

**WALL STREET SUFFERS MATERIAL LOSSES;
JAPAN-CHINA EXCHANGE BARBS; AND,
CONSUMER SPENDING DRYING UP, INTERNATIONALLY**

A combination of 3 independent and unrelated factors conspired to bring down the prices of stocks and shares, listed on the world's largest equity markets, last Monday.

The 3 factors were:

1. The higher price of crude oil;
2. A warning from Ford Motor Company that things were not that they were cracked up to be and that investors should stand by for more bad news; and,
3. Apprehension as to what was contained in the Minutes of the US Federal Reserve Board with regard to its Open Market Committee Meeting of March 22.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in May rose 0.73 percent to hit \$US53.71 per barrel by the close of the day.

The settlement price for June delivery for a barrel of light sweet crude oil was \$US55.10, up 0.82 percent, compared with the previous Friday's settlement price.

Oil prices were on the rise, once again: Bad news for everybody except the producers, of course.

Higher oil prices translate into inflation in the fullness of time.

Ford Motor Company made an official announcement, following on from its strong suggestion of the previous Friday when it warned that all was not on course for higher profitability.

Ford's Management said that its Bottom Line for the 2005 Financial Year and for the 2006 Financial Year would fall far short of previous expectations – probably by a wide margin.

A break-even position was all that the company said it could expect for this Year in respect of Before-Tax Profits.

The company cited the continued high price of petrol as a contributory factor to lower sales of its vehicles, plus strong competition from foreign producers, especially from Japan.

The share price of Ford slumped more than 6 percent, during last Monday's trading session on The New York Stock Exchange, hitting a 2-year low.

Ford's pronouncement and the dumping of its shares by certain investors spurred sales of shares of other motor-vehicle producers, listed on The New York Stock Exchange.

The last-remaining factor, which dragged down prices of shares, listed on The New York Stock Exchange and The NASDAQ, was the fact that The Fed would be releasing the Minutes of its Open Market Committee Meeting of March 22, the following day.

Investors were apprehensive as to what those Minutes might contain: A harbinger of more interest rates to come, perhaps?

With the motor group under pressure on The New York Stock Exchange, it was hardly any wonder that key indices were under pressure for most of the day.

The Dow Jones Industrial Average, a gauge to trading in blue chips, listed on the Big Board, shed about 0.12 percent of its former value, ending the session at 10,448.56 points.

On The NASDAQ, its Composite Index gave up about 0.36 percent, dropping back to 1,992.12 points.

European bourses came under pressure, last Monday, as investors tried to digest the Ford announcement and concern about the higher price of crude oil on international markets.

After 4 days of higher prices, key indices of major bourses started to drift to lower levels:

Amsterdam's AEX Index	Minus 0.34 percent
Great Britain's FTSE 100 Index	Minus 0.20 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.10 percent
France's CAC 40 Index	Minus 0.16 percent
Switzerland's Swiss Market Index	Minus 0.06 percent
Italy's MIBTEL Index	Plus 0.13 percent

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors were treated to falling indices for the entire trading day.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index lost exactly 0.05 percent of its value, ending the day at 13,659.93 points.

The Total Turnover fell to about \$HK11.87 billion, one of the lowest values of the year to date.

While the Hang Seng Index lost only a small fraction, declining counters outnumbered advancing ones by the ratio of about 1.74:One.

The Ten Most Active counters of the day were:

A-Max Holdings Ltd (Code: 959)	Up 1.94 percent to \$HK1.05 per share
HSBC Holdings plc (Code: 5)	Up 0.40 percent to \$HK124.00 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK68.75 per share
PetroChina Company Ltd (Code: 857)	Down 1.00 percent to \$HK4.95 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.35 percent to \$HK70.75 per share
CNOOC Ltd (Code: 883)	Down 1.73 percent to \$HK4.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.38 percent to \$HK26.10 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Unchanged at \$HK71.25 per share
CLP Holdings Ltd (Code: 2)	Down 0.68 percent to \$HK44.10 per share
Swire Pacific Ltd (Code: 19)	Up 2.01 percent to \$HK63.50 per share

The biggest Main Board movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Applied International Holdings Ltd	519	54.55		0.51
Broad Intelligence International Pharmaceutical Holdings Ltd	1149	15.38		0.45
Capital Estate Ltd	193	22.73		0.027
Celestial Asia Securities Holdings Ltd	1049		15.29	0.36
Chevalier iTech Holdings Ltd	508	32.80		1.66
China Treasure (Greater China) Investments Ltd	810		11.76	0.15
Fujian Holdings Ltd	181	13.99		0.22
Fushan Holdings Ltd	639	17.14		0.41
Goldlion Holdings Ltd	533	12.09		1.02
Great China Holdings Ltd	141		12.70	0.55
Haywood Investments Ltd	905		12.77	0.082
Kee Shing (Holdings) Ltd	174	20.93		1.04
Landune International Ltd	245	11.11		0.12
Magnum International Holdings Ltd	305	18.52		0.128
MAXX Bioscience Holdings Ltd	512		15.00	0.119
Simsen International Corporation Ltd	993	17.89		0.112
Takson Holdings Ltd	918	17.98		0.21

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the losses were far greater than those on the Main Board.

The Growth Enterprise Index shed about 0.71 percent, falling back to 948.62 points.

The Total Turnover on this speculative market was about \$HK43.08 million.

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

Vertex Communications and Technology Group Ltd (Code: 8228)	Down 2 percent to 57 cents per share
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Yantai North Andre Juice Company Ltd (Code: 8259)
 CK Life Sciences International (Holdings) Incorporated (Code: 8222)
 TOM Online Incorporated (Code: 8282)
 Panva Gas Holdings Ltd (Code: 8132)

Up 4 percent to 77 cents per share
 Down 4 percent to \$HK1.06 per share
 Up 2 percent to \$HK1.24 per share
 Unchanged at \$HK3.225 per share

As for The GEM's double-digit movers, last Monday, they were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGL MediaTech Holdings Ltd	8192		20.51	0.031
Argos Enterprise (Holdings) Ltd	8022		29.11	0.112
China Advance Holdings Ltd	8117		11.90	0.111
Glory Future Group Ltd	8071		14.29	0.018
Pan Sino International Holding Ltd	8260	12.90		0.28
Prosperity International Holdings (Hongkong) Ltd	8139	11.11		0.03
Recruit Holdings Ltd	8073	16.07		1.30

In Japan, it was more than a bit of a rout as chipmakers came under fire.

On The Tokyo Stock Exchange, which is the largest equity market in Asia, The Nikkei-225 Stock Average surrendered 129.11 yen, equivalent to about 1.09 percent, coming to rest at 11,745.64 yen.

Losing counters outnumbered gaining ones by the ratio of about 4.40:One.

Japan's chipmaker, Elpida Memory Incorporated, a joint venture between Hitachi Ltd and NEC Corporation, announced that its Net Profit forecast for its 2005 Financial Year, ended March 31, 2005, would be close to about 8.10 billion yen, down from 12 billion yen, which was originally forecast.

It took the steam out of many a counter.

Then, there were those anti-Japanese demonstrations in the PRC, proper, over Japan's interpretation as to what had transpired in the 1930s and 1940s, following Japan's invasion of the PRC.

The PRC Government does not take kindly to the way that Japan likes to change the history of the region in its textbooks.

And, in other Asian equity markets, this was how those key indices fared, last Monday:

The HKSAR	Minus 0.05 percent to 13,659.93
Indonesia	Minus 0.47 percent to 1,105.98
Japan	Minus 1.09 percent to 11,745.64
Malaysia	Plus 0.68 percent to 869.93
The Philippines	Minus 0.52 percent to 1,896.72
Singapore	Minus 0.02 percent to 2,181.58
South Korea	Minus 0.63 percent to 985.94
Taiwan	Minus 0.74 percent to 5,979.42

Tuesday

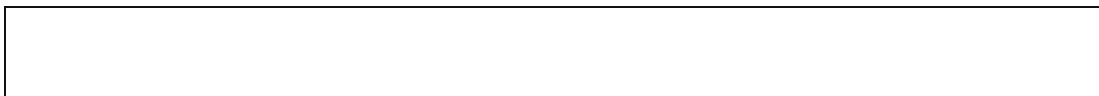
The high price of crude oil and the flooding into the US of textiles and garments from the People's Republic of China (PRC) were the contributory factors to the creation of a new, record-breaking trade deficit for the month of February, according to the US Government.

Official US Government statistics put the trade deficit for the month of February at \$US61 billion.

That figure was about 4.30 percent higher than the January statistic and about 33 percent higher than the figure for the like period in 2004.

What these statistics indicate is that the US is buying more than it is selling – a sure-shot sign of inflation, among other things.

Exports of textiles and apparel from the PRC, proper, the US Government statistics indicated, had ballooned by about 62.40 percent during the first 2 months of 2005, compared with the like months in 2004.



**'WATCH OUT, HERE COMES THE DRAGON OF THE EAST – AGAIN !
THE DEATH KNELL TOLLS FOR AMERICAN MANUFACTURERS'**

All in all, it was not particularly good news for the US economy.

But it was not all bad news, last Tuesday.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in May was settled at \$US51.86 per barrel, off about 3.44 percent, compared with the closing level of Monday.

For June delivery, the price of a barrel of light sweet crude oil was settled at \$US53.53 per barrel, down 2.85 percent on the day.

On The New York Stock Exchange, the falling price of crude oil on international markets put a rocket up the Khyber Pass, as far as many investors were concerned.

Indices on this equity market rose smartly, with the Dow Jones Industrial Average, gaining 0.57 percent, ending the day's activity at 10,507.97 points.

On The NASDAQ, its Composite Index followed The Dow with a gain of about 0.67 percent, rising to 2,005.40 points.

Also helping the mildly bullish sentiment on Wall Street was the release of the Minutes of the US Federal Reserve Board in respect of the March 22 Open Market Committee Meeting.

In brief, it stated that, while inflation in the US was continuing to be of some concern, there was no definitive suggestion to the effect that interest rates would have to be moved up at a pace, higher than that, that had been set, during the first quarter of 2005.

