

**THE PRICE OF CRUDE OIL HITS A NEW, 21-YEAR RECORD:
EQUITY MARKETS FEEL THE HEAT**

The cost of a barrel of crude oil hit a new high, last Monday.

On The New York Mercantile Exchange (NYMEX), the price of a barrel of light sweet crude oil for November delivery was last settled at \$US49.64.

For December delivery, the price was settled at \$US48.93 per barrel.

Stocks tumbled on Wall Street as a direct result of the rise in the price of fossil fuels.

And the world waited to see what else might transpire.

There were sketchy reports that trouble was brewing in Nigeria, with suggestions that a small band of insurgents were threatening civil war in the country.

On The New York Stock Exchange, the Dow Jones Industrial Average lost 58.70 points, equivalent to about 0.58 percent, ending the hectic trading day at 9,988.54 points.

On The NASDAQ, its Composite Index ended last Monday's trading session at 1,859.88 points, off about 1.04 percent on the previous Friday's closing level.

There was not just one reason for the price of crude oil to rise to last Monday's record levels, but an entire plethora of reasons.

To begin with, in The Gulf of Mexico, there had been 4 hurricanes in a period of less than 2 months.

As such, supplies of offshore oil had been interrupted, as well as areas along the southern shoreline of The Gulf where South American crude oil is, normally, offloaded.

Production of crude oil in The Gulf, over the previous fortnight, had been reduced to below 28 percent of normal daily production levels.

In Nigeria, which is a member of The Organisation of Petroleum Exporting Countries (OPEC), there is trouble, once again, with suggestions that, sooner rather than later, oil exports from the country could well be interrupted, also.

Nigeria is the fifth largest OPEC producer of crude oil, with a daily production level of about 2.30 million barrels.

The people of Nigeria, for the most part, live in abject poverty, the Government of the country, known to be dictatorial in the extreme.

Meanwhile in Iraq and Afghanistan, the killings continued, with US forces, fighting a useless struggle against unlimited numbers of insurgents.

In Europe, it was sellers as far as the eye could see.

This was how major European bourses closed their respective doors, last Monday:

Amsterdam's AEX Index	Minus 0.74 percent
Great Britain's FTSE 100 Index	Minus 0.80 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.91 percent
France's CAC40 Index	Minus 0.45 percent
Switzerland's Swiss Market Index	Minus 0.68 percent

In Asia, there was only one equity market, which managed to make to end up in the black, and even that gain was of a fractional nature.

The reason for this situation, of course, was the increase in the price of a barrel of light sweet crude oil, which crashed through the \$US49 a barrel barrier, as a hot knife slices through soft butter.

However, Asia does not make prices when it comes to crude oil and so investors in the most-populous part of the world were waiting to see what would happen on The NYMEX when it opened for business on Monday, New York time.

The equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were only open for business on Monday, Tuesday and Thursday, last week, with Wednesday and Friday, having been public holidays.

On The Stock Exchange of Hongkong Ltd, last Monday, the Hang Seng Index gave up about 0.34 percent of its value, falling back to 13,021.90 points on a Total Turnover of about \$HK12.91 billion.

