

**THE U.S. FEDERAL RESERVE RAISES INTEREST RATES, AGAIN :
EQUITY MARKETS START TO SLIDE,
THEN, IT'S OFF AND RUNNING WITH THE BULLS, ONCE MORE
(But How Strong Are Those Legs ?)**

Last Monday, with the US Federal Reserve Board, scheduled to hold its Open Market Committee Meeting on Wednesday, just 3 days hence, there was, naturally, some reluctance on the part of many investors to make any fresh commitments in equities, prior to this interest-rate meeting.

Many institutional investors just sat on their hands, awaiting for the determination of the US Federal Reserve Board, led by its flamboyant Chairman, Dr Alan Greenspan.

On The New York Stock Exchange, last Monday, the Dow Jones Industrial Average rose 3.77 points, equivalent to about 0.04 percent, limping up to 10,391.31 points.

On The (tech-laden) NASDAQ, its Composite Index rose 0.31 points, or about 0.02 percent, hitting 2,039.25 points by the close of the day.

Trading was about average for this time of the year.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for December delivery was settled at \$US49.09 per barrel.

That price represented a fall of about 52 cents (US) per barrel, compared with the previous close on Friday, November 5.

As for delivery in January 2005, the price of light sweet crude oil was settled at \$US49.17 per barrel, down 45 cents (US) per barrel.

On European bourses, fractional losses were the order of the day, with the lone exception of the Amsterdam bourse. (Please see below)

The US dollar moved to centre stage in eurozone, last Monday, as its exchange rate to the euro hit a record low of nearly \$US1.30.

This is good for the US, of course, and very bad for exports from the European Union '*club*' where payment is normally made in US dollars.

The following is how the indices of the major European bourses ended, last Monday:

Amsterdam's AEX Index	Plus 0.19 percent
Great Britain's FTSE 100 Index	Minus 0.64 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.62 percent
France's CAC40 Index	Minus 0.51 percent
Switzerland's Swiss Market Index	Minus 0.27 percent
Italy's MIBTEL Index	Minus 0.05 percent

News wise

- **British Airways (BA)** announced that its Net Profits Attributable to Shareholders rose by about 25.50 percent in the quarter, ended September 30, 2004, compared with the like quarter in 2003. The Bottom Line was about \$US228 million.

Indices on Asian equity markets were, generally, lower.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key index of the Main Board of The Stock Exchange of Hongkong Ltd managed to eke out a fractional gain, but the Total Turnover dropped, while

the ratio of gaining counters to losing ones was tight, at about 1.04:One.

The Hang Seng Index, which is the gauge to trading in blue chips on the Main Board, ended the day at 13,561.49 points, on a gain of about 0.49 percent, on a Total Turnover of about \$HK16.95 billion.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 1.15 percent to \$HK132.00 per share
Silver Grant International Industries Ltd (Code: 171)	Up 15.27 percent to \$HK3.775 per share
China Life Insurance Company Ltd (Code: 2628)	Up 3.85 percent to \$HK5.40 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.01 percent to \$HK75.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.37 percent to \$HK67.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.43 percent to \$HK23.40 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.47 percent to \$HK107.50 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK60.75 per share
China Telecom Corporation Ltd (Code: 728)	Unchanged at \$HK2.60 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 1.05 percent to \$HK14.50 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		10.53	0.051
Asia Orient Holdings Ltd	214	10.83		3.325
Build King Holdings Ltd	240		10.11	0.16
COL Capital Ltd	383	10.20		1.08
Dah Hwa International (Holdings) Ltd	600	21.65		0.236
Dawnrays Pharmaceutical (Holdings) Ltd	2348	16.33		0.57
Far East Technology International Ltd	36		20.54	0.445
Garron International Ltd	1226		11.36	0.117
Haywood Investments Ltd	905		12.50	0.028
Hua Yi Copper Holdings Ltd	559		10.00	0.045
Kingmaker Footwear Holdings Ltd	1170	11.25		2.225
Kwoon Chung Bus Holdings Ltd	306	11.48		1.36
Oriental Explorer Holdings Ltd	430		13.04	0.06
Shanghai Allied Cement Ltd	1060	12.66		0.445
Shun Cheong Holdings Ltd	650		18.75	0.26
Silver Grant International Industries Ltd	171	15.27		3.775
Sino Golf Holdings Ltd	361	10.57		1.36
Sinochem Hongkong Holdings Ltd	297	13.64		0.50
Starbow Holdings Ltd	397		17.95	0.032
Sunway International Holdings Ltd	58		11.67	0.265
Universe International Holdings Ltd	1046		18.00	0.041
Wah Nam International Holdings Ltd	159	11.19		0.159
Wanji Pharmaceutical Holdings Ltd	835		11.11	0.024
Water Oasis Group Ltd	1161	20.00		0.30

There was little to promote equity trading in the HKSAR, last Monday, and, with The Fed's interest-rate meeting, only 2 days away, many investors stayed clear of the market.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, investors pushed down The Growth Enterprise Index by about 0.13 percent to 991.56 points.

