

**OIL PRICES HEAD BACK TO THE \$US50 PER-BARREL LEVEL:
EQUITY MARKETS STUMBLE**

Hi-tech counters went into something of a free-fall on the world's largest equity markets, last Monday, as one Wall Street *'darling'* after another warned of hard times to come.

A number of the European counterparts of US, hi-tech companies, also, issued warnings.

In addition, a blizzard struck the eastern area of North America, causing crude oil prices to rise materially on international markets.

On The New York Stock Exchange, the Dow Jones Industrial Average gave up 24.38 points, or about 0.23 percent, falling back to 10,368.61 points.

On The NASDAQ, its Composite Index surrendered 25.57 points, equivalent to about 1.26 percent, ending the choppy session at 2,008.70 points.

It was the 4th consecutive session of losses for these huge equity markets.

For The Dow, last Monday's close was its lowest level since November 4, 2004, and, for the Composite Index of The NASDAQ, it was standing at its lowest point since November 3, 2004.

News of the results of the first major storm of the year to hit northeastern America, the previous Sunday, a storm, said to be among the worst in the past century, one which dumped more than 3 feet of snow in some areas, caused oil prices to jump in electronic trading on The New York Mercantile Exchange (NYMEX), early last Monday.

As the price of light sweet crude oil rose to more than \$US49 per barrel, many investors ran for cover in Europe .

Oil-producers and suppliers of crude oil benefitted from the news of the intense cold weather to hit the northern part of America, but, other than oils, investors, locked into European equity markets, were hesitant as to the direction to take.

And so indices of major bourses marked time:

Amsterdam's AEX Index	Unchanged
Great Britain's FTSE 100 Index	Plus 0.19 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.28 percent
France's CAC 40 Index	Minus 0.14 percent
Switzerland's Swiss Market Index	Plus 0.04 percent
Italy's MIBTEL Index	Minus 0.51 percent

At the conclusion of trading on The NYMEX, last Monday, the price of light sweet crude oil for delivery in March, after hitting \$US49 per barrel, eased back to close out the day at \$US48.91 per barrel.

The closing level represented a gain of about 0.58 percent on the last settlement price of the previous Friday.

As for April delivery, the price of light sweet crude oil rose to \$US48.93 per barrel, up 3.53 percent, compared with the close on Friday, January 21, 2005.

The increase in the price of crude oil was in anticipation of higher demand for heating oil in areas of North America, which had suffered from the severe cold weather – and continued to suffer from the big freeze.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), on confirmation, reaching the territory, that crude oil prices had hit \$US49 per barrel in electronic trading on The NYMEX, investors sought the refuge of banks rather than equities.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index lost about 0.70 percent of its value, ending the day at 13,386.99 points.

The Total Turnover dropped to about \$HK16.40 billion, with losing counters, outnumbering gaining ones by the ratio of 2.88:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 0.39 percent to \$HK127.00 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.78 percent to \$HK69.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.71 percent to \$HK69.75 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 2.80 percent to \$HK69.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.68 percent to \$HK23.45 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 0.35 percent to \$HK14.15 per share
Perfectech International Holdings Ltd (Code: 765)	Unchanged at \$HK4.20 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 1.05 percent to \$HK14.20 per share
PCCW Ltd (Code: 8)	Down 3.24 percent to \$HK4.475 per share
China Life Insurance Company Ltd (Code: 2628)	Down 1.90 percent to \$HK5.15 per share

The double-digit movers of the Main Board included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Capital Strategic Investment Ltd	497	10.84		0.92
Cheung Tai Hong Holdings Ltd	199		12.69	1.17
City e-Solutions Ltd	557		10.59	0.76
EC-Founder (Holdings) Company Ltd	618	15.38		0.30
First Dragoncom Agro-Strategy Holdings Ltd	875		11.11	0.04
First Tractor Company Ltd	38	16.83		1.18
Fulbond Holdings Ltd	1041		12.00	0.022
Get Nice Holdings Ltd	64		14.62	2.775
Great China Holdings Ltd	141	35.21		0.48
Greater China Holdings Ltd	431	15.00		0.345
Hua Lien International (Holding) Company Ltd	969		18.75	0.26
ITC Corporation Ltd	372		15.44	1.15
Kingway Brewery Holdings Ltd	124		10.57	2.75
Kwoon Chung Bus Holdings Ltd	306	10.00		1.54
Medtech Group Company Ltd	1031		14.74	0.405
Nam Fong International Holdings Ltd	1176		12.07	0.102
Premium Land Ltd	164		10.34	0.052
Pricerite Group Ltd	996	10.61		0.365
Regent Pacific Group Ltd	575		10.61	0.295
renren Holdings Ltd	59		10.53	0.017
Ruili Holdings Ltd	491		12.64	0.38
Shun Cheong Holdings Ltd	650		10.00	0.27
South China Brokerage Company Ltd	619	59.00		0.159
Starbow Holdings Ltd	397	10.53		0.063
Start Technology Company Ltd	706		12.50	0.28
Zida Computer Technologies Ltd	859	23.89		0.14

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, investors marked down The Growth Enterprise Index by about 0.39 percent, during the morning session, but short-covering resulted in the lone index of this speculative market, rising in the 90-minute afternoon session, beating off the morning session's bears.