In Europe, the bears ruled the major equity markets, pulling down key indices:

Amsterdam's AEX Index	Minus 0.54 percent
Great Britain's FTSE 100 Index	Minus 0.54 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.54 percent
France's CAC 40 Index	Minus 0.50 percent
Switzerland's Swiss Market Index	Minus 0.37 percent
Italy's MIBTEL Index	Plus 0.52 percent

The reason for the slump in major indices of eurozone was the release of the record-breaking, US trade deficit for February.

The suggestion was unquestionable: Growth in the US economy would be constrained in the months to come.

In its bi-annual assessment of the global economic prospects, the International Monetary Fund (IMF) had determined that the high cost of fossil fuels poses a real threat to the growth of international trade.

While the IMF had stated that the US would enjoy growth in 2005, it would be at a considerably slower rate than that which the US had enjoyed in 2004.

The IMF stressed that volatility in the world's oil markets could well inject uncertainty in the minds of investors leading to restrained economic growth in the US in the months to come.

In Asia, it was a mixed bag for investors, by and large.

The row between Japan and the PRC heated up, last Tuesday, with Premier Wen Jia Bao, telling Japan, inter alia:

'Only a country that respects history, takes responsibility for past history, and wins over the trust of people in Asia and the world at large can take greater responsibility in the international community.'

Japan, it has stated, obliquely, is unwilling to admit the extent of the atrocities that it perpetrated against the PRC and its peoples, during World War II, and has coloured the history of this period in its textbooks so as to make Japan appear to be in a favourable light rather than the killer and rapist that it, actually, was.

For the past fortnight, there had been rather violent demonstrations in a number of PRC cities, as people walked through the streets, chanting anti-Japanese slogans, and, sometimes, attacking Japanese commercial establishments, as well as the Japanese Embassy in Beijing.

Japan is attempting to obtain a permanent seat on the United Nations Security Council.

The PRC is doing all that it can to prevent this.

The unrest in the PRC over Japan's approval of its new textbooks, which are calculated at changing the facts of history as they involve Japan, was taking its toll of share prices, both in Tokyo and in the Hongkong Special Administrative Region (HKSAR) of the PRC.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gave up 0.01 percent of its value, dropping back to 13,658.05 points.

The Total Turnover fell to about \$HK10.74 billion, while the ratio of losing counters to gaining ones was about 2.20:One.

Many investors on this market were beginning to wonder whether or not the PRC-Japan tiff would spill over into the HKSAR.

Some, the more level-headed old-timers, however, suggested that, as with a typhoon, the war of words between Japan and the PRC would blow over as quickly as the winds of hate blew up.

The Ten Most Active counters on the Main Board of The Stock Exchange of Hongkong Ltd were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK124.00 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK68.75 per share
China Life Insurance Company Ltd (Code: 2628)	Down 2.88 percent to \$HK5.05 per share
CITIC 21CN Company Ltd (Code: 241)	Down 15.22 percent to \$HK2.925 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.57 percent to \$HK25.95 per share
PetroChina Company Ltd (Code: 857)	Down 0.51 percent to \$HK4.925 per share
A-Max Holdings Ltd (Code: 959)	Down 8.57 percent to \$HK0.96 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.35 percent to \$HK71.00 per share
Semiconductor Manufacturing International Corporation (Code: 981)	Down 1.27 percent to \$HK1.56 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Unchanged at \$HK14.35 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Applied International Holdings Ltd	519		21.57	0.40
Benefun International Holdings Ltd	1130	15.38		0.075
Broad Intelligence International Pharmaceutical Holdings Ltd	1149		12.22	0.395
CITIC 21CN Company Ltd	241		15.22	2.925
Cosmos Machinery Enterprises Ltd	118	15.12		0.495
EC-Founder (Holdings) Company Ltd	618		10.19	0.238
Fortuna International Holdings Ltd	530		12.50	0.021
Guo Xin Group Ltd	1215		10.53	0.034
HKC International Holdings Ltd	248	12.28		0.32
United Power Investment Ltd	674		17.80	0.485
VXL Capital Ltd	727	25.81		5.85

Over on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, it was another featureless day for investors.

The Growth Enterprise Index gave up about 0.17 percent of its value, dropping to 947.02 points.

The Total Turnover was just \$HK43.90 million.

Declining counters beat off gaining counters by the ratio of about 1.13:One.

