

**INFLATION FEARS DOG EQUITY MARKETS, INTERNATIONALLY:
HIGH OIL PRICES ARE THE BUGBEAR**

Crude oil prices continued to fall on all international, oil-futures exchanges, last Monday, but it did not mean a cracker to investors, holding onto scrip, listed on equity markets, around the world.

Because every index of every major equity market came under intense fire.

On The New York Stock Exchange, the key index of blue chips, listed on the Big Board, known as the Dow Jones Industrial Average, lost another 16.26 points, or about 0.16 percent, falling to 10,071.25 points.

On The (tech laden) NASDAQ, its Composite Index shed 4.77 points, equivalent to one quarter of a percentage point, exactly, ending the choppy session at 1,912.92 points.

For the world's largest equity markets, it was the 4th consecutive session of losses, some of which, during the previous week, having been very material.

The previous Friday, The Dow had hit a 165-day low; last Monday, it cracked through that figure with relative ease.

Investors were awaiting corporate news, last Monday, in order to make a determination as to the probable direction of indices of major equity markets in the short term.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for May delivery lost another 0.24 percent of its value, falling to \$US50.37 per barrel.

As for June delivery, the price of light sweet crude oil gave up 1.13 percent of the previous Friday's closing level, the settlement price, last Monday, coming in at \$US51.47 per barrel.

From Tokyo, Japan, to London, England, key indices of major equity markets fell in quick succession, last Monday.

Investors, in most parts of the world, were determined not to wait for the opening of US equity markets because it was a forgone conclusion that indices of North American stock markets would continue to nosedive to new lows.

Fears of an accelerating economic slowdown in the US, following on from Wall Street's losses of the previous week, were the main reason for the international, stock-market bloodbaths.

For the key indices of many a European bourse, the losses of last Monday were among the worst, one-day falls since August 2004.

This was how the indices of the 6 largest equity markets of eurozone fared, last Monday:

Amsterdam's AEX Index	Minus 2.30 percent
Great Britain's FTSE 100 Index	Minus 1.31 percent
Germany's Frankfurt XETRA DAX Index	Minus 2.55 percent
France's CAC 40 Index	Minus 2.05 percent
Switzerland's Swiss Market Index	Minus 1.72 percent
Italy's MIBTEL Index	Minus 2.60 percent

- **Philips Electronics**, the Netherlands electronics group producer, told its shareholders that its Net Profits Attributable to Shareholders were 117 million euros for the quarter, ended March 31, 2005. That result compared with the like quarter in 2004 when the Net Profits Attributable to Shareholders came in at 550 million euros. Revenue income was flat, Quarter-on-Quarter, at about 6.64 billion euros.

In Asia, trading floors ran red with the blood of investors.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets lost more than 2 percent of their previous values.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gave up about 2.08 percent of its value, falling back to 13,355.23 points.

The Total Turnover rose to about \$HK21.40 billion, up about 44 percent, compared with the volume of activity of the previous Friday, April 15, 2005.

Whenever volumes rise on a rapidly falling market, it could well signal the beginning of panic selling and/or margin calls.

The ratio of losing counters to gaining ones was very wide, at about 6.72:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 1.21 percent to \$HK122.50 per share
Hutchison Whampoa Ltd (Code: 13)	Down 2.18 percent to \$HK67.25 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 4.80 percent to \$HK2.975 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 3.28 percent to \$HK25.10 per share
PetroChina Company Ltd (Code: 857)	Down 2.60 percent to \$HK4.675 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.38 percent to \$HK71.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 2.08 percent to \$HK70.50 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 1.74 percent to \$HK14.15 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.97 percent to \$HK102.50 per share
CNOOC Ltd (Code: 883)	Down 4.24 percent to \$HK3.95 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Anex International Holdings Ltd	723		15.31	0.083
Asia TeleMedia Ltd	376	10.24		0.14
China Elegance (Holdings) Ltd	476		11.36	0.078
China Northern Enterprises Investment Fund Ltd	2324		14.71	0.58
Crocodile Garments Ltd	122		12.50	0.63
Dickson Group Holdings Ltd	2968		12.50	0.28
Earnest Investments Holdings Ltd	339		23.53	0.026
Haywood Investments Ltd	905		22.22	0.07
Jackley Holdings Ltd	353	40.00		0.35
Mei Ah Entertainment Group Ltd	391	13.33		0.34
Riche Multi-Media Holdings Ltd	764	30.00		0.455
Takson Holdings Ltd	918		10.89	0.18
Tongda Group Holdings Ltd	698		13.13	0.172
Wealthmark International (Holdings) Ltd	39	17.86		0.66
Xin Corporation Ltd	1141		12.50	0.021
Zhong Hua International Holdings Ltd	1064		16.22	0.031

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

The Growth Enterprise Index gave up about 2.45 percent of its value, dropping to 911.72 points.

The Total Turnover rose to about \$HK112.25 million, while the ratio of losing counters to gaining ones was about 3.04:One.

