

**OIL PRICES HIT A NEW RECORD HIGH;
OPEC AGREES TO PUMP MORE OIL; AND,
EQUITY MARKETS LOSE MORE GROUND**

Encouraging news from Genentech Incorporated, a US-based pharmaceuticals company, that it had had positive results from its cancer-killing drug, was the impetus that pushed up stocks and shares on The New York Stock Exchange, last Monday.

The gains on The New York Stock Exchange came despite the price of crude oil, coming within a hair's breadth of the record-setting price, recorded in October 2004, and despite a large sell-off on equity markets, throughout the US, the previous Friday.

The Dow Jones Industrial Average, a gauge to trading in blue chips, listed on the Big Board, gained 30.15 points, or about 0.28 percent, running back to 10,804.51 points.

On The NASDAQ, its Composite Index followed The Dow with a rise of 9.44 points, equivalent to about 0.46 percent, ending its trading session at 2,051.04 points.

It was only in the final hour of trading, however, that share prices picked up on these 2 equity markets.

The gains were recorded in the wake of The National Cancer Institute, announcing that Avastin, a cancer drug, helped patients with lung cancer to live longer when that drug was combined with standard chemotherapy.

The share price of Genentech Incorporated rose about 25 percent to \$US55 per share.

The indices of the largest equity markets of the world would have done even better had it not been for the price of crude oil, however.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in April was settled at \$US54.95 per barrel, up 0.95 percent on the previous Friday's last quote of the day.

As for May delivery, the price of light sweet crude oil ended last Monday's session at \$US55.65 per barrel, an improvement of exactly one percent, compared with the previous Friday's closing level.

For May delivery, the settlement price was just 2 cents (US) off the record high for crude oil, set in October 2004 when it hit \$US55.67 per barrel.

In Europe, what appeared to be a retreat in the price of crude oil, early on Monday's NYMEX session, presented itself as a bit of a fillip for eurozone stocks and shares.

But it did not last for long.

Toward the close of the day, it was clear that the mirage was just that: A mirage.

As a result, major European bourses closed little changed from their previous close on Friday, March 11:

Amsterdam's AEX Index	Unchanged
Great Britain's FTSE 100 Index	Minus 0.14 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.15 percent
France's CAC 40 Index	Minus 0.01 percent

Switzerland's Swiss Market Index
Italy's MIBTEL Index

Minus 0.13 percent
Minus 0.01 percent

In Asia, generally, equity markets drifted, echoing trepidation throughout the most-populous area of the world with regard to the US economy and the increasing price of crude oil.

It was clear that the likelihood existed for more gains in the price of crude oil in the near future.

The Organisation of Petroleum Exporting Countries (OPEC) was scheduled to meet on Wednesday (March 16) and a number of OPEC members has made it very clear that this group was in favour of maintaining the present price of crude oil at \$US50 per barrel and higher.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), there were grave political concerns, lingering in the bleaches of investors.

The resignation of the Chief Executive of the HKSAR, Mr Tung Chee Hwa, the previous Thursday, had opened up a Pandora's Box of horrors.

New laws and modifications to existing HKSAR laws were about to be enacted at the behest of Beijing, suggesting the beginning of the end to the concept of the One-Country, Two-Systems form of Government for the territory, as was formerly guaranteed to remain in place for a period of not less than 50 years from July 1, 1997.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index, a key index of blue chips, gained about 0.12 percent, ending the session at 13,906.85 points.

The Total Turnover dipped to about \$HK14.86 billion, while the ratio of losing counters to gaining ones was about 1.56:One.