The ratio of losing counters to gaining ones was wide, at about 2.08:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK123.50 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.40 percent to \$HK60.25per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.34 percent to \$HK73.00 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 1.07 percent to \$HK13.85 per share
PetroChina Company Ltd (Code: 857)	Unchanged at \$HK4.025 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.46 percent to \$HK23.60 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.38 percent to \$HK66.25 per share
Aluminum Corporation of China Ltd (Code: 2600)	Up 1.05 percent to \$HK4.80 per share
Hang Seng Bank Ltd (Code: 11)	Unchanged at \$HK103.50 per share
Henderson Land Development Company Ltd (Code: 12)	Down 0.80 percent to \$HK37.10 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)
China Chengtong Development Group Ltd	217	10.42		0.265
China Motion Telecom International Ltd	989		10.81	0.33
Ezcom Holdings Ltd	312	11.76		0.19
Global Green Tech Group Ltd	274		20.00	0.56
Hongkong Construction (Holdings) Ltd	190	18.18		0.52
Hon Po Group (Lobster King) Ltd	228		11.32	0.047
INNOMAXX Biotechnology Group Ltd	340	23.89		0.28
K and P International Holdings Ltd	675	30.43		0.30
Mei Ah Entertainment Group Ltd	391	16.00		0.29
Melco International Development Ltd	200	13.67		3.95
New World CyberBase Ltd	276		14.86	0.315
Ruili Holdings Ltd	491	10.00		0.011
South China Industries Ltd	413		14.29	0.30
Sunny Global Holdings Ltd	1094	11.11		0.10
Takson Holdings Ltd	918	18.33		0.142
United Power Investment Ltd	674	16.22		0.215
Wanji Pharmaceutical Holdings Ltd	835	30.00		0.026
Wisdom Venture Holdings Ltd	554		16.67	0.60
Wonson International Holdings Ltd	651		13.33	0.013
YangtzeKiang Garment Manufacturing Company Ltd	2938		34.04	0.062
Yeebo (International Holdings) Ltd	259		10.61	0.295
Zhongda International Holdings Ltd	909	14.58		0.275

Over 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.

The Growth Enterprise Index gave up about 0.36 percent of its value, ending the day at 977.73 points.

The Total Turnover dropped back to about \$HK25.38 million.

The ratio of losing counters to gaining counters was, exactly, 2:One.

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

Wumart Stores Incorporated (Code: 8277)	Down 1 percent to \$HK14.75 per share
MP Logistics International Holdings Ltd (Code: 8239)	Down 2 percent to \$HK1.28 per share
Tianjin Tianlian Public Utilities Company Ltd (Code: 8290)	Down 3 percent to 45 cents per share
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd (Code: 8095)	Up 3 percent to 66 cents per share
Kanstar Environmental Paper Products Holdings Ltd (Code: 8011)	Down 1 percent to 35.50 cents per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGL MediaTech Holdings Ltd	8192		14.29	0.12
China Advance Holdings Ltd	8117	19.40		0.08
Sino Stride Technology (Holdings) Ltd	8177	17.24		0.34
T S Telecom Technologies Ltd	8003		15.56	0.038
Thiz Technology Group Ltd	8119		24.00	0.019

In The Land of The Rising Sun, it was another down day for investors.

For the 7th consecutive trading session, share prices fell on the country's 3 stock markets.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average gave up another 35.84 yen, equivalent to about one third of a percentage point, ending the day at 10,859.32 yen.

Losing counters outran gaining ones by the ratio of about 2.04:One.

As with the rest of Asia, the bugbear was the high price of fossil fuels, which appeared to be about to touch \$US50 per barrel.

Up and up the price of crude oil goes and where it will stop, nobody knows.

This was how the indices of major Asian stock markets ended, last Monday night:

The HKSAR	Minus 0.34 percent to 13,021.90
Indonesia	Minus 0.52 percent to 815.58
Japan	Minus 0.33 percent to 10,859.32
Malaysia	Minus 0.82 percent to 848.28
The Philippines	Minus 0.17 percent to 1,760.33
Singapore	Plus 0.50 percent to 1,983.39
South Korea	Closed
Taiwan	Minus 0.73 percent to 5,849.22
Thailand	Minus 1.19 percent to 646.78

Tuesday

The prospects of civil war seemed, very much, to be a reality in oil-rich Nigeria, last Tuesday.

The second-largest producer of crude oil in the Organisation of Petroleum Exporting Countries (OPEC), with a daily production of about 2.30 million barrels, had every appearance of about to stop all exports.

The Niger Delta People's Volunteer Force, a rebel group, which is fighting Nigerian Government troops, made a definitive statement as to its avowed intent.

The Niger Delta People's Volunteer Force advised all oil companies in the country to shut down production from October 1.

It, also, advised all foreign nationals to leave The Niger Delta.