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

Value Convergence Holdings Ltd (Code: 8101)	Down 3 percent to \$HK2.725 per share
TOM Online Incorporated (Code: 8282)	Down 3 percent to \$HK1.15 per share
MediaNation Incorporated (Code: 8160)	Unchanged at 27 cents per share
Vertex Communications and Technology Group Ltd (Code: 8228)	Down 8 percent to 60 cents per share
Yantai North Andre Juice Company Ltd (Code: 8259)	Down 3 percent to 75 cents per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGL MediaTech Holdings Ltd	8192		25.81	0.023
Argos Enterprise (Holdings) Ltd	8022	28.89		0.232
B.A.L. Holdings Ltd	8079		15.00	0.017
Cardlink Technology Group Ltd	8066	28.21		0.15
Galileo Capital Group Ltd	8029	11.11		0.05
Glory Future Group Ltd	8071	18.75		0.019
ITE (Holdings) Ltd	8092		16.00	0.042
Shanghai Jiaoda Withub Information Industrial Company Ltd	8205	10.00		0.209
KanHan Technologies Group Ltd	8175		16.67	0.04
ProSticks International Holdings Ltd	8055		21.95	0.032
Q9 Technology Holdings Ltd	8129	172.73		0.09
Stockmartnet Holdings Ltd	8123	10.14		0.076
Zhejiang Prospect Company Ltd	8273		11.76	0.75

News Wise

- **Anti-Japanese protests** in the PRC, proper, continued into their third week, last Monday. Over the weekend of April 16-17, PRC citizens vented their anger in a number of PRC cities – while the authorities, for the most part, looked on, doing little or nothing to placate irate crowds of Chinese patriots. The crowds were protesting over the approval by Tokyo of its new history school books, which appear to gloss over many of the horrible atrocities, perpetrated by Japan, during World War II and prior to official war, having been declared (1931-1945).

In The Land of The Rising Sun, last Monday's losses to indices of The Tokyo Stock Exchange were the largest since May 10, 2004.

It was estimated that about \$US120 billion had been wiped off the market capitalisations of the blue chips, listed on the largest equity market of Asia.

The Nikkei-225 Stock Average lost 432.25 yen, equivalent to 3.80 percent, ending the trading day at 10,938.44 yen.

On The First Section of The Tokyo Stock Exchange, the ratio of losing counters to gaining ones was a staggering 81.10:One.

News Wise

- **Daiei Incorporated**, a financially strapped retailer of Japan, reported a Net Loss Attributable to Shareholders of about 511.20 billion yen for its Financial Year, ended February 28, 2005. Daiei operates some 263 stores throughout Japan and has obtained the backing of the Japanese Government's Industrial Revitalisation Corporation of Japan.

This was the bad news for investors, locked into stocks and shares, listed on Asia's 9 largest equity markets:

The HKSAR	Minus 2.08 percent to 13,355.23
Indonesia	Minus 3.31 percent to 1,060.19
Japan	Minus 3.80 percent to 10,938.44
Malaysia	Minus 0.87 percent to 866.66

The Philippines	Minus 2.42 percent to 1,818.87
Singapore	Minus 1.98 percent to 2,107.67
South Korea	Minus 2.35 percent to 925.00
Taiwan	Minus 2.94 percent to 5,712.60
Thailand	Minus 3.06 percent to 676.90

Tuesday

More definitive evidence came to light, last Tuesday, that inflation was alive and kicking in the US.

The Bureau of Labour Statistics, a branch of the US Government's Labour Department, put out the following announcement, last Tuesday morning before Wall Street started trading.

This is that which The Bureau reported:

Producer Price Indexes -- March 2005

'The Producer Price Index for Finished Goods advanced 0.7 percent in March, seasonally adjusted ... This increase followed a 0.4-percent rise in February and a 0.3-percent gain in January. As they did in February, prices for finished goods other than foods and energy edged up 0.1 percent in March. At the earlier stages of processing, the intermediate goods index rose 1.0 percent, after climbing 0.7 percent in the prior month, and prices for crude goods turned up 4.3 percent in March, after declining 1.6 percent a month earlier ...

'The faster rate of increase for the finished goods index was primarily due to energy prices, which advanced 3.3 percent in March after rising 1.4 percent in February, though an upturn in capital equipment prices also contributed to the acceleration in finished goods prices. By contrast price increases for consumer foods slowed to 0.3 percent in March from 0.8 percent in February. The index for consumer goods other than foods and energy also advanced less than it did in the previous month -- posting a 0.1-percent increase following a 0.2-percent rise in February.

'During the first quarter of 2005, prices for finished goods advanced at a seasonally adjusted annual rate (SAAR) of 5.7 percent, after rising at a 7.2-percent SAAR during the final 3 months of 2004. Excluding prices for foods and energy, the finished goods index increased at a 3.7-percent SAAR for the 3 months ended March 2005, after rising at a 2.6-percent SAAR in the last quarter of 2004. Among prices for raw and partially processed goods, the SAAR for intermediate goods accelerated from 6.8 percent to 8.7 percent from the final quarter of 2004 to the first quarter of 2005. The crude goods index moved up at a 2.4-percent SAAR during the first quarter of 2005, after advancing at a 41.9-percent SAAR in the last 3 months of 2004.'

Some Wall Street gurus claimed that the above release was, if anything, good news – because they had expected even high levels of Producer Price increases.

Perhaps, more to the point than pontifications about inflation and its evils to an economy, was that the price of crude oil was on the rise, once again, with a very material gains, being made to crude oil settlement prices, quoted on international exchanges.

