltd	650		10.26	0.07
South China Brokerage Company Ltd	619	10.00		0.055
Winfoong International Ltd	63		12.37	0.163
Wing Shan International Ltd	570	13.75		0.455

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the volume of activity slumped, back to about \$HK55 million.

The Growth Enterprise Index rose about one fifth of a percentage point to hit 1,087.60 points by the close of the day.

In spite of the gains, however, losing counters outran gaining ones by the ratio of about 1.09:One.

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

TOM Group Ltd (Code: 8001)	Down 1 percent to \$HK1.79 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Up 1 percent to \$HK17.20 per share
Panva Gas Holdings Ltd (Code: 8132)	Unchanged at \$HK3.375 per share
Launch Tech Company Ltd (Code: 8196)	Up 3 percent to \$HK1.92 per share
TOM Online Incorporated (Code: 8282)	Down 2 percent to \$HK1.27 per share

The biggest movers on this speculative market included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B.A.L. Holdings Ltd	8079	20.00		0.03
DIGITALHONGKONG.COM	8007	13.64		0.25
Plasmagene Biosciences Ltd	8250	16.67		0.35
Prosten Technology Holdings Ltd	8026		13.46	0.09
QUASAR Communication Technology Holdings Ltd	8171		16.67	0.30
Recruit Holdings Ltd	8073		11.11	0.016
Rojam Entertainment Holdings Ltd	8075	15.65		0.17
Stockmartnet Holdings Ltd	8123	13.04		0.026
WLS Holdings Ltd	8021	12.50		0.045

For the fourth consecutive day, Japanese investors sold slices of their holdings on counters, listed on The Tokyo Stock Exchange, this market, being the premier bourse of Japan.

The Nikkei-225 Stock Average lost 90.41 yen, equivalent to about 0.79 percent, falling back to 11,384.86 yen.

Losing counters swamped gaining counters by the ratio of about 4.48:One.

Japan, noting the material falls in the prices of hi-tech counters on Wall Street, on Tuesday, appeared to lose heart for fear that more falls were in the offing.

And this was how other Asian equity markets closed their respective trading days, last Wednesday:

The HKSAR	Plus 0.30 percent to 12,320.26
Indonesia	Plus 0.44 percent to 771.67
Japan	Minus 0.79 percent to 11,384.86
Malaysia	Plus 0.39 percent to 855.08
The Philippines	Plus 0.47 percent to 1,598.39
Singapore	Minus 0.04 percent to 1,873.75
South Korea	Plus 0.45 percent to 761.88
Taiwan	Minus 0.10 percent to 5,727.78
Thailand	Plus 0.26 percent to 666.43

### Thursday

The price of crude oil was the topic of conversation from one boardroom to another, across the length and breadth of the financial world, last Thursday, as it crossed the \$US40 per barrel mark.

The reason: The US Government's Homeland Security issued an 'imminent' terror alert, stating that it had creditable intelligence, suggesting that al-Qaeda was about to launch a massive attack on US soil.

The head of US Homeland Security, Mr Tom Ridge, announced:

*'Since September 11, 2001, we have had intelligence that al-Qaeda intends to launch more attacks against the homeland. Credible reporting, now, indicates that al-Qaeda is moving forward with its plans to carry out a large-scale attack in the United States in an effort to disrupt our democratic process ...'.*

That was sufficient for many investors: Up went oil prices; down came the prices of stocks and shares on most US equity markets.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil was being settled at \$US40.33 per barrel for August delivery and \$US40.46 per barrel for September delivery.

On The New York Stock Exchange, the Dow Jones Industrial Average dropped 68.73 points, or about 0.67 percent, falling back to 10,171.56 points.

Over on The NASDAQ, its Composite Index shed 30.76 points, equivalent to about 1.56 percent, falling to 1,935.32 points.

In London, England, it was announced by The Bank of England that interest rates would remain at 4.50 percent.

It was expected by most financial analysts.

On European bourses, last Thursday, the 7-day losing streak was broken, but the fractional gains, made on the most-important, equity markets of the region, did little to restore confidence in investors in this part of the world.

This was how the indices of major equity markets in Europe closed, last Thursday:

Amsterdam's AEX Index	Plus	0.23 percent
Great Britain's FTSE 100 Index	Plus	0.47 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.10 percent
France's CAC40 Index	Plus	0.27 percent
Switzerland's Swiss Market Index	Plus	0.67 percent
Italy's MIBTEL Index	Plus	0.26 percent

In Asia, every equity market's key index was off, some quite considerably.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), it was something of a bloodbath for many investors, stuck in certain counters, listed on the 2 equity markets of the territory.

The fast erosion of share prices could well lead to calls by brokers for investors to top up margin positions.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index surrendered about 1.63 percent of its value, ending the day at 12,119.75 points.

The Total Turnover rose to about \$HK14.62 billion, with losing counters, outnumbering gaining ones by the ratio of about 3.59:One.

