

**CRUDE OIL PRICES FALL ...  
AND SO DO INDICES OF MAJOR EQUITY MARKETS,  
AROUND THE WORLD**

The price of light sweet crude oil continued to be a talking point on equity markets in the US, last Monday, as it continued to rise ... and rise rather dramatically, too.

By the end of trading on The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in June had risen by about 2.10 percent, compared with the last quote of Friday, May 6, to \$US52.03 per barrel.

As for July delivery, the price of light sweet crude oil was settled at \$US53.38 per barrel, up 1.70 percent on the settlement price of the previous Friday.

There appeared to be no way to hold down the price of the black ooze for any appreciable time.

For More On This Subject, Please See:

**TARGET Intelligence Report, Volume VII, Number 86,**  
Published On Wednesday, May 11, 2005:  
**'THE HIGH PRICE OF ENERGY:  
ROBBING FROM PETER IN ORDER TO PAY PAUL'**

On Wall Street, there was merger mania, once again, and this managed to dampen the concern, to some extent, as to the potential problems, which are bound to materialise in the fullness of time by the increased price of crude oil.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 38.94 points, or about 0.38 percent, ending the session at 10,384.34 points.

On The NASDAQ, its Composite Index followed suit with a gain of 12.32 points, equivalent to about 0.63 percent, limping up to 1,979.67 points.

However, trading was quite subdued, compared with the average volume of activity of trading sessions of late.

In Europe, there was no merger mania, with investors, looking at the price of crude oil and worrying whether or not there would be further interest-rate increases in the near future.

Higher oil prices equates to rising manufacturing costs, which, in turn, equates to inflation, as higher costs are passed on to the consumer.

Every key index of every major European bourse was in negative territory, last Monday night:

Amsterdam's AEX Index

Minus 0.20  
percent

Great Britain's FTSE 100 Index	Minus 0.17 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.43 percent
France's CAC 40 Index	Minus 0.32 percent
Switzerland's Swiss Market Index	Minus 0.38 percent
Italy's MIBTEL Index	Minus 0.10 percent

In Asia, investors awaited the results of Wall Street's first trading day of the week and, as such, aside for some unusual movements in a couple of stock markets, equity markets in this part of the world ended with their respective indices mixed.

On the 2 equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), they could be described as being directionless.

On the Main Board of The Stock Exchange of Hongkong Ltd, which is the premier stock market of the territory, the Hang Seng Index gained about 0.36 percent, edging up to 14,085.09 points.

The Total Turnover was low, at about \$HK13.82 billion, while the ratio of gaining counters to losing ones was about 1.11:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK126.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.91 percent to \$HK27.75 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.36 percent to \$HK70.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.66 percent to \$HK76.25 per share
PetroChina Company Ltd (Code: 857)	Up 1.58 percent to HK4.825 per share
Hang Seng Bank Ltd (Code: 11)	Unchanged at \$HK106.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.68 percent to \$HK74.50 per share
CNOOC Ltd (Code: 883)	Up 2.34 percent to \$HK4.375 per share
Esprit Holdings Ltd (Code: 330)	Up 2.16 percent to \$HK59.25 per share
Ping An Insurance (Group) Company of China Ltd (Code: 2318)	Up 5.37 percent to \$HK12.75 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Artfield Group Ltd	1229	10.45		0.37
Century Legend (Holdings) Ltd	79		29.27	0.29
China Elegance (Holdings) Ltd	476	11.11		0.08
China Rich Holdings Ltd	1191	15.63		0.037
Heritage International Holdings Ltd	412	10.00		0.011
Lai Sun Development Company Ltd	488	10.81		0.123
Landune International Ltd	245	11.11		0.12
Morning Star Resources Ltd	542		14.71	0.058
Rontex International Holdings Ltd	1142	10.53		0.105
Shun Cheong Holdings Ltd	650		11.11	0.24
Universe International Holdings Ltd	1046		10.20	0.044

Over on The (speculative) **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, its key index went in the opposite direction to that of the Hang Seng Index.

By the close of the day, The Growth Enterprise Index was stuck at 913.42 points, a fall of about 0.47 percent, compared with the previous Friday's close.

The Total Turnover on this market was about \$HK98.80 million.

Losing counters outran gaining ones by the ratio of about 2.31:One.

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

Tong Ren Tang Technologies Company Ltd (Code: 8069)

Down 4 percent to  
\$HK13.85 per share

Town Health International Holdings Company Ltd (Code: 8138)

Down 6 percent to  
10.40 cents per share

Golden Meditech Company Ltd (Code: 8180)

Down 1 percent to  
\$HK1.42 per share

Rojam Entertainment Holdings Ltd (Code: 8075)

Up 16 percent to  
47.50 cents per share

Yantai North Andre Juice Company Ltd (Code: 8259)

Down 1 percent to  
75 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		31.45	0.085
AGL MediaTech Holdings Ltd	8192	10.53		0.042
Argos Enterprise (Holdings) Ltd	8022	22.29		0.203
B and S Entertainment Holdings Ltd	8167		11.11	0.04
CASH Financial Services Group Ltd	8122		10.67	0.201
Grandy Corporation	8143		14.29	0.024
Shenzhen Mingwah Aohan High Technology Corporation Ltd	8301		17.86	0.23
Q9 Technology Holdings Ltd	8129		11.11	0.04
Rojam Entertainment Holdings Ltd	8075	15.85		0.475

In Japan, it was another very quiet day on the country's 3 stock markets.

On The Tokyo Stock Exchange, which is the premier equity market of The Land of The Rising Sun, The Nikkei-225 Stock Average, a key index of this market, lost 20.85 yen, equivalent to about 0.19 percent, coming to rest at

11,171.32 yen.

Although The Nikkei-225 was slightly in negative territory, gaining counters thrashed losing ones by the ratio of about 2.12:One.

News Wise

- **IYBank Company**, an online bank in Japan, announced that its Consolidated Net Profit Attributable to Shareholders was 10.84 billion yen for the Financial Year, ended March 31, 2005. That result represented an increase, Year-On-Year, of more than 100 percent.

On other equity markets of Asia, this was how their respective key indices ended the first day of trading of the week:

The HKSAR	Plus 0.36 percent to 14,085.09
Indonesia	Plus 1.12 percent to 1,080.21
Japan	Minus 0.19 percent to 11,171.32
Malaysia	Plus 0.01 percent to 901.29
The Philippines	Plus 1.72 percent to 1,946.77
Singapore	Plus 0.23 percent to 2,166.29
South Korea	Minus 0.60 percent to 935.20
Taiwan	Minus 0.02 percent to 5,966.85
Thailand	Minus 0.17 percent to 688.21

## Tuesday

More and more high-profile heads of large, multinationals are coming out of the woodwork, suggesting that all is not well in The Land of The Free and The Home of The Brave.

One such pronouncement was made most vociferously, last Tuesday, by the head of a rather large, international merchant banking group: It frightened the knickers off some of Wall Street's gurus.

Then, the price of crude oil rose for the second day of the week – which was another negative for equity markets.

And, then, a rumour started to make the rounds that certain large US funds would have to report substantial losses for their financial years, having got their sums wrong.

Wall Street investors were not very happy campers, to be sure.

On The New York Stock Exchange, with so many negatives, it was hardly surprising that the prices of stocks and shares fell, with key indices, off triple digits.

On the Big Board, the Dow Jones Industrial Average lost 0.99 percent, dropping back to 10,128.11 points.

Of the 30 constituent stocks of The Dow, only 2 of their number ended the trading session in positive territory.

On The NASDAQ, its Composite Index gave up 0.85 percent of its value, ending the session at 1,962.77 points.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for June delivery rose another 4 cents (US) per barrel to settle at \$US52.07.

For delivery in July, the price of light sweet crude oil came in at \$US53.49 per barrel, a gain of about 0.21 percent, compared with the last quote of Monday.

In Europe, the financial imponderables with regard to the economies of eurozone's 2 powerhouses – Germany and Italy – coupled with the fact that the price of crude oil was refusing to fall, conspired to bring down indices of major bourses.

The key indices of major European bourses all fell, last Tuesday:

Amsterdam's AEX Index	Minus 0.53 percent
Great Britain's FTSE 100 Index	Minus 0.36 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.96 percent
France's CAC 40 Index	Minus 0.49 percent
Switzerland's Swiss Market Index	Minus 1.14 percent
Italy's MIBTEL Index	Minus 0.84 percent

Generally, indices of major Asian equity markets started to spiral down, last Tuesday, at the opening of the business day: The higher price of crude oil, being a principal reason for the falls.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index fell about 0.47 percent, coming to rest at 14,018.38 points when the closing bell rang.

The Total Turnover continued to be on the low side, at about \$HK13.67 billion.

Declining counters outnumbered gaining ones by the ratio of 1.61:One, exactly.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 0.40 percent to \$HK126.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.18 percent to \$HK27.70 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.40 percent to \$HK69.00 per share
PetroChina Company Ltd (Code: 857)	Up 0.52 percent to HK4.85 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.45 percent to \$HK72.75 per share
China Petroleum and Chemical Corporation (Code: 386)	Unchanged at \$HK3.125 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.98 percent to \$HK75.50 per share
China Life Insurance Company Ltd (Code: 2628)	Unchanged to \$HK5.30 per share
Huaneng Power International Incorporated (Code: 902)	Down 1.71 percent to \$HK5.75 per share
CNOOC Ltd (Code: 883)	Up 0.57 percent to \$HK4.40 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Beauforte Investors Corporation Ltd	21		10.00	0.36
Century Legend (Holdings) Ltd	79		13.79	0.25
E-LIFE International Ltd	370		14.75	0.26
Golden Dragon Group (Holdings) Ltd	329		20.00	0.12
Guangdong Kelon Electrical Holdings Company Ltd	921		12.71	1.03
Mei Ah Entertainment Group Ltd	391		11.76	0.30
Omniconp Ltd	94	10.00		0.77
Universe International Holdings Ltd	1046	11.36		0.049
Wonderful World Holdings Ltd	109		12.70	0.11

Over on The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, the lone index of this market hardly moved during the entire trading session.