On The New York Mercantile Exchange (NYMEX), the settlement price of light sweet crude oil for delivery in May rose 3.81 percent, over Monday's price, to \$US52.29 per barrel.

As for June delivery, the price of light sweet crude oil gained a full 4.08 percent over Monday's settlement price, ending the trading session on The NYMEX at \$US53.57 per barrel.

It was reported that there were problems at refineries at Louisiana, Texas and Kansas and, as such, supplies of petroleum products could be at risk, just at the start of what is known in the US as the driving season.

On Wall Street, stocks and shares rose for the first time in 4 trading sessions.

The mini-rally was touched off by a select number of Wall Street 'darlings', presenting the market with somewhat, better-than-expected financial results.

From Intel Corporation, for instance, came news that first quarterly profits had risen, Year-on-Year, by about 29 percent.

Intel is considered one of the gauges to the health of the hi-tech industry in the US, being, as it is, the world's largest producer of chips, the 'guts', which drives computers.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 56.16 points, or about 0.56 percent, ending the day at 10,127.41 points.

On The NASDAQ, its Composite Index did much better, rising 1.02 percent to end the trading day at 1,932.36 points.

But there was bad news for Wall Street, also: General Motors Corporation, the world's largest manufacturer of motor vehicles, told its shareholders that it had posted a first quarter Net Loss Attributable to Shareholders of about \$US1.10 billion.

It was the worst results for any quarter since 1992.

Weaker US sales of its vehicles and escalating costs were given as reasons.

On European bourses, there was a seeming rebound, but it was very mild and did not even start to approach the losses of Monday.

This was how key indices of major eurozone equity markets closed, last Tuesday night:

Amsterdam's AEX Index	Plus 0.21 percent
Great Britain's FTSE 100 Index	Plus 0.59 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.05 percent
France's CAC 40 Index	Plus 0.32 percent
Switzerland's Swiss Market Index	Plus 0.85 percent
Italy's MIBTEL Index	Plus 0.14 percent

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets of the territory registered positive digits, but the gains were far from being convincing.

This was because the volume of activity on both of these markets was relatively low, which is hardly the stuff that spark a stock-market recovery.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index regained about 0.67 percent of its value, ending the quiet trading day at 13,444.09 points.

The Total Turnover was about \$HK12.92 billion, while the ratio of gaining counters to losing ones was 2.66:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.41 percent to \$HK123.00 per share
K. Wah Construction Materials Ltd (Code: 27)	Up 14.12 percent to \$HK9.70 per share
China Life Insurance Company Ltd (Code: 2628)	Up 3.09 percent to \$HK5.00 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.37 percent to \$HK67.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.00 percent to \$HK25.35 per share
K. Wah International Holdings Ltd (Code: 173)	Down 4.69 percent to \$HK3.05 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.35 percent to \$HK71.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.35 percent to \$HK70.75 per share
PetroChina Company Ltd (Code: 857)	Up 2.14 percent to \$HK4.775 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 1.68 percent to \$HK3.025 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Anex International Holdings Ltd	723	20.48		0.10
Earnest Investments Holdings Ltd	339	19.23		0.031
Frankie Dominion International Ltd	704	10.00		0.275
Golden Dragon Group (Holdings) Ltd	329		16.67	0.15
Golik Holdings Ltd	1118	10.00		0.275
K. Wah Construction Materials Ltd	27	14.12		9.70
Morning Star Resources Ltd	542	12.12		0.074

Nam Hing Holdings Ltd	986	10.56		0.199
Orient Resources Group Company Ltd	467	25.00		0.095
Pyxis Group Ltd	516	25.00		0.065
Sino Golf Holdings Ltd	361		22.73	0.85
Sky Hawk Computer Group Holdings Ltd	1129		14.44	0.077
SMI Corporation Ltd	198	10.29		0.75
Sun Innovation Holdings Ltd	547		11.54	0.046
Sunlink International Holdings Ltd	2336		12.20	0.072
SW Kingsway Capital Holdings Ltd	188	10.94		0.355
Swank International Manufacturing Company Ltd	663	46.03		0.092
Takson Holdings Ltd	918	23.95		0.207
United Power Investment Ltd	674	18.28		0.55
Victory Group Ltd	1139	10.00		0.044
Wealthmark International (Holdings) Ltd	39	54.55		1.02

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

The Growth Enterprise Index rose by about 0.62 percent, ending the day at 917.35 points on a Total Turnover of about \$HK64.44 million.

The ratio of gaining counters to losing ones was about 1.30:One.