The HKSAR's premier equity market was following other markets in the region, following the increase in the price of crude oil and fears that it would, most likely, lead to inflation – unless checked.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.86 percent to \$HK115.00 per share
Ping An Insurance (Group) Company of China, Ltd (Code: 2318)	Down 0.48 percent to \$HK10.35 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 2.76 percent to \$HK22.90 per share
Yanzhou Coal Mining Company Ltd (Code: 1171)	Down 5.41 percent to \$HK8.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.15 percent to \$HK64.75 per share
PetroChina Company Ltd (Code: 857)	Down 1.99 percent to \$HK3.70 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 2.09 percent to \$HK58.50 per share
Aluminum Corporation of China Ltd (Code: 2600)	Down 3.39 percent to \$HK4.275 per share
Denway Motors Ltd (Code: 203)	Down 2.40 percent to \$HK3.05 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.40 percent to \$HK52.75 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Strategic Holdings Ltd	235	10.53		0.42
Culturecom Holdings Ltd	343	11.76		0.57
FT Holdings International Ltd	559		12.50	0.028
Nam Fong International Holdings Ltd	1176		34.21	0.025
Pak Tak International Ltd	2668		11.58	0.42
Plus Holdings Ltd	1013	20.00		0.042
Universal Holdings Ltd	419	11.86		0.066
VST Holdings Ltd	856		10.33	0.165
Wang On Group Ltd	1222	11.11		1.00
Wanji Pharmaceutical Holdings Ltd	835	13.64		0.025
Wonson International Holdings Ltd	651		11.76	0.015

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, from the opening bell, marking the start of the trading day, share prices started their declines.



By the close of the day at 4 pm, The Growth Enterprise Index was registering a fall of 1.02 percent to 1,076.51 points.

The Total Turnover was about \$HK57.96 million, with the ratio of losing counters to gaining ones, being about 1.76:One.

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

TOM Group Ltd (Code: 8001)	Down 2 percent to \$HK1.75 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Up 3 percent to \$HK17.75 per share
Wumart Stores Incorporated (Code: 8277)	Down 1 percent to \$HK14.80 per share
TOM Online Incorporated (Code: 8282)	Down 2 percent to \$HK1.24 per share
Launch Tech Company Ltd (Code: 8196)	Up 1 percent to \$HK1.94 per share

The biggest GEM movers were reserved for the following bunch, however:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Armitage Technologies Holding Ltd	8213		25.00	0.12
DIGITALHONGKONG.COM	8007	20.00		0.30
G.A. Holdings Ltd	8126		27.20	0.091
Plasmagene Biosciences Ltd	8250		11.43	0.31
Rojam Entertainment Holdings Ltd	8075	11.76		0.19
Soluteck Holdings Ltd	8111		12.37	0.085
WLS Holdings Ltd	8021		26.27	0.033

For the 5<sup>th</sup> consecutive trading day, Japan's 3 equity markets fell foul to sellers.

On the premier stock market of The Land of The Rising Sun, The Tokyo Stock Exchange, The Nikkei-225 Stock Average dropped another 62.63 yen, or about 0.55 percent, falling back to 11,322.23 yen.

The ratio of losing counters to gaining ones was about 1.70:One.

And this was how other equity markets in the most-populous part of the world fared, last Thursday:

The HKSAR	Minus 1.627 percent to 12,119.75
Indonesia	Minus 1.54 percent to 759.74
Japan	Minus 0.55 percent to 11,322.23
Malaysia	Minus 0.39 percent to 851.77
The Philippines	Minus 0.18 percent to 1,595.47
Singapore	Minus 0.71 percent to 1,860.50
South Korea	Minus 2.39 percent to 743.64
Taiwan	Minus 0.25 percent to 5,713.39
Thailand	Minus 1.09 percent to 659.14

## **Friday**

The price of oil eased, slightly, in electronic trading on The New York Mercantile Exchange (NYMEX), last Friday, settling at \$US39.96 per barrel for August delivery, although the price for September delivery was still above the \$US40 per barrel level, at \$US40.14.

Things had quietened down, internationally, with oil, flowing normally from Iraq, as the Interim Government of the country got tough on terrorists, introducing new draconian measures, calculated to frighten the pants off al-Qaeda operatives.

Stock and share prices on Wall Street started to rise on the last day of trading for the week, following a glowing report on the US economy from General Electric Company (GE).

On The New York Stock Exchange, the Dow Jones Industrial Average gained 45.95 points, or about 0.45 percent, running back to 10,217.51 points.

On The NASDAQ, its Composite Index rose 13.36 points, equivalent to about 0.69 percent, ending the week at 1,948.68 points.

In Europe, on hearing the remarks from GE about the US economy, equities bounced off their lows, resulting in fractional gains, being recorded on some of the largest bourses.

By and large, however, indices of major markets were flat, with as many losers as there were gainers.

As the US enters its corporate reporting period for second-quarter earnings, so Europe and other parts of the world will be watching carefully for any sign of a chink in the industrial structure of the largest economy of the world.

