

**OIL PRICES CONTINUE TO RISE; THE FED WARNS ABOUT RECORD
BUDGETARY DEFICITS; BUT WALL STREET HITS 45-MONTH HIGH**

Hongkong's Chief Executive Sacked For Health Reasons

Crude oil prices continued to rise on international markets, last Monday: It was the 6th consecutive day of oil-price increases.

By last Monday night in New York, oil prices had hit a 4-month high – and it looked as though they would go higher before any major price correction.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for April delivery rose exactly one half of a percentage point to \$US51.75 per barrel.

For delivery in May, the price per barrel for light sweet crude oil was settled at \$US52.33, a gain on the previous Friday's closing level of about 0.73 percent.

A reason that was being given, last Monday, for the latest spike in oil prices was a weather forecast in the US, one that suggested more freezing temperatures.

Share prices on the world's largest equity market, that of The New York Stock Exchange, fell quickly at the opening.

By the close of the day, the Dow Jones Industrial Average was off by about 0.70 percent, as investors knocked it down by 75.37 points to 10,766.23 points.

Over on The NASDAQ, its Composite Index shed 13.68 points, equivalent to about 0.66 percent, ending the trading session at 2,051.72 points.

The falls on Wall Street were due, in part at least, to the continued gains in the price of crude oil on international markets.

In time, such high oil prices will weigh heavily on the economies of the industrialised world: It is just a matter of time.

In Europe, it was a mixed bag for investors, resulting in key indices of major equity markets, moving sideways for the most part.

Two aspects affected trading on European bourses: The continued high price of crude oil; and, an inkling as to the financial results of the world's second largest bank – HSBC Holdings plc. (Please see below)

This was how the indices of the most-important equity markets of eurozone closed, last Monday night:

Amsterdam's AEX Index	Plus 0.57 percent
Great Britain's FTSE 100 Index	Minus 0.76 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.04 percent
France's CAC 40 Index	Minus 0.18 percent
Switzerland's Swiss Market Index	Unchanged
Italy's MIBTEL Index	Plus 0.26 percent

Asian equity markets were generally stronger, last Monday, following on from what was considered encouraging economic news in the United States, that news, having been released the previous Friday.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets made gains, but the premier stock market of the territory only managed a fractional improvement.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose exactly 0.27 percent to end the first day of trading, last week, at 14,195.35 points.

The Total Turnover, however, was about \$HK22.87 billion, with the ratio of gaining counters to losing ones, being 1.40:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.38 percent to \$HK133.50 per share
PetroChina Company Ltd (Code: 857)	Up 2.60 percent to \$HK4.925 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK70.50 per share
China Life Insurance Company Ltd (Code: 2628)	Up 3.81 percent to \$HK5.45 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 4.38 percent to \$HK3.575 per share
Aluminum Corporation of China Ltd (Code: 2600)	Up 5.00 percent to \$HK5.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.59 percent to \$HK25.45 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 0.34 percent to \$HK14.85 per share
Sun Hung Kai Properties Ltd (Code: 16)	Unchanged at \$HK72.75 per share
CNOOC Ltd (Code: 883)	Up 2.26 percent to \$HK4.525 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)
Asia Standard Hotel Group Ltd	292	13.51		0.42
Chi Cheung Investment Company Ltd	112		14.11	3.50
China Elegance (Holdings) Ltd	476		12.09	0.08
China Sci-Tech Holdings Ltd	985	12.50		0.027
Chitaly Holdings Ltd	1198	12.90		7.00
Gay Giano International Group Ltd	686	33.33		0.32
Great China Holdings Ltd	141	25.00		0.80
Pearl River Tyre (Holdings) Ltd	1187	41.67		0.68
Peking Apparel International Group Ltd	761	11.39		0.225
Perennial International Ltd	725		14.58	0.41
Rontex International Holdings Ltd	1142	20.00		0.15
Starbow Holdings Ltd	397		11.76	0.06
TCL Communication Technology Holdings Ltd	2618		14.06	0.55
Theme International Holdings Ltd	990	12.77		0.053
Topsearch International (Holdings) Ltd	2323	13.00		1.13
V.S. International Group Ltd	1002		11.00	0.178

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover was much improved, at about \$HK111.05 million.

Trading in just one counter, that of Golden Meditech Company Ltd (Code: 8180), was responsible for a little more than 51 percent of the total activity for the day.

The Growth Enterprise Index gained about 1.08 percent, ending the day at 988.11 points.

Advancing counters were ahead of declining ones by the ratio of about 1.28:One.

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

Golden Meditech Company Ltd (Code: 8180)	Up 13 percent to \$HK1.58 per share
Convenience Retail Asia Ltd (Code: 8052)	Unchanged at \$HK2.90 per share
TOM Online Incorporated (Code: 8282)	Down 1 percent to \$HK1.21 per share
Phoenix Satellite Television Holdings Ltd (Code: 8002)	Up 1 percent to \$HK1.62 per share

The biggest GEM movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGL MediaTech Holdings Ltd	8192	21.21		0.04
Asian Information Resources (Holdings) Ltd	8025		11.11	0.032
B and S Entertainment Holdings Ltd	8167		16.67	0.045
Global Digital Creations Holdings Ltd	8271	26.05		0.30
Golden Meditech Company Ltd	8180	12.86		1.58
Inno-Tech Holdings Ltd	8202		25.71	0.052
M Channel Corporation Ltd	8036		16.00	0.021
Rojam Entertainment Holdings Ltd	8075	11.73		0.20

News wise

- **HSBC Holdings plc** (Code: 5, Main Board, The Stock Exchange of Hongkong Ltd) announced that, for its Financial Year, ended December 31, 2004, it had recorded a 37-percent increase in Pre-Tax Profit to about \$US17.60 billion (about £9.20 billion). Only scant information was released, last Monday.

