

INDICES FALL ON INVESTOR DISAPPOINTMENT IN HI-TECHS**Crude Oil Prices On The Rise – Again**

All equity markets of the US were closed, last Monday, while Americans celebrated Martin Luther King Day.

So investors, locked into equity markets, other than those of the US, had to speculate as to what would happen when Wall Street re-opened for business on Tuesday, January 18, 2005.

In Europe, a number of key indices of major bourses made material gains on the first day of trading, last week, reaching for 30-month highs, in some cases.

With trading on the world's largest equity markets of North America, yet to start, European investors took a flyer on some of the former, under-performing counters, listed on the largest stock markets of eurozone.

This was how the indices of 6 of the largest European stock markets performed, last Monday:

Amsterdam's AEX Index	Plus 0.42 percent
Great Britain's FTSE 100 Index	Plus 0.53 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.31 percent
France's CAC 40 Index	Plus 0.69 percent
Switzerland's Swiss Market Index	Plus 0.35 percent
Italy's MIBTEL Index	Plus 0.22 percent

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors went for select blue chips on the Main Board of The Stock Exchange of Hongkong Ltd.

The Main Board's key index, The Hang Seng Index, rose 0.94 percent, ending the first trading day of the week at 13,621.65 points.

The Total Turnover, however, was on the low side, relative to the previous week's volume of activity, at \$HK14.96 billion.

During the previous week, the average daily Turnover was about \$HK20 billion.

The ratio of gaining counters to losing ones was 1.90:One, exactly.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 0.78 percent to \$HK128.50 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.07 percent to \$HK70.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.41 percent to \$HK24.35 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 2.13 percent to \$HK72.00 per share
PetroChina Company Ltd (Code: 857)	Up 1.22 percent to \$HK4.15 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.69 percent to \$HK73.00 per share
Swire Pacific Ltd (Code: 19)	Up 0.42 percent to \$HK60.00 per share
CNOOC Ltd (Code: 883)	Up 2.55 percent to \$HK4.025 per share
Aluminum Corporation of China Ltd (Code: 2600)	Up 5.52 percent to \$HK4.30 per share
Huaneng Power International Incorporated (Code: 902)	Up 1.90 percent to \$HK5.35 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)
139 Holdings Ltd	139	33.33		0.044
Berjaya Holdings (Hongkong) Ltd	288	20.00		0.15
Chia Tai Enterprises International Ltd	121		14.22	0.175
Daqing Petroleum and Chemical Group Ltd	362	11.34		0.54
E2-Capital (Holdings) Ltd	378	12.31		0.73
Fortuna International Holdings Ltd	530		10.42	0.043
GR Investment International Ltd	310		22.58	0.12
Magnificent Estates Ltd	201	29.27		0.159
Millennium Group Ltd	260		12.20	0.072
Neo-China Group (Holdings) Ltd	563		11.58	0.42
Ngai Hing Hong Company Ltd	1047	11.67		0.67
Pearl Oriental Enterprises Ltd	600		12.04	0.95
Premium Land Ltd	164		14.46	0.071
Riche Multi-Media Holdings Ltd	2958	15.49		0.425
Shun Ho Technology Holdings Ltd	219	11.54		0.58
Sino Union Petroleum and Chemical International Ltd	346	23.88		0.249
SMI Corporation Ltd	198	14.46		0.95
Start Technology Company Ltd	706		13.04	0.20
Takson Holdings Ltd	918		22.33	0.16
Victory Group Ltd	1139		16.00	0.084
Wing Lee Holdings Ltd	876	17.02		5.50
Wonson International Holdings Ltd	651		14.29	0.042
Xin Corporation Ltd	1141		14.81	0.046

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the situation did not mirror that of the Main Board: Investors pulled down the key index of this speculative equity market by about one quarter of a percentage point as The Growth Enterprise Index dropped back to 968.72 points.

The Total Turnover of The GEM was about \$HK54.25 million.

Gaining counters, however, outnumbered losing ones by the ratio of 1.28:One.

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

Wumart Stores Incorporated (Code: 8277)	Down 2 percent to \$HK13.15 per share
Convenience Retail Asia Ltd (Code: 8052)	Down 2 percent to \$HK2.80 per share
Yantai North Andre Juice Company Ltd (Code: 8259)	Unchanged at \$HK1.03 per share
B.A.L. Holdings Ltd (Code: 8077)	Up 8 percent to 2.70 cents per share
Panva Gas Holdings Ltd (Code: 8132)	Down 1 percent to \$HK3.40 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Innovis Holdings Ltd	8065		20.63	0.05
Ko Yo Ecological Agrotech (Group) Ltd	8042	12.00		0.28
Longlife Group Holdings Ltd	8037		12.63	0.249
Techpacific Capital Ltd	8088		12.12	0.058
Timeless Software Ltd	8028	10.00		0.088
Universal Technologies Holdings Ltd	8091		11.11	0.08

On Asia's largest equity market, that of The Tokyo Stock Exchange, The Nikkei-225 Stock Average climbed back 48.71 yen, or about 0.43 percent, hitting 11,487.10 yen by the close of the day.

