

**CRUDE OIL PRICES FALL, DRAMATICALLY;
THE \$US-EURO/YEN/POUND PLUMBS TO NEW LOWS;
AND,
EQUITY PRICES RISE**

Wall Street was not for the frail of heart, last Monday.

Key indices fell by triple digits, prior to the luncheon break.

The equity markets of the US were hit by news that the Thanksgiving Day retail trade, nationwide, had not been that which was expected: Sales did not measure up to expectations.

Wal-Mart Stores Incorporated, the largest retailer in the world, announced that it was slashing its previous profit forecast for the Current Financial Year.

The company, also, stated that retail sales of the previous Friday had grown, Year-on-Year, by only 0.70 percent.

Market forecasts had been for sales to expand by between 2 percent and 4 percent.

Logic dictated that the Christmas sales' figures could well be below expectations, too.

That was all that investors needed to know.

Down came stock and share prices.

By the close of the day, however, things had quietened down, somewhat, but, nevertheless, the rot remained – and it left a bitter taste in the mouths of many.

On The New York Stock Exchange, the Dow Jones Industrial Average ended the day at 10,475.90 points, off 46.33 points, or about 0.44 percent, compared with the half-day session of Friday, November 26, 2004.

Over on The NASDAQ, its Composite Index recovered from the earlier falls that it had suffered, ending with a gain of 4.90 points, equivalent to about 0.23 percent, at 2,106.87 points.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in January 2005 was settled at \$US49.76 per barrel, up about 0.65 percent, compared with the last settlement price of Wednesday, November 24, 2004, being the final trading day of the previous week, Thursday, having been Thanksgiving Day.

For February 2005 delivery, the price of light sweet crude oil was settled at \$US49.88 per barrel, representing an increase on the previous closing level of about 0.87 percent.

High oil prices do not bode well for the industrialised countries of the world, by and large.

In Europe, indices of major bourses were flat.

It appeared that European investors were uncertain as to what the week might bring and so they determined to wait out the day, preferring to see what would happen on Wall Street as the week wove its tapestry.

The following is how indices of major European bourses fared, last Monday night:

Amsterdam's AEX Index	Minus 0.17 percent
Great Britain's FTSE 100 Index	Plus 0.17 percent

Germany's Frankfurt XETRA DAX Index	Minus 0.17 percent
France's CAC40 Index	Minus 0.04 percent
Switzerland's Swiss Market Index	Minus 0.29 percent
Italy's MIBTEL Index	Minus 0.19 percent

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the mood of investors was definitely upbeat, with many counters, making very material gains.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index, the key gauge of blue chips, gained about 1.24 percent, rising to 14,066.91 points.

The Total Turnover was about \$HK19.35 billion, while the ratio of gaining counters to losing ones was about 1.95:One.

The Ten Most Active counters were:

Hutchison Whampoa Ltd (Code: 13)	Up 4.55 percent to \$HK69.00 per share
HSBC Holdings plc (Code: 5)	Up 1.15 percent to \$HK132.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.60 percent to \$HK25.40 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.64 percent to \$HK79.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 2.40 percent to \$HK74.75 per share
PetroChina Company Ltd (Code: 857)	Up 1.16 percent to \$HK4.375 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 0.34 percent to \$HK14.60 per share
Maanshan Iron and Steel Company Ltd (Code: 323)	Down 1.57 percent to \$HK3.125 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.86 percent to \$HK5.75 per share
China Telecom Corporation Ltd (Code: 728)	Unchanged at \$HK2.90 per share

The Main Board's biggest movers were reserved for the following bunch:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
A-Max Holdings Ltd	959	10.00		0.99
Benefun International Holdings Ltd	1130		11.54	0.046
CCT Tech International Ltd	261	16.67		0.021
Cheung Tai Hong Holdings Ltd	199		16.22	0.31
Chinney Alliance Group Ltd	385	10.00		0.022
CITIC 21CN Company Ltd	241	10.00		2.475
E-LIFE International Ltd	370	18.29		0.097
eSun Holdings Ltd	571	23.29		0.90
Everest International Investments Ltd	204		25.00	0.051
Fortune Telecom Holdings Ltd	110		10.00	0.63
G-Prop (Holdings) Ltd	286	11.32		0.295
Grand Field Group Holdings Ltd	115	10.71		0.093
Guangdong Tannery Ltd	1058	14.74		0.218
Heritage International Holdings Ltd	412	32.35		0.045
Jackley Holdings Ltd	353		32.31	0.044
MAE Holdings Ltd	851	12.50		0.018
Magnum International Holdings Ltd	305		27.14	0.051
Nam Hing Holdings Ltd	986		10.40	0.155
New Century Group Hongkong Ltd	234	32.79		0.81
Northern International Holdings Ltd	736	11.11		0.03
REXCAPITAL Financial Holdings Ltd	555	27.91		0.055
REXCAPITAL International Holdings Ltd	155	35.29		0.115
Rontex International Holdings Ltd	1142	27.45		0.13
Ruili Holdings Ltd	491	35.00		0.027
United Power Investment Ltd	674	42.86		0.60

Over on the speculative **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index made a gain of about 0.56 percent, running up to 1,032.06 points.

