

**CRUDE OIL PRICES CREEP UP, AGAIN, BUT INVESTORS PAY SCANT  
ATTENTION TO THE POTENTIALLY CRIPPLING PHENOMENON**

Last Monday, North American stock markets extended their rallies of the previous week.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 51.65 points, or about 0.49 percent, ending the day at 10,523.56 points.

On The NASDAQ, its Composite Index added 10.23 points, equivalent to about one half of a percentage point, running up to 2,056.65 points.

It was apparent that the equity markets of the US were in a mild bull run, but questions were being raised as to how long it could last, considering the uncertainty, hanging over many issues of the world.

One of those issues was, of course, the matter of the price of crude oil, internationally.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in July rose about 0.92 percent to settle at \$US49.16 per barrel.

For the new month of August, the price of a barrel of light sweet crude oil came in at the close of trading at \$US50.05.

In Europe, for the fifth consecutive session, indices of major bourses rose, Crude oil prices were on the run again and that *'little'* matter tended to limit gains on some of the equity markets of eurozone.

This was how indices of the major European stock markets ended their respective trading sessions, last Monday:

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	1.06 percent
France's CAC 40 Index	Plus	0.54 percent
Switzerland's Swiss Market Index	Plus	0.23 percent
Italy's MIBTEL Index	Minus	0.02 percent

The 3 equity markets of The Land of The Rising Sun were the star performers at the start of last week's trading in Asia.

Most of the major stock markets in the most-populous part of the world, those that were open for business, that is, tended to drift for much of the day.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), equity markets were especially quiet.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index lost about 0.13 percent of its value, falling to 13,699.13 points on a Total Turnover of about \$HK10.78 billion.

Declining counters outperformed advancing ones by the ratio of about 2.77:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK124.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.68 percent to \$HK73.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.37 percent to \$HK27.00 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.97 percent to \$HK5.10 per share
PetroChina Company Ltd (Code: 857)	Down 1.55 percent to \$HK4.775 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.36 percent to \$HK70.25 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 0.83 percent to \$HK2.975 per share
Huaneng Power International Incorporated (Code: 902)	Unchanged at \$HK5.60 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK67.00 per share
China Telecom Corporation Ltd (Code: 728)	Down 1.83 percent to \$HK2.675 per share

The biggest movers of the Main Board included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Standard Hotel Group Ltd	292	15.69		0.59
Century Legend (Holdings) Ltd	79	18.30		0.265
China Treasure (Greater China) Investments Ltd	810	22.86		0.129
China Velocity Group Ltd	149		17.39	0.57
CITIC 21CN Company Ltd	241		10.19	2.425
E-LIFE International Ltd	370	30.46		0.197
Goldwiz Holdings Ltd	586	16.67		0.49
Guo Xin Group Ltd	1215	10.34		0.032
Northern International Holdings Ltd	2975	17.24		0.34
Qingling Motors Company Ltd	1122	10.81		1.64
Solartech International Holdings Ltd	1166	10.00		0.33
Swank International Manufacturing Company Ltd	663	12.50		0.081
Takson Holdings Ltd	918		14.71	0.145
Techwayson Holdings Ltd	2330	23.53		0.42
UDL Holdings Ltd	620		30.00	0.028
United Pacific Industries Ltd	176	16.59		0.239

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, investors pushed up The Growth Enterprise Index to 889.86 points, a one-day improvement of about 0.35 percent.

The Total Turnover on this speculative market was about \$HK53.78 million.

Losing counters were ahead of gaining ones by the ratio of about 1.27: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 10.30 cents per share
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B.A.L. Holdings Ltd (old) Code: 8400)

Down 2 percent to  
31cents per share

Kanstar Environmental Paper Products Holdings Ltd (Code: 8011)

Down 2 percent to  
29.50 cents per share

Zhengzhou Gas Company Ltd (Code: 8099)

Up 3 percent to 74  
cents per share

Wumart Stores Incorporated (Code: 8277)

Unchanged at  
\$HK12.50 per share

As for The GEM's double-digit movers of the day, they included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Advance Holdings Ltd	8117	12.28		0.32
Computech Holdings Ltd	8081	33.33		0.06
First Mobile Group Holdings Ltd	8110	13.41		0.203
G.A. Holdings Ltd	8126		10.29	0.061
Glory Mark Hi-Tech (Holdings) Ltd	8159		10.50	0.179
IIN International Ltd	8128	14.81		0.031
iSteelAsia Holdings Ltd	8080		15.00	0.034
KanHan Technologies Group Ltd	8175		13.64	0.038
Techpacific Capital Ltd	8088		11.76	0.15
TeleEye Holdings Ltd	8051		38.10	0.104
WorldMetal Holdings Ltd	8161	20.00		0.96

In Japan, there was a bit of a bullish rally as investors went on a buying binge.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average gained 121.36 yen, or about 1.10 percent, running up to 11,158.65 yen.