The pattern of trading was very quiet for the entire session.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.39 percent to \$HK128.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.95 percent to \$HK26.10 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK68.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.34 percent to \$HK72.75 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 0.74 percent to \$HK 3.35 per share
PetroChina Company Ltd (Code: 857)	Up 1.03 percent to \$HK4.90 per share
China Unicom Ltd (Code: 762)	Down 4.41 percent to \$HK6.50 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.10 percent to \$HK105.00 per share
China Telecom Corporation Ltd (Code: 728)	Unchanged at \$HK2.825 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Unchanged at \$HK14.60 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)
Carry Wealth Holdings Ltd	643	25.64		0.49
CEC International Holdings Ltd	759	13.87		0.197
Chengdu PUTIAN Telecommunications Cable Company Ltd	1202	15.00		0.92
Golik Holdings Ltd	1118		10.00	0.27
Hans Energy Company Ltd	554		10.48	0.94
Heritage International Holdings Ltd	412		10.34	0.026
Huabao International Holdings Ltd	336		10.37	1.21
Junefield Department Store Group Ltd	758	11.11		0.10
Pearl River Tyre (Holdings) Ltd	1187		18.92	0.60
Pioneer Global Group Ltd	224		10.19	0.485
Radford Capital Investment Ltd	901	14.29		0.016
Sincere Company Ltd, The	244	13.64		0.75
Tai Ping Carpets International Ltd	146	20.90		1.62

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index dropped about 0.51 percent of its value, ending the session at 1,000.21 points.

The Total Turnover on this market was about \$HK68.20 million.

Gaining counters and losing ones were, exactly, equal, at One:One.

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

EVI Education Asia Ltd (Code: 8090)	Down 2 percent to 8.10 cents per share
Yantai North Andre Juice Company Ltd (Code: 8259)	Up 2 percent to 94 cents per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Down 3 percent to \$HK17.10 per share
Golden Meditech Company Ltd (Code: 8180)	Down 1 percent to \$HK1.72 per share
Phoenix Satellite Television Holdings Ltd (Code: 8002)	Down 2 percent to \$HK1.58 per share

As for the largest movers on this speculative market, they included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B and S Entertainment Holdings Ltd	8167	11.11		0.04
Essex Bio-Technology Ltd	8151	20.41		0.118
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231	13.76		0.215
M Dream Inworld Ltd	8100	15.00		0.023
T S Telecom Technologies Ltd	8003	16.00		0.058
Techpacific Capital Ltd	8088	40.37		0.153

In Japan, the indices of the country's premier equity market went into reverse gear.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average lost 73.64 yen, equivalent to about 0.62 percent, falling back to 11,850.25 yen.

The ratio of losing counters to gaining ones was about 1.21:One.

In other parts of Asia, this was how indices of major equity markets ended their respective trading days, last Monday:

The HKSAR	Plus 0.12 percent to 13,906.85
Indonesia	Plus 1.39 percent to 1,123.48
Japan	Minus 0.62 percent to 11,850.25
Malaysia	Plus 0.02 percent to 901.64
The Philippines	Minus 1.02 percent to 2,115.61
Singapore	Minus 0.02 percent to 2,168.97
South Korea	Minus 0.30 percent to 1,019.69
Taiwan	Minus 0.79 percent to 6,155.51
Thailand	Minus 1.51 percent to 700.22

Tuesday

On the eve, so to speak, of the meeting of the Oil Ministers of The Organisation of Petroleum Exporting Countries (OPEC) in Iran, it was apparent that there was a divergence of opinion within OPEC members as to whether or not to increase exports of crude oil in order to cool down red-hot international oil markets.

On Monday, Saudi Arabia had called for an immediate increase in oil supplies in order to cope with the expected increased demand for crude oil for the remainder of the year, but on Tuesday, Algeria and Libya spoke out against any increase in crude-oil production.

Saudi's Oil Minister Ali Al-Naimi said that OPEC's objective was to prevent the oil markets of the world from unnecessary overheating.

Algerian Oil Minister Chakib Khelil said that such a move, as was being proposed by Saudi Arabia, would be little more than a *'goodwill gesture ... it doesn't mean anything in terms of reducing the (oil) price ... We can add barrels (of oil), but that won't stabilise prices. Economic growth has to slow down ...'*

On The New York Mercantile Exchange (NYMEX), last Tuesday, the price of light sweet crude oil for delivery in April was settled at \$US55.05 per barrel, up 10 cents (US) per barrel, equivalent to about 0.18 percent, compared with Monday's closing level.

For May delivery, the price of light sweet crude oil remained unchanged at Monday's settlement price of \$US55.65 per barrel.

