

## RECORD-HIGH, CRUDE OIL PRICES RULE THE STOCK-MARKET WAVES

### Investors Get A Rude Awