

WAVES OF PESSIMISM DULL INVESTORS' ARDOUR FOR STOCKS AND SHARES – FROM NEW YORK TO TOKYO

While Wall Street fell out of bed, last Monday, last Monday, being the first day of trading of 2005, in Europe, it was all systems Go! Go! Go! – with one small exception.

Wall Street was hit by some seemingly worrying news with regard to construction spending in The Land of The Free and The Home of The Brave, plus suggestions that US industry was not hiring new staff at a pace, considered to be sufficiently vivacious to satisfy many economic pundits.

On The New York Stock Exchange, the Dow Jones Industrial Average lost 53.58 points, equivalent to one half of a percentage point, exactly, ending the first day of trading at 10,729.43 points.

Over on The NASDAQ, its Composite Index fell 23.29 points, or about 1.07 percent, dropping back to 2,152.15 points.

What was of some concern to US investors was that which The Institute for Supply Management (ISM) delivered to the marketplace, plus some rather dreary news from the US Government.

The ISM brought out its statistics in respect of the ISM Employment Index, which had fallen to a 14-month low.

The US Government, then, reported that construction spending in the US had fallen by about 0.40 percent in November 2004.

It was disappointing to US equity markets, which were being hit by a rather rapid fall in the price of crude oil on international markets due to strong suggestions that a mild winter would result in a less-than-expected demand for heating fuels.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in February was settled at \$US42.12 per barrel, down about 3.06 percent, compared with the last settlement price of December 30, 2004, the last day of trading on the NYMEX in 2004.

For March delivery, the price of light sweet crude oil fell about 2.96 percent to \$US42.34 per barrel.

In Europe, with the lone exception of The London Stock Exchange, major bourses rose smartly, some, hitting 30-month highs.

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

Amsterdam's AEX Index	Plus	1.10 percent
Great Britain's FTSE 100 Index	Minus	0.12 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.83 percent
France's CAC 40 Index	Plus	0.90 percent
Switzerland's Swiss Market Index	Plus	1.20 percent
Italy's MIBTEL Index	Plus	0.38 percent

In the main, it was only the counters of the oil producers, which suffered at the hands of speculators, last Monday, due in part to the fall-off in the price of crude oil on international markets.

In electronic trading in oil futures on The NYMEX in Asia, last Monday, the price of light sweet crude oil for February delivery dropped by 89 cents (US) per barrel to \$US42.56, compared with the closing price of Thursday, December 30, 2004.

On The Stock Exchange of Hongkong Ltd, trading started off quietly on the first day of the new year, with the Main Board's Hang Seng Index, putting on about 0.05 percent, rising to 14,237.42 points, while, on The Growth Enterprise Market (The GEM), its Growth Enterprise Index shed about 0.12 percent, ending the day at 987.41 points.

The Total Turnover on the Main Board was a respectable \$HK13.60 billion and, on The GEM, its Total Turnover was about \$HK43.02 million.

The ratio of gaining counters to losing ones was about 1.14:One on the Main Board, but, on The GEM, losing counters outnumbered gaining ones by the ratio of about 1.55:One.

The equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) appeared to be about to suffer a substantial fall.

The Ten Most Active counters of the Main Board were:

HSBC Holdings plc (Code: 5)	Down 0.38 percent to \$HK132.50 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.34 percent to \$HK73.00 per share
Medtech Group Company Ltd (Code: 1031)	Up 11.76 percent to 57 cents per share
Cheung Kong (Holdings) Ltd (Code: 1)	Unchanged at \$HK77.50 per share
PetroChina Company Ltd (Code: 857)	Up 1.20 percent to \$HK4.20 per share
Wonson International Holdings Ltd (Code: 651)	Up 65.12 percent to 7.10 cents per share
Shun Tak Holdings Ltd (Code: 242)	Up 5.26 percent to \$HK9.00 per share
Fortuna International Holdings Ltd (Code: 530)	Up 8.45 percent to 7.70 cents per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 0.67 percent to \$HK14.95 per share
A-Max Holdings Ltd (Code: 959)	Down 0.89 percent to \$HK2.80 per share

As for the Main Board's double-digit movers, there was a total of 42 counters, which qualified for this distinction.

Of that number, only 3 counters lost ground, the remaining 39 counters saw their respective share prices rise by 10 percent or more.

The biggest gainer of the day was Nam Fong International Holdings Ltd (Code: 1176), the share price of which rose 65.15 percent to 10.90 cents.

Goldigit Atom-Tech Holdings Ltd (Code: 2362) was the biggest, Main Board loser of the day, as its share price was shaved back 14.77 percent to 12.70 cents.

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

Cyber On-Air Group Company Ltd (Code: 8118)	Up 14 percent to \$HK13.40 per share
Tianjin Tianlian Public Utilities Company Ltd (Code: 8290)	Down 2 percent to 56 cents per share
B.A.L. Holdings Ltd (Code: 8079)	Down 11 percent to 2.40 cents per share

CK Life Sciences International (Holdings) Incorporated (Code: 8222)

Up 2 percent to \$HK1.26 per share

Beijing Beida Jade Bird Universal Sci-Tech Company Ltd (Code: 8095)

Up 2 percent to 58 cents per share

The GEM's biggest movers of last Monday were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B.A.L. Holdings Ltd	8079		11.11	0.024
Cyber On-Air Group Company Ltd	8118	14.04		13.40
Eco-Tek Holdings Ltd	8169		18.18	0.18
Golding Soft Ltd	8190	13.64		0.025
Grandy Corporation	8143		15.79	0.032
Info Communication Holdings Ltd	8082		14.71	0.058
Kinetana International Biotech Pharma Ltd	8031		11.11	0.04
M Dream Inworld Ltd	8100	20.69		0.035
Medical China Ltd	8186	17.14		0.082
Stockmartnet Holdings Ltd	8123		13.79	0.025
Techpacific Capital Ltd	8088	42.86		0.05
Thiz Technology Group Ltd	8119	26.67		0.019
Timeless Software Ltd	8028		13.54	0.083
Value Convergence Holdings Ltd	8101	10.61		0.73

Japan's 3 equity markets were closed, last Monday.

And this was how the indices of other Asian equity fared, last Monday:

The HKSAR	Plus 0.05 percent to 14,237.42
Indonesia	Plus 0.06 percent to 1,000.88
Japan	Closed
Malaysia	Minus 0.40 percent to 903.84
The Philippines	Plus 1.32 percent to 1,846.90
Singapore	Plus 0.19 percent to 2,070.15
South Korea	Minus 0.25 percent to 893.71
Taiwan	Plus 0.06 percent to 6,143.12
Thailand	Closed

Tuesday

Minutes of the US Federal Reserve Board's Open Market Committee Meeting of December 14, 2004, released last Tuesday, Washington time, indicated, definitively, that The Fed is very concerned about the potential for inflation in the US.

The minutes are a clear and unmistakable signal that more interest rates are on the way throughout 2005 unless there is a change in the financial/economic climate in the US.

Inflation is picking up in the US, fueled, to a great extent, by the relatively high cost of energy.

For More On This Subject, Please See:

***THE BATTLE FOR SUPREMACY IN YEAR-2005:
DEMOCRACY AND CHRISTIANITY v. OLIGARCHY AND ISLAM***

And The Effects On Financial Determinations

The release of The Fed's minutes brought down share prices on Wall Street; the losses cascaded, round the world.

On The New York Stock Exchange, the Dow Jones Industrial Average was shot down to the extent of about 0.92 percent, as investors knocked it to 10,630.78 points.

Over on The NASDAQ, its Composite Index did even better than The Dow: It lost a full 2.06 percent of its value, falling to 2,107.86 points.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for February delivery was settled at \$US43.91 per barrel, up about 4.25 percent on Monday's closing level.

For March delivery, the price of light sweet crude oil rose to \$US44.08 per barrel, a one-day gain of about 3.95 percent.

In eurozone, there were other negative considerations.

Germany's unemployment rate rose, in the month of December 2004, it was officially announced, to 10.80 percent, up from the November 2004 figure of about 10.30 percent.

Germany's Economic Minister, Mr Wolfgang Clement, said that he expected no significant change in the employment situation in the country until the second half of 2006.

Indices of major European bourses vacillated, throughout the trading day, last Tuesday, with Germany's key bourse, taking a bit of a beating, while some of the other favourite bourses, continued to pile on fractional gains, carrying them to new, 30-month highs:

Amsterdam's AEX Index	Plus	0.27 percent
Great Britain's FTSE 100 Index	Plus	0.67 percent
Germany's Frankfurt XETRA DAX Index	Minus	0.02 percent
France's CAC 40 Index	Plus	0.19 percent
Switzerland's Swiss Market Index	Minus	0.08 percent
Italy's MIBTEL Index	Plus	0.32 percent

Major Asian equity markets drifted lower.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets lost material ground.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gave up about 1.35 percent of its value, falling to 14,045.90 points.

But the losses were on a rapidly climbing volume of activity – which is, rarely, a good sign.

The Total Turnover was about \$HK21.36 billion, an increase of 57.06 percent on Monday's figure.

The ratio of losing counters to gaining ones was about 3.32:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 0.75 percent to \$HK131.50 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK73.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 3.19 percent to \$HK25.80 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.29 percent to \$HK76.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.61 percent to \$HK76.50 per share
PetroChina Company Ltd (Code: 857)	Down 1.19 percent to \$HK4.15 per share
CNOOC Ltd (Code: 883)	Down 2.99 percent to \$HK4.05 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 0.33 percent to \$HK14.90 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.92 percent to \$HK107.50 per share
Medtech Group Company Ltd (Code: 1031)	Down 3.51 percent to \$HK0.55 per share

As for the biggest movers of the Main Board, last Tuesday, there was a total of 44 double-digit movers of the day, of which number, 7 counters lost 10 percent or more of their respective market capitalisations, while the remaining 37 counters saw their respective market capitalisations gain by 10 percent or more.

Nam Fong International Holdings Ltd (Code: 1176) was the biggest mover, as its share price doubled, exactly, rising to 21.80 cents per share.

Jackley Holdings Ltd (Code: 353) was the biggest loser of the day, as investors shot down its share price to 6 cents, a fall of about 21.05 percent.

On The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, Monday's losses were extended: The Growth Enterprise Index surrendered another 0.88 percent of its value, ending the trading session at 978.69 points.

The Total Turnover was about \$HK67.69 million, with losing counters, well ahead of gaining ones by the ratio of 1.70:One, exactly.

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

Cyber On-Air Group Company Ltd (Code: 8118)	Up 19 percent to \$HK15.95 per share
HC International, Incorporated (Code: 8292)	Down 5 percent to \$HK1.70 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 2 percent to \$HK1.23 per share
Golden Meditech Company Ltd (Code: 8180)	Up 2 percent to \$HK2.025 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Unchanged at \$HK16.80 per share

The GEM's double-digit movers included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Medical Science Ltd	8120	17.01		0.172
Cyber On-Air Group Company Ltd	8118	19.03		15.95
CyberM International (Holdings) Ltd	8017		16.67	0.06
Eco-Tek Holdings Ltd	8169	10.00		0.198
Golding Soft Ltd	8190	12.00		0.028
iSteelAsia Holdings Ltd	8080		11.76	0.03
Longlife Group Holdings Ltd	8037		11.76	0.03
Milkyway Image Holdings Ltd	8130	18.52		0.032
Techpacific Capital Ltd	8088	40.00		0.07
Value Convergence Holdings Ltd	8101	27.40		0.93

In Japan, on the first day of trading for 2005, indices of the country's 3 equity markets hardly moved, during the entire trading day.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average gained 28.99 yen, or about one quarter of a percentage point, ending the day at 11,517.75 yen.

In spite of the fact that this market's key index moved up only a fraction, gaining counters were ahead of losing ones by about 2.38:One.

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

The HKSAR	Minus 1.35 percent to 14,045.90
Indonesia	Plus 1.77 percent to 1,018.54
Japan	Plus 0.25 percent to 11,517.75
Malaysia	Minus 0.15 percent to 902.49
The Philippines	Plus 1.42 percent to 1,873.07
Singapore	Minus 0.08 percent to 2,068.49
South Korea	Minus 0.76 percent to 886.90
Taiwan	Minus 1.35 percent to 6,060.46
Thailand	Plus 2.45 percent to 684.48

Wednesday

For the third consecutive trading day, the key index of The NASDAQ, the Composite Index, shed a material amount of its value; investors pushed down this key index to 2,091.24 points, representing a one-day loss of about 0.79 points.

Fears of further interest-rate increases was but one of the reasons for the slide in the value of the NASDAQ's Composite Index.

Suggestions that hi-tech counters – The NASDAQ is heavily laden with such counters – could see lower profits in the year ahead was an underlying theme of many investors.

Post Hoc Ergo Proctor Hoc.

On The New York Stock Exchange, the Dow Jones Industrial Average surrendered about 0.31 percent, falling back to 10,597.83 points.

What is sauce for the goose is sauce for the gander.