The ratio of gaining counters to losing ones was about 1.92:One.

The boomlet in Japanese stocks was on the belief that, as oil prices continue to fall, the US economy would rebound and this would impact favourably on the second-largest economy of the world.

Also, Wall Street had been relatively strong, during the previous week's trading, and the consensus was that it would continue to be bullish.

What Japan did not realise, during the trading session, last Monday, was that oil prices were slowly creeping up again.

#### News Wise

- **Mitsubishi Motors Corporation (MMC)** announced a Loss Attributable to Shareholders of about 474.79 billion yen for its Financial Year, ended March 31, 2005. That figure was about 120.40 percent greater than the Loss Attributable to Shareholders for the previous Year when the figure was a negative 215.42 billion yen. MMC is owned as to 20 percent by DaimlerChrysler AG of Germany. It is the only Japanese manufacturer of motor vehicles, which is losing money; and,
- **Isuzu Motors Ltd** announced a Consolidated Net Profit Attributable to Shareholders for Fiscal 2004, ended March 31, 2005, of about 60.04 billion yen, up 9.70 percent, Year-On-Year. Isuzu Motors is an affiliated company of General Motors Corporation of the US.

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

The HKSAR	Minus 0.13 percent to 13,699.13
Indonesia	Minus 0.28 percent to 1,045.15

Japan	Plus 1.10 percent to 11,158.65
Malaysia	Closed
The Philippines	Minus 0.17 percent to 1,883.48
Singapore	Closed
South Korea	Minus 0.12 percent to 951.05
Taiwan	Minus 1.16 percent to 5,885.45
Thailand	Closed

## Tuesday

The Government of the People's Republic of China (PRC) went on the offensive – as is its wont when faced with a frontal attack – last Tuesday, warning the US Government and the European Union (EU) that it would retaliate in kind if these 2 economic powerhouses determined to take actions in order to limit the imports of PRC-produced textiles and apparel.

The war of words between the US/EU and the PRC was, clearly, hotting up.

The PRC Government has been accused of flooding the markets of the US and the EU with cheap textiles and garments.

The PRC Government, for its part, claims that it is only following the rules of the World Trade Organisation (WTO), which world body dropped the quota system, as at December 31, 2004.

The US Government has, unilaterally, imposed limits on imports of PRC textiles and garments, alleging that The Land of The Free and The Home of The Brave has lost about 16,000 jobs due to the influx of cheaper clothing and textiles from the PRC.

It is alleged, especially by the US Government, that the renminbi is artificially low, vis-à-vis the US dollar, and that the intransigence of Beijing to be more flexible in respect of the renminbi's translation value to the US dollar gives the most-populous country of the world an unfair advantage when exporting its goods and services.

In what may have been seen as a weakening on the part of the PRC Government in its row with the US Government, the previous Friday, it was announced, officially, that, effective June 1, 2005, Beijing would be imposing a new export tariff on 74 kinds of its textile exports.

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

Last Tuesday, the Commerce Ministry of the PRC Government said, inter alia:

*'If the US and the EU formally carry out restrictions on any of these categories (of imported goods), we will not impose tariffs on the items in question.'*

Fighting words, to be sure.

But few people, it appeared, took much notice of the vociferous utterances, emanating from the Capital City of the PRC.

On The New York Stock Exchange, last Tuesday, the Dow Jones Industrial Average fell 19.88 points, equivalent to about 0.19 percent, ending the session at 10,503.68 points.

On The NASDAQ, its Composite Index gained 4.97 points, or about 0.24 percent, climbing, albeit hesitantly, to 2,061.62 points.

There was little to stimulate spirited trading on the world's largest equity markets and news, that another rating agency had cut the debt of General Motors Corporation to junk, did little to excite investors to stock up, afresh,

on equities.

It was the second rating agency to determine the lowest ranking for the debt of this company, which is, still, the largest of its kind in the world.

But questions are being asked as to whether or not its days of glory are, now, over.

Also, on the North American news front, it was announced that Northwest Airlines Corporation would be sacking some 2,031 of its mechanics.

That number of mechanics represents about half of the current Establishment Level.

Northwest Airlines is desirous of saving about \$US176 million, annually, by the cuts in its staffing levels.

This airline is the fourth largest in the US and, as with most other carriers, it has been suffering due to the high price of jet fuel.

And on the subject of fuel, on The New York Mercantile Exchange (NYMEX), last Tuesday, the price of crude oil continued to rise.

For delivery in the month of July, the price of light sweet crude oil rose another 1.04 percent, being settled at \$US49.67 per barrel by the close of the day.

For the month of August, the price of a barrel of light sweet crude oil was settled at \$US50.47, up 0.84 percent, compared with the last quote on Tuesday.

Investor confidence in Europe appeared to be on the wane, last Tuesday, causing widespread losses on major bourses in that part of the world.

The increase in the price of crude oil on world markets was not helping matters, also.

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

Amsterdam's AEX Index	Minus 0.26 percent
Great Britain's FTSE 100 Index	Minus 0.14 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.23 percent
France's CAC 40 Index	Minus 0.39 percent
Switzerland's Swiss Market Index	Plus 0.64 percent
Italy's MIBTEL Index	Minus 0.25 percent

In Asia, the higher price of crude oil started to take its toll on the prices of stocks and shares, listed on the most-important equity markets.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), while key indices of the territory's 2 equity markets were written in black ink at the close of the day, the volume of activity was so low that few people were taking the indices as being indicative of very much.

If anything, it appeared that the indices were preparing for another major dip.

The Main Board of The Stock Exchange of Hongkong Ltd saw its Hang Seng Index limp up to 13,719.32 points, a one-day gain of about 20.19 points, or about 0.15 percent.

The Total Turnover dropped back to about \$HK9.84 billion.

The ratio of losing counters to gaining ones was about 1.03:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK124.00 per share
PetroChina Company Ltd (Code: 857)	Up 1.05 percent to \$HK4.825 per share
China Petroleum and Chemical Corporation (Code: 386)	Unchanged at \$HK2.975 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.37 percent to \$HK67.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.37 percent to \$HK27.10 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.36 percent to \$HK70.00 per share
Huaneng Power International Incorporated (Code: 902)	Unchanged at \$HK5.60 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.68 percent to \$HK73.50 per share
China Life Insurance Company Ltd (Code: 2628)	Unchanged at \$HK5.10 per share
Esprit Holdings Ltd (Code: 330)	Up 1.81 percent to \$HK56.25 per share

The biggest, Main Board movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Orient Holdings Ltd	214	11.11		2.50
Asia Standard International Group Ltd	129	13.64		0.375
Asia Standard Hotel Group Ltd	292	84.75		1.09
Ching Hing (Holdings) Ltd	692		18.37	0.08
E-LIFE International Ltd	370		14.72	0.168
Far East Hotels and Entertainment Ltd	37	13.13		0.56
Fortuna International Holdings Ltd	530		17.65	0.014
Gay Giano International Group Ltd	686	10.00		0.33
Junefield Department Store Group Ltd	758		10.00	0.09
LifeTec Group Ltd	1180	14.47		0.087
New World Mobile Holdings Ltd	862		13.04	1.00
Orient Resources Group Company Ltd	467	17.54		0.067
Pyxis Group Ltd	516	41.98		0.115
Solartech International Holdings Ltd	1166		15.15	0.28
U-RIGHT International Holdings Ltd	627		23.29	0.28
Xin Corporation Ltd	2983		10.29	0.305

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, it was a similar pattern of trading to that that had taken place on the Main Board.

The Growth Enterprise Index rose 0.32 percent to 892.71 points on a Total Turnover of about \$HK48.46 million.

The ratio of advancing counters to declining ones was about 1.19:One.

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

Town Health International Holdings Company Ltd (Code: 8138)	Up 2 percent to 10.50 cents per share
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Tong Ren Tang Technologies Company Ltd (Code: 8069)

Up 1 percent to  
\$HK13.80 per share

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

Down 2 percent to  
30.50 cents per share

Zhengzhou Gas Company Ltd (Code: 8099)

Up 1 percent to 75  
cents per share

WorldMetal Holdings Ltd (Code: 8161)

Up 15 percent to  
\$HK1.10 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		11.43	0.031
China Advance Holdings Ltd	8117	25.00		0.40
Computech Holdings Ltd	8081	18.33		0.071
Excel Technology International Holdings Ltd	8048		26.83	0.06
First Mobile Group Holdings Ltd	8110	13.03		0.23
FlexSystem Holdings Ltd	8050	20.00		0.024
Innovis Holdings Ltd	8065		12.50	0.028
KanHan Technologies Group Ltd	8175	18.42		0.045
TeleEye Holdings Ltd	8051	13.46		0.118
WorldMetal Holdings Ltd	8161	14.58		1.10
Zhejiang Yonglong Enterprises Company Ltd	8211		13.70	0.126

Fears that the mildly bullish trend on Wall Street may be short-lived, after all, tended to drive down equity prices on the largest stock market of Asia.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average lost 25 yen, exactly, sliding back to 11,133.65 yen.

The volume of activity picked up, slightly, last Tuesday: This was not interpreted as a positive sign, considering the drooping figures of a key index.

Declining counters outnumbered advancing ones by the ratio of about 1.73:One.

#### News Wise

- **Mizuho Financial Group Incorporated**, Japan's largest bank in terms of assets under its control, announced that the Group Net Profit Attributable to Shareholders for the Financial Year, ended March 31, 2005, was about 627.40 billion yen, up about 54.20 percent, Year-On-Year.

This was how indices of other Asian equity markets fared, last Tuesday:

The HKSAR	Plus 0.15 percent to 13,719.32
Indonesia	Closed
Japan	Minus 0.22 percent to 11,133.65
Malaysia	Plus 0.13 percent to 884.34
The Philippines	Minus 0.13 percent to 1,881.08
Singapore	Plus 0.07 percent to 2,175.20
South Korea	Plus 0.06 percent to 951.61
Taiwan	Plus 0.40 percent to 5,909.10

Thailand	Minus 1.04 percent to 663.66
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## Wednesday

The higher price of crude oil on international markets was the talk of trading floors from one end of the globe to another, last Wednesday.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in July rose \$US1.31 per barrel, equivalent to an improvement of about 2.64 percent on Tuesday's close, settling at \$US50.98 per barrel at the last transaction.

As for August delivery, the price of light sweet crude oil was settled at \$US51.66 per barrel, up about 2.36 percent on Tuesday's settlement price.

It was not good news for equities although, no doubt, bullish oil traders were licking their lips.

On The New York Stock Exchange, the Dow Jones Industrial Average gave up 45.88 points, or about 0.44 percent, ending the relatively quiet trading session at 10,457.80 points.

On The NASDAQ, its Composite Index surrendered 11.50 points, equivalent to about 0.56 percent, dropping back to 2,050.12 points.

The volume of activity on the Big Board of The New York Stock Exchange was down about 10 percent, compared with the average volume in 2004 at this time of the year, and, on The NASDAQ, its volume of activity was off by about 16 percent.

The losses were due, in the main, to the increases in the price of crude oil.

For the first time in many months, it was Europe which set the pace for US equity markets because market-makers in this part of the world got wind of the fact that oil prices were on the rise, and rising very quickly.

High oil prices have been draining the lifeblood out of many a company, from North America, to London, England, to Tokyo, Japan.

Last Wednesday's hike in oil prices caused indices of the major equity markets of eurozone to fall rather smartly, as the following **TARGET** list indicates:

Amsterdam's AEX Index	Plus 0.25 percent
Great Britain's FTSE 100 Index	Minus 0.22 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.16 percent
France's CAC 40 Index	Minus 0.04 percent
Switzerland's Swiss Market Index	Plus 0.22 percent
Italy's MIBTEL Index	Plus 0.04 percent

## News Wise

- A Munich-based, research institute reported that **business confidence** in Germany had dropped to its lowest levels since August 2003; and,



- The European Union (EU) has given the People's Republic of China (PRC) until the end of May before imposing quotas on the imports of garments and textiles from the PRC. The EU will bring up the matter before the **World Trade Organisation (WTO)** on June 1 in order to get a ruling as to whether or not the EU had the right to impose **punitive tariffs** on imports of textiles and garments from the PRC.

All the signs had been there on Tuesday: The key indices of the 2 equity markets of the Hongkong Special Administrative Region (HKSAR) of the PRC were ripe for falls.

And they both fell material amounts, last Wednesday.

The Hang Seng Index, the key index of the Main Board of The Stock Exchange of Hongkong Ltd, dropped about 1.15 percent of its value, coming to rest at 13,562.06 points.