By the close of the day, The Growth Enterprise Index stood at 973.76 points, a one-day gain of about 0.30 percent, compared with the previous Friday's close.

The Total Turnover on this market was about \$HK54.67 million.

Declining counters outpaced advancing ones by the ratio of 1.08:One.

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

Golden Meditech Company Ltd (Code: 8180)	Up 4 percent to \$HK1.89 per share
TOM Online Incorporated (Code: 8282)	Up 3 percent to \$HK1.16 per share
Yantai North Andre Juice Company Ltd (Code: 8259)	Up 3 percent to 98 cents per share
Launch Tech Company Ltd (Code: 8196)	Up 9 percent to \$HK2.15 per share
Sau San Tong Holdings Ltd (Code: 8200)	Down 1 percent to 74 cents per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Advanced Card Systems Holdings Ltd	8210		11.43	0.062
AGL MediaTech Holdings Ltd	8192		17.78	0.037
Argos Enterprise (Holdings) Ltd	8022	17.71		0.113
Changmao Biochemical Engineering Company Ltd	8208	14.71		0.39
ePRO Ltd	8086		23.53	0.013
Jiangsu Nandasoft Company Ltd	8045	10.34		0.32
Qianlong Technology International Holdings Ltd	8015	13.33		0.34
T S Telecom Technologies Ltd	8003	12.77		0.053
Timeless Software Ltd	8028		15.66	0.07
Town Health International Holdings Company Ltd	8138		14.63	0.035
Vodatel Networks Holdings Ltd	8033	15.25		0.34

On the largest equity market of Asia, that of The Tokyo Stock Exchange, an early sell-off frightened off quite a number of Japanese investors, initially, but subsequent buying of select blue chips, especially of banking counters, lifted key indices by the close of the day.

By the time that dinner rolled around, The Nikkei-225 Stock Average had recorded a gain of 51.12 yen, equivalent to about 0.45 percent, ending the day at 11,289.49 yen.

But hi-tech stocks were punished, severely, last Monday, following on from the profit warning of Sony Corporation of the previous week. (Please see **TARGET** Intelligence Report, Volume VII, Number 16, published on Monday, January 24, 2005)

The ratio of gainers to losers was 2.18:One.

News wise

- **Machine-tool orders**, placed with Japanese manufacturers, were at a 14-year high in 2004, The Japan Machine Tool Builders' Association reported.

In other Asian equity markets, this was how the indices of those markets fared, last Monday:

The HKSAR	Minus 0.70 percent to 13,386.99
Indonesia	Minus 0.49 percent to 1,030.72
Japan	Plus 0.45 percent to 11,289.49
Malaysia	Minus 0.69 percent to 923.33
The Philippines	Plus 1.38 percent to 2,015.25
Singapore	Minus 0.53 percent to 2,074.24
South Korea	Plus 0.38 percent to 923.11
Taiwan	Minus 1.32 percent to 5,771.48

Tuesday

The price of light sweet crude oil for delivery in March shot up to \$US49.64 per barrel on The New York Mercantile Exchange (NYMEX), last Tuesday.

That price represented an increase of about 1.49 percent on the last settlement price of Monday.

For delivery in April, the price for a barrel of light sweet crude oil was last settled at \$US49.80, up 87 cents per barrel, or about 1.78 percent.

The hike in the price of crude oil was due to the continued cold snap that had hit the northeastern part of the US. (Please see Monday's report)

Despite the run-up in the price of crude oil on international markets, Wall Street investors appeared to be unperturbed.

On Wall Street, the world's 2 largest equity markets put on a show of strength, resulting in indices, recovering much of Monday's losses.

The Dow Jones Industrial Average, the blue-chip gauge of The New York Stock Exchange, gained 92.95 points, or about 0.90 percent, rising to 10,461.56 points.

Over on The NASDAQ, its Composite Index rose about 0.56 percent, ending the session at 2,019.95 points.

While some pundits suggested that the gains of last Tuesday were due, in part at least, to a handful of bullish statements from some of the health-care companies, there was also the suggestion that the gains were, merely, short covering and a squaring of books.

European bourses, generally, saw their indices rise on the back of some mildly promising news from major insurance companies in the region.

The gains in Europe, however, were only of a fractional nature, suggesting that they might not be around for very long in spite of the last Tuesday's rally, breaking the back of 3 sessions of falling prices.

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

Amsterdam's AEX Index	Plus 0.79 percent
Great Britain's FTSE 100 Index	Plus 0.63 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.76 percent
France's CAC 40 Index	Plus 0.86 percent
Switzerland's Swiss Market Index	Plus 0.50 percent
Italy's MIBTEL Index	Plus 0.59 percent

News wise

- **Citigroup** is facing a criminal investigation in respect of a controversial bond transaction worth in excess of 11 billion euros. Market manipulation is being alleged.

Asia appeared to be a little bit upbeat, last Tuesday, for no apparent reason, although certain fund experts managed to find nebulous reasons for some of the gains – which is their wont, of course.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about 1.47 percent, running back to 13,584.06 points on a Total Turnover of about \$HK18.42 billion.

All but 10 points of the 197-point improvement of the day came in the 90-minute afternoon session.

The ratio of gaining counters to losing ones was about 2.44:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)

Up 1.18 percent to \$HK128.50 per share

Hutchison Whampoa Ltd (Code: 13)	Up 1.45 percent to \$HK70.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 2.51 percent to \$HK71.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 3.24 percent to \$HK71.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 2.77 percent to \$HK24.10 per share
Luen Thai Holdings Ltd (Code: 311)	Down 6.86 percent to \$HK4.075 per share
PetroChina Company Ltd (Code: 857)	Up 1.79 percent to \$HK4.275 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 1.67 percent to \$HK3.05 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.97 percent to \$HK104.50 per share
Esprit Holdings Ltd (Code: 330)	Up 0.87 percent to \$HK46.40 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)
Anex International Holdings Ltd	723	15.73		0.103
Capital Strategic Investment Ltd	497	17.39		1.08
Chi Cheung Investment Company Ltd	112	22.94		1.34
China Treasure (Greater China) Investments Ltd	810	13.85		0.222
Ching Hing (Holdings) Ltd	692		16.33	0.082
Cosmopolitan International Holdings Ltd	120		11.67	0.212
Crocodile Garments Ltd	122	10.59		0.47
Daiwa Associate Holdings Ltd	1037	11.34		0.54
Golden Dragon Group (Holdings) Ltd	329	20.25		0.19
Guangdong Tannery Ltd	1058	13.37		0.229
Joyce Boutique Holdings Ltd	647	12.64		0.49
Kingway Brewery Holdings Ltd	124	11.82		3.075
Ming Fung Jewellery Group Ltd	860	10.61		0.365
QPL International Holdings Ltd	243		11.36	1.17
Ruili Holdings Ltd	2950		27.27	0.40
South China Holdings Ltd	265	11.11		0.30
South China Industries Ltd	413	26.67		0.57
South Sea Petroleum Holdings Ltd	76	17.65		0.40
World Houseware (Holdings) Ltd	713	16.18		0.28

On the speculative equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), known as The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, there was little reason for joviality.

The Growth Enterprise Index lost about 0.22 percent of its value, falling back to 971.59 points.

The Total Turnover on this market was about \$HK59.35 million.

Although The Growth Enterprise Index was in negative territory by the close of the day, advancing counters led declining ones by the ratio of about 1.63:One.

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

TOM Online Incorporated (Code: 8282)	Down 4 percent to \$HK1.11 per share
Cyber On-Air Group Company Ltd (Code: 8118)	Up 1 percent to \$HK8.10 per share
Yantai North Andre Juice Company Ltd (Code: 8259)	Down 2 percent to 96 cents per share
Phoenix Satellite Television Holdings Ltd (Code: 8002)	Up 4 percent to \$HK1.50 per share
Sau San Tong Holdings Ltd (Code: 8200)	Up 1 percent to 75 cents per share

The GEM's biggest movers included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025	12.50		0.036
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231		21.88	0.25
Innovis Holdings Ltd	8065	14.00		0.057

Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049	10.47		0.19
Stockmartnet Holdings Ltd	8123	17.39		0.027
Universal Technologies Holdings Ltd	8091	10.00		0.088

News wise

- **The PRC economy** expanded by about 9.50 percent in 2004, ended December 31.

On The Tokyo Stock Exchange, as had been well expected by more astute, stock-market observers of this equity market, key indices fell back.

The Nikkei-225 Stock Average lost 12.58 yen, equivalent to about 0.11 percent, ending the day at 11,276.91 yen.

Gaining counters just managed to stay ahead of losing ones by the slim margin of about 1.05:One.

Indices of other Asian markets ended their respective trading days, last Tuesday, as follows:

The HKSAR	Plus 1.47 percent to 13,584.06
Indonesia	Minus 0.37 percent to 1,026.89
Japan	Minus 0.11 percent to 11,276.91
Malaysia	Minus 0.39 percent to 919.75
The Philippines	Minus 1.24 percent to 1,990.29
Singapore	Minus 0.41 percent to 2,065.71
South Korea	Minus 0.87 percent to 915.10
Taiwan	Plus 0.20 percent to 5,782.75
Thailand	Plus 0.89 percent to 702.14

Wednesday

The price of light sweet crude oil retreated on international markets, last Wednesday.

