

**THE WORLD SHUDDERS: THE U.S. TRADE DEFICIT HITS RECORD;
THE DOLLAR RETREATS; OIL PRICES RISE;
AND,
STOCK-MARKET INVESTORS RUN FOR COVER**

On The New York Stock Exchange, last Monday, the Dow Jones Industrial Average rose 17.07 points, or about 0.16 percent, ending the trading day at 10,621.03 points.

The NASDAQ's Composite Index was up 8.43 points, equivalent to about 0.40 percent, rising to 2,097.04 points.

It was a poor start to the trading week for American investors, but, as far as those, locked into stocks and shares, listed on The NASDAQ, it was the first session of gains in 6 trading days of losses.

There was little reason for the gains on the world's largest equity markets, and, if anything, there was good reason for investor pessimism, but, as the saying goes, any port in a storm.

There was a little bit of excitement, early in the trading session on The New York Stock Exchange, following an announcement from News Corporation (of Australia) that it would like to purchase all of the shares of Fox Entertainment Corporation in an exchange of shares, valued at a cool \$US5.90 billion.

News Corporation is owned by Australian mogul, Mr Rupert Murdoch, a rough and ready media tycoon, who rarely minces words – and has the cash to back up his big mouth.

News Corporation, already, owns a large slice of Fox Entertainment, but wants to tidy up its act by taking out the minorities.

In Europe, fractional gains and losses marked indices of major bourses, by and large.

There was little to stimulate trading, one way or the other, in this part of the world.

This was how indices of major stock markets in eurozone closed, last Monday:

Amsterdam's AEX Index	Plus 0.18 percent
Great Britain's FTSE 100 Index	Minus 0.27 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.20 percent
France's CAC 40 Index	Unchanged
Switzerland's Swiss Market Index	Plus 0.21 percent
Italy's MIBTEL Index	Plus 0.03 percent

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in February was last settled at \$US45.33 per barrel, a fall of about 0.22 percent, compared with the last settlement price on Friday, January 8, 2005.

As for delivery in March, the price of light sweet crude oil was last settled at \$US45.57 per barrel, down about 0.18 percent on the day.

Asian equity markets were, generally, weak, as investors determined to wait for the opening of Wall Street, rather than gamble.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index lost another 43.47 points, equivalent to about 0.32 percent of its value, falling to 13,531.39 points.

It was the 5th day of losses for the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

Suggestions abounded that the 'hot' money, which flooded into the territory, prior to the Christmas break, was going to other climes, where the investment weather was more conducive to long-term gains and where tsunamis are, almost, non-existent.

The Total Turnover fell back from the previous week's relatively high level of more than \$HK32 billion, to about \$HK18.82 billion.

Losing counters eclipsed gaining ones by the ratio of 1.45:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 1.16 percent to \$HK128.00 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.72 percent to \$HK69.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Unchanged at \$HK24.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Unchanged at \$HK72.50 per share
China Telecom Corporation Ltd (Code: 728)	Up 2.83 percent to \$HK2.725 per share
K. Wah Construction Materials Ltd (Code: 27)	Down 3.42 percent to \$HK7.05 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.35 percent to \$HK71.50 per share
China Netcom Group Corporation (Hongkong) Ltd (Code: 906)	Up 4.19 percent to \$HK11.20 per share
Get Nice Holdings Ltd (Code: 64)	Up 6.85 percent to \$HK3.90 per share
PetroChina Company Ltd (Code: 857)	Unchanged at \$HK4.025 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Applied International Holdings Ltd	519	16.92		0.152
Benefun International Holdings Ltd	1130	19.64		0.067
Berjaya Holdings (Hongkong) Ltd	288		14.29	0.12
Buildmore International Ltd	108		15.38	0.55
Capital Estate Ltd	193	17.24		0.034
Chengdu PUTIAN Telecommunications Cable Company Ltd	1202	20.00		0.78
China Merchants DiChain (Asia) Ltd	632	15.38		0.09
Coastal Greenland Ltd	1124	14.91		0.185
Deson Development International Holdings Ltd	262	55.56		0.084
EC-Founder (Holdings) Company Ltd	618	19.23		0.31
Emperor (China Concept) Investments Ltd	2955		15.75	2.675
G-Vision International (Holdings) Ltd	657	38.10		0.087
Gorient (Holdings) Ltd	729		21.21	0.078
Hansom Eastern (Holdings) Ltd	279		10.64	0.042
Haywood Investments Ltd	905		14.67	0.064
Hon Po Group (Lobster King) Ltd	228		14.29	0.06
Hua Lien International (Holding) Company Ltd	969	10.71		0.31
Jackley Holdings Ltd	353	17.02		0.055
Jiuzhou Development Company Ltd	908		14.29	0.36
MAXX Bioscience Holdings Ltd	512		18.92	0.12

Morning Star Resources Ltd	542	31.25		0.084
Nam Fong International Holdings Ltd	1176	71.43		0.168
Neo-China Group (Holdings) Ltd	563	15.63		0.37
Riche Multi-Media Holdings Ltd	764	12.12		3.70
Sino Technology Investments Company Ltd	1217	39.22		0.142
Sky Hawk Computer Group Holdings Ltd	1129		12.62	0.09
Tack Hsin Holdings Ltd	611	30.16		0.41
Universe International Holdings Ltd	1046	12.50		0.081
Upbest Group Ltd	335		12.50	1.54
Wisdom Venture Holdings Ltd	554	19.48		0.92

Over on The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, it was a completely different story to that, being told on the Main Board.

The Growth Enterprise Index gained 0.45 percent, ending the trading day at 953.84 points on a Total Turnover of about \$HK70.95 million.

Although The Growth Enterprise Index was in the black, losing counters outnumbered gaining ones by the ratio of about 1.17:One.

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

Wumart Stores Incorporated (Code: 8277)	Up 5 percent to \$HK12.05 per share
Shandong Molong Petroleum Machinery Company Ltd (Code: 8261)	Up 1 percent to 77 cents per share
Yantai North Andre Juice Company Ltd (Code: 8259)	Up 2 percent to 95 cents per share
China Fire Safety Enterprise Group Holdings Ltd (Code: 8201)	Unchanged at 56 cents per share
Tianjin Tianlian Public Utilities Company Ltd (Code: 8290)	Up 9 percent to 61 cents per share

As for The GEM's double-digit movers of the day, they included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGL MediaTech Holdings Ltd	8192	20.00		0.048
B and S Entertainment Holdings Ltd	8167	12.86		0.079
Computech Holdings Ltd	8081		27.27	0.04
Cyber On-Air Group Company Ltd	8118	12.58		8.95
Grandy Corporation	8143	12.50		0.036
IIN International Ltd	8128		23.68	0.029
Innovis Holdings Ltd	8065		28.57	0.10
Kinetana International Biotech Pharma Ltd	8031		11.11	0.04
Lang Chao International Ltd	8141	14.29		0.32
M Channel Corporation Ltd	8036		26.92	0.019
Neolink Cyber Technology (Holding) Ltd	8116		15.00	0.085
Netel Technology (Holdings) Ltd	8256		11.11	0.80
New Universe International Group Ltd	8068		23.40	0.036

The 3 stock markets of Japan were closed, last Monday, for a national holiday.

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

The HKSAR	Minus 0.32 percent to 13,531.39
Indonesia	Minus 1.65 percent to 1,015.48
Japan	Closed
Malaysia	Plus 0.30 percent to 919.02
The Philippines	Minus 0.61 percent to 1,840.47

Singapore	Plus 0.20 percent to 2,089.68
South Korea	Plus 0.38 percent to 874.18
Taiwan	Plus 0.12 percent to 5,942.85
Thailand	Minus 0.26 percent to 696.03

Tuesday

Key indices of both The New York Stock Exchange and The NASDAQ started to go into a shallow tail-spin, last Tuesday, following disappointing earnings results from some of the *'darlings'* of Wall Street, as well as fears that other well-beloved, blue chips would report lower earnings for the last quarter.

Of course, also, there were the prospects of lower earnings' forecasts for the Current Financial Year for some of the most-popular, hi-tech companies, the shares of which are quoted on various stock exchanges in the US .

The Dow Jones Industrial Average, a key index, tracking the direction of blue chips, listed on The New York Stock Exchange, fell 64.81 points, equivalent to about 0.61 percent, hitting 10,556.22 points by the close of the trading day.

Over on The NASDAQ, its Composite Index shed 17.42 points, or about 0.83 percent, ending the session at 2,079.62 points.

For these 2 key indices, last Tuesday's close represented the lowest points since early December 2004.

Another factor, which was causing some consternation in the minds of many investors, was the continued high price of crude oil.

Oil prices continued to rise on world markets, last Tuesday, as The **Organisation of Petroleum Exporting Countries** (OPEC) defended the current high prices in an effort to capitalise on the world's voracious appetite for the black ooze.

On The **New York Mercantile Exchange** (NYMEX), the price of light sweet crude oil for delivery in February rose by another 35 cents (US) per barrel, or about 0.77 percent, the last settlement price, being \$US45.68 per barrel.

The price of light sweet crude oil for delivery in March ended last Tuesday's session at \$US45.91 per barrel, a gain of three quarters of a percentage point, compared with the last settlement price on Monday.

From the European Union, investors were hit with one piece of bad news after another.

Every key index of every major bourse in Europe was besmeared in red ink.

The problem in this part of the world was that there had been a plethora of disappointing news from key, hi-tech companies.

This caused European investors to think more than twice before making any fresh commitments on equity markets.

Wall Street's performance on Monday was hardly encouraging, also.

In addition, the recent price of crude oil on international markets was not suggestive of a retreat from the \$US45 per-barrel mark.

In fact, indications were that the price of crude oil could run back, nearer to the \$US50-per barrel level.

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

Amsterdam's AEX Index	Minus 0.77 percent
Great Britain's FTSE 100 Index	Minus 0.45 percent

German's Frankfurt XETRA DAX Index	Minus 1.14 percent
France's CAC 40 Index	Minus 0.74 percent
Switzerland's Swiss Market Index	Minus 0.28 percent
Italy's MIBTEL Index	Minus 1.19 percent

News wise

- **Nokia**, the world's largest producer of mobile telecommunication devices, which is based in Finland, announced that it would be sacking a large number of its workers at its Multimedia Division. The cuts to the workforce, which would see hundreds of Nokia employees, joining the ranks of the unemployed, would mainly be in Finland and Germany and would be targeted at the research and development arm of the company.
- At Europe's largest departmental store, **KarstadtQuelle**, which is based in Germany, it was announced that 4th quarter sales, ended December 2004, fell by about 9.50 percent, Year-on-Year.

For the 6th consecutive trading day, investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) saw the value of their investments continue to wane on the premier equity market of the territory.

Indications abounded that more losses were in the offing, too.

While there were no suggestions or indications that the economy of the HKSAR was flagging, and, if anything, it was motoring along quite nicely, thank you very much, it was very clear that the investment sentiment was such as not to be conducive to much in the way of new investment commitments in stocks and shares.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index lost another 0.16 percent of its value, dropping back to 13,509.25 points.

The Total Turnover continued to be just below the \$HK20-billion mark, at about \$HK19.46 billion.

The ratio of losing counters to gaining ones was wide, at about 1.97:One.

The Ten Most Active counters of the day were:

HSBC Holdings plc (Code: 5)	Up 0.39 percent to \$HK128.50 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.72 percent to \$HK68.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.21 percent to \$HK24.05 per share
K. Wah Construction Materials Ltd (Code: 27)	Down 36.17 percent to \$HK4.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.03 percent to \$HK71.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.35 percent to \$HK71.75 per share
PetroChina Company Ltd (Code: 857)	Unchanged at \$HK4.025 per share
China Netcom Group Corporation (Hongkong) Ltd (Code: 906)	Down 3.13 percent to \$HK10.85 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 0.69 percent to \$HK14.40 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.48 percent to \$HK104.50 per share

There was a total of 51 Main Board, double-digit movers of the day, of which number, 8 counters saw investors mark down their respective share prices by 10 percent or more.

The biggest gainer of the day was G-Vision International (Holdings) Ltd (Code: 657), whose share price rose 94.25 percent to 16.90 cents per share.

Management of Fortuna International Holdings Ltd (Code: 530) noted the fast decline in the market capitalisation of the company, as its share price was pared by 49.35 percent to 3.90 cents, making Fortuna International, the biggest

loser of the day.

On The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, investors of the territory appeared to be willing to take extraordinary risks in playing shares, listed on this market, which is known for its corporate failures, rather than anything else.

The Growth Enterprise Index, the lone index of this market, rose 1.49 percent to 968.05 points.

The Total Turnover was relatively high, at about \$HK117.64 million.

In spite of The GEM's index, being on the positive side of the ledger, losing counters outnumbered gaining ones by the ratio of 1.26:One, exactly.

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

Wumart Stores Incorporated (Code: 8277)	Up 10 percent to \$HK13.25 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Up 2 percent to \$HK17.15 per share
Yantai North Andre Juice Company Ltd (Code: 8259)	Up 5 percent to \$HK1.00 per share
HC International Incorporated (Code: 8292)	Up 4 percent to \$HK1.67 per share
TOM Online Incorporated (Code: 8282)	Down 2 percent to \$HK1.29 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGL MediaTech Holdings Ltd	8192		20.83	0.038
Computech Holdings Ltd	8081		12.50	0.035
Cyber On-Air Group Company Ltd	8118		21.79	7.00
Grandmass Enterprise Solution Ltd	8396		25.00	0.30
IIN International Ltd	8128		24.14	0.022
Ko Yo Ecological Agrotech (Group) Ltd	8042		10.71	0.25
M Dream Inworld Ltd	8100		16.67	0.025
New Chinese Medicine Holdings Ltd	8085		33.33	0.02
Neolink Cyber Technology (Holding) Ltd	8116	17.65		0.10
New Universe International Group Ltd	8068	27.78		0.046
Northeast Tiger Pharmaceutical Company Ltd	8197	11.11		0.08
Shaanxi Northwest New Technology Industry Company Ltd	8258		11.40	0.101
Stockmartnet Holdings Ltd	8123		12.50	0.021
Ultra Group Holdings Ltd	8203		13.04	0.04
Universal Technologies Holdings Ltd	8091	11.25		0.089
Vertex Communications and Technology Group Ltd	8228	10.38		0.117

In Japan, where the equity markets of the country had been closed for a national holiday on Monday, investors were treated to rapidly rising indices on their 3 stock markets, during the first trading day of the week.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average rose 106.75 yen, equivalent to about 0.93 percent, as investors pushed this key index to 11,539.99 yen.

The ratio of gaining counters to losing ones was about 5.08:One.

For the premier equity market of The Land of The Rising Sun, The Nikkei-225 Stock Average was standing at a 6-month high, last Tuesday.

Whether or not the market would be able to hold onto its gains of last Tuesday was questionable, however.

In other Asian stock markets, this was how their respective key indices closed the second day of the week:

The HKSAR	Minus 0.16 percent to 13,509.25
Indonesia	Minus 0.37 percent to 1,011.67
Japan	Plus 0.93 percent to 11,539.99
Malaysia	Plus 1.26 percent to 930.63
The Philippines	Plus 0.29 percent to 1,845.83
Singapore	Plus 0.12 percent to 2,092.21
South Korea	Plus 1.16 percent to 884.29
Taiwan	Plus 0.55 percent to 5,975.66
Thailand	Minus 0.58 percent to 691.97

Wednesday

November's US trade deficit rose to the record level, for any one month: \$US60.30 billion.

A goodly part of that imbalance of trade was due to the requirement in the US to pay materially higher prices for imported fossil fuels, using a rapidly depreciating US dollar.

The value of the US dollar fell against the currencies of its major trading partners, last Wednesday, as soon as the news of the US trade deficit was made known, officially.

For the first 11 months of the 2004 Fiscal Year, the US trade deficit was confirmed to be about \$US561.30 billion.

It is, now, well expected that the total deficit would eclipse \$US600 billion for the entire year.

The previous record trade deficit for the US was in 2003 when it was about \$US496.50 billion.

Wall Street, however, seemed singularly unperturbed by the US Government's release of the trade imbalance for the month of November because, among other things, some of the *'darlings'* of The New York Stock Exchange and The NASDAQ were sparking a late rally.

The Dow Jones Industrial Average, the blue chip index of the Big Board of The New York Stock Exchange, rose 61.56 points, or about 0.58 percent, running up to 10,617.78 points.

The NASDAQ's Composite Index followed in the wake of The Dow, with a gain of 0.62 percent, ending the session at 2,092.53 points.

The technology sectors of the markets were ablaze with good news, first from Intel Corporation, the world's largest producer of computer chips, and, then, from Apple Computer Incorporated.

The seemingly intractable situation in respect of the US trade deficit – the US consumer is buying a great deal more foreign-produced goods than the country's industries, as a whole, are selling overseas – the continued and, clearly, unstoppable rises in the price of crude oil on international markets, and the rapidly increasing exchange rate of the euro vis-à-vis the US dollar, all contributed to the fall in the value of indices on major European bourses, last Wednesday.

This was the extent of the carnage in eurozone:

Amsterdam's AEX Index	Minus 0.64 percent
Great Britain's FTSE 100 Index	Minus 0.72 percent
German's Frankfurt XETRA DAX Index	Minus 1.15 percent
France's CAC 40 Index	Minus 0.85 percent

Switzerland's Swiss Market Index
Italy's MIBTEL Index

Minus 0.72 percent
Minus 0.11 percent

On foreign exchange markets, the euro was being traded at 2 cents (US) higher than the previous day's quote, at about \$US1.3290, as the value of the US dollar, in terms of the 'hard' currencies of its most-important trading partners, hit a new 5-week low.

Against the Japanese yen, in Europe and in Asia, the US dollar was fetching about 103.20 yen.

For European investors and European producers of goods and services, a stronger euro vis-à-vis the US dollar means that their products and services are less competitive than similar products and services, manufactured and/or created in the US.

Ditto for *'Japan Incorporated'*.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in February rose another 1.51 percent to hit \$US46.37 per barrel.

In respect of the price of light sweet crude oil for delivery in March, the rate was settled at \$US46.56 per barrel, a one-day rise of about 1.42 percent.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), indices of both equity markets managed to score fractional gains on what could be described as dicey market conditions.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about 0.42 percent to close out the day at 13,565.31 points.

The Total Turnover was about \$HK20.74 billion.

However, in spite of the fractional increase in the value of the Hang Seng Index, declining counters outnumbered advancing ones by the ratio of 1.31:One, exactly.

It was noted that the gains on the premier equity market of the HKSAR came only in the 90-minute afternoon session because, during the morning session, to 12.30 p.m., the Hang Seng Index was off by nearly one half of a percentage point, compared with Tuesday's closing level.

The Ten Most Active counters of the Main Board were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK128.50 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.09 percent to \$HK69.25 per share
K. Wah Construction Materials Ltd (Code: 27)	Up 20.00 percent to \$HK5.40 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.70 percent to \$HK72.25 per share
Pearl Oriental Enterprises Ltd (Code: 600)	Down 33.07 percent to \$HK0.85 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.35 percent to \$HK72.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.25 percent to \$HK24.35 per share
China Life Insurance Company Ltd (Code: 2628)	Up 2.86 percent to \$HK5.40 per share
PetroChina Company Ltd (Code: 857)	Up 1.24 percent to \$HK4.075 per share
A-Max Holdings Ltd (Code: 959)	Up 5.70 percent to \$HK1.67 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Capital Strategic Investment Ltd	497		12.50	0.63
China Golden Development Holdings Ltd	162	12.33		0.41