The Total Turnover on this speculative equity market was about \$HK42.82 million, with the ratio of losing counters to gaining ones, being about 1.64: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 \$HK1.01 per share
Sau San Tong Holdings Ltd (Code: 8200)	Up 3 percent to 78 cents per share
Phoenix Satellite Television Holdings Ltd (Code: 8002)	Up 1 percent to \$HK1.37 per share
Launch Tech Company Ltd (Code: 8196)	Up 1 percent to \$HK1.84 per share

The GEM's largest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
iMerchants Ltd	8009	10.10		0.109
iSteelAsia Holdings Ltd	8080		21.62	0.029

In Japan, the 3 equity markets of the country drifted for most of the day.

The Nikkei-225 Stock Average, a key index of blue chips, traded on the First Section of The Tokyo Stock Exchange, lost 77.94 yen, equivalent to about 0.70 percent, ending the day at 10,983.83 yen.

Losing counters were far ahead of gaining ones by the ratio of about 3.28:One.

What was of some worry to Japanese industrialists, last Monday, was to see the US dollar weaken against the yen, again, because this tends to cut into profit margins, down the line.

Last Monday, in Asia, the US dollar was changing hands at about 105.43 yen.

Another factor, which should have been considered as a positive one, was the price of crude oil.

In electronic trading on The NYMEX, last Monday in Asia, the price of light sweet crude oil for delivery in December was being settled at \$US48.90 percent barrel, lower by 71 cents (US) per barrel, compared with the last settlement price on The NYMEX, the previous Friday night.

News wise

- **Japan Airlines Corporation (JAL)** reported a Group Net Profit of about 82.90 billion yen for the first 6 months of its Fiscal Year, ended September 30, 2004. That result was an increase of about 44.17 percent, compared with the first 6 months of the 2003-Year. JAL will be employing a system of subsidising international flights by penalising Japanese commuters, charging them between 200 yen and 300 yen in addition to the stated fare price on all domestic flights;
- **McDonald's Holdings Company (Japan)** announced a Net Profit Attributable to Shareholders of about 928 million yen for the quarter, ended September 30, 2004. The fast-food chain said that the results of the 3rd quarter represented an increase of about 72 percent, Year-on-Year;
- **Sales of new imported vehicles** fell 15.80 percent in October, Year-on-Year, to 17,701 units, The Japan Automobile Importers Association said. It was the largest decline since December 1998. The statistics included motor vehicles, manufactured offshore by Japanese producers; and,
- **Mitsubishi Corporation** announced that its Net Profits Attributable to Shareholders rose about 48 percent, Year-on-Year, to 89.40 billion yen, during the first half of its Financial Year to September 30, 2004. Mitsubishi Corporation is the largest trading house in the country.

And, in other Asian equity markets, this was how they fared, last Monday:

The HKSAR	Plus 0.49 percent to 13,561.49
Indonesia	Minus 0.55 percent to 888.74
Japan	Minus 0.70 percent to 10,983.83
Malaysia	Plus 0.16 percent to 872.89
The Philippines	Minus 0.29 percent to 1,812.16
Singapore	Minus 0.29 percent to 2,009.96
South Korea	Minus 1.69 percent to 846.11
Taiwan	Plus 0.10 percent to 5,937.46
Thailand	Minus 0.93 percent to 629.20

Tuesday

Equity markets, from one end of the globe to the other, were waiting to see what the US Federal Reserve Board had up its sleeve when it convened its Open Market Committee Meeting on Wednesday.

As such, very little happened on major stock markets, the world over.

On The New York Stock Exchange, the Dow Jones Industrial Average lost about 0.05 percent of its value, falling to 10,386.37 points.

Over on The NASDAQ, its Composite Index gained 0.20 percent to limp up to 2,043.33 points.

While trading was fairly active on Wall Street, share prices, by and large, moved sideways.

News wise

- Scandal-ridden insurance giant, **Marsh and McLennan Incorporated**, announced that it would be sacking about 3,000 of its people. Once known as the world's Number One insurance broker, Marsh and McLennan is awaiting the pleasure of the New York Attorney General, who is preparing a lawsuit, alleging that this insurance company was crooked and colluded with American International Group Incorporated and others in price fixing.

On The New York Mercantile Exchange (NYMEX), there was very spirited trading – as the price of light sweet crude oil collapsed – again.

The December price of light sweet crude oil was last settled at \$US47.37 per barrel, a one-day fall of about 3.50 percent.

As for delivery in January 2005, the price of light sweet crude oil ended the day at \$US47.57 percent, off about 3.25 percent on Monday's close.

For The NYMEX, last Tuesday's closing levels for light sweet crude oil represented the lowest price of the previous 7 weeks.

The lower price of crude oil gave Europe a bit of a fillip, but only a bit: The main concern was, of course, the US Federal Reserve Board's determination, which was expected on Wednesday.

This was how indices of major bourses ended their respective trading days, last Tuesday:

Amsterdam's AEX Index	Minus 0.12 percent
Great Britain's FTSE 100 Index	Plus 0.02 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.08 percent
France's CAC40 Index	Minus 0.18 percent
Switzerland's Swiss Market Index	Minus 0.49 percent
Italy's MIBTEL Index	Minus 0.22 percent

On Asian equity markets, investors, also, were waiting to learn the outcome of the US Federal Reserve Board's determination in respect of interest rates.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets experiences fractional losses in its key indices.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index shed exactly one third of a percentage point, falling back to 13,516.67 points.