However, losing counters outnumbered gaining ones by the ratio of about 1.02:One.

The Total Turnover on this market was about \$HK66.45 million.

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

CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Up 1 percent to \$HK1.44 per share
TOM Online Incorporated (Code: 8282)	Up 1 percent to \$HK1.40 per share
Panva Gas Holdings Ltd (Code: 8132)	Up 1 percent to \$HK3.525 per share
Yantai North Andre Juice Company Ltd (Code: 8259)	Down 2 percent to \$HK1.09 per share
B.A.L. Holdings Ltd (Code: 8079)	Up 17 percent to 4.20 cents per share

The GEM's double-digit movers of last Monday included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Advanced Card Systems Holdings Ltd	8210		31.00	0.069
Aptus Holdings Ltd	8212	15.09		0.305
B.A.L. Holdings Ltd	8079	16.67		0.042
China Data Broadcasting Holdings Ltd	8016		29.23	1.38
ePRO Ltd	8086		10.00	0.018
G.A. Holdings Ltd	8126		16.67	0.075
Golding Soft Ltd	8190	10.00		0.022
Grandy Corporation	8143		11.11	0.04
iSteelAsia Holdings Ltd	8080	14.29		0.04
KanHan Technologies Group Ltd	8175	11.11		0.05
Leadership Publishing Group Ltd	8010	30.43		0.03
Northeast Tiger Pharmaceutical Company Ltd	8197	12.68		0.08
Q9 Technology Holdings Ltd	8129	22.86		0.043
Stockmartnet Holdings Ltd	8123	10.34		0.032
Vaso Digital International Holdings Ltd	8220	10.00		0.143

In Japan, the 3 equity markets of the country roared into life, in direct contrast to the previous week's listless trading conditions.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average put on 144.14 yen, equivalent to about 1.33 percent, ending the activities of the day at 10,977.89 yen.

Gaining counters swamped losing ones by the ratio of about 4.11:One.

Trading was described as being somewhat restrained, probably due to Japanese investors, wanting to see what would happen when Wall Street re-opened for business, following the long Thanksgiving Day booze-up.

News wise

- **Kanebo Ltd**, an ailing textiler of The Land of The Rising Sun, announced a Group Net Profit Attributable to Shareholders of about 358.11 billion yen for the first 6 months of its Financial Year, ended September 30, 2004.

In other Asian equity markets, this was how their respective indices closed, last Monday:

The HKSAR	Plus 1.24 percent to 14,066.91
Indonesia	Minus 0.12 percent to 964.09
Japan	Plus 1.33 percent to 10,977.89
Malaysia	Plus 0.78 percent to 915.90
The Philippines	Closed
Singapore	Plus 0.51 percent to 2,038.72
South Korea	Plus 0.85 percent to 865.40
Taiwan	Plus 0.11 percent to 5,785.26
Thailand	Plus 1.31 percent to 657.25

Tuesday.

The spectre of Wal-Mart Stores Incorporated hung over the world's largest equity markets, last Tuesday. (Please see Monday's report)

Investors were concerned that one of the spark plugs of the US economy – consumer spending power – was failing and, as a direct result, the economy would slow down even further.

On The New York Stock Exchange, the Dow Jones Industrial Average lost 47.88 points, or about 0.46 percent, dropping back to 10,428.02 points.

The Composite Index of The NASDAQ followed The Dow down, with a fall of about 0.48 percent, ending the day at 2,096.81 points.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in January 2005 was settled at \$US49.13 per barrel, a fall of about 1.27 percent on Monday's closing level.

For February 2005 delivery, the price of light sweet crude oil was last quoted at \$US49.26 per barrel, off 1.24 percent on Monday's last settlement price.

In Europe, the US dollar hit a new record low against the euro: \$US1.3257.

At one point, the US dollar was trading at \$US1.3334.

Eurozone equity markets did not like the situation, at all, because a stronger euro means that products and services, created in this region of the world, automatically cost more for customers who pay for those products and services in US dollars.

And the US is, still, the largest single market for eurozone-produced goods and services.

Every index of every major equity market of Europe lost ground, last Tuesday:

Amsterdam's AEX Index	Minus 0.72 percent
Great Britain's FTSE 100 Index	Minus 0.98 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.50 percent
France's CAC 40 Index	Minus 0.71 percent
Switzerland's Swiss Market Index	Minus 1.62 percent
Italy's MIBTEL Index	Minus 0.16 percent

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the volume of activity rose on the territory's 2 equity markets, but their key indices drifted slowly down.

Following Wall Street's lead of Monday, investors of the HKSAR decided to take their profits and head for their respective banks rather than take a gamble on what Wall Street might do when it opened on Tuesday, New York time.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index shed about 0.05 percent, ending the session at 14,060.05 points.

The Total Turnover shot up to \$HK25.48 billion, an increase on Monday's volume of activity of about 32 percent.

The ratio of losing counters to gaining ones was about 1.19:One.