The ratio of advancing counters to declining counters was 2.68:One.

The equity markets of Japan – there are 3 of them, in all – were responding to the previous week's pronouncements by the Japanese Government, which released statistics in respect of orders for capital goods in the private sector. (For details, please see [TARGET Intelligent Report, Volume VII, Number 11](#), published on Monday, January 17, 2005.)

News wise

- **Wholesale prices** in Japan rose by about 1.30 percent in 2004, compared with 2003, The Bank of Japan's Corporate Goods Price Index indicated. Against a base of 100 points in 2000, The Index stood at 96.10 points by the end of 2004. Increases in the price of steel and oil products were a root cause of the increases, The Bank of Japan said.

In other Asian equity markets, this was how those stock markets fared, last Monday:

The HKSAR	Plus 0.94 percent to 13,621.65
Indonesia	Plus 0.35 percent to 1,024.89
Japan	Plus 0.43 percent to 11,487.10
Malaysia	Plus 0.27 percent to 932.26
The Philippines	Plus 1.77 percent to 1,909.18
Singapore	Plus 0.53 percent to 2,087.12
South Korea	Plus 1.99 percent to 923.08
Taiwan	Plus 0.95 percent to 5,945.27
Thailand	Plus 0.95 percent to 708.30

Tuesday

Freezing temperatures in the US was largely responsible for a surge in the price of crude oil on European markets, last Tuesday.

By late afternoon in Europe, oil traders had marked up the price of light sweet crude oil for delivery in February, via electronic trading on The New York Mercantile Exchange (NYMEX), to \$US49.27 per barrel.

It was the highest price since the end of November 2004.

The increase in the price of crude oil tended to put the damper on equity trading on major bourses of eurozone.

This was how indices of major European stock markets fared, last Tuesday:

Amsterdam's AEX Index	Unchanged
Great Britain's FTSE 100 Index	Minus 0.47 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.12 percent
France's CAC 40 Index	Minus 0.16 percent
Switzerland's Swiss Market Index	Minus 0.38 percent
Italy's MIBTEL Index	Minus 0.04 percent

But, in the US, there was a major correction on The NYMEX, as selling pressure pushed down the price of light sweet crude oil for delivery in February back to \$US48.38 per barrel, that price, being unchanged from the previous Friday's level.

As for delivery in March, the price of light sweet crude oil was last settled at \$US48.48 per barrel, equivalent to a reduction of about one tenth of a percentage point on the previous Friday's close.

On The New York Stock Exchange, the first day of trading of the week, last Tuesday, saw the Dow Jones Industrial Average put on 70.79 points, or about 0.68 percent, ending the session at 10,500.58 points.

On The NASDAQ, its Composite Index gained about 0.86 percent, rising to 2,106.04 points.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors appeared to have lost much of their appetite for investing in stocks and shares, at least, for the time being.

By the time that trading came to a halt on The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index was off by about 0.13 percent, at 13,604.22 points.

The Total Turnover was about \$HK17.07 billion.

Gaining counters outnumbered losing ones by the slim ratio of about 1.04:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 0.39 percent to \$HK128.00 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.35 percent to \$HK71.00 per share
PetroChina Company Ltd (Code: 857)	Up 1.20 percent to \$HK4.20 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.68 percent to \$HK72.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.41 percent to \$HK24.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.35 percent to \$HK71.75 per share
China Telecom Corporation Ltd (Code: 728)	Up 1.77 percent to \$HK2.875 per share
Aluminum Corporation of China Ltd (Code: 2600)	Up 1.74 percent to \$HK4.375 per share
China Life Insurance Company Ltd (Code: 2628)	Up 0.94 percent to \$HK5.35 per share
K. Wah Construction Materials Ltd (Code: 27)	Up 10.17 percent to \$HK6.50 per share