In Japan, the premier equity market of the country rose sharply at the opening.

The Nikkei-225 Stock Average, a key index of The Tokyo Stock Exchange, managed a gain of 82.35 yen, equivalent to about 0.71 percent, ending the session at 11,740.60 yen.

The ratio of gaining counters to losing ones was about 4.11:One.

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

The HKSAR	Plus 0.27 percent to 14,195.35
Indonesia	Minus 0.88 percent to 1,073.83
Japan	Plus 0.71 percent to 11,740.60
Malaysia	Plus 0.43 percent to 907.38
The Philippines	Plus 0.33 percent to 2,079.99
Singapore	Minus 0.73 percent to 2,119.40
South Korea	Plus 1.45 percent to 1,011.36
Taiwan	Closed
Thailand	Plus 0.20 percent to 741.55

Tuesday

Crude oil prices eased, last Tuesday, but only by fractions.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in April fell about 0.14 percent to the settlement price of \$US51.68 per barrel.

As for delivery in May, the price of light sweet crude oil shed just 0.04 percent to \$US52.31 per barrel.

Whether or not the oil price would continue to fall was anybody's guess because the cold weather was continuing in the north of the US and up into Canada.

On The New York Stock Exchange, the Dow Jones Industrial Average regained about 0.59 percent of its value, rising to 10,830, exactly.

On The NASDAQ, its Composite Index managed to put on about 0.95 percent, running back to 2,071.25 points.

There was no special news that should have acted as a fillip for the world's largest equity markets, last Tuesday, and, with Dr Alan Greenspan, scheduled to deliver his testimony to the House Budget Committee, the following day, it was open season as to what the Chairman of the US Federal Reserve Board would say.

News wise

- **General Motors Corporation** reported much-lower motor vehicle sales in the US in February. The company will be cutting down its production of motor cars. Motor-vehicle sales in the month of February were off by about 13 percent, Year-on-Year;
- **Ford Motor Company** announced that it had a rather large inventory level of unsold motor vehicles, following a poor showing on the sales' floors of the US, during the month of February. Sales in February were off by about 3 percent, Year-on-Year; and,
- Production in **US factories** slowed in February, according to the data of The **Institute of Supply Management (ISM)**. The ISM's Index of national manufacturing fell to 55.30 points in February, compared with 56.40 points in January.

Eurozone bourses were stronger, last Tuesday, helped somewhat by what appeared, on the surface, to be a bit of a respite on international oil markets.

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

Amsterdam's AEX Index	Minus 0.03 percent
Great Britain's FTSE 100 Index	Plus 0.64 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.76 percent
France's CAC 40 Index	Plus 0.69 percent
Switzerland's Swiss Market Index	Plus 0.35 percent
Italy's MIBTEL Index	Plus 0.36 percent

News wise

- The number of people in Germany, out of work, rose to a new, post-World War II level of 5.22 million people, according to official German Government records. The **unemployment rate** in the country is, now, officially, 12.60 percent.

In Asia, there were mixed blessings for investors, but the financial results of the world's second-largest bank, the details of which were released in full, last Tuesday, tended to pull down prices on the second-largest equity market of Asia: The Stock Exchange of Hongkong Ltd.

This is that which HSBC Holdings plc announced:

HSBC Holdings plc (Code: 5)

	<i>(Audited) Current Period from 1/1/2004 to 31/12/2004</i>	<i>(Audited) Last Corresponding Period from 1/1/2003 to 31/12/2003</i>
<i>Net Interest Income</i>	: US\$31,024 M [HK\$241,646 M]	US\$25,598 M [HK\$199,332 M]
<i>Profit/(Loss) from Operations</i>	: US\$16,514 M [HK\$128,628 M]	US\$12,297 M [HK\$95,757 M]
<i>Share of Profit/(Loss) of Associates</i>	: US\$287 M [HK\$2,235 M]	US\$221 M [HK\$1,721 M]
<i>Share of operating profit (loss) in joint ventures</i>	: US\$5 M [HK\$39 M]	(US\$116 M) [(HK\$903 M)]
<i>Profit/(Loss) after Tax and Minority Interests</i>	: US\$11,840 M [HK\$92,222 M]	US\$8,774 M [HK\$68,325 M]

<i>Percent Change over Last Period</i>	<i>+35</i>	
<i>Net Profit Attributable to Shareholders</i>	<i>: US\$11,840 M</i>	<i>US\$8,774 M</i>
	<i>[HK\$92,222 M]</i>	<i>[HK\$68,325 M]</i>
<i>4th Quarter Dividend per Share</i>	<i>: US\$0.27</i>	<i>US\$0.24</i>
<i>(specify if with other options)</i>	<i>(scrip, Hongkong Dollar and Sterling options)</i>	<i>(scrip, Hongkong Dollar and Sterling options)</i>
<i>Book Closing Dates for 4th Quarter Dividend</i>	<i>: 18/03/2005</i>	
<i>Payable Date</i>	<i>: 04/05/2005</i>	

And, when a subsidiary bank of HSBC Holdings plc, Hang Seng Bank Ltd, which is the largest Chinese bank in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), made its announcement in respect of its 2004 Financial Year, ended December 31, 2004, it did not help matters, at all.

This is that which Hang Seng Bank Ltd told the world, last Tuesday:

Hang Seng Bank Ltd (Code: 11)

	<i>(Audited)</i>	<i>(Audited)</i>
	<i>Current</i>	<i>Last</i>
	<i>Period</i>	<i>Corresponding</i>
	<i>from 01/01/2004</i>	<i>Period</i>
	<i>to 31/12/2004</i>	<i>from 01/01/2003</i>
	<i>(\$HK'million)</i>	<i>to 31/12/2003</i>
		<i>(\$HK'million)</i>
<i>Interest Income</i>	<i>: 12,471</i>	<i>12,846</i>
<i>Profit/(Loss) from Operations</i>	<i>: 13,224</i>	<i>11,107</i>
<i>Share of Profit/(Loss) of Associates</i>	<i>: 143</i>	<i>30</i>
<i>Profit/(Loss) after Tax and Minority Interests</i>	<i>: 11,395</i>	<i>9,539</i>
<i>Percent Change over Last Period</i>	<i>: +19.5</i>	
<i>Net Profit Attributable to Shareholders</i>	<i>: 11,395</i>	<i>9,539</i>
<i>4th Interim Dividend per Share</i>	<i>: \$1.90</i>	<i>N/A</i>
<i>Book Closing Dates for 4th Interim Dividend</i>	<i>: 16/03/2005</i>	
<i>Payable Date</i>	<i>: 24/03/2005</i>	

On the Main Board of The Stock Exchange of Hongkong Ltd, its Hang Seng Index lost about 0.95 percent of its value, ending the day at 14,061.15 points.

The Total Turnover continued to be relatively high, once again, this time at about \$HK21.90 billion.

About 19 percent of the entire volume of activity of The Stock Exchange of Hongkong Ltd could be traced back to the toing and froing in the scrip of HSBC Holdings plc where some 32,297,145 shares changed hands, the dollar value of which was about \$HK4.21 billion.

HSBC Holdings plc accounts for about 33 percent of the weight of the Hang Seng Index so that, when the share price of this giant bank moves, it has an immediate effect on the closing level of the key index of this market.

The ratio of losing counters to gaining ones was about 1.92:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 2.25 percent to \$HK130.50 per share
Semiconductor Manufacturing International Corporation (Code: 981)	Down 3.55 percent to \$HK1.63 per share
China Life Insurance Company Ltd (Code: 2628)	Unchanged at \$HK5.45 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.35 percent to \$HK70.25 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 1.40 percent to \$HK3.525 per share
PetroChina Company Ltd (Code: 857)	Unchanged at \$HK4.925 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.79 percent to \$HK25.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.67 percent to \$HK73.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.34 percent to \$HK72.50 per share
Hang Seng Bank Ltd (Code: 11)	Unchanged at \$HK106.50 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Standard Hotel Group Ltd	292	21.43		0.51
Cheung Tai Hong Holdings Ltd	199		14.75	0.52
Chi Cheung Investment Company Ltd	112	14.29		4.00
Daiwa Associate Holdings Ltd	1037	12.73		0.62
Earnest Investments Holdings Ltd	339	10.00		0.033
Gay Giano International Group Ltd	686	26.56		0.405
Greater China Holdings Ltd	431		14.89	0.40
Oriental Explorer Holdings Ltd	430		10.42	0.043
Pioneer Global Group Ltd	224	11.11		0.50
South China Holdings Ltd	265		15.00	0.34
Theme International Holdings Ltd	990	18.87		0.063
Unity Investments Holdings Ltd	913		16.44	0.061
Wah Nam International Holdings Ltd	159	15.38		0.15

Over on The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index lost, exactly, one third of a percentage point, falling back to 984.82 points.

The Total Turnover on this speculative market was about \$HK105.44 million.

Losing counters outran gaining ones by the ratio of about 1.39:One.

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

Panva Gas Holdings Ltd (Code: 8132)	Unchanged at \$HK3.225 per share
TOM Online Incorporated (Code: 8282)	Down 2 percent to \$HK1.19 per share
Golden Meditech Company Ltd (Code: 8180)	Up 1 percent to \$HK1.60 per share
Sau San Tong Holdings Ltd (Code: 8200)	Unchanged at 73 cents per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Unchanged at \$HK1.22 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Ltd	8061		12.73	0.192
B and S Entertainment Holdings Ltd	8167	11.11		0.05
Everpride Biopharmaceutical Company Ltd	8019		16.67	0.10
Global Digital Creations Holdings Ltd	8271	20.00		0.36
Xi'an Haitian Antenna Technologies Company Ltd	8227		13.33	0.26
IIN International Ltd	8128	10.71		0.031
QUASAR Communication Technology Holdings Ltd	8171		13.79	0.25
Rojam Entertainment Holdings Ltd	8075	22.50		0.245
Stockmartnet Holdings Ltd	8123	25.81		0.039

Thiz Technology Group Ltd	8119		12.50	0.014
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On Asia's largest equity market, that of The Tokyo Stock Exchange, business quietened down, somewhat, following Monday's little boomlet.

In early trading, key indices were off, erasing most of Monday's gains, but, toward the end of the day, investors had second thoughts and went back into the market.

The Nikkei-225 Stock Average, which is a key index of this market, ended the day with a gain of another 39.93 yen, equivalent to about 0.34 percent, continuing its run to 11,780.53 yen.

Gaining counters outnumbered losing ones by the ratio of about 2.32:One.

News wise

- **Sumitomo Mitsui Financial Group Incorporated** said that it expected to record a Net Loss Attributable to Shareholders of about 240 billion yen for the Current Financial Year; and,
- **Retail sales** in Japan for January were at their highest levels for about 8 years, The Ministry of Economy, Trade and Industry announced. Seasonally adjusted, retail sales rose about 2.20 percent, Year-on-Year, to 10.65 trillion yen.

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

The HKSAR	Minus 0.95 percent to 14,061.15
Indonesia	Plus 1.81 percent to 1,093.28
Japan	Plus 0.34 percent to 11,780.53
Malaysia	Minus 0.98 percent to 898.49
The Philippines	Plus 0.43 percent to 2,088.95
Singapore	Plus 0.27 percent to 2,125.11
South Korea	Closed
Taiwan	Plus 0.84 percent to 6,259.69
Thailand	Minus 0.38 percent to 738.75

Wednesday

The April price of light sweet crude oil shot up on The New York Mercantile Exchange (NYMEX) by 2.65 percent, last Wednesday, with the settlement price, coming in at \$US53.05 per barrel.

For delivery in May, the price of a barrel of light sweet crude oil was settled at \$US53.62, a one-day increase of 2.50 percent.

It was the highest level of the previous 4 months.

The Organisation of Petroleum Exporting Countries (OPEC) has scheduled a meeting for Wednesday, March 16, at which time, it is widely expected the cartel, which controls about 30 percent of the world's output of crude oil, will opt to establish a price range of between \$US40 per barrel and \$US50 per barrel for the foreseeable future.

Wall Street did not appreciate the higher price of the black ooze.

On The New York Stock Exchange, the Dow Jones Industrial Average, a gauge to trading in blue chips on the Big Board, fell about 0.17 percent to end the day at 10,811.97 points.

On The NASDAQ, its Composite Index fell 3.75 points to 2,067.50 points.

From Washington, D.C., Dr Alan Greenspan, the Chairman of the US Federal Reserve, delivered his testimony to the House of Representatives Budget Committee on schedule.

He said, among other things, that while the US economy appeared to be growing at a reasonably good pace, the budgetary deficits were a worrying aspect to the overall economy.

Suggesting that the Administration should rein in spending, Dr Greenspan said:

'You cannot continuously introduce legislation, which tends to expand budget deficits because, down the road, the impact of an ever-increasing deficit, especially as a percent of the GDP (Gross Domestic Product), creates some significant weakness in the structure of the economy...

'Addressing the Government's own imbalances will require scrutiny of both spending and taxes. However, tax increases of sufficient dimension to deal with our looming fiscal problems arguably pose significant risks to economic growth and the revenue base ...

'I fear that we may have already committed more physical resources to the baby boom generation in its retirement years than our economy has the capacity to deliver ...'

In Europe, indices of major bourses moved sideways, for the most part:

Amsterdam's AEX Index	Plus 0.38 percent
Great Britain's FTSE 100 Index	Minus 0.15 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.22 percent
France's CAC 40 Index	Plus 0.19 percent
Switzerland's Swiss Market Index	Plus 0.76 percent
Italy's MIBTEL Index	Minus 0.23 percent

Investors in this part of the world were concerned about a number of things: The unemployment rate in Europe's largest economy, Germany; the ever-increasing price of crude oil; and, of course, the statements of Dr Alan Greenspan.

In Asia, the big news was centred on The Stock Exchange of Hongkong Ltd and its reaction to the strong suggestion that the Chief Executive of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) had been 'sacked' by Beijing *'for health reasons'*.

While it is maintained by Beijing that the Chief Executive of the HKSAR is elected, democratically, by the electorate, the 'sacking' of this very unpopular Chief Executive appears to fly in the face of that which Beijing has been spouting about democratic elections in the territory.

At the last 'election', nobody dared to challenge Chief Executive Tung Chee Hwa for the hottest seat in the 416 square miles that constitutes the HKSAR.

On the Main Board of The Stock Exchange of Hongkong Ltd, last Wednesday, the Hang Seng Index gave up about 1.50 percent of its value, ending the trading day at 13,850.78 points.

The Total Turnover, however, rose to about \$HK34.62 billion.

It has been some years since such a relatively large volume of activity has been recorded on the premier stock exchange of Hongkong.

And, on a falling stock market, a rapidly increasing Total Turnover is rarely a positive omen.

An aspect of last Wednesday's movements was that about 31 percent of the entire volume of activity for the day was centred on trades of scrip of just one counter, that of China Petroleum and Chemical Corporation (Code: 386).

More than \$HK10-billion worth of shares in this PRC-based oil company changed hands, during the session. (Please see list of Ten Most Actives, below)

HSBC Holdings plc (Code: 5) was, once again, a very active counter, too, with a little more than 35.60 million shares, changing hands. The cash value of those trades was equal to about 14 percent of the Total Turnover.

About 45 percent of the total activity of the day was in trading of the scrip of China Petroleum and Chemical Corporation and HSBC Holdings plc.

The ratio of losing counters to gaining ones was 4.50:One._

Equity markets do not like uncertainty of any description and the suggestion of the Chief Executive of the HKSAR, having been sacked by Beijing, even for health reasons, was chilling to the so-called democrats of the territory.