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

Yantai North Andre Juice Company Ltd (Code: 8259)	Down 1 percent to 76 cents per share
Wumart Stores Incorporated (Code: 8277)	Unchanged at \$HK13.75 per share
Vertex Communications and Technology Group Ltd (Code: 8228)	Down 7 percent to 53 cents per share
iSteelAsia Holdings Ltd (Code: 8080)	Up 49 percent to 9.10 cents per share
TOM Online Incorporated (Code: 8282)	Unchanged at \$HK1.24 per share

The biggest GEM movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
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abc Multiactive Ltd	8131	11.43		0.078
Advanced Card Systems Holdings Ltd	8210	44.29		0.101
Argos Enterprise (Holdings) Ltd	8022	25.00		0.14
B M Intelligence International Ltd	8158	25.00		0.05
China Medical Science Ltd	8120	25.00		0.14
CyberM International (Holdings) Ltd	8017	15.00		0.115
Era Information and Entertainment Ltd	8043	39.47		0.053
Excel Technology International Holdings Ltd	8048		18.75	0.065
Glory Mark Hi-Tech (Holdings) Ltd	8159	11.11		0.25
Golding Soft Ltd	8190		21.74	0.018
Grandy Corporation	8143	10.34		0.032
Inno-Tech Holdings Ltd	8202		20.00	0.06
iSteelAsia Holdings Ltd	8080	49.18		0.091
Ko Yo Ecological Agrotech (Group) Ltd	8042	14.55		0.315
Lang Chao International Ltd	8141		14.58	0.41
Neolink Cyber Technology (Holding) Ltd	8116	19.57		0.11
Prosten Technology Holdings Ltd	8026	10.67		0.083
Sing Lee Software (Group) Ltd	8076	33.72		0.115
WorldMetal Holdings Ltd	8161	17.09		0.185

In Japan, it was the second day of material losses for the largest equity market of Asia.

The Nikkei-225 Stock Average, which plots the course of select blue chips, listed on The Tokyo Stock Exchange, shed another 75.34 yen, equivalent to about 0.64 percent, ending the trading day at 11,670.30 yen.

The ratio of losing counters to gaining ones was 4.72:One.

Japan was continuing to suffer from investors, selling hi-tech shares in the wake of the announcement from Elpida Memory Incorporated on Monday. (Please see Monday's report)

Also, The Bank of Japan released data, indicating that lending in Japan had waned in March, compared with February.

It was the 7th consecutive month of declining lending in The Land of The Rising Sun: Companies preferred to use available resources than turn to traditional banks for funding.

In other Asian equity markets, this was how their respective indices fared, last Tuesday:

The HKSAR	Minus 0.01 percent to 13,658.05
Indonesia	Plus 0.44 percent to 1,110.88
Japan	Minus 0.64 percent to 11,670.30
Malaysia	Minus 0.42 percent to 866.24
The Philippines	Plus 1.64 percent to 1,927.82
Singapore	Minus 0.37 percent to 2,173.56
South Korea	Minus 0.42 percent to 981.79
Taiwan	Plus 0.24 percent to 5,993.89
Thailand	Plus 0.57 percent to 698.28

Wednesday

As the US Government continued to boost its oil inventory levels, ahead of what is known in the US as the summer driving season, so the sugar coating was peeled off the oil cake, internationally: Crude-oil prices fell, once again.

The US Energy Information Administration announced that, Week-on-Week, crude oil inventory levels had risen by about 3.60 million barrels for the week, ended April 8, 2005.

It was their highest level in about 3 years.

In addition, the increased production of crude oil from Saudi Arabia, about 500,000 barrels per day, was being felt: Signs of a weakening global demand for crude oil was said to have become evident.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for May delivery sank about 3.16 percent to \$US50.22 per barrel.

As for June delivery, the price of light sweet crude oil dropped back to \$US52.13 per barrel, a decrease of about 2.62 percent, compared with Tuesday's settlement price.

That was the good news, but the bad news obscured much of the good news, as far as investors, locked into stocks and shares, listed on The New York Stock Exchange and The NASDAQ, were concerned.

The US Commerce Department delivered the bad news.

It reported that US retail sales rose by 0.30 percent in March.

That figure compared with a gain of about 0.50 percent in February, that statistic, being virtually unchanged from January's number.

What was evident was that US consumers, forced with having to pay more for petrol in order to get from A to B, cut back on spending on other items.

The Commerce Department's statistics showed that there had been a decided downturn in sales at departmental stores.

Clothing sales had declined, Month-on-Month, by about 1.90 percent, and departmental- store sales flagged by about 2 percent.

Cutting out the segment of the statistics, dealing with the sales of motor vehicles, retail sales' growth in the month of March were the weakest in the past 12 months.

On The New York Stock Exchange, the Dow Jones Industrial Average fell 104.40 points, about 0.99 percent, ending the session at 10,403.93 points.

On The NASDAQ, its Composite Index gave up 31.03 points, equivalent to about 1.55 percent, falling back to 1,974.37 points.

Investors on the world's largest equity markets saw the figures of the US Commerce Department and realised that the worst was far from being over, as far as the US economy was concerned, high oil prices or not.

It was only too clear that the slower growth rate of US consumer spending would translate into lower profits for some of the blue chips in the fullness of time.

In Europe, however, the emphasis was on the lower price of crude oil.

Indices of major bourses rose, as the following **TARGET** list illustrates:

Amsterdam's AEX Index	Plus	0.09 percent
Great Britain's FTSE 100 Index	Plus	0.29 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.76 percent
France's CAC 40 Index	Plus	0.48 percent
Switzerland's Swiss Market Index	Plus	0.37 percent
Italy's MIBTEL Index	Plus	0.08 percent

Europe, however, as with most other places in the world, was concerned that interest rates would continue to rise.

Eyes were fixed on the magic date of May 3, the day for the next session of the US Federal Reserve Board's Open Market Committee Meeting.

