

**O.P.E.C. RATIFIES MEMBERS' INCREASES IN CRUDE-OIL EXPORTS,
BUT IT FAILS TO STEM OIL'S RUN TO NEW RECORD-HIGH LEVELS**

The war of words between the People's Republic of China (PRC) and the European Union (EU) over the level of exports of PRC textile and garments to the EU is over, at least for the time being.

An agreement was reached between the EU Trade Commissioner, Mr Peter Mandelson, and the PRC Government's Minister of Commerce, Mr Bo Xi Lai, over the weekend of June 11-12.

With the clanging of wine glasses and the shaking of hands, all round, both sides signed an agreement, which, in essence, limits the growth of the PRC's exports of clothing and fabrics to the EU to 10 percent per annum until 2008.

It took all of Friday, June 10, to find the correct formula, which made both sides happy, but, as the sun rose on Saturday morning in Shanghai, Messrs Mandelson and Xi emerged and announced the end of the stalemate.

Thus, a trade war between the EU and the PRC had been averted: A little common sense and a willingness to find a compromise solution to the problem did the trick.

The aims and objects of the trade agreement between the EU and the PRC, in fact, is not just to limit the PRC's exports, but to allow time for the EU's industries, engaged in the manufacture of some 10 categories of clothing and fabrics, to adjust to the inevitable.

Since January 1, 2005, the PRC's exports to the EU of pullovers and men's trousers rose 400 percent, Year-On-Year, T-Shirts, up 157 percent, while the exports of shoes rose about 700 percent.

The resolution, in respect of what could have been a rather ugly situation between the EU and the PRC, has left the trade doors firmly open for more dialogue in the near future, dialogue, which could only spell bigger and better things for both side, with everybody benefitting.

And, now, there is the United States (US), which has to come to the negotiating table, the US Government, with its known bellicose attitude toward trade with the PRC.

Will it be vinegar? Or will it be sugar and spice and all things that are nice in the coming negotiations?

The EU-PRC textile agreement was the good news of the day; the bad news came from The New York Mercantile Exchange (NYMEX), last Monday.

The price of light sweet crude oil shot up, very materially, much to the consternation of many traders.

For July delivery, the price of light sweet crude oil was settled at \$US55.62 per barrel, up about 3.88 percent on the last quote of Friday, June 10, 2005.

For August delivery, the price of light sweet crude oil was settled at \$US56.82 per barrel, a increase of about 3.91 percent, compared with the settlement, recorded at the close of the previous Friday.

There appeared to be no single reason for the sudden rise in the price of crude oil although a number of would-be experts made wild guesses as to the likely reason, or reasons.

On The New York Stock Exchange, the rise in the price of crude oil tended to dampen the ardour of investors, quite considerably.

The Dow Jones Industrial Average, a gauge to trading in blue chips, listed on the Big Board, rose just 9.93 points, or about 0.09 percent, to 10,522.56 points.

On The NASDAQ, its Composite Index rose 5.96 points, equivalent to a gain of about 0.29 percent, ending the session at 2,068.96 points.

In Europe, there was a great deal of excitement, following confirmation of a \$US24-billion takeover deal: UniCredito, an Italian bank, announced that it had reached an agreement to acquire the banking group of HVB Group of Germany.

It was the largest takeover ever in the EU.

This was how indices of leading bourses ended their respective trading days, last Monday:

Amsterdam's AEX Index	Minus 0.14 percent
Great Britain's FTSE 100 Index	Plus 0.39 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.28 percent
France's CAC 40 Index	Plus 0.46 percent
Switzerland's Swiss Market Index	Plus 0.10 percent
Italy's MIBTEL Index	Plus 0.57 percent

With regard to some of the above-mentioned indices, Monday's closing level marked a 3-year high.

In Asia, the indices of major equity markets were marked with fractions, only.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, trading was relatively quiet on the territory's 2 equity markets, following the weekend holiday when residents came out to watch the Dragon Boat Races – when they were not eating copious quantities of jung (Chinese dumplings).

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gained about 0.12 percent, running up to 13,952.02 points.

The Total Turnover shrank to about \$HK9.87 billion, while the ratio of losing counters to gaining ones rose to about 1.81:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK125.00 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.72 percent to \$HK69.75 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.39 percent to \$HK73.00 per share
PetroChina (Code: 857)	Down 0.92 percent to \$HK5.40 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.17 percent to \$HK28.70 per share
CNOOC Ltd (Code: 883)	Up 0.60 percent to \$HK4.175 per share

China Petroleum and Chemical Corporation (Code: 386)

Unchanged at \$HK2.925 per share

Sun Hung Kai Properties Ltd (Code: 16)

Down 0.34 percent to \$HK74.00 per share

Esprit Holding (Code: 330)

Down 1.38 percent to \$HK53.75 per share

BOC Hongkong (Code: 2388)

Down 0.34 percent to \$HK14.45 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Tele-Net and Technology Corporation Ltd	679		11.27	0.315
China Motion Telecom International Ltd	989	21.88		0.234
Gorient (Holdings) Ltd	729		12.20	0.036
Hon Po Group (Lobster King) Ltd	228	35.42		0.65
Morning Star Resources Ltd	542		10.67	0.067
Sinochem Hongkong Holdings Ltd	297		12.07	0.255

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index lost 0.70 percent, falling back to 887.59 points.

The Total Turnover on this speculative market was about \$HK79.24 million.

The ratio of losing counters to gaining ones was about 1.44: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

WorldMetal Holdings Ltd (Code: 8161)

Up 17 percent to \$HK1.29 per share

Panva Gas Holdings Ltd (Code: 8132)

Up 1 percent to \$HK3.05 per share

Wumart Stores Incorporated (Code: 8277)

Unchanged at \$HK12.50 per share

Vertex Communications and Technology Group Ltd (Code: 8228)

Unchanged at 57 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	11.76		0.019
B and S Entertainment Holdings Ltd	8167		12.50	0.035
China Advance Holdings Ltd	8117		16.67	0.25
Computech Holdings Ltd	8081		28.57	0.045
SYSCAN Technology Holdings Ltd	8083	16.67		0.112
Techpacific Capital Ltd	8088	13.56		0.335
Ultra Group Holdings Ltd	8203		14.63	0.035
WorldMetal Holdings Ltd	8161	17.27		1.29

In Japan, trading was quiet on the country's 3 stock markets.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average put on 7.28 yen, equivalent to about 0.06 percent, edging up to 11,311.51 yen.