Europe got the jitters, also, last Wednesday, because investors in this part of the world know that they are not immune to interest-rates hikes in the US: What affects one will, somewhere down the line, affect the other.

A tightening-up of money in the US is bound to mean, in the near future, that US industry will re-examine future expansion plans. (Please see Tuesday report)

Every major bourse in eurozone saw their key indices fall, some more than others:

Amsterdam's AEX Index

Minus 0.76 percent

Great Britain's FTSE 100 Index

Minus 0.84 percent

Germany's Frankfurt XETRA DAX Index	Minus 0.75 percent
France's CAC 40 Index	Minus 0.87 percent
Switzerland's Swiss Market Index	Minus 0.20 percent
Italy's MIBTEL Index	Minus 0.29 percent

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for February delivery fell about 1.18 percent to end the trading session at \$US43.39 per barrel.

As for March delivery, the price of light sweet crude oil dropped back to \$US43.61 per barrel, a fall of about 1.07 percent on Tuesday's closing level.

The confirmed report that the US Federal Reserve Board was, definitely, concerned about inflation in the world's only military and economic superpower, that The Fed was monitoring the situation, closely, and that there was a strong likelihood that interest rates would continue to creep up, during 2005, sent the willies through investors, locked into equity markets in the most populous part of the world.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors got a very rude awakening: They were caught in the financial tidal wave that had, already, devastated large areas of North American and European equity markets.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index lost a full 2 percent of its value, falling to 13,764.36 points.

Worse than a simple fall in the value of the Hang Seng Index was the fact that the Main Board's Total Turnover, last Wednesday, rose to about \$HK28.04 billion, an increase over Tuesday's volume of about 37.27 percent.

But in terms of Monday's Total Turnover, the volume of activity, last Wednesday, represented an increase of about 106.18 percent.

As **TARGET** has stated, on numerous occasions, it is rarely a bullish sign to see the volume of activity rise on a quickly falling market – because, more often than not, it is an augury that more falls are in the offing.

The Main Board's ratio of losing counters to gaining counters, last Wednesday, was wide, at 5.70:One.

One could liken trading on the Main Board of The Stock Exchange of Hongkong Ltd as approaching panic proportions.

The Ten Most Active counters of the Main Board were:

HSBC Holdings plc (Code: 5)	Down 0.76 percent to \$HK130.50 per share
Hutchison Whampoa Ltd (Code: 13)	Down 2.40 percent to \$HK71.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 3.27 percent to \$HK74.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 4.26 percent to \$HK24.70 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 2.94 percent to \$HK74.25 per share
PetroChina Company Ltd (Code: 857)	Down 1.81 percent to \$HK4.075 per share
Value Convergence Holdings Ltd (Code: 27)	Up 15.15 percent to \$HK7.60 per share
Hang Seng Bank Ltd (Code: 11)	Down 1.86 percent to \$HK105.50 per share
K. Wah International Holdings Ltd (Code: 173)	Up 8.59 percent to \$HK3.475 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 1.68 percent to \$HK14.65 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139		10.81	0.033
Beijing Development (Hongkong) Ltd	154	14.58		1.10
Capital Strategic Investment Ltd	497	11.25		0.89
Cheung Tai Hong Holdings Ltd	199		14.22	1.93
China Golden Development Holdings Ltd	162	63.83		0.77
China Strategic Holdings Ltd	235		10.71	0.50
Ching Hing (Holdings) Ltd	692	19.51		0.098
Cosmopolitan International Holdings Ltd	120		21.88	0.25
eSun Holdings Ltd	571		10.93	1.63
Ezcom Holdings Ltd	312		13.16	0.33
Far East Technology International Ltd	36		10.00	0.315
GeoMaxima Energy Holdings Ltd	702	14.77		0.101
Graneagle Holdings Ltd	147		10.47	0.385
Haywood Investments Ltd	905		13.70	0.063
Hongkong Chinese Ltd	655		10.17	1.59
K. Wah Construction Materials Ltd	27	15.15		7.60
Karce International Holdings Company Ltd	1159		10.20	0.22
MAE Holdings Ltd	851	32.26		0.041
Mei Ah Entertainment Group Ltd	391	15.63		0.37
Next Media Ltd	282		11.26	3.35
Orient Resources Group Company Ltd	467		14.29	0.06
Oriental Explorer Holdings Ltd	430	13.73		0.058
Pacific Plywood Holdings Ltd	767		16.36	0.046
Pyxis Group Ltd	516		11.86	0.052
Quam Ltd	952		16.98	0.44
Sino Prosper Holdings Ltd	766		10.99	0.405
Theme International Holdings Ltd	990	10.26		0.043
Universe International Holdings Ltd	1046	15.00		0.115
Victory Group Ltd	1139	50.40		0.188
Xin Corporation Ltd	1141		10.00	0.063

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, the situation was, also, rather grave.