The Growth Enterprise Index ended the trading day at 913.46 points, representing a gain of 0.004 percent on Monday's close.

Losing counters outnumbered gaining ones by the ratio of about 1.29:One.

The Total Turnover was about \$HK78.22 million.

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

Tong Ren Tang Technologies Company Ltd (Code: 8069)	Up 1 percent to \$HK14.00 per share
Town Health International Holdings Company Ltd (Code: 8138)	Unchanged at 10.40 cents per share
Rojam Entertainment Holdings Ltd (Code: 8075)	Up 5 percent to 50 cents per share
Golden Meditech Company Ltd (Code: 8180)	Up 3 percent to \$HK1.46 per share
Kanstar Environmental Paper Products Holdings Ltd (Code: 8011)	Up 2 percent to 31.50 cents per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131	44.71		0.123
Century Sunshine Ecological Technology Holdings Ltd	8276		10.32	1.13
Excel Technology International Holdings Ltd	8048	14.71		0.078
Innovis Holdings Ltd	8065		10.64	0.042
Shenzhen Mingwah Aohan High Technology Corporation Ltd	8301		13.04	0.20
Recruit Holdings Ltd	8073		17.46	1.04
SJTU Sunway Software Industry Ltd	8148		10.00	0.315

In The Land of The Rising Sun, its 3 equity markets went nowhere, fast.

On the premier stock market of the country, The Tokyo Stock Exchange, The Nikkei-225 Stock Average lost 11.86 yen, equivalent to about 0.11 percent, ending the quiet trading day at 11,159.46 yen.

The ratio of losers to gainers was about 1.20:One.

News Wise

- **McDonald's Holdings Company Japan** announced that its Operating Profit for the first quarter of 2005, ended March 31, 2005, was 3.01 billion yen, up about 79 percent, compared with the like period in 2004. Sales at its 3,759 restaurants were about 105.19 billion yen, up about 7 percent, Year-On-Year; and,
- **Teijin Ltd**, a producer of textiles in Japan, announced a Group Net Profit Attributable to Shareholders for its Financial Year, ended March 31, 2005, of about 9.16 billion yen, an 8.30-percent increase on the results of the 2004-Year.

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

The HKSAR	Minus 0.47 percent to 14,018.38
Indonesia	Minus 0.84 percent to 1,071.16
Japan	Minus 0.11 percent to 11,159.46
Malaysia	Plus 0.17 percent to 902.84
The Philippines	Minus 0.78 percent to 1,931.54
Singapore	Minus 0.02 percent to 2,165.85
South Korea	Minus 0.10 percent to 934.28
Taiwan	Minus 0.29 percent to 5,949.80
Thailand	Minus 0.93 percent to 681.83

### Wednesday

A civilian, private 2-seater Cessna aeroplane strayed into a no-fly zone about 15 miles from Washington D.C., last Wednesday, touching off a high-level security alert.

Evacuation procedures were put into effect just before noon; everything came to a standstill at the country's Capital City.

Fighter aircraft and an armed helicopter gunship scrambled to intercept the single-engine intruder.

Shades of 9/11.

It all lasted 15 minutes and, then, the all-clear was sounded: There was no threat to anybody.

Bigwigs, wives and girlfriends of bigwigs, legislators and their girlfriends and senators with their typists and what-have-you, all went back to work (or play, as the case may be); and, the business of making money and running the country returned to normal at the Capitol.

It was all a big mistake.

But it was the biggest piece of excitement of the day on Wall Street, last Wednesday, which was marked by dull trading conditions, generally, in spite of the fact that the price of crude oil fell, rather dramatically.

On The New York Stock Exchange, the Dow Jones Industrial Average rose about 0.19 percent to 10,300.25 points in moderate trading conditions.

On The NASDAQ, its Composite Index put on about 0.45 percent, ending the relatively quiet trading day at 1,971.55 points.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in June fell 3.11 percent, compared with the settlement price of Tuesday, to \$US50.45 per barrel.

As for delivery in July, the price of light sweet crude oil was settled at \$US51.95 per barrel, down 2.88 percent on the day.

The international energy advisory group, The International Energy Agency (IEA), in its monthly oil report, said that weaker economic growth rate had tended to slow down demand for crude oil, during the first quarter of 2005, compared with the like period in 2004.

Mr Lawrence Eagles, of the IEA, said:

*'Prices (of oil) are one of the many factors that affect demand, but economic growth is a far more powerful factor.'*

Meanwhile, the US Government continues to stockpile crude oil to levels, not seen in the past 6 years, it was reported.

Lower oil prices, ironically, helped to bring down share prices on European bourses, last Wednesday, since there are a slew of energy companies, whose shares are listed on equity markets in this part of the world.

Oil stocks took it on the nose, as the saying goes.