The falling price of crude oil seemed to signal the start of a bit of a rally on a number of international equity markets: Whether or not the smallish price reduction on oil markets would be enough to hold the line, however, was another matter.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in March was settled at \$US48.78 per barrel, a fall of about 1.73 percent on Tuesday's closing level.

The April delivery price for a barrel of light sweet crude oil was, also, off by about 1.73 percent, last Wednesday, compared with the last settlement price on Tuesday, at \$US48.94.

Nothing appreciably had changed, weather wise, to warrant the change in sentiment with regard to oil prices, and the north of the US was continuing to be closeted in that white stuff, called snow.

On The New York Stock Exchange, the Dow Jones Industrial Average rose about 0.35 percent to end the day at 10,498.59 points.

Over on The NASDAQ, that market's Composite Index did much better than The Dow, with a push to 2,046.09 points, representing a one-day gain of about 1.29 percent.

The world's largest equity markets were assisted by improved earnings from some of the high-flyers, such as Eastman Kodak Company – which reported that 4th quarter sales of its digital photography products had risen 40 percent, Year-on-Year – and the cut in the price of crude oil.

News wise

MASS LAYOFFS IN DECEMBER 2004 AND ANNUAL AVERAGES FOR 2004

In December 2004, employers took 1,614 mass layoff actions, as measured by new filings for unemployment insurance benefits during the month, according to data from the U.S. Department of Labor's Bureau of Labor Statistics. Each action involved at least 50 persons from a single establishment, and the number of workers involved totaled 161,271. The number of events was the lowest for any December since 1999, and the number of initial claims was the lowest for any December since 1995 when data became available.

The layoff events in December bring the total for all of 2004 to 15,980 and the total number of initial claimants from such events to 1,607,158. The annual totals were lower than in 2003 (18,963 events and 1,888,926 initial claims) and were the lowest annual totals for events since 2000 and for initial claims since 1999. Additional information on the annual data is provided starting on page 3 of this release.

USUAL WEEKLY EARNINGS OF WAGE AND SALARY WORKERS:

FOURTH QUARTER 2004

Median weekly earnings of the nation's 101.6 million full-time wage and salary workers were \$647 in the fourth quarter of 2004, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. This was 3.5 percent higher than a year earlier, compared with a gain of 3.3 percent in the Consumer Price Index for All Urban Consumers (CPI-U) over the same period.

European bourses were not as upbeat as Wall Street, however, with only 2 equity markets out of the 6 major equity markets, recording gains in their respective key indices:

Amsterdam's AEX Index	Plus 0.04 percent
Great Britain's FTSE 100 Index	Plus 0.08 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.46 percent
France's CAC 40 Index	Minus 0.05 percent
Switzerland's Swiss Market Index	Minus 0.03 percent
Italy's MIBTEL Index	Minus 0.20 percent

Europeans were, also, treated to a slew of company reports, last Wednesday, many of which were extremely bullish.

In Asia, Wall Street touched off a bit of a run, too: All but one of the indices of the 9 major equity markets of the territory rose.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), trading was sluggish on both equity markets.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gained 0.29 percent, rising to 13,623.68 points on a Total Turnover of about \$HK17.29 billion.

Gaining counters outnumbered losing ones by the ratio of about 1.30:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK128.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.05 percent to \$HK72.25 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK70.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.70 percent to \$HK71.25 per share
Dynasty Fine Wines Group Ltd (Code: 828)	Unchanged at \$HK3.125 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.21 percent to \$HK24.15 per share
PetroChina Company Ltd (Code: 857)	Up 0.58 percent to \$HK4.30 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 0.70 percent to \$HK14.35 per share
China Life Insurance Company Ltd (Code: 2628)	Up 1.90 percent to \$HK5.35 per share
Henderson Land Development Company Ltd (Code: 12)	Up 1.39 percent to \$HK36.50 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
A-Max Holdings Ltd	959		25.29	1.27
Asia Tele-Net and Technology Corporation Ltd	679	14.29		0.36
Century Legend (Holdings) Ltd	79		56.78	0.255
Cheung Tai Hong Holdings Ltd	199		13.16	0.99
Chi Cheung Investment Company Ltd	112	14.93		1.54
China Treasure (Greater China) Investments Ltd	810		12.16	0.195
E2-Capital (Holdings) Ltd	378	15.79		0.88
Emperor Entertainment Hotel Ltd	296	21.79		1.90
Get Nice Holdings Ltd	64		24.30	2.025
Golden 21 Investment Holdings Ltd	2312	12.80		1.41
Good Fellow Group Ltd	910		10.38	0.19
Haywood Investments Ltd	905		13.11	0.053
Heritage International Holdings Ltd	412		14.29	0.036
Karl Thomson Holdings Ltd	7	64.29		0.46
Massive Resources International Corporation Ltd	70		14.71	0.029
Medtech Group Company Ltd	1031		20.27	0.295
Nam Fong International Holdings Ltd	1176		12.87	0.088
Ruili Holdings Ltd	491		11.39	0.35
South China Holdings Ltd	265	26.67		0.38
Sunny Global Holdings Ltd	1094	10.00		0.088
Sunway International Holdings Ltd	58	10.00		0.33
Tack Hsin Holdings Ltd	611		11.27	0.315
Victory Group Ltd	1139		14.29	0.066
Wonson International Holdings Ltd	651		17.07	0.034
Zida Computer Technologies Ltd	859	67.14		0.234