On US equity markets, the continued high price of crude oil on international markets was only one of the considerations for investors because, among other things, it was reported that the mail centre of the US Defense Department had detected mail, laced with the deadly bacteria, anthrax.

On The New York Stock Exchange, the Dow Jones Industrial Average lost about 0.55 percent of its value, ending the day at 10,745.10 points.

Over on The NASDAQ, its Composite Index fell about 0.78 percent, coming to rest at 2,034.98 points.

Aside from the price of oil and the anthrax scare, investors of the US were also concerned about inflation.

The Commerce Department reported that US retail sales rose in February by about 0.50 percent, Year-on-Year, as consumer spending drove up indices.

This is likely to reinforce the determination of the US Federal Reserve to continue to increase interest rates when it holds its Open Market Committee Meeting on Wednesday, March 16, 2005.

For some investors and many industrialists, this is another cross to bear.

On European bourses, things looked much better for investors as every key index on major stock markets made healthy gains:

Amsterdam's AEX Index	Plus	0.46 percent
Great Britain's FTSE 100 Index	Plus	0.50 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.46 percent
France's CAC 40 Index	Plus	0.72 percent
Switzerland's Swiss Market Index	Plus	0.75 percent
Italy's MIBTEL Index	Plus	0.78 percent

In Asia, every key index of every major equity market was written in red ink.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), fears in respect of constitutional *'reforms'*, which are about to be introduced to the Legislative Council, was of great concern to many of the 7 million-odd residents.

These reforms, Hongkong residents are being told, would lead to Beijing, letting it be known of its interpretation of The Basic Law of the HKSAR.

This situation was reflected in trading on the territory's 2 equity markets.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index lost about 0.65 percent of its value, dropping back to 13,816.75 points.

The Total Turnover was about \$HK19.46 billion, while the ratio of declining counters to advancing ones was very wide, at 4.25: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)	Down 1.47 percent to \$HK67.00 per share

China Mobile (Hongkong) Ltd (Code: 941)	Down 0.57 percent to \$HK25.95 per share
PetroChina Company Ltd (Code: 857)	Unchanged at \$HK4.90 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 2.99 percent to \$HK3.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.34 percent to \$HK72.50 per share
Varitronix International Ltd (Code: 710)	Down 7.73 percent to \$HK8.35 per share
China Telecom Corporation Ltd (Code: 728)	Down 3.54 percent to \$HK2.725 per share
Hang Seng Bank Ltd (Code: 11)	Unchanged at \$HK105.00 per share
China Life Insurance Company Ltd (Code: 2628)	Unchanged at \$HK5.25 per share

As for the Main Board's double-digit movers of the day, there were only 6 counters that qualified:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Gay Giano International Group Ltd	686	12.82		0.44
Macau Success Ltd	487		12.61	1.04
New Times Group Holdings Ltd	166	14.29		0.32
New World TMT Ltd	301		10.53	0.51
Tai Ping Carpets International Ltd	146		18.52	1.32
Zhong Hua International Holdings Ltd	1064	10.64		0.052

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, it was a similar story as that, being told on the Main Board.

The Growth Enterprise Index lost about 0.78 percent of its former value, ending the trading day at 992.42 points.

The Total Turnover was about \$HK76.94 million.

Losing counters outpaced gaining counters by the ratio of about 1.20:One

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

Convenience Retail Asia Ltd (Code: 8052)	Unchanged at \$HK2.80 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Down 2 percent to \$HK16.70 per share
Phoenix Satellite Television Holdings Ltd (Code: 8002)	Up 1 percent to \$HK1.59 per share
International Entertainment Corporation (Code: 8118)	Up 4 percent to \$HK8.75 per share
Kingdee International Software Group Company Ltd (Code: 8133)	Down 3 percent to \$HK1.90 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
A-S China Plumbing Products Ltd	8262	12.12		1.85
B and S Entertainment Holdings Ltd	8167		10.00	0.036
Inno-Tech Holdings Ltd	8202		21.05	0.045
M Dream Inworld Ltd	8100		13.04	0.02
MegaInfo Holdings Ltd	8279		11.29	0.055
QUASAR Communication Technology Holdings Ltd	8171	40.74		0.19
Techpacific Capital Ltd	8088		13.07	0.133
Thiz Technology Group Ltd	8119		13.33	0.013
Vodatel Networks Holdings Ltd	8033	11.54		0.29

Trading on The Tokyo Stock Exchange, the premier equity market of Japan, was terribly slow, throughout the trading day.

By the close, The Nikkei-225 Stock Average, a key index of this market, was standing at 11,821.09 yen, a one-day loss of 29.16 yen, equivalent to about one quarter of a percentage point.

While The Nikkei-225 Stock Average hardly moved, throughout the day, the ratio of losing counters to gaining ones told a different story because losers outran gainers by the ratio of about 1.60:One.

News wise

- **Corporate bankruptcies** in Japan fell by about 12.60 percent in February, compared with February 2004. It was the 26th consecutive year of declines in the number of such bankruptcies;
- **Japan's economy** expanded by about 0.01 percent, Quarter-on-Quarter, during the 3-month period, ended December 31, 2004, The Cabinet Office of the Government announced; and,
- Japan's **Current Account Surplus** shrank by about 28.10 percent in January, compared with the like month in 2004, The Finance Ministry said.

In other Asian equity markets, this was how their key indices ended their respective trading days, last Wednesday:

The HKSAR	Minus 0.65 percent to 13,816.75
Indonesia	Minus 0.40 percent to 1,119.00
Japan	Minus 0.25 percent to 11,821.09
Malaysia	Minus 0.38 percent to 898.20
The Philippines	Minus 0.44 percent to 2,106.31
Singapore	Minus 0.23 percent to 2,163.93
South Korea	Minus 2.61 percent to 993.13
Taiwan	Minus 1.50 percent to 6,063.48
Thailand	Minus 0.48 percent to 696.84

Wednesday

The **Organisation of Petroleum Exporting Countries (OPEC)** surprised many people, last Wednesday, when it decided to raise its production of crude oil by 500,000 barrels per day to 27.50 million barrels.

OPEC, also, said that it would consider a further increase of another 500,000 barrels per day in May.

The President of OPEC, Shaikh Ahmad Fahd al-Sabah, said:

'OPEC is doing everything it can to restore stability to the market ... OPEC is committed to making sure the market is well supplied at reasonable prices ...'.

But speculators in oil determined that the 500,000 barrel per day increase of crude oil was insufficient to quench the thirst of the world for the black ooze.

Also, recent data indicated that reserves in the US of petrol and heating oil have been falling.

On The **New York Mercantile Exchange (NYMEX)**, the price of light sweet crude oil hit a new record high.

For delivery in April, the price of light sweet crude oil was settled at \$US56.46 per barrel while, for May delivery, the price of light sweet crude oil was settled at \$US57.04 per barrel.

April's price was an increase of about 2.56 percent on Tuesday's closing level and, for May, the price had risen by exactly 2.50 percent on the last quote on Tuesday.

The record-high price of crude oil caused stock prices to slump quickly in both Europe and the US.

On The New York Stock Exchange, the Dow Jones Industrial Average fell about 1.04 percent to end the trading session at 10,633.07 points.

Over on The NASDAQ, its Composite Index shed about 0.94 percent of its value, falling back to 2,015.75 points.

Aside from higher oil prices, which, as well as being inflationary, causes industries' profit margins to shrink, the equity markets of the US were hit with a startling announcement from **General Motors Corporation (GM)**, the largest motor-vehicle manufacturer in the world.

GM announced that it had lowered its profits outlook for the remainder of the year due to declining sales of its vehicles in North America.

The company said that it expected to lose about \$US1.50 per share in the first quarter of this year.

It had, previously, forecast a break-even situation for the quarter.

The share price of GM dropped by 14 percent on the news.

In Europe, there was a free-fall on major bourses, all of the key indices of which suffered substantial losses:

Amsterdam's AEX Index	Minus 1.47 percent
Great Britain's FTSE 100 Index	Minus 1.25 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.79 percent
France's CAC 40 Index	Minus 1.43 percent
Switzerland's Swiss Market Index	Minus 1.11 percent
Italy's MIBTEL Index	Minus 1.11 percent

For Europe, the closing levels of major stock markets represented their lowest levels in the past 6 weeks.