The Ten Most Actives were:

Hang Lung Properties Ltd (Code: 101)	Down 5.08 percent to \$HK12.15 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.72 percent to \$HK69.50 per share
HSBC Holdings plc (Code: 5)	Up 0.38 percent to \$HK133.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.33 percent to \$HK75.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.20 percent to \$HK25.45 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.90 percent to \$HK77.25 per share
Hutchison Telecommunications International Ltd (Code: 2332)	Up 3.20 percent to \$HK6.45 per share

Hang Seng Bank Ltd (Code: 11)
Shun Tak Holdings Ltd (Code: 242)
China Petroleum and Chemical Corporation (Code: 386)

Down 0.92 percent to \$HK108.00 per share
Up 7.48 percent to \$HK7.90 per share
Up 0.76 percent to \$HK3.325 per share

The Main Board's double-digit movers included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Alliance Holdings Ltd	616		16.67	0.125
Broad Intelligence International Pharmaceutical Holdings Ltd	1149	17.02		0.55
Buildmore International Ltd	108		13.25	0.72
China Conservational Power Holdings Ltd	290	27.12		0.75
Cheung Tai Hong Holdings Ltd	199	19.35		0.37
China Golden Development Holdings Ltd	162	10.53		0.42
China Nan Feng Group Ltd	979	10.53		0.105
China United International Holdings Ltd	273		21.40	0.224
Climax International Company Ltd	439	13.33		0.034
First Asia Capital Investment Ltd	1227		13.33	0.26
Fujian Holdings Ltd	181		12.28	0.25
Fushan Holdings Ltd	639	10.13		0.435
G-Prop (Holdings) Ltd	286	15.25		0.34
Get Nice Holdings Ltd	64		10.43	1.03
Haywood Investments Ltd	905		22.64	0.041
Heritage International Holdings Ltd	412	13.33		0.051
Joyce Boutique Holdings Ltd	647	10.00		0.44
Kamboat Group Company Ltd	318		13.16	0.33
Magnum International Holdings Ltd	305	31.37		0.067
REXCAPITAL Financial Holdings Ltd	555		12.73	0.048
Rontex International Holdings Ltd	1142	23.08		0.16
Tack Hsin Holdings Ltd	611	12.00		0.28
Unity Investments Holdings Ltd	913		11.11	0.08
Victory Group Ltd	1139	17.91		0.079
Wing Hong (Holdings) Ltd	745		10.42	0.129
Wonson International Holdings Ltd	651	18.18		0.026

Over on The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, the bears had their way, throughout the trading session.

Down came The Growth Enterprise Index by about 1.19 percent, which, at the end of the day, stood at 1,019.76 points.

The Total Turnover was about \$HK81.50 million.

The ratio of losing counters to gaining ones was about 1.37:One.

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

Panva Gas Holdings Ltd (Code: 8132)	Down 1 percent to \$HK3.475 per share
Wumart Stores Incorporated (Code: 8277)	Down 2 percent to \$HK14.20 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 1 percent to \$HK1.42 per share
Yantai North Andre Juice Company Ltd (Code: 8259)	Unchanged at \$HK1.09 per share
China Fire Safety Enterprise Group Holdings Ltd (Code: 8201)	Down 7 percent to 55 cents per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B.A.L. Holdings Ltd	8079	11.90		0.047
Computech Holdings Ltd	8081		15.38	0.055
Nanjing Dahe Outdoor Media Company Ltd	8243		18.42	0.31
ePRO Ltd	8086		33.33	0.012
Grandy Corporation	8143	10.00		0.044

iSteelAsia Holdings Ltd	8080		22.50	0.031
Shanghai Jiada Withub Information Industrial Company Ltd	8205		10.71	0.25
KanHan Technologies Group Ltd	8175		16.00	0.042
Longlife Group Holdings Ltd	8037	10.81		0.41
Q9 Technology Holdings Ltd	8129	13.95		0.049
Techpacific Capital Ltd	8088		23.91	0.035

Japan's equity markets could not hold onto their gains of Monday – as had been expected.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average, a key index, plotting the course of many of the blue chips, listed on this market, lost 78.64 yen, equivalent to about 0.72 percent, falling back to 10,899.25.

The ratio of losing counters to gaining ones was about 1.93:One.

Concern about the economic future of Japan in the closing months of 2004 was said to be one of the reasons for the falls of last Tuesday.

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

The HKSAR	Minus 0.05 percent to 14,060.05
Indonesia	Plus 1.42 percent to 977.77
Japan	Minus 0.72 percent to 10,899.25
Malaysia	Plus 0.14 percent to 917.19
The Philippines	Plus 0.93 percent to 1,830.96
Singapore	Minus 0.54 percent to 2,027.66
South Korea	Plus 1.46 percent to 878.06
Taiwan	Plus 1.03 percent to 5,844.76
Thailand	Minus 0.08 percent to 656.73

Wednesday

In Asia, last Wednesday, the US dollar plumbed to a 12-year low against the British pound and a record low against the euro.

Against the British pound and the euro, the US dollar was being quoted at \$US1.9219 and \$US1.3335, respectively.