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

Amsterdam's AEX Index	Minus 0.35 percent
Great Britain's FTSE 100 Index	Minus 0.34 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.16 percent
France's CAC 40 Index	Minus 0.51 percent
Switzerland's Swiss Market Index	Minus 0.32 percent
Italy's MIBTEL Index	Plus 0.25 percent

Indices of Asian equity markets continued to fall, last Wednesday, taking their respective cues from what had transpired on Wall Street, during Tuesday's trading session.

The 2 equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) both suffered losses, with the highly speculative Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, losing the greater amount.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gave up about 0.56 percent of its value, falling back to 13,939.80 points on a Total Turnover of about \$HK13.96 billion.

Losing counters outran gaining ones by the ratio of 3.27:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK126.00 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.09 percent to \$HK68.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.62 percent to \$HK27.25 per share
PetroChina Company Ltd (Code: 857)	Up 0.52 percent to HK4.875 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.37 percent to \$HK71.75 per share



Sun Hung Kai Properties Ltd (Code: 16)

Down 0.33 percent to  
\$HK75.25 per share

China Petroleum and Chemical Corporation (Code: 386)

Down 0.80 percent to  
\$HK3.10 per share

Hang Seng Bank Ltd (Code: 11)

Down 0.94 percent to  
\$HK105.00 per share

China Telecom Corporation Ltd (Code: 728)

Down 0.93 percent to  
\$HK2.65 per share

BOC Hongkong (Holdings) Ltd (Code: 2388)

Down 0.34 percent to  
\$HK14.80 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		10.00	0.225
Decca Holdings Ltd	997		56.08	0.26
E-LIFE International Ltd	370		44.23	0.145
Earnest Investments Holdings Ltd	339		20.00	0.024
Ezcom Holdings Ltd	312		14.55	0.047
Geely Automobile Holdings Ltd	175		10.87	0.41
Get Nice Holdings Ltd	64		11.11	0.88
Golden Dragon Group (Holdings) Ltd	329	30.83		0.157
Golden Resorts Group Ltd	1031		10.37	0.242
Guangdong Kelon Electrical Holdings Company Ltd	921		16.50	0.86
K. Wah Construction Materials Ltd	27		10.29	6.10
Pricerite Group Ltd	996		15.69	0.86
Ruili Holdings Ltd	491		10.81	0.165
Softbank Investment International (Strategic) Ltd	648	11.84		0.085
Sunny Global Holdings Ltd	1094		10.71	0.05
Swank International Manufacturing Company Ltd	663		10.84	0.074
Xin Corporation Ltd	1141	11.11		0.02

On The GEM, The Growth Enterprise Index surrendered about 1.21 percent of its value, dropping to 902.37 points.

The Total Turnover on this market was about \$HK64.32 million, while the ratio of losing counters to gaining ones was about 2.08:One.

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

Town Health International Holdings Company Ltd (Code: 8138)

Unchanged at  
10.40 cents per  
share

Tong Ren Tang Technologies Company Ltd (Code: 8069)

Unchanged at  
\$HK13.95 per  
share

TOM Online Incorporated (Code: 8282)

Down 5 percent  
to \$HK1.16 per  
share

Panva Gas Holdings Ltd (Code: 8132)

Down 1 percent  
to \$HK3.175  
per share

Kanstar Environmental Paper Products Holdings Ltd (Code: 8011)

Unchanged at  
31.50 cents per

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGL MediaTech Holdings Ltd	8192		14.29	0.036
Changmao Biochemical Engineering Company Ltd	8208	10.00		0.44
FX Creations International Holdings Ltd	8136	15.00		0.046
Grandy Corporation	8143	13.64		0.025
Shenzhen Mingwah Aohan High Technology Corporation Ltd	8301		25.00	0.15
ProSticks International Holdings Ltd	8055	11.11		0.04

For the third day of the week, trading on the largest equity market of Asia was dead.

The Nikkei-225 Stock Average, a key index of The Tokyo Stock Exchange, ended the trading session at 11,120.70 yen, down about 0.35 percent on Tuesday's closing level.

The ratio of losing counters to gaining counters was about 1.84:One.

#### News Wise

- **Bandai Company**, Japan's largest manufacturer and distributor of toys, announced that its Net Profit Attributable to Shareholders had fallen, Year-On-Year, by about 21 percent to 11.23 billion yen, during the Financial Year, ended March 31, 2005. Management blamed lower sales in the US for the lower profits;
- **NTT DoCoMo Incorporated** told its shareholders that it suffered its first decline in Operating Profit and Revenues since going public in 1998. Management announced that, for the Year, ended March 31, 2005, Operating Profit had fallen by about 29 percent, Year-On-Year, to 784.17 billion yen, while Revenues had dropped by about 4 percent to 4.84 trillion yen. The Bottom Line was, however, still better, Year-On-Year, due to sales of shares in AT&T Wireless Services, which surpluses were one-off; and,
- The Internal Affairs and Communications Ministry announced that, during Fiscal 2004, ended March 31, 2005, **household spending in Japan** had fallen by about 0.20 percent, compared with Fiscal 2003. Decreases in spending on food and housing were given as the reasons. The Ministry, also, stated that spending on clothing and footwear was off by about 5.40 percent.