The Total Turnover was about \$HK18.14 billion, but a little more than 15 percent of that volume of activity was in respect of trading in the one counter: HSBC Holdings plc (Code: 5). (Please see table below)

While the Hang Seng Index was off by a fraction, gaining counters just managed to outnumber losing ones by the ratio of about 1.02:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.76 percent to \$HK131.00 per share
China Telecom Corporation Ltd (Code: 728)	Up 3.85 percent to \$HK2.70 per share

Shun Tak Holdings Ltd (Code: 242)	Up 13.56 percent to \$HK6.70 per share
China Life Insurance Company Ltd (Code: 2628)	Unchanged at \$HK5.40 per share
Silver Grant International Industries Ltd (Code: 171)	Down 0.66 percent to \$HK3.75 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.75 percent to \$HK66.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.33 percent to \$HK75.50 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.82 percent to \$HK60.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.43 percent to \$HK23.50 per share
Pacific Century Premium Developments Ltd (Code: 432)	Up 10.42 percent to \$HK2.65 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Orient Holdings Ltd	214	14.29		3.80
Bestway International Holdings Ltd	718	10.26		0.043
Build King Holdings Ltd	240	12.50		0.18
Capital Prosper Ltd	1003	10.00		0.055
Central China Enterprises Ltd	351	26.00		0.63
Chia Tai Enterprises International Ltd	121	11.00		0.222
China Chengtong Development Group Ltd	217	14.04		0.325
CITIC Resources Holdings Ltd	1205	14.77		1.71
Climax International Company Ltd	439	14.29		0.032
Daido Group Ltd	544	17.05		0.103
eSun Holdings Ltd	571	12.82		0.44
Far East Technology International Ltd	36	25.84		0.56
Fulbond Holdings Ltd	1041		14.29	0.018
Gorient (Holdings) Ltd	729	36.54		0.071
Greater China Holdings Ltd	431	25.00		0.25
Mei Ah Entertainment Group Ltd	391	12.50		0.27
ONFEM Holdings Ltd	230	10.17		0.65
Pacific Plywood Holdings Ltd	767		10.81	0.033
Pacific Century Premium Developments Ltd	432	10.42		2.65
REXCAPITAL International Holdings Ltd	155	77.78		0.08
Rontex International Holdings Ltd	1142	17.65		0.08
Shun Tak Holdings Ltd	242	13.56		6.70
Sinochem Hongkong Holdings Ltd	297		10.00	0.45
Start Technology Company Ltd	706		10.34	0.26
Sunway International Holdings Ltd	58	15.09		0.305
Tem Fat Hing Fung (Holdings) Ltd	661	10.61		0.73
Victory Group Ltd	1139	55.56		0.042
Vision Century Corporation Ltd	535	12.66		0.178
Winfair Investment Company Ltd	287	10.34		3.20

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

The Growth Enterprise Index shed about one twentieth of a percentage point, ending the session at 989.54 points.

The Total Turnover on this speculative market was about \$HK59.78 million.

Declining counters were ahead of advancing ones by the ratio of about 1.23:One.

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

hongkong.com Corporation (Code: 8006)	Up 12 percent to 51 cents per share
Yantai North Andre Juice Company Ltd (Code: 8259)	Up 2 percent to \$HK1.03 per share
Launch Tech Company Ltd (Code: 8196)	Up 5 percent to \$HK1.93 per share
Sau San Tong Holdings Ltd (Code: 8200)	Down 5 percent to 74 cents per share
Far Eastern Polychem Industries Ltd (Code: 8012)	Down 2 percent to \$HK1.47 per share

The GEM's biggest movers included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231		20.00	0.28
Global Link Communications Holdings Ltd	8060	16.67		0.035
hongkong.com Corporation	8006	12.09		0.51
Leadership Publishing Group Ltd	8010	12.00		0.028
M Channel Corporation Ltd	8036	10.53		0.021
Thiz Technology Group Ltd	8119	11.76		0.019
Timeless Software Ltd	8028	10.00		0.088
WLS Holdings Ltd	8021		12.50	0.028

In Japan, eyes were glued to the US and the Federal Reserve Board's decision about interest rates for the remainder of the year.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average lost 18.96 yen, or about 0.17 percent, falling to 10,964.87 yen.

Losing counters outpaced gaining counters by the ratio of about 1.03:One.

News wise

- **Mitsubishi Motors Corporation** announced that its Losses Attributable to Shareholders for the first half of its Financial Year, to September 30, 2004, widened to the record level of about 146.20 billion yen; and,
- **Japan's foreign-exchange reserves**, as at October 31, 2004, rose to \$US837.88 billion, a record level. It was the 6th consecutive monthly increase in the amount of foreign reserves that The Bank of Japan has on hand.

In other Asian equity markets, this was how they closed their respective doors, last Tuesday:

The HKSAR	Minus 0.33 percent to 13,516.67
Indonesia	Plus 1.42 percent to 901.38
Japan	Minus 0.17 percent to 10,964.87
Malaysia	Plus 0.40 percent to 876.37
The Philippines	Minus 1.28 percent to 1,789.03
Singapore	Plus 0.08 percent to 2,011.51
South Korea	Minus 0.23 percent to 844.15
Taiwan	Plus 0.13 percent to 5,945.20
Thailand	Plus 0.59 percent to 632.94

Wednesday

The US Federal Reserve raised the Federal Funds Rate by one quarter of a percentage point to 2 percent.