This was how indices of major equity markets ended the week of July 9, 2004:

Amsterdam's AEX Index	Plus 0.11 percent
Great Britain's FTSE 100 Index	Plus 0.22 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.25 percent
France's CAC40 Index	Minus 0.05 percent
Switzerland's Swiss Market Index	Minus 0.55 percent
Italy's MIBTEL Index	Plus 0.28 percent

Investors in Asia were in a mood to pick up stocks and shares, which had been considered oversold in previous trading sessions, with the result that all but one of the major Asian stock markets saw their respective indices rise.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets were in the black by the close of the day, however, the gains were only of a fractional nature.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose 0.68 percent to 12,202.26 points.

The Total Turnover, however, dipped to about \$HK9.95 billion, a 32-percent drop compared with Thursday's volume of activity.

The ratio of gaining counters to losing ones was about 1.11:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.87 percent to \$HK116.00 per share
Huaneng Power International Incorporated (Code: 902)	Down 2.92 percent to \$HK6.65 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.31 percent to \$HK23.20 per share
Ping An Insurance (Group) Company of China, Ltd (Code: 2318)	Unchanged at \$HK10.35 per share
Sun Hung Kai Properties Ltd (Code: 16)	Unchanged at \$HK64.75 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Unchanged at \$HK58.50 per share
Wharf (Holdings) Ltd, The (Code: 4)	Up 3.48 percent to \$HK23.80 per share
Denway Motors Ltd (Code: 203)	Down 1.64 percent to \$HK3.00 per share
China Life Insurance Company Ltd (Code: 2628)	Up 1.11 percent to \$HK4.575 per share
Aluminum Corporation of China Ltd (Code: 2600)	Unchanged at \$HK4.275 per share

The biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Berjaya Holdings (Hongkong) Ltd	288	12.68		0.08
Far East Technology International Ltd	36		14.29	0.18
Fortune Telecom Holdings Ltd	110		14.77	0.75
FT Holdings International Ltd	559	17.86		0.033
Global China Group Holdings Ltd	1105	12.20		0.46
Hang Ten Group Holdings Ltd	448	10.00		0.011
Heritage International Holdings Ltd	412		17.86	0.023
Hualing Holdings Ltd	382	11.32		0.295
Medtech Group Company Ltd	1031	13.33		0.102
New World CyberBase Ltd	276		15.00	0.017
Pak Tak International Ltd	2668		11.90	0.37
Southeast Asia Properties and Finance Ltd	252	11.32		1.18
Sun Innovation Holdings Ltd	547	13.04		0.026
V.S. International Group Ltd	1002		11.22	0.182
Victory Group Ltd	1139		13.79	0.025
Wah Ha Realty Company Ltd	278	11.76		1.33
Wanji Pharmaceutical Holdings Ltd	835	16.00		0.029

Over on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover dipped to about \$HK43.48 million.

While The Growth Enterprise Index registered a gain of about one tenth of a percentage point by the close of trading, at 1,077.54 points, the ratio of gaining counters to losing ones was tight, at 1.06:One.

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

Byford International Ltd (Code: 8272)	Unchanged at 48.50 cents per share
TOM Group Ltd (Code: 8001)	Down 1 percent to \$HK1.74 per share
Tungda Innovative Lighting Holdings Ltd (Code: 8229)	Down 9 percent to 21.20 cents per share
Panva Gas Holdings Ltd (Code: 8132)	Up 1 percent to \$HK3.40 per share
Kanstar Environmental Paper Products Holdings Ltd (Code: 8011)	Up 1 percent to 40.50 cents per share

The double-digit movers on this equity market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022	15.00		0.115
Capital Publications Ltd	8155		26.32	0.07
DIGITALHONGKONG.COM	8007	10.00		0.33
Era Information and Entertainment Ltd	8043		25.00	0.03
T S Telecom Technologies Ltd	8003	11.11		0.05
WLS Holdings Ltd	8021	21.21		0.04

The tally for the week was:

The Hang Seng Index	Minus 0.15 percent
The Growth Enterprise Index	Plus 0.52 percent

In Japan, the 5-day selling spree on the country's equity markets came to a halt.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average put on 101.30 yen, or about 0.89 percent, ending the week at 11,423.53 yen.

Gaining counters outperformed losing ones by the ratio of about 5.45:One.

There had been suggestions that the 3 stock markets of Japan had been influenced by local politics, but if truth be known, investors in the second-largest economy of the world are very concerned about the US economy and its prospects for the remainder of the year.

The warning from the US Department of Homeland Security (Please see Thursday's report) had not been forgotten, last Friday.

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

The Nikkei-225 Stock Average	Minus 2.59 percent
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This was how other Asian equity markets closed, last Friday:

The HKSAR	Plus 0.68 percent to 12,202.26
Indonesia	Plus 0.18 percent to 761.14
Japan	Plus 0.89 percent to 11,423.53
Malaysia	Plus 0.26 percent to 854.06
The Philippines	Minus 0.18 percent to 1,592.46
Singapore	Plus 0.08 percent to 1,862.03
South Korea	Plus 0.51 percent to 747.46
Taiwan	Plus 1.12 percent to 5,777.72
Thailand	Plus 1.13 percent to 666.59

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