The Hang Seng Index closed at one of its lowest levels of the day.

The Total Turnover picked up to about \$HK14.83 billion, while the ratio of losing counters to gaining ones was about 3.23:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.81percent to \$HK123.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.48 percent to \$HK26.70 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.12 percent to \$HK66.50 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 1.68 percent to \$HK2.925 per share
PetroChina Company Ltd (Code: 857)	Unchanged at \$HK4.825 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.07 percent to \$HK69.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.36 percent to \$HK72.50 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.98 percent to \$HK5.05 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 1.04 percent to \$HK14.30 per share
CNOOC Ltd (Code: 883)	Down 1.80 percent to \$HK4.10 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Standard Hotel Group Ltd	292		31.19	0.75
Beijing Development (Hongkong) Ltd	154	11.11		0.80
Ching Hing (Holdings) Ltd	692	10.00		0.088
G-Vision International (Holdings) Ltd	657	24.49		0.122
Hualing Holdings Ltd	382	10.65		0.187
Northern International Holdings Ltd	736		11.59	0.305
New World Mobile Holdings Ltd	862	14.00		1.14
Oriental Explorer Holdings Ltd	430		10.00	0.036
Solartech International Holdings Ltd	1166	28.57		0.36
Tak Shun Technology Group Ltd	1228	10.00		0.33
United Pacific Industries Ltd	176		15.90	0.201

Zida Computer Technologies Ltd	859	19.54		0.52
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On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, the pattern of trading followed along the lines of the Main Board.

The Growth Enterprise Index lost about 0.97 percent of its value, falling back to 884.03 points.

The Total Turnover was about \$HK66.20 million.

Declining counters outran advancing ones by the ratio of 2.28:One.

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

Town Health International Holdings Company Ltd (Code: 8138)	Unchanged at 10.50 cents per share
TOM Online Incorporated (Code: 8282)	Down 3 percent to \$HK1.10 per share
Wumart Stores Incorporated (Code: 8277)	Down 2 percent to \$HK12.05 per share
Shandong Molong Petroleum Machinery Company Ltd (Code: 8261)	Up 1 percent to 97 cents per share
Zhengzhou Gas Company Ltd (Code: 8099)	Down 3 percent to 73 cents per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGL MediaTech Holdings Ltd	8192		25.81	0.023
Computech Holdings Ltd	8081		15.49	0.06
G.A. Holdings Ltd	8126	10.34		0.064
Grandy Corporation	8393		21.43	0.11
Innovis Holdings Ltd	8065	14.29		0.032
New Universe International Group Ltd	8068		20.00	0.036
Qianlong Technology International Holdings Ltd	8015	12.50		0.45
Soluteck Holdings Ltd	8111	10.34		0.064
Value Convergence Holdings Ltd	8101		13.95	1.11

Just about on cue, key indices on Japan's 3 equity markets fell to lower levels.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average finished the day at 11,014.43 yen, representing a fall of about 1.07 percent on Tuesday's close.

The ratio of losing counters to gaining ones was wide, at about 6.93:One.

Wall Street's lacklustre performance on Tuesday, it was determined in Tokyo, suggested that the world's largest equity markets were headed for lower levels.

And, with oil prices on the rise, once again, things did not, exactly, look promising.

- **Sumitomo Mitsui Financial Group Incorporated**, Japan's third-largest banking group in terms of assets under its control, reported a Net Loss Attributable to Shareholders of about 234.20 billion yen for its Financial Year, ended March 31, 2005;
- **Shinsei Bank** said that it had recorded a Net Profit Attributable to Shareholders of about 67.40 billion yen, up about 1.60 percent, Year-On-Year, for its 12-month Financial Year, ended March 31, 2005; and,
- **Mitsui Trust Holdings Incorporated** said that it had logged in a Net Profit Attributable to Shareholders of about 94.04 billion yen for its Fiscal Year, ended March 31, 2005. That result was an increase, Year-On-Year, of about 85.20 percent.

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

The HKSAR	Minus 1.15 percent to 13,562.06
Indonesia	Plus 0.37 percent to 1,049.06
Japan	Minus 1.07 percent to 11,014.43
Malaysia	Minus 1.61 percent to 870.10
The Philippines	Minus 0.62 percent to 1,869.50
Singapore	Minus 0.68 percent to 2,160.47
South Korea	Minus 1.08 percent to 941.30
Taiwan	Minus 0.35 percent to 5,888.53
Thailand	Minus 0.52 percent to 660.18

### Thursday

Wall Street experienced a bit of a rally, last Thursday, following a revisit of the US Commerce Department, which revised earlier data in respect of the annual growth rate of the Gross Domestic Product of the US for the first quarter of 2005.