The Main Board's double-digit movers included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Everbright International Ltd	257	11.11		0.55
China Force Oil and Grains Industrial Holdings Company Ltd	1194	11.76		1.14
Climax International Company Ltd	439	24.24		0.041
Dickson Group Holdings Ltd	313		10.87	0.041
Hopson Development Holdings Ltd	754	21.43		3.40
HyComm Wireless Ltd	499		10.31	0.087
ING Beijing Investment Company Ltd	1062	17.28		0.95
ITC Corporation Ltd	372	19.48		0.92
K. Wah Construction Materials Ltd	27	10.17		6.50
Leeport (Holdings) Ltd	387	21.50		1.30
Man Yue International Holdings Ltd	894		10.00	0.45
Northern International Holdings Ltd	736	11.11		0.03
Oriental Explorer Holdings Ltd	430	15.91		0.051
Peaktop International Holdings Ltd	925	10.49		0.158
Regent Pacific Group Ltd	575	13.79		0.33
REXCAPITAL Financial Holdings Ltd	555		12.50	0.042
Same Time Holdings Ltd	451	13.71		3.525
Sino Union Petroleum and Chemical International Ltd	346		10.84	0.222
South China Brokerage Company Ltd	619	11.11		0.08
Star Cruises Ltd	678	10.87		2.55
Sunlink International Holdings Ltd	2336		17.50	0.066
Victory Group Ltd	1139	11.90		0.094
Wonson International Holdings Ltd	651	19.05		0.05
Zhong Hua International Holdings Ltd	1064		20.63	0.10

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the prices of many counters did not move at all, last Tuesday. Many counters saw no action.

The Growth Enterprise Index, the lone index of The GEM, ended the session at 968.08 points, a loss of about 0.07 percent on Monday's closing level.

The Total Turnover was about \$HK62.36 million, while the ratio of advancing counters to losing ones was about 1.11:One.

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

Yantai North Andre Juice Company Ltd (Code: 8259)	Down 4 percent to 99 cents per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Up 2 percent to \$HK18.00 per share
Panva Gas Holdings Ltd (Code: 8132)	Unchanged at \$HK3.40 per share
Wumart Stores Incorporated (Code: 8277)	Unchanged at \$HK13.10 per share
Sau San Tong Holdings Ltd (Code: 8200)	Up 3 percent to 72 cents per share

But the biggest movers of The GEM, last Tuesday, were reserved for the following counters:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGL MediaTech Holdings Ltd	8192	16.67		0.063
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231	11.11		0.30
G.A. Holdings Ltd	8126		11.39	0.07
Glory Future Group Ltd	8071	63.16		0.031
iSteelAsia Holdings Ltd	8080	17.24		0.034
Ko Yo Ecological Agrotech (Group) Ltd	8042		10.71	0.25
Lang Chao International Ltd	8141	19.05		0.375
Q9 Technology Holdings Ltd	8129		18.18	0.036
T S Telecom Technologies Ltd	8003		36.67	0.038

On Asia's largest equity market, that of The Tokyo Stock Exchange, the situation was similar to that of the 2 equity markets of the HKSAR.

A key index of The Tokyo Stock Exchange, The Nikkei-225 Stock Average, lost 63.84 yen, equivalent to about 0.56 percent, ending the quiet trading day at 11,423.26 yen.

Losing counters swamped gaining ones by the ratio of about 2.57:One.

It was apparent that Asia's dominant equity market had run out of steam.

In other Asian equity markets, this was how the chief indices closed, last Tuesday:

The HKSAR	Minus 0.13 percent to 13,604.22
Indonesia	Minus 0.70 percent to 1,017.73
Japan	Minus 0.56 percent to 11,423.26
Malaysia	Plus 0.57 percent to 937.56
The Philippines	Minus 0.20 percent to 1,905.45
Singapore	Minus 0.14 percent to 2,084.19
South Korea	Minus 0.27 percent to 920.57
Taiwan	Minus 0.20 percent to 5,933.57
Thailand	Plus 0.18 percent to 709.55

Wednesday

Various departments of the US Government came out with conflicting reports, last Wednesday, but they all were suggestive of a gathering pace of inflation in the world's only superpower.

The Bureau of Labour Statistics, a branch of the US Department of Labour, was the most prolific of all US Government departments in making public its most recent findings.

In respect of real earnings in the US, this department stated:

'REAL EARNINGS IN DECEMBER 2004

'Real verage weekly earnings rose by 0.5 percent from November to December after seasonl adjustment ... This was due to a 0.1 percent increase in average hourly earnings, a 0.3 percent rise in average weekly hours, and a 0.1 percent decrease in the Consumer Price Index for Urban Wage Earners and Clerical Workers

'Averge weekly earnings rose by 3.3 percent, seasonally adjusted, from December 2003 to December 2004... Before adjustment for seasonal change and inflation, average weekly earnings were \$537.08 in December 2004, compared with \$520.13 a year earlier ...'.