The self-styled leader of The Niger Delta People's Volunteer Force, Mr Mujahid Dokubo-Asari, accused Royal Dutch/Shell, Nigeria's largest oil producer, and Italy's Agip, a unit of ENI, of '*collaboration with the Nigerian State in acts of genocide against our people ...*'.

It is fact that successive governments of Nigeria, which have been mostly military, brought about by coups d'état, have, to a large extent, ignored the plight of the poor of the country.

Abject poverty in Nigeria is thought to have spread to more than 70 percent of the indigenous population of more than 90 million people.

The Niger Delta People's Volunteer Force is demanding of the Nigerian Government that some of the oil revenues go to the Ijaw people of The Niger Delta and that there should be autonomy for the region.

The Government of President Olusegun Obasanja describes Mr Mujahid Dokubo-Asari as being just another gangster in the region, fighting for control of routes, used by oil smugglers.

The Ijaw people look to him as a local hero.

Whether or not The Niger Delta People's Volunteer Force will keep its word with regard to initiating, what it calls, Operation Locust Feast, remains to be seen, but the Nigerian reports put the skids under stock and share prices.

In electronic trading in Asia, the price of a barrel of light sweet crude oil was being quoted at more than \$US50. At one point, it hit \$US50.45 per barrel.

It was another 21-year record.

On The New York Mercantile Exchange (NYMEX), last Tuesday, the price of light sweet crude oil for November delivery was last settled at \$HK49.90 per barrel.

That represented an increase of about 0.52 percent, compared with Monday's closing level.

For December delivery, the price of a barrel of light sweet crude was \$US49.19 at the close of trading, up 0.52 percent on Monday's last settlement price.

The reason that the price of oil came off its highs was a statement from Saudi Arabia's Oil Ministry, which stated that the world's largest exporter of crude oil would be raising its daily production by about 1.50 million barrels to 11 million barrels per day, effective '*within weeks*'.

Mr Ali Naimi, Saudi Oil Minister, had promised in August that the country would increase production of crude oil by about 1.30 million barrels per day '*if required to do so.*'

It appeared that Saudi Arabia is true to its word.

On Wall Street, in the final hour of trading, there was renewed buying, pulling up indices from their lows.

The Dow Jones Industrial Average, the key gauge of trading in blue chips, listed on the Big Board of The New York Stock Exchange, closed up 88.86 points, equivalent to 0.89 percent, ending the choppy session at 10,077.40 points.

On The NASDAQ, its Composite Index put on 9.99 points, or about 0.54 percent, running up to 1,869.87 points.

In Europe, in addition to the looming new crisis in Nigeria, one which threatens to turn off the tap of about 2.30 million barrels of oil, daily, it was announced that 1,200 people are to be sacked from Peninsular and Oriental Steam Navigation Company (P&O), the European shipping giant.

Management of P&O announced that it would be closing down 4 of its ferry routes, all being its Western Channel routes, with the lone exception of the Portsmouth-Bilbao route.

Europe, of course, did not know of the Saudi Arabian move to speed up crude oil production and exports to 11 million barrels per day, but since a number of oil companies are listed on the major bourses of eurozone, the reality of record-high prices for fossil fuels meant the likelihood of higher profits for oil companies.

The price of most oil producer shares rose smartly.

This was how indices of major bourses in Europe ended, last Tuesday:

Amsterdam's AEX Index	Plus	0.24 percent
Great Britain's FTSE 100 Index	Plus	0.57 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.20 percent
France's CAC40 Index	Plus	0.28 percent
Switzerland's Swiss Market Index	Plus	0.78 percent
Italy's MIBTEL Index	Plus	0.46 percent

In Asia, it was the eve of the Mid-Autumn Festival so that many investors and money managers stayed away from equity markets, preparing for what would turn out to be a very light trading week.

Last Friday, October 1, was National Day for the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), as well as for the PRC, proper.

And, with the price of crude oil, hitting new highs on a daily basis, a cautious mood prevailed on equity markets of the HKSAR.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index, the key index, which plots the course of blue chips, lost about 0.55 percent of its value, ending the day at 12,950.80 points.