The Commerce Department revised its figures from 3.10 percent to 3.50 percent.

This is something of a double-edged sword, actually, because, if the pace of growth of the Growth Domestic Product is too fast, then, it might well suggest that the US Federal Reserve Board would consider even further and, perhaps, even faster interest-rate increases.

But, if the pace of growth of the Gross Domestic Product is too slow, then, it might indicate that companies' profits might well sag, proportionately.

On The New York Stock Exchange, the Dow Jones Industrial Average gained 79.80 points, or about 0.76 percent, ending the session at 10,537.60 points.

Over on The NASDAQ, its Composite Index rose 21.12 points, equivalent to about 1.03 percent, running up to 2,071.24 points.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in July rose by 3 cents (US) per barrel to settle at \$US51.01. That price represented a gain on Wednesday's closing level of about 0.06 percent.

As for August delivery, the price of light sweet crude oil was settled at \$US51.71 per barrel, up about 0.10 percent.

In Europe, last Thursday, compared with Wall Street, it was another matter, altogether.

Higher crude oil prices meant, as far as many investors in this part of the world were concerned, continued higher profits for some, or all, of the energy *'darlings'*.

Up went the price of some of Europe's heavyweight stocks.

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

Amsterdam's AEX Index	Plus 0.60 percent
Great Britain's FTSE 100 Index	Plus 0.47 percent
Germany's Frankfurt XETRA DAX Index	Plus 1.07 percent
France's CAC 40 Index	Plus 0.90 percent
Switzerland's Swiss Market Index	Plus 0.83 percent
Italy's MIBTEL Index	Plus 0.59 percent

But, in Asia, the higher price of crude oil took its toll of indices on major stock markets.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose just 0.06 percent, ending the very quiet trading session at 13,569.99 points.

The Total Turnover was about \$HK10.48 billion.

The ratio of losing counters to gaining ones was about 1.53:One.

The Ten Most Active Counters were:

New World China Land Ltd (Code: 917)	Down 4.59 percent to \$HK2.60 per share
HSBC Holdings plc (Code: 5)	Plus 0.41 percent to \$HK123.50 per share
PetroChina Company Ltd (Code: 857)	Plus 0.52percent to \$HK4.85 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 1.75 percent to \$HK2.80 per share
China Mobile (Hongkong) Ltd (Code: 941)	Unchanged at \$HK26.70 per share
Sun Hung Kai Properties Ltd (Code: 16)	Unchanged at \$HK72.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Unchanged at \$HK69.25 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK66.50 per share
CNOOC Ltd (Code: 883)	Unchanged at \$HK4.10 per share
China Shipping Development Company Ltd (Code: 1138)	Down 4.07 percent to \$HK5.90 per share

The Main Board's biggest movers of last Thursday included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Standard Hotel Group Ltd	292		17.33	0.62
Bestway International Holdings Ltd	718	11.27		0.079
Celestial Asia Securities Holdings Ltd	1049		10.11	0.40
China Elegance (Holdings) Ltd	476		13.33	0.065
Dynamic Holdings Ltd	29		10.77	1.16
Fulbond Holdings Ltd	1041	11.11		0.03
Golden Dragon Group (Holdings) Ltd	329	14.14		0.218
Greater China Holdings Ltd	431		12.00	0.33
Haier Electronics Group Company Ltd	1169	15.13		0.175
Landune International Ltd	245	10.09		0.12
MAE Holdings Ltd	2976	13.00		0.113
Morning Star Resources Ltd	542	11.32		0.059
Orient Power Holdings Ltd	615		22.22	0.385
Oriental Explorer Holdings Ltd	430	19.44		0.043
Pioneer Global Group Ltd	224	18.00		0.59
Solartech International Holdings Ltd	1166		12.50	0.315
Tingyi (Cayman Islands) Holding Corporation	322	17.98		2.10
UDL Holdings Ltd	620		25.00	0.021
Universe International Holdings Ltd	1046	13.33		0.051
Wah Nam International Holdings Ltd	159		11.76	0.15
Wing Shing International Holdings Ltd	850	10.56		0.199
Zida Computer Technologies Ltd	859	32.69		0.69

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, the trading situation was similar to that of the Main Board, with the largest single exception, being that The Growth Enterprise Index lost about 0.03 percent, falling to 883.74 points.