China Motion Telecom International Ltd	989	10.94		0.355
China-Hongkong Photo Products Holdings Ltd	1123	11.11		0.70
Climax International Company Ltd	439	13.33		0.034
CNT Group Ltd	701		16.07	0.141
Deson Development International Holdings Ltd	262	10.17		0.065
Emperor (China Concept) Investments Ltd	2955	16.47		1.98
Emperor International Holdings Ltd	2954	12.80		1.41
Fortuna International Holdings Ltd	530	15.38		0.045
Fujian Holdings Ltd	181		14.89	0.20
HyComm Wireless Ltd	499	13.13		0.112
Imagi International Holdings Ltd	585		14.96	1.08
K. Wah Construction Materials Ltd	27	20.00		5.40
Nam Fong International Holdings Ltd	1176	14.40		0.143
Paul Y. - ITC Construction Holdings Ltd	498	13.03		2.125
Pearl Oriental Enterprises Ltd	600		33.07	0.85
Poly Investments Holdings Ltd	263		10.00	0.153
Premium Land Ltd	164	20.83		0.058
Silver Grant International Industries Ltd	171	13.64		3.75
Starbow Holdings Ltd	397	12.90		0.07
Symphony Holdings Ltd	1223	11.51		1.55
UDL Holdings Ltd	620	12.90		0.035
Upbest Group Ltd	335	12.08		1.67
Victory Group Ltd	1139		17.71	0.079
Zhong Hua International Holdings Ltd	1064	17.76		0.126

Over on The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, it was a similar story to the one, being told on the Main Board.

The Growth Enterprise Index rose by about 0.52 percent, ending the session at 973.15 points.

The Total Turnover was on the low side, once again, at about \$HK58 million, down about 51 percent, compared with Tuesday's volume.

Losing counters outran gaining ones by the ratio of about 1.18:One.

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

Wumart Stores Incorporated (Code: 8277)	Up 5 percent to \$HK13.90 per share
China Fire Safety Enterprise Group Holdings Ltd (Code: 8201)	Unchanged at 61 cents per share
Tianjin Tianlian Public Utilities Company Ltd (Code: 8290)	Unchanged at 58 cents per share
Yantai North Andre Juice Company Ltd (Code: 8259)	Up 1 percent to \$HK1.01 per share
Cyber On-Air Group Company Ltd (Code: 8118)	Up 15 percent to \$HK8.05 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGL MediaTech Holdings Ltd	8192	15.79		0.044
Cyber On-Air Group Company Ltd	8118	15.00		8.05
Kinetana International Biotech Pharma Ltd	8031	17.50		0.047
M Dream Inworld Ltd	8100		12.00	0.022
Tradeeasy Holdings Ltd	8163		14.29	0.036

In Japan, as had been well expected, the country's 3 equity markets saw their respective indices fall, throughout the day.

By the time that dinner was ready, The Nikkei-225 Stock Average, a key index of The Tokyo Stock Exchange, was standing at 11,453.39 yen, down exactly three quarters of a percentage point, compared with Tuesday's closing level.

Losing counters were ahead of gaining ones by the ratio of 2.61:One.

In other Asian stock markets, this was how those indices ended their respective days:

The HKSAR	Plus 0.42 percent to 13,565.31
Indonesia	Minus 0.31 percent to 1,008.58
Japan	Minus 0.75 percent to 11,453.39
Malaysia	Plus 0.29 percent to 933.33
The Philippines	Minus 1.37 percent to 1,820.57
Singapore	Minus 0.59 percent to 2,079.80
South Korea	Minus 0.48 percent to 880.03
Taiwan	Minus 1.62 percent to 5,879.08
Thailand	Plus 0.38 percent to 694.63

Thursday

The price of light sweet crude oil for delivery in February rose by 3.60 percent on The New York Mercantile Exchange (NYMEX), last Thursday, hitting \$US48.04 per barrel by the close of the day.

For delivery in March, the price of light sweet crude oil rose 3.50 percent, the last settlement price, being \$US48.19 per barrel.

The increase in the price of crude oil on international markets caused the indices of leading bourses in Europe to rise, smartly, as the following TARGET table illustrates:

Amsterdam's AEX Index	Plus 0.07 percent
Great Britain's FTSE 100 Index	Plus 0.34 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.07 percent
France's CAC 40 Index	Plus 0.47 percent
Switzerland's Swiss Market Index	Plus 0.26 percent
Italy's MIBTEL Index	Plus 0.83 percent

The gains in Europe were in direct contrast to the falls on Wall Street, mainly because European bourses are studded with oil-producing and oil-supplying companies.

However, Europeans were, also, looking at the economic picture of the US – and they were not amused.

News wise

- **The German Federal Statistics Office**, based in Wiesbaden, Germany, released statistics with regard to the German economy, proving that the economy of this European economic powerhouse experienced its strongest economic growth in 2004 since the year 2000. Gross Domestic Product grew by 1.70 percent in 2004, compared with 0.10 percent in 2003;
- **The Bank of England** determined to maintain interest rates at 4.75 percent; and,
- **The European Central Bank** (ECB), which is responsible for setting interest rates for the 12-nation eurozone, decided to keep interest rates at 2 percent. It was the 19th consecutive month of non-action on the part of the ECB in respect of interest rates.