On The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index shed about 0.58 percent of its value, dropping back to 965.91 points.

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:

Wumart Stores Incorporated (Code: 8277)	Down 3 percent to \$HK12.00 per share
Cyber On-Air Group Company Ltd (Code: 8118)	Up 2 percent to \$HK8.30 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Unchanged at \$HK18.15 per share
Phoenix Satellite Television Holdings Ltd (Code: 8002)	Down 1 percent to \$HK1.49 per share
TOM Online Incorporated (Code: 8282)	Up 2 percent to \$HK1.13 per share

The GEM's biggest movers of the day were reserved for the following counters:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGL MediaTech Holdings Ltd	8192	18.92		0.044
ePRO Ltd	8086	23.08		0.016
Excel Technology International Holdings Ltd	8048		14.29	0.06
Global Digital Creations Holdings Ltd	8271		16.15	0.109
Innovis Holdings Ltd	8065		10.53	0.051
Jiangsu Nandasoft Company Ltd	8045		11.11	0.28
M21 Technology Ltd	8153		39.80	0.59
Netel Technology (Holdings) Ltd	8256		10.26	0.70
T S Telecom Technologies Ltd	8003	13.21		0.06
Techpacific Capital Ltd	8088		10.29	0.061
Timeless Software Ltd	8028	26.76		0.09
Zheda Lande Scitech Ltd	8106		17.14	0.29

Japanese investors, noting the relative strength of Wall Street and the weakening in the price of crude oil, took a flyer, pushing up indices on the country's 3 equity markets.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average rose 99.66 yen, equivalent to about 0.88 percent, ending the day at 11,376.57 yen.

Gaining counters outran losing ones by the ratio of 2.10:One.

News wise

- Sales of household **electrical appliances** at major retailers fell by about 1.87 percent in 2004, Year-on-Year, according to The Nippon Electric Big-Stores Association;
- **Nomura Holdings Incorporated**, a stockbroker in Japan, announced that its Net Profit Attributable to Shareholders had fallen 32 percent in the 3rd quarter of the 2004-2005 Financial Year, ended December 31, 2004, compared with the like quarter in the 2003-2004-Year; and,
- **Matsushita Electric Industrial Company** wants about 1,000 of its workers to take early retirement.

In other Asian stock markets, this was how their respective indices fared, last Wednesday:

The HKSAR	Plus 0.29 percent to 13,623.68
Indonesia	Plus 1.03 percent to 1,037.51
Japan	Plus 0.88 percent to 11,376.57
Malaysia	Plus 0.39 percent to 923.37
The Philippines	Minus 1.01 percent to 1,970.28
Singapore	Plus 1.03 percent to 2,086.93
South Korea	Plus 1.30 percent to 927.00
Taiwan	Plus 0.91 percent to 5,835.37
Thailand	Plus 0.07 percent to 702.66

Thursday

Last Thursday, international traders, of both oil and equities, were looking to the meeting of the **Organisation of Petroleum Exporting Countries (OPEC)**, which was held last Sunday in Vienna, Austria.

With Kuwait's Energy Minister, calling, last Tuesday, for OPEC to maintain the present 27 million barrels per day ceiling, many investors were somewhat confident that OPEC ministers would not hold out for more money by tightening supplies further.

However, history has proved that money talks and bullshit walks.

But the meeting of OPEC coincided with the first free elections in Iraq when the registered voters went, for the first time, to choose their own leaders rather than have heads of government foisted upon them at the point of a sword or the barrel of a gun.

There are factions in the Middle East, which do not appreciate the concept of Western democracy and will stop at nothing to upset the free elections in Iraq, including, but not limited to, blowing up the many oil installations in the country.

In addition, memories are long in oil markets where traders recall the December Cairo meeting of the 11-member OPEC cartel when it was agreed to reduce oil supplies by one million barrels per day, effective the start of 2005.

And this is the start of the year.

On The New **York Mercantile Exchange (NYMEX)**, the price of light sweet crude oil for March delivery gained about 0.12 percent, rising to \$US48.84 per barrel.