It was the fourth time in 5 months that The Fed had raised interest rates in the world's largest single economy.

This is what The Fed released, last Wednesday afternoon:

'The Federal Open Market Committee decided today to raise its target for the federal funds rate by 25 basis points to 2 percent.

'The Committee believes that, even after this action, the stance of monetary policy remains accommodative and, coupled with robust underlying growth in productivity, is providing ongoing support to economic activity. Output appears to be growing at a moderate pace despite the rise in energy prices, and labor market conditions have improved. Inflation and longer-term inflation expectations remain well contained.

'The Committee perceives the upside and downside risks to the attainment of both sustainable growth and price stability for the next few quarters to be roughly equal. With underlying inflation expected to be relatively low,

the Committee believes that policy accommodation can be removed at a pace that is likely to be measured. Nonetheless, the Committee will respond to changes in economic prospects as needed to fulfill its obligation to maintain price stability.

'In a related action, the Board of Governors unanimously approved a 25 basis point increase in the discount rate to 3 percent ...'.

Wall Street did not much appreciate The Fed's remarks because, clearly, it smacked of more interest rates to come before the end of the year.

The next Federal Open Market Committee Meeting is scheduled for December 14, 2004, and, if the US economy continues along the lines as outlined in The Fed's official release, it could well mean another 25, basis-point increase for Christmas.

On The New York Stock Exchange, the Dow Jones Industrial Average lost about 0.01 percent of its value, after being in the black for most of the morning session. It ended the day at 10,385.48 points.

On The NASDAQ, its Composite Index shed about 0.43 percent, coming to rest at the end the day at 2,034.56 points.

What exacerbated the situation on US equity markets, last Wednesday, was the news of another increase in the price of crude oil on international markets.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for December delivery rose to \$US48.86 per barrel, a one-day gain of about 3.15 percent.

For January 2005 delivery, the price of light sweet crude oil hit \$US48.92 per barrel, up about 2.84 percent on Tuesday's last settlement price.

A US Energy Information Administration (EIA) report painted a picture of falling stocks of distillates, which includes heating oil, of course.

The EIA reported that distillate stocks had fallen by about 100,000 barrels to 115.60 million barrels, which is down about 13 percent, compared with the situation at this time in 2003.

In Europe, since The Fed's release in respect of the rise in interest rates had not been announced until 1430 hours Eastern Standard Time, investors of eurozone were not fully apprised of the latest situation.

Although it was not too difficult to come to the same conclusion as had The Fed.

Europe had been assuming that crude oil prices would continue to fall – but got it terribly wrong.

Hope springs eternal, of course, and hope was about the only thing that propelled indices of major eurozone bourses, last Wednesday:

Amsterdam's AEX Index	Plus	0.54 percent
Great Britain's FTSE 100 Index	Plus	0.35 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.58 percent
France's CAC40 Index	Plus	0.39 percent
Switzerland's Swiss Market Index	Plus	0.71 percent
Italy's MIBTEL Index	Minus	0.06 percent

Major Asian equity markets put on a spurt, last Wednesday, some making very material gains.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), despite the uncertainty with regard to the determination of the US Federal Reserve Board about the direction of interest rates, a determination which was expected to be disseminated, publicly, on Wednesday afternoon, Washington time, Asian investors, seeing, the price of crude oil, fall heavily, on Tuesday, let caution go to the wind and jumped into equities on both of the territory's 2 stock markets.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index put on about 1.15 percent, running up to 13,672.37 points.

The Total Turnover shot up to about \$HK21.44 billion, while the ratio of gaining counters to losing ones was about 2.22:One.

The Ten Most Active counters of the day were:

HSBC Holdings plc (Code: 5)	Up 1.15 percent to \$HK132.50 per share
China Life Insurance Company Ltd (Code: 2628)	Up 3.70 percent to \$HK5.60 per share
China Telecom Corporation Ltd (Code: 728)	Up 1.85 percent to \$HK2.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.06 percent to \$HK23.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.99 percent to \$HK76.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.50 percent to \$HK67.50 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.83 percent to \$HK60.75 per share
Macau Success Ltd (Code: 487)	Up 52.69 percent to \$HK1.42 per share
PetroChina Company Ltd (Code: 857)	Unchanged at \$HK4.225 per share
Ping An Insurance (Group) Company of China Ltd (Code: 2318)	Up 2.78 percent to \$HK12.95 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
A-Max Holdings Ltd	959	37.74		0.073
Berjaya Holdings (Hongkong) Ltd	288		11.00	0.089
China Conservational Power Holdings Ltd	290	40.68		0.415
China Elegance (Holdings) Ltd	476	10.00		0.055
Ching Hing (Holdings) Ltd	692	15.49		0.082
CITIC Resources Holdings Ltd	1205		11.70	1.51
CNT Group Ltd	701	18.75		0.19
eForce Holdings Ltd	943	37.14		0.048
Enerchina Holdings Ltd	622	10.00		0.55
Fujian Holdings Ltd	181		10.77	0.232
International Bank of Asia Ltd	636	11.57		3.375
K. Wah Construction Materials Ltd	27		11.76	2.625
Macau Success Ltd	487	52.69		1.42
Matsunichi Communication Holdings Ltd	283	16.40		2.20
Melco International Development Ltd	200		16.19	8.80
New Smart Holdings Ltd	91	10.53		0.168
ONFEM Holdings Ltd	230	12.31		0.73
renren Holdings Ltd	59	10.00		0.011
REXCAPITAL International Holdings Ltd	155	10.00		0.088
Rivera (Holdings) Ltd	281	10.00		0.275
Shang Hua Holdings Ltd	371		27.14	0.204
Shanghai Zendai Property Ltd	755	11.67		0.134
Tack Hsin Holdings Ltd	611	12.36		0.20
China National Resources Development Holdings Ltd	661	13.70		0.83
Universal Holdings Ltd	419	13.16		0.043
Vision Century Corporation Ltd	535	13.48		0.202
Zhu Kuan Development Company Ltd	908	11.27		0.395