Mr Jean-Claude Trichet, the President of the European Central Bank (ECB), warned that the ECB was unlikely to intervene on international currency markets in order to alleviate the pressure on the greenback.

That being the case, at least for the time being, it appeared that the US dollar would fall further in the coming weeks and months.

While Mr Jean-Claude Trichet had stated the present policy of the ECB, in Japan, the Central Bank's President had other plans, which were diametrically opposed to those of the Frenchman.

Mr Hiroshi Watanabe, Japan's Vice Minister for International Affairs, claimed that he was in close contact with Europe and that his government was ready and prepared to take action.

Japan has, always, favoured intervention on the currency markets in order to hold down the value of the Japanese yen against the US dollar, in particular.

That may have been among the most worrying pieces of news of the day for some, but the falls in the price of crude oil on international markets more than eclipsed the somewhat terrifying news about the American greenback.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in January 2005 dropped \$US3.64 per barrel, equivalent to a fall of about 7.41 percent, compared with Tuesday's closing level, to last Wednesday's settlement price of \$US45.49 per barrel.

As for delivery in February 2005, the price of light sweet crude oil fell about 7.23 percent, compared with the last settlement price on Tuesday, to \$US45.70 per barrel.

Last Wednesday's fall in the price of crude oil was the largest single fall in 36 months.

On The New York Stock Exchange, a number of reports, all from US Government orifices, appeared to warm investors to the idea of getting back into equities.

The Dow Jones Industrial Average gained 162.20 points, or about 1.56 percent, ending the very active trading day at 10,590.22 points.

Over on The NASDAQ, its Composite Index put on 41.42 points, equivalent to about 1.98 percent, running up to 2,138.23 points.

A number of US Government reports suggested that the US economy was humming along, with labour conditions, improving apace, and businesses, continuing to expand.

News wise

- **Bombardier Incorporated**, said to be the world's largest manufacturer of trains and rolling stock and the third-largest producer of civil aircraft, said that it would be sacking another 2,200 workers. Based in Montreal, Quebec, Canada, the company said that it only earned about \$US10 million during the third quarter of its Financial Year, ended October 31, 2004. That result compared poorly with the like period in 2003 when the company turned in a Net Profit Attributable to Shareholders of about \$HK133 million. The shares of Bombardier are now considered no better than junk.

Confirmation that the price of crude oil was in full retreat was roundly welcomed in Europe.

Also, the seeming strength of Wall Street was a very welcome fillip for eurozone investors.

Every index of every bourse made substantial gains:

Amsterdam's AEX Index	Plus	1.66 percent
Great Britain's FTSE 100 Index	Plus	0.69 percent
Germany's Frankfurt XETRA DAX Index	Plus	1.45 percent
France's CAC 40 Index	Plus	1.14 percent
Switzerland's Swiss Market Index	Plus	1.12 percent
Italy's MIBTEL Index	Plus	0.97 percent

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), while the index of the Main Board of The Stock Exchange of Hongkong Ltd was only up by a fraction, it, still, represented its highest level of the previous 42 months.

The Hang Seng Index, the key index of blue chips, traded on the Main Board, rose about 0.73 percent to end the session at 14,162.80 points.

The Total Turnover continued to be high, at about \$HK20.24 billion.

But, although the index was in positive territory, the number of losing counters was ahead of gaining ones by the ratio of about 1.59:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 0.38 percent to \$HK133.50 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.08 percent to \$HK70.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 2.55 percent to \$HK26.10 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.33 percent to \$HK75.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 2.59 percent to \$HK79.25 per share
Hang Lung Properties Ltd (Code: 101)	Down 1.23 percent to \$HK12.00 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.93 percent to \$HK109.00 per share
Wing On Travel (Holdings) Ltd (Code: 1189)	Unchanged at \$HK0.028 per share

Esprit Holdings Ltd (Code: 330)
Pacific Century Premium Developments Ltd (Code: 432)

Unchanged at \$HK42.80 per share
Down 8.49 percent to \$HK2.425 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Commercial Holdings Ltd	104	11.11		0.50
Benefun International Holdings Ltd	1130	12.77		0.053
China Elegance (Holdings) Ltd	476	10.23		0.097
China Force Oil and Grains Industrial Holdings Company Ltd	1194		12.26	0.93
China Strategic Holdings Ltd	235		11.61	0.495
Crocodile Garments Ltd	122	15.48		0.485
eForce Holdings Ltd	943	10.53		0.063
Emperor (China Concept) Investments Ltd	296		13.59	38.80
Fortuna International Holdings Ltd	530	11.76		0.019
Get Nice Holdings Ltd	64	20.39		1.24
Goldigit Atom-Tech Holdings Ltd	2362	22.54		0.087
Hanison Construction Holdings Ltd	896	26.39		0.91
Huabao International Holdings Ltd	336	15.38		1.05
Kamboat Group Company Ltd	318	15.15		0.38
Massive Resources International Corporation Ltd	70		13.33	0.026
Mei Ah Entertainment Group Ltd	391	17.24		0.34
New Century Group Hongkong Ltd	234	12.36		1.00
Pacific Plywood Holdings Ltd	767		11.36	0.039
Pearl River Tyre (Holdings) Ltd	1187		48.31	0.305
Radford Capital Investment Ltd	901		11.54	0.023
Sino Technology Investments Company Ltd	1217	10.68		0.114
Sky Hawk Computer Group Holdings Ltd	1129		12.14	0.123
Star Cruises Ltd	678	24.10		2.575
Sunny Global Holdings Ltd	1094		10.00	0.081
Takson Holdings Ltd	918	13.92		0.18
Victory Group Ltd	1139	37.97		0.109