For April delivery, the last settlement price for light sweet crude was \$US49.02 per barrel, up by about 0.16 percent, compared with Wednesday's last quoted price.

On The New York Stock Exchange, the Dow Jones Industrial Average lost about 0.30 percent of its value, ending the day at 10,467.40 points.

The Composite Index of The NASDAQ, however, managed to squeeze out a gain of about 0.05 percent, limping up to 2,047.15 points.

News wise

- **Microsoft Corporation**, the largest software producer in the world, announced a Net Profit Attributable to Shareholders of \$US3.46 billion for its second quarter of its Financial Year, ended December 31, 2004. That result compared with the like period in 2003 when the company announced a Net Profit of \$US1.55 billion.

Trading on the largest equity markets in Europe was described as being boring, last Thursday, with the indices of key bourses, hardly moving during the trading day.

Nokia was the talk of many investors of eurozone, following the world's largest producer of mobile telecommunication devices, advising its shareholders that despite strong demand for its products over the Christmas period, there had been a drop in earnings in its 4th quarter, Year-on-Year, by about 16 percent.

But, other than Nokia, there was little to write home.

This was how indices of major European equity markets fared, last Thursday:

Amsterdam's AEX Index	Plus 0.57 percent
Great Britain's FTSE 100 Index	Plus 0.12 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.05 percent
France's CAC 40 Index	Plus 0.29 percent
Switzerland's Swiss Market Index	Minus 0.06 percent
Italy's MIBTEL Index	Minus 0.29 percent

Trading on the 2 stock markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) was quiet.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gained about 0.04 percent, hitting 13,628.91 points by the end of the session.

The Total Turnover was about \$HK18.08 billion, with the ratio of gaining counters to losing ones, being about 1.07:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.39 percent to \$HK129.00 per share
Pacific Basin Shipping Ltd (Code: 2343)	Down 0.75 percent to \$HK3.325 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.36 percent to \$HK70.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.21 percent to \$HK24.20 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.35 percent to \$HK71.50 per share
PetroChina Company Ltd (Code: 857)	Unchanged at \$HK4.30 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.35 percent to \$HK72.00 per share
China Telecom Corporation Ltd (Code: 728)	Up 0.88 percent to \$HK2.875 per share
China Life Insurance Company Ltd (Code: 2628)	Unchanged at \$HK5.35 per share
Hang Seng Bank Ltd (Code: 11)	Unchanged at \$HK105.00 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Carry Wealth Holdings Ltd	643		10.59	0.38
Chi Cheung Investment Company Ltd	112	12.99		1.74
Cosmopolitan International Holdings Ltd	120	12.74		0.239
Earnest Investments Holdings Ltd	339		27.08	0.035
Emperor Entertainment Hotel Ltd	2955	14.75		2.10
Garron International Ltd	1226		14.29	0.12
Haywood Investments Ltd	905	11.32		0.059
Henderson China Holdings Ltd	246	11.70		4.775
INNOMAXX Biotechnology Group Ltd	340	17.79		0.192
Joyce Boutique Holdings Ltd	647	12.50		0.54
Kantone Holdings Ltd	1059	15.38		0.30
Karl Thomson Holdings Ltd	7	17.39		0.54

Quam Ltd	952		10.53	0.51
Radford Capital Investment Ltd	901	17.39		0.027
REXCAPITAL Financial Holdings Ltd	555	11.63		0.048
Ruili Holdings Ltd	491		12.86	0.305
Sino Biopharmaceutical Ltd	1177	16.55		1.69
Sino Prosper Holdings Ltd	766		10.91	0.245
South China Brokerage Company Ltd	619		14.47	0.136
South China Industries Ltd	413	11.11		0.60
Universe International Holdings Ltd	1046		14.86	0.063
V.S. International Group Ltd	1002	10.26		0.215
Wonson International Holdings Ltd	651	11.76		0.038

On The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, the lone index of this speculative market, known as The Growth Enterprise Index, gained about one quarter of a percentage point, ending the day at 963.46 points.

The Total Turnover on this market was about \$HK51.03 million.

The ratio of losing counters to gaining ones was 1.36:One.

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

Yantai North Andre Juice Company Ltd (Code: 8259)	Down 3 percent to 93 cents per share
Golden Meditech Company Ltd (Code: 8180)	Up 3 percent to \$HK1.78 per share
Wumart Stores Incorporated (Code: 8277)	Unchanged at \$HK11.95 per share
EVI Education Asia Ltd (Code: 8090)	Up 42 percent to 8.50 cents per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Down 1 percent \$HK17.95 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
EVI Education Asia Ltd	8090	41.67		0.085
Glory Future Group Ltd	8071		16.67	0.02
Grandy Corporation	8143	12.90		0.035
iSteelAsia Holdings Ltd	8080	21.43		0.034
M21 Technology Ltd	8153	27.12		0.75
Shandong Molong Petroleum Machinery Company Ltd	8261	12.20		0.92
Timeless Software Ltd	8028		16.67	0.075
Zheda Lande Scitech Ltd	8106	10.34		0.32

In Japan, trading was flat on the country's 3 stock markets.