With regard to The Consumer Price Index for the month of December 2004, The Bureau of Labour Statistics released the following:

'CONSUMER PRICE INDEX: DECEMBER 2004

'The Consumer Price Index for All Urban Consumers (CPI-U) decreased 0.4 percent in December, before seasonal adjustment ... The December level of 190.3 (1982-84=100) was 3.3 percent higher than in December 2003.

'The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) also decreased 0.4 percent in December, prior to seasonal adjustment. The December level of 186.0 was 3.4 percent higher than in December 2003.

'The Chained Consumer Price Index for All Urban Consumers (C-CPI-U) declined 0.4 percent in December on a not seasonally adjusted basis. The December level of 110.7 (December 1999=100) was 2.9 percent higher than in December 2003...

'CPI for All Urban Consumers (CPI-U)

'On a seasonally adjusted basis, the CPI-U decreased 0.1 percent in December, following an increase of 0.2 percent in November. The index for food was unchanged in December, with the index for food at home down 0.2 percent. Energy costs fell 1.8 percent in December, following a 0.2 percent increase in November. A 3.7 percent decline in the index for petroleum-based energy more than offset a 0.4 percent increase in the index for energy services. The index for all items less food and energy increased 0.2 percent in December, the same as in each of the preceding two months... '.

Then, from the US Federal Reserve Board, it was announced that US economic activity had continued to increase from late November 2004 throughout early January 2005.

In respect of consumer spending, The Fed said that it was generally higher in the 6 weeks that it recently surveyed, relative to the previous 6-week period.

These statistics were compiled in what has come to be known as The Beige Book, the name of this periodical, taken from the colour of its cover.

On The New York Stock Exchange, some disappointing corporate news from merchant banker, JPMorgan Chase and Company, and from drug maker, Pfizer Incorporated, put the skids under a number of counters, last Wednesday.

The blue-chip gauge of the world's largest equity market, the Dow Jones Industrial Average, lost about 0.84 percent of its value, falling back to 10,539.97 points.

The Composite Index of The NASDAQ shed about 1.54 percent of its value, dropping to 2,073.59 points.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for February delivery eased back to \$US47.55 per barrel, off 1.72 percent on Tuesday's last settlement price.

As for March delivery, the last settlement price was \$US47.86 per barrel, down about 1.28 percent on Tuesday's last quoted price.

News wise

- **American Airlines and Southwest Airlines**, 2 of the largest carriers in the US, have both blamed the high price of fuel oil for their disappointing quarterly results. American Airlines said that it lost \$US387 million in the 4th quarter of 2004 and Southwest Airlines said that it noted a 15-percent fall, Year-on-Year, in its 4th quarter of 2004, which came in at a Net Profit of about \$US56 million.

Disappointment with regard to the financial results of some of Wall Street's 'darlings' plus indications that key indices on The New York Stock Exchange were about to go into reverse gear tended to depress share prices throughout Europe, last Wednesday.

Also, news of General Motors's losses at its European division did not help matters in respect of equity trading in eurozone.

General Motors announced that its Net Profits were off about 37 percent in the final quarter of 2004, compared with like period one year earlier, due to losses at its European plants.

This was how indices of major European bourses fared, last Wednesday:

Amsterdam's AEX Index	Minus 0.07 percent
Great Britain's FTSE 100 Index	Minus 0.11 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.12 percent
France's CAC 40 Index	Minus 0.15 percent
Switzerland's Swiss Market Index	Plus 0.17 percent
Italy's MIBTEL Index	Plus 0.41 percent

In Asia, it was a mixed bag, with some equity markets, chalking up fractional gains, while others lost ground.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the territory's 2 equity markets were marked with fractional changes on key indices.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about 0.55 percent, ending the session at 13,678.63 points.

The Total Turnover was about \$HK18.22 billion.