Advancing counters outnumbered declining ones by the ratio of about 1.17:One.

The pattern of trading on the premier equity market of Japan, last Monday, was in stark contrast to the previous Friday's pattern of trading when The Nikkei-225 Stock Average rose 143.35 yen, or about 1.28 percent, ending that week's proceedings at 11,304.23 yen.

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

The HKSAR	Plus 0.12 percent to 13,952.02
Indonesia	Plus 0.36 percent to 1,100.88
Japan	Plus 0.06 percent to 11,311.51
Malaysia	Plus 0.52 percent to 894.68
The Philippines	Closed
Singapore	Minus 0.07 percent to 2,218.86
South Korea	Minus 0.03 percent to 990.49
Taiwan	Plus 0.62 percent to 6,231.05
Thailand	Minus 0.72 percent to 675.09

Tuesday.

Prior to the opening of US equity markets, last Tuesday, The Bureau of Labour Statistics, a department of the US Labour Department, put out its statistics in respect of the Producer Price Indices for May 2005.

Depending on how one views these statistics, one could say that it was good news, generally, however, it was not all good news, no matter what rationale one employs.

This is the gist of that which The Bureau announced at 8:30 am, last Tuesday morning:

Producer Price Indexes -- May 2005

'The Producer Price Index for Finished Goods fell 0.6 percent in May, April and a 0.7-percent advance in March. At the earlier stages of processing, prices received by manufacturers of intermediate goods decreased 0.7 percent in May, after rising 0.8 percent in the preceding month, while the crude goods index moved down 2.0 percent, following a 2.7-percent jump in April ...

'Over three fourths of the downturn in the finished goods index can be traced to prices for energy goods, which fell 3.5 percent in May after posting a 2.1-percent increase in April. Prices for finished consumer foods also turned down -- declining 0.3 percent following a 0.1-percent advance in the prior month. The index for finished goods other than foods and energy went up 0.1 percent in May, compared with a 0.3-percent gain in April.

'Before seasonal adjustment, the Producer Price Index for Finished Goods moved down 0.2 percent in May to 154.1 (1982=100). From May 2004 to May 2005, prices for finished goods increased 3.5 percent. Over the same period, the index for finished energy goods climbed 10.2 percent, the index for finished

consumer foods advanced 0.8 percent, and prices for finished goods other than foods and energy rose 2.6 percent. For the 12 months ended May 2005, prices for intermediate goods increased 6.3 percent and the crude goods index went up 6.1 percent.

'Finished goods

'The index for finished energy goods fell 3.5 percent in May, after rising 2.1 percent in April. Accounting for nearly half of this downturn, gasoline prices dropped 9.9 percent in May, following a 2.6-percent increase a month earlier. The indexes for residential natural gas and liquefied petroleum gas also turned down, following April gains. Prices for home heating oil, residential electric power, and diesel fuel decreased at faster rates than they did in the preceding month...

'Prices for finished consumer foods declined 0.3 percent in May, compared with a 0.1-percent rise in April. The index for fresh and dry vegetables dropped 15.0 percent, following a 1.1-percent increase in the preceding month. Pork prices were unchanged in May, after advancing a month earlier. The indexes for roasted coffee and confectionery end products moved up at slower rates than they did in April, while prices for processed turkeys and for shortening and cooking oils fell more in May than they did in the prior month. By contrast, the index for soft drinks rose 1.0 percent in May, compared with a 1.3-percent decrease in April. Prices for eggs for fresh use and for finfish and shellfish also turned up in May.

'The index for finished consumer goods other than foods and energy inched up 0.1 percent in May, following a 0.2-percent advance in April. In May, rising prices for cigarettes, pharmaceutical preparations, periodical circulation, textile house furnishings, household furniture, alcoholic beverages, and mobile homes slightly outweighed falling prices for light motor trucks; passenger cars; and women's, girls', and infants' apparel.

'The capital equipment index edged up 0.1 percent in May, after moving up 0.2 percent in April. In May, higher prices for construction machinery and equipment; civilian aircraft; heavy motor trucks; commercial furniture; agricultural machinery and equipment; and tools, dies, jigs, fixtures, and industrial molds slightly outweighed lower prices for light motor trucks, passenger cars, and electronic computers.

'Intermediate goods

'The Producer Price Index for Intermediate Materials, Supplies, and Components declined 0.7 percent in May, after increasing 0.8 percent in April. The majority of this downturn was due to the index for intermediate energy goods, which fell after rising in April. Prices for materials for durable manufacturing declined in May, after showing no change in the prior month. The index for materials and components for construction edged down slightly more in May than it did in the previous month. By contrast, prices for materials for nondurable manufacturing advanced in May, after declining in April. Prices for intermediate foods and feeds rose at the same pace in May as they did in the previous month. Excluding foods and energy, prices for intermediate goods turned down 0.3 percent, following a 0.2-percent advance in April.

'The index for intermediate energy goods decreased 2.6 percent in May, compared to a 3.4-percent advance in April. Prices for industrial natural gas fell 1.5 percent, after rising 8.4 percent in April. Prices for jet fuels, gasoline, commercial natural gas, natural gas to electric utilities, and liquefied petroleum gas also turned down in May, compared with increases in the prior month. The home heating oil and diesel fuel indexes fell at faster rates in May than they did in April. Conversely, the index for commercial electric power increased 1.1 percent, following a 0.1-percent gain in the preceding month.

'Prices for materials for durable manufacturing fell 1.4 percent in May, after showing no change in April. The index for hot rolled steel sheet and strip declined 8.4 percent, following a 1.1-percent decline in the previous month. Prices for aluminum mill shapes, cold rolled steel sheet and strip, and unprocessed filament yarns increased less than they did in the prior month. The flat glass and original equipment automotive stamping indexes turned down, compared with increases in April. By contrast, the index for semifinished steel mill products rose 0.1 percent, after dropping 10.3 percent in April. The hot rolled steel bars, plates, and structural shapes; cold finished steel bars; copper and brass mill shapes; and hardwood lumber indexes also moved up in May, after falling in the prior month.