There was little to stimulate trading, one way or another.

On the premier equity market of the country, The Tokyo Stock Exchange, The Nikkei-225 Stock Average fell by 35.26 yen, equivalent to about 0.31 percent, dropping back to 11,341.31 yen.

The ratio of losers to gainers was 1.21:One.

News wise

- Speculation was rife that **Mitsubishi Motors Corporation** would record a Consolidated Net Loss of about 400 billion yen for Fiscal 2004, ended March 31, 2005. Sluggish sales in North America was said to have been a major factor.

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

The HKSAR	Plus 0.04 percent to 13,628.91
Indonesia	Plus 0.72 percent to 1,044.99
Japan	Minus 0.31 percent to 11,341.31
Malaysia	Minus 0.37 percent to 919.95

The Philippines	Plus 1.07 percent to 1,991.39
Singapore	Minus 0.66 percent to 2,073.12
South Korea	Minus 0.23 percent to 924.87
Taiwan	Plus 0.13 percent to 5,842.76
Thailand	Minus 0.20 percent to 701.25

Friday

A US Government report indicated that the economy of the world's only superpower grew by 3.10 percent in the 4th quarter of 2004.

It was its slowest rate of growth in the previous 21 months.

During that quarter, the report continued, inflation accelerated.

Investors on Wall Street appeared to take note of this Government report, paying little heed to the fact that the price of oil had taken a bit of a tumble.

On The New York Mercantile Exchange (NYMEX), last Friday, the price of light sweet crude oil for delivery in March fell 3.40 percent, ending the week's trading at \$US47.18 per barrel.

As for April's last settlement price, it ended the week at \$US47.44 per barrel, off by about 3.22 percent, compared with Thursday's last quote.

One of the chief reasons for the fall in the price of crude oil, was a statement, made by Sheikh Ahmad Fahd al-Sabah, Kuwait's Energy Minister, who is, also, the President of the Organisation of Petroleum Exporting Countries (OPEC).

He said: *'We are very keen about the stability of the prices in the market.'*

Translation: OPEC will not push for higher prices.

On The New York Stock Exchange, the Dow Jones Industrial Average fell to 10,427.20 points, representing a one-day fall of about 0.38 percent.

On The NASDAQ, its Composite Index ended the trading session at 2,035.83 points, which represented a fall on Thursday's closing level of about 0.55 percent.

The tally for the week for the world's 2 largest equity markets was:

The Dow Jones Industrial Average	Plus 0.33 percent
The NASDAQ's Composite Index	Plus 0.08 percent

European investors were a little unsettled, last Friday, over the weekend's coming events, especially the first, free political elections in Iraq and the meeting of OPEC. (Please see Thursday's report)

Mergers and acquisitions are all very nice, of course, but the Iraqi situation and the coming OPEC determination in respect of daily rations of oil to the rest of the world took precedence over all else.

Investors in eurozone took a very cautious approach to trading in equities, resulting in every index of every major bourse falling:

Amsterdam's AEX Index	Minus 0.43 percent
Great Britain's FTSE 100 Index	Minus 0.42 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.34 percent
France's CAC 40 Index	Minus 0.54 percent
Switzerland's Swiss Market Index	Minus 0.23 percent
Italy's MIBTEL Index	Minus 0.35 percent

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the big question was whether or not the US Federal Reserve Board would raise interest rates during its Open Market Committee Meeting, scheduled for the following Tuesday and Wednesday.

The meeting of OPEC and, of course, the Iraqi situation all weighed heavily on Asia's second-largest equity market.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gained about 0.16 percent, ending the week at 13,650.06 points.

The Total Turnover fell to its lowest level of the previous fortnight: \$HK12.60 billion.

Gaining counters just managed to squeeze out losing ones by the slim ratio of 1.04:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK129.00 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.71 percent to \$HK70.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.21 percent to \$HK24.15 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.35 percent to \$HK71.75 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Unchanged at \$HK71.50 per share
PetroChina Company Ltd (Code: 857)	Up 0.58 percent to \$HK4.325 per share
China Telecom Corporation Ltd (Code: 728)	Up 0.87 percent to \$HK2.90 per share
China Netcom Group Corporation (Hongkong) Ltd (Code: 906)	Up 1.83 percent to \$HK11.10 per share
A-Max Holdings Ltd (Code: 959)	Down 8.59 percent to \$HK1.17 per share
China Unicom Ltd (Code: 762)	Unchanged at \$HK6.25 per share