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

MediaNation Incorporated (Code: 8160)	Down 2 percent to 26.50 cents per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Down 2 percent to \$HK15.10 per share
Value Convergence Holdings Ltd (Code: 8101)	Down 13 percent to \$HK2.375 per share
Vertex Communications and Technology Group Ltd (Code: 8228)	Down 5 percent to 57 cents per share
Phoenix Satellite Television Holdings Ltd (Code: 8002)	Down 2 percent to \$HK1.42 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGL MediaTech Holdings Ltd	8192	82.61		0.042
B M Intelligence International Ltd	8158		20.00	0.04
Co-winner Enterprise Ltd	8108		15.38	0.066
Nanjing Dahe Outdoor Media Company Ltd	8243	12.11		0.25
FX Creations International Holdings Ltd	8136		14.89	0.04
Innovis Holdings Ltd	8065	15.09		0.061
ProSticks International Holdings Ltd	8055	25.00		0.04
Q9 Technology Holdings Ltd	8129		40.00	0.054
SMI Publishing Group Ltd	8010	10.00		0.055
SYSCAN Technology Holdings Ltd	8083	15.38		0.135
Timeless Software Ltd	8028	15.00		0.115
Value Convergence Holdings Ltd	8101		12.84	2.375

In Japan, despite continued pressure from the Government of the PRC with regard to the proposed introduction of new, Japanese history school books, there was a decided turnabout on the country's 3 stock markets.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average put on about 1.16 percent, or 127.42 yen, running back to 11,065.86 yen.

It was the first positive trading day in 7 trading sessions.

Gaining counters outran losing ones by the ratio of 12.69:One.

It would be difficult to suggest that last Tuesday's gains were a matter of bargain hunting by investors, locked into this market, because most counters are fully priced on a prospective earnings basis, in any case.

The most probable reason for the gains of Tuesday was that many investors were covering their positions, following their determination to short the market, during previous sessions.

Nothing had changed, appreciably, between Monday and Tuesday, and still the problems, real and imagined, hung over the US economy.

And it looked as though higher interest rates would result from the Open Market Committee Meeting of the US Federal Reserve Board, scheduled for May 3, 2005.

This was how the key indices of other Asian equity markets ended their respective trading days, last Tuesday:

The HKSAR	Plus 0.67 percent to 13,444.09
Indonesia	Plus 0.24 percent to 1,062.69
Japan	Plus 1.16 percent to 11,065.86
Malaysia	Plus 0.13 percent to 867.77
The Philippines	Plus 0.84 percent to 1,834.06
Singapore	Plus 1.00 percent to 2,128.71
South Korea	Plus 0.81 percent to 932.45
Taiwan	Plus 0.58 percent to 5,748.35
Thailand	Plus 0.22 percent to 678.37

Wednesday

More evidence came to light, early last Wednesday morning, that inflation was, very much, on the move in the US.

The Bureau of Labour Statistics, a branch of the US Department of Labour, brought out its Consumer Price Index for March 2005 – and that was all she wrote, as the Americans like to say.

The finger pointed, clearly, to higher interest rates in the months ahead.

The main culprit, clearly, was the high cost of fossil fuels.

This was that which The Bureau told the American public, last Wednesday, prior to the opening of Wall Street:

CONSUMER PRICE INDEX: MARCH 2005

‘The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.8 percent in March, before seasonal adjustment ... The March level of 193.3 (1982-84=100) was 3.1 percent higher than in March 2004. The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) increased 0.7 percent in March, prior to seasonal adjustment. The March level of 188.6 was 3.1 percent higher than in March 2004. The Chained Consumer Price Index for All Urban Consumers (C-CPI-U) increased 0.7 percent in March on a not seasonally adjusted basis. The March level of 112.5 (December 1999=100) was 2.6 percent higher than in March 2004.

‘CPI for All Urban Consumers (CPI-U)

‘On a seasonally adjusted basis, the CPI-U rose 0.6 percent in March, following an increase of 0.4 percent in February. Energy costs advanced sharply for the second consecutive month--up 4.0 percent in March. Within energy, the index for petroleum-based energy increased 7.8 percent, while the index for energy services decreased 0.3 percent. The index for food rose 0.2 percent, as the index for food at home turned up in March after registering declines in each of the preceding three months. The index for all items less food and energy, which rose 0.3 percent in February, increased 0.4 percent in March. An upturn in the index for apparel and a larger increase in the index for lodging while away from home accounted for the larger advance in March...

‘For the first three months of 2005, consumer prices increased at a seasonally adjusted annual rate (SAAR) of 4.3 percent. This compares with an increase of 3.3 percent for all of 2004. The index for energy, which rose 16.6 percent in 2004, advanced at a 21.1 percent SAAR in the first quarter of 2005 and accounted for about three-eighths of the first quarter advance in the overall CPI-U. Petroleum-based energy costs increased at a 39.6 percent annual rate and charges for energy services rose at a 2.3 percent annual rate. The food index rose at a 1.3 percent SAAR in the first quarter of 2005. The index for grocery store food prices decreased at a 0.8 percent annual rate, reflecting a decline in the index for fruits and vegetables--down at an annual rate of 21.1 percent.

'Excluding food and energy, the CPI-U advanced at a 3.3 percent SAAR in the first quarter, following a 2.2 percent rise in all of 2004. While most categories advanced at a faster rate in the first quarter of 2005 than in all of 2004, about 70 percent of the acceleration was accounted for by a larger increase in the index for shelter--up at a 4.4 percent SAAR in the first quarter after increasing 2.7 percent in all of 2004. An upturn in the index for apparel and a larger increase in the index for medical care also contributed to the acceleration in the first quarter of 2005.'

Down came indices on the world's largest equity markets.

On The New York Stock Exchange, the key index in respect of the movement of blue chips, listed on the Big Board, fell 1.14 percent to 10,012.36 points.

It was the lowest level since November 2004.

Over on The NASDAQ, it Composite Index gave up 0.96 percent of its value, falling back to 1,913.76 points.