The Total Turnover on this speculative market was about \$HK46.53 million.

The ratio of losing counters to gaining ones was about 1.05:One.

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

Zhengzhou Gas Company Ltd (Code: 8099)	Up 43 percent to 76 cents per share
B.A.L. Holdings Ltd (Code: 8079)	Up 9 percent to 31.50 cents per share
Town Health International Holdings Company Ltd (Code: 8138)	Up 1 percent to 10.60 cents per share
Kanstar Environmental Paper Products Holdings Ltd (Code: 8011)	Down 2 percent to 29 cents per share
B.A.L. Holdings Ltd (Old) (Code: 8400)	Up 7 percent to 31 cents per share

The biggest GEM movers, however, were reserved for the following counters:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
FlexSystem Holdings Ltd	8050		13.04	0.04
iSteelAsia Holdings Ltd	8080		15.79	0.032

KanHan Technologies Group Ltd	8175		16.67	0.04
Linefan Technology Holdings Ltd	8166		15.97	0.10
Stockmartnet Holdings Ltd	8123		10.00	0.036
Ultra Group Holdings Ltd	8203	11.76		0.038

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average followed a similar pattern to that of the 2 equity markets of the HKSAR.

The Nikkei-225 Stock Average gained 13.51 yen, equivalent to about 0.12 percent, edging up to 11,027.94 yen.

Declining counters outnumbered advancing ones by the ratio of about 1.39:One.

#### News Wise

- **Japan's trade surplus** for April fell by about 10.40 percent, Year-On-Year, The Finance Ministry announced. The chief reason for the fall was the higher price of crude oil, which tended to inflate the price of imported goods and services; and,
- Kansai International Airport said that it posted its first, full-Year's profit, during Fiscal 2004. The Financial Year, ended March 31, 2005, saw **Kansai International Airport Company** rack up a Group Net Profit of about 4.43 billion yen. In Fiscal 2003, the company reported a Group Loss of about 6.04 billion yen.

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

The HKSAR	Plus 0.06 percent to 13,569.99
Indonesia	Plus 0.51 percent to 1,054.36
Japan	Plus 0.12 percent to 11,027.94
Malaysia	Minus 0.35 percent to 867.10
The Philippines	Minus 0.58 percent to 1,858.72
Singapore	Minus 0.37 percent to 2,152.56
South Korea	Plus 0.28 percent to 943.91
Taiwan	Plus 0.86 percent to 5,939.42
Thailand	Plus 0.37 percent to 662.64

#### Friday

In spite of the fact that the price of crude oil was rising on international markets, again, investors appeared to pay scant attention to this potentially crippling phenomenon to the economies of the world, last Friday.

US investors for the most part, of course, were more interested in preparing for the long weekend holiday (this Monday is Memorial Day in the US) than in anything else so that trading on the world's largest equity markets was relatively quiet.

On The New York Stock Exchange, the Dow Jones Industrial Average ended last Friday's trading session at 10,542.55 points, up about 0.05 percent on Thursday's close.

On The NASDAQ, its Composite Index put on about 0.22 percent, rising to 2,075.73 points.

For the week, the tally for the largest equity markets of the world was:

The Dow Jones Industrial Average	Plus 0.67 percent
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The NASDAQ's Composite Index

Plus 1.43  
percent

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in July rose another 1.65 percent to settle at \$US51.85 per barrel.

As for August delivery, the price of light sweet crude oil ended the week with a gain of another 1.26 percent, coming to rest at \$US52.36 per barrel.

The price of crude oil was on the move to higher levels, once again.

In Europe, trading was quiet on the 6 major stock markets.

The coming week would see a number of announcements in respect of the economic health, or otherwise, of the US and so many investors in both Europe and the US determined to sit on their hands, awaiting the news.

This was how the indices of the major equity markets of Europe ended the week:

Amsterdam's AEX Index	Minus 0.35 percent
Great Britain's FTSE 100 Index	Minus 0.27 percent
Germany's Frankfurt XETRA DAX Index	Unchanged
France's CAC 40 Index	Minus 0.13 percent
Switzerland's Swiss Market Index	Plus 0.33 percent
Italy's MIBTEL Index	Minus 0.23 percent

Taking its lead from Wall Street's rally of Thursday, stocks and shares, listed on the 2 equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), responded in a very positive fashion on the last day of trading for the week.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about 1.07 percent, running back to 13,714.78 points.