On The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover rose to about \$HK65.05 million, but the lone index of this speculative market, The Growth Enterprise Index, only managed a gain of about 0.67 percent, ending the day at 996.14 points.

Advancing counters outran declining ones by the ratio of 1.27:One.

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

Wumart Stores Incorporated (Code: 8277)	Up 3 percent to \$HK13.80 per share
Yantai North Andre Juice Company Ltd (Code: 8259)	Up 1 percent to \$HK1.04 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Up 1 percent to \$HK17.00 per share
Panva Gas Holdings Ltd (Code: 8132)	Down 1 percent to \$HK3.275 per share
MP Logistics International Holdings Ltd (Code: 8239)	Up 1 percent to \$HK1.30 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Armitage Technologies Holding Ltd	8213		13.46	0.09
CASH Financial Services Group Ltd	8122		10.00	0.18
China Advance Holdings Ltd	8117	14.29		0.08
Emperor Entertainment Group Ltd	8078		17.61	1.31
Xi'an Haitian Antenna Technologies Company Ltd	8227	16.16		0.23
iSteelAsia Holdings Ltd	8080		37.93	0.018
Prosten Technology Holdings Ltd	8026	12.12		0.074
SYSCAN Technology Holdings Ltd	8083		10.41	0.198
Techpacific Capital Ltd	8088	25.00		0.045
Thiz Technology Group Ltd	8119		21.05	0.015
WLS Holdings Ltd	8021	10.71		0.031

News wise

- **Standard Chartered plc (Code: 2888)** announced that it would be sacking 200 staff members from its banking operations in the HKSAR. That number of workers represents about 5 percent of the bank's total Establishment in the territory.

In Japan, investors continued the vigil, awaiting the outcome of the US Federal Open Committee Meeting in respect of interest rates in the world's only superpower.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average gained 30.09 yen, equivalent to about 0.27 percent, ending the quiet trading day at 10,994.96 yen.

Losing counters were ahead of gaining counters by the ratio of about 1.03:One by the close of trading.

News wise

- **Mazda Motor Corporation** announced that its Net Profits Attributable to Shareholders came in at about 18.70 billion yen for the first half of its Fiscal Year, ended September 30, 2004. That result represented a gain, Year-on-Year, of about 68 percent;
- **Itochu Corporation**, the largest trading company in Japan, announced that, for the first half of its Financial Year, to September 30, 2004, its Group Net Profits Attributable to Shareholders were 44.14 billion yen. That was an increase of about 130.30 percent over the like period in the 2003-Year; and,
- **Yamato Transport Company** said that it posted a Net Profit Attributable to Shareholders for the first 6 months of its Financial Year, to September 30, 2004, of about 16.56 billion yen, up about 158.80 percent, compared with the like 2003 period. The company is the largest door-to-door parcel delivery company in Japan.

This was how other Asian equity markets fared, last Wednesday:

The HKSAR	Plus 1.15 percent to 13,672.37
Indonesia	Plus 1.92 percent to 918.71
Japan	Plus 0.27 percent to 10,994.96
Malaysia	Plus 0.74 percent to 882.88
The Philippines	Minus 0.55 percent to 1,779.18
Singapore	Plus 0.57 percent to 2,022.99
South Korea	Plus 1.94 percent to 860.54
Taiwan	Plus 0.06 percent to 5,948.49
Thailand	Minus 1.13 percent to 625.78

Thursday

For most of the previous week, international news had centred on the fact that President Yasser Arafat had been lying in a French military hospital in a coma.

He died early last Thursday at the age of 75 years. He never regained consciousness.

The State of Israel had blamed, repeatedly, the late President Yasser Arafat for many of the atrocities, perpetrated by various Palestinian paramilitary organisations against the Jewish State and its people.

It had been alleged by Israel that organisations, under the control, directly or indirectly, of this former charismatic leader of Palestinians, had had a hand in the killing and maiming of thousands of Israelis, over the years.

While the Jews have always claimed that the Palestinians, led by President Yasser Arafat, wanted to drive the Jews out of Israel and, if possible, out of the Middle East, also, it is, perhaps, sufficient for **TARGET** to state that let nothing be said of the dead lest it be good.

The question in the Middle East was whether or not a moderate would take over the reigns of government of the Palestinians – who, still, do not have a country – and bring peace to both the Arab and the Jew so that they may live, side by side, in peace.

The death of President Yasser Arafat had no effect on oil prices, as some people had suggested, earlier.

