

**DOWN COME OIL PRICES, UP GO SHARE PRICES**US and China Lock Horns Over RMB Translation and Textiles

The President of The Organisation of Petroleum Exporting Countries (OPEC), Sheikh Ahmad al-Fahd al-Sabah, has promised that OPEC would continue to deliver to the world stage not less than 30 million barrels of crude oil per day.

That figure of 30 million barrels of crude oil per day represents a 25-year, OPEC production high.

Sheikh Ahmad al-Fahd al-Sabah, also, stated that \$US40 per barrel was an acceptable price for the time being, as far as OPEC was concerned.

The price of crude oil fell, smartly, on the pronouncement.

In electronic trading on The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in June, early last Monday in Asia, fell to below \$US47 per barrel.

It was a 3-month low.

In Open Outcry Trading, as the non-electronic sessions of The NYMEX are known, the price of light sweet crude oil for delivery in June fell only about 0.12 percent, compared with the previous Friday's settlement price, the last quote of last Monday, being \$US48.61 per barrel.

For July delivery, the price of light sweet crude oil came home at \$US50.17 per barrel, down about 0.22 percent, compared with the settlement price of the previous Friday.

Down came stock and share prices on major Asian equity markets, last Monday, because it followed that, if oil prices continue to fall, then, commodity prices would follow in the wake of lower oil prices.

On Wall Street, last Monday, however, it was a slightly different story.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 112.17 points, equivalent to about 1.11 percent, ending the somewhat mildly bullish market at 10,252.29 points.

Over on The NASDAQ, its Composite Index rose 17.65 points, or about 0.89 percent, running back to 1,994.43 points.

The reasons for the gains on the world's largest equity markets were not readily apparent, but, no doubt, the fall in the price of crude oil and the statements from the President of OPEC went a long way to stoke the fires of investors, intent on getting back into equities.

In Europe, every index of every major eurozone bourse was written in red ink:

Amsterdam's AEX Index	Minus 0.18 percent
Great Britain's FTSE 100 Index	Minus 0.04 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.31 percent
France's CAC 40 Index	Minus 0.17 percent
Switzerland's Swiss Market Index	Minus 0.08 percent
Italy's MIBTEL Index	Minus 0.12 percent

Many counters, listed on European bourses, are energy related so that any material fall in the market price of fossil fuels affects their share prices, also.

The equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were closed for a public holiday, last Monday.

With the lone exception of the South Korean stock market, all of the indices of all of the other equity markets of Asia headed south.

In Japan, investors witnessed the sixth consecutive day of losses on the country's 3 stock markets.

On the premier equity market of the country, that of The Tokyo Stock Exchange, The Nikkei-225 Stock Average gave up 101.89 yen, equivalent to about 0.92 percent, dropping back to 10,947.22 yen.

In the 6 trading days to last Monday, The Nikkei-225 Stock Average had surrendered 2.20 percent of its value since, in the previous 5 trading days, The Nikkei-225 had fallen by 1.28 percent.

Losing counters outran gaining ones by the ratio of about 5.33:One, last Monday.

As one would expect, energy companies and refineries were among the hardest hit on equity markets of Japan, last Monday.

#### News Wise

- **Orders** for private-sector machinery grew by about 6.50 percent in Fiscal 2004, The Cabinet Office of the Government of Japan announced. The total value of orders for private-sector machinery, during Fiscal 2004, was about 11.83 trillion yen, which compared favourably with the statistics for Fiscal 2003 when the value of such orders was about 11.11 trillion yen.

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

The HKSAR	Closed
Indonesia	Minus 0.99 percent to 1,048.79
Japan	Minus 0.92 percent to 10,947.22
Malaysia	Minus 0.23 percent to 889.27
The Philippines	Minus 1.05 percent to 1,862.59
Singapore	Minus 0.29 percent to 2,165.48

South Korea	Plus 0.63 percent to 929.04
Taiwan	Minus 0.93 percent to 5,925.88
Thailand	Minus 1.23 percent to 670.76

## **Tuesday**

Just before Wall Street opened for business, last Tuesday, The Federal Reserve brought out its April statistics in respect of industrial production and capacity utilisation.

It contained some good news ... and some rather worrying news, too, because it pointed in the direction of giving The Fed more ammunition to be expended when it holds its next Open Market Committee Meeting, at which time, the matter of whether or not to raise interest rates will be on the agenda, again.

This is part of that which The Fed announced:

### **'INDUSTRIAL PRODUCTION AND CAPACITY UTILIZATION**

*'Industrial production fell 0.2 percent in April after an increase of 0.1 percent in March. Revisions altered the previously published pattern of output for January through March, but industrial output in the first quarter is still reported to have risen at an annual rate of 3.6 percent. In April, the output indexes for manufacturing and mining were unchanged, and the output of utilities dropped 2.3 percent. At 118.3 percent of the 1997 average, overall industrial output was 3.1 percent above its April 2004 level. The rate of capacity utilization for total industry fell 0.2 percentage point, to 79.2 percent, a rate 1.8 percentage points below its 1972-2004 average ...*

#### **'Market Groups**

*'The output of consumer goods fell 0.9 percent in April. The production of durable goods dropped 2.1 percent, largely as a result of steep declines in the output of automotive products and in the production of appliances, furniture, and carpeting. The index of consumer nondurable goods fell 0.4 percent; a drop of 2.5 percent in the energy component more than offset gains elsewhere. All categories of nondurable non-energy goods advanced except paper products.*

*'The production of business equipment moved up 0.8 percent. The index for industrial and other equipment and the index for information processing equipment each increased about 1.0 percent. The output of transit equipment fell 0.4 percent. The production of defense and space equipment jumped 1.6 percent and was more than 9 percent above its year-ago level. In April, the production of non-industrial supplies was, on balance, unchanged. The index of construction supplies advanced 0.5 percent, and the output of business supplies moved down 0.2 percent. The production of materials edged down 0.1 percent. The index for energy materials fell 0.6 percent, and the index for non-energy materials edged up 0.1 percent. In the durable materials*

*component, the output of consumer parts tumbled 2.4 percent; the output of other materials also moved down. After little change in March, production of equipment parts rose 1.6 percent in April because of gains in the output of semiconductors and computer parts. Within the nondurable category, the producers of paper materials and of chemical materials posted gains; the output of textile materials declined 1.8 percent.*

#### *'Industry Groups*

*'Manufacturing production was unchanged in April, and the factory operating rate edged down 0.1 percentage point, to 77.9 percent. Under durable goods, in which overall output was also unchanged, the production of motor vehicles and parts fell 3.5 percent. The indexes for wood products, primary metals, and furniture and related products also posted declines, but production rose noticeably in machinery, computer and electronic products, and aerospace and miscellaneous transportation equipment. The production of nondurable goods advanced 0.2 percent in April and the gains were widespread. The output of apparel and leather rose 0.9 percent, but this index was down 8.8 percent over the past twelve months. The production of non-NAICS manufacturing (logging and publishing) decreased 0.8 percent; it had increased at an annual rate of 10.9 percent in the first quarter.*

*'The output of mines was unchanged in April; the operating rate in mining edged up 0.1 percentage point, to 88.9 percent. Oil and gas extraction ticked up after having increased at an annual rate of 9.1 percent in the first quarter, but the output of coal mines fell 2.0 percent. Decreases in the output of both electric and gas utilities contributed to a decline of 2.3 percent in utility output and to a decline of 2 percentage points in the utilities operating rate, to 83.7 percent. Capacity utilization for industries in the crude stage of processing increased 0.3 percentage point, to 87.3 percent, a rate that is 0.9 percentage point above its 1972-2004 average. However, the operating rate for industries in the primary and semifinished stages fell 0.5 percentage point, to 79.8 percent, and the utilization rate for finished goods producers declined 0.1 percentage point, to 76.7 percent. Capacity utilization in both these industry groups remained below their respective long-run averages.'*

Not long after The Fed released its findings in respect of industrial production and utilisation in the US for the month of April, it was the turn of The Bureau of Labour Statistics, a branch of The Labour Department, to deliver its report on the Producer Price Index.

This report, clearly, suggested that which everybody had expected: Inflation is continuing to rise in the US.

This is part of that which The Labour Department released, last Tuesday, just prior to the opening of US equity markets:

#### ***'Producer Price Indexes -- April 2005***

*'The Producer Price Index for Finished Goods advanced 0.6 percent in April, seasonally adjusted ... This increase followed a 0.7-percent rise in March and a 0.4-percent gain in February. At the earlier stages of processing, prices received by manufacturers of intermediate goods climbed 0.8 percent, after advancing 1.0 percent in the previous month, while the crude goods index moved up 2.7 percent, following a 4.3-percent rise in March.*

*'Among finished goods, much of April's increase was due to a 2.1-percent advance in the energy goods index. Excluding prices for energy goods, the finished goods index inched up 0.1 percent. The indexes for finished consumer goods other than foods and energy, capital equipment, and finished consumer foods also increased in April--rising 0.2, 0.2, and 0.1 percent, respectively. Excluding prices for foods and energy, the index for finished goods increased 0.3 percent in April, compared with a 0.1-percent gain in the prior month ...*

*'Before seasonal adjustment, the Producer Price Index for Finished Goods increased 0.6 percent in April to 154.4 (1982=100). From April 2004 to April 2005, prices for finished goods rose 4.8 percent. Over the same period, prices for finished energy goods jumped 15.9 percent, the index for finished goods other than foods and energy moved up 2.6 percent, and prices for finished consumer foods advanced 2.5 percent. For the 12 months ended April 2005, the intermediate goods index increased 8.2 percent and prices for crude goods went up 11.8 percent.*

#### *'Finished Goods*

*'The index for finished energy goods advanced 2.1 percent in April, following a 3.3-percent gain in the preceding month. Gasoline prices increased 2.6 percent, compared with a 5.3-percent rise in March. The index for liquefied petroleum gas also rose less in April than it did in the prior month. Prices for diesel fuel, home heating oil, and residential electric power turned down, after increasing in March. By contrast, prices for residential natural gas rose 6.6 percent, following a 2.3-percent increase in March.*

*'The index for finished consumer goods other than foods and energy increased 0.2 percent in April, after inching up 0.1 percent in the prior month. Cigarette prices advanced 1.2 percent, following no change in March. Higher prices were also reported in April for pharmaceutical preparations; light motor trucks; passenger cars; women's, girls', and infants' apparel; and cosmetics and other toilet preparations. Alternatively, the indexes for alcoholic beverages, men's and boys' apparel, textile housefurnishings, mobile homes, and home electronic equipment declined in April ...'.*

Wall Street reacted negatively to the 2 reports, first from The Fed and, then, from The Labour Department, but, toward the end of the trading session, things picked up, considerably.

By the close of the trading day, on The New York Stock Exchange, the Dow Jones Industrial Average had registered a gain of about 0.78 percent, running back to 10,331.88 points.

On The (tech-laden) NASDAQ, its Composite Index rose about 0.49 percent to 1,004.15 points.

One of the factors, said to have pulled up Wall Street's *'socks'*, was the mild tone that US Treasury Secretary John Snow used in Beijing, the Capital City of the People's Republic of China (PRC), with regard to requesting the Government of the PRC to be a little more flexible in respect of the translation value of the renminbi to the US dollar.

The US Government feels that because the renminbi is, roughly, linked to the translation value of the US dollar at about 8.28 renminbi:\$US1, for international trade purposes, only, the PRC has an unfair advantage when exporting its goods and services to the US marketplace.

Because the PRC is a full member of the **World Trade Organisation (WTO)**, the US Government cannot, unilaterally, impose punitive tariffs on PRC-produced goods imported into the US because that would be an illegal act, unlike the situation that existed, prior to December 31, 2004, when a quota system had been in place, thus limiting PRC imports of certain goods into the US.

Meanwhile, exports of PRC-manufactured apparel and textiles are flooding into the US, placing a great deal of pressure on manufacturers of US-produced goods of similar qualities.

But there is precious little that the US can do about the situation if it intends to follow the spirit of the WTO ... except to apply pressure on the PRC Government to reform its currency as it affects US trade relations.

Last Tuesday, on The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil started to rise again.

For the month of June, the price of light sweet crude oil rose about 0.74 percent to settle at \$US48.97 per barrel.

As for the month of July, the price of light sweet crude oil was quoted at the close of the day at \$US50.67 per barrel, an increase of about one percent, compared with Monday's settlement price.

In Europe, indices of major equity markets were flat, for the most part.

When Europeans went home of the day, key indices on US equity markets were in the red (the trading sessions in the US were only into midday): Investors in eurozone were unsure as to what action, if any, to take.

This was how the indices of major stock markets fared, last Tuesday:

Amsterdam's AEX Index	Plus 0.14 percent
Great Britain's FTSE 100 Index	Plus 0.29 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.24 percent
France's CAC 40 Index	Minus 0.11 percent
Switzerland's Swiss Market Index	Minus 0.01 percent
Italy's MIBTEL Index	Minus 0.83 percent

Asian equity markets were generally lower, last Tuesday, following concern that the economies of the world's powers were on the wane.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, both equity markets took it on their proverbial noses.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index dropped 1.44 percent of its value, ending the first trading day of the week at 13,667.03 points.

The Total Turnover rose to \$HK17.68 billion.

The ratio of losing counters to gaining ones was about 3.87:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.40 percent to \$HK124.50 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.10 percent to \$HK67.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 3.13 percent to \$HK26.30 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.00 percent to \$HK74.50 per share
PetroChina Company Ltd (Code: 857)	Down 1.57 percent to HK4.70 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.05 percent to \$HK71.00 per share
China Life Insurance Company Ltd (Code: 2628)	Down 1.92 percent to \$HK5.10 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.48 percent to \$HK104.50 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 1.08 percent to \$HK14.25 per share
China Merchants Holdings (International) Company Ltd (Code: 144)	Down 5.25 percent to \$HK14.45 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Anex International Holdings Ltd	723		14.29	0.09
Benefun International Holdings Ltd	1130		10.87	0.082
CATIC International Holdings Ltd	232	20.00		0.078
Chia Tai Enterprises International Ltd	121		10.57	0.11
E2-Capital (Holdings) Ltd	378		13.41	0.71

Golden Dragon Group (Holdings) Ltd	329		19.75	0.126
Hon Po Group (Lobster King) Ltd	228		13.58	0.35
New World CyberBase Ltd	276	11.94		0.375
Pricerite Group Ltd	996	11.54		0.87
Sino Prosper Holdings Ltd	766	16.03		0.181
Sunny Global Holdings Ltd	1094	13.73		0.058
United Power Investment Ltd	674	13.64		0.75
Victory Group Ltd	1139	15.38		0.045

Over on The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, the story on this speculative market was very similar to that, being told on the Main Board.

The Growth Enterprise Index shed about 0.89 percent of its value, falling back to 888.40 points.

The Total Turnover was about \$HK79.60 million, while the ratio of losing counters to gaining ones was about 2.41:One.

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

Zhengzhou Gas Company Ltd (Code: 8099)	Unchanged at 72 cents per share
WorldMetal Holdings Ltd (Code: 8161)	Up 26 percent to 54 cents per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Unchanged at \$HK13.80 per share
Vertex Communications and Technology Group Ltd (Code: 8228)	Up 2 percent to 52 cents per share
Town Health International Holdings Company Ltd (Code: 8138)	Unchanged at 10.20 cents per share

The GEM's double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Shanxi Changcheng Microlight Equipment Company Ltd	8286		20.00	0.32
Chinainfo Holdings Ltd	8206		13.33	0.325
Computech Holdings Ltd	8081		18.52	0.022
FlexSystem Holdings Ltd	8050		13.64	0.038
WorldMetal Holdings Ltd	8161	25.58		0.54

Japan's equity markets hit a 5-month low, last Tuesday, as investors started to panic.

For The Tokyo Stock Exchange, it was the seventh consecutive day of falling values of key indices.

Clearly, tens of billions of yen had been wiped off the market capitalisations of many a counter, listed on this equity market.

Last Tuesday, The Nikkei-225 Stock Average shed 121.83 yen, equivalent to about 1.11 percent, ending the choppy session at 10,825.39 yen.



Losing counters swamped gaining ones by the ratio of about 7.76:One.

The losses on Asia's biggest and most-important equity market followed on from a report, issued by the Japanese Government, to the effect that the second-largest economy of the world was well on the road to full repair.

But that report, which indicated that, in the first quarter of 2005, the Japanese economy had grown by about 1.30 percent, compared with the like quarter in 2004, also suggested that, perhaps, the other major economic powerhouses of the world were witnessing lower growth in their respective economies.

When this report was first publicised, indices on the country's 3 equity markets rose, quickly, but the rally only lasted until about noon – and, then, the bears had their feast.

#### News Wise

- The **Current Account Surplus** for Japan hit the record high level of 18.29 trillion yen in Fiscal 2004, The Finance Ministry announced. That figure represented an increase of about 5.80 percent, Year-On-Year; and,
- **Eisai Company**, a leading pharmaceutical company in Japan, announced that its Consolidated Net Profit Attributable to Shareholders for Fiscal 2004 was about 55.51 billion yen, up about 10.70 percent, Year-On-Year.

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

The HKSAR	Minus 1.44 percent to 13,667.03
Indonesia	Minus 0.29 percent to 1,045.77
Japan	Minus 1.11 percent to 10,825.39
Malaysia	Plus 0.24 percent to 891.39
The Philippines	Plus 0.75 percent to 1,876.47
Singapore	Minus 0.51 percent to 2,154.37
South Korea	Minus 0.20 percent to 927.16
Taiwan	Minus 0.54 percent to 5,894.01
Thailand	Minus 0.92 percent to 664.61

#### Wednesday

The war of words between the US Government and the Government of the People's Republic of China (PRC) hotted up, last Wednesday, with the PRC's Commerce Minister, Mr Bo Xi Lai, claiming that the criticism of the US Government as to the currency policy of the most-populous country of the world was completely without foundation.

The US Government has labelled the PRC Government as being a '*manipulative trade partner*'.

The PRC Government maintains its current position and is, at least at this time, unwilling to be pressured into making alterations to the translation value of the renminbi vis-à-vis the US dollar.

The renminbi has been, roughly, linked to the US dollar at about 8.28 renminbi:\$US1 since the 1997-1998 Asian crisis.

It was only relatively recently, following the abolition of the quota system, which limited certain PRC imports into the US, that the US Government started to feel the heat of the economy of the PRC.

The US Government is claiming that the imported price of PRC goods is artificially low due to the pegging of the renminbi to the US dollar.

On a completely different topic, more evidence became apparent, last Wednesday, that inflation was definitely on the move in The Land of The Free and The Home of The Brave, but it was moving up only moderately, at least, that was the case in the month of April.

The Labour Department brought out another corker, this time it was the Consumer Price Index for April.

For some Wall Street gurus, however, the Labour Department's report could have been much worse so that, if anything, one should suggest that the report, after all, was in a positive vein (!).

This is part of that which this important department of the US Government released, last Wednesday:

**'CONSUMER PRICE INDEX: APRIL 2005**

*'The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.7 percent in April ... The April level of 194.6 (1982-84=100) was 3.5 percent higher than in April 2004.*

*'The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) increased 0.8 percent in April, prior to seasonal adjustment. The April level of 190.2 was 3.7 percent higher than in April 2004.*

*'The Chained Consumer Price Index for All Urban Consumers (C-CPI-U) increased 0.5 percent in April on a not seasonally adjusted basis. The April level of 113.1 (December 1999=100) was 2.9 percent higher than in April 2004. Please note that the indexes for the post-2003 period are subject to revision.*

**'CPI for All Urban Consumers (CPI-U)**

*'On a seasonally adjusted basis, the CPI-U rose 0.5 percent in April, following an increase of 0.6 percent in March. Energy costs advanced sharply for the third consecutive month--up 4.5 percent in April. Within energy, the index for petroleum-based energy increased 6.3 percent and the index for energy services increased 2.3 percent. The index for food rose 0.7 percent. The index for food at home increased 1.1 percent, its largest advance since a similar rise in May 2004. The index for all items less food and energy, which increased 0.4 percent in March, was virtually unchanged in April. Declines in the indexes for apparel and for lodging while away from home, which had accounted for the acceleration in March, were largely responsible for the deceleration in April...*

*'During the first four months of 2005, the CPI-U rose at a 4.8 percent seasonally adjusted annual rate (SAAR). 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 31.7 percent SAAR in the first four months of 2005. Petroleum-based energy costs increased at a 54.1 percent annual rate and charges for energy services rose at an 8.9 percent annual rate. The food index has increased at a 3.1 percent SAAR thus far this*

year, following a 2.7 percent rise for all of 2004. Excluding food and energy, the CPI-U advanced at a 2.6 percent SAAR in the first four months, following a 2.2 percent rise for all of 2004.

*'The food and beverages index increased 0.6 percent in April. The index for food at home, which rose 0.2 percent in March, advanced 1.1 percent in April. Increases in the indexes for fruits and vegetables, for nonalcoholic beverages and for other food at home--up 3.4, 1.1, and 1.3 percent, respectively--accounted for five-sixths of the advance in the April food at home index. The advance in the index for fruits and vegetables was its first increase since November. In April, the indexes for fresh vegetables and for processed fruits and vegetables rose 7.9 and 2.8 percent, respectively, while the index for fresh fruits decreased 0.7 percent. (Prior to seasonal adjustment, the index for fresh fruits rose 0.8 percent.) Increases in the indexes for coffee and for carbonated drinks--up 4.6 and 1.9 percent, respectively--accounted for the rise in the index for nonalcoholic beverages. Upturns in the indexes for snacks, for sugar and sweets, and for butter and margarine were largely responsible for the increase in the index for other food at home. The indexes for meats, poultry, fish, and eggs and for dairy products each increased 0.4 percent, while the index for cereals and bakery products was virtually unchanged. Within the first group, increases in the indexes for pork and for fish and seafood more than offset declines in poultry and egg prices. Beef prices were unchanged in April. The other two components of the food and beverage index--food away from home and alcoholic beverages --increased 0.2 and 0.1 percent, respectively.*

*'The index for housing rose 0.3 percent in April. Shelter costs, which advanced 0.6 percent in March, were virtually unchanged in April, largely as a result of a downturn in the index for lodging away from home. The index for lodging away from home declined 1.2 percent in April, following a 3.9 percent increase in March. In April, the indexes for rent and owners' equivalent rent increased 0.3 and 0.1 percent, respectively. The index for fuels and utilities rose 2.1 percent, following a 0.1 percent increase in March. The index for fuel oil increased 4.6 percent in April to a level 39.1 percent higher than in April 2004. The indexes for gas and for electricity rose 5.6 and 0.6 percent, respectively. During the last 12 months, charges for natural gas have risen 16.4 percent and charges for electricity have increased 4.1 percent. In April, the index for household furnishings and operations was unchanged for the second consecutive month.*

*'The transportation index rose 1.8 percent in April, largely reflecting a 6.4 percent increase in the index for gasoline. (Prior to seasonal adjustment, the price of gasoline was 10.2 percent higher than its previous peak level of last month and 24.2 percent higher than a year earlier.) The index for new vehicles declined for the second consecutive month--down 0.1 percent in April. Despite the recent declines, new vehicle prices have risen 0.9 percent during the last 12 months. The index for used cars and trucks rose 0.3 percent in April to a level 5.2 percent above April 2004. The index for public transportation increased 1.7 percent in April, reflecting increases in the indexes for airline fares and for other intercity transportation. Airline fares registered their third consecutive advance, up 3.6 percent in April, their largest monthly advance since a 5.0 percent increase in June 2001. With the recent advances, airline fares are 1.1 percent higher than in April*

2004, but are 3.8 percent lower than in the month prior to the terrorist attacks in 2001.

*'The index for apparel decreased 0.6 percent in April after increasing 0.8 percent in March, reflecting discounting of women's and girls' apparel- - down 1.3 percent. (Prior to seasonal adjustment, apparel prices rose 0.2 percent.)*

*'Medical care costs rose 0.2 percent in April to a level 4.3 percent higher than a year ago. The index for medical care commodities-- prescription drugs, nonprescription drugs, and medical supplies -- was virtually unchanged in April. The index for medical care services rose 0.3 percent in April. Charges for professional services and for hospital and related services each increased 0.4 percent.*

*'The index for recreation, which was unchanged in March, rose 0.2 percent in April. The index for recreational services rose 0.2 percent in April after declining 0.2 percent in March. Increases in the indexes for club membership dues and fees for participant sports and for fees for lessons and instructions more than offset a decline in the index for admissions to movies, theaters, concerts, and sporting events.*

*'The index for education and communication increased 0.4 percent in April. The education index rose 0.6 percent and the index for communication costs increased 0.1 percent. Within the latter group, the index for telephone services rose 0.3 percent, reflecting increases in both local and long distance land-line telephone charges. The index for personal computers and peripheral equipment was virtually unchanged in April, but has declined 15.7 percent during the last 12 months.*

*'The index for other goods and services was virtually unchanged in April. The index for tobacco and smoking products increased 0.1 percent. The index for miscellaneous personal services rose 0.3 percent, reflecting a 1.4 percent increase in the index for tax return preparation and other accounting fees... '.*

Wall Street fondly embraced the report and this euphoria permeated trading floors across the nation.

On The New York Stock Exchange, the Dow Jones Industrial Average put on a show of strength, rising about 1.28 percent to hit 10,464.45 points by the close of the trading session.

On The NASDAQ, its Composite Index gained about 1.32 percent, running up to 2,030.65 points.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in June dropped back to \$US47.25 per barrel, a one-day fall of about 3.51 percent.

For July delivery, the price of light sweet crude oil was settled at \$US49.13 per barrel, down about 3.04 percent on Tuesday's close.

Crude oil prices had hit a 13-week low.

In Europe, investors went along with the axiom: Trend is your friend.

Every index of every major equity market of eurozone rose, materially:

Amsterdam's AEX Index	Plus 1.58 percent
Great Britain's FTSE 100 Index	Plus 1.03 percent
Germany's Frankfurt XETRA DAX Index	Plus 1.71 percent
France's CAC 40 Index	Plus 1.67 percent
Switzerland's Swiss Market Index	Plus 0.87 percent
Italy's MIBTEL Index	Plus 1.32 percent

The sharp drop in the price of crude oil was the main reason for European investors to get stuck into stocks and shares, listed on major bourses.

In Asia, key indices of major equity markets moved sideways for the most part.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, things came to a bit of a halt on the territory's 2 equity markets, as far as the indices were concerned.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index fell about 0.29 percent, coming to rest at 13,627.01 points by the close of the day.

The Total Turnover was about \$HK14.70 billion, while the ratio of losing counters to gaining ones was about 1.33:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.07 percent to \$HK123.50 per share
Melco International Development Ltd (Code: 200)	Down 8.76 percent to \$HK17.70 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK67.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.19 percent to \$HK26.35 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.67 percent to \$HK74.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.70 percent to \$HK70.50 per share
PetroChina Company Ltd (Code: 857)	Up 1.06 percent to HK4.75 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 0.83 percent to \$HK2.975 per share
China Life Insurance Company Ltd (Code: 2628)	Unchanged at \$HK5.10 per share

BOC Hongkong (Holdings) Ltd (Code: 2388)

Up 0.35 percent to  
\$HK14.30 per share

The biggest movers on this market included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Beauforte Investors Corporation Ltd	21		11.76	0.30
Burwill Holdings Ltd	24	10.98		0.455
China Agrotech Holdings Ltd	1073	11.11		0.50
Coastal Greenland Ltd	1124	11.35		0.255
E-LIFE International Ltd	370		13.85	0.168
Emperor Entertainment Hotel Ltd	296	11.20		1.39
Gay Giano International Group Ltd	686	10.00		0.33
Grandtop International Holdings Ltd	2309	11.48		0.34
Greater China Holdings Ltd	431		11.36	0.39
Hi Sun Technology (China) Ltd	818		15.22	0.39
Hua Lien International (Holding) Company Ltd	969	11.76		0.228
MAE Holdings Ltd	2976		32.50	0.135
Mascotte Holdings Ltd	136	12.00		0.28
New Capital International Investment Ltd	1062		25.00	0.12
Rontex International Holdings Ltd	1142	10.00		0.11
Sinochem Hongkong Holdings Ltd	297	13.46		0.295
Victory Group Ltd	1139		11.11	0.04
Wang On Group Ltd	1222	23.96		2.975
Xin Corporation Ltd	1141		10.53	0.017

On The **G**rowth Enterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, it was a similar situation to that of the Main Board.

The Growth Enterprise Index shed about 0.05 percent of its value, dropping back to 887.93 points on a Total Turnover of about \$HK73.80 million.

Declining counters eased out advancing ones by the ratio of about 1.03:One.

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

Town Health International Holdings Company Ltd (Code: 8138)

Up 3 percent to  
10.50 cents per  
share

Tong Ren Tang Technologies Company Ltd (Code: 8069)

Unchanged at  
\$HK13.80 per  
share

B.A.L. Holdings Ltd (old) (Code: 8400)

Up 27 percent  
to 26.50 cents  
per share

WorldMetal Holdings Ltd (Code: 8161)

Up 26 percent  
to 68 cents per  
share

Zhengzhou Gas Company Ltd (Code: 8099)

Down 1 percent  
to 71 cents per  
share

As for the biggest GEM movers, they included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B and S Entertainment Holdings Ltd	8167		14.63	0.035
B.A.L. Holdings Ltd	8079	22.60		0.255
Changmao Biochemical Engineering Company Ltd	8208	10.23		0.485
Computech Holdings Ltd	8081	13.64		0.025
FlexSystem Holdings Ltd	8050	18.42		0.045
Info Communication Holdings Ltd	8082	21.05		0.092
Shenzhen Mingwah Aohan High Technology Corporation Ltd	8301		12.75	0.13
Sing Lee Software (Group) Ltd	8076	13.01		0.139
WorldMetal Holdings Ltd	8161	25.93		0.68

In Japan, after 7 consecutive days of trading losses, the indices of the 3 equity markets of the country managed to make fractional gains.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average put on 10.02 yen, equivalent to about 0.09 percent, ending the relatively quiet day at 10,835.41 yen.