Gaining counters outnumbered losing ones by the ratio of 1.50:One, exactly.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 0.78 percent to \$HK129.00 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.06 percent to \$HK71.75 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.69 percent to \$HK73.00 per share
PetroChina Company Ltd (Code: 857)	Up 1.19 percent to \$HK4.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.82 percent to \$HK24.45 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.35 percent to \$HK72.00 per share
K. Wah Construction Materials Ltd (Code: 27)	Up 10.00 percent to \$HK7.15 per share
Yanzhou Coal Mining Company Ltd (Code:1171)	Unchanged at \$HK11.20 per share
Yue Yuen Industrial (Holdings) Ltd (Code: 551)	Down 5.50 percent to \$HK20.60 per share
China Unicom Ltd (Code: 762)	Up 4.35 percent to \$HK6.00 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139		10.00	0.036
Anex International Holdings Ltd	723		10.89	0.09
Asia Tele-Net and Technology Corporation Ltd	679	13.56		0.335
Berjaya Holdings (Hongkong) Ltd	288		12.50	0.14
City e-Solutions Ltd	557	14.67		0.86
Climax International Company Ltd	439		12.20	0.036
China Northern Enterprises Investment Fund Ltd	2324	13.64		0.50
e-Kong Group Ltd	524		13.33	0.13
Far East Technology International Ltd	36	13.33		0.34
Gay Giano International Group Ltd	686	12.03		0.27
Get Nice Holdings Ltd	64	22.81		3.50
Great China Holdings Ltd	141	10.81		0.41
Hon Po Group (Lobster King) Ltd	228	23.94		0.088
Hopefluent Group Holdings Ltd	733	12.14		1.57
Huabao International Holdings Ltd	336	21.21		1.20
K. Wah Construction Materials Ltd	27	10.00		7.15
Ngai Lik Industrial Holdings Ltd	332	13.52		2.225
Northern International Holdings Ltd	736	10.00		0.033

Oriental Explorer Holdings Ltd	430		13.73	0.044
Pioneer Global Group Ltd	224	14.29		0.40
Quam Ltd	952	34.02		0.65
Ruili Holdings Ltd	2950	11.11		0.55
Starlight International Holdings Ltd	485	11.11		0.70
Start Technology Company Ltd	706	50.94		0.32
UDL Holdings Ltd	620	26.32		0.048
Upbest Group Ltd	335		13.87	1.49
Zhong Hua International Holdings Ltd	1064		22.00	0.078

On The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, this speculative market was dominated by trading in the shares of Cyber On-Air Group Company Ltd (Code: 8118).

Trading in this one counter accounted for about 83 percent of the total volume of activity, amounting to about \$HK405.33 million. (Please see table below)

Losing counters outnumbered gaining ones by the ratio of about 1.19:One.

The Growth Enterprise Index ended the session at 972.31 points, up about 0.44 percent on the day.

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

Cyber On-Air Group Company Ltd (Code: 8118)	Down 14 percent to \$HK8.85 per share
Launch Tech Company Ltd (Code: 8196)	Unchanged at \$HK1.70 per share
Panva Gas Holdings Ltd (Code; 8132)	Up 2 percent to \$HK3.475 per share
Yantai North Andre Juice Company Ltd (Code: 8259)	Down 2 percent to 97 cents per share
Wumart Stores Incorporated (Code: 8277)	Down 1 percent to \$HK13.00 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Cyber On-Air Group Company Ltd	8118		13.66	8.85
Glory Future Group Ltd	8071		16.13	0.026
iSteelAsia Holdings Ltd	8080		17.64	0.028
M Channel Corporation Ltd	8036	23.81		0.026
M Dream Inworld Ltd	8100	15.00		0.023
Mudan Automobile Shares Company Ltd	8188		10.00	0.36
Q9 Technology Holdings Ltd	8129	11.11		0.04
Soluteck Holdings Ltd	8111	15.38		0.075
Techpacific Capital Ltd	8088		28.57	0.04

Trading on Asia's largest equity market, that of The Tokyo Stock Exchange, was especially quiet.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average lost 17.92 yen, equivalent to about 0.16 percent, coming to rest at dinner time at 11,405.34 yen.

Advancing counters were ahead of declining ones by the ratio of about 1.05:One.

On other Asian equity markets, this was how their respective indices ended, last Wednesday:

The HKSAR	Plus 0.55 percent to 13,678.63
Indonesia	Plus 0.99 percent to 1,027.81
Japan	Minus 0.16 percent to 11,405.34
Malaysia	Minus 0.22 percent to 935.53
The Philippines	Plus 2.17 percent to 1,946.89
Singapore	Plus 0.63 percent to 2,097.39
South Korea	Minus 0.47 percent to 916.27
Taiwan	Minus 0.64 percent to 5,895.35

Thailand	Minus 0.07 percent to 709.03
----------	------------------------------

Thursday

More disappointing corporate news, mainly from hi-tech companies, flooded trading floors in the US, last Thursday, causing key indices to fall in quick succession.

On The New York Stock Exchange, the Dow Jones Industrial Average shed another 68.50 points, or about 0.65 percent, falling to 10,471.47 points.

On the tech-laden NASDAQ, its Composite Index surrendered another 1.34 percent of its value, ending the day at 2,045.88 points.