What other force majeure acts would the Beijing bosses of the HKSAR execute in order to preserve their power base and to put the hearts of the population of the territory at ease, to quote the late Paramount Leader of the PRC, Mr Deng Xiao Ping._

The Ten Most Active counters of the Main Board, last Wednesday, were:

China Petroleum and Chemical Corporation (Code: 386)	Down 4.96 percent to \$HK3.35 per share
HSBC Holdings plc (Code: 5)	Down 1.53 percent to \$HK128.50 per share
PetroChina Company Ltd (Code: 857)	Down 4.57 percent to \$HK4.70 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.42 percent to \$HK69.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.38 percent to \$HK71.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 2.71 percent to \$HK71.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.98 percent to \$HK24.75 per share
China Life Insurance Company Ltd (Code: 2628)	Down 3.67 percent to \$HK5.25 per share
Hang Seng Bank Ltd (Code: 11)	Unchanged at \$HK106.50 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 1.01 percent to \$HK14.65 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)
Asia TeleMedia Ltd	376		11.56	0.13
Goldigit Atom-Tech Holdings Ltd	2362	19.05		0.125
Hanison Construction Holdings Ltd	896	10.14		0.76
Haywood Investments Ltd	905		12.77	0.041
Heritage International Holdings Ltd	412		12.00	0.022
MACRO- LINK International Holdings Ltd	472		13.79	0.25
Orient Resources Group Company Ltd	467		18.18	0.09
REXCAPITAL Financial Holdings Ltd	555		20.00	0.04
Shang Hua Holdings Ltd	371	14.29		0.80
Sky Hawk Computer Group Holdings Ltd	1129		10.68	0.092
Takson Holdings Ltd	918		22.62	0.13
Universe International Holdings Ltd	1046		12.70	0.055
Vital BioTech Holdings Ltd	1164		13.11	0.265

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, trading settled down to the normal pace for this speculative marketplace.

The Growth Enterprise Index lost about 0.20 percent of its value, ending the day at 982.82 points.

The Total Turnover was about \$HK68.57 million, while the ratio of losing counters to gaining ones was about 1.68:One.

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

TOM Online Incorporated (Code: 8282)	Down 1 percent to \$HK1.18 per share
HC International Incorporated (Code: 8292)	Up 2 percent to \$HK1.65 per share
Wumart Stores Incorporated (Code: 8277)	Up 7 percent to \$HK13.15 per share
Golden Meditech Company Ltd (Code: 8180)	Down 1 percent to \$HK1.59 per share
Kingdee International Software Group Company Ltd (Code: 8133)	Down 2 percent to \$HK1.85 per share

The biggest GEM movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGL MediaTech Holdings Ltd	8192	30.00		0.052
Creative Energy Solutions Holdings Ltd	8109		10.00	0.072
M Dream Inworld Ltd	8100		10.00	0.018
QUASAR Communication Technology Holdings Ltd	8171		12.00	0.22
Sino Stride Technology (Holdings) Ltd	8177		10.45	0.30
Stockmartnet Holdings Ltd	8123	35.90		0.053
SYSCAN Technology Holdings Ltd	8083	10.67		0.166

Timeless Software Ltd	8028	16.44		0.085
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Activity slowed to a trickle on the premier equity market of Japan, last Wednesday, but even so, by the close of the day, The Nikkei-225 Stock Average, a key index of The Tokyo Stock Exchange, still managed to hit an 8-month high, at 11,813.71 yen, representing a gain for the day of about 0.28 percent.

Last Wednesday represented the 5th consecutive day of gains for Asia's largest equity market.

The ratio of advancing counters to declining counters was about 1.81:One.

News wise

- The **unemployment rate** in Japan for the month of January was, officially, at a 6-year low of 4.50 percent, The Internal Affairs and Communications Ministry said in its preliminary report, released last Wednesday. It was unchanged from the December 2004 figure.

And, in other Asian equity markets, the following was how their respective key indices ended last Wednesday's trading session:

The HKSAR	Minus 1.50 percent to 13,850.78
Indonesia	Minus 0.96 percent to 1,082.75
Japan	Plus 0.28 percent to 11,813.71
Malaysia	Minus 0.73 percent to 891.90
The Philippines	Minus 0.98 percent to 2,068.42
Singapore	Plus 0.91 percent to 2,144.36
South Korea	Minus 0.38 percent to 1,007.48
Taiwan	Minus 0.55 percent to 6,225.25
Thailand	Minus 2.41 percent to 720.92

Thursday

Last Thursday in Asia and Europe, crude oil prices rose to new, 4-month highs in electronic trading on the back of news that there had been a refinery problem in the US.

When The New York Mercantile Exchange (NYMEX) opened on Thursday, New York time, there was a flurry of activity as traders took the view that the price of light sweet crude oil would hit another, new 4-month high.

They proved to be correct.

At the end of the day, the price of light sweet crude oil for April delivery had risen about 0.98 percent on Wednesday's closing level to \$US53.57 per barrel.

As for May delivery, the price of light sweet crude oil gained a full one percent on Wednesday's last settlement price, ending the trading session at \$US54.16 per barrel.

Investors on US equity markets tended to disregard the higher price of oil, however.

On The New York Stock Exchange, the Dow Jones Industrial Average rose about 0.19 percent to 10,833.03 points in spirited trading conditions.

On The NASDAQ, its Composite Index lost about 0.44 percent of its value, ending the day at 2,058.40 points.

Prior to the opening of Wall Street, The Bureau of Labour Statistics, a branch of The US Government's Labour Department, announced its findings in respect of productivity and costs of the 4th Quarter of 2004.