The Main Board's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139	61.11		0.058
Asia Tele-Net and Technology Corporation Ltd	679	12.50		0.405
Beauforte Investors Corporation Ltd	21	20.83		0.58
C.P. Pokphand Company Ltd	43	16.36		0.32
Celestial Asia Securities Holdings Ltd	1049	10.14		0.38
Century Legend (Holdings) Ltd	79	25.54		0.29
China Water Affairs Group Ltd	855	13.24		0.385
CITIC 21CN Company Ltd	241	25.30		2.60
CSMC Technologies Corporation	597	10.42		0.53
Dynamic Holdings Ltd	29	12.00		1.40
Greater China Holdings Ltd	431	24.24		0.41
HyComm Wireless Ltd	499	16.67		0.091
Medtech Group Company Ltd	1031	12.90		0.35
Nam Fong International Holdings Ltd	1176	27.27		0.112
Oriental Explorer Holdings Ltd	430		10.00	0.045
Pacific Plywood Holdings Ltd	767	18.42		0.045
Poly Investments Holdings Ltd	263	10.63		0.177
Pyxis Group Ltd	516	20.00		0.06
Sichuan Expressway Company Ltd	107	10.58		1.15
Paul Y. Engineering Group Ltd	577		15.33	1.21
South China Brokerage Company Ltd	619		11.76	0.12
Starbow Holdings Ltd	397	20.00		0.072
SUNDAY Communications Ltd	866	25.58		0.54
USI Holdings Ltd	369	14.19		1.69
Zida Computer Technologies Ltd	859		10.57	0.22

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, it was a similar scenario to that of the Main Board.

The Growth Enterprise Index put on about 0.48 percent, rising to 968.12 points, while the Total Turnover fell to about \$HK36.92 million.

The ratio of gaining counters to losing counters was 1.09:One.

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

Cyber On-Air Group Company Ltd (Code: 8118)	Up 9 percent to \$HK8.85 per share
EVI Education Asia Ltd (Code: 8090)	Up 6 percent to 9.00 cents per share
hongkong.com Corporation (Code: 8006)	Up 8 percent to 49 cents per share
Wumart Stores Incorporated (Code: 8277)	Up 3 percent to \$HK12.30 per share
Launch Tech Company Ltd (Code: 8196)	Down 4 percent to \$HK2.00 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022	21.82		0.134
Armitage Technologies Holding Ltd	8213	11.54		0.029
CCID Consulting Company Ltd	8235	15.90		0.226
CyberM International (Holdings) Ltd	8017		20.00	0.064
Excel Technology International Holdings Ltd	8048	16.67		0.07
Glory Future Group Ltd	8071	20.00		0.024
Grandy Corporation	8143		22.86	0.027
M Dream Inworld Ltd	8100		23.81	0.016
Neolink Cyber Technology (Holding) Ltd	8116		11.00	0.089
Techpacific Capital Ltd	8088		16.67	0.05
Town Health International Holdings Company Ltd	8138	11.43		0.039

The tally for the week for The Stock Exchange of Hongkong Ltd was, therefore:

The Hang Seng Index	Plus 1.25 percent
The Growth Enterprise Index	Minus 0.29 percent

In Japan, it was concern over earnings of some of the blue chips: Investors braced themselves for the worst.

As a result, on The Tokyo Stock Exchange, a key index of this market, The Nikkei-225 Stock Average, dropped back 20.73 yen to 11,320.58 yen, a fall of about 0.18 percent on Thursday's closing level.

Losing counters outnumbered gaining ones by the ratio of 1.90:One.

News wise

- **Sony Corporation** kept to its word: Operating Profit had been down by about 13 percent for the quarter, ended December 31, 2004 , compared with the like quarter in 2003. The figure came in at 138.20 billion yen . Revenue had fallen by about 7.50 percent to 2.15 trillion yen, the company announced. (Please see **TARGET** Intelligence Report, Volume VII , Number 16, published on Monday, January 24, 2005); and,
- Japan's **Ministry of Economy, Trade and Industry (METI)** announced that combined sales of **wholesalers and retailers** rose about 2.20 percent in 2004, Year-on-Year, to 539.70 trillion yen. It was the first improvement in 13 years, METI commented. METI, also, stated that retail sales are now flat.

The tally for the largest equity market in Asia , therefore, was:

The Nikkei-225 Stock Average	Plus 0.73 percent
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And this was how other indices of major Asian equity markets fared, last Friday:

The HKSAR	Plus 0.16 percent to 13,650.06
Indonesia	Plus 0.14 percent to 1,046.48
Japan	Minus 0.18 percent to 11,320.58
Malaysia	Minus 0.30 percent to 917.23

The Philippines	Plus	1.17 percent to 2,014.61
Singapore	Plus	0.79 percent to 2,089.51
South Korea	Minus	0.36 percent to 921.59
Taiwan	Plus	0.64 percent to 5,879.93
Thailand	Plus	0.06 percent to 701.66

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