The closing level was a high for the day.

The Total Turnover was about \$HK11.31 billion, while the ratio of gaining counters to losing ones was about 3.05:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK123.50 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.75 percent to \$HK67.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 2.25 percent to \$HK27.30 per share
PetroChina Company Ltd (Code: 857)	Up 1.55 percent to \$HK4.925 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 1.79 percent to \$HK2.85 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.03 percent to

Cheung Kong (Holdings) Ltd (Code: 1)	\$HK73.25 per share Up 1.08 percent to \$HK70.00 per share
Yanzhou Coal Mining Company Ltd (Code: 1171)	Up 4.13 percent to \$HK6.30 per share
Swire Pacific Ltd (Code: 19)	Up 1.56 percent to \$HK65.00 per share
Li and Fung Ltd (Code: 494)	Up 3.55 percent to \$HK14.60 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CATIC International Holdings Ltd	232	14.77		0.101
COSCO International Holdings Ltd	517	14.02		1.22
Garron International Ltd	1226		24.81	0.10
Gay Giano International Group Ltd	686		12.12	0.29
Golden Dragon Group (Holdings) Ltd	329	39.91		0.305
Hop Hing Holdings Ltd	47		10.71	0.25
Morning Star Resources Ltd	542	15.25		0.068
New Smart Holdings Ltd	91		12.58	0.139
Orient Power Holdings Ltd	615		14.29	0.33
Oriental Explorer Holdings Ltd	430		13.95	0.037
UDL Holdings Ltd	620	14.29		0.024

Over on The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index rang up a gain of about 0.51 percent, ending the session at 888.20 points.

The Total Turnover on this speculative market was about \$HK77.13 million; the ratio of gaining counters to losing ones was about 1.09:One.

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 \$HK13.65 per share
Wumart Stores Incorporated (Code: 8277)	Unchanged at \$HK12.05 per share
Zhengzhou Gas Company Ltd (Code: 8099)	Unchanged at 76 cents per share
Town Health International Holdings Company Ltd (Code: 8138)	Up 3 percent to 10.90 cents per share
Kanstar Environmental Paper Products Holdings Ltd (Code: 8011)	Up 3 percent to 30 cents per share

The GEM's biggest movers, last Friday, included the following:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B and S Entertainment Holdings Ltd	8167	10.81		0.041



Computech Holdings Ltd	8081		18.33	0.049
ePRO Ltd	8086		13.33	0.013
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231	16.00		0.145
Inno-Tech Holdings Ltd	8202		37.97	0.049
iSteelAsia Holdings Ltd	8080		12.50	0.028
Milkyway Image Holdings Ltd	8130	11.11		0.05
Value Convergence Holdings Ltd	8101	10.78		1.13
Zhejiang Prospect Company Ltd	8273	14.46		0.95

The tally for the 2 stock markets of the HKSAR for the week, ended May 27, 2005, was:

The Hang Seng Index	Minus 0.02 percent
The Growth Enterprise Index	Minus 1.16 percent

Japan's equity markets rallied, also on the back of Wall Street's gains of Thursday.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average rose 164.39 yen, equivalent to about 1.49 percent, ending the week's trading at 11,192.33 yen.

Gaining counters were ahead of losing ones by the ratio of about 2.42:One.

#### News Wise

- **Nintendo Company** reported that its Net Profit Attributable to Shareholders for the Financial Year, ended March 31, 2005, was 87.42 billion yen, up about 163 percent on the Bottom Line, recorded in the 2004-Year; and,
- **Narita International Airport Corporation** announced it had recorded a Net Profit Attributable to Shareholders of about 6.42 billion yen for Fiscal 2004, ended December 31, 2004.

The tally for the largest equity market of Asia for the week, ended May 27, 2005, was:

The Nikkei-225 Stock Average	Plus 1.40 percent
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And, in other Asian stock markets, last Friday, this was how their respective key indices ended the week:

The HKSAR	Plus 1.07 percent to 13,714.78
Indonesia	Plus 0.68 percent to 1,061.50
Japan	Plus 1.49 percent to 11,192.33
Malaysia	Plus 0.23 percent to 869.11
The Philippines	Plus 0.90 percent to 1,875.41
Singapore	Plus 0.10 percent to 2,154.70
South Korea	Plus 1.80 percent to 960.91
Taiwan	Plus 0.88 percent to 5,991.55
Thailand	Plus 0.13 percent to 663.48

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