In other parts of Asia, this was how the indices of those markets fared, last Wednesday:

The HKSAR	Minus 0.56 percent to 13,939.80
Indonesia	Minus 1.31 percent to 1,057.08
Japan	Minus 0.35 percent to 11,120.70
Malaysia	Minus 0.46 percent to 898.70
The Philippines	Minus 0.53 percent to 1,921.33
Singapore	Plus 0.34 percent to 2,173.14
South Korea	Minus 1.17 percent to 923.38
Taiwan	Minus 0.55 percent to 5,917.13
Thailand	Plus 0.41 percent to 684.65

#### Thursday

The world's largest equity market suffered a triple-digit fall, last Thursday, pressured, on the one hand, by the financial results of Wal-Mart Stores Incorporated, the world's largest retailer, and, other the other hand, by the

falls in the international price of crude oil, which took the shine completely off many of the energy counters.

On The New York Stock Exchange, the Dow Jones Industrial Average shed 1.08 percent of its value as investors drove down the key index of blue chips, listed on the Big Board, to 10,189.48 points.

The 110.77-point drop in the value of The Dow was completely unexpected, according to some of the gurus of Wall Street, because the US Government had brought out a report in respect of April retail sales, a report, which, if anything, should have been considered bullish. (Please see [News Wise](#))

On The NASDAQ, its Composite Index fell, but only to the extent of about 0.39 percent, coming to rest at 1,963.88 points.

What hurt Wall Street investors was not just that Wal-Mart had missed its profit target, but that, in addition, Management of this company had warned of lower profits in the near future.

The reason for missing its target profit level was given as high petrol costs, across the country, and poor weather.

The ratio of losing counters to gaining ones on The Dow was telling at 2.67:One.

Over on The NASDAQ, the ratio of losing counters to gaining ones was 1.73:One.

#### News Wise

- **US retail sales** jumped about 1.40 percent in April, their strongest gain in 7 months, the US Government's Commerce Department reported.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in June fell another 3.79 percent as traders pushed the price down to \$US48.54 per barrel.

For July delivery, the price of light sweet crude oil was settled at \$US50.19 per barrel, a one-day fall of about 2.45 percent.

Weaker international demand for oil and the stockpiling of the precious, energy producing natural resource in the US contributed to pulling down crude oil prices, materially, for the second consecutive day.

In the eurozone, encouraged by the results of some of the heavyweight financials, the shares of which are quoted on major European bourses, indices of key stock markets rose, last Thursday.

It was the first day of real gains since the start of the week for shares in this part of the world.

The markets of eurozone shrugged off the weakness in the price of crude oil, unlike the situation on Wednesday.

This was how the indices of major bourses closed the day:

Amsterdam's AEX Index	Plus 0.60 percent
Great Britain's FTSE 100 Index	Plus 0.36 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.53 percent
France's CAC 40 Index	Plus 0.90 percent
Switzerland's Swiss Market Index	Plus 0.67

Italy's MIBTEL Index

percent  
Plus  
0.71  
percent\_

Asian investors were pleasantly surprised, last Thursday, when the price of light sweet crude oil fell below the \$US50 per barrel level in electronic trading on The NYMEX, during the trading session in the most-populous part of the world.

News of the US Government's continued stockpiling of crude oil appeared to be forcing the price lower, however investors in this part of the world were loath to state that the worst was over in respect of high oil prices.

On the 2 equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the volume of activity continued to be relatively low.

Nevertheless, both markets managed to make moderate gains.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about one fifth of a percentage point to end the session at 13,968.28 points.

The Total Turnover was about \$HK11.06 billion, with the ratio of losing counters to gaining ones, being tight, at about 1.02:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK126.00 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.73 percent to \$HK68.75 per share
PetroChina Company Ltd (Code: 857)	Unchanged at HK4.875 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.18 percent to \$HK27.30 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 0.81 percent to \$HK3.125 per share
China Telecom Corporation Ltd (Code: 728)	Down 0.94 percent to \$HK2.625 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.70 percent to \$HK72.25 per share
CNOOC Ltd (Code: 883)	Down 0.57 percent to \$HK4.375 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.33 percent to \$HK75.50 per share
Hang Seng Bank Ltd (Code: 11)	Unchanged at \$HK105.00 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)
Asia TeleMedia Ltd	376		13.82	0.106
Decca Holdings Ltd	997	73.08		0.45
E-LIFE International Ltd	370	39.31		0.202
Emperor Entertainment Hotel Ltd	296		15.97	1.21

Fortuna International Holdings Ltd	530		13.33	0.013
Hon Po Group (Lobster King) Ltd	228		53.68	0.44
Hop Hing Holdings Ltd	47	10.34		0.32
Pearl River Tyre (Holdings) Ltd	1187		11.11	0.48
Pricerite Group Ltd	996		10.47	0.77
Sino Prosper Holdings Ltd	766		11.79	0.172
Sky Hawk Computer Group Holdings Ltd	1129	14.75		0.07
Unity Investments Holdings Ltd	913		20.00	0.044
Vision Century Corporation Ltd	535	13.04		0.156
Xin Corporation Ltd	1141		15.00	0.017

On The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index put on 0.69 percent, exactly, rising to 908.60 points.