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

The Growth Enterprise Index fell by about 1.04 percent to 1,009.16 points: It represented the second day of material losses for this speculative bourse.

The Total Turnover was about \$HK90.46 million, while the ratio of losing counters to gaining counters was about 1.55:One.

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

TOM Online Incorporated (Code: 8282)	Up 4 percent to \$HK1.44 per share
Panva Gas Holdings Ltd (Code: 8132)	Down 1 percent to \$HK3.45 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 3 percent to \$HK1.38 per share
Wumart Stores Incorporated (Code: 8277)	Down 5 percent to \$HK13.50 per share
Sau San Tong Holdings Ltd (Code: 8200)	Down 3 percent to 98 cents per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Advanced Card Systems Holdings Ltd	8210	30.30		0.086
Nanjing Dahe Outdoor Media Company Ltd	8243	12.90		0.35
ePRO Ltd	8086	25.00		0.015
Excel Technology International Holdings Ltd	8048	14.29		0.08
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231	10.00		0.33
G.A. Holdings Ltd	8126	10.00		0.088
Leadership Publishing Group Ltd	8010	10.00		0.033

Longlife Group Holdings Ltd	8037		12.20	0.36
M21 Technology Ltd	8153		14.29	1.20
Stockmartnet Holdings Ltd	8123		10.00	0.027
Vodatel Networks Holdings Ltd	8033		20.95	0.249

In Japan, on official confirmation from the government that the economy was not firing on all cylinders, key indices fell on the 3 equity markets of the country.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average gave up 115 yen, exactly, driving down this index to 10,784.25 yen.

The 1.06-percent fall in the value of The Nikkei-225 Stock Average was on the back of 2 reports: That Japan's unemployment rate was moving up again; and, industrial output was way off (Please see News wise, below).

The ratio of losing counters to gaining ones was about 3.61:One.

The US dollar was traded at 102.70 yen, which was close to the 54-month low of about 102.15 yen.

News wise

- For the first time in the past 3 months, the **unemployment rate** in Japan rose to 4.70 percent, up about 0.10 percent, Month-on-Month, according to The Ministry of Internal Affairs and Communications; and,
- The **Ministry of Economy, Trade and Industry (METI)** announced that, for the month of October, **industrial production** had fallen to its lowest levels in the past 7 months. In its assessment of the industrial output of Japan, METI described it as being '*flat*'.

In other parts of Asia, this was how indices of those equity markets ended, last Wednesday:

The HKSAR	Plus 0.73 percent to 14,162.80
Indonesia	Plus 0.86 percent to 986.20
Japan	Minus 1.06 percent to 10,784.25
Malaysia	Minus 0.28 percent to 914.62
The Philippines	Minus 0.79 percent to 1,816.47
Singapore	Plus 0.55 percent to 2,038.84
South Korea	Minus 0.14 percent to 876.80
Taiwan	Minus 0.79 percent to 5,798.62
Thailand	Minus 0.20 percent to 655.44

Thursday

The US Energy Information Administration (EIA), a department of the US Government, made it official, last Thursday: US crude oil stocks were about 3.50 percent higher than the inventory levels of one year ago.

That little statement appeared to placate the markets of the world.

The worst, with regard to the record-high prices of crude oil, appeared to be relegated to history, at least for the time being.

But, along has come another problem: The falling translation value of the US dollar vis-à-vis the Japanese yen, the euro, and the British pound, especially.

The American greenback continues to fall to lower and lower levels, much to the consternation of a number of governments.

Last Thursday in Europe, the pound was fetching \$US1.9438.

It was the highest level since September 1992.

For British exports, it was a worrying situation.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in January 2005 fell back to \$US43.25 per barrel, down about 4.92 percent, compared with Wednesday's last settlement price.

As for delivery in February 2005, the price of light sweet crude oil fell about 4.86 percent to \$US43.48 per barrel.

On The New York Stock Exchange, despite the continued falls in the price of crude oil, key indices hardly moved throughout the entire trading session.

By the close of the day, The Dow Jones Industrial Average stood at 10,585.12 points, down about 0.05 percent, compared with Wednesday's closing level.

Over on The NASDAQ, its Composite Index rose exactly one quarter of a percentage point to 2,143.57 points.

Even though the euro was continuing to strengthen against the US dollar, and even though this was not conducive to the health of the European export market, every index of every major bourse rose.

It was the second consecutive day of such bullishness in the face of what could easily be declining profit margins in the fullness of time.