This is that which this important branch of the Government announced:

'PRODUCTIVITY AND COSTS
Fourth Quarter and Annual Averages, 2004, Revised

'The Bureau of Labor Statistics of the U.S. Department of Labor today reported revised fourth-quarter seasonally-adjusted annual rates of productivity change – as measured by output per hour of all persons – and revised annual changes for the full year 2004. Percent changes in business and nonfarm business productivity were:

	<i>Fourth quarter</i>	<i>Annual averages 2003-2004</i>
<i>Business sector</i>	<i>3.7</i>	<i>4.0</i>
<i>Nonfarm business sector</i>	<i>2.1</i>	<i>4.0</i>

'In the fourth quarter, productivity increased 3.7 percent in the business sector, more than the 2.5 percent preliminary estimate published Feb. 3. In nonfarm businesses, productivity grew 2.1 percent, compared to the preliminary estimate of 0.8 percent (seasonally adjusted annual rates). On an annual average basis, productivity rose 4.0 percent in both sectors – the same as the preliminary estimate for the business sector, and 0.1 percentage point lower than previously reported for nonfarm businesses.

'In the manufacturing sector, increases in productivity were:

	<i>Fourth quarter</i>	<i>Annual averages 2003-2004</i>
<i>Manufacturing</i>	<i>5.8</i>	<i>5.2</i>
<i>Durable goods manufacturing</i>	<i>7.1</i>	<i>6.3</i>
<i>Nondurable goods manufacturing</i>	<i>3.9</i>	<i>4.3</i>

'Productivity in total manufacturing grew at a 5.8 percent annual rate in the fourth quarter of 2004, slightly more than the 5.6 percent preliminary estimate, as a downward revision to fourth-quarter productivity growth in durable goods manufacturing partially offset an upward revision to output per hour in the nondurable goods subsector. Productivity increases from 2003 to 2004 were revised upward in total manufacturing and both subsectors. Output and hours in manufacturing, which includes about 13 percent of U.S. business-sector employment, tend to vary more from quarter to quarter than data for the aggregate business and nonfarm business sectors.'

European equity markets marked time for the most part in view of the higher price of crude oil.

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

Amsterdam's AEX Index	Unchanged
Great Britain's FTSE 100 Index	Plus 0.44 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.45 percent
France's CAC 40 Index	Minus 0.03 percent
Switzerland's Swiss Market Index	Minus 0.03 percent
Italy's MIBTEL Index	Minus 0.10 percent

In Asia, indices of major markets were generally stronger.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets managed to make fractional gains.

The Total Turnover of the Main Board of The Stock Exchange of Hongkong Ltd was considerably lower, last Thursday, compared with Wednesday's volume of activity, falling back to about \$HK18.40 billion, a one-day drop of about 47 percent.

The Hang Seng Index, a key index of this market which plots the course of blue chips, gained, exactly, 0.30 percent to end the day at 13,892.37 points.

The ratio of gaining counters to losing ones was 1.40:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.39 percent to \$HK129.00 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.36 percent to \$HK69.50 per share
PetroChina Company Ltd (Code: 857)	Up 1.06 percent to \$HK4.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Unchanged at \$HK71.50 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 1.49 percent to \$HK3.40 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.70 percent to \$HK71.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Unchanged at \$HK24.75 per share
Henderson Land Development Company Ltd (Code: 12)	Down 1.40 percent to \$HK35.20 per share
China Life Insurance Company Ltd (Code: 2628)	Up 1.90 percent to \$HK5.35 per share
Hang Seng Bank Ltd (Code: 11)	Unchanged at \$HK106.50 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)
C.P. Pokphand Company Ltd	43		12.20	0.36
Cheung Tai Hong Holdings Ltd	199	21.65		0.59
China Rich Holdings Ltd	1191	18.42		0.045
China Water Affairs Group Ltd	855	13.75		0.455
Crocodile Garments Ltd	122	21.54		0.79
Fortuna International Holdings Ltd	530		21.05	0.03
Greater China Holdings Ltd	431	10.00		0.44
Jinhui Holdings Company Ltd	137	13.50		29.00
Lai Sun Garment (International) Ltd	191	16.00		0.58
Mascotte Holdings Ltd	136		10.29	0.305
Orient Resources Group Company Ltd	467	11.11		0.10
Oriental Explorer Holdings Ltd	430	11.63		0.048
Shang Hua Holdings Ltd	371	12.50		0.90
Sincere Company Ltd, The	244	34.02		0.65
Solomon Systech (International) Ltd	2878	10.00		2.475
Takson Holdings Ltd	918	23.08		0.16
Wang Sing International Holdings Group Ltd	2389	10.71		0.93
Zhong Hua International Holdings Ltd	1064	17.39		0.054

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 put on about 0.27 percent, rising to 985.46 points, while the Total Turnover was about \$HK70.64 million.

The ratio of gaining counters to losing ones was about 1.34:One.

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

Launch Tech Company Ltd (Code: 8196)	Up 2 percent to \$HK2.05 per share
Golden Meditech Company Ltd (Code: 8180)	Up 1 percent to \$HK1.60 per share
Convenience Retail Asia Ltd (Code: 8052)	Down 1 percent to \$HK2.875 per share
Wumart Stores Incorporated (Code: 8277)	Unchanged at \$HK13.15 per share
A and K Educational Software Holdings Ltd (Code: 8053)	Up 5 percent to 62 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	16.67		0.07
AGL MediaTech Holdings Ltd	8192	21.15		0.063
Argos Enterprise (Holdings) Ltd	8022	34.78		0.124
Emperor Entertainment Group Ltd	8078	13.17		1.89

Everpride Biopharmaceutical Company Ltd	8019		10.00	0.09
iSteelAsia Holdings Ltd	8080	14.29		0.032
Linefan Technology Holdings Ltd	8166	11.76		0.019
SMI Publishing Group Ltd	8010	19.51		0.049
Soluteck Holdings Ltd	8111		20.31	0.051
Stockmartnet Holdings Ltd	8123		15.09	0.045
T S Telecom Technologies Ltd	8003	32.00		0.066
Thiz Technology Group Ltd	8119	14.29		0.016

On The Tokyo Stock Exchange, which is the largest equity market in Asia, The Nikkei-225 Stock Average gained another 42.75 yen, equivalent to about 0.36 percent, ending the day at 11,856.46 yen.

It was the 6th consecutive day of gains for this equity market.

The ratio of gaining counters to losing ones was about 1.23:One.

News wise

- **Fast Retailing Company**, the operator of the Uniqlo casual clothing shops in Japan, announced that it was cutting its profit forecast for this year by about 10 percent to 36.81 billion yen due to the warm winter weather.

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

The HKSAR	Plus 0.30 percent to 13,892.37
Indonesia	Plus 1.09 percent to 1,094.60
Japan	Plus 0.36 percent to 11,856.46
Malaysia	Minus 0.28 percent to 889.44
The Philippines	Plus 1.20 percent to 2,093.27
Singapore	Plus 0.15 percent to 2,147.53
South Korea	Plus 0.34 percent to 1,010.92
Taiwan	Minus 0.37 percent to 6,202.38
Thailand	Minus 0.07 percent to 720.39

Friday

Just before US equity markets opened for business, last Friday, the US Labour Department brought out its data in respect of the employment situation in the country.

It indicated that some 262,000 jobs had been created in the month of February.

This is part of that which this important department of the US Government released at 8:30 a.m., last Friday:

‘THE EMPLOYMENT SITUATION: FEBRUARY 2005

‘Nonfarm payroll employment increased by 262,000 in February and the unemployment rate edged up to 5.4 percent ... Job growth occurred in both goods-producing and service-providing industries.

‘Unemployment (Household Survey Data)

‘In February, both the number of unemployed persons, 8.0 million, and the unemployment rate, 5.4 percent, returned to their December levels after dipping in January. The jobless rate had been either 5.4 or 5.5 percent during each of the last 6 months of 2004. In February, the unemployment rates for the major worker groups – adult men (4.9 percent), adult women (4.7 percent), teenagers (17.5 percent), whites (4.6 percent), blacks (10.9 percent), and Hispanics or Latinos (6.4 percent) – showed little change. The unemployment rate for Asians was 4.5 percent in February, not seasonally adjusted.

'The number of long-term unemployed – those unemployed for 27 weeks and over – remained at 1.6 million in February. This group accounted for 1 in 5 unemployed persons.'

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

'In February, total employment was about unchanged at 140.1 million, seasonally adjusted. The employment-population ratio – the proportion of the population age 16 and over with jobs – was little changed over the month at 62.3 percent. The rate has fluctuated between 62.1 and 62.5 percent for the past 2 years. In February, the civilian labor force was essentially unchanged at 148.1 million, and the participation rate held at 65.8 percent.'

'Over the year, the number of persons who held more than one job increased by 432,000 to 7.7 million, not seasonally adjusted. These multiple jobholders represented 5.5 percent of total employment in February, up from 5.3 percent a year earlier.'

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

'There were 1.7 million persons who were marginally attached to the labor force in February, little changed over the year. (Data are not seasonally adjusted.) These individuals wanted and were available to work and had looked for a job sometime in the prior 12 months. They were not counted as unemployed, however, because they did not actively search for work in the 4 weeks preceding the survey. Among the marginally attached, there were 485,000 discouraged workers in February, also about the same as a year earlier. Discouraged workers were not currently looking for work specifically because they believed no jobs were available for them. The other 1.2 million marginally attached had not searched for work for reasons such as school or family responsibilities.'

Wall Street appeared to love the news from the Labour Department.

On The New York Stock Exchange, the Dow Jones Industrial Average rose to its highest level of the previous 45 months.

The closing figures for The Dow was up 107.52 points, equivalent to just a tad short of one percent, ending the week at 10,940.55 points.

Over on The NASDAQ, its Composite Index gained 12.21 points, or about 0.59 percent, running up to 2,070.61 points.

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

The Dow Jones Industrial Average	Plus 0.91 percent
The NASDAQ's Composite Index	Plus 0.25 percent

Wall Street's gains, however, were in spite of the fact that crude oil prices continued to rise on international markets.

Officials of The **Organisation of Petroleum Exporting Countries (OPEC)** went on record as stating that the ever-increasing price of the black ooze had nothing to do with the supply situation because OPEC was pumping a sufficiency of oil to meet international demands.

On The **New York Mercantile Exchange (NYMEX)**, last Friday, the price of light sweet crude oil for delivery in April rose another 0.39 percent to \$US53.78 per barrel.

The May price for a barrel of light sweet crude oil was settled at \$US54.28, an increase of about 0.22 percent, compared with Thursday's last quote.

In Europe, the statistics in respect of the labour situation in the US appeared to be treated with some foreboding because the US unemployment rate, nevertheless, was, still, about 5.40 percent.

The US economy, it was suggested in some quarters, is still not out of the woods.

Nevertheless, the maxim that trend is your friend held true and, since Wall Street was popping, European equity markets followed suit.

This was how the key indices of major eurozone bourses ended the week of March 4, 2005:

Amsterdam's AEX Index	Plus 0.62 percent
Great Britain's FTSE 100 Index	Plus 0.42 percent
Germany's Frankfurt XETRA DAX Index	Plus 1.14 percent

France's CAC 40 Index	Plus 0.74 percent
Switzerland's Swiss Market Index	Plus 0.03 percent
Italy's MIBTEL Index	Plus 0.73 percent

Of the 9 major equity markets of Asia, only 2 of their number did not rise, last Friday.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets lost ground, with the key index of the Main Board of The Stock Exchange of Hongkong Ltd, hitting a 10-month low.

Unconfirmed reports continued to circulate that the Chief Executive of the territory, Mr Tung Chee Hwa, had resigned and that Beijing had accepted his resignation.

While Mr Tung Chee Hwa is not well loved as a leader of men, an uncertain political situation is never good for the investment climate.

Investors, locked into shares, listed on the Main Board of The Stock Exchange of Hongkong Ltd, saw the Hang Seng Index give up about 1.16 percent of its value, ending the week at 13,730.78 points.

Declining counters outnumbered advancing counters by the ratio of about 3.80:One.

The Total Turnover rose to about \$HK22.53 billion.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 0.78 percent to \$HK128.00 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.44 percent to \$HK68.50 per share
I.T Ltd (Code: 999)	Unchanged at \$HK2.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.82 percent to \$HK24.30 per share
PetroChina Company Ltd (Code: 857)	Down 0.53 percent to \$HK4.725 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.05 percent to \$HK70.75 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.05 percent to \$HK70.50 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 0.74 percent to \$HK3.375 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.94 percent to \$HK105.50 per share
China Life Insurance Company Ltd (Code: 2628)	Down 2.80 percent to \$HK5.20 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Cheung Tai Hong Holdings Ltd	199		13.56	0.51
Crocodile Garments Ltd	122		10.13	0.71
China Sciences Conservational Power Ltd	351	10.34		0.64
Fortuna International Holdings Ltd	530		16.67	0.025
Gay Giano International Group Ltd	686		12.66	0.345
Great China Holdings Ltd	141		18.92	0.60
Joyce Boutique Holdings Ltd	647		10.77	0.58
Mascotte Holdings Ltd	136	11.48		0.34
Orient Resources Group Company Ltd	467		19.00	0.081
SEEC Media Group Ltd	205	11.25		0.445
Sincere Company Ltd, The	244		13.85	0.56
South China Holdings Ltd	265		11.11	0.32
Sunlink International Holdings Ltd	2336		23.53	0.065
Theme International Holdings Ltd	990		13.33	0.052
Wang Sing International Holdings Group Ltd	2389		10.75	0.83
Wealthmark International (Holdings) Ltd	39	14.00		0.57
Winfair Investment Company Ltd	287		15.56	3.80

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the lone index, The Growth Enterprise Index, lost exactly one half of a percentage point to end the day's proceedings at 980.49 points.

The Total Turnover on this speculative market was about \$HK59.60 million, while the ratio of losing counters to gaining ones was 1.40:One.

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

Panva Gas Holdings Ltd (Code: 8132)	Unchanged at \$HK3.30 per share
HC International, Incorporated (Code: 8292)	Up 6 percent to \$HK1.84 per share
Wumart Stores Incorporated (Code: 8277)	Unchanged at \$HK13.10 per share
Kingdee International Software Group Company Ltd (Code: 8133)	Unchanged at \$HK1.85 per share
Golden Meditech Company Ltd (Code: 8180)	Down 1 percent to \$HK1.59 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Advanced Card Systems Holdings Ltd	8210		14.29	0.06
AKM Industrial Company Ltd	8298	11.11		0.50
B and S Entertainment Holdings Ltd	8167		18.75	0.039
iSteelAsia Holdings Ltd	8080		25.00	0.024
Linefan Technology Holdings Ltd	8166		10.53	0.017
QUASAR Communication Technology Holdings Ltd	8171		14.29	0.18
T S Telecom Technologies Ltd	8003		12.12	0.058
TeleEye Holdings Ltd	8051		11.00	0.089
Thiz Technology Group Ltd	8119		12.50	0.014
Zhejiang Prospect Company Ltd	8273		10.53	0.85

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

The Hang Seng Index	Minus 3.01 percent
The Growth Enterprise Index	Plus 0.30 percent

On The Tokyo Stock Exchange, it was the 7th consecutive day of gains.

While The Nikkei-225 Stock Average gained only 16.59 yen, representing a one-day improvement of just 0.14 percent, ending the day at 11,873.05 yen, it was clear that the market was in a mildly bullish mood.

Gaining counters managed to squeeze out losing ones by the ratio of 1.28:One.

For the week, therefore, the tally for the largest Asian equity market was:

The Nikkei-225 Stock Average	Plus 1.85 percent
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And, in other Asian markets, this was how their respective indices fared, last Friday:

The HKSAR	Minus 1.16 percent to 13,730.78
Indonesia	Plus 0.77 percent to 1,103.01
Japan	Plus 0.14 percent to 11,873.05
Malaysia	Minus 0.46 percent to 885.33
The Philippines	Plus 1.50 percent to 2,124.69
Singapore	Plus 0.33 percent to 2,154.55
South Korea	Plus 0.20 percent to 1,012.96
Taiwan	Minus 0.14 percent to 6,193.62
Thailand	Plus 1.12 percent to 728.42

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