In spite of the fact that The Nikkei-225 Stock Average was in the black, losing counters outnumbered gaining ones by the ratio of about 1.04:One.

The volume of activity on Asia's largest and most-important equity markets was relatively low.

#### News Wise

- **Yamada Denki Company**, Japan's largest chain store, specialising in the sales of home electronics, announced that, for the Financial Year, ended March 31, 2005, its Net Profit Attributable to Shareholders rose, Year-On-Year, by about 50 percent to the record level of about 28.82 billion yen.

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

The HKSAR	Minus 0.29 percent to 13,627.01
Indonesia	Minus 0.53 percent to 1,040.26
Japan	Plus 0.09 percent to 10,835.41
Malaysia	Minus 0.56 percent to 886.37
The Philippines	Plus 0.16 percent to 1,879.39
Singapore	Minus 0.03 percent to 2,153.65
South Korea	Plus 0.35 percent to 930.36
Taiwan	Minus 0.05 percent to 5,890.83
Thailand	Plus 1.14 percent to 672.19

#### Thursday

The US Government and the European Union (EU) closed ranks, last Wednesday and Thursday, following a statement by the Commerce Minister of the People's Republic of China (PRC), Mr Bo Xi Lai, that the PRC would not limit its exports of apparel and textiles to the US and/or the EU.

Both Washington and Brussels are feeling the heat, emanating from the booming economic fires, burning furiously in the most-populous country of the world.

Claiming to be abiding by the rules of the **World Trade Organisation (WTO)**, Commerce Minister Bo accused the EU and the US of harbouring '*double standards*'.

In truth, both the EU and the US are gravely concerned as to the effects on their home-grown garment and textile industries of escalating PRC exports to these 2 areas of the world.

The US Government, contrary to the WTO rules, has unilaterally imposed restrictions on imports of PRC-produced garments, those restrictions include men's and boys' shirts, man-made fibre trousers, knit shirts and blouses, cotton trousers, underwear and combed cotton yarn.

The actions of the US Government are inflationary to its own economy, aside from being either illegal or, alternatively, acts, which are contrary to the mandate of the WTO.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in June was settled at \$US46.92 per barrel, off 0.70 percent, compared with Wednesday's closing level.

For July delivery, the price of light sweet crude oil was settled at \$US48.74 per barrel, down 0.79 percent on Wednesday's last quote.

On Wall Street, indices rose for the fourth consecutive trading day.

On The New York Stock Exchange, the Dow Jones Industrial Average gained 28.74 points, equivalent to about 0.27 percent, ending the moderately active session at 10,493.19 points.

On The NASDAQ, its Composite Index put on 11.93 points, or about 0.59 percent, running up to 2,042.58 points.

However, trading was lower than the average of the past year, at about 1.38 billion shares, the average, being about 1.46 billion shares.

European bourses experienced the second day of material gains as each and every index of major equity markets scooted up to higher levels in sympathy with that which was taking place on Wall Street and the fact that crude oil prices were, definitely, on their way down the slippery slope.

This was how the indices of major equity markets of Europe ended their respective trading sessions, last Thursday:

Amsterdam's AEX Index	Plus 0.61 percent
Great Britain's FTSE 100 Index	Plus 0.26 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.82 percent
France's CAC 40 Index	Plus 0.31 percent
Switzerland's Swiss Market Index	Plus 0.32 percent
Italy's MIBTEL Index	Plus 0.26



percent

In Asia, last Thursday, indices of major equity markets rose on the back of further falls in the price of crude oil.

In electronic trading on The NYMEX, early last Thursday in Asia, the price of light sweet crude oil for delivery in June dropped to \$US46.99 per barrel.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, both equity markets saw their respective indices rise, but only by fractions.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gained about 0.53 percent, running up to 13,698.93 points.

The Total Turnover was about \$HK15.47 billion.

Advancing counters outnumbered declining ones by the ratio of about 1.33:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.40 percent to \$HK124.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.01 percent to \$HK73.25 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK67.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.52 percent to \$HK26.75 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.35 percent to \$HK70.25 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 0.70 percent to \$HK14.40 per share
PetroChina Company Ltd (Code: 857)	Up 0.53 percent to \$HK4.775 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.48 percent to \$HK105.00 per share
CNOOC Ltd (Code: 883)	Up 1.83 percent to \$HK4.175 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 1.68 percent to \$HK3.025 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$Hongkong)
Artel Solutions Group Holdings Ltd	931	14.81		0.155
China Treasure (Greater China) Investments Ltd	810		21.43	0.11
Garron International Ltd	1226	19.64		0.134
Golden Dragon Group (Holdings) Ltd	329	11.11		0.14
Jiwa Bio-Pharm Holdings Ltd	2327	11.67		0.335
Mascotte Holdings Ltd	136	12.50		0.315
Ruili Holdings Ltd	491	13.55		0.176
Solartech International Holdings Ltd	1166		19.23	0.315
Swank International Manufacturing Company Ltd	663	11.27		0.079
United Pacific Industries Ltd	176		10.87	0.205

Xin Corporation Ltd	1141	11.76		0.019
Yanion International Holdings Ltd	82	10.00		0.77
Yeebo (International Holdings) Ltd	259	17.86		0.66
Zhong Hua International Holdings Ltd	1064	45.00		0.029

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, while The Growth Enterprise Index put on about 0.13 percent, rising to 889.10 points, losing counters outnumbered gaining ones by the ratio of about 1.21:One.

The Total Turnover on this speculative market was about \$HK70.62 million.

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

Wumart Stores Incorporated (Code: 8277)	Up 1 percent to \$HK12.50 per share
WorldMetal Holdings Ltd (Code: 8161)	Up 43 percent to 97 cents per share
Town Health International Holdings Company Ltd (Code: 8138)	Down 2 percent to 10.30 cents per share
B.A.L. Holdings Ltd (old) (Code: 8400)	Up 6 percent to 28 cents per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Unchanged at \$HK13.80 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	28.21		0.05
B and S Entertainment Holdings Ltd	8167	14.29		0.04
Computech Holdings Ltd	8081	16.00		0.029
Glory Future Group Ltd	8071		12.50	0.014
KanHan Technologies Group Ltd	8175	66.67		0.06
Shenzhen Mingwah Aohan High Technology Corporation Ltd	8301		19.23	0.105
ProSticks International Holdings Ltd	8055		14.29	0.03
Tianjin Tianlian Public Utilities Company Ltd	8290		14.29	0.48
Ultra Group Holdings Ltd	8203		10.53	0.034
WorldMetal Holdings Ltd	8161	42.65		0.97

In Japan, interpreting the report of the US Labour Department in respect of the Consumer Price Index for April as being positive, stock and share prices rose on the country's 3 equity markets. (Please see Wednesday's report)

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average rose 241.75 yen, equivalent to about 2.23 percent, running up to 11,077.16 yen.

The ratio of gaining counters to losing counters was about 7.21:One.

The chief reason for the gains on Asia's largest equity market was said to be the easing of fears in the minds of Japanese investors that the US Federal Reserve Board would be more aggressive in raising interest rates when it holds its next interest-rate meeting on June 30, 2005.

That suggestion was based upon what some Wall Street gurus saw as being tame inflationary figures, contained in the release by the US Labour Department, early on Wednesday morning, Washington time.

Also, the falling price of crude oil on international markets was another plus for Japanese investors.

But the reasons for last Thursday's gains, by and large, were hype and little else.

#### News Wise

- For the first time in about 13 years, the number of **corporate bankruptcies** in Japan fell below the 950-figure, during the month of April, according to data, collected by an independent, Japanese research company. The April figure for corporate bankruptcies came in at 948 recorded incidences.

And, in other Asian equity markets, this was how the indices of those markets fared, last Thursday:

The HKSAR	Plus 0.53 percent to 13,698.93
Indonesia	Plus 0.50 percent to 1,045.47
Japan	Plus 2.23 percent to 11,077.16
Malaysia	Plus 0.12 percent to 887.47
The Philippines	Plus 0.73 percent to 1,893.09
Singapore	Plus 0.63 percent to 2,167.27
South Korea	Plus 2.34 percent to 952.09
Taiwan	Plus 1.36 percent to 5,970.71

#### Friday

The Government of the People's Republic of China (PRC) threw down the gauntlet at the feet of the US Government, last Friday, in a not too-veiled threat that it reserves the right to retaliate against what it claims is the unfair treatment that it is receiving from the Bush Administration.

The spokesman for PRC's Ministry of Commerce, Mr Chong Quan, said, inter alia:

*'The Chinese Government reserves the right to take further actions within the framework of the World Trade Organisation (WTO) ... China urges the US Government to change its wrongdoings, fairly and prudently treat the current textile issue to avoid severe damage to the Sino-US economic and trade ties.'* (verbatim copy)

The US Government, on Wednesday and Thursday, imposed restrictions on the importation of certain PRC-produced goods. (For details, please see Thursday's report)

Mr Chong Quan, again:

*'The US decision – to impose restrictions on PRC-produced textiles and apparel – runs counter to World Trade Organisation's agreements on trade of textile and apparel products, deviates from the WTO spirit of free trade and fails to conform to the conditions for launching Article 242 in documents, concerning China's accession to the WTO.'*

Mr Chong Quan, also, said that the actions of the US Government 'severely undermined the confidence of China's businesses and people in the world trade environment' and the US decision set 'a very bad precedent'.

In diplomatic language, Mr Chong Quan's statements must be viewed as being extremely serious; and, one may assume that his Government will, in the fullness of time, retaliate, unless things change in a hurry.

In the meantime, however, in what may be seen as a weakening on the part of the PRC Government, effective June 1, 2005, there will be a new export tariff on 74 kinds of textile exports.

On each item for export, be it textiles or apparel, the tariff will be raised from about 2.40 cents (US) to 12 cents (US) on the said 74 items.

On The New York Stock Exchange, last Friday, the Dow Jones Industrial Average lost 21.28 points, or about 0.20 percent, ending the best week's trading since last November at 10,471.91 points.

Over on The NASDAQ, its Composite Index rose for the sixth consecutive day to 2,046.42 points, a one-day improvement of about 0.19 percent.

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

The Dow Jones Industrial Average	Plus 3.27 percent
The NASDAQ's Composite Index	Plus 3.52 percent

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in June continued to fall, ending the week's trading at \$US46.80 per barrel, off about 0.26 percent on Thursday's settlement price.

For July delivery, the price of light sweet crude oil was settled at \$US48.65 per barrel, down about 0.18 percent.

Europe was, decidedly, happy, last Friday, resulting in every index of every major bourse, making gains, albeit fractional gains, only.

A stronger US dollar and weakening oil prices contributed to the gains on bourses in eurozone.

This was how the indices of the most-important stock markets in Europe ended their respective trading week, last Friday:

Amsterdam's AEX Index	Plus 0.18 percent
Great Britain's FTSE 100 Index	Plus 0.18 percent
Germany's Frankfurt XETRA DAX Index	Unchanged
France's CAC 40 Index	Plus 0.24 percent
Switzerland's Swiss Market Index	Plus 0.10 percent
Italy's MIBTEL Index	Plus 0.14 percent

In Asia, there appeared to be a weakening on many equity markets as indices started to drift to lower levels.

On the 2 equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), indices were off, during the most part of the session, but, as with European bourses, only by fractions.