The Total Turnover of this market was about \$HK74.92 million.

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

Chinainfo Holdings Ltd (Code: 8206)	Down 2 percent to 40 cents per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Unchanged at \$HK13.90 per share
Town Health International Holdings Company Ltd (Code: 8138)	Down 1 percent to 10.30 cents per share
Zhengzhou Gas Company Ltd (Code: 8099)	Unchanged at 71 cents per share
Rojam Entertainment Holdings Ltd (Code: 8075)	Up 5 percent to 50 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		19.44	0.029
Argos Enterprise (Holdings) Ltd	8022		18.23	0.166
B.A.L. Holdings Ltd	8400	23.16		0.218
Golding Soft Ltd	8190		16.67	0.015
Xi'an Haitian Antenna Technologies Company Ltd	8227		13.79	0.25
Innovis Holdings Ltd	8065		17.50	0.033
KanHan Technologies Group Ltd	8175		20.00	0.036
Neolink Cyber Technology (Holding) Ltd	8116	12.50		0.09
Q9 Technology Holdings Ltd	8129	12.50		0.045
Stockmartnet Holdings Ltd	8123		12.28	0.05

In Japan, for the fourth consecutive day, the indices of the 3 equity markets of the country headed south.

On the premier equity market of the country, The Tokyo Stock Exchange, The Nikkei-225 Stock Average shed another 42.76 yen, equivalent to about 0.38 percent, falling back to 11,074.94 yen.

The ratio of declining counters to gaining ones was about 2.08:One.

#### News Wise

- **Japan's foreign-exchange reserves** have risen to the near-record level of about \$US843.60 billion, The Finance Ministry announced. The April figure included an increase in that month of about \$US5.88 billion, the first increase in the level of foreign-exchange reserves of the past 4 months.

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

The HKSAR	Plus 0.20 percent to 13,968.28
Indonesia	Plus 0.64 percent to 1,063.83
Japan	Minus 0.39 percent to 11,077.94
Malaysia	Minus 0.59 percent to 893.40
The Philippines	Minus 0.50 percent to 1,911.75
Singapore	Plus 0.37 percent to 2,181.19
South Korea	Minus 0.24 percent to 921.21
Taiwan	Plus 0.30 percent to 5,934.60
Thailand	Minus 0.37 percent to 682.12

### Friday

If there ever were a suggestion that high, crude-oil prices were not damaging to an economy and were not inflationary, it was put to bed, forever, last Friday, when The Bureau of Labour Statistics, a branch of the US Labour Department, brought out its findings in respect of its April Import Price Index.

The gains were attributable, directly, to escalating crude-oil prices.

This is part of that which this important branch of the US Government reported, just before Wall Street opened for business, last Friday:

*‘The U.S. Import Price Index increased 0.8 percent in April ... The advance, the fourth in a row, followed a 2.0 percent increase in March, and was again led by rising petroleum prices. Export prices rose 0.6 percent in April after increasing the same amount in March ...*

#### ‘Import Goods

*‘Prices for overall imports increased 0.8 percent in April after rising 3.5 percent over the first three months of 2005. Petroleum prices rose 3.1 percent in April after a 12.3 percent jump in March and increases of 5.0 percent and 2.2 percent, respectively, in February and January. The price index for import petroleum advanced 43.1 percent over the past year. Prices for nonpetroleum imports also increased in April, rising 0.4 percent, following a 0.3 percent advance in March. Nonpetroleum import prices have declined only once in the past 12 months and increased 3.0 percent over that period. Overall import prices rose 8.1 percent for the year ended in April.*

*‘The price index for nonpetroleum industrial supplies and materials rose 2.1 percent in April. Higher natural gas prices led the increase, although rising prices for metals, chemicals, and paper also helped to more than offset lower prices for import building materials. Nonpetroleum industrial supplies and materials prices rose 11.5 percent over the April 2004-2005 period. Automotive vehicle prices also advanced in April, increasing 0.2 percent for the month. Although the index has not recorded a decline since September 2003, the*

*April rise was the first increase in four months. Prices for automotive vehicles rose 1.4 percent over the past 12 months.*

*'In contrast, the price indexes for capital goods and for consumer goods declined 0.1 percent in April. The drop in capital goods prices was the third in a row and, like the previous two months, was led by decreasing computer prices. Capital goods prices decreased 0.5 percent over the past year. The decline in consumer goods followed a 0.3 percent decrease in March, but despite the recent declines, the index increased 1.1 percent for the year ended in April.*