On The New York Stock Exchange, the Dow Jones Industrial Average fell 111.95 points, equivalent to about 1.05 percent, coming to rest at 10,505.83 points.

Over on The NASDAQ, that hi-tech market's Composite Index shed 21.97 points, or about 1.05 percent, equal, exactly, to the losses of The Dow, ending the day at 2,070.56 points.

News wise

- **US retail sales** for the month of December 2004 rose by about 1.20 percent, Month-on-Month, the US Government's Commerce Department announced. Motor-vehicle sales was a major factor for the strong consumer purchases. Excluding such sales, retail sales' statistics were uninspiring, at about 0.30 percent, Month-on-Month; and,
- The number of workers, filing for **Unemployment Insurance**, rose to 367,000 Claims for the week, ended January 7, 2005, the US Government's Labour Department announced. It was the largest number of Claims for any week since late September 2004.

On The Stock Exchange of Hongkong Ltd, the Hang Seng Index put on about 0.06 percent, rising to 13,573.28 points in a lacklustre performance.

The premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) vacillated, during the entire session, in and out of negative territory.

The Total Turnover was about \$HK19.58 billion, while the ratio of gaining counters to losing ones was about 1.72:One.

The Ten Most Actives were:

Hutchison Whampoa Ltd (Code: 13)	Up 1.44 percent to \$HK70.25 per share
HSBC Holdings plc (Code: 5)	Down 0.39 percent to \$HK128.00 per share
K. Wah Construction Materials Ltd (Code: 27)	Up 29.63 percent to \$HK7.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.41 percent to \$HK24.45 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.39 percent to \$HK73.00 per share
A-Max Holdings Ltd (Code: 959)	Up 19.76 percent to \$HK2.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.69 percent to \$HK71.75 per share
Pearl Oriental Enterprises Ltd (Code: 600)	Up 31.76 percent to \$HK1.12 per share
CNOOC Ltd (Code: 883)	Down 0.65 percent to \$HK3.85 per share
PetroChina Company Ltd (Code: 857)	Up 0.61 percent to \$HK4.10 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	19.76		2.00
Capital Strategic Investment Ltd	497	15.87		0.73
Central China Enterprises Ltd	351	13.73		0.58
China National Resources Development Holdings Ltd	661	10.77		0.72
Cheung Tai Hong Holdings Ltd	199	12.90		1.05
China Credit Holdings Ltd	185	11.25		0.178
China Gas Holdings Ltd	384	11.50		1.26
China Nan Feng Group Ltd	979	12.38		0.118
China United International Holdings Ltd	273		11.76	0.21
Everest International Investments Ltd	204		10.34	0.052
G-Vision International (Holdings) Ltd	657		20.00	0.14
Guangzhou Shipyard International Company Ltd	317	18.50		2.05

Haywood Investments Ltd	905	26.00		0.063
K. Wah Construction Materials Ltd	27	29.63		7.00
Karce International Holdings Company Ltd	1159	13.64		0.25
Man Yue International Holdings Ltd	894	11.11		0.50
New Spring Holdings Ltd	690		11.76	0.60
Northern International Holdings Ltd	736	11.54		0.029
Pearl Oriental Enterprises Ltd	600	31.76		1.12
Premium Land Ltd	164	37.93		0.08
Riche Multi-Media Holdings Ltd	764	10.79		3.85
Shun Ho Resources Holdings Ltd	253		13.79	0.50
Sky Hawk Computer Group Holdings Ltd	1129	14.44		0.103
South China Brokerage Company Ltd	619	16.42		0.078
South China Industries Ltd	413		13.46	0.45
Sun Media Group Holdings Ltd	307	10.00		0.022
Victory Group Ltd	1139	51.90		0.12
Xin Corporation Ltd	1141	10.20		0.054

On The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, the trading situation of the day had been very similar to that of the Main Board.

The Growth Enterprise Index gained about 0.17 percent, rising to 974.83 points, while the ratio of gaining counters to losing ones was about 1.15:One.

But the volume of activity was much lower than the daily average of late, at about \$HK39.52 million.

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

Panva Gas Holdings Ltd (Code: 8132)	Up 2 percent to \$HK3.425 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Up 1 percent to \$HK17.60 per share
Yantai North Andre Juice Company Ltd (Code: 8259)	Unchanged at \$HK1.01 per share
China Fire Safety Enterprise Group Holdings Ltd (Code: 8201)	Up 2 percent to 61 cents per share
Kingdee International Software Group Company Ltd (Code: 8133)	Down 2 percent to \$HK2.00 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGL MediaTech Holdings Ltd	8192	11.36		0.049
B and B Natural Products Ltd	8156	17.19		0.75
China Advance Holdings Ltd	8117		20.00	0.052
Cyber On-Air Group Company Ltd	8118	16.77		9.40
Grandmass Enterprise Solution Ltd	8396		12.28	0.25
IIN International Ltd	8128	12.50		0.027
Innovis Holdings Ltd	8065		33.65	0.069
Sino Stride Technology (Holdings) Ltd	8177	11.67		0.335
Stockmartnet Holdings Ltd	8123	17.39		0.027
Universal Technologies Holdings Ltd	8091		22.47	0.069

On Japan's dominant equity market, that of The Tokyo Stock Exchange, The Nikkei-225 Stock Average lost another 95.17 yen, equivalent to about 0.83 percent, ending the choppy trading session at 11,358.22 yen.