The Growth Enterprise Index lost about 1.81 percent of its value, ending the day at 960.97 points.

The Total Turnover was about \$HK58.44 million, while the ratio of losing counters to gaining ones was about 2.25:One.

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

Wumart Stores Incorporated (Code: 8277)	Down 3 percent to \$HK11.80 per share
Cyber On-Air Group Company Ltd (Code: 8118)	Down 7 percent to \$HK14.90 per share
Golden Meditech Company Ltd (Code: 8180)	Down 2 percent to \$HK1.99 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 2 percent to \$HK1.21 per share
Yantai North Andre Juice Company Ltd (Code: 8259)	Down 6 percent to 94 cents per share

The biggest GEM movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Armitage Technologies Holding Ltd	8213	12.00		0.028
CyberM International (Holdings) Ltd	8017	33.33		0.08

Global Link Communications Holdings Ltd	8060		15.79	0.032
IIN International Ltd	8128		11.11	0.048
Kinetana International Biotech Pharma Ltd	8031	15.38		0.045
Longlife Group Holdings Ltd	8037	13.33		0.34
Medical China Ltd	8186		14.63	0.07
Q9 Technology Holdings Ltd	8129	31.03		0.038
Value Convergence Holdings Ltd	8101		15.05	0.79

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average moved down 80.23 yen, equivalent to about 0.70 percent, ending the trading day at 11,437.52 yen.

As with the equity markets of the HKSAR, the ratio of losing counters to gaining ones was wide, at about 2.42:One.

Japan was catching the tail end of the wave of panic, sweeping Asian stock markets.

And this was how other Asian stock markets closed their respective doors, last Wednesday:

The HKSAR	Minus 2.00 percent to 13,764.36
Indonesia	Minus 0.31 percent to 1,015.43
Japan	Minus 0.70 percent to 11,437.52
Malaysia	Plus 0.61 percent to 907.96
The Philippines	Plus 0.12 percent to 1,875.37
Singapore	Plus 0.12 percent to 2,071.04
South Korea	Minus 0.19 percent to 885.19
Taiwan	Minus 1.19 percent to 5,988.37
Thailand	Minus 0.14 percent to 683.50

Thursday

Oil prices scooted higher, last Thursday, touched off by a number of international events and a worsening insurgency situation in Iraq where the Interim Government of that Middle Eastern country, led by US-backed, Prime Minister Iyad Allawi, extended its emergency powers, leading up to the first democratic elections in the country, to be held on January 30.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil shot up a full 5 percent, as the last settled price for February delivery hit \$US45.56 per barrel by the close of trading.

For delivery in March, the price of light sweet crude oil was settled, up about 4.98 percent to \$US45.78 per barrel.

In spite of crude oil prices, rising closer, once again, to the \$US50-plus per barrel level, European investors appeared to be undeterred: They were in a buying mood – and buying they did.

Helping the recovery of indices of major equity markets in Europe was a bit of a push on Wall Street where investors on the world's largest equity markets determined to cover short positions, among other things.

This was how indices of major bourses fared, last Thursday:

Amsterdam's AEX Index	Plus 0.98 percent
Great Britain's FTSE 100 Index	Plus 0.38 percent
Germany's Frankfurt XETRA DAX Index	Plus 1.00 percent

France's CAC 40 Index	Plus 0.70 percent
Switzerland's Swiss Market Index	Minus 0.16 percent
Italy's MIBTEL Index	Plus 0.34 percent

On The New York Stock Exchange, the Dow Jones Industrial Average regained about 0.22 percent of its value to end the choppy trading day at 10,621.62 points.

Over on The NASDAQ, its Composite Index continued to drift, however, resulting in a loss of about 0.06 percent by the close of the session as investors pushed the key index down to 2,090.00 points.