#### *'Export Goods*

*'Prices of exports rose 0.6 percent for the second consecutive month in April, as both agricultural and nonagricultural prices increased. The price index for agricultural exports advanced a modest 0.3 percent following a 3.8 percent jump in March. Despite the recent increases, agricultural prices were down 9.6 percent over the past year. Prices for nonagricultural exports rose 0.5 percent in April. The increase followed a similar advance of 0.4 percent in March, and continued an upward trend over the past year and a half. In contrast to agricultural prices, nonagricultural prices increased 4.4 percent for the year ended in April. Overall export prices advanced 3.1 percent over the same period.*

*'A 2.0 percent rise in nonagricultural industrial supplies and materials prices led the April advance in nonagricultural prices. The increase was attributable to higher prices for fuels, metals, and chemicals. Nonagricultural industrial supplies and materials prices rose 14.9 percent over the past 12 months. Increasing prices for consumer goods and for automotive vehicles also contributed to the rise in overall nonagricultural prices. The price index for consumer goods increased 0.3 percent in April and 1.5 percent over the past 12 months. Automotive vehicle prices rose 0.2 percent last month, and advanced 1.2 percent for the year ended in April.*

*'A 0.3 percent decrease in the price index for capital goods, which accounts for almost 40 percent of exports, partially offset the increase in overall export prices. The decrease in capital goods prices followed a modest 0.1 percent drop in March and was the largest monthly decline since June 2004. Prices for capital goods recorded no change over the past year.*

#### *'Imports by Locality of Origin*

*' Import prices from Canada increased 1.2 percent in April as a 5.7 percent rise in nonmanufactured goods more than offset a modest 0.2 percent decline in manufactured goods. The April increase was largely attributed to higher fuel prices and followed a 2.6 percent advance in March. Prices of imports from Canada rose 10.3 percent over the past 12 months.*

*'Higher fuel prices also contributed to increases in the price indexes for imports from the European Union and from Mexico. Import prices from the European Union rose 0.2*

*percent in April and 5.5 percent over the past year. Prices of imports from Mexico advanced 0.3 percent last month and 7.2 percent for the year ended in April.*

*'The price indexes of imports from China and from Japan rose 0.2 percent and 0.1 percent, respectively, in April. Despite last month's increase, import prices from China declined 0.4 percent over the past 12 months. Prices of imports from Japan increased 1.1 percent for the April 2004-2005 period.*

#### *'Import and Export Services*

*'Import air passenger fares rose 6.3 percent in April, the first increase since December and the largest monthly advance since June 2004. Air passenger fares from each of the major import regions increased in April, although the 8.4 percent rise in European fares had the largest impact on overall prices. The price index for import air passenger fares increased 5.1 percent for the year ended in April.*

*'In contrast, export air passenger fares decreased 1.8 percent in April following a 1.3 percent increase in March. Lower European and Asian fares both contributed to the overall decline. Despite the April drop, export air passenger fares increased 8.2 percent over the past year... '.*

Wall Street took note of The Labour Department's figures.

On The New York Stock Exchange, the Dow Jones Industrial Average, after being hit, very hard in early trading, managed to steady itself, near the close, so that, by the end of the day, The Dow was standing at 10,140.12 points, a fall of 49.36 points, or about 0.48 percent on Thursday's close.

Over on The NASDAQ, its Composite Index rose 12.92 points, equivalent to about 0.66 percent, ending the week at 1,976.80 points.

In addition to digesting the statistics, presented to the world by the US Labour Department, Wall Street, also, saw the prices of essential commodities fall in line with the drop in the price of crude oil.

Commodity prices are linked, albeit often tenuously, to the price of oil.

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

The Dow Jones Industrial Average	Minus 1.98 percent
The NASDAQ's Composite Index	Plus 1.86 percent

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in June rose 13 cents (US) per barrel to end the week at the final settlement price of \$US48.67.

For delivery in July, the price of light sweet crude oil was settled at \$US50.28 per barrel, representing a 0.18-percent gain on Thursday's last quote.

Investors, locked into shares, quoted on the energy sector of European bourses, noting how quickly the price of crude oil had fallen, during the week (about 4.44 percent, compared to the settlement price of Friday, May 6, 2005), bailed out of anything, vaguely resembling (or smelling of) oil and/or gas.

As a result, there were more minuses than pluses, recorded on indices of major eurozone bourses:



Amsterdam's AEX Index	Minus 0.16 percent
Great Britain's FTSE 100 Index	Minus 0.13 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.20 percent
France's CAC 40 Index	Plus 0.05 percent
Switzerland's Swiss Market Index	Minus 0.12 percent
Italy's MIBTEL Index	Plus 0.16 percent

With the prospects upon the 7 million-odd human population of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) for a 3-day break (Monday, May 16, was a public holiday in the territory, being the day to commemorate the birth of Buddha), it was hardly surprising that interest in trading in stocks and shares flagged, somewhat, last Friday.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index surrendered about 0.73 percent of its value, falling back to 13,866.81 points on a Total Turnover of about \$HK13.83 billion.