In the US, last Thursday, Wall Street sprang to life, as investors ploughed into stocks and shares, lifting indices to 7-month highs.

On The New York Stock Exchange, the Dow Jones Industrial Average ended the day at 10,469.84 points, a one-day gain of about 0.81 percent.

Over on The NASDAQ, its Composite Index put on 26.71 points, equivalent to about 1.31 percent, running up to 2,061.27 points.

A substantial fall in the price of crude oil appeared to have been the catalyst, pushing up prices of stocks and shares on the world's largest equity markets. (Please see below)

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in December sank back to \$US47.42 per barrel, down about 2.95 percent on Wednesday's closing level.

For January 2005 delivery, the price of light sweet crude oil was settled at \$US47.60 per barrel, a decrease of about 2.70 percent on Wednesday's last trade.

The falling price of crude oil, internationally, became more than a little fillip for European traders and, when it became known that oil prices were in full retreat, up went indices on major bourses.

For some equity markets in the eurozone, last Thursday's closing level was the highest point of the previous 30 months.

This was how indices of major European bourses ended last Thursday:

Amsterdam's AEX Index	Plus	1.16 percent
Great Britain's FTSE 100 Index	Plus	0.89 percent
Germany's Frankfurt XETRA DAX Index	Plus	1.01 percent
France's CAC40 Index	Plus	1.29 percent
Switzerland's Swiss Market Index	Plus	0.56 percent
Italy's MIBTEL Index	Plus	0.86 percent

In Asia, the announcement by the US Federal Reserve Board (Please see Wednesday's report) was not appreciated.

Major equity markets lost ground in the most populous part of the world, last Thursday, no doubt in sympathy to Wall Street's close of Wednesday.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the rather rapid increase in the price of crude oil on international markets on Wednesday only managed to exacerbate an already uneasy pall that hung over equity markets.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index lost 0.35 percent, ending the day at 13,624.51 points.

The Total Turnover was about \$HK18.66 billion while the ratio of losing counters to gaining ones was about 1.19:One.

While the Total Turnover was very respectable, the market had been trapped within a very narrow range for the entire trading session.

The Nine Most Actives were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK132.50 per share
China Life Insurance Company Ltd (Code: 2628)	Up 2.68 percent to \$HK5.75 per share
Denway Motors Ltd (Code: 203)	Up 3.70 percent to \$HK2.80 per share
China Telecom Corporation Ltd (Code: 728)	Down 0.91 percent to \$HK2.725 per share
Esprit Holdings Ltd (Code: 330)	Down 5.13 percent to \$HK42.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.42 percent to \$HK23.85 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Unchanged at \$HK67.50 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.41 percent to \$HK60.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.66 percent to \$HK75.75 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	35.62		0.099
Broad Intelligence International Pharmaceutical Holdings Ltd	1149	10.96		0.405
Central China Enterprises Ltd	351	11.29		0.69
China Conservational Power Holdings Ltd	290	25.30		0.52
Cheung Tai Hong Holdings Ltd	199		16.13	0.26
China Golden Development Holdings Ltd	162	15.28		0.415
China Merchants DiChain (Asia) Ltd	632	30.77		0.085
Chinney Alliance Group Ltd	385		11.76	0.015
Compass Pacific Holdings Ltd	1188	10.20		0.27
Dickson Group Holdings Ltd	313	25.49		0.064
Guangdong Tannery Ltd	1058		11.01	0.194
Huabao International Holdings Ltd	336	10.20		1.08
Interchina Holdings Company Ltd	202	14.69		0.242
Landune International Ltd	245	10.17		0.13
MAE Holdings Ltd	851		12.50	0.014
Melco International Development Ltd	200	11.93		9.85
Pearl River Tyre (Holdings) Ltd	1187	20.00		0.60
Premium Land Ltd	164	10.00		0.022
Ruili Holdings Ltd	491	10.00		0.011
Shanghai Real Estate Ltd	1207	15.79		0.88
Shimao China Holdings Ltd	649	55.29		1.32
Starbow Holdings Ltd	397	25.00		0.04
Start Technology Company Ltd	706	15.38		0.30
Tak Sing Alliance Holdings Ltd	126	10.34		0.32
Upbest Group Ltd	335		10.17	0.53
Victory Group Ltd	1139	20.51		0.047
Winfair Investment Company Ltd	287	10.61		3.65
Wing On Travel (Holdings) Ltd	1189	13.64		0.025

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, while the lone index was up, losing counters outnumbered gaining ones by the ratio of about 1.21:One.

The Growth Enterprise Index gained about 0.55 percent, ending the day at 1,001.66 points.

The Total Turnover was about \$HK67.76 million.

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

Wumart Stores Incorporated (Code: 8277)	Up 7 percent to \$HK14.70 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 3 percent to \$HK1.30 per share
TOM Online Incorporated (Code: 8282)	Down 3 percent to \$HK1.17 per share
Yantai North Andre Juice Company Ltd (Code: 8259)	Down 2 percent to \$HK1.02 per share
Phoenix Satellite Television Holdings Ltd (Code: 8002)	Up 4 percent to \$HK1.41 per share

The biggest GEM movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B and B Natural Products Ltd	8156	16.92		0.76
China Advance Holdings Ltd	8117		12.50	0.07
Global Link Communications Holdings Ltd	8060	20.00		0.042
Glory Future Group Ltd	8071		20.00	0.012
iSteelAsia Holdings Ltd	8080	66.67		0.03
Kinetana International Biotech Pharma Ltd	8031		10.00	0.045
Media Partners International Holdings Incorporated	8072	20.00		0.36
Shaanxi Northwest New Technology Industry Company Ltd	8258	10.00		0.11

Things were far from being tame on Asia's largest equity market: The Tokyo Stock Exchange.