This was how indices of major equity markets of Europe ended their respective trading sessions, last Thursday:

Amsterdam's AEX Index	Plus	0.49 percent
Great Britain's FTSE 100 Index	Plus	0.32 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.72 percent
France's CAC 40 Index	Plus	0.38 percent
Switzerland's Swiss Market Index	Plus	1.14 percent
Italy's MIBTEL Index	Plus	0.21 percent

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the 2 equity markets continued to be boosted by a surge of liquidity.

The lower price of crude oil, internationally, also helped sentiment.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about 0.70 percent to hit 14,261.79 points by the close of the day.

The Total Turnover was about \$HK25.44 billion.

Gaining counters were ahead of losing ones by the ratio of about 1.67:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.37 percent to \$HK134.00 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK70.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 2.87 percent to \$HK26.85 per share
Sun Hung Kai Properties Ltd (Code: 16)	Unchanged at \$HK79.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.33 percent to \$HK75.50 per share
China Shineway Pharmaceutical Group Ltd (Code: 2877)	Unchanged at \$HK4.825 per share
China Telecom Corporation Ltd (Code: 728)	Up 3.45 percent to \$HK3.00 per share
China Unicom Ltd (Code: 762)	Up 4.03 percent to \$HK6.45 per share
PetroChina Company Ltd (Code: 857)	Down 1.71 percent to \$HK4.30 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 0.34 percent to \$HK14.70 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)
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Bonjour Holdings Ltd	653	10.29		3.75
Capital Strategic Investment Ltd	497		14.75	0.52
Central China Enterprises Ltd	351	14.93		0.77
China Golden Development Holdings Ltd	162	16.05		0.47
China Nan Feng Group Ltd	979		10.10	0.089
China Star Entertainment Ltd	326		16.22	0.62
E-LIFE International Ltd	370	10.10		0.109
Emperor (China Concept) Investments Ltd	296		13.66	33.50
Emperor International Holdings Ltd	163		15.38	11.00
Ezcom Holdings Ltd	312		15.63	0.27
Haywood Investments Ltd	905	30.95		0.055
Heritage International Holdings Ltd	412		10.87	0.041
Hua Han Bio-Pharmaceutical Holdings Ltd	587		19.10	0.72
Morning Star Resources Ltd	542	14.49		0.079
Northern International Holdings Ltd	736		10.34	0.026
Oriental Explorer Holdings Ltd	430	10.42		0.053
Pearl River Tyre (Holdings) Ltd	1187	31.15		0.40
Sino Technology Investments Company Ltd	1217	14.04		0.13
SinoCom Software Group Ltd	299	10.69		3.625
Star Cruises Ltd	678		17.48	2.125
Top Form International Ltd	333	10.67		1.66
UDL Holdings Ltd	620	12.50		0.045
Universe International Holdings Ltd	1046		29.73	0.052
Victory Group Ltd	1139		17.43	0.09
Wonson International Holdings Ltd	651		11.54	0.023
Yanion International Holdings Ltd	82		14.29	0.48
Zhongda International Holdings Ltd	909	10.00		0.385

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover rose to about \$HK138.37 million, but about 41 percent of that volume of activity was due to trading in just one counter: TOM Online Incorporated (Code: 8282). (Please see list below)

Of late, the Total Turnover on this speculative market has been rising, inexorably, with last Thursday's volume, being about 53 percent higher than Wednesday's.

This speculative market appears to be growing in popularity, at least recently.

The Growth Enterprise Index rose only about 0.19 percent, last Thursday, however, to 1,011.09 points.

In spite of The Growth Enterprise Index, being in positive territory, losing counters outnumbered gaining ones by the ratio of about 1.55:One.

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

TOM Online Incorporated (Code: 8282)	Up 10 percent to \$HK1.59 per share
Wumart Stores Incorporated (Code: 8277)	Unchanged at \$HK13.55 per share
Panva Gas Holdings Ltd (Code: 8132)	Up 1 percent to \$HK3.475 per share
hongkong.com Corporation (Code: 8006)	Up 4 percent to 53 cents per share
Yantai North Andre Juice Company Ltd (Code: 8259)	Down 2 percent to \$HK1.05 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Emperor Entertainment Group Ltd	8078		18.13	1.49
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231		12.12	0.29
Grandy Corporation	8143		10.64	0.042
Kinetana International Biotech Pharma Ltd	8031	10.00		0.055
New Universe International Group Ltd	8068		10.26	0.035
TOM Online Incorporated	8282	10.42		1.59
Vodatel Networks Holdings Ltd	8033	10.44		0.275

WLS Holdings Ltd	8021	10.34		0.032
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In Japan, if investors had realised how low would fall the US dollar against the Japanese yen by the end of the day, they might have had second thoughts with regard to their investment strategy, last Thursday.

The yen strengthened against the US dollar, breaching the psychological level of 102 yen:101.86 yen.

For Japanese exports, this is very bad news ... especially since one did not know how low would fall the translation value of the US dollar vis-à-vis the yen.