Internet counters took the brunt of investors' wrath, following a financial report from eBay Incorporated, the online auctioneer, which did not live up to expectations.

Investor sourness in respect of eBay's report infected other counters in similar, or aligned, businesses.

The share price of eBay was off a full 19 percent on the day.

The falls in the value of stocks and shares on US equity market was in spite of the price of crude oil, dropping once again.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in February fell about 1.34 percent to \$US46.91 per barrel.

As for March delivery, the price of light sweet crude oil was marked down to \$US47.31 per barrel, off about 1.14 percent on Wednesday's closing level._

News wise

- **Delta Air Lines** said that its 4th quarter loss was about \$US2.20 billion, due in large part to increases in fuel bills and intense fare competition. Delta is the 3rd largest carrier in the US. (Please, also, refer to Wednesday's report on **American Airlines and Southwest Airlines**)

From one part of the globe to the other, it appeared that it was bad news for investors.

In eurozone, the problems in that part of the world were varied and very real, ranging from known problems in the US , where hi-tech counters on Wall Street were under siege, to parochial problems with regard to homegrown industries, many of which were missing more than one beat.

The technology sector of major European bourses fell to their lowest levels since October 2004, according to TARGET's statistics.

A profits' warning from the dominant handset maker in Finland, Perlos, was all that it took to put the finishing touches on the rout.

Every index of every major bourse fell, last Thursday:_

Amsterdam's AEX Index	Minus 0.33 percent
Great Britain's FTSE 100 Index	Minus 0.36 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.59 percent
France's CAC 40 Index	Minus 0.68 percent
Switzerland's Swiss Market Index	Minus 0.24 percent
Italy's MIBTEL Index	Minus 0.11 percent

Asian equity markets, by and large, were off big time.

With Wall Street, having been in retreat on Wednesday, investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) saw no reason to go against the grain on Thursday.

The Hang Seng Index, the key gauge to trading in blue chips on the Main Board of The Stock Exchange of Hongkong Ltd, dropped back about 0.99 percent, ending the session at 13,543.59 points.

The Total Turnover was about \$HK19.60 billion, with the ratio of losing counters to gaining ones, being 2.95:One, exactly.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 1.16 percent to \$HK127.50 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.70 percent to \$HK71.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 2.08 percent to \$HK70.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.43 percent to \$HK24.10 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.68 percent to \$HK72.50 per share
China Unicom Ltd (Code: 762)	Up 5.00 percent to \$HK6.30 per share
Get Nice Holdings Ltd (Code: 64)	Down 8.57 percent to \$HK3.20 per share
Haier-CCT Holdings Ltd (Code: 1169)	Down 17.74 percent to \$HK0.255 per share
Medtech Group Company Ltd (Code: 1031)	Down 10.19 percent to \$HK0.485 per share
CITIC Pacific Ltd (Code: 267)	Up 4.23 percent to \$HK22.20 per share

The biggest movers on the Main Board included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Chia Tai Enterprises International Ltd	121	16.47		0.198
China Strategic Holdings Ltd	235	11.11		0.60
E2-Capital (Holdings) Ltd	378	10.67		0.83
Emperor Entertainment Hotel Ltd	296		13.04	1.60
Far East Technology International Ltd	36		11.76	0.30
Haier-CCT Holdings Ltd	1169		17.74	0.255
Hon Po Group (Lobster King) Ltd	228		11.36	0.078
INNOMAXX Biotechnology Group Ltd	340		12.73	0.192
ITC Corporation Ltd	372	21.74		1.12
Kingway Brewery Holdings Ltd	124	19.32		2.625
Medtech Group Company Ltd	1031		10.19	0.485
Neo-China Group (Holdings) Ltd	563		15.66	0.35
Pioneer Global Group Ltd	224	10.00		0.44
Pyxis Group Ltd	516	11.54		0.058
Quam Ltd	952		20.00	0.52
Sino Union Petroleum and Chemical International Ltd	346	14.86		0.255
Sky Hawk Computer Group Holdings Ltd	1129	11.61		0.125
Sunlink International Holdings Ltd	2336	21.21		0.08
Water Oasis Group Ltd	1161		16.87	0.345
Zida Computer Technologies Ltd	859		13.08	0.113

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index just managed to squeak through with a gain of 0.09 percent, ending the session at 973.15 points.

But the ratio of gainers and losers told a different story: Declining counters outran advancing ones by the ratio of about 1.37:One.

The Total Turnover on this speculative market was about \$HK75.38 million.