News wise

- Another US airline is in trouble. **Continental Airlines Incorporated** said that the failure of the company to convince its employees to accept wage cuts by February 28, 2005, could result in the company, running out of money. This is the 5th US airline to announce that it is facing liquidity problems. Management said that the prospects exist for the airline to suffer a loss of many hundreds of millions of US dollars before the year is out. The price of the shares of Continental Airlines fell about 7.70 percent on the news; and,
- The number of **US workers**, filing for the first time for unemployment insurance rose 43,000 Claims to 364,000 Claims for the week, ended January 1, 2005. The gain in the number of people, seeking unemployment insurance, was the largest single weekly spike in more than 3 years.

Asian equity markets continued to see their respective indices slide to lower levels, although, in some cases, the pace of the falls was considerably slower than those of other markets due to parochial considerations.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the volume of activity on the territory's equity markets continued to be relatively high, suggesting that sellers were still keen to offload some, or all, of their holdings.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index fell another 0.38 percent, ending the session at 13,712.04 points.

The Total Turnover was about \$HK23.15 billion, which was just slightly less than the volume of Wednesday.

The ratio of declining counters to advancing ones was about 1.04:One – which was much narrower than the figure of 5.70:One, recorded on Wednesday's market.

The Ten Most Active counters of the Main Board were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK130.50 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.35 percent to \$HK71.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.42 percent to \$HK24.35 per share
Get Nice Holdings Ltd (Code: 64)	Up 122.22 percent to \$HK4.40 per share
Wonson International Holdings Ltd (Code: 651)	Up 47.89 percent to \$HK0.105 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.34 percent to \$HK74.00 per share
K. Wah Construction Materials Ltd (Code: 27)	Up 23.03 percent to \$HK9.35 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.34 percent to \$HK73.75 per share
K. Wah International Holdings Ltd (Code: 173)	Up 15.83 percent to \$HK4.025 per share
PetroChina Company Ltd (Code: 857)	Down 1.23 percent to \$HK4.025 per share

There was a total of 58, double-digit movers of the day, of which number, only 8 counters declined.

Get Nice Holdings Ltd (Code: 64) was the biggest gainer of the day. Its share price rose by 122.22 percent to \$HK4.40 per share.

Universe International Holdings Ltd (Code: 1046) was the biggest loser of the day as its share price was felled by 23.48 percent: Investors pushed it down to 8.80 cents per share.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, the Growth Enterprise Index fell another 0.61 percent, dropping back to 955.10 points.

The Total Turnover on this speculative equity market was about \$HK47.19 million, with the ratio of losing counters to gaining ones, being about 1.31:One.

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

Wumart Stores Incorporated (Code: 8277)	Down 6 percent to \$HK11.10 per share
Cyber On-Air Group Company Ltd (Code: 8118)	Down 8 percent to \$HK13.70 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Up 1 percent to \$HK16.95 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 1 percent to \$HK1.20 per share
Chinasoft International Ltd (Code: 8216)	Up 1 percent to 75 cents per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Essex Bio-Technology Ltd	8151		16.25	0.134
IIN International Ltd	8128		33.33	0.032
iSteelAsia Holdings Ltd	8080	16.13		0.036
Ko Yo Ecological Agrotech (Group) Ltd	8042		10.71	0.25
Longlife Group Holdings Ltd	8037		22.06	0.265
M Dream Inworld Ltd	8100		13.33	0.034
Milkyway Image Holdings Ltd	8130		18.75	0.026
New Universe International Group Ltd	8068	34.21		0.051
Prosten Technology Holdings Ltd	8026	25.00		0.065
Q9 Technology Holdings Ltd	8129	15.79		0.044
Stockmartnet Holdings Ltd	8123	21.74		0.028
SYSCAN Technology Holdings Ltd	8083	15.48		0.179
Techpacific Capital Ltd	8088		14.67	0.064
Timeless Software Ltd	8028	11.25		0.089
Universal Technologies Holdings Ltd	8091		28.57	0.07

In Japan, there was a bit of a push on the country's 3 stock markets, but it was only a half-hearted one.

It was apparent that the gains would not hold more than one day.

A key index of The Tokyo Stock Exchange, The Nikkei-225 Stock Average, rose just about 0.48 percent, ending the day at 11,492.26 yen.

There had been a bit of a rally, early in the trading session in Tokyo, however, it petered out as sellers lined up, swamping buyers.

The early rally resulted in advancing counters, outnumbering declining counters by the ratio of about 1.87:One.

News wise

- **Sales of new motor cars, lorries and buses** declined in 2004, compared with 2003, by about 1.60 percent to 3,962.232 units.