When the closing bell rang, the key index of the Main Board of The Stock Exchange of Hongkong Ltd was registering a positive figure while the lone index of The Growth Enterprise Market (The GEM) was recording a negative figure.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gained about 0.14 percent, ending the session at 13,717.42 points.

The Total Turnover dropped by about 30 percent, compared with Thursday's volume of activity, to \$HK10.76 billion.

The ratio of gaining counters to losing ones was about 1.04:One.

The Ten Most Actives were:

China Mobile (Hongkong) Ltd (Code: 941)	Up 1.31 percent to \$HK27.10 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.37 percent to \$HK67.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.34 percent to \$HK73.50 per share
PetroChina Company Ltd (Code: 857)	Up 1.57 percent to \$HK4.85 per share
HSBC Holdings plc (Code: 5)	Unchanged at \$HK124.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.36 percent to \$HK70.00 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Unchanged at \$HK14.40 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 0.83 percent to \$HK3.00 per share
China Telecom Corporation Ltd (Code: 728)	Up 1.87 percent to \$HK2.725 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.48 percent to \$HK105.50 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$Hongkong)
Benefun International Holdings Ltd	1130		11.11	0.072
Fortuna International Holdings Ltd	530	14.29		0.016
Fulbond Holdings Ltd	1041	10.71		0.031
Golden Dragon Group (Holdings) Ltd	329	14.29		0.16
Gorient (Holdings) Ltd	729	19.44		0.043
Henderson China Holdings Ltd	246	56.25		7.50
Hop Hing Holdings Ltd	47		15.63	0.27
Hua Lien International (Holding) Company Ltd	969		10.96	0.203
Hualing Holdings Ltd	382		30.00	0.161
Mei Ah Entertainment Group Ltd	391		10.61	0.295
Morning Star Resources Ltd	542		11.67	0.053
New Smart Holdings Ltd	91		10.12	0.151
Orient Resources Group Company Ltd	467		25.00	0.057
Pioneer Global Group Ltd	224	13.04		0.52
Wing Shing International Holdings Ltd	850		13.50	0.173
Wonderful World Holdings Ltd	109		15.97	0.10
Zhong Hua International Holdings Ltd	1064	72.41		0.05

On the speculative stock market of the HKSAR, The GEM, its lone index dropped about 0.27 percent, The Growth Enterprise Index, falling back to 886.72 points.

The GEM's Total Turnover fell, also, last Friday's volume of activity, being one about \$HK52.97 million.

Declining counters outnumbered advancing ones by the ratio of about 1.54:One.

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

B.A.L. Holdings Ltd (old) (Code: 8400)

Up 12 percent  
to 31.50 cents  
per share

Town Health International Holdings Company Ltd (Code: 8138)

Up 1 percent  
to 10.40 cents  
per share

Wumart Stores Incorporated (Code: 8277)

Unchanged at  
\$HK12.50 per  
share

Golden Meditech Company Ltd (Code: 8180)

Down 1  
percent to  
\$HK1.43 per  
share

Kanstar Environmental Paper Products Holdings Ltd (Code: 8011)

Up 2 percent  
to 30 cents per  
share

The GEM's biggest movers of the day were reserved for the following bunch:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGL MediaTech Holdings Ltd	8192		30.00	0.035
B.A.L. Holdings Ltd	8079	10.71		0.31
Cardlink Technology Group Ltd	8066		20.00	0.08
Computech Holdings Ltd	8081	55.17		0.045
Finet Group Ltd	8317	11.11		0.30
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231	16.52		0.134
Glory Future Group Ltd	8071	21.43		0.017
Info Communication Holdings Ltd	8082		12.50	0.077
iSteelAsia Holdings Ltd	8080		45.21	0.04
KanHan Technologies Group Ltd	8175		26.67	0.044
Qianlong Technology International Holdings Ltd	8015	14.71		0.39
WorldMetal Holdings Ltd	8161		17.53	0.80

The tally for the equity markets of the HKSAR for the 4-day trading week was:

The Hang Seng Index	Minus 1.08 percent
The Growth Enterprise Index	Minus 1.08 percent

In Japan, the euphoria of Thursday vanished as quickly as it had surfaced.

Investors on this market resumed their concerns about the health of the US economy.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average shed 39.87 yen, falling back to 11,037.29 yen in moderately quiet trading conditions.

Losing counters outpaced gaining ones by the ratio of about 1.67:One.

News Wise

- **Japan Net Bank** announced that it had posted its first profit in its 5 years of operations. For the Financial Year, ended March 31, 2005, the first, Internet-only bank of Japan recorded a Net Profit Attributable to Shareholders of about 1.10 billion yen. The company started operations in October 2000. In the previous Year, the company reported a Net Loss Attributable to Shareholders of about 1.70 billion yen;
- **Namco Ltd**, a producer of home video games and arcade game machines, reported that, for its Financial Year, ended March 31, 2005, its Net Profit Attributable to Shareholders was about 9.46 billion yen, up about 25.40 percent, Year-On-Year; and,
- **Daikyo Incorporated**, a builder of condominiums, reported that, for its Financial Year, ended March 31, 2005, it had lost money. The Consolidated Net Loss Attributable to Shareholders was about 101.62 billion yen. That result compared unfavourably with the 2003-Year when the company reported a Net Profit Attributable to Shareholders of about 6.64 billion yen.

The tally for Asia's largest and most-important stock market was:

The Nikkei-225 Stock Average                      Plus    0.82 percent

This was how indices of other Asian equity markets closed the week of May 20, 2005:

The HKSAR	Plus    0.14 percent to 13,717.42
Indonesia	Plus    0.25 percent to 1,048.11
Japan	Minus 0.36 percent to 11,037.29
Malaysia	Minus 0.49 percent to 883.17
The Philippines	Minus 0.34 percent to 1,886.73
Singapore	Plus    0.30 percent to 2,173.77
South Korea	Plus    0.01 percent to 952.19
Taiwan	Minus 0.27 percent to 5,954.69
Thailand	Minus 0.87 percent to 670.65

***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.*