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

Wumart Stores Incorporated (Code: 8277)	Down 3 percent to \$HK12.55 per share
Launch Tech Company Ltd (Code: 8196)	Up 5 percent to \$HK1.78 per share
Phoenix Satellite Television Holdings Ltd (Code: 8002)	Up 7 percent to \$HK1.47 per share
Cyber On-Air Group Company Ltd (Code: 8118)	Down 3 percent to \$HK8.35 per share
Yantai North Andre Juice Company Ltd (Code: 8259)	Up 1 percent to 98 cents per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Ltd	8061	15.38		0.30
AGL MediaTech Holdings Ltd	8192	10.29		0.075
Jiangsu Nandasoft Company Ltd	8045		13.64	0.285
Mobile Telecom Network (Holdings) Ltd	8266	14.81		0.31
Techpacific Capital Ltd	8088	50.00		0.06

For the 3rd consecutive day, key indices of Japanese stock markets suffered losses.

Wall Street's losses of Wednesday and poor to middling financial results from key corporate players in The Land of The Rising Sun all contributed to the falls in the prices of stocks and shares, listed on Japan's 3 equity markets.

And when Sony Corporation announced that it fully expected a fall in its Operating Profits of about 31 percent for its Current Financial Year, compared with 2004, it was sufficient to oil the skids under skittish stocks and shares.

The Nikkei-225 Stock Average, a key index of The Tokyo Stock Exchange, fell 120.57 yen, equivalent to about 1.06 percent, falling back to 11,284.77 yen.

Losing counters outnumbered gaining ones by the ratio of 4.71:One.

News wise

- In its January report, **The Bank of Japan** said that the economy of the country was slightly weaker. The monthly Report of Recent Economic and Financial Development cited '*greater-than-anticipated adjustments in production and inventories of IT-related goods*' as one of the key reasons for the weaker economy.

In other Asian equity markets, this was how they fared, last Thursday:

The HKSAR	Minus 0.99 percent to 13,543.59
Indonesia	Plus 0.77 percent to 1,035.75
Japan	Minus 1.06 percent to 11,284.77
Malaysia	Minus 0.62 percent to 929.72
The Philippines	Plus 0.51 percent to 1,956.82
Singapore	Minus 0.57 percent to 2,085.39
South Korea	Minus 0.75 percent to 909.37
Taiwan	Minus 0.12 percent to 5,888.10
Thailand	Minus 0.30 percent to 706.90

Friday

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for March delivery rose 1.22 percent on Thursday's last settlement price to end the week at \$US48.53 per barrel.

For delivery in April, the settlement price of light sweet crude oil was \$US47.26 per barrel.

The price of crude oil on international markets was on the move, again, of that there was little question.

Freezing temperatures in North America was a contributing factor in the run-up of the price of the black ooze, but there was, also, a confirmed report that importations of crude oil by the People's Republic of China (PRC) had been up in the month of December 2004 by about 35 percent, Year-on-Year, to 12.10 million tonnes.

It was a record level for oil imports into the most populous country of the world.

The PRC, by its December data, became the world's second-largest consumer of crude oil, the US, still being in the Number One position.

Europe's equity markets ended the week of January 21, 2005, on a rather weak note as speculation heightened that the US Federal Reserve Board would raise interest rates again when it holds its Open Market Committee Meeting in the first week of February.

The prospects of higher crude oil prices also dogged equity markets.

And, in addition, investors in this part of the world were very concerned that more telecommunications companies, and companies, supplying hi-tech products to Internet companies and telecommunications providers, would relate stories of doom and gloom with regard to future profitability.

This was how indices of major European bourses came to a close, last Friday:

Amsterdam's AEX Index	Plus	0.22 percent
Great Britain's FTSE 100 Index	Plus	0.05 percent
Germany's Frankfurt XETRA DAX Index	Minus	0.15 percent
France's CAC 40 Index	Plus	0.30 percent
Switzerland's Swiss Market Index	Plus	0.02 percent
Italy's MIBTEL Index	Plus	0.24 percent

On The New York Stock Exchange, the Dow Jones Industrial Average lost 78.48 points, equivalent to about three quarters of a percentage point, coming to rest at 10,392.99 points by the close of the day.

On The NASDAQ, its Composite Index lost 11.61 points, or about 0.57 percent, the trading session of last Friday, ending at 2,034.27 points.

For the 4-day trading week, this was how the indices of the 2 largest equity markets of the world fared:

The Dow Jones Industrial Average	Minus	0.35 percent
The NASDAQ's Composite Index	Minus	2.57 percent

In the Hongkong Special Administrative Region (HKSAR) of the PRC, concern was continuing to be felt in respect of the prospects for higher interest rates in the coming fortnight.