The Total Turnover was about \$HK12.15 billion.

The ratio of losing counters to gaining ones was about 1.95:One.

The Ten Most Actives were:

GOME Electrical Appliances Holding Ltd (Code: 493)	Down 5.32 percent to \$HK4.45 per share
HSBC Holdings plc (Code: 5)	Down 0.40 percent to \$HK123.00 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK60.25per share
PetroChina Company Ltd (Code: 857)	Up 1.86 percent to \$HK4.10 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.48 percent to \$HK23.25 per share
Aluminum Corporation of China Ltd (Code: 2600)	Down 2.08 percent to \$HK4.70 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.68 percent to \$HK72.50 per share
Cathay Pacific Airways Ltd (Code: 293)	Down 1.50 percent to \$HK13.10 per share
Denway Motors Ltd (Code: 203)	Down 3.20 percent to \$HK2.575 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 0.72 percent to \$HK13.95 per share

The Main Board's biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Buildmore International Ltd	108	10.00		0.44
Clear Media Ltd	100	11.27		7.90
Climax International Company Ltd	439		10.34	0.026
Earnest Investments Holdings Ltd	339		11.11	0.024
Haywood Investments Ltd	905		10.71	0.025
HyComm Wireless Ltd	499		10.61	0.059
K. Wah Construction Materials Ltd	27	19.19		1.18
Pacific Plywood Holdings Ltd	767		12.12	0.029
Quam Ltd	952		11.63	0.38
South China Industries Ltd	413	15.00		0.345
South Sea Petroleum Holdings Ltd	76	28.57		0.63
Wah Yuen Holdings Ltd	2349		14.58	0.41
Wonson International Holdings Ltd	651	15.38		0.015
YangtzeKiang Garment Manufacturing Company Ltd	2938		30.65	0.043
Yanion International Holdings Ltd	82		10.00	0.45

On the speculative equity market of the HKSAR, known as The GEM – The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd – The Growth Enterprise Index gave up about 0.37 percent of its value, falling back to 974.12 points.

The Total Turnover on this market was about \$HK39.68 million.

Losing counters outnumbered gaining ones by the ratio of about 1.35:One.

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

Wumart Stores Incorporated (Code: 8277)	Unchanged at \$HK14.80 per share
MP Logistics International Holdings Ltd (Code: 8239)	Up 2 percent to \$HK1.30 per share
TOM Online Incorporated (Code: 8282)	Down 3 percent to \$HK1.09 per share
Kanstar Environmental Paper Products Holdings Ltd (Code: 8011)	Up 1 percent to 36 cents per share
Nanjing Sample Technology Company Ltd (Code: 8287)	Up 1 percent to \$HK5.75 per share

The double-digit movers on this market included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025	10.26		0.043
B.A.L. Holdings Ltd	8079		16.00	0.021
China Advance Holdings Ltd	8117	10.00		0.088
M Channel Corporation Ltd	8036	46.67		0.022
Soluteck Holdings Ltd	8111	14.71		0.078
Thiz Technology Group Ltd	8119		15.79	0.016
Venturepharm Laboratories Ltd	8225	10.64		0.52

In Japan, it was the 8th consecutive day of losses for investors, locked into The Tokyo Stock Exchange.

A key index of this market, the largest in Asia, known as The Nikkei-225 Stock Average, lost 43.75 yen, or about 0.40 percent, coming to rest at 10,815.75 yen.

The ratio of losing counters to gaining ones was about 1.85:One.

On other Asian equity markets, last Tuesday, this was how their respective key indices ended, last Tuesday night:

The HKSAR	Minus 0.55 percent to 12,950.80
Indonesia	Minus 0.42 percent to 812.13
Japan	Minus 0.40 percent to 10,815.57
Malaysia	Minus 0.33 percent to 845.46
The Philippines	Minus 0.81 percent to 1,746.08
Singapore	Minus 0.22 percent to 1,979.10
South Korea	Closed
Taiwan	Closed
Thailand	Minus 1.37 percent to 637.89

Wednesday

Many equity markets were closed in Asia, last Wednesday, as the ethnic Chinese population of the region celebrated the Mid-Autumn Festival.

But that did not stop the price of oil to continue to bubble over the \$US50-per-barrel mark throughout Asia.

There were reports, earlier in the day, that talks were being orchestrated between the Government of Nigeria and the self-styled leader of The Niger Delta People's Volunteer Force, Mr Mujahid Dokubo-Asari, with a view to preventing civil war in the country. (Please see Tuesday's report)

That report turned out to be correct, with an announcement from the man, himself, Mr Mujahid Dokubo-Asari, who said that he would agree to a temporary ceasefire, subject to negotiations in respect of sharing some of the oil wealth of the country with the impoverished Ijaw people of his area and granting autonomy to The Niger Delta.

On confirmation that civil war in the oil-rich country may have been averted, the price of crude oil fell on international markets.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for November delivery slid during the trading day, the last-settled price, being \$US49.51 per barrel, down about 0.78 percent compared with Tuesday's close.

For December delivery, the price of a barrel of light sweet crude oil ended the day at \$US48.91, off about 0.57 percent on Tuesday's last settlement price.

Wall Street warmed to the Nigerian news, but there was something even better in the offing – and that pushed up stock and share prices, considerably.

Late in the day, it was announced by the US Energy Information Administration that commercial crude-oil inventory levels had swelled by 3.40 million barrels in the previous week, to 272.90 million barrels.

It was the first rise in such inventory levels in the previous 9 weeks.

On The New York Stock Exchange, the Dow Jones Industrial Average put on 58.84 points, or about 0.58 percent, running back to 10,136.24 points.

On The NASDAQ, its Composite Index closed up about 24.07 points, equivalent to about 1.29 percent, ending the day at 1,893.94 points.

Things looked a little brighter for US investors at the close of last Wednesday's equity markets in New York.

In Europe, the Nigerian news, in its entirety, had not made the rounds, during the trading session, last Wednesday.

But the suggestion that there could be a ceasefire on the part of The Niger Delta People's Volunteer Force indicated that, perhaps, things were not as bad as they had appeared to be on Tuesday.

Also, the full statement from the US Energy Information Administration had not been released when Europeans were trading.

Nevertheless, the fact that the price of crude oil was not rising, passed the \$US50-per-barrel level presented somewhat of a fillip for European investors.

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

Amsterdam's AEX Index	Plus	0.32 percent
Great Britain's FTSE 100 Index	Plus	0.45 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.98 percent
France's CAC40 Index	Plus	0.41 percent
Switzerland's Swiss Market Index	Plus	0.92 percent
Italy's MIBTEL Index	Plus	0.34 percent

The equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were closed for the Mid-Autumn Festival, last Wednesday.

In Japan, investors saw their beloved premier stock market in Tokyo hit the 9th day of losses.

The Nikkei-225 Stock Average, a key index of The Tokyo Stock Exchange, lost another 29.47 yen, equivalent to about 0.27 percent, ending the day at 10,786.10 yen.

The ratio of losers to gainers was about 1.25:One.

Investors in Asia were watching, carefully, the price of light sweet crude oil as it hit \$US50.10 per barrel in electronic trading.

The oil price was down from Tuesday's level of about \$US50.47 per barrel, but it was, still, higher than \$US50 per barrel.

If the price of crude oil continues to stay at this relatively high level, it could initiate inflationary tendencies, around the world, it was reasoned.

This was how indices of major Asian equity markets ended their respective trading days, last Wednesday:

The HKSAR	Closed
Indonesia	Plus 0.09 percent to 812.89
Japan	Minus 0.27 percent to 10,786.10
Malaysia	Plus 0.15 percent to 846.72
The Philippines	Minus 0.23 percent to 1,742.09
Singapore	Minus 0.24 percent to 1,974.35
South Korea	Closed
Taiwan	Minus 0.67 percent to 5,809.75
Thailand	Minus 0.21 percent to 636.57

Thursday

It was confirmed: There would be a ceasefire between the Government of Nigeria, headed by President Olusegun Obasanjo, and The Niger Delta People's Volunteer Force, headed by the self-proclaimed leader, Mr Mujahid Dokubo-Asari.

An official statement from Mr Mujahid Dokubo-Asari said:

'We have finished the first round of talks with the President (Olusegun Obasanjo). There should be a cessation of hostilities on both sides. Apart from that, we have not agreed to anything else for the time being.'

Operation Locust Feast had been put on hold. (Please see earlier reports)

But, on The New York Mercantile Exchange (NYMEX), the Nigerian situation was only part of a seemingly ever-worsening international problem.

There were, still, the questions of the production and distribution of crude oil to the unquenchable thirsty industrialised nations of the world.

There was, also, the nagging probability that the delivery of Nigerian crude oil would be delayed – and that could put extra upward pressure on the international price of the black ooze.

The price of light sweet crude oil for November delivery was higher than \$US50 per barrel by noon, last Thursday, and it appeared that the price was continuing to rise.

But, by the close of the day, profit-taking had set in: Traders are afraid, these days, to maintain long contracts for too long a period of time.

The closing settlement price of light sweet crude oil for November delivery on The NYMEX was \$US49.64 per barrel, which was a gain of about 13 cents per barrel, or about 0.26 percent, compared with the last price on Wednesday.

As for December delivery, the price of light sweet crude oil was settled at \$US49.21 per barrel, up 0.61 percent on the day.

On Wall Street, it was one problem, coming to the surface, after another.

Initial claims for unemployment insurance rose the previous week by 18,000 Claims to 369,000 Claims, according to The Labour Department of the US Government.

A component stock of the Dow Jones Industrial Average, Merck and Company, announced that it was pulling all of its medicine, Vioxx, a drug, which had been designed for the treatment of arthritis, off the shelves, around the world.

The reason: It has been proved that Vioxx increased the risks of heart attacks and strokes.

Down went the share price of Merck and Company by 26 percent, prior to the call for the luncheon break.

The drop in the price of the shares of this company wiped out an estimated \$US26 billion off the market capitalisation of Merck and Company.

On The New York Stock Exchange, The Dow surrendered 55.97 points, equivalent to about 0.55 percent, ending the day at 10,080.27 points.

On The NASDAQ, its Composite Index rose 2.90 points, or about 0.15 percent, coming to rest at 1,896.84 points when the hammer came down, signifying the end of trading for the day.

In Europe, it was announced that there had been yet another material culling of jobs.

The German travel company, TUI, said that it would be sacking some 800 of its workers, including tour operator Thomson, travel agency, Lunn Poly, and the charter airliner, Britannia.

The jobs would all be lost in the United Kingdom (UK) where Lunn Poly is the largest travel agency, having not fewer than 800 offices.

On major bourses in Europe, every index of the major markets fell to sellers:

Amsterdam's AEX Index	Minus 0.41 percent
Great Britain's FTSE 100 Index	Minus 0.37 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.70 percent
France's CAC40 Index	Minus 1.14 percent
Switzerland's Swiss Market Index	Minus 1.35 percent
Italy's MIBTEL Index	Minus 0.62 percent

In Asia, every index of every equity market in the most-populous part of the world rose in direct contrast to the situation in Europe.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), on noting what had happened on Wall Street and on major European stock exchanges, during Wednesday's trading sessions, investors determined to jump aboard what had the appearance of being a short-lived, gravy train.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about 1.31 percent, ending the day at 13,120.03 points.

The Total Turnover was about \$HK15.43 billion.

The ratio of gaining counters to losing ones was about 3.13:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.81 percent to \$HK124.00 per share
PetroChina Company Ltd (Code: 857)	Up 1.83 percent to \$HK4.175 per share
Aluminum Corporation of China Ltd (Code: 2600)	Up 7.45 percent to \$HK5.05 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.38 percent to \$HK73.50 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 1.60 percent to \$HK3.175 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.94 percent to \$HK23.70 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.24 percent to \$HK61.00 per share
Denway Motors Ltd (Code: 203)	Up 0.97 percent to \$HK2.60 per share
Jiangxi Copper Company Ltd (Code: 358)	Up 7.65 percent to \$HK4.575 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.91 percent to \$HK66.75 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Chi Cheung Investment Company Ltd	112	10.71		0.93
China Elegance (Holdings) Ltd	476		10.53	0.051
China Fair Land Holdings Ltd	169	15.38		0.45
Comba Telecom Systems Holdings Ltd	2342	10.29		3.75
Compass Pacific Holdings Ltd	1188	15.69		0.295
Ezcom Holdings Ltd	312	23.19		0.255
Goldigit Atom-Tech Holdings Ltd	2362		12.50	0.07
Guangdong Tannery Ltd	1058		11.36	0.195
Haywood Investments Ltd	905	16.00		0.029
Hua Lien International (Holding) Company Ltd	969	29.09		0.355

Ngai Hing Hong Company Ltd	1047	10.34		0.64
Pearl River Tyre (Holdings) Ltd	1187		13.16	0.495
Pricerite Group Ltd	996		17.27	0.455
South Sea Holding Company Ltd	680	35.71		0.019
Sun Innovation Holdings Ltd	547	11.43		0.039
Wing Shing International Holdings Ltd	850	15.69		0.295
YangtzeKiang Garment Manufacturing Company Ltd	2938	30.23		0.056

Over on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the situation was very much a mirror image of that which had taken place on the Main Board.

The one major exception was that the total volume of activity was very low, at about \$HK24.02 million.

The Growth Enterprise Index put on about 0.84 percent, running up to 982.31 points.

Gaining counters outran losing ones by the ratio of about 2.05:One.

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

Tianjin Tianlian Public Utilities Company Ltd (Code: 8290)	Up 4 percent to 49 cents per share
MP Logistics International Holdings Ltd (Code: 8239)	Down 2 percent to \$HK1.28 per share
Kanstar Environmental Paper Products Holdings Ltd (Code: 8011)	Unchanged at 36 cents per share
Yantai North Andre Juice Company Ltd (Code: 8259)	Down 2 percent to 84 cents per share
Wumart Stores Incorporated (Code: 8277)	Up 4 percent to \$HK15.40 per share

The biggest movers of The GEM, last Thursday, were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022	12.50		0.09
Superdata Software Holdings Ltd	8263	11.11		1.00
Thiz Technology Group Ltd	8119	56.25		0.025

In Japan, it was cheers all round as the key indices of equity markets turned round, breaking a 9-day run of falling prices.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average moved up 37.47 yen, about 0.35 percent, working its way back to the 11,000-level, at 10,823.57 yen.

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

While the fractional gain on Asia's largest equity market was insignificant, all things considered, one may argue that it, still, represented a gain versus a loss, as had been the case for the previous fortnight's trading.

But the question was whether or not it would be able to consolidate its fractional gain of Thursday.

There were all the hallmarks that Friday would see more gains, being made on The Tokyo Stock Exchange.

Time would tell because things did not look all that prosperous in the second-largest economy of the world.

News wise

- **Retail sales** in Japan slipped about 1.80 percent in August, compared with the like month in 2003, The Ministry of Economy, Trade and Industry (METI) announced in its preliminary report. But combined sales in the wholesale and retail sector of the economy gained 3.30 percent to 42.16 trillion yen, up for the 3rd consecutive month, METI added.

In other parts of Asia, this was how indices of major equity markets ended their respective trading sessions, last Thursday:

The HKSAR	Plus	1.307 percent to 13,120.03
Indonesia	Plus	0.89 percent to 820.13
Japan	Plus	0.35 percent to 10,823.57
Malaysia	Plus	0.38 percent to 849.96

The Philippines	Plus 1.12 percent to 1,761.57
Singapore	Plus 0.53 percent to 1,984.74
South Korea	Plus 0.36 percent to 835.09
Taiwan	Plus 0.62 percent to 5,845.69
Thailand	Plus 1.27 percent to 644.67

Friday

The equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were closed, last Friday, for a national holiday.

But, on other major equity markets of the world, buyers lined up to pick up stocks and shares, the prices of which were deemed to have fallen to bargain-basement levels.

Wall Street was buzzing with excitement for the first time in the previous month.

On The New York Stock Exchange, the Dow Jones Industrial Average advanced 113.13 points, equivalent to about 1.12 percent, ending the week at 10,193.40 points.

On The NASDAQ, tech-laden as it is, its Composite Index did even better than The Dow with a gain of about 2.38 percent, running up to 1,942.04 points.

The reasons for the gains on the largest equity markets of the world were varied and, for the most part, somewhat illogical, but who cared: Equity prices were rising; the wealth factor had kicked in; the smoke was clearing; everybody was happy.

The tally for the week for the world's largest equity markets was:

The Dow Jones Industrial Average	Plus 1.12 percent
The NASDAQ's Composite Index	Plus 3.34 percent

But, on The New York Mercantile Exchange (NYMEX), it was not all beer and skittles.

The price of a barrel of light sweet crude oil for delivery in November was last settled at \$US50.12.

It was the first time in the history of the US that the price of crude oil had ended a trading session at this high level.

For delivery in December, light sweet crude oil was settled at \$US49.69 per barrel.

The reason for the gains in the price of crude oil was the nagging question of Nigeria because the truce between the Government and the rebels was set to expire over the weekend. (Please see earlier reports)

Markets do not like uncertainty, normally.

Europe was bubbling over, also.

On seeing the results of early trading on Wall Street, investors of eurozone went on a buying splurge, resulting in very material gains on choice stock markets:

Amsterdam's AEX Index	Plus 2.13 percent
Great Britain's FTSE 100 Index	Plus 1.94 percent
Germany's Frankfurt XETRA DAX Index	Plus 2.62 percent
France's CAC40 Index	Plus 2.45 percent
Switzerland's Swiss Market Index	Plus 1.02 percent
Italy's MIBTEL Index	Plus 1.62 percent

In Japan, there was no question as to the direction of indices on the country's 3 equity markets, last Friday: Straight up.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average shot up 161.60 yen, equivalent to about 1.49 percent on Thursday's closing level, ending the week at 10,985.17 yen.

The ratio of gaining counters to losing ones was extremely wide, at about 4.29:One.

The chief reason for the fast gain in the key indices of the 3 equity markets of the country was the release of the TANKAN Report, compiled by The Bank of Tokyo, the Central Bank of Japan.

This report indicated that business sentiment was at a 13-year high.

News wise

- **Industrial output** in Japan rose by about 0.30 percent in August, compared with July's statistic, The **M**inistry of Economy, Trade and **I**ndustry (METI) announced. It was the first gain in the previous 3 months, METI pointed out;
- **The Haneda Tokyo Hotel** is to close its doors after 40 years of operations;
- **Housing starts** in Japan rose by about 10.50 percent in August, Year-on-Year, to 102,070 units, The Land, Infrastructure and Transport Ministry said. It was the second monthly rise; and,
- **Mitsukoshi Ltd**, the departmental store chain, will close 10 of its outlets in 2005. At the same time, the company will be seeking to retire, early, some 800 workers, all of whom are more than 40 years old.

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

The Nikkei-225 Stock Average Plus 0.83 percent

And this was how other Asian equity markets closed the week of October 1, 2004:

The HKSAR	Closed
Indonesia	Plus 1.92 percent to 835.91
Japan	Plus 1.49 percent to 10,985.17
Malaysia	Plus 0.47 percent to 853.93
The Philippines	Plus 1.46 percent to 1,787.25
Singapore	Minus 0.18 percent to 1,981.14
South Korea	Plus 1.31 percent to 846.01
Taiwan	Plus 1.71 percent to 5,945.35
Thailand	Plus 2.57 percent to 661.23

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