Corporate earnings were all but forgotten, even the best of them, as investors concentrated on the continued high cost of fossil fuels and rising inflationary levels, both of which were on the move to much higher plateaus.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in May rose another 15 cents per barrel, or about 0.29 percent, settling at \$US52.44.

As for June delivery, the price of light sweet crude oil was settled at \$US54.03 per barrel, up 0.86 percent, compared with the last quote of Tuesday.

On learning of the news in respect of rising inflation in the US, every index of every major European bourse went into reverse gear:

Amsterdam's AEX Index	Minus 0.77 percent
Great Britain's FTSE 100 Index	Minus 0.69 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.61 percent
France's CAC 40 Index	Minus 0.31 percent
Switzerland's Swiss Market Index	Minus 0.76 percent
Italy's MIBTEL Index	Minus 0.13 percent

News Wise

- **Volkswagen AG**, one of the largest producers of motor vehicles in the world, announced its First Quarter financial results for the period, ended March 31, 2005. The company said that its Net Profits Attributable to Shareholders rose to about 70 million euros, compared with about 26 million euros for the like period in 2004.

Asian equity markets had not known about the announcement from the US Labour Department when equity trading was in full swing, and so investors in the most-populous part of the world went their own way, by and large.

Had investors known about the inflation situation in the US, which is at its highest level since 2003, it would, no doubt, have been a different story on the 9 major stock markets of the region.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets struggled to have their key indices reach for higher levels.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about 0.43 percent, ending the quiet trading session at 13,501.63 points.

The Total Turnover remained on the low side, however, at about \$HK12.06 billion.

In spite of the Hang Seng Index, being in the black, losing counters stole the march on gaining counters by the ratio of about 1.67:One.

The Ten Most Active counters of the Main Board were:

HSBC Holdings plc (Code: 5)	Up 0.41 percent to \$HK123.50 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK67.50 per share

K. Wah Construction Materials Ltd (Code: 27)	Down 11.76 percent to \$HK8.55 per share
Sun Hung Kai Properties Ltd (Code: 16)	Unchanged at \$HK71.50 per share
PetroChina Company Ltd (Code: 857)	Up 0.52 percent to \$HK4.80 per share
China Life Insurance Company Ltd (Code: 2628)	Up 1.00 percent to \$HK5.05 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.39 percent to \$HK25.45 per share
Jilin Chemical Industrial Company Ltd (Code: 368)	Down 15.61 percent to \$HK1.73 per share
Chitaly Holdings Ltd (Code: 1198)	Down 2.68 percent to \$HK7.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Unchanged at \$HK70.75 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		32.18	0.295
China Strategic Holdings Ltd	235	29.63		0.70
Chu Kong Shipping Development Company Ltd	560		11.48	1.08
Climax International Company Ltd	439		10.53	0.034
G-Vision International (Holdings) Ltd	657	10.00		0.099
Hongkong Construction (Holdings) Ltd	190		12.28	0.50
Jilin Chemical Industrial Company Ltd	368		15.61	1.73
K. Wah Construction Materials Ltd	27		11.76	8.55
K. Wah International Holdings Ltd	173		19.44	2.425
Man Yue International Holdings Ltd	894	10.34		0.64
Oriental Explorer Holdings Ltd	430		13.21	0.046
PME Group Ltd	379		45.76	0.096
Radford Capital Investment Ltd	901		13.33	0.013
Seapower Resources International Ltd	269		11.65	0.182
Sky Hawk Computer Group Holdings Ltd	1129	10.39		0.085
Sun Innovation Holdings Ltd	547	19.57		0.055
Sunlink International Holdings Ltd	2336	11.11		0.08
Tack Hsin Holdings Ltd	611	15.71		0.405
Unity Investments Holdings Ltd	913		10.34	0.052
V.S. International Group Ltd	1002		10.00	0.18
Wealthmark International (Holdings) Ltd	39		32.35	0.69
Xin Corporation Ltd	1141		10.53	0.017
Zhong Hua International Holdings Ltd	1064		16.67	0.025

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, it was touch and go as to whether or not the lone index of this speculative marketplace would be able to end up in the black by the close of the trading session.

The Growth Enterprise Index, as it turned out by the end of the day, had risen by about 0.11 percent to 918.32 points on a Total Turnover of about \$HK54.08 million.

But, as with the Main Board of The Stock Exchange of Hongkong Ltd, losing counters beat off gaining ones by the ratio of 3.36:One.

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

Value Convergence Holdings Ltd (Code: 8101)	Down 22 percent to \$HK1.85 per share
Yantai North Andre Juice Company Ltd (Code: 8259)	Up one percent to 77 cents per share
Vertex Communications and Technology Group Ltd (Code: 8228)	Down 7 percent to 53 cents per share
Panva Gas Holdings Ltd (Code: 8132)	Up 6 percent to \$HK3.30 per share
Techpacific Capital Ltd (Code: 8088)	Down 3 percent to 19.70 cents per share

The biggest GEM movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131		62.11	0.144
AGL MediaTech Holdings Ltd	8192		16.67	0.035
Angels Technology Company Ltd	8112		26.32	0.14

Argos Enterprise (Holdings) Ltd	8022		15.89	0.18
CyberM International (Holdings) Ltd	8017		33.70	0.305
Shenzhen EVOC Intelligent Technology Company Ltd	8285		11.69	0.34
Glory Future Group Ltd	8071		10.53	0.017
IIN International Ltd	8128		12.50	0.028
SYSCAN Technology Holdings Ltd	8083		17.78	0.111
Thiz Technology Group Ltd	8119		13.33	0.013
Tradeeasy Holdings Ltd	8163		10.45	0.06
Value Convergence Holdings Ltd	8101		22.11	1.85

In Japan, a key index of the premier equity market, The Nikkei-225 Stock Average, just managed to squeeze out a gain of 0.21 percent, running up to 11,088.58 yen.