The relatively weaker US dollar vis-à-vis the euro and the Japanese yen was, also, a bearish factor for investors of the territory because the Hongkong dollar, the rate of which is fixed to the US dollar at \$HK7.80=\$US1, causes a lowering of margins of profits for exports from both the PRC, proper, and the HKSAR.

Meanwhile, earnings from US-denominated investments are lower because of foreign-exchange translation considerations.

Generally, investment sentiment was weak in the HSKAR, last Friday, and would, most likely continue to be so until after the Open Market Committee Meeting of The Fed.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index shed about 0.46 percent of its value, ending the week at 13,481.02 points.

The Total Turnover fell to about \$HK15.88 billion, while the ratio of losing counters to gaining ones was about 2.80:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK127.50 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.40 percent to \$HK70.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.04 percent to \$HK23.85 per share
China Netcom Group Corporation (Hongkong) Ltd (Code: 906)	Up 1.34 percent to \$HK11.35 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.35 percent to \$HK70.25 per share
Hang Lung Properties Ltd (Code: 101)	Down 1.34 percent to \$HK11.05 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.38 percent to \$HK71.50 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 1.05 percent to \$HK14.20 per share
K. Wah Construction Materials Ltd (Code: 27)	Up 12.60 percent to \$HK8.050 per share
PCCW Ltd (Code: 8)	Down 1.60 percent to \$HK4.625 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
-----------------	------	--------------	--------------	----------------------

Cheung Tai Hong Holdings Ltd	199	19.64		1.34
China Treasure (Greater China) Investments Ltd	810	18.75		0.19
Gorient (Holdings) Ltd	729	22.08		0.094
Great China Holdings Ltd	141		13.41	0.355
Guangdong Tannery Ltd	1058		13.88	0.211
Haywood Investments Ltd	905	25.00		0.065
Herald Holdings Ltd	114	14.29		0.80
Hua Lien International (Holding) Company Ltd	969	10.34		0.32
INNOMAXX Biotechnology Group Ltd	340		11.98	0.169
ITC Corporation Ltd	372	21.43		1.36
Kingway Brewery Holdings Ltd	124	17.14		3.075
Multifield International Holdings Ltd	898		16.42	0.112
Neo-China Group (Holdings) Ltd	563	10.00		0.385
Oriental Explorer Holdings Ltd	430	18.60		0.051
Premium Land Ltd	164		13.43	0.058
Pyxis Group Ltd	516		13.79	0.05
Quam Ltd	952	15.38		0.60
Ruili Holdings Ltd	491		11.22	0.435
Sino Union Petroleum and Chemical International Ltd	346	15.69		0.295
South China Brokerage Company Ltd	619	21.95		0.10
Y.T. Realty Group Ltd	75	11.83		1.04

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

The Growth Enterprise Index lost about 0.23 percent of its value, falling back to 970.90 points on a Total Turnover of about \$HK58.33 million.

The ratio of losing counters to gaining ones was about 1.53:One.

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

Wumart Stores Incorporated (Code: 8277)	Up 1 percent to \$HK12.70 per share
Yantai North Andre Juice Company Ltd (Code: 8259)	Down 3 percent to 95 cents per share
TOM Online Incorporated (Code: 8282)	Down 6 percent to \$HK1.19 per share
Phoenix Satellite Television Holdings Ltd (Code: 8002)	Down 1 percent to \$HK1.45 per share
B.A.L. Holdings Ltd (Code: 8079)	Down 19 percent to 2.20 cents per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGL MediaTech Holdings Ltd	8192		40.00	0.045
B and S Entertainment Holdings Ltd	8167	10.29		0.075
B.A.L. Holdings Ltd	8079		18.52	0.022
IIN International Ltd	8128		16.67	0.025
Launch Tech Company Ltd	8196	10.67		1.97
New Universe International Group Ltd	8068		10.00	0.036
Qianlong Technology International Holdings Ltd	8015	13.21		0.30
Stockmartnet Holdings Ltd	8123		14.81	0.023
T S Telecom Technologies Ltd	8003	27.03		0.047
Techpacific Capital Ltd	8088	16.67		0.07
Zhejiang Yonglong Enterprises Company Ltd	8211	12.03		0.27

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

The Hang Seng Index	Minus 0.10 percent
The Growth Enterprise Index	Minus 0.02 percent

It was the 4th consecutive trading day of losses on Japan's 3 equity markets, last Friday.

If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to editor@targetnewspapers.com or targnews@hkstar.com. TARGET does not

guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.

 [Site Meter](#)