But, as the saying goes, when investors determine to buy, little can stand in their way: The stampede is on; and, one would be advised not to stand in its way.

On The Tokyo Stock Exchange, last Thursday, the Nikkei-225 Stock Average added 188.82 yen, rising to 10,973.07 yen.

The 1.75-percent jump in the value of The Nikkei-225 Stock Average nearly negated the 200-yen drop of the previous 2 trading sessions.

The ratio of gaining counters to losing ones on last Thursday's market was about 6.91:One.

With such a wide band between gainers and losers, it appeared that the bullish sentiment would continue into Friday's market, come what may.

But, in time, the penny would drop, without question.

And this was how indices of other Asian markets ended their respective trading days, last Thursday:

The HKSAR	Plus 0.70 percent to 14,261.79
Indonesia	Plus 1.17 percent to 997.70
Japan	Plus 1.75 percent to 10,973.07
Malaysia	Plus 0.58 percent to 919.97
The Philippines	Plus 0.03 percent to 1,816.99
Singapore	Plus 1.17 percent to 2,062.76
South Korea	Plus 0.83 percent to 884.10
Taiwan	Plus 1.20 percent to 5,867.95
Thailand	Plus 0.86 percent to 661.08

Friday

Early last Friday, The Bureau of Labour Statistics, a branch of The Labour Department of the US Government, brought out its findings in respect of the labour situation in the US for the month of November.

This is part of that which The Labour Department announced:

THE EMPLOYMENT SITUATION: NOVEMBER 2004

'Employment rose in November, and the unemployment rate, at 5.4 percent, was essentially unchanged ... Nonfarm payroll employment increased by 112,000 over the month, with job gains in several service-providing industries.

'Unemployment (Household Survey Data)

'Both the number of unemployed persons, 8.0 million, and the unemployment rate, 5.4 percent, were about unchanged in November. The jobless rate has been either 5.4 or 5.5 percent in each month since July. This is slightly below the rates that prevailed in the first half of 2004.

'In November, the unemployment rates for the major worker groups – adult men (4.9 percent), adult women (4.8 percent), teenagers (16.6 percent), whites (4.7 percent), blacks (10.8 percent), and Hispanics or Latinos (6.7 percent) – showed little or no change over the month. The unemployment rate for Asians was 4.2 percent in November, not seasonally adjusted.

'Total Employment and the Labor Force (Household Survey Data)

'Total employment in November grew by 483,000 to 140.3 million, and the employment-population ratio – the proportion of the population age 16 and over with jobs – edged up to 62.5 percent. The civilian labor force rose by 439,000 in November to 148.3 million; the labor force participation rate was 66.1 percent.

'Over the year, the number of persons who held more than one job increased by 346,000 to 7.6 million, not seasonally adjusted. These multiple job-holders represented 5.4 percent of total employment in November.

'Persons Not in the Labor Force (Household Survey Data)

'There were 1.5 million persons who were marginally attached to the labor force in November, essentially the same as a year earlier. (Data are not seasonally adjusted.) These individuals wanted and were available to work and had looked for a job sometime in the prior 12 months. They were not counted as unemployed, however, because they did not actively search for work in the 4 weeks preceding the survey. Among the marginally attached, there were 392,000 discouraged workers in November, about the same as a year earlier. Discouraged workers were not currently looking for work specifically because they believed no jobs were available for them. The other 1.1 million marginally attached had not searched for work for reasons such as school or family responsibilities.'

For savvy economists, on reading the above release, the bottom line was that the US economy was not living up to specifications: It was not creating a sufficiency of new jobs because there was no requirement for such.

On The New York Stock Exchange, the announcement from The Labour Department was a bit of a shock to many people: It caused a mild sell-off.

The Dow Jones Industrial Average ended the week at 10,592.21 points, off about 0.07 percent on Thursday's closing level.

Over on The NASDAQ, its Composite Index crept up about 0.20 percent to 2,147.96 points.

And to add insult to injury, the translation of the US dollar to the euro hit another new low of \$US1.3458.

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

The Dow Jones Industrial Average	Plus	0.67 percent
The NASDAQ's Composite Index	Plus	2.19 percent

The statistics, issued by the US Government's Labour Department, appeared to overshadow the fact that crude oil prices had fallen, once again.

On The New York Mercantile Exchange (NYMEX), the January 2005 price of light sweet crude oil was settled at \$US42.54 per barrel, another fall of about 1.64 percent.

As for delivery in February 2005, the last settlement price of light sweet crude oil was \$US42.75 per barrel, equivalent to a drop of about 1.67 percent, compared with Thursday's closing quote.

Between Monday's closing price of \$US49.76 per barrel and last Friday's closing quote of \$US42.54 per barrel, the price of light sweet crude oil for January 2005 delivery had fallen a total of 14.51 percent.

Europe had been apprised of the situation in the US in respect of the labour situation and the realisation that an insufficient number of new jobs were being created weighed heavily on investors in this part of the world.