On this market, the Nikkei-225 Stock Average lost 148.04 yen, equivalent to a fall of about 1.35 percent, ending the day at 10,846.92 yen.

Losing counters outpaced gaining ones by the ratio of about 4.69:One.

News wise

- **NTT Corporation**, Japan's largest telecommunications company, announced a Group Net Profit for the 6 months, ended September 30, 2004, of 344.60 billion yen, up from 344 billion yen, logged in during the like period in 2003; and,
- **Bandai Company** said that its Bottom Line for the first half of its Financial Year, ended September 30, 2004, was off by about 42 percent, compared with the like period in 2003. The figures came in at 3.88 billion yen. Bandai Company is Japan's largest producer of toys.

And, in other Asian equity markets, this was how their indices closed the day:

The HKSAR	Minus 0.35 percent to 13,624.51
Indonesia	Plus 0.70 percent to 925.19
Japan	Minus 1.35 percent to 10,846.92
Malaysia	Closed
The Philippines	Minus 0.79 percent to 1,765.09
Singapore	Closed
South Korea	Plus 0.08 percent to 861.26
Taiwan	Minus 1.24 percent to 5,874.52
Thailand	Plus 0.25 percent to 627.34

Friday

Wall Street extended its gains to the delight of many investors.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 69.17 points, equivalent to about 0.66 percent, ending the week at 10,539.01 points.

As for The NASDAQ, its Composite Index closed the week at 2,085.34 points, a one-day improvement of about 1.17 percent.

There was no single reason for the gains on Wall Street, it was just investors, catching the stock market wave and riding it.

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

The Dow Jones Industrial Average	Plus 1.46 percent
The NASDAQ's Composite Index	Plus 2.28 percent

Indices of European bourses were fractionally higher, last Friday.

Although a number of equity markets were hitting 28-month highs, there was some rather disturbing economic news about some of the members of the European Union (EU).

The EU's Statistics Agency reported that economic growth in the region was at its lowest level in more than one year in the 3rd quarter of 2004.

Output rose by about 0.30 percent in the 3rd quarter, compared with the 2nd quarter's growth of about 1.90 percent.

The 12-country bloc has been suffering from high crude oil prices and a weakening of the US dollar against the euro.

The news was rather frightening for many economists.

This was how indices of major eurozone equity markets ended the week of November 12, 2004:

Amsterdam's AEX Index	Plus	0.36 percent
Great Britain's FTSE 100 Index	Plus	0.35 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.30 percent
France's CAC40 Index	Plus	0.03 percent
Switzerland's Swiss Market Index	Plus	0.86 percent
Italy's MIBTEL Index	Plus	0.06 percent

News wise

- **The economy of France** is grinding to a halt: The country's Gross Domestic Product rose by 0.10 percent for the quarter, ended September 30, 2004. That was the weakest performance in more than one year, the Government's Statistical Office announced. A lack of consumer spending was the main factor for the country's poor performance.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for December delivery was settled at \$US47.32 per barrel, a decline of about 0.21 percent on Thursday's last settlement price.

For January 2005 delivery, the price of light sweet crude oil was \$US47.41 per barrel, off 0.40 percent on Thursday's last trade.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the Total Turnover on the Main Board of The Stock Exchange of Hongkong Ltd rose to about \$HK23.05 billion, about 24 percent higher than Thursday's volume of activity.

The key index of the Main Board, the Hang Seng Index, put on about 1.17 percent, ending the trading week at 13,784.46 points.

Gaining counters outran losing counters by the ratio of about 2.24:One.

The reasons for the bullishness on The Stock Exchange of Hongkong Ltd was due to the gains on Wall Street on Thursday, the rapid drop in the price of crude oil, internationally, and, lastly, a fall in interest rates in the territory.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 1.51 percent to \$HK134.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.98 percent to \$HK77.25 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.24 percent to \$HK61.25 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.87 percent to \$HK5.70 per share
Macau Success Ltd (Code: 487)	Up 8.45 percent to \$HK1.54 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.26 percent to \$HK24.15 per share
China Telecom Corporation Ltd (Code: 728)	Up 2.75 percent to \$HK2.80 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.48 percent to \$HK68.50 per share
Swire Pacific Ltd (Code: 19)	Up 3.80 percent to \$HK61.50 per share
PetroChina Company Ltd (Code: 857)	Unchanged at \$HK4.20 per share