In other parts of Asia, this was how indices of those markets closed, last Thursday:

The HKSAR	Minus 0.38 percent to 13,712.04
Indonesia	Plus 1.42 percent to 1,029.89
Japan	Plus 0.48 percent to 11,492.26
Malaysia	Plus 0.27 percent to 910.42
The Philippines	Minus 0.83 percent to 1,859.80
Singapore	Plus 0.91 percent to 2,089.82
South Korea	Minus 1.57 percent to 871.28
Taiwan	Minus 0.10 percent to 5,982.12
Thailand	Plus 1.48 percent to 693.62

Friday

The Bureau of Labour Statistics of the US Department of Labour reported, early last Friday, that the unemployment rate for the month of December 2004 was unchanged, at about 5.40 percent.

This was in spite of the fact that the US economy created another 157,000 jobs in the last month of 2004.

It appeared to be proof positive that things were not all that they were cracked up to be in The Land of The Free and The Home of The Brave, although one could put a number of complexions of the statistics.

The logical fallacy goes: Numbers prove.

This is that which The Bureau of Labour Statistics presented, at 0830 hours, last Friday:

'THE EMPLOYMENT SITUATION: DECEMBER 2004

'Nonfarm payroll employment increased by 157,000 in December, and the unemployment rate was unchanged at 5.4 percent. Job growth continued 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 unchanged in December. The jobless rate has been either 5.4 or 5.5 percent in each month since July, slightly below the rates that prevailed in the first half of 2004.

'In December, the unemployment rates for the major worker groups – adult men (4.9 percent), adult women (4.7 percent), teenagers (17.6 percent), whites (4.6 percent), blacks (10.8 percent), and Hispanics or Latinos (6.6 percent) — showed little or no change over the month. The unemployment rate for Asians was 4.1 percent in December, not seasonally adjusted.

'The number of long-term unemployed – those unemployed 27 weeks and over —was about unchanged over the month. This group accounted for 20.2 percent of the total unemployed.

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

'Total employment, at 140.2 million in December, was little changed over the month but was 1.7 million higher than a year earlier. The proportion of the working-age population that was

employed (the employment-population ratio) was 62.4 percent in December, about the same as a year earlier. Both the civilian labor force, at 148.2 million in December, and the labor force participation rate, at 66.0 percent, were about unchanged from the previous month.

'The number of persons who work part time for economic reasons, at 4.5 million, was about unchanged in December but was down by 308,000 over the year.

'This category includes persons who indicated that they would like to work full time but were working part time because their hours had been cut back or because they were unable to find full-time jobs.

'Over the year, the number of persons who held more than one job increased by 574,000 to 7.8 million, not seasonally adjusted. These multiple jobholders represented 5.6 percent of total employment in December.'

The employment data failed to excite hard-nosed economists: The US economy was not motoring along as one would have expected on listening to the dribble of some US Government officials.

On The New York Stock Exchange, the Dow Jones Industrial Average shed about 0.18 percent of its value, ending the week at 10,603.96 points.

On The NASDAQ, its Composite Index eased back to 2,088.61 points, a fall of just 0.07 percent on Thursday's closing figures.

The tally for the first week of 2005 for the world's largest equity markets was:

The Dow Jones Industrial Average	Minus 1.66 percent
The NASDAQ's Composite Index	Minus 3.99 percent

In Europe, investors were disposed to consider the US Government's statistics in respect of the unemployment level as being somewhat positive.

Indices of major bourses rose fractionally in response to investor optimism:

Amsterdam's AEX Index	Plus 0.24 percent
Great Britain's FTSE 100 Index	Plus 0.61 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.35 percent
France's CAC 40 Index	Plus 0.55 percent
Switzerland's Swiss Market Index	Minus 0.34 percent
Italy's MIBTEL Index	Plus 0.34 percent
(Europeans, quite often, get their sums wrong)	

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for February delivery eased 0.29 percent to the last settlement price of \$US45.43 per barrel.

As for March delivery, the price of light sweet crude oil dropped 0.28 percent to \$US45.65 per barrel.

On the Main Board of The Stock Exchange of Hongkong Ltd, which is the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the Hang Seng Index fell one percent, exactly, ending the first week of trading in the new year at 13,574.86 points.

The Total Turnover, however, rose to \$HK32.51 billion, an increase of about 139 percent, compared with the volume of activity of Monday, January 3, 2005.