Indices of all of the major bourses ended in the red, last Friday, albeit only fractionally:

Amsterdam's AEX Index	Minus	0.28 percent
Great Britain's FTSE 100 Index	Minus	0.06 percent

Germany's Frankfurt XETRA DAX Index	Minus 0.17 percent
France's CAC 40 Index	Minus 0.73 percent
Switzerland's Swiss Market Index	Minus 0.31 percent
Italy's MIBTEL Index	Minus 0.05 percent

Asia was, generally, mixed, with no clear direction as indices of key equity markets tended to drift sideways.

On the 2 equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), there was mild selling pressure, which pulled down the key indices.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index shed about 0.35 percent of its value, falling back to 14,211.84 points on a Total Turnover of about \$HK22.28 billion.

The ratio of losing counters to gaining ones was about 2.37:One.

The Ten Most Active counters of the day were:

BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 2.38 percent to \$HK15.05 per share
HSBC Holdings plc (Code: 5)	Down 0.37 percent to \$HK133.50 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.42 percent to \$HK69.25 per share
PetroChina Company Ltd (Code: 857)	Down 1.16 percent to \$HK4.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.19 percent to \$HK26.80 per share
China Netcom Group Corporation (Hongkong) Ltd (Code: 906)	Up 2.67 percent to \$HK9.60 per share
China Gas Holdings Ltd (Code: 384)	Down 18.55 percent to \$HK1.01 per share
Cathay Pacific Airways Ltd (Code: 293)	Up 2.11 percent to \$HK14.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.66 percent to \$HK74.25 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 3.05 percent to \$HK3.175 per share

The Main Board's double-digit movers included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Applied International Holdings Ltd	519	11.61		0.125
Capital Strategic Investment Ltd	497	15.38		0.60
China City Natural Gas Holdings Ltd	603		15.79	0.016
China Fair Land Holdings Ltd	169		11.11	0.48
China Gas Holdings Ltd	384		18.55	1.01
China Star Entertainment Ltd	326		11.29	0.55
Earnest Investments Holdings Ltd	339		34.29	0.023
Emperor (China Concept) Investments Ltd	296	11.34		37.30
Fortuna International Holdings Ltd	530		11.11	0.016
Gay Giano International Group Ltd	686	14.42		0.238
Hang Fung Gold Technology Ltd	870	10.66		1.35
Kamboat Group Company Ltd	318	11.11		0.40
Massive Resources International Corporation Ltd	70		12.50	0.021
Nam Fong International Holdings Ltd	1176		10.00	0.027
Northern International Holdings Ltd	736		11.54	0.023
Shanghai Ming Yuan Holdings Ltd	233		17.02	0.78
Sun Media Group Holdings Ltd	307		12.50	0.021
Vitop Bioenergy Holdings Ltd	1178		12.90	0.27

On The (very speculative) **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index surrendered about 0.39 percent of its value, ending the week at 1,007.12 points.

The Total Turnover on this market was about \$HK82.12 million.

Declining counters outran advancing ones by the ratio of about 1.47:One.

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

TOM Online Incorporated (Code: 8282)	Down 4 percent to \$HK1.53 per share
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Panva Gas Holdings Ltd (Code: 8132)
Wumart Stores Incorporated (Code: 8277)
hongkong.com Corporation (Code: 8006)
Sau San Tong Holdings Ltd (Code: 8200)

Up 1 percent to \$HK3.525 per share
Down 2 percent to \$HK13.30 per share
Unchanged at 53 cents per share
Down 9 percent to 86 cents per share

The GEM's biggest movers of last Friday were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Ltd	8061		18.80	0.19
G.A. Holdings Ltd	8126		11.76	0.075
Kinetana International Biotech Pharma Ltd	8031		18.18	0.045
Medical China Ltd	8186		10.00	0.099
Qianlong Technology International Holdings Ltd	8015		20.00	0.16
Vodatel Networks Holdings Ltd	8033	14.55		0.315

The tally for the week for the 2 equity markets of the HKSAR was:

The Hang Seng Index Plus 2.28 percent
The Growth Enterprise Index Minus 1.87 percent

In Japan, investors continued to be in a buying mood.

The Tokyo Stock Exchange witnessed The Nikkei-225 Stock Average hit a fortnight high of 11,074.89 yen, up 101.82 yen, or about 0.93 percent on Thursday's closing level.

But the ratio of advancing counters to declining ones told a slightly different story when it came in at about 1.11:One.

Not much clearance, one could comment.

The US dollar was quoted against the Japanese yen at 103.50 in late Asian trade, last Friday.

The tally for Asia's largest equity market was:

The Nikkei-225 Stock Average Plus 2.23 percent

In other Asian equity markets, this was how their respective indices ended the week of December 3, 2004:

The HKSAR	Minus 0.35 percent to 14,211.84
Indonesia	Minus 1.63 percent to 984.41
Japan	Plus 0.93 percent to 11,074.89
Malaysia	Minus 0.30 percent to 917.17
The Philippines	Closed
Singapore	Minus 0.06 percent to 2,061.58
South Korea	Minus 0.18 percent to 882.55
Taiwan	Plus 0.43 percent to 5,893.27
Thailand	Plus 0.42 percent to 663.84

-- E N D --

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