Advancing counters outnumbered declining ones by the ratio of about 2.88:One.

Key indices of this market, the largest in Asia, had risen somewhat spectacularly on Tuesday, but questions were being raised as to whether or not it could hang onto those gains.

And this was how indices of other Asian equity markets fared, last Wednesday:

The HKSAR	Plus	0.43 percent to 13,501.63
Indonesia	Plus	0.78 percent to 1,070.95
Japan	Plus	0.21 percent to 11,088.58
Malaysia	Plus	0.48 percent to 871.91
The Philippines	Plus	1.14 percent to 1,854.97
Singapore	Plus	0.03 percent to 2,129.25
South Korea	Plus	0.53 percent to 937.36
Taiwan	Minus	0.96 percent to 5,693.01
Thailand	Plus	0.86 percent to 684.19

Thursday

Probably, investors in the US, clutching onto straws rather than the strong bough of an economic tree, caused Wall Street to bounce back, last Thursday, with some of the strongest gains for any single day seen, during the past 2 years.

The Dow Jones Industrial Average, a key indicator of the direction of blue chips, listed on the Big Board of The New York Stock Exchange, put on about 2.06 percent, running back to 10,218.60 points.

On The NASDAQ, its Composite Index regained about 2.54 percent of its value, shooting up to 1,962.41 points.

Strong earnings' growth from a number of Wall Street *'darlings'* plus suggestions that, perhaps, the US economy is not doing as badly as had been thought, recently, after all, were said to be among the reasons for the bounce-back.

Suddenly, as with the passing of a gust of strong wind in the desert, the data of earlier in the week was almost completely disregarded or, alternatively, completely forgotten.

Who said only women are fickle?

But, on The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil was continuing its march to higher levels.

For delivery in June, the price of light sweet crude oil rose about 0.31 percent, settling at \$US54.20 per barrel.

For the new month of July, the price of a barrel of light sweet crude oil was quoted at \$US55.55.

There appeared to be no way of holding down the ever-rising price of the black ooze.

And, then, the voice of reason.

From Washington, D.C., Dr Alan Greenspan, the Chairman of the US Federal Reserve, gave testimony to the US Senate Budget Committee.

The world's most-celebrated economist stated, inter alia:

'Under existing tax rates and reasonable assumptions about other spending ... projections make it clear that the Federal Budget is on an unsustainable path in which large deficits result in rising interest rates and ever-growing interest payments that augment deficits in future years ... Unless the trend is reversed, at some point, these (Budget) deficits would cause the economy to stagnate or worse ...'.

Turning his attentions to the Government of the People's Republic of China (PRC), Dr Alan Greenspan said that that country would be strongly advised to consider unpegging the renminbi from the US dollar.

And the sooner that this country did this, the better it would be for all concerned.

He said: *'The sooner they (the Chinese) move off this fixed (rate), the better off for China's economy ...'.*

TARGET's translation: Interest rates will rise in May.

Weighed down by Wall Street's losses of Wednesday and not certain as to the direction of US equity markets, European bourses ended last Thursday's trading session with only fractional adjustments to key indices.

This was how the situation looked on the 6 major bourses of eurozone:

Amsterdam's AEX Index	Minus 0.17 percent
Great Britain's FTSE 100 Index	Minus 0.04 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.36 percent
France's CAC 40 Index	Plus 0.02 percent
Switzerland's Swiss Market Index	Minus 0.46 percent
Italy's MIBTEL Index	Plus 0.41 percent

While investors, locked into positions on Asian equity markets, seemed to be very concerned as to direction of indices of US stock markets in view of economic data, released by the US Labour Department (Please see Tuesday's and Wednesday's reports), in the Hongkong Special Administrative Region (HKSAR) of the PRC, investors had other fish to fry.

Reports suggested that a great deal of *'hot'* money had been flooding into the territory in the expectation that the PRC Government might soon unhook the renminbi from the US dollar (à la Dr Alan Greenspan).

Certainly, there seemed to be little reason for the surge in activity in equity trading in the HKSAR, last Thursday.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about 0.71 percent, ending the trading session at 13,597.31 points.