Losing counters outran gaining ones by the ratio of about 3.34:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 0.77 percent to \$HK129.50 per share
Hutchison Whampoa Ltd (Code: 13)	Down 2.11 percent to \$HK69.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.44 percent to \$HK24.00 per share
K. Wah Construction Materials Ltd (Code: 27)	Down 21.93 percent to \$HK7.30 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 2.71 percent to \$HK71.75 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 2.03 percent to \$HK72.50 per share
Get Nice Holdings Ltd (Code: 64)	Down 17.05 percent to \$HK3.65 per share
K. Wah International Holdings Ltd (Code: 173)	Down 27.33 percent to \$HK2.925 per share
China Telecom Corporation Ltd (Code: 728)	Down 0.93 percent to \$HK2.65 per share
Pearl Oriental Enterprises Ltd (Code: 600)	Up 54.88 percent to \$HK1.27 per share

As for the double-digit movers of the day, 57 of their number saw investors mark down their respective share prices by 10 percent or more while 13 double-digit counters managed to buck the trend, their share prices, rising by 10 percent or more.

Premium Land Ltd (Code: 164) was the biggest gainer of the day as its share price rose to 8.10 cents, a one-day improvement of 92.86 percent.

The biggest loser of the day was Wonson International Holdings Ltd (Code: 651), whose share price was shot down by 44.76 percent, ending the day at 5.80 cents.

Over on The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, it was another dull day as investors pushed down The Growth Enterprise Index to 949.57 points, a one-day loss of about 0.58 percent.

The Total Turnover on this speculative market was about \$HK69.10 million.

Declining counters outnumbered advancing counters by the ratio of about 2.19:One.

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

Wumart Stores Incorporated (Code: 8277)	Up 4 percent to \$HK11.50 per share
Cyber On-Air Group Company Ltd (Code: 8118)	Down 42 percent to \$HK7.95 per share
TOM Online Incorporated (Code: 8282)	Down 5 percent to \$HK1.29 per share
HC International Incorporated (Code: 8292)	Unchanged at \$HK1.61 per share
B.A.L. Holdings Ltd (Code: 8079)	Down 14 percent to 1.90 cents per share

The biggest movers of The GEM, last Friday, included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGL MediaTech Holdings Ltd	8192		27.27	0.04
Angels Technology Company Ltd	8112		12.00	0.22
B and S Entertainment Holdings Ltd	8167		15.66	0.07
B.A.L. Holdings Ltd	8079		13.64	0.019
Cyber On-Air Group Company Ltd	8118		41.97	7.95
EVI Education Asia Ltd	8090	22.50		0.049
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical	8231		13.33	0.26

Company Ltd				
Golding Soft Ltd	8190		10.71	0.025
Grandy Corporation	8143		13.51	0.032
IIN International Ltd	8128	18.75		0.038
iSteelAsia Holdings Ltd	8080		13.89	0.031
Ko Yo Ecological Agrotech (Group) Ltd	8042	12.00		0.28
Milkyway Image Holdings Ltd	8130	19.23		0.031
Satellite Devices Corporation	8172		22.86	0.027
Stockmartnet Holdings Ltd	8123		14.29	0.024
Thiz Technology Group Ltd	8119		11.11	0.016
Universal Technologies Holdings Ltd	8091	25.71		0.088

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

The Hang Seng Index	Minus 4.60 percent
The Growth Enterprise Index	Minus 3.95 percent

Confirmation that things were slowing down, industrially, in the US, with the number of new people, looking for work, rising quickly, knocked the stuffing out of investors, locked into stocks and shares on Japan's equity markets. (Please see Thursday's report)

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average lost 59.02 yen, equivalent to about 0.51 percent, with this key index, ending the 4-day trading week at 11,433.24 yen.

Gaining counters outnumbered losing ones by the ratio of about 1.39:One.

Trading was spirited, but the number of shares, traded during the first week of 2005, declined from the more recent averages.

The tally for the 4-day week was:

The Nikkei-225 Stock Average	Minus 0.48 percent
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This was how indices of other Asian equity markets closed, last Friday, January 7, 2005:

The HKSAR	Minus 1.00 percent to 13,574.86
Indonesia	Plus 0.26 percent to 1,032.53
Japan	Minus 0.51 percent to 11,433.24
Malaysia	Plus 0.64 percent to 916.28
The Philippines	Minus 0.43 percent to 1,851.78
Singapore	Minus 0.20 percent to 2,085.58
South Korea	Minus 0.05 percent to 870.84
Taiwan	Minus 0.77 percent to 5,935.99
Thailand	Plus 0.61 percent to 697.84

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