'The materials and components for construction index decreased 0.2 percent in May, after inching down 0.1 percent in the previous month. In May, declining prices for softwood lumber, steel mill products, plywood, building paper and board, nonferrous wire and cable, and wiring devices outweighed increasing prices for paving mixtures and blocks, plastic construction products, fabricated structural metal products, gypsum products, architectural coatings, and concrete products.

'The index for materials for nondurable manufacturing edged up 0.1 percent in May, compared with a 0.1-percent dip in April. The index for plastic resins and materials rose 0.4 percent, after declining 0.5 percent in April. Prices for finished fabrics and for processed yarns and threads also turned up in May. The inedible fats and oils, basic inorganic chemicals, and phosphates indexes grew more in May than they did in the preceding month. By contrast, the index for intermediate basic organic chemicals fell 10.2 percent in May, following a 0.1-percent gain in the prior month. Prices for gray fabrics also turned down in May. The paper, synthetic fibers, nitrogenates, synthetic rubber, and medicinal and botanical chemicals indexes gained less in May than they did in April.

'Prices for intermediate foods and feeds advanced 0.4 percent in May, after posting a 0.4-percent rise in April. In May, increasing prices for beef and veal, prepared animal feeds, fluid milk products, and flour outweighed decreasing prices for natural, processed, and imitation cheese; shortening and cooking oils; refined sugar and byproducts; processed young chickens; confectionery materials; liquid milk products; and butter.

'Crude goods

'The Producer Price Index for Crude Materials for Further Processing turned down 2.0 percent in May, after rising 2.7

percent in the preceding month. Prices for crude energy materials and basic industrial materials declined, following increases in April. By contrast, the index for crude foodstuffs and feedstuffs decreased less in May than it did in the prior month.

'Prices for crude energy materials fell 1.9 percent in May, compared with a 7.2-percent gain in the previous month. Leading this downturn, the index for natural gas decreased 3.6 percent, after jumping 18.1 percent in the prior month. The rate of increase in coal prices slowed from 2.8 percent in April to 0.3 percent in May. Alternatively, the crude petroleum index turned up 0.5 percent, following a 6.3-percent decline in April...

'The Producer Price Index for the Net Output of Total Manufacturing Industries slipped 0.3 percent, following a 0.5-percent gain in April. This reversal was primarily due to prices received by the petroleum and coal products manufacturing industry group, which fell 3.2 percent after advancing 3.7 percent in the prior month. The industry group indexes for chemicals, transportation equipment, and electrical equipment and appliances also turned down, compared with increases in April. Prices received by manufacturers of fabricated metal products advanced less in May than they did a month earlier, while the industry group index for computers and electronic products fell more in May than it did in April. Conversely, prices for the machinery industry group rose 0.4 percent, after inching up 0.1 percent in the previous month. The industry group index for beverage and tobacco manufacturing turned up in May, after falling in the prior month. Prices for printing and related support activities fell less than they did in April, while the industry group index for textile mills increased more during the same period. In May, the Producer Price Index for Total Manufacturing Industries was 149.3 (December 1984=100), 4.2 percent above its year-ago level '

From the US Commerce Department, after Wall Street opened for business, came news that US consumers are purchasing fewer motor vehicles and, generally, are not going shopping at the High Street as much as had been expected and, certainly, less than May 2004.

The May 2005 retail sales gave clear evidence of that, with the data, showing a 0.50-percent decline, Year-On-Year.

That was the largest single month's decline in the past year.

Wall Street, on weighing the evidence, determined that all was not at all financially well in The Land of The Free and The Home of The Brave.

On The New York Stock Exchange, the Dow Jones Industrial Average gained 25.01 points, or about 0.24 percent, ending the trading session at 10,547.57.

On The NASDAQ, its Composite Index was, almost, completely flat, at 2,069.03 points, up 0.07 of a percentage point.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in July fell about 1.11 percent, compared with Monday's settlement price, ending the day's activities at \$US55 per barrel, exactly.

As for the August delivery price, a barrel of light sweet crude oil was fetching \$US55.97, down 1.50 percent on the day.

Oil prices were on the wane in anticipation that the Organisation of Petroleum Exporting Countries (OPEC) would recommend an increase in the daily production.

OPEC members met last Wednesday in Vienna.

Some of OPEC's Oil Ministers had been making placatory remarks, during the previous weekend and on Monday and Tuesday.

Crude oil, and the market price of a barrel of it, played a part in the decision-making of investors in Europe, last Tuesday, to be sure.

On the one hand, investors in Europe, especially those who had put their money into energy stocks, were looking at handsome profits, but, on the other hand, high oil prices meant a squeeze on profit margins for industrials and retails.

This was how indices of major European bourses closed, last Tuesday:

Amsterdam's AEX Index	Plus 0.54 percent
Great Britain's FTSE 100 Index	Minus 0.07 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.16 percent
France's CAC 40 Index	Minus 0.13 percent
Switzerland's Swiss Market Index	Plus 0.31 percent
Italy's MIBTEL Index	Plus 0.17 percent

With just one exception, key indices of Asian equity markets were marked with fractional movements as investors awaited the decision of OPEC.

Quiet trading conditions prevailed on the 2 equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), last Tuesday.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index lost about 0.34 percent of its value, dropping back to 13,904.81 points.

The Total Turnover was about \$HK14.56 billion, while the ratio of losing counters to gaining ones was about 1.72:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 0.80 percent to \$HK124.00 per share
PetroChina Company Ltd (Code: 857)	Down 3.70 percent to \$HK5.20 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK69.75 per share
Esprit Holdings Ltd (Code: 330)	Down 2.33 percent to \$HK52.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Unchanged at \$HK73.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Unchanged at \$HK28.70 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.98 percent to \$HK5.05 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Unchanged at \$HK14.45 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 2.56 percent to \$HK2.85 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Bestway International Holdings Ltd	718	15.89		0.124
China Elegance (Holdings) Ltd	476	13.33		0.068
Ching Hing (Holdings) Ltd	692	11.36		0.098
Chinney Alliance Group Ltd	2984		10.20	0.44
Hansom Eastern (Holdings) Ltd	279		17.24	0.024
Hon Po Group (Lobster King) Ltd	228	12.31		0.73
Northern International Holdings Ltd	736	12.86		0.395
renren Holdings Ltd	59		14.29	0.012
REXCAPITAL Financial Holdings Ltd	555		11.43	0.031
SUNDAY Communications Ltd	866	18.87		0.63
Tidetime Sun (Group) Ltd	307		23.53	0.013
Wah Yuen Holdings Ltd	2349		13.43	0.29

Over on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index gained about 0.17 percent, ending the quiet trading session at 889.06 points.