Record-high oil prices and the GM warning did the trick.

In Asia, the news from OPEC had not been released during trading hours.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the market was shocked when HSBC Holdings plc (Code: 5, Main Board, The Stock Exchange of Hongkong Ltd) announced that it would be sacking a further tranche of its back-office workers, globally, and moving them to low-cost areas in Asia.

The world's 'local' bank suggested that it would be Asia that would benefit from the decision, with Europe and the US, seeing a culling of thousands of HSBC workers.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about 0.11 percent to hit 13,832.52 points by the time that the closing bell rang.

The Total Turnover was about \$HK17.78 billion.

Gaining counters outnumbered losing ones by the ratio of about 1.77:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.08 percent to \$HK126.00 per share
Cathay Pacific Airways Ltd (Code: 293)	Up 4.90 percent to \$HK15.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.93 percent to \$HK26.45 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.75 percent to \$HK67.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.32 percent to \$HK72.75 per share
PetroChina Company Ltd (Code: 857)	Up 0.51 percent to \$HK4.925 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 2.31 percent to \$HK3.325 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.70 percent to \$HK71.00 per share
Swire Pacific Ltd (Code: 19)	Up 2.69 percent to \$HK66.75 per share
China Telecom Corporation Ltd (Code: 728)	Up 0.92 percent to \$HK2.75 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Carry Wealth Holdings Ltd	643		10.87	0.41
Chia Hsin Cement Greater China Holding Corporation	699		13.28	1.11
China National Aviation Company Ltd	1110	11.11		1.80
Cross-Harbour (Holdings) Ltd, The	32	11.54		5.80
Fujian Holdings Ltd	181	11.11		0.22
K.P.I. Company Ltd	605	10.37		0.149
Kantone Holdings Ltd	1059	25.00		0.375
Pyxis Group Ltd	516		10.20	0.044
Quam Ltd	952	13.79		0.66

Shun Ho Resources Holdings Ltd	253	12.50		0.72
South China Holdings Ltd	265		18.92	0.30
Starbow Holdings Ltd	397	18.18		0.078
Sunny Global Holdings Ltd	1094		11.39	0.07
Wealthmark International (Holdings) Ltd	39		10.00	0.45

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, once again the ratio of gaining counters to losing ones was equal, at One:One.

The Growth Enterprise Index gained about 0.34 percent, ending the trading day at 995.74 points.

The Total Turnover was about \$HK69.32 million.

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

TOM Online Incorporated (Code: 8282)	Up 3 percent to \$HK1.24 per share
International Entertainment Corporation (Code: 8118)	Up 5 percent to \$HK8.75 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Unchanged at \$HK16.65 per share
Phoenix Satellite Television Holdings Ltd (Code: 8002)	Up 1 percent to \$HK1.60 per share
Kingdee International Software Group Company Ltd (Code: 8133)	Up 3 percent to \$HK1.95 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B and S Entertainment Holdings Ltd	8167	16.67		0.042
Creative Energy Solutions Holdings Ltd	8109	10.29		0.075
Nanjing Dahe Outdoor Media Company Ltd	8243	13.73		0.29
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231	20.45		0.265
Glory Future Group Ltd	8071		20.83	0.019
Media Partners International Holdings Incorporated	8072	13.40		0.55
ProSticks International Holdings Ltd	8055		10.34	0.026
Q9 Technology Holdings Ltd	8129	13.79		0.033
TeleEye Holdings Ltd	8051		16.09	0.073
Vodatel Networks Holdings Ltd	8033		12.07	0.255
Zhejiang Prospect Company Ltd	8273	11.11		0.80

Up north in Japan, it was another relatively quiet trading day on the country's 3 equity markets.

The Nikkei-225 Stock Average, a key index of The Tokyo Stock Exchange, gained 52.09 yen, equivalent to 0.44 percent, exactly, pushing up this index to 11,873.18 yen.

Advancing counters were ahead of declining ones by the ratio of about 1.25:One.

And this was how indices on other major equity markets of Asia saw the situation, last Wednesday night:

The HKSAR	Plus 0.11 percent to 13,832.52
Indonesia	Plus 1.72 percent to 1,138.23
Japan	Plus 0.44 percent to 11,873.18
Malaysia	Minus 0.08 percent to 897.51
The Philippines	Minus 0.34 percent to 2,099.12
Singapore	Plus 0.26 percent to 2,169.64
South Korea	Unchanged at 993.13
Taiwan	Plus 0.15 percent to 6,072.36
Thailand	Plus 1.41 percent to 706.64

Thursday

The price of crude oil hit another record-breaking, intraday high, last Thursday, before profit taking took control and the price of oil came off its highs.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for April delivery was settled at \$US56.40 per barrel, down about 0.11 percent, compared with Wednesday's NYMEX closing level.

At one point, during the trading day, however, the price of light sweet crude oil rose to \$US57.60 per barrel.

For May delivery, the price of light sweet crude oil was settled at \$US56.91 per barrel, down about 0.23 percent on the settlement price of Wednesday.

While the world is blaming The Organisation of Petroleum Exporting Countries (OPEC) for the record-breaking price of crude oil (and there is some justification to the allegations), at the same time, OPEC maintains that its production of crude oil is standing at a 25-year high.

OPEC, also, maintains that its resources are being stretched to keep up with the world's daily requirements for oil.

On The New York Stock Exchange, last Thursday, the Dow Jones Industrial Average lost about 0.06 percent of its value, falling back to 10,626.35 points.

On The NASDAQ, its Composite Index gave up about 0.03 percent of its value, ending the trading day at 2,016.42 points.

The high price of oil and Wednesday's announcement from General Motors Corporation (Please see Wednesday's report) weighed heavily on investor sentiment.

While European bourses are studded with energy companies, many of which, no doubt, will be benefiting from the high price of crude oil, nevertheless, investors in this part of the world determined to sit on their hands, for the most part.

This was how indices of the most-important eurozone bourses fared, last Thursday:

Amsterdam's AEX Index	Unchanged
Great Britain's FTSE 100 Index	Minus 0.31 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.15 percent
France's CAC 40 Index	Plus 0.31 percent
Switzerland's Swiss Market Index	Minus 0.24 percent
Italy's MIBTEL Index	Plus 0.12 percent

The record-high price of crude oil on international markets knocked the stuffing out of stocks and shares throughout Asia, last Thursday.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), there was widespread concern over the uncertain political situation, as it was, but the international oil price was grinding away at the confidence of many investors.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index lost about 0.11 percent of its value, skidding to 13,817.99 points.

The Total Turnover was about \$HK17.80 billion.

Losing counters outnumbered gaining ones by the ratio of about 1.32:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK126.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.57 percent to \$HK26.30 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK67.50 per share
PetroChina Company Ltd (Code: 857)	Unchanged at \$HK4.925 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.34 percent to \$HK73.00 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 1.50 percent to \$HK3.375 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.70 percent to \$HK71.50 per share
CNOOC Ltd (Code: 883)	Up 1.74 percent to \$HK4.375 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.48 percent to \$HK104.50 per share

China Telecom Corporation Ltd (Code: 728)

Up 0.91 percent to \$HK2.775 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)
Century Legend (Holdings) Ltd	79	29.79		0.305
China Elegance (Holdings) Ltd	476		10.26	0.07
China United International Holdings Ltd	273	10.05		0.219
e-Kong Group Ltd	524	12.50		0.135
Garron International Ltd	1226		16.67	0.10
Mayer Holdings Ltd	1116	11.54		0.58
Quam Ltd	952		12.12	0.58
Truly International Holdings Ltd	732	10.68		11.40
Wealthmark International (Holdings) Ltd	39	11.11		0.50

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, it was a slightly different story.

The Growth Enterprise Index rose 0.30 percent, exactly, ending the session at 998.73 points.

The Total Turnover was about \$HK85.18 million.

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

TOM Online Incorporated (Code: 8282)

Up 1 percent to \$HK1.25 per share

International Entertainment Corporation (Code: 8118)

Up 1 percent to \$HK9.20 per share

Yantai North Andre Juice Company Ltd (Code: 8259)

Unchanged at 91 cents per share

Phoenix Satellite Television Holdings Ltd (Code: 8002)

Down 1 percent to \$HK1.59 per share

Media Partners International Holdings Incorporated (Code: 8072)

Up 9 percent to 60 cents per share

The GEM's biggest movers of last Thursday included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022		15.25	0.15
Armitage Technologies Holding Ltd	8213		10.26	0.035
Kinetana International Biotech Pharma Ltd	8031		10.00	0.045
Medical China Ltd	8186	14.75		0.07
MP Logistics International Holdings Ltd	8239		13.33	0.182
Pan Sino International Holding Ltd	8260	12.00		0.28
Recruit Holdings Ltd	8073		13.08	1.13
Techpacific Capital Ltd	8088		16.26	0.103
Tradeeasy Holdings Ltd	8163	10.42		0.053

In Japan, the situation on the country's 3 equity market was much more serious than on the HKSAR equity markets.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average lost 97.68 yen, equivalent to about 0.82 percent, falling back to 11,775.50 yen.

Losing counters outran gaining ones by the ratio of about 1.69:One.

Japan, more than most Asian countries, is caught in a vice when oil prices are not stable, with its vital industries, being unable to adjust quick enough in times, such as these.

Unless oil prices come off quickly, the prospects for many Japanese companies do not appear to be encouraging.

And this was how indices of other Asian equity ended their respective trading days, last Thursday:

The HKSAR	Minus 0.11 percent to 13,817.99
Indonesia	Minus 0.32 percent to 1,134.59

Japan	Minus 0.82 percent to 11,775.50
Malaysia	Plus 0.19 percent to 899.26
The Philippines	Plus 0.05 percent to 2,100.11
Singapore	Minus 0.45 percent to 2,159.89
South Korea	Minus 1.32 percent to 980.05
Taiwan	Minus 0.66 percent to 6,032.47
Thailand	Minus 0.02 percent to 706.53

Friday

The ever-increasing price of crude oil appeared to be unstoppable, last Friday, as speculators continued to buy heavily into futures.

The pressure was being stepped up on The Organisation of Petroleum Exporting Countries to raise production levels, again, only 2 days after the cartel agreed to increase quotas by 500,000 barrels per day. (Please see Wednesday's report)

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in April rose 32 cents (US) per barrel, or about 0.57 percent, to the settlement price of \$US56.72.

For May delivery, the price of light sweet crude oil was settled at \$US57.24 per barrel, up 0.58 percent on Thursday's closing level.

On equity markets in the US, investors were uncertain as to the action that they should take, resulting in indices, vacillating for most of the trading day.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 0.03 percent, ending the week at 10,629.67 points, while, on The NASDAQ, its Composite Index fell 0.43 percent to hit 2,007.79 points for the closing level of the week.

Losing counters outnumbered gaining ones by the ratio of about 2:One on The New York Stock Exchange and by about 3:2 on The NASDAQ.

For the week, therefore, the tally for the world's largest equity markets was:

The Dow Jones Industrial Average	Minus 1.34 percent
The NASDAQ Composite Index	Minus 1.66 percent

In Europe, oil and mining counters rose in prominence over most other counters, as investors determined that oil and raw materials would be hard-pressed to keep up with demand in the months ahead.

However, there was, still, a great deal of trepidation over the high cost of crude oil on international exchanges.

This was how key indices of European bourses closed out the week of March 18, 2005:

Amsterdam's AEX Index	Plus 0.40 percent
Great Britain's FTSE 100 Index	Plus 0.02 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.26 percent
France's CAC 40 Index	Plus 0.46 percent
Switzerland's Swiss Market Index	Minus 0.54 percent
Italy's MIBTEL Index	Unchanged

News wise

- The **British Broadcasting Corporation** is to sack 1,500 of its worker over the next 3 years in order to save £200 million (about \$US384.70 million).

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gained about 0.08 percent, rising to 13,828.37 points.

The Total Turnover was about \$HK17.24 billion.

While the key index of this market was in positive territory, losing counters outpaced gaining ones by the ratio of about 1.39:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK126.00 per share
Jilin Chemical Industrial Company Ltd (Code: 368)	Down 15.25 percent \$HK2.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.19 percent to \$HK26.25 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK67.50 per share
PetroChina Company Ltd (Code: 857)	Up 1.52 percent to \$HK5.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Unchanged at \$HK73.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Unchanged at \$HK71.50 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 0.74 percent to \$HK3.40 per share
CNOOC Ltd (Code: 883)	Up 2.86 percent to \$HK4.50 per share
China Life Insurance Company Ltd (Code: 2628)	Unchanged at \$HK5.30 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
BEP International Holdings Ltd	2326		12.28	0.15
Climax International Company Ltd	439	17.86		0.033
eSun Holdings Ltd	571	12.90		2.10
First Sign International Holdings Ltd	933		12.07	0.255
Golden Harvest Entertainment (Holdings) Ltd	1132		15.38	0.22
Jackley Holdings Ltd	2966		10.87	0.41
Jilin Chemical Industrial Company Ltd	368		15.25	2.50
Man Yue International Holdings Ltd	894	10.71		0.62
Orient Resources Group Company Ltd	467	15.48		0.097
Pearl River Tyre (Holdings) Ltd	1187		10.34	0.52
South China Brokerage Company Ltd	619		10.08	0.107
Theme International Holdings Ltd	990	16.67		0.049
Victory Group Ltd	1139	17.02		0.055
Wah Nam International Holdings Ltd	159	18.95		0.182
Wai Yuen Tong Medicine Holdings Ltd	897	13.43		0.076

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, investors were somewhat surprised to see The Growth Enterprise Index drop, dramatically, during the day.

The Growth Enterprise Index ended the week at 982.79 points, a one-day loss of about 1.60 percent.

While the Total Turnover was only about \$HK80.05 million, the ratio of losing counters to gaining ones was about 1.40:One.

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

Kingdee International Software Group Company Ltd (Code: 8133)	Down 16 percent to \$HK1.62 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Down 2 percent to \$HK16.30 per cent
TOM Online Incorporated (Code: 8282)	Unchanged at \$HK1.25 per share
International Entertainment Corporation (Code: 8118)	Up 1 percent to \$HK9.25 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 2 percent to \$HK1.17 per share

The biggest GEM movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Cardlink Technology Group Ltd	8066	18.75		0.095
Co-winner Enterprise Ltd	8108		18.03	0.05
KanHan Technologies Group Ltd	8175	20.00		0.048
Kingdee International Software Group Company Ltd	8133		16.06	1.62

Linefan Technology Holdings Ltd	8166	20.00		0.018
Shaanxi Northwest New Technology Industry Company Ltd	8258	11.65		0.115
Pan Sino International Holding Ltd	8260	10.71		0.31
Techpacific Capital Ltd	8088	10.68		0.114

The tally for the HKSAR equity markets was:

The Hang Seng Index	Minus 0.45 percent
The Growth Enterprise Index	Minus 2.24 percent

Japan's 3 stock markets made some of the biggest gains, last Friday.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average put on 104.31 yen, equivalent to about 0.89 percent, ending the trading session at 11,879.81 yen.

Gaining counters outnumbered losing ones by the ratio of about 3.87:One.

However, the tally for the largest equity market of Asia was still written in red:

The Nikkei-225 Stock Average	Minus 0.37 percent
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And this was how indices of other Asian equity markets ended their respective trading days, last Friday:

The HKSAR	Plus 0.08 percent to 13,828.37
Indonesia	Plus 1.17 percent to 1,147.87
Japan	Plus 0.89 percent to 11,879.81
Malaysia	Minus 0.59 percent to 894.00
The Philippines	Minus 2.37 percent to 2,050.28
Singapore	Plus 0.68 percent to 2,174.49
South Korea	Minus 0.03 percent to 979.72
Taiwan	Plus 0.19 percent to 6,043.95
Thailand	Plus 0.69 percent to 711.40

NOTICE TO SUBSCRIBERS

Due to the Easter Holidays and other Chinese holidays, all of which fall within the next fortnight, TARGET will not be compiling stock market reviews for the period, March 21, 2005, through to April 8, 2005.

Your next stock market review will be published on April 11, 2005.

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