About 14.46 percent of the entire volume of activity was centred in trades of just one counter, that of HSBC Holdings plc (Code: 5), whose turnover, at about \$HK2 billion, was the largest by far of any other counter. (Please see Ten Most Actives, below)

The ratio of losing counters to gaining ones was wide, at about 3.04:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.79 percent to \$HK125.00 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.09 percent to \$HK68.00 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 2.40 percent to \$HK3.05 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.55 percent to \$HK27.15 per share
PetroChina Company Ltd (Code: 857)	Down 2.05 percent to HK4.775 per share
Yanzhou Coal Mining Company Ltd (Code: 1171)	Down 1.91 percent to \$HK10.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.33 percent to \$HK75.25 per share
Esprit Holdings Ltd (Code: 330)	Down 2.16 percent to \$HK56.50 per share
K. Wah Construction Materials Ltd (Code: 27)	Up 5.36 percent to \$HK5.90 per share
CNOOC Ltd (Code: 883)	Down 2.21 percent to \$HK4.20 per share

As for the biggest, Main Board movers of the day, they included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Benefun International Holdings Ltd	1130	15.00		0.092

Capital Estate Ltd	193	10.34		0.032
CATIC International Holdings Ltd	232		17.72	0.065
China Elegance (Holdings) Ltd	476		12.50	0.07
China Velocity Group Ltd	149		25.81	0.69
Decca Holdings Ltd	997	33.33		0.60
EC-Founder (Holdings) Company Ltd	618	22.00		0.305
Grandtop International Holdings Ltd	2309	17.31		0.305
Greater China Holdings Ltd	431	10.00		0.44
Sky Hawk Computer Group Holdings Ltd	1129	11.43		0.078
Start Technology Company Ltd	706		13.04	0.30
Takson Holdings Ltd	918	17.61		0.167
Victory Group Ltd	1139	11.43		0.039
Xin Corporation Ltd	1141	17.65		0.02
Zhong Hua International Holdings Ltd	1064		16.67	0.02

On The **G**rowth Enterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, the situation was much worse than on the Main Board.

The Growth Enterprise Index gave up about 1.34 percent of its value, ending the week at 896.40 points.

The Total Turnover on this speculative market was about \$HK45.73 million, with the ratio of losing counters to gaining counters, being about 1.34:One.

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

Town Health International Holdings Company Ltd (Code: 8138)

Down 1 percent  
to 10.20 cents per  
share

Zhengzhou Gas Company Ltd (Code: 8099)

Up 1 percent to  
72 cents per share

Kanstar Environmental Paper Products Holdings Ltd (Code: 8011)

Down 2 percent  
to 30.50 cents per  
share

Rojam Entertainment Holdings Ltd (Code: 8075)

Down 1 percent  
to 49.50 cents per  
share

Golden Meditech Company Ltd (Code: 8180)

Down 1 percent  
to \$HK1.48 per  
share

The biggest GEM movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGL MediaTech Holdings Ltd	8192	24.14		0.036
Argos Enterprise (Holdings) Ltd	8022	14.46		0.19
B and S Entertainment Holdings Ltd	8167	12.50		0.045
China Advance Holdings Ltd	8391	14.00		0.285
Creative Energy Solutions Holdings Ltd	8109	17.33		0.088
Essex Bio-Technology Ltd	8151		14.40	0.107
Grandy Corporation	8393	12.00		0.14
Inno-Tech Holdings Ltd	8202	10.77		0.072
ProSticks International Holdings Ltd	8055		18.42	0.031
Stockmartnet Holdings Ltd	8123		14.00	0.043
T S Telecom Technologies Ltd	8003	11.67		0.067
WorldMetal Holdings Ltd	8161	43.33		0.43
Xteam Software International Ltd	8178		10.53	0.085

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

The Hang Seng Index	Minus 1.19 percent
The Growth Enterprise Index	Minus 2.33 percent

In Japan, for the fifth consecutive trading session, key indices of the 3 equity markets of The Land of The Rising Sun fell.

Albeit only fractional losses had been recorded, during the 5 days of trading on the country's 3 stock markets, the sum of those fractional losses were having a telling effect on the confidence of investors.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average lost about 0.26 percent of its value, dropping back to 11,049.11 yen.

Losing counters outran gaining counters by the ratio of about 3.24:One.

The tally for the week, ended May 13, 2005, for Asia's largest equity market was:

The Nikkei-225 Stock Average	Minus 1.28 percent
------------------------------	--------------------

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

The HKSAR	Minus 0.73 percent to 13,866.81
Indonesia	Minus 0.43 percent to 1,059.27
Japan	Minus 0.26 percent to 11,049.11
Malaysia	Minus 0.23 percent to 891.36
The Philippines	Minus 1.54 percent to 1,882.39
Singapore	Minus 0.44 percent to 2,171.67
South Korea	Plus 0.22 percent to 923.19
Taiwan	Plus 0.79 percent to 5,981.48
Thailand	Minus 0.44 percent to 679.11

-- *E N D* --

***While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.***

*If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to [editor@targetnewspapers.com](mailto:editor@targetnewspapers.com) or [targnews@hkstar.com](mailto:targnews@hkstar.com). TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*