The Main Board's double-digit movers included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
A-Max Holdings Ltd	959	43.43		0.142
Benefun International Holdings Ltd	1130	20.75		0.064
Bestway International Holdings Ltd	718	14.58		0.055
Cheung Tai Hong Holdings Ltd	199	15.38		0.30
China United International Holdings Ltd	273	14.89		0.27
Chinney Alliance Group Ltd	385	13.33		0.017
Dah Hwa International (Holdings) Ltd	600	17.12		0.26
eForce Holdings Ltd	943	20.83		0.058
GeoMaxima Energy Holdings Ltd	702	21.18		0.103
Gorient (Holdings) Ltd	729	10.00		0.077
Haier-CCT Holdings Ltd	1169	12.96		0.305
Man Sang International Ltd	938	30.53		0.248
Man Yue International Holdings Ltd	894		10.71	0.50
Medtech Group Company Ltd	1031	46.60		0.151
Nam Hing Holdings Ltd	986	12.06		0.158
Neo-China Group (Holdings) Ltd	563	12.78		0.203
New Smart Holdings Ltd	91	13.10		0.19
Pacific Plywood Holdings Ltd	767	38.71		0.043
Plus Holdings Ltd	1013	16.67		0.07
Polytec Asset Holdings Ltd	2942		34.21	0.025
REXCAPITAL Financial Holdings Ltd	555	22.58		0.038
Rontex International Holdings Ltd	1142		12.22	0.079
Shimao China Holdings Ltd	649		21.21	1.04
Sunlink International Holdings Ltd	2336	16.67		0.07
Swank International Manufacturing Company Ltd	663	12.50		0.063
United Power Investment Ltd	674	12.90		0.35
Victory Group Ltd	1139	38.30		0.065
Wanji Pharmaceutical Holdings Ltd	835	22.73		0.027
Wing On Travel (Holdings) Ltd	1189	12.00		0.028
Yugang International Ltd	613	19.57		0.11
Zhongda International Holdings Ltd	909	26.03		0.305

Over on The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover jumped to \$HK118.54 million, an increase, Day-on-Day, of about 75 percent.

The Growth Enterprise Index put on about 0.83 percent, running back to 1,010.01 points.

But the ratio of advancing counters to retreating ones was tight, at about 1.03:One.

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

Yantai North Andre Juice Company Ltd (Code: 8259)	Up 3 percent to \$HK1.05 per share
TOM Online Incorporated (Code: 8282)	Down 2 percent to \$HK1.15 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Up 1 percent to \$HK1.31 per share
B and B Natural Products Ltd (Code: 8156)	Up 8 percent to 82 cents per share
Phoenix Satellite Television Holdings Ltd (Code: 8002)	Down 2 percent to \$HK1.38 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Aptus Holdings Ltd	8212	14.62		0.149
Glory Mark Hi-Tech (Holdings) Ltd	8159	20.00		0.18
Xi'an Haitian Antenna Technologies Company Ltd	8227		11.11	0.20
iSteelAsia Holdings Ltd	8080	16.67		0.035
M21 Technology Ltd	8153		11.76	0.90
Qianlong Technology International Holdings Ltd	8015		15.38	0.22
Thiz Technology Group Ltd	8119	35.71		0.019
Timeless Software Ltd	8028	33.33		0.12
Town Health International Holdings Company Ltd	8138	11.11		0.05

The tally for the week for the HKSAR equity markets was:

The Hang Seng Index	Plus	2.15 percent
The Growth Enterprise Index	Plus	1.73 percent

On Asia's largest equity market, that of The Tokyo Stock Exchange, The Nikkei-225 Stock Average shot up 173.06 yen, equivalent to about 1.60 percent, to 11,019.98 yen.

The ratio of gaining counters to losing ones was about 2.47:One.

The gains on Asia's largest stock market were in spite of a damning report in respect of the economy of the 2nd largest economy of the world. (Please see News wise, below)

The gains on Japan's 3 equity markets were the result, by and large, of the boom that was taking place on equity markets of the US: Follow the leader; trend is an investor's friend.

News wise

- **Nippon Yusen K.K.**, the largest shipping company of Japan, announced that its Net Profit Attributable to Shareholders was about 29.77 billion yen for the 6 months, ended September 30, 2004. That result represented a 40-percent jump, Year-on-Year;
- **Mitsui O.S.K. Lines Ltd**, the second largest shipping company of Japan, announced that its Net Profits Attributable to Shareholders for half-Year, ended September 30, 2004, had risen by about 230 percent, Year-on-Year, to 46.93 billion yen;
- **Kawasaki Kisen Kaisha Ltd** announced that its Net Profit Attributable to Shareholder for the 6-month period, ended September 30, 2004, was up, Year-on-Year, by about 210 percent to 33.55 billion yen; and,
- The Japanese Cabinet Office announced that **orders for machinery** in the private sector had fallen about 1.90 percent in September, compared with August's statistics. The value of September's orders was in the region of about 929.10 billion yen. Slower capital spending appeared to be the order of the day in The Land of The Rising Sun.

For the week, ended November 12, 2004, the tally for Japan's premier equity market was:

The Nikkei-225 Stock Average	Minus	0.38 percent
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This was how other Asian equity markets closed their respective doors, last Friday night:

The HKSAR	Plus	1.174 percent to 13,784.46
Indonesia	Plus	0.96 percent to 934.03
Japan	Plus	1.60 percent to 11,019.98
Malaysia	Closed	
The Philippines	Minus	1.26 percent to 1,742.81
Singapore	Plus	0.77 percent to 2,038.46
South Korea	Plus	1.79 percent to 876.67
Taiwan	Plus	0.73 percent to 5,917.16
Thailand	Plus	1.98 percent to 639.74

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