The Total Turnover rose to about \$HK16.31 billion, with gaining counters, outnumbering losing ones by the ratio of about 1.09:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.40 percent to \$HK124.00 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.74 percent to \$HK68.00 per share
PetroChina Company Ltd (Code: 857)	Up 1.56 percent to \$HK4.875 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.38 percent to \$HK25.80 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.35 percent to \$HK71.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.05 percent to \$HK72.25 per share
China Life Insurance Company Ltd (Code: 2628)	Up 0.99 percent to \$HK5.10 per share
Henderson Land Development Company Ltd (Code: 12)	Up 0.29 percent to \$HK34.60 per share
Swire Pacific Ltd (Code: 19)	Up 1.97 percent to \$HK64.75 per share
Esprit Holdings Ltd (Code: 330)	Up 1.34 percent to \$HK56.75 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)
Cheung Tai Hong Holdings Ltd	199	16.05		0.47
Climax International Company Ltd	439	11.76		0.038
Earnest Investments Holdings Ltd	339	20.00		0.036
Heritage International Holdings Ltd	412		16.67	0.015
Jackley Holdings Ltd	353	20.00		0.39
New Smart Holdings Ltd	91		19.90	0.153
Orient Power Holdings Ltd	615		10.00	0.495
Orient Resources Group Company Ltd	467	10.53		0.105
PME Group Ltd	379	11.46		0.107
Pyxis Group Ltd	516	21.67		0.073
Quam Ltd	952		10.00	0.54
Raymond Industrial Ltd	229		15.32	2.35
Sky Hawk Computer Group Holdings Ltd	1129		22.35	0.066
Sunny Global Holdings Ltd	1094	16.67		0.07
Unity Investments Holdings Ltd	913	11.54		0.058
Wai Yuen Tong Medicine Holdings Ltd	897		14.29	0.054
Xin Corporation Ltd	1141	17.65		0.02
Zhongda International Holdings Ltd	909	12.00		0.28

But, on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the story was a little different to that, being told on the Main Board.

The Growth Enterprise Index gave up about 0.66 percent of its value, falling back to 912.28 points.

The Total Turnover rose to about \$HK88.47 million.

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

Town Health International Holdings Company Ltd (Code: 8138)	Up 49 percent to 6.40 cents per share
Value Convergence Holdings Ltd (Code: 8101)	Up 16 percent to \$HK2.15 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Down 3 percent to \$HK14.20 per share
Vertex Communications and Technology Group Ltd (Code: 8228)	Down 6 percent to 50 cents per share
MediaNation Incorporated (Code: 8160)	Down 2 percent to 25.50 cents per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131		16.67	0.12
AGL MediaTech Holdings Ltd	8192	22.86		0.043
Argos Enterprise (Holdings) Ltd	8022	17.78		0.212
CyberM International (Holdings) Ltd	8017	24.59		0.38
Excel Technology International Holdings Ltd	8048		20.00	0.06
Grandy Corporation	8143	12.50		0.027
Q9 Technology Holdings Ltd	8129		15.25	0.05
Town Health International Holdings Company Ltd	8138	48.84		0.064
Value Convergence Holdings Ltd	8101	16.22		2.15

In Japan, investors were shocked, once again, as the premier equity market's key index fell out of bed.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average shed 104.19 yen, equivalent to about 0.94 percent, ending the trading day at 10,984.39 yen.

The close of this market was, however, a recovery from the midday figures, which had The Nikkei-225 Stock Average down by a little more than 2 percent, compared with Wednesday's closing level.

Losing counters beat off gaining ones by the ratio of 6.02:One.

According to some reports, foreign investors had sold Japanese stocks and shares, valued at about 125.80 billion yen, during the week, ended April 16, 2005.

The report was officially confirmed after the market closed for the day.

Japan looked to be in for a rough ride.

This was how other Asian equity markets fared, last Thursday:

The HKSAR	Plus 0.71 percent to 13,597.31
Indonesia	Minus 2.16 percent to 1,047.80
Japan	Minus 0.94 percent to 10,984.39
Malaysia	Closed
The Philippines	Minus 0.70 percent to 1,841.94
Singapore	Plus 0.40 percent to 2,137.73
South Korea	Plus 0.19 percent to 939.14
Taiwan	Plus 0.51 percent to 5,721.99
Thailand	Minus 0.52 percent to 680.60

Friday

Unlike Thursday's stock markets in the US, some semblance of sanity returned to equity markets, last Friday.

On The New York Stock Exchange, the Dow Jones Industrial Average dropped about 0.60 percent of its value, falling back to 10,157.71 points.

The (hi-tech) NASDAQ's Composite Index shed about 1.54 percent, ending the week at 1,932.19 points.

The steady rise in the price of crude oil on international markets, the realisation that interest rates are almost bound to rise and the guarantee that high oil prices would cut into the growth rate of the US economy, all conspired to bring down stock prices on leading equity markets in The Land of The Free and The Home of The Brave.

The tally for the week for the largest equity markets of the world was:

The Dow Jones Industrial Average	Plus 0.70 percent
The NASDAQ's Composite Index	Plus 0.76 percent

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for June delivery rose to \$US55.39 per barrel, up 2.20 percent on Thursday's settlement price.

As for July delivery, the settlement price of a barrel of light sweet crude oil was \$US56.54, an increase of about 1.78 percent on the last quote of Thursday.

In Europe, although investors were not, exactly, happy campers, nevertheless, on the back of Thursday's Wall Street, Europe went along for the ride.