The Total Turnover on this speculative market was about \$HK72.08 million.

In spite of The Growth Enterprise Index, being in positive territory by the close of the day, losing counters outran gaining ones by the ratio of about 1.13:One.

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

Town Health International Holdings Company Ltd (Code: 8138)	Up 1 percent to 10.40 cents per share
Vertex Communications and Technology Group Ltd (Code: 8228)	Up 7 percent to 61 cents per share
WorldMetal Holdings Ltd (Code: 8161)	Down 3 percent to \$HK1.25 per share
Techpacific Capital Ltd (Code: 8088)	Down 6 percent to 31.50 cents per share
Century Sunshine Ecological Technology Holdings Ltd (Code: 8276)	Down 1 percent to \$HK1.43 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		15.79	0.016
B M Intelligence International Ltd	8158		23.08	0.05
Computech Holdings Ltd	8081	20.00		0.054
Excel Technology International Holdings Ltd	8048	11.43		0.078
Innovis Holdings Ltd	8065		11.11	0.024
Panorama International Holdings Ltd	8173		15.58	0.065
ProSticks International Holdings Ltd	8055	13.33		0.034
Qianlong Technology International Holdings Ltd	8015		10.26	0.35
TeleEye Holdings Ltd	8051	11.48		0.136
Timeless Software Ltd	8028		11.11	0.08

On Japan's 3 equity markets, the story was similar to that, being told on the HKSAR's markets.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average gained 24.41 yen, or about 0.22 percent, rising to 11,335.92 yen.

Losing counters outnumbered gaining ones by the ratio of about 1.44:One.

News Wise

- **Kanebo Ltd**, a manufacturer of foodstuffs, pharmaceuticals and household products in Japan, had its listing on The Tokyo Stock Exchange cancelled, last Monday. The action followed the discovery of false accounting for at least 5 Fiscal Years; and,
- **The Japanese economy** expanded at the rate of about 1.20 percent in the quarter, ended March 31, 2005, compared with the like quarter in 2004, The Cabinet Office announced.

In other Asian markets, this was how the situation looked at the close of last Tuesday:

The HKSAR	Minus 0.34 percent to 13,904.81
Indonesia	Plus 0.46 percent to 1,105.89
Japan	Plus 0.22 percent to 11,355.92
Malaysia	Minus 0.23 percent to 892.64
The Philippines	Plus 0.96 percent to 1,955.79
Singapore	Minus 0.75 percent to 2,202.19
South Korea	Minus 0.68 percent to 983.75
Taiwan	Minus 0.41 percent to 6,205.76
Thailand	Plus 1.27 percent to 683.68

Wednesday

The **Organisation of Petroleum Exporting Countries (OPEC)** officially raised the daily output limit of crude oil to 28 million barrels, an increase of 500,000 barrels per day.

OPEC members had been producing and selling this much crude oil, and more on, international markets so that the Vienna meeting of OPEC, held last Wednesday, merely ratified an existing situation.

It was, if anything, a symbolic gesture, as some oil ministers confirmed; it meant very little to international oil-market traders.

In electronic trading on The **New York Mercantile Exchange (NYMEX)**, the price of light sweet crude oil continued to be quoted at Tuesday's Open Outcry Trading levels of more than \$US55 per barrel.

In the Open Outcry Trading session on The NYMEX, last Wednesday, the price of light sweet crude oil for delivery in July rose about 1.04 percent to \$US55.57 per barrel.

For August delivery, the price of light sweet crude oil was settled at \$US56.41 per barrel, up about 0.79 percent on Tuesday's closing quote.

OPEC's meeting did nothing to allay the fears of investors and traders alike: The price of crude oil could not be held in check; and, as the price of crude oil continued to rise, so corporate profit margins were being squeezed.

Ultimately, this situation would fan inflationary flames in the industrialised countries of the West.

Aside from crude oil and OPEC, there were a number of other announcements, last Wednesday, most of which made for very interesting reading.

The Federal Reserve Board was the first to make an announcement of importance.

This is the guts of that announcement:

'INDUSTRIAL PRODUCTION AND CAPACITY UTILIZATION

'Industrial production increased 0.4 percent in May after a decline of 0.3 percent in April. Manufacturing output rose 0.6 percent in May. Mining production edged up 0.1 percent, and the output of utilities declined 0.7 percent. At 118.6 percent of the 1997 average, overall industrial output was 2.7 percent above its May 2004 level. The rate of capacity utilization for total industry rose 0.3 percentage point, to 79.4 percent, a rate 1.6 percentage points below its 1972-2004 average ...

'Market Groups

'The output of consumer goods increased 0.5 percent in May. The production of durable consumer goods rose 0.9 percent, as the output of automotive products and of appliances, furniture, and carpeting recovered in part from their sharp declines in April. The index of consumer nondurable goods advanced 0.4 percent and was led by gains in the output of paper products and of food and tobacco; the output of clothing fell 2.3 percent. The production of consumer energy products edged down 0.1 percent.

'The production of business equipment moved up 0.8 percent; the increase was led by a rise of 1.9 percent in the index for information processing equipment. The output of industrial and other equipment advanced 0.4 percent, and the production of transit equipment was unchanged. Continuing a recent series of strong gains, defense and space equipment production advanced 1.1 percent in May. The production of non-industrial supplies edged up 0.2 percent for the month. The index of construction supplies advanced 0.3 percent, and the output of business supplies rose 0.1 percent.

'Materials output advanced 0.3 percent. The index for non-energy materials rose 0.5 percent, and the index for energy materials edged down 0.1 percent. Within durable materials, increases in the output of equipment parts and of other materials more than offset further declines in the output of consumer parts. Within the nondurable category, all major components posted gains. The output of paper materials rose 1.1 percent after a large decline in April.