Losing counters outnumbered gaining ones by the ratio of about 2.11:One.

The 2nd losing day for this market, which is the largest in Asia, wiped out, completely, the gains of Tuesday, when The Nikkei-225 stood at a 6-month high.

On foreign-exchange markets, the US dollar was fetching just 102.51 yen.

The stronger yen, vis-à-vis the US dollar, would, if it continued its encroachment against the American greenback, cut into the profits of Japanese exporters: The equity markets of Japan were responding to this very real threat.

And, in other Asian equity markets, this was how the indices of those markets responded to international events, last Thursday:

The HKSAR	Plus 0.06 percent to 13,573.28
Indonesia	Plus 1.30 percent to 1,021.67
Japan	Minus 0.83 percent to 11,358.22
Malaysia	Plus 0.08 percent to 934.10
The Philippines	Plus 2.45 percent to 1,865.11
Singapore	Plus 0.12 percent to 2,082.34
South Korea	Plus 0.63 percent to 885.54
Taiwan	Minus 0.43 percent to 5,853.94
Thailand	Minus 0.17 percent to 693.43

Friday

Industrial production in the US rose in the month of December while producers' prices fell, The Federal Reserve Board and The Labour Department announced, respectively, last Friday.

From The Fed came the news that US factories, mines and utilities increased production by about 0.08 percent in December, Month-on-Month, resulting in an annual gain of about 4.10 percent.

From The Labour Department, it was announced that producers' prices dipped about 0.70 percent in December, Month-on-Month, the sharpest decline of any month since April 2003._

The price of crude oil continued to hover at the \$US48 per-barrel mark in Europe , last Friday, quite unsettling some investors on certain key bourses in eurozone.

Supply fears was said to be a key factor in the relatively high price for crude oil.

According to The Energy Department of the US Government, crude-oil inventories fell by about 3 million barrels to 288.80 million barrels for the week, ended January 7, 2005.

Whereas, on Thursday, key indices of major bourses in Europe rose, along with the higher price of crude oil due to the fact that stock markets in Europe are studded with energy companies, on Friday, concerns were being admitted that higher oil prices could well lead to inflationary pressures and cut into corporate profit margins should such high prices for energy be maintained.

However, key indices on major European bourses continued to make gains on the last day of trading:

Amsterdam's AEX Index	Plus 0.67 percent
Great Britain's FTSE 100 Index	Plus 0.42 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.48 percent
France's CAC 40 Index	Plus 0.53 percent
Switzerland's Swiss Market Index	Plus 0.96 percent
Italy's MIBTEL Index	Plus 0.65 percent

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in February rose 0.71 percent, settling at \$US48.38 per barrel at the time that the hammer came down, signifying the end of trading on

The NYMEX for the week.

As for March delivery, the price of light sweet crude oil followed the lead of the February price, rising exactly 0.71 percent to \$US48.53 per barrel.

Investors on Wall Street appeared to pay little heed to what was happening on The NYMEX because the statistics, dished out by The Fed and The Labour Department, took their fancy.

Up went prices on The New York Stock Exchange and The NASDAQ.

The Dow Jones Industrial Average, the blue chip '*barometer*' of The New York Stock Exchange, finished the day with a gain of one half of a percentage point, at 10,558.00.

The Composite Index of The NASDAQ was up about 0.84 percent to 2,087.01 points at the close of the day.

News wise

- **Oracle Corporation** announced that it would be sacking 5,000 of its workers. The sackings are to take place, immediately, and will be completed before the end of the month. That number of workers represents about 9 percent of the company's total workforce.

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

The Dow Jones Industrial Average	Down 0.43 percent
The Composite Index of The NASDAQ	Down 0.03 percent

On The Stock Exchange of Hongkong Ltd, the Hang Seng Index continued to fall, losing another 0.58 percent of its value, ending the week's proceedings at 13,494.78 points.

The Total Turnover was about \$HK20.74 billion, while the ratio of declining counters to gaining ones was about 2.74:One.