This was how the indices of major European bourses, ended the week of April 22, 2005:

Amsterdam's AEX Index	Plus 0.82 percent
Great Britain's FTSE 100 Index	Plus 0.61 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.69 percent
France's CAC 40 Index	Plus 0.73 percent
Switzerland's Swiss Market Index	Plus 0.07 percent
Italy's MIBTEL Index	Plus 0.52 percent

Asian equity markets improved, last Friday, in response to the booming, stock-market conditions in the US where indices of key equity markets rocketed on Thursday.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about 0.71 percent, ending the week at 13,693.55 points.

The Total Turnover on this market, the second-largest in Asia, was about \$HK17.77 billion.

Advancing counters outran declining ones by the ratio of about 2.47:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK124.00 per share
K. Wah Construction Materials Ltd (Code: 27)	Down 9.36 percent to \$HK7.75 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.10 percent to \$HK68.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.16 percent to \$HK26.10 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.69 percent to \$HK72.75 per share
China Life Insurance Company Ltd (Code: 2628)	Up 1.96 percent to \$HK5.20 per share
PetroChina Company Ltd (Code: 857)	Up 1.35 percent to \$HK4.80 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 2.46 percent to \$HK3.125 per share
Esprit Holdings Ltd (Code: 330)	Up 1.32 percent to \$HK57.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.41 percent to \$HK72.00 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)
China Motion Telecom International Ltd	989	11.54		0.29
Ching Hing (Holdings) Ltd	692		13.04	0.10
Earnest Investments Holdings Ltd	339		16.67	0.03
Goldigit Atom-Tech Holdings Ltd	2362		10.85	0.115
Golik Holdings Ltd	1118		15.85	0.223
Grandtop International Holdings Ltd	2309		21.25	0.315
INNOMAXX Biotechnology Group Ltd	340	19.42		0.123
Orient Resources Group Company Ltd	467		15.24	0.089
Oriental Explorer Holdings Ltd	430	13.04		0.052
Pyxis Group Ltd	516	69.86		0.124
Starbow Holdings Ltd	397		11.76	0.06
Sun Innovation Holdings Ltd	547		13.56	0.051
Swank International Manufacturing Company Ltd	663	18.07		0.098
Tack Hsin Holdings Ltd	611	20.78		0.465
Wai Yuen Tong Medicine Holdings Ltd	897		16.67	0.045
Wealthmark International (Holdings) Ltd	39		12.12	0.58

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover rose to about \$HK90.23 million, while The Growth Enterprise Index gained about 0.26 percent, running up to 914.62 points.

Gaining counters on this speculative market outnumbered losing ones by the ratio of about 1.37:One.

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

Town Health International Holdings Company Ltd (Code: 8138)	Up 34 percent to 8.60 cents per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Up 2 percent to \$HK14.45 per share
Value Convergence Holdings Ltd (Code: 8101)	Down 8 percent to \$HK1.98 per share
Vertex Communications and Technology Group Ltd (Code: 8228)	Down 4 percent to 48 cents per share
Phoenix Satellite Television Holdings Ltd (Code: 8002)	Down 1 percent to \$HK1.43 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131	17.50		0.141
AGL MediaTech Holdings Ltd	8192		13.95	0.037
Armitage Technologies Holding Ltd	8213	18.75		0.038
B M Intelligence International Ltd	8158	20.00		0.048
Co-winner Enterprise Ltd	8108	13.43		0.076
ePRO Ltd	8086		11.11	0.016
FlexSystem Holdings Ltd	8050		16.67	0.055
KanHan Technologies Group Ltd	8175	17.95		0.046
Lang Chao International Ltd	8141	10.81		0.41

Q9 Technology Holdings Ltd	8129		20.00	0.04
Satellite Devices Corporation	8172	13.04		0.026
SMI Publishing Group Ltd	8010		25.93	0.04
Town Health International Holdings Company Ltd	8138	34.38		0.086

The tally for the week for the 2 equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) was:

The Hang Seng Index	Plus 0.40 percent
The Growth Enterprise Index	Minus 2.13 percent

In The Land of The Rising Sun, for a change, indices rose on the country's 3 stock markets.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average rose by 61.56 yen, or about 0.56 percent, ending the session at 11,045.95 yen.

Gaining counters outnumbered losing counters by the ratio of about 8.10:One.

News Wise

- About 17,000 workers at a plant, owned and operated by **Uniden Corporation** (of Japan) at Shenzhen, the PRC, proper, have gone on strike over working conditions. The Shenzhen plant is named Uniden Electronic (Shenzhen) Company. A Japanese employee was reported to have denied that Management had been treating the staff, similar to the way in which many Chinese were treated, during World War II, and that the strike had nothing to do with rising tensions between Japan and the PRC.

The tally for Asia's largest equity market was:

The Nikkei-225 Stock Average	Minus 2.86 percent
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This was how the indices of the 9, most-important stock markets closed their respective trading days:

The HKSAR	Plus 0.71 percent to 13,693.55
Indonesia	Closed
Japan	Plus 0.56 percent to 11,045.95
Malaysia	Plus 0.67 percent to 877.78
The Philippines	Plus 1.42 percent to 1,868.13
Singapore	Minus 0.04 percent to 2,136.91
South Korea	Plus 0.18 percent to 940.79
Taiwan	Plus 0.44 percent to 5,747.09
Thailand	Minus 0.49 percent to 677.25

***While TARGET makes every attempt to ensure accuracy of all data published,
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