In Asia, there was renewed confidence that things would pan out as soon as the lower price of crude oil filtered through to the economies of the great economic powers of the world.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets made material gains.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index regained about 1.04 percent of its value, ending the mildly bullish session at 13,799.62 points.

The Total Turnover remained on the low side, however, at about \$HK14.76 billion, which is hardly indicative of booming market.

The ratio of advancing counters to losing ones was about 1.94:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 0.81 percent to \$HK125.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 2.11 percent to \$HK72.50 per share

PetroChina Company Ltd (Code: 857)	Down 0.51 percent to \$HK4.90 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.54 percent to \$HK26.35 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.73 percent to \$HK69.25 per share
China Life Insurance Company Ltd (Code: 2628)	Up 0.99 percent to \$HK5.10 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Down 1.54 percent to \$HK19.20 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.41 percent to \$HK72.00 per share
CITIC 21CN Company Ltd (Code: 241)	Up 11.97 percent to \$HK3.275 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 1.05 percent to \$HK14.50 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)
Applied International Holdings Ltd	519	13.75		0.455
APT Satellite Holdings Ltd	1045	24.03		1.60
CITIC 21CN Company Ltd	241	11.97		3.275
Daido Group Ltd	544	10.31		0.107
E-LIFE International Ltd	370	12.12		0.37
e-New Media Company Ltd	128	11.48		0.34
E. Bon Holdings Ltd	599	18.00		0.295
eForce Holdings Ltd	943	12.20		0.046
Garron International Ltd	1226		18.60	0.105
New Focus Auto Tech Holdings Ltd	360		10.38	0.95
Orient Resources Group Company Ltd	467		10.59	0.076
Shang Hua Holdings Ltd	371	25.00		1.00
SMI Corporation Ltd	198		10.23	0.79
South China Brokerage Company Ltd	619	13.40		0.11

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover rose by about 85 percent, compared with Tuesday's volume of activity, as The Growth Enterprise Index gained about 0.70 percent, rising to end the day at 953.63 points.

But the statistics belied a suggestion that this speculative equity market was on an upswing since losing counters swamped gaining ones by the ratio of about 1.05:One.

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

Vertex Communications and Technology Group Ltd (Code: 8228)	Up 19 percent to 63 cents per share
TOM Online Incorporated (Code: 8282)	Down 1 percent to \$HK1.23 per share
Techpacific Capital Ltd (Code: 8088)	Up 16 percent to 17 cents per share
Yantai North Andre Juice Company Ltd (Code: 8259)	Up 4 percent to 79 cents per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Up 2 percent to \$HK1.09 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Changchun Da Xing Pharmaceutical Company Ltd	8067		10.34	0.26
CyberM International (Holdings) Ltd	8017	56.52		0.18
FlexSystem Holdings Ltd	8050		13.46	0.045
Greencool Technology Holdings Ltd	8056	10.61		0.73
iSteelAsia Holdings Ltd	8080		12.09	0.08
Kanstar Environmental Paper Products Holdings Ltd	8011	13.36		0.28
Northeast Tiger Pharmaceutical Company Ltd	8197	13.85		0.074
SMI Publishing Group Ltd	8010		10.71	0.05
SYSCAN Technology Holdings Ltd	8083		11.36	0.117
T S Telecom Technologies Ltd	8003		23.61	0.055
Techpacific Capital Ltd	8088	16.44		0.17
Vertex Communications and Technology Group Ltd	8228	18.87		0.63

In Japan, the declining fortunes of the country's 3 equity markets continued, unabated.

On The Tokyo Stock Exchange, blue chips suffered from suggestions of higher interest rates, likely to be forthcoming in May.

The Nikkei-225 Stock Average, a gauge to the direction of blue chips, lost another 32.78 yen, equivalent to 0.28 percent, coming to rest at 11,637.52 yen.

The ratio of losing counters to gaining ones was about 1.22:One.

Since Monday, The Nikkei-225 Stock Average had been peeled back by 237.23 yen, or about 2 percent.

And, in the meantime, the yelling match between the PRC Government and the Government of Japan's Prime Minister, Mr Junichiro Koizumi, over Japan's new and next textbooks, in which the country's latest version of World War II and the part that Japan played in it, continued, back and forth, across The Sea of Japan. (Please see the reports of Monday and Tuesday)

This was the way that indices of major equity markets ended their respective trading days, last Wednesday:

The HKSAR	Plus 1.04 percent to 13,799.62
Indonesia	Plus 0.52 percent to 1,116.67
Japan	Minus 0.28 percent to 11,637.52
Malaysia	Plus 0.92 percent to 874.23
The Philippines	Minus 0.58 percent to 1,916.58
Singapore	Plus 0.02 percent to 2,174.09
South Korea	Minus 0.05 percent to 981.31
Taiwan	Plus 0.07 percent to 5,998.08
Thailand	Closed

Thursday

Internationally, the prices of equities fell, fast and furiously, last Thursday.