'Industry Groups

'Manufacturing output increased 0.6 percent in May, and the factory operating rate rose 0.3 percentage point, to 78.2 percent. Among durable goods, declines in the production of miscellaneous manufacturing and in the production of furniture and related products were more than offset by gains in other durable goods categories. The production of computer and electronic products advanced 2.1 percent, in part as a result of a jump of 3.6 percent in the production of communications equipment. The indexes for wood products; primary metals; fabricated metal products; machinery; electrical equipment, appliances and components; and aerospace and miscellaneous transportation equipment also posted gains. The production of motor vehicles and parts was unchanged after substantial declines in March and April; vehicle assemblies edged down to an annual rate of 11.4 million units. The output of nondurable goods advanced 0.4 percent. All categories reported solid gains except plastics and rubber products, which decreased 0.4 percent, and apparel and leather, which fell 1.9 percent. The production of non-NAICS

manufacturing (logging and publishing) advanced 1.0 percent. The output of mines edged up 0.1 percent, and the operating rate in mining rose 0.2 percentage point, to 88.5 percent. The output of coal mines posted a decrease of 1.6 percent, a second consecutive drop; offsetting increases came from oil and gas extraction, metal ore mining, and nonmetallic mineral mining. The output of utilities fell 0.7 percent, and the operating rate for utilities fell 0.7 percentage point, to 83.4 percent.

‘Capacity utilization rose for all stages of processing. The operating rate for industries in the crude stage increased 0.4 percentage point, to 87.0 percent, a rate that is 0.6 percentage point above its 1972-2004 average. Capacity utilization for industries in the primary and semifinished stages edged up 0.1 percentage point, to 80.0 percent, and the utilization rate for finished-goods producers rose 0.4 percentage point, to 77.1 percent. Capacity utilization in the primary and semifinished group and in the finished-goods group remained below their respective long-run averages ...’

Then, it was the turn of The Bureau of Labour Statistics, a division of the US Labour Department, to make known The Consumer Price Index for May 2003.

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

‘CONSUMER PRICE INDEX: MAY 2005

‘The Consumer Price Index for All Urban Consumers (CPI-U) decreased 0.1 percent in May, before seasonal adjustment ... The May level of 194.4 (1982-84=100) was 2.8 percent higher than in May 2004.

‘The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) decreased 0.1 percent in May, prior to seasonal adjustment. The May level of 190.0 was 2.9 percent higher than in May 2004.

‘The Chained Consumer Price Index for All Urban Consumers (C-CPI-U) was unchanged in May on a not seasonally adjusted basis. The May level of 113.1 (December 1999=100) was 2.5 percent higher than in May 2004 ...

‘CPI for All Urban Consumers (CPI-U)

‘On a seasonally adjusted basis, the CPI-U declined 0.1 percent in May, following an increase of 0.5 percent in April. Energy costs, which advanced sharply in each of the preceding three months, declined 2.0 percent in May. Within energy, the index for petroleum-based energy decreased 4.2 percent while the index for energy services increased 0.8 percent. The index for food rose 0.1 percent, following a 0.7 percent increase in April. The index for all items less food and energy, which was virtually unchanged in April, increased 0.1 percent in May. Shelter costs were virtually unchanged for the second consecutive month as a decline in the index for lodging while away from home offset increases in the indexes for rent and owners' equivalent rent.

‘During the first five months of 2005, the CPI-U rose at a 3.7 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 an 18.7 percent SAAR in the first five months of 2005. Petroleum-based energy costs increased at a 27.4 percent annual rate and charges for energy services rose at a 9.0 percent annual rate.

‘The food index has increased at a 2.7 percent SAAR thus far this year, the same as for all of 2004. Excluding food and energy, the CPI-U advanced at a 2.4 percent SAAR in the first five months, following a 2.2 percent rise for all of 2004.

'The food and beverages index increased 0.1 percent in May. The index for food at home, which advanced 1.1 percent in April, rose 0.1 percent in May. The indexes for fruits and vegetables, for nonalcoholic beverages, and for other food at home, which had accounted for five-sixths of the advance in the April food at home index, each decelerated sharply in May.

'The index for fruits and vegetables, which rose 3.4 percent in April, increased 0.6 percent in May. In May, the indexes for fresh fruits and for fresh vegetables rose 1.7 and 0.4 percent, respectively, while the index for processed fruits and vegetables decreased 1.0 percent. The index for nonalcoholic beverages rose 0.1 percent after increasing 1.1 percent in April. The deceleration reflected a decline in prices for carbonated drinks and a much smaller increase in coffee prices. Downturns in the indexes for snacks, for sugar and sweets, and for butter and margarine, whose advances were largely responsible for the 1.3 percent increase in the April index for other food at home, accounted for the May decline of 0.8 percent. The index for meats, poultry, fish, and eggs also advanced less in May than in April--up 0.2 percent after increasing 0.4 percent in April. A sharp increase in beef prices--up 1.5 percent--was largely offset by declines in the indexes for pork and poultry. The index for dairy products increased 0.4 percent, the same as in April, and the index for cereals and bakery products, which was virtually unchanged in April, increased 0.1 percent in May. The other two components of the food and beverage index--food away from home and alcoholic beverages--increased 0.3 and declined 0.2 percent, respectively.

'The index for housing rose 0.1 percent in May. For the second consecutive month, shelter costs were virtually unchanged, again largely as a result of a decline in the index for lodging away from home. The index for lodging away from home declined 2.4 percent in May, following a 1.2 percent decrease in April. In May, the indexes for rent and owners' equivalent rent increased 0.2 and 0.3 percent, respectively. The index for fuels and utilities rose 0.6 percent, following a 2.1 percent increase in April. Declines in the indexes for fuel oil and for natural gas--down 2.3 and 0.2 percent, respectively--were more than offset by a 1.4 percent increase in the index for electricity. (Prior to seasonal adjustment, charges for electricity rose 3.0 percent, reflecting the switch to seasonal rates in some areas.) The index for household furnishings and operations, which was unchanged in the preceding two months, rose 0.5 percent in May. Within this group, the index for moving, storage, and freight expenses registered the largest advance--up 2.9 percent.