Wall Street's falls of Thursday, coupled with the rapid rise in the price of crude oil, internationally, were among the main reasons for the premier stock market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) to continue to drift to lower levels.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 0.39 percent to \$HK127.50 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.36 percent to \$HK70.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.74 percent to \$HK70.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.82 percent to \$HK24.25 per share
CNOOC Ltd (Code: 883)	Up 1.95 percent to \$HK3.925 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.68 percent to \$HK72.50 per share
K. Wah Construction Materials Ltd (Code: 27)	Down 7.14 percent to \$HK6.50 per share
Pearl Oriental Enterprises Ltd (Code: 600)	Down 3.57 percent to \$HK1.08 per share
Huaneng Power International Incorporated (Code: 902)	Down 3.67 percent to \$HK5.25 per share
Hang Seng Bank Ltd (Code: 11)	Unchanged at \$HK105.00 per share

The double-digit movers of the Main Board included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139	10.00		0.033
AEON Stores (Hongkong) Company Ltd	984	12.00		9.80

Bestway International Holdings Ltd	718		18.33	0.049
Capital Prosper Ltd	1003	13.21		0.06
Cheung Tai Hong Holdings Ltd	199	14.29		1.20
China Elegance (Holdings) Ltd	476		10.00	0.09
Emperor (China Concept) Investments Ltd	2955		10.34	1.95
Ezcom Holdings Ltd	312	10.76		0.247
FUJI Food and Catering Services Holdings Ltd	1175	10.99		5.30
Gorient (Holdings) Ltd	729	11.59		0.077
Haywood Investments Ltd	905		12.70	0.055
Interchina Holdings Company Ltd	202	13.27		0.239
Karl Thomson Holdings Ltd	7		10.00	0.27
Mei Ah Entertainment Group Ltd	391	12.50		0.36
Neo-China Group (Holdings) Ltd	563	22.38		0.475
Oriental Explorer Holdings Ltd	430		19.61	0.041
Sino Technology Investments Company Ltd	1217		11.11	0.12
South Sea Holding Company Ltd	680	16.00		0.058
Start Technology Company Ltd	706		14.81	0.23
Sunway International Holdings Ltd	58	16.36		0.32
Swank International Manufacturing Company Ltd	663	11.29		0.069
Universe International Holdings Ltd	1046	11.25		0.089
Victory Group Ltd	1139		16.67	0.10
Wonson International Holdings Ltd	651		14.04	0.049

On The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover continued to be low, at about \$HK39.09 million: The icing had fallen off the gingerbread, to be sure.

The Growth Enterprise Index ended the week at 971.13 points, a one-day loss of about 0.38 percent.

The ratio of losing counters to gaining ones was about 1.47:One.

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

Yantai North Andre Juice Company Ltd (Code: 8259)	Up 2 percent to \$HK1.03 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Unchanged at \$HK17.60 per share
Wumart Stores Incorporated (Code: 8277)	Down 2 percent to \$HK13.40 per share
B.A.L. Holdings Ltd (Code: 8077)	Up 39 percent to 2.50 cents per share
Tianjin Tianlian Public Utilities Company Ltd (Code: 8290)	Down 3 percent to 57 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	14.29		0.056
B.A.L. Holdings Ltd	8079	38.89		0.025
China Advance Holdings Ltd	8117	19.23		0.062
Computech Holdings Ltd	8081		14.29	0.03
Eco-Tek Holdings Ltd	8169	14.42		0.238
Glory Mark Hi-Tech (Holdings) Ltd	8159	10.43		0.18
IIN International Ltd	8128	11.11		0.03
New Chinese Medicine Holdings Ltd	8085	57.14		0.033
Timeless Software Ltd	8028		11.11	0.08
Universal Technologies Holdings Ltd	8091	30.43		0.09
WLS Holdings Ltd	8021	10.34		0.032

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

The Hang Seng Index

Minus 0.59 percent

The Growth Enterprise Index Plus 2.27 percent

To the north of the HKSAR, in The Land of The Rising Sun, there was a bit of a push on the country's 3 equity markets.

On The Tokyo Stock Exchange, a key index, The Nikkei-225 Stock Average, tacked on 80.17 yen, equivalent to about 0.71 percent, ending the 4-day trading week at 11,438.39 yen.

It was the first session in 3 days of trading that Japanese investors had seen rising prices.

Gaining counters outpaced losing ones by the ratio of 1.75:One.

Orders for capital equipment in the private sector, which rose 19.90 percent in November 2004, compared with October's statistics, were said to have been a chief reason for the gains in the value of key indices on The Tokyo Stock Exchange.

News wise

- **Japan's current account surplus** was pared in the month of November 2004 by about 19.30 percent, compared with the like month in 2003, to 1.20 trillion yen, The Finance Ministry announced.

For the 4-day trading week, the tally for the premier equity market of Japan was:

The Nikkei-225 Stock Average Plus 0.05 percent

And, in other Asian equity markets, this was how key indices ended the week of January 14, 2005:

The HKSAR	Minus 0.58 percent to 13,494.78
Indonesia	Minus 0.03 percent to 1,021.34
Japan	Plus 0.71 percent to 11,438.39
Malaysia	Minus 0.47 percent to 929.74
The Philippines	Plus 0.59 percent to 1,876.03
Singapore	Minus 0.30 percent to 2,076.13
South Korea	Plus 2.21 percent to 905.10
Taiwan	Plus 0.61 percent to 5,889.52
Thailand	Plus 1.19 percent to 701.66

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