There were many reasons, given for the international sell-off, ranging from disappointment over the performance of certain European and Wall Street '*darlings*', to the rising price of crude oil – yet again – to the escalation of tensions between Japan and the People's Republic of China (PRC), and, of course, to Wall Street, hitting a new 2005 low.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in May rose 1.81 percent to the settlement price of \$US51.13 per barrel.

For June delivery, the price of light sweet crude oil jumped onto the fast-moving, oil-bandwagon, running up to \$US52.78 per barrel, a one-day gain of 1.25 percent.

On The New York Stock Exchange, the Dow Jones Industrial Average shed 1.20 percent of its value, falling back to a 2005 low of 10,278.75 points.

The Dow was, also, at its lowest level since November 4, 2004.

On the tech-laden NASDAQ, its Composite Index gave up 1.40 percent, dropping to its lowest level since October 27, 2004, of 1,946.71 points.

Trading was especially heavy on the world's largest equity markets, a situation which was suggestive of widespread margin calls.

On both markets, the ratio of losing counters to gaining ones was about 3:One.

It appeared to have been accepted that there was, taking place in the US, a decided economic slowdown, brought about, in part, by the ever-rising price of fossil fuels.

In Europe, the increases in the price of crude oil was only one of the considerations, as far as investors were concerned, because evidence was being unearthed that consumer spending was waning at a rather worrying rate, similar to the situation in the US.

On seeing Wall Street's early sell-off, European investors tended to take a defensive posture.

This was how indices of the most-important European bourses ended their respective trading days, last Thursday:–

Amsterdam's AEX Index	Minus 0.41 percent
Great Britain's FTSE 100 Index	Minus 0.31 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.08 percent
France's CAC 40 Index	Minus 0.13 percent
Switzerland's Swiss Market Index	Plus 0.32 percent
Italy's MIBTEL Index	Minus 0.30 percent

In Asia, with the lone exception of Malaysia, every index of every stock market fell to the bears of the region.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, it was a case of follow-the-Wall-Street lead.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index shed one fifth of a percentage point, coming to rest at 13,772.40 points.

The Total Turnover was about \$HK14.91 billion, with the ratio of losing counters to gaining ones, being about 1.94:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.40 percent to \$HK124.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.34 percent to \$HK72.75 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.72 percent to \$HK69.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.19 percent to \$HK26.30 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.69 percent to \$HK72.50 per share
PetroChina Company Ltd (Code: 857)	Down 1.53 percent to \$HK4.825 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 0.34 percent to \$HK14.55 per share
CNOOC Ltd (Code: 883)	Down 2.89 percent to \$HK4.20 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 0.78 percent to \$HK3.175 per share
Henderson Land Development Company Ltd (Code: 12)	Up 0.29 percent to \$HK34.60 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
APT Satellite Holdings Ltd	1045		10.63	1.43
Beauforte Investors Corporation Ltd	21	11.11		0.50
Chinney Alliance Group Ltd	385		10.34	0.026
Climax International Company Ltd	439	18.18		0.039
EcoGreen Fine Chemicals Group Ltd	2341		10.16	1.15
eForce Holdings Ltd	943		13.04	0.04
Gay Giano International Group Ltd	686		10.39	0.345
IRICO Group Electronics Company Ltd	438	17.14		0.82
Keck Seng Investments (Hongkong) Ltd	184	11.25		2.225
Kiu Hung International Holdings Ltd	381	21.62		0.18
LERADO Group (Holding) Company Ltd	1225		11.67	1.06
Pioneer Global Group Ltd	224	16.00		0.58
Pricerite Group Ltd	996	12.50		0.54
Sewco International Holdings Ltd	209		15.79	0.32
Sky Hawk Computer Group Holdings Ltd	1129		12.90	0.081
Sunny Global Holdings Ltd	1094		14.29	0.06
Wing Shan International Ltd	570		10.34	0.39
Zhongda International Holdings Ltd	909	10.00		0.275

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the losses were considerably more than those of the Main Board.

The Growth Enterprise Index surrendered about 0.84 percent of its value, dropping back to 945.60 points on a Total Turnover of about \$HK66.15 million.

The ratio of losing counters to gaining ones was about 1.07:One.

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

Value Convergence Holdings Ltd (Code: 8101)	Up 118 percent to \$HK1.48 per share
Zhengzhou Gas Company Ltd (Code: 8099)	Down 1 percent to 67 cents per share
Vertex Communications and Technology Group Ltd (Code: 8228)	Unchanged at 63 cents per share
Techpacific Capital Ltd (Code: 8088)	Up 14 percent to 19.40 cents per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Unchanged at \$HK15.70 per share

The largest movers of The GEM included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022		30.56	0.10

Cardlink Technology Group Ltd	8066	34.04		0.126
China Advance Holdings Ltd	8117		27.03	0.081
Co-winner Enterprise Ltd	8108	14.29		0.08
CyberM International (Holdings) Ltd	8017	116.67		0.39
ePRO Ltd	8086	18.75		0.019
Innovis Holdings Ltd	8065	28.89		0.058
KanHan Technologies Group Ltd	8175	11.36		0.049
Neolink Cyber Technology (Holding) Ltd	8116		15.00	0.085
ProSticks International Holdings Ltd	8055		16.67	0.025
Rojam Entertainment Holdings Ltd	8075		11.67	0.265
T S Telecom Technologies Ltd	8003	20.00		0.066
Techpacific Capital Ltd	8088	14.12		0.194
Value Convergence Holdings Ltd	8101	117.65		1.48