'The transportation index declined 1.0 percent in May, largely reflecting a 4.4 percent decrease in the index for gasoline. (Prior to seasonal adjustment, the price of gasoline was 2.9 percent lower than its peak level of last month, but 10.3 percent higher than a year earlier.) The index for new vehicles rose 0.1 percent in May, following declines in each of the preceding two months. The index for used cars and trucks rose 0.5 percent in May to a level 5.3 percent above May 2004. The index for public transportation increased 0.7 percent in May, largely reflecting an increase in the index for airline fares. Airline fares registered their fourth consecutive advance, up 2.2 percent in May. With the recent advances, airline fares are 4.1 percent higher than a year ago, but are 1.8 percent lower than in the month prior to the terrorist attacks in 2001.

'The index for apparel was unchanged in May, following a 0.6 percent decline in April. (Prior to seasonal adjustment, apparel prices declined 1.1 percent, reflecting discounting of women's and girls' apparel--down 2.1 percent.)

'Medical care costs rose 0.3 percent in May to a level 4.3 percent higher than a year ago. The index for medical care commodities -- prescription drugs, nonprescription drugs, and medical supplies--increased 0.5 percent in May. The index for medical care services rose 0.3 percent in May, with the indexes for professional services and for hospital and related services each up 0.3 percent.

'The index for recreation increased 0.3 percent in May. The index for admissions to movies, theaters, concerts, and sporting events rose 1.4 percent in May after

declining 0.8 percent in April, accounting for about 55 percent of the advance in the overall recreation index. Upturns in the indexes for televisions and for toys--up 0.7 and 0.9 percent, respectively -- also contributed to the May advance.

'The index for education and communication was unchanged in May. The education index rose 0.7 percent while the index for communication costs decreased 0.5 percent. Within the latter group, the index for telephone services declined 0.5 percent, reflecting decreases in both local and long distance land-line telephone charges. The index for personal computers and peripheral equipment declined 1.5 percent in May to a level 15.9 percent lower than a year ago.

'The index for other goods and services rose 0.4 percent in May. The index for personal care products rose 0.7 percent. Charges for legal services increased 1.1 percent, their largest advance since a similar increase in March 2003. The index for tobacco and smoking products increased 0.2 percent in May... '.

Wall Street was not exactly dazzled by the statistics: Pen-pushers went to work in a hurry, trying to fathom how all of these statistics would influence the determination of the US Federal Reserve Board in respect of interest rates, during its next Open Market Committee Meeting.

(The Fed held its Open Market Committee Meeting, today.)

On The New York Stock Exchange, last Wednesday, the Dow Jones Industrial Average gained 18.80 points, equivalent to about 0.18 percent, ending the trading day at 10,566.37 points.

On The NASDAQ, its Composite Index rose 5.88 points, or about 0.28 percent, limping up to 2,074.92 points.

In Europe, every key index of the most-important bourses was written in red ink.

The inability of OPEC to cool prices on the world's oil markets was the principal reason for the fall in the values of the indices:

Amsterdam's AEX Index	Minus 0.46 percent
Great Britain's FTSE 100 Index	Minus 0.54 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.94 percent
France's CAC 40 Index	Minus 0.31 percent
Switzerland's Swiss Market Index	Minus 0.37 percent
Italy's MIBTEL Index	Minus 0.13 percent

Asian equity markets were, generally, higher, but only fractionally so for the most part.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), trading was flat on both equity markets.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about 0.07 percent to end the trading session at 13,914.30 points.

The Total Turnover was about \$HK15.93 billion.

Losing counters outran gaining ones by the ratio of 1.73:One.

The Ten Most Actives were:

China Shenhua Energy Company Ltd (Code: 1088)	Unchanged at HK7.30 per share
HSBC Holdings plc (Code: 5)	Up 0.40 percent to \$HK124.50 per share
Esprit Holdings Ltd (Code: 330)	Down 4.76 percent to \$HK50.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.68 percent to \$HK72.50 per share
PetroChina Company Ltd (Code: 857)	Up 1.92 percent to \$HK5.30 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.35 percent to \$HK28.60 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK69.75 per share
CNOOC Ltd (Code: 883)	Up 1.19 percent to \$HK4.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.34 percent to \$HK73.75 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 1.75 percent to \$HK2.90 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Elegance (Holdings) Ltd	476		19.12	0.055
Compass Pacific Holdings Ltd	1188	11.94		0.225
Garron International Ltd	1226	10.00		0.11
Golden Harvest Entertainment (Holdings) Ltd	1132		17.65	0.21
Guo Xin Group Ltd	1215		10.71	0.025
Hon Po Group (Lobster King) Ltd	228		10.96	0.65
Junefield Department Store Group Ltd	758		11.11	0.08
Massive Resources International Corporation Ltd	70		10.00	0.018
Mei Ah Entertainment Group Ltd	391		10.17	0.265
UDL Holdings Ltd	620	29.41		0.044
Zhong Hua International Holdings Ltd	1064	12.50		0.045

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, the situation was exactly the same as the Main Board – but in reverse.

The Growth Enterprise Index lost about 0.07 percent of its value, ending the day at 888.46 points.

The Total Turnover was about \$HK83.87 million, while the ratio of losers to gainers was 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)	Unchanged at 10.40 cents per share
Vertex Communications and Technology Group Ltd (Code: 8228)	Up 5 percent to 64 cents per share
B.A.L. Holdings Ltd (Code: 8079)	Up 11 percent to 34 cents per share
TOM Online Incorporated (Code: 8282)	Up 2 percent to \$HK1.19 per share

The biggest GEM movers included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGL MediaTech Holdings Ltd	8192		25.00	0.012
B.A.L. Holdings Ltd	8079	11.48		0.34
FlexSystem Holdings Ltd	8050	11.11		0.04
Global Digital Creations Holdings Ltd	8271		11.76	0.30
Shenzhen Mingwah Aohan High Technology Corporation Ltd	8301	11.83		0.104
New Chinese Medicine Holdings Ltd	8085	10.53		0.021
SYSCAN Technology Holdings Ltd	8083	20.54		0.135
Vaso Digital International Holdings Ltd	8220	10.39		0.085

In Japan, it was another day of gains on the country's equity markets, albeit smallish ones, but gains, nevertheless.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average advanced another 79.96 yen, equivalent to about 0.71 percent, coming to rest at 11,415.88 yen by the close of the trading day.

