

**WORLD EQUITY MARKETS RESPOND TO RECORD-HIGH OIL PRICES:
WHAT A DIFFERENCE A DAY MAKES !**

The price of crude oil in Asia started to fall, last Monday, prior to the opening of The New York Mercantile Exchange (NYMEX), following a confirmed report from Nigeria that The Niger Delta People's Volunteer Force had promised not to target oil installations in the country.

The electronic price of US light sweet crude oil – which is traded on The NYMEX – was trading at \$US49.56 per barrel in Asia, last Monday night, down about 57 cents (US) per barrel, compared with the last settlement price of Friday, October 1, in New York.

However, lingering doubts remained with regard to distribution of crude oil from Nigeria where the self-styled leader of The Niger Delta People's Volunteer Force, Mr Mujahid Dokubo-Asari, is demanding that the Ijaw people of The Niger Delta share in the oil wealth of the country and that there should be an autonomous zone, called The Niger Delta Region.

Also, there were questions as to how badly had supplies of offshore oil been interrupted in The Gulf of Mexico due to the passage of Hurricane Ivan, which struck in the latter part of September.

While the continuing high price of crude oil should have been cause for concern in Asia , it appeared that few people were paying very much attention to the matter.

But it was only a matter of time before the penny dropped.

When The NYMEX opened in New York , there was a great deal of toing and froing as speculators tried to outguess the likely short-term scenario for light sweet crude oil.

By the close of the day, the price of US light sweet crude oil for November delivery was settled at \$US49.91 per barrel, down 21 cents (US) per barrel, compared with the previous Friday's close on The NYMEX.

For December delivery, the last settlement price for light sweet crude oil was \$US49.51 per barrel, a fall of about 0.36 percent, compared with the previous Friday's closing rate.

On The New York Stock Exchange, last Monday, there were only fractional changes, throughout the entire session.

By the close of the day, the Dow Jones Industrial Average, which plots the course of blue chips, traded on the Big Board, was up just 23.89 points, or about 0.23 percent, ending the day at 10,216.54 points.

On the tech-laden NASDAQ, its Composite Index stood at 1,952.40 by the end of the trading session, up 10.20 points, or about 0.53 percent on the last close of Friday, October 1.

Trading on the world's largest equity markets was decidedly down on the trading session of the previous Friday, to be sure.

On European bourses, all the major ones made material gains, with some of the most-important stock markets, hitting 5-month highs.

How long these equity markets would be able to hold onto their gains was another question, of course.

Technology counters were the '*darlings*' of last Monday's buying spree, probably because Information Technology entities are somewhat immune from the vagaries of the escalating price of fossil fuels.

This was how indices of leading eurozone bourses in Europe ended the first day of trading, last week:

Amsterdam 's AEX Index	Plus	1.30 percent
Great Britain 's FTSE 100 Index	Plus	0.47 percent

Germany 's Frankfurt XETRA DAX Index	Plus	0.95 percent
France 's CAC40 Index	Plus	0.98 percent
Switzerland 's Swiss Market Index	Plus	1.28 percent
Italy 's MIBTEL Index	Plus	0.53 percent

Asia was bubbling over with enthusiasm, as key indices of every equity market rose, smartly, last Monday.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gained about 1.82 percent, ending the hectic trading session at 13,359.25 points.

The Total Turnover shot up to about \$HK22.41 billion.

Trading in the shares of HSBC Holdings plc (Code: 5) represented about 15.22 percent of the entire volume of trading of the day, at about \$HK3.41 billion.

Gaining counters outran losing ones by the ratio of 3.06:One, exactly.

Last Monday's close was the Hang Seng Index's highest level of the previous 7 months.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 1.21 percent to \$HK125.50 per share
PetroChina Company Ltd (Code: 857)	Up 1.80 percent to \$HK4.25 per share
Aluminum Corporation of China Ltd (Code: 2600)	Up 6.93 percent to \$HK5.40 per share
Hutchison Whampoa Ltd (Code: 13)	Up 2.05 percent to \$HK62.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 2.53 percent to \$HK24.30 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.36 percent to \$HK74.50 per share
China Telecom Corporation Ltd (Code: 728)	Up 1.98 percent to \$HK2.575 per share
Denway Motors Ltd (Code: 203)	Up 5.77 percent to \$HK2.75 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 0.70 percent to \$HK14.35 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 3.15 percent to \$HK3.275 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)
A-Max Holdings Ltd	959	13.64		0.075
Anex International Holdings Ltd	723	10.00		0.11
Asia Standard International Group Ltd	129	12.50		0.315
China Conservational Power Holdings Ltd	290		14.93	0.285
China Merchants DiChain (Asia) Ltd	632	12.07		0.065
Chinney Alliance Group Ltd	385	13.33		0.017
Golden Harvest Entertainment (Holdings) Ltd	1132		10.34	0.26
Gorient (Holdings) Ltd	729	17.39		0.027
Grandtop International Holdings Ltd	2309		13.59	0.89
Haywood Investments Ltd	905		13.79	0.025
Magician Industries (Holdings) Ltd	526		10.55	0.195
Next Media Ltd	282	16.81		3.30
Plus Holdings Ltd	1013		16.00	0.042
Poly Investments Holdings Ltd	263	12.22		0.202
Pricerite Group Ltd	996		12.09	0.40
Prime Success International Group Ltd	210	20.29		0.83
Quam Ltd	952	10.53		0.42
SMI Corporation Ltd	2939	10.00		0.88
Sunny Global Holdings Ltd	1094		17.00	0.083
Titan Petrochemicals Group Ltd	1192	21.15		0.63
Tomorrow International Holdings Ltd	760		12.35	0.71
Universe International Holdings Ltd	1046	16.22		0.043
Wing On Travel (Holdings) Ltd	1189	11.11		0.02
YangtzeKiang Garment Manufacturing Company Ltd	2938	96.43		0.11
Zhong Hua International Holdings Ltd	1064		10.71	0.10

Over on the speculative stock market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), known as The GEM – The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd – trading was not as pronounced as it was on The Main Board.

The Growth Enterprise Index gained only about 0.83 percent, running up to 990.50 points.

The Total Turnover on this market was about \$HK41.87 million, with the ratio of gaining counters to losing counters, being about 2.08:One.

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

Wumart Stores Incorporated (Code: 8277)	Unchanged at \$HK15.35 per share
Yantai North Andre Juice Company Ltd (Code: 8259)	Up 4 percent to 87 cents per share
Golden Meditech Company Ltd (Code: 8080)	Up 4 percent to \$HK1.70 per share
MP Logistics International Holdings Ltd (Code: 8239)	Down 1 percent to \$HK1.27 per share
hongkong.com Corporation (Code: 8006)	Up 2 percent to 51 cents per share

The biggest GEM movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022	16.67		0.105
Changchun Da Xing Pharmaceutical Company Ltd	8067		13.79	0.25
Leadership Publishing Group Ltd	8010		20.00	0.024

In The Land of The Rising Sun, the premier equity market experienced its largest, one-day gain in the previous 4 months: Since June 7, 2004, in fact.

The Nikkei-225 Stock Average, a key index of The Tokyo Stock Exchange, rose 294.46 yen, equivalent to about 2.68 percent, ending the booming trading day at 11,279.63 yen .

Advancing counters beat back declining ones by the ratio of about 8.64:One.

Japan was responding to the booming Wall Street session of the previous Friday.

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

The HKSAR	Plus 1.82 percent to 13,359.25
Indonesia	Plus 2.46 percent to 856.45
Japan	Plus 2.68 percent to 11,279.63
Malaysia	Plus 1.30 percent to 865.07
The Philippines	Plus 3.60 percent to 1,851.60
Singapore	Plus 1.65 percent to 2,013.89
South Korea	Plus 4.12 percent to 880.84
Taiwan	Plus 2.23 percent to 6,077.96
Thailand	Plus 2.71 percent to 679.13

Tuesday

The price of crude oil took centre stage, once again, last Tuesday: In Asia, the price of US light sweet crude oil for November delivery rose to \$US50.49 per barrel.

Asian speculators were betting that, when The New York Mercantile Exchange (NYMEX) opened for business on Tuesday, New York time, traders would push the price of crude oil to at least these levels ... and possibly higher.

Asia hit the nail, squarely, on the head.

Production problems in The Gulf of Mexico, brought about by the passage of Hurricane Ivan, were said to continue to be nagging problems for some major, offshore oil producers.

Three weeks after Hurricane Ivan had dissipated over land, still the production of crude oil is off by about 139,000 barrels per day.

As soon as The NYMEX opened for business, last Tuesday morning, there was a flood of buyers, which, throughout the entire session, dominated the events on this, the largest commodity exchange in the world.

By the close of the trading day, the November price of light sweet crude oil was settled at \$US51.09 per barrel, up 2.36 percent on Monday's closing level.

For December delivery, light sweet crude oil hit \$US50.64 per barrel by the close, up 2.28 percent on Monday's closing settlement level.

While the historic, record-high levels for crude oil on international markets were sure to hurt the economies of the world if they persisted – and it looked very much as though they would – for many European investors, they were delighted with the situation.

Because many European bourses are heavily laden with oil companies, shipping companies, transporting oil, and other, oil-related entities, all of which stand to benefit from the chaos on oil markets.

Many indices of European bourses hit 5-month highs on the news that oil prices were on the rise, again.

On major European bourses, this was how their indices fared, last Tuesday night:

Amsterdam 's AEX Index	Plus	0.27 percent
Great Britain 's FTSE 100 Index	Plus	0.54 percent
Germany 's Frankfurt XETRA DAX Index	Plus	0.38 percent
France 's CAC40 Index	Plus	0.08 percent
Switzerland 's Swiss Market Index	Plus	0.13 percent
Italy 's MIBTEL Index	Plus	0.31 percent

While for many companies, listed on major European bourses, last Tuesday was something of a gravy train, with investors, ploughing in, buying up the stocks and shares as though there were likely to be a shortage of stock, not so for investors on the world's largest equity markets.

A report from The US Department of the Interior stated that more than 15 million barrels of crude oil from The Gulf of Mexico had been disrupted over the previous 3 weeks.

For the US , the high price of crude oil, which had risen by last Tuesday by about 55 percent since January 1, 2004, would mean, sooner or later, that:

1. Air fares would have to rise, as carriers would be forced to increase the fuel surcharge to passengers;
2. Job losses are likely to follow in the wake of the record-high price of energy, as industry would be forced to increase the unit prices of goods in order to compensate for the higher operating costs;
3. Petrol prices and home-heating fuels costs would, definitely, rise;
4. Retail prices would start to move up; and,
5. Consumer resistance to higher prices in the High Street would become more evident in the fullness of time.

Not a very pleasant picture for the largest economy of the world.

On The New York Stock Exchange, the Dow Jones Industrial Average lost about 0.38 percent of its value, falling back to 10,177.68 points.

The Composite Index of The NASDAQ, however, bucked the trend, managing a gain of about 0.16 percent, ending the trading session at 1,955.50 points.

Fractional movements marked equity markets in the most-populous part of the world: Asia .

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), share prices fell on the territory's premier equity market: The Main Board of The Stock Exchange of Hongkong Ltd.

The Hang Seng Index lost about 0.21 percent of its value, dropping back to 13,331.10 points.

The Total Turnover, also, fell, from Monday's booming value of about \$HK22.41 billion to about \$HK13.82 billion, a fall of a little more than 38 percent.

The ratio of losing counters to gaining ones was about 1.22:One.

The market was on the retreat, once again.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.40 percent to \$HK125.00 per share
Aluminum Corporation of China Ltd (Code: 2600)	Down 1.85 percent to \$HK5.30 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.20 percent to \$HK61.50 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.96 percent to \$HK5.15 per share
China Shipping Development Company Ltd (Code: 1138)	Down 1.38 percent to \$HK7.15 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.56 percent to \$HK68.50 per share
PetroChina Company Ltd (Code: 857)	Down 1.76 percent to \$HK4.175 per share
Brilliance China Automotive Holdings Ltd (Code: 1114)	Up 12.88 percent to \$HK1.84 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.34 percent to \$HK74.75 per share
Denway Motors Ltd (Code: 203)	Up 2.73 percent to \$HK2.825 per share

The Main Board's biggest movers of the day, however, were reserved for the following counters:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
A-Max Holdings Ltd	959	14.67		0.086
Brilliance China Automotive Holdings Ltd	1114	12.88		1.84
China Golden Development Holdings Ltd	162	11.27		0.395
Cosmos Machinery Enterprises Ltd	118	12.50		0.45
Ezcom Holdings Ltd	312		12.08	0.233
Fushan Holdings Ltd	639	14.86		0.255
Grandtop International Holdings Ltd	2309		11.24	0.79
Graneagle Holdings Ltd	147	11.29		0.345
Haywood Investments Ltd	905	12.00		0.028
K. Wah Construction Materials Ltd	27	10.16		1.41
MACRO-LINK International Holdings Ltd	472		11.11	0.28
Nam Fong International Holdings Ltd	1176	26.32		0.024
South China Industries Ltd	413	14.29		0.40
Sun Media Group Holdings Ltd	307	26.67		0.019
Swank International Manufacturing Company Ltd	663		11.76	0.06
Wing On Travel (Holdings) Ltd	1189	10.00		0.022
Winsan (China) Investment Group Company Ltd	85	10.17		0.325

Over on The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, the situation was completely different from that of the Main Board.

The Growth Enterprise Index gained about 1.08 percent, ending the session at 1,001.18 points, as the Total Turnover rose to about \$HK73.47 million.

The volume of activity rose by a little more than 75 percent, compared with Monday's Total Turnover.

But gaining counters only just managed to stick a nose ahead of losing counters, the ratio, being about 1.14:One.

Which could well indicate that the bullish run was losing energy.

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

Yantai North Andre Juice Company Ltd (Code: 8259)	Up 15 percent to \$HK1.00 per share
Wumart Stores Incorporated (Code: 8277)	Up 1 percent to \$HK15.45 per share

Golden Meditech Company Ltd (Code: 8080)
A and K Educational Software Holdings Ltd (Code: 8053)
MP Logistics International Holdings Ltd (Code: 8239)

Up 5 percent to \$HK1.78 per share
Unchanged at 44 cents per share
Up 2 percent to \$HK1.29 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Yantai North Andre Juice Company Ltd	8259	14.94		1.00
China Advance Holdings Ltd	8117	12.50		0.108
Everpride Biopharmaceutical Company Ltd	8019		18.82	0.069

On The Tokyo Stock Exchange, for most of the trading session, share prices were down, along with a key index of the market: The Nikkei-225 Stock Average.

But, at the tail end of the session, the Nikkei-225 Stock Average pulled up its socks, ending the day at 11,218.83 yen, up 2.20 yen on Monday's close.

The ratio of gaining counters to losing ones was about 1.34:One.

In other Asian equity markets, this was how their key indices ended last Tuesday's trading sessions:

The HKSAR	Minus 0.21 percent to 13,331.10
Indonesia	Plus 0.57 percent to 861.32
Japan	Plus 0.02 percent to 11,281.83
Malaysia	Minus 0.41 percent to 861.56
The Philippines	Minus 0.99 percent to 1,833.35
Singapore	Minus 0.11 percent to 2,011.74
South Korea	Plus 0.45 percent to 884.84
Taiwan	Plus 0.05 percent to 6,081.01
Thailand	Minus 0.77 percent to 673.88

Wednesday

The US Government sent out a warning, last Wednesday morning: The price of heating oil and natural gas will rise by about 15 percent and 28 percent, respectively, this winter.

A spokesman for The Energy Information Administration said:

'This winter, tight global oil markets and elevated crude oil prices are expected to result in higher heating oil, natural gas and propane prices ... '.

This important department of the US Government, also, stated that US inventories of heating oil were running at about 3.50 percent below the same period in 2003.

Bad news for US consumers, which translates into bad news for the largest, single economy of the world.

Nigeria was quiet, but it was still a bomb, the fuse of which could be lighted at any moment. (Please see Monday's report)

The price of crude oil in Asia , last Wednesday, continued to climb, hitting \$US51.48 per barrel before speculators took their profits and ran with their profits to their banks.

When The New York Mercantile Exchange (NYMEX) opened for business, the scene was similar to Tuesday's hectic trading day: Buyers dominated the trading session, pushing prices higher.

By the close of the day, the price of light sweet crude oil for November delivery stood at \$US52.02 per barrel, up about 1.82 percent on Tuesday's closing level.

For December delivery, the price of light sweet crude oil was settled at \$US51.53 per barrel, a gain of about 1.76 percent, compared with the last settlement price on Tuesday.

The record high price for crude oil was a combination of a number of factors, the 2 most important, being:

1. The report of the US Government's Energy Information Administration (Please see above); and,
2. A US Government report, which stated that it would take until Christmas before offshore drilling rigs in The Gulf of Mexico would be able to resume normal production levels. This situation had been brought about by damage to offshore oil rigs, caused by the passage of Hurricane Ivan.

Even with the appalling situation in respect of supplies of crude oil and the prospects that Mr and Mrs US Consumer would have to shell out more money to keep the home fires burning, investors on the world's largest equity markets pushed up key indices.

On the Big Board of The New York Stock Exchange, the Dow Jones Industrial Average gained 62.24 points, or about 0.61 percent, ending the day at 10,239.92 points.

On The NASDAQ, its Composite Index added 15.53 points, equivalent to about 0.79 percent, running up to 1,971.03 points.

What fueled share prices on Wall Street were the anticipated gains of oil companies, the shares of which are traded on key equity markets in The Land of The Free and The Home of The Brave.

How long Wall Street would be able to buck in the international trend of stock markets, however, was a question which only time would tell.

For a change, Europe was not jubilant as the price of crude oil continued to rise, as had been the case on Tuesday.

This was how key European bourses closed, last Wednesday:

Amsterdam 's AEX Index	Plus 0.25 percent
Great Britain 's FTSE 100 Index	Minus 0.01 percent
Germany 's Frankfurt XETRA DAX Index	Minus 0.02 percent
France 's CAC40 Index	Minus 0.14 percent
Switzerland 's Swiss Market Index	Minus 0.22 percent
Italy 's MIBTEL Index	Minus 0.10 percent

European investors, it appeared, suddenly realised that airlines, especially, were bound to suffer as a direct result of high prices for crude oil, which would, in turn, push up the price of a gallon of jet fuel.

Down came the share prices of some of the '*darlings*' of the European travel industry.

While oil stocks continued to make gains, last Wednesday, their gains were upstaged by the losses in other areas of key European bourses.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gave up about 0.45 percent of its value, falling to 13,271.57 points.

The Total Turnover was about \$HK15.33 billion, with the ratio of losing counters to gaining ones, being about 1.96:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK125.00 per share
PetroChina Company Ltd (Code: 857)	Up 0.60 percent to \$HK4.20 per share
New World Development Company Ltd (Code: 17)	Down 5.81 percent to \$HK7.30 per share
China Telecom Corporation Ltd (Code: 728)	Up 1.94 percent to \$HK2.625 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.44 percent to \$HK24.00 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.81 percent to \$HK61.00 per share
Aluminum Corporation of China Ltd (Code: 2600)	Down 1.89 percent to \$HK5.20 per share
China Life Insurance Company Ltd (Code: 2628)	Unchanged at \$HK5.15 per share
Ping An Insurance (Group) Company of China Ltd (Code: 2318)	Up 1.69 percent to \$HK12.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.73 percent to \$HK68.00 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
A-Max Holdings Ltd	959		30.23	0.06
Buildmore International Ltd	108	10.00		0.55
Cheung Tai Hong Holdings Ltd	199		10.71	0.25
China Gas Holdings Ltd	384	14.52		0.71
China Investment Fund Company Ltd	612	11.84		0.17
China Sci-Tech Holdings Ltd	985	12.50		0.018
Compass Pacific Holdings Ltd	1188		13.56	0.255
Everest International Investments Ltd	204	10.42		0.053
Foundation Group Ltd	1182	13.89		0.082
GOME Electrical Appliances Holding Ltd	493	23.16		5.85
Hualing Holdings Ltd	382	10.67		0.415
K. Wah Construction Materials Ltd	27	16.31		1.64
Nam Fong International Holdings Ltd	1176		12.50	0.021
Oriental Explorer Holdings Ltd	430		18.18	0.045
Perennial International Ltd	725	15.71		0.405
REXCAPITAL Financial Holdings Ltd	555		12.82	0.034
Shang Hua Holdings Ltd	371		14.29	0.30
SMI Corporation Ltd	2939		11.25	0.71
Techwayson Holdings Ltd	2330		10.71	0.50
Titan Petrochemicals Group Ltd	1192	16.13		0.72
Unity Investments Holdings Ltd	913		10.53	0.085
Wing On Travel (Holdings) Ltd	1189	13.64		0.025

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, which is the speculative equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), prices came off in fast order.

The Growth Enterprise Index lost about 0.87 percent of its value, dropping back to 992.50 points.

The Total Turnover was about \$HK54.20 million, while the ratio of losing counters to gaining ones was about 1.78:One.

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

Yantai North Andre Juice Company Ltd (Code: 8259)	Down 3 percent to 97 cents per share
Panva Gas Holdings Ltd (Code: 8132)	Unchanged at \$HK3.325 per share
MP Logistics International Holdings Ltd (Code: 8239)	Down 1 percent to \$HK1.28 per share
Phoenix Satellite Television Holdings Ltd (Code: 8002)	Up 2 percent to \$HK1.32 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Down 3 percent to \$HK17.30 per share

The GEM's biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CASH Financial Services Group Ltd	8122	11.11		0.20
China Medical Science Ltd	8120		10.53	0.17
Everpride Biopharmaceutical Company Ltd	8019	13.04		0.078
KanHan Technologies Group Ltd	8175		13.79	0.05
M Dream Inworld Ltd	8100		10.00	0.036
Neolink Cyber Technology (Holding) Ltd	8116		17.65	0.07
Proactive Technology Holdings Ltd	8089	12.50		0.09
ProSticks International Holdings Ltd	8055		12.00	0.022
Value Convergence Holdings Ltd	8101	21.05		0.69

The equity markets of the HKSAR were concerned about the rising cost of energy, worldwide, among other things.

The HKSAR, of course, has no oil-refining capacity, but Japan does.

And so companies, listed on equity markets of this country, companies, which were, in some way or other, associated with oil production and oil distribution, saw their share prices rise smartly in sympathy with the increased costs of crude oil.

On Japan 's premier stock market, The Tokyo Stock Exchange, the key Nikkei-225 Stock Average rose for the 5th consecutive day, hitting an 11-week high.

The Nikkei-225 Stock Average ended the session at 11,305.38 yen, up 103.55 yen, equivalent to about 0.92 percent on Tuesday's closing level.

Gaining counters outran losing ones by the ratio of 2.26:One.

Shipping companies, such as Nippon Yusen KK, which happens to be the largest such company in The Land of The Rising Sun, metal traders as well as oil companies, nearly all gained in the boomlet on this market, which is the largest in Asia .

Shares of the country's 2 major refiners, Nippon Oil and Nippon Mining Holdings Incorporated, were in strong demand.

News wise

- **Aeon Company**, Japan 's largest retailer, announced that its Net Profits for the first half of its Financial Year, ended August 20, 2004, were about 28.35 billion yen, a record level for the company. It represented a 54-percent gain, Year-on-Year; and,
- **Sofbank Corporation** announced that it had sold its shareholding stake in eAccess Ltd, via its wholly owned subsidiary, Japan Telecom Company. eAccess Ltd is a broadband Internet service company. The sale price of eAccess Ltd was 18.30 billion yen.

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

The HKSAR	Minus 0.45 percent to 13,271.57
Indonesia	Minus 0.61 percent to 856.06
Japan	Plus 0.92 percent to 11,385.38
Malaysia	Unchanged at 861.54
The Philippines	Plus 0.45 percent to 1,841.67
Singapore	Plus 0.21 percent to 2,016.04
South Korea	Plus 0.29 percent to 887.45
Taiwan	Minus 0.34 percent to 6,060.61
Thailand	Minus 0.80 percent to 668.51

Thursday

Oil prices continued to rise to fresh record levels in Asia , last Thursday.

The 'word' was that there were hundreds of reasons to buy long into oil futures, but precious few reasons to sell oil futures short.

US light crude oil for November delivery was being quoted in electronic trading at \$US52.53 per barrel in Asia .

That price compared with the last settlement price on Wednesday on The New York Mercantile Exchange (NYMEX) of \$US52.02 per barrel.

The US Government's Energy Information Administration statement and The Gulf of Mexico situation were said to be among the chief reasons for the fast rise in the price of crude oil, internationally. (Please see Wednesday's report)

When The NYMEX did open in New York , last Thursday, it was almost a repeat performance to Tuesday's and Wednesday's trading days.

By the time that the market closed, the price of light sweet crude oil for November delivery was being settled at \$US52.67 per barrel, which represented a gain of about 1.25 percent on Wednesday's last settlement price.

For delivery in December, the last settlement price of light sweet crude oil was \$US52.24 per barrel, up about 1.38 percent on Wednesday's close.

Even the most-hardened traders on The NYMEX had been taken by surprise at the rapid increase in the price of the black ooze since the start of the year: Up about 60 percent.

One of the reasons for last Thursday's gains in the price of crude oil was the Nigerian situation (Please refer to Monday's report) where oil unions had begun a surprise strike over what was being labelled as reorganisation plans.

The fuse to the Nigerian '*bomb*' had been lighted, it seemed.

The continued high price of crude oil took the wind out of the sails of many a share on Wall Street, last Thursday.

On The New York Stock Exchange, the Dow Jones Industrial Average fell by about 1.12 percent, ending the busy trading day at 10,125.40 points.

Over on The NASDAQ, its Composite Index shed about 1.14 percent of its value, dropping back to 1,948.52 points.

Companies, which are likely to be hurt by the high price of crude oil, came in for a hammering.

However, oil prices were only part of the problem on Wall Street, last Thursday.

From Washington , it was announced that AT and T Corporation is to slash about 7,000 jobs.

AT and T is the third-largest telecommunications company in the US .

The AT and T announcement came after the close of trading on The New York Stock Exchange, but news of the paring of the staff had, already, been widely known.

What was not known was the extent of the paring, however.

That was not everything, as it turned out, because Bank of America Incorporated announced that it, too, had taken out its axe, sharpened its blade, and determined that it would be sacking 4,500 of its workers.

Bank of America is the largest retail bank in the US .

That means that, within a 24-hour period, 11,500 workers in the US had been told that their pink slips are on the way.

In Europe , investors had contracted the jitters: How much higher would the price of crude oil go?

The situation looked more and more ominous as the days flew by because, for certain, the high price of energy is sapping the markets of cash.

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

Amsterdam 's AEX Index	Plus 0.21 percent
Great Britain 's FTSE 100 Index	Minus 0.16 percent
Germany 's Frankfurt XETRA DAX Index	Minus 0.15 percent
France 's CAC40 Index	Minus 0.15 percent
Switzerland 's Swiss Market Index	Minus 1.00 percent
Italy 's MIBTEL Index	Plus 0.28 percent

In The Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors supported stock and share prices on the territory's 2 equity markets.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index regained about 0.38 percent of its value, ending the session at 13,321.73 points.

The Total Turnover, however, was only about \$HK14.10 million, which is not exactly the volume of activity that would indicate a bullish trend in the offing.

The ratio of gaining counters to losing ones was about 1.48:One.

The Ten Most Actives were:

Semiconductor Manufacturing International Corporation (Code: 981) Up 13.13 percent to \$HK1.81 per share

PetroChina Company Ltd (Code: 857)	Up 2.38 percent to \$HK4.30 per share
HSBC Holdings plc (Code: 5)	Up 0.40 percent to \$HK125.50 per share
Aluminum Corporation of China Ltd (Code: 2600)	Up 2.88 percent to \$HK5.35 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.82 percent to \$HK60.50 per share
China Telecom Corporation Ltd (Code: 728)	Up 1.90 percent to \$HK2.675 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.37 percent to \$HK67.75 per share
China Shipping Container Lines Company Ltd (Code: 2866)	Up 7.19 percent to \$HK3.725 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.21 percent to \$HK24.05 per share
Sun Hung Kai Properties Ltd (Code: 16)	Unchanged at \$HK74.50 per share

As for the Main Board's biggest movers of the day, they included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Berjaya Holdings (Hongkong) Ltd	288	14.29		0.08
Bestway International Holdings Ltd	718	11.90		0.047
China Credit Holdings Ltd	185	13.79		0.165
China Elegance (Holdings) Ltd	476		10.91	0.049
China Nan Feng Group Ltd	979	13.92		0.09
China Oriental Group Company Ltd	581	13.33		1.70
CSMC Technologies Corporation	597	11.32		0.59
eForce Holdings Ltd	943		11.63	0.038
Ezcom Holdings Ltd	312	12.83		0.255
First Shanghai Investments Ltd	227	10.00		0.66
FT Holdings International Ltd	559	11.86		0.066
Golden Harvest Entertainment (Holdings) Ltd	1132		10.74	0.241
Hang Ten Group Holdings Ltd	448	10.00		0.011
Jinhui Holdings Company Ltd	137	17.97		15.10
K. Wah Construction Materials Ltd	27	12.80		1.85
K.P.I. Company Ltd	605	10.53		0.105
MAE Holdings Ltd	851	16.67		0.014
Millennium Group Ltd	260		12.05	0.073
Min Xin Holdings Ltd	222	14.29		1.60
ONFEM Holdings Ltd	230	17.31		0.61
Semiconductor Manufacturing International Corporation	981	13.13		1.81
South Sea Petroleum Holdings Ltd	76	13.79		0.66
Tse Sui Luen Jewellery (International) Ltd	417		17.65	0.42
Vantage International (Holdings) Ltd	15	13.64		0.375
Wing On Travel (Holdings) Ltd	1189		12.00	0.022

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index managed a gain of about 0.93 percent, running back to 1,001.72 points.

The Total Turnover on this equity market rose to about \$HK67.87 million, with trading in the 2, most-active counters – Yantai North Andre Juice Company Ltd (Code: 8259) and

TOM Online Incorporated (Code: 8282) – accounting for nearly 52 percent of that figure. (Please see the 5, most-active counters below)

Advancing counters beat off declining ones by the ratio of about 1.33: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 96 cents per share
TOM Online Incorporated (Code: 8282)	Up 8 percent to \$HK1.23 per share
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd (Code: 8095)	Up 13 percent to 71 cents per share
Wumart Stores Incorporated (Code: 8277)	Down 2 percent to \$HK15.00 per share
hongkong.com Corporation (Code: 8006)	Down 1 percent to 49 cents per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGL MediaTech Holdings Ltd	8192		10.00	0.09
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd	8095	12.70		0.71
Glory Future Group Ltd	8071	23.08		0.016
KanHan Technologies Group Ltd	8175	12.00		0.056
Ko Yo Ecological Agrotech (Group) Ltd	8042	12.31		0.365
Q9 Technology Holdings Ltd	8129		11.90	0.037
SYSCAN Technology Holdings Ltd	8083	14.29		0.28
Vodatel Networks Holdings Ltd	8033	20.75		0.32
WLS Holdings Ltd	8021		11.63	0.038

In Japan , investors took their profits and ran for cover.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average lost 30.79 yen, or about 0.27 percent, ending the day at 11,354.59 yen.

Losing counters outnumbered gaining ones by the ratio of about 1.51:One.

It was the first time in 6 trading sessions that the bears had got the best of bulls.

The continuing high price of crude oil was said to have been the chief reason for last Thursday's losses on Asia 's largest equity market.

While oil refineries and other oil-related stocks continued to be in demand, blue chips took a pounding due to obvious reasons.

News wise

- **Sales of new imported vehicles**, including those vehicles, produced by Japanese companies outside Japan , rose about one percent in September, Year-on-Year, The Japan Automobile Importers Association announced. It was the second such month of increases.

In other parts of Asia , this was how key indices on those equity markets fared, last Thursday:_

The HKSAR	Plus 0.38 percent to 13,321.73
Indonesia	Minus 0.73 percent to 849.83
Japan	Minus 0.27 percent to 11,354.59
Malaysia	Plus 0.30 percent to 864.16
The Philippines	Plus 0.05 percent to 1,842.68
Singapore	Minus 0.49 percent to 2,006.19
South Korea	Minus 0.24 percent to 885.33
Taiwan	Plus 0.70 percent to 6,103.00
Thailand	Plus 0.23 percent to 670.06

Friday

It was confirmed: About 1.60 million US jobs in the private sector had been lost since Mr George W. Bush had been elected as the 43rd President of the United States .

It is the first time in 72 years that such a thing had happened.

And President George W. Bush has, now, to stand up before the electorate in order to try to explain his inability to stimulate the economy of the US , sufficiently, so that new jobs could have been created during his term of office.

The question was whether or not he will be sacked and Senator John Kerry installed in his place as the 44th President of the only superpower of the world.

The Bureau of Labour Statistics, a division of The Labour Department, reported, last Friday, at 0830 hours, Eastern Standard Time, the sad state of the economy as it affects workers: _

‘THE EMPLOYMENT SITUATION: SEPTEMBER 2004

‘Nonfarm payroll employment continued to trend upward in September, increasing by 96,000, and the unemployment rate was unchanged at 5.4 percent ... Over the prior 3 months, payroll employment rose by 103,000 on average. In September, modest job gains occurred in a few service-providing industries.

Unemployment (Household Survey Data)

‘The number of unemployed persons was unchanged at 8.0 million in September, and the unemployment rate held at 5.4 percent, seasonally adjusted. The jobless rate is down from its most recent high of 6.3 percent in June 2003; most of this decline occurred in the second half of last year.

‘The jobless rates for the major worker groups--adult men (5.0 percent), adult women (4.7 percent), teenagers (16.6 percent), whites (4.7 percent), blacks (10.3 percent), and Hispanics or Latinos (7.1 percent)--showed little or no change in September. The unemployment rate for Asians was 4.3 percent, not seasonally adjusted.

Total Employment and the Labor Force (Household Survey Data)

‘Total employment was about unchanged in September at 139.5 million, and the employment-population ratio--the proportion of the population age 16 and over with jobs--was little changed at 62.3 percent. Over the month, the civilian labor force was essentially unchanged at 147.5 million. The labor force participation rate was 65.9 percent in September and has been at or near that level since late last year...’.

It was not good news because anything less than the creation of about 150,000 jobs per month is negative to the US economy: That figure of about 150,000 jobs is the number of new entrants to the labour force, monthly.

Wall Street was taken aback by The Labour Department’s report. It has not been expected.

But more bad news was to come: The price of light sweet crude oil hit another new high, last Friday.

At the close of The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in November was settled at \$US53.31 per barrel, an increase on Thursday’s closing level of about 1.22 percent.

In respect of delivery in December, the price of light sweet crude oil was quoted at day’s end at \$US52.04 per barrel, up about 1.34 percent on Thursday’s close.

There appeared to be no way to stop the price of the black ooze from rising – and more than one economist had hung out the red flag of danger.

On The New York Stock Exchange, the Dow Jones Industrial Average surrendered another 0.69 percent of its value, ending the week’s trading at 10,055.20 points.

On The NASDAQ, its Composite Index shed 1.47 percent of its value, falling back to 1,919.97 points.

The tally for the week for the biggest equity markets of the world was:

The Dow Jones Industrial Average	Minus 1.35 percent
The NASDAQ’s Composite Index	Minus 1.14 percent

European investors, on hearing the news about the labour situation in the US , determined that, all things considered, the situation looked grave.

Share prices fell in quick succession.

This was how indices of major European bourse closed the week: _

Amsterdam ’s AEX Index	Minus 0.82 percent
Great Britain ’s FTSE 100 Index	Unchanged
Germany ’s Frankfurt XETRA DAX Index	Minus 0.68 percent

France 's CAC40 Index	Minus 0.55 percent
Switzerland 's Swiss Market Index	Minus 0.38 percent
Italy 's MIBTEL Index	Minus 0.07 percent

In Asia , indices of most of the major equity markets lost ground, last Friday._

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index surrendered about 0.60 percent of its value, ending the week at 13,241.46 points.

The Total Turnover rose to about \$HK19.08 billion, which was a warning to savvy investment institutions: On a falling market, high volumes of activity suggest desperate situations in the offing.

The ratio of losing counters to gaining ones was about 2.51:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK125.50 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.83 percent to \$HK60.00 per share
PetroChina Company Ltd (Code: 857)	Down 1.16 percent to \$HK4.25 per share
Semiconductor Manufacturing International Corporation (Code: 981)	Down 2.21 percent to \$HK1.77 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.87 percent to \$HK23.60 per share
Huaneng Power International Incorporated (Code: 902)	Unchanged at \$HK6.35 per share
Aluminum Corporation of China Ltd (Code: 2600)	Down 0.93 percent to \$HK5.30 per share
New World Development Company Ltd (Code: 17)	Down 4.14 percent to \$HK6.95 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.48 percent to \$HK66.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.34 percent to \$HK74.25 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Capital Strategic Investment Ltd	497	16.05		0.47
China Golden Development Holdings Ltd	162		12.99	0.335
Daido Group Ltd	544	10.00		0.088
eForce Holdings Ltd	943	18.42		0.045
Geely Automobile Holdings Ltd	175	13.33		0.425
GeoMaxima Energy Holdings Ltd	702	13.10		0.095
Haywood Investments Ltd	905		14.29	0.024
Melco International Development Ltd	200	21.28		5.70
Qualipak International Holdings Ltd	1224		12.82	0.068
Quality HealthCare Asia Ltd	593	12.27		1.83
SMI Corporation Ltd	2939	15.94		0.80
South East Group Ltd	726	13.40		0.11
South Sea Holding Company Ltd	680		10.00	0.018
Tse Sui Luen Jewellery (International) Ltd	417		16.67	0.35
U-Cyber Technology Holdings Ltd	91		12.17	0.101
Wonson International Holdings Ltd	651	12.50		0.018

Over on The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, the situation was nearly identical to that that had transpired on the Main Board.

The Growth Enterprise Index lost about 0.57 percent of its value, ending the week at 995.97 points.

The Total Turnover rose, sharply, to \$HK81.37 million, while the ratio of losing counters to gaining ones was about 1.71:One.

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

Yantai North Andre Juice Company Ltd (Code: 8259)	Up 5 percent to \$HK1.01 per share
TOM Online Incorporated (Code: 8282)	Down 1 percent to \$HK1.22 per share
Phoenix Satellite Television Holdings Ltd (Code: 8002)	Unchanged at \$HK1.32 per share
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd (Code: 8095)	Down 8 percent to 65 cents per share
MP Logistics International Holdings Ltd (Code: 8239)	Unchanged at \$HK1.29 per share

The GEM's biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGL MediaTech Holdings Ltd	8192		11.11	0.08
Glory Future Group Ltd	8071		12.50	0.014
Grandy Corporation	8143		14.29	0.03
WLS Holdings Ltd	8021	13.16		0.043
Zhejiang Prospect Company Ltd	8273	21.09		1.55

For the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the tally for the 2 equity markets for the week was:

The Hang Seng Index	Plus 0.93 percent
The Growth Enterprise Index	Plus 1.39 percent

In Japan , indices of the country's 3 equity markets hardly moved, last Friday.

By the close of the day, on The Tokyo Stock Exchange, the Nikkei-225 Stock Average was stuck at 11,349.35 yen, down 5.24 yen on Thursday's close.

Losing counters, however, trampled gaining counters by the ratio of about 1.89:One.

The high price of crude oil on international markets was the cause of the stall in the movements of indices on Asia's largest bourse: What is bad for the US , the largest single economy of the world, is doubly bad for the economy of the second-largest economy of the world.

Also, many Japanese investors were preparing for the long, 3-day weekend holiday: Today's markets in Japan are closed for a national holiday.

News wise

- Japanese Government officials raided the offices of banking giant, **UFJ Holdings Incorporated**. The Government is investigating whether or not officials of UFJ Holdings purposely hindered investigations into the bank's bad-loan portfolio. The Japanese Government's Financial Services Agency has, now, banned UFJ Holdings from lending money to any new clients. The ban will last, in the first instance, until March 2005;
- **Japan 's foreign exchange reserves** for the month of September hit a record level of about \$US830.99 billion, The Finance Ministry announced. That figure was an increase of about \$US3.04 billion, Month-on-Month; and,
- **Ito-Yokado Company** reported that its Net Profits Attributable to Shareholders for the first half its Financial Year, ended August 31, 2004, rose to 32.41 billion yen, up 40 percent, Year-on-Year. The gains were fueled, in a large part, by the performance at Seven-Eleven Company, in which Ito-Yokado has a 50.60-percent holding. Ito-Yokado is Japan 's second-largest retailer.

And so, the tally for Asia 's largest equity market was:

The Nikkei-225 Stock Average	Plus 3.32 percent
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In other Asian stock markets, their respective indices ended the week of October 8, 2004 as follows:

The HKSAR	Minus 0.603 percent to 13,241.46
Indonesia	Plus 0.69 percent to 855.72
Japan	Minus 0.05 percent to 11,349.35
Malaysia	Minus 0.36 percent to 861.08
The Philippines	Minus 0.34 percent to 1,836.47
Singapore	Minus 0.09 percent to 2,004.30
South Korea	Minus 0.45 percent to 881.38
Taiwan	Minus 0.01 percent to 6,102.16

Thailand	Plus 0.91 percent to 676.15
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