News wise

- The Government of the PRC has issued a **formal protest** to the Government of Japan over Japan's announcement of Wednesday that it intends to review applications to drill for oil and gas in the East China Sea. The PRC claims that it is a '*serious provocation to the rights of China and the norm of international relations.*' This was the latest state of play in the war of words between these 2 economic powerhouses, both of which have been burning up telecommunication links across The Sea of Japan for the past fortnight over a series of matters, the most-poignant of which was the way in which Japan sees its part in World War II.

On Japan's 3 equity markets, it was the 4th day of consecutive losses.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average lost another 74.35 yen, equivalent to about 0.64 percent, falling to 11,563.17 yen.

Losing counters swamped gaining ones by the ratio of about 5.14:One.

For Asia's largest equity market, last Thursday's close was the lowest point since February 24, 2005.

News wise

- For the first time since 1997, **wholesale prices in Japan** have risen, according to The Bank of Japan. The Bank of Japan's Corporate Goods Price Index came in at 96.40 points, against a base of 100 for 2000. Wholesale prices for Fiscal 2004 rose about 1.50 percent, The Bank said. The rise was attributed to high oil prices, which cascaded down to higher prices for raw materials; and,
- **Lawson Incorporated**, which operates Seven-Eleven Japan Company, Lawson and FamilyMart Company, said that its Net Profit Attributable to Shareholders for the Financial Year, ended February 28, 2005, rose 10 percent to the record level of 20.44 billion yen.

And, in other Asian equity markets, this was how their respective indices came to rest, last Thursday:

The HKSAR	Minus 0.20 percent to 13,772.40
Indonesia	Minus 0.74 percent to 1,108.44
Japan	Minus 0.64 percent to 11,563.17
Malaysia	Plus 0.34 percent to 877.23
The Philippines	Minus 1.52 percent to 1,887.47
Singapore	Minus 0.25 percent to 2,168.59
South Korea	Minus 2.79 percent to 953.92
Taiwan	Minus 0.36 percent to 5,976.68
Thailand	Closed

Friday

More evidence came to light, last Friday, that the economy of the US was suffering ... and not just a little bit.

The managements of one hi-tech company after another told investors that all was not well.

The continued high price of fossil fuels over a period of more than one year had done its work on the economy of the world's only superpower.

On Wall Street, last Friday, some indices fell to their lowest levels in about 2 years.

On The New York Stock Exchange, the Dow Jones Industrial Average surrendered another 1.86 percent, ending the week at 10,087.51 points.

On the hi-tech-laden NASDAQ, its Composite Index gave up about 1.98 percent of its value, falling back to 1,908.15 points.

For The Dow, it was standing at its lowest level since November 2004 and, for the Composite Index of The NASDAQ, it was standing at its lowest level since October 2004.

The tally for the week for Wall Street was:

The Dow Jones Industrial Average	Minus 3.57 percent
The NASDAQ's Composite Index	Minus 4.56 percent

The 3rd consecutive day of losses on the world's largest equity markets was unrattling for many an investor in most other parts of the world, too.

Indices of equity markets, around the world, followed Wall Street, right down the tubes.

On The New York Mercantile Exchange (NYMEX), the falling price of crude oil seemed to be immaterial, as investors determined that the worst was still to come, in any event.

For the month of May, the delivery price for light sweet crude oil was settled at \$US50.49 per barrel, down about 1.25 percent, compared with Thursday's closing level.

For delivery in June, the price of light sweet crude oil was settled at \$US52.06 per barrel, off 1.36 percent, compared with the last quote of Thursday.

Europe took note of the demise of Wall Street, resulting in most indices of every major bourse to suffer very material losses:

Amsterdam's AEX Index	Minus 1.32 percent
Great Britain's FTSE 100 Index	Minus 1.08 percent
Germany's Frankfurt XETRA DAX Index	Minus 2.03 percent
France's CAC 40 Index	Minus 1.91 percent
Switzerland's Swiss Market Index	Minus 0.01 percent
Italy's MIBTEL Index	Minus 2.30 percent

Hi-tech stocks were hit among the hardest on European bourses, as tens of millions of euros were wiped off the market capitalisations of one company after another.

The reporting season for Europe starts, this week, and most fund managers fear for the worst.

In Asia, it was something of a rout, as equity markets in the region followed Wall Street's lead ... and then some.

As with Europe, every index of every major stock market in the most-populous part of the world was hammered.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets lost ground.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gave up 0.97 percent of its value, ending the week at 13,638.75 points.

The Total Turnover was about \$HK14.89 billion.

The ratio of losing counters to gaining ones was very wide, at about 4.28:One.