Gaining counters were ahead of losing ones by the ratio of about 3.38:One.

And, in other Asian equity markets, this was how their respective key indices ended the day:

The HKSAR	Plus 0.07 percent to 13,914.30
Indonesia	Plus 1.24 percent to 1,119.58
Japan	Plus 0.71 percent to 11,415.88
Malaysia	Plus 0.86 percent to 900.30
The Philippines	Plus 1.87 percent to 1,992.44
Singapore	Minus 0.01 percent to 2,201.91
South Korea	Plus 1.85 percent to 1,001.94
Taiwan	Plus 0.75 percent to 6,252.10
Thailand	Plus 0.55 percent to 687.47

Thursday

Continued strong demand for crude oil pushed the price of the black ooze up again, last Thursday.

The price of light sweet crude oil for delivery in July rose 1.82 percent to settle at \$US56.58 per barrel on The New York Mercantile Exchange (NYMEX).

For August delivery, the price of light sweet crude oil came in at \$US57.43 per barrel, a gain of 1.81 percent on Wednesday's last quote.

There appeared to be no way to hold back the march of crude oil toward record levels.

Wall Street continued to shudder and shake as investors watched what was taking place on the oil markets of the world.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 12.28 points, equivalent to about 0.12 percent, to end the day at 10,578.65 points.

On The NASDAQ, its Composite Index rose about 0.69 percent to 2,089.15 points.

Trading on the world's biggest equity markets was directionless, for the most part.

Trading on European bourses was nothing to write home to mom, also, although most of the key indices of the largest bourses were in the black at the end of the day.

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

Amsterdam's AEX Index	Plus	0.87 percent
Great Britain's FTSE 100 Index	Plus	0.50 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.69 percent
France's CAC 40 Index	Plus	0.01 percent
Switzerland's Swiss Market Index	Plus	0.02 percent
Italy's MIBTEL Index	Plus	0.48 percent

For many investors in Asia, last Thursday was a perplexing day because one was not quite certain as to the near-term, future direction of equity markets in view of the statistics, being produced by the US Government's many departments, and, of course, the outcome of the Open Market Committee Meeting of the US Federal Reserve Board, scheduled for today.

As a result, indices of key equity markets in the most-populous part of the world tended to drift.

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

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index shed about 0.58 percent of its value, ending the trading day at 13,833.53 points.

The Total Turnover was about \$HK16.30 billion, while the ratio of losing counters to gaining ones was about 1.42:One.

The Ten Most Actives were:

China Life Insurance Company Ltd (Code: 2628)	Up 4.90 percent to \$HK5.35 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.08 percent to \$HK69.00 per share
China Shenhua Energy Company Ltd (Code: 1088)	Up 2.74 percent to \$HK7.50 per share
HSBC Holdings plc (Code: 5)	Down 0.40 percent to \$HK124.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.69 percent to \$HK72.00 per share
PetroChina Company Ltd (Code: 857)	Up 2.83 percent to \$HK5.45 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.40 percent to \$HK28.20 per share
Esprit Holdings Ltd (Code: 330)	Up 2.50 percent to \$HK51.25 per share
CNOOC Ltd (Code: 883)	Up 0.59 percent to \$HK4.275 per share
China Shipping Development Company Ltd (Code: 1138)	Down 3.31 percent to \$HK5.85 per share

The biggest Main Board movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Golden Harvest Entertainment (Holdings) Ltd	1132	14.29		0.24

Neo-China Group (Holdings) Ltd	563	13.79		0.495
New Spring Holdings Ltd	690		20.00	0.40
Ngai Lik Industrial Holdings Ltd	332		13.50	1.73
Nippon Asia Investments Holdings Ltd	603	11.94		0.075
South Sea Holding Company Ltd	680	10.71		0.031
Sunlink International Holdings Ltd	2336		17.95	0.064
Sunny Global Holdings Ltd	1094		21.21	0.052
Water Oasis Group Ltd	1161	35.14		0.50
Zhong Hua International Holdings Ltd	1064	13.33		0.051

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover shrank to about \$HK53.24 million, as the ratio of declining counters to advancing ones moved up to 1.16:One.

The Growth Enterprise Index surrendered about 0.14 percent of its value, dropping back to 887.25 points.

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

Panva Gas Holdings Ltd (Code: 8132)	Unchanged at \$HK3.025 per share
B.A.L. Holdings Ltd (Code: 8079)	Up 16 percent to 39.50 cents per share
Vertex Communications and Technology Group Ltd (Code: 8228)	Down 9 percent to 58 cents per share
Lang Chao International Ltd (Code: 8141)	Unchanged at 60 cents per share
Town Health International Holdings Company Ltd (Code: 8138)	Unchanged at 10.40 cents per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGL MediaTech Holdings Ltd	8192	16.67		0.014
B.A.L. Holdings Ltd	8079	16.18		0.395
B M Intelligence International Ltd	8158		30.00	0.035
Co-winner Enterprise Ltd	8108		12.50	0.049
IIN International Ltd	8128	34.78		0.031

In Japan, trading was especially quiet.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average closed the day with a gain of just 0.004 percent at 11,416.38 yen.

Declining counters were outnumbered by advancing ones by the ratio of about 1.21:One.

Many investors in The Land of The Rising Sun were awaiting the results of The Fed's meeting when short-term interest rates would be fixed.

In other Asia equity markets, this was how the key indices of major markets fared, last Thursday:

The HKSAR	Minus 0.58 percent to 13,833.53
Indonesia	Plus 0.55 percent to 1,125.76
Japan	Plus 0.004 percent to 11,416.38
Malaysia	Minus 0.25 percent to 898.04
The Philippines	Plus 0.36 percent to 1,999.60
Singapore	Plus 0.04 percent to 2,202.74
South Korea	Plus 0.12 percent to 1,003.14
Taiwan	Plus 0.48 percent to 6,282.41
Thailand	Minus 0.05 percent to 687.16

Friday

The price of crude oil ran to even higher levels in electronic trading on The New York Mercantile Exchange (NYMEX), last Friday, frightening off many an investor in Asia.

In early electronic trades, the price of crude oil was knocking at the \$US58 per-barrel door, which is not too far from the record level of \$US58.28 per barrel, achieved in April, this year.

But, when Open Outcry Trading took place on The NYMEX, the price of light sweet crude oil for delivery in July went straight through the \$US58 per-barrel level, setting a new record level of \$US58.47 per barrel.

Last Friday's closing level was an increase on Thursday's settlement price by about 3.34 percent.

And, for delivery in August, the price of light sweet crude oil was settled at \$US59.18 per barrel, up 3.05 percent on the day.

Continued strong demand for crude oil was said to have been the reason for the continued run-up of the price.

In the US, it was announced that the demand for petrol over the past month has risen by about 3 percent, compared with the like period in 2004.

At the same time, demand for distillates – diesel fuel, heating oil and jet fuel, in particular – has risen, during the same period, by about 6.50 percent, according to the US Government's statistics.

These were not a good signs.

On Wall Street, the Dow Jones Industrial Average rose 44.42 points, equivalent to about 0.42 percent, running up to 10,623.07 points.

On The NASDAQ, its Composite Index rose only 0.05 percent to end the session at 2,090.11 points.

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

The Dow Jones Industrial Average	Plus 1.05 percent
The Composite Index of The NASDAQ	Plus 1.31 percent

In Europe, it was well known that oil prices were on the rise in electronic trading, but investors and dealers had no idea that, by the end of the trading day on The NYMEX, the price of light sweet crude oil would hit a record-high level.

On the strength of early figures, however, investors bought back into energy stocks, causing indices to rise, again, in some cases to levels, which have not been seen in the past 3 years.

This was how key indices of major European bourses fared, last Friday:

Amsterdam's AEX Index	Unchanged
Great Britain's FTSE 100 Index	Plus 0.64 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.53 percent
France's CAC 40 Index	Plus 0.85 percent
Switzerland's Swiss Market Index	Unchanged
Italy's MIBTEL Index	Minus 0.02 percent

On the 2 equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), gains were recorded, but those gains were only of a fractional nature.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index put on about 0.57 percent, rising to 13,912.03 points on a Total Turnover of about \$HK17.64 billion.

Advancing counters outnumbered declining ones by the ratio of about 1.60:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.40 percent to \$HK124.50 per share
CNOOC Ltd (Code: 883)	Minus 2.34 percent to \$HK4.175 per share
PetroChina Company Ltd (Code: 857)	Minus 1.83 percent to \$HK5.35 per share
China Life Insurance Company Ltd (Code: 2628)	Minus 0.93 percent to \$HK5.30 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.36 percent to \$HK69.25 per share
China Shipping Development Company Ltd (Code: 1138)	Down 2.56 percent to \$HK5.70 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.24 percent to \$HK28.55 per share
China Petroleum and Chemical Corporation (Code: 386)	Unchanged at \$HK2.925 per share
China Shenhua Energy Company Ltd (Code: 1088)	Unchanged at \$HK7.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.04 percent to \$HK72.75 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Bestway International Holdings Ltd	718	10.92		0.132
CCT Telecom Holdings Ltd	138	26.81		1.75

Heritage International Holdings Ltd	2982	11.22		0.109
Hongkong Building and Loan Agency Ltd, The	145	22.89		1.02
Hsin Chong Construction Group Ltd	404	10.23		0.485
Imagi International Holdings Ltd	585	23.53		1.26
Karl Thomson Holdings Ltd	7	10.00		0.55
New Spring Holdings Ltd	690	25.00		0.50
Oriental Explorer Holdings Ltd	430		14.63	0.035
Pearl Oriental Enterprises Ltd	600	13.04		0.39
Sunlink International Holdings Ltd	2336	12.50		0.072

Over on The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index rose by about 0.63 percent to close the day at 892.83 points.

The Total Turnover on this market was about \$HK61.48 million.

Gaining counters were ahead of losing counters by the ratio of about 2.41:One.

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

Panva Gas Holdings Ltd (Code: 8132)	Up 2 percent to \$HK3.10 per share
Town Health International Holdings Company Ltd (Code: 8138)	Unchanged at 10.40 cents per share
Sau San Tong Holdings Ltd (Code: 8200)	Up 8 percent to 52 cents per share
Techpacific Capital Ltd (Code: 8088)	Up 8 percent to 33.50 cents per share
Lang Chao International Ltd (Code: 8141)	Up 2 percent to 61 cents per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGL MediaTech Holdings Ltd	8192	14.29		0.016
FlexSystem Holdings Ltd	8050	17.50		0.047
G.A. Holdings Ltd	8126	11.48		0.068
Glory Future Group Ltd	8071	29.41		0.022
Inno-Tech Holdings Ltd	8202	10.00		0.055
M21 Technology Ltd	8153	10.77		1.44

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

The Hang Seng Index	Minus 0.16 percent
The Growth Enterprise Index	Plus 0.59 percent

In Japan, for the sixth consecutive trading session, key indices on the country's 3 equity markets managed to make more fractional gains.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average rose about 0.86 percent, ending the week at 11,514.03 yen.

Gaining counters on this market outran losing ones by the ratio of about 4.73:One.

Last Friday, Japanese investors appeared to be either unconcerned or oblivious of the increase in the price of crude oil and the fact that The Fed was meeting to determine short-term interest rates, the following Monday.

The tally for the largest equity market of Asia was:

The Nikkei-225 Stock Average

Plus 1.86 percent

On other Asian equity markets, this was how their key indices ended the week of June 17, 2005:

The HKSAR	Plus 0.57 percent to 13,912.03
Indonesia	Plus 1.43 percent to 1,141.82
Japan	Plus 0.86 percent to 11,514.03
Malaysia	Minus 0.11 percent to 897.06
The Philippines	Plus 0.58 percent to 2,011.17
Singapore	Plus 0.29 percent to 2,209.15
South Korea	Plus 0.05 percent to 1,003.68
Taiwan	Plus 0.18 percent to 6,293.56
Thailand	Minus 0.09 percent to 686.52

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