The Ten Most Actives, all material losers, by the way, were:

HSBC Holdings plc (Code: 5)	Down 0.40 percent to \$HK124.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.33 percent to \$HK25.95 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.43 percent to \$HK68.75 per share
PetroChina Company Ltd (Code: 857)	Down 0.52 percent to \$HK4.80 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.69 percent to \$HK72.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.69 percent to \$HK72.00 per share
China Life Insurance Company Ltd (Code: 2628)	Down 1.00 percent to \$HK4.95 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 1.57 percent to \$HK3.125 per share

CNOOC Ltd (Code: 883)

BOC Hongkong (Holdings) Ltd (Code: 2388)

Down 1.79 percent to \$HK4.125 per share

Down 1.03 percent to \$HK14.40 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Ching Hing (Holdings) Ltd	692		15.83	0.101
Cosmopolitan International Holdings Ltd	120		10.19	0.238
Frankie Dominion International Ltd	704		31.58	0.26
Great China Holdings Ltd	141		10.71	0.50
Haywood Investments Ltd	2967		12.50	0.07
Mitsumaru East Kit (Holdings) Ltd	2358		10.26	1.05
Nam Hing Holdings Ltd	986		12.62	0.18
SMI Corporation Ltd	198		11.39	0.70
Victory Group Ltd	1139		11.11	0.04
Xin Corporation Ltd	1141		17.24	0.024

Over on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover grew to about \$HK108.64 million – as The Growth Enterprise Index surrendered about 1.17 percent of its value, ending the week at 934.57 points.

Losing counters outnumbered gaining counters by the ratio of about 1.26:One.

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

Value Convergence Holdings Ltd (Code: 8101)

Zhengzhou Gas Company Ltd (Code: 8099)

Vertex Communications and Technology Group Ltd (Code: 8228)

Techpacific Capital Ltd (Code: 8088)

TOM Online Incorporated (Code: 8282)

Up 89 percent to \$HK2.80 per share

Up 1 percent to 68 cents per share

Up 3 percent to 65 cents per share

Up 12 percent to 21.70 cents per share

Down 2 percent to \$HK1.18 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
A and K Educational Software Holdings Ltd	8053	12.07		0.65
Argos Enterprise (Holdings) Ltd	8022	80.00		0.18
Computech Holdings Ltd	8081	24.24		0.041
CyberM International (Holdings) Ltd	8017	28.21		0.50
Excel Technology International Holdings Ltd	8048	15.38		0.075
FlexSystem Holdings Ltd	8050	40.91		0.062
Grandy Corporation	8143		10.00	0.027
Medical China Ltd	8186		15.38	0.055
Neolink Cyber Technology (Holding) Ltd	8116	11.76		0.095
ProSticks International Holdings Ltd	8055	64.00		0.041
Stockmartnet Holdings Ltd	8123	60.47		0.069
Techpacific Capital Ltd	8088	11.86		0.217
TeleEye Holdings Ltd	8051	41.38		0.123
Tianjin Tianlian Public Utilities Company Ltd	8290	11.11		0.55
Value Convergence Holdings Ltd	8101	89.19		2.80
WorldMetal Holdings Ltd	8161	34.62		0.28

For the week, ended April 15, 2005, the tally for the equity markets of the HKSAR was:

The Hang Seng Index

Minus 0.20 percent

The Growth Enterprise Index

Minus 1.48 percent

In Japan, it was the 5th consecutive day of losses for investors, locked into the largest equity market of Asia.

On The Tokyo Stock Exchange, the premier equity market of The Land of The Rising Sun, The Nikkei-225 Stock Average gave up another 192.48 yen, equivalent to about 1.66 percent, coming to rest at 11,370.69 yen.

The ratio of losers to gainers was especially wide, at about 10.77:One.

Technology counters were hard hit on Japan's equity markets, following on from what had transpired on Wall Street on Thursday and Friday.

- In Fiscal 2004, the number of **corporate bankruptcies** in Japan fell to 13,276 reported incidences. It was the lowest number of corporate bankruptcies since 1992;
- The Government of the PRC has sent a **warning** to the Government of Japan that, should it proceed with its plans to explore for oil and gas in a contested area of the East China Sea, Japan will take '*full responsibility*' for its actions. The definitive threat came after Tokyo announced that it had granted select Japanese companies, concessions to test drill in the disputed area of the waters between Okinawa and the coast of the PRC; and,
- **Victor Company of Japan**, the consumer electronics company, which is 52 percent owned by Matsushita Electronic Industrial Company, has informed the world that it fully expects to record a Loss Attributable to Shareholders of about 2 billion yen for the 2004 Fiscal Year.

The tally for the week for The Tokyo Stock Exchange was:

The Nikkei-225 Stock Average

Minus 4.24 percent

And this was how indices of major Asian equity markets ended their respective trading days, last Friday:

The HKSAR	Minus 0.97 percent to 13,638.75
Indonesia	Minus 1.08 percent to 1,096.52
Japan	Minus 1.67 percent to 11,370.69
Malaysia	Minus 0.34 percent to 874.25
The Philippines	Minus 1.24 percent to 1,864.06
Singapore	Minus 0.85 percent to 2,150.23
South Korea	Minus 0.70 percent to 947.22
Taiwan	Minus 1.48 percent to 5,888.37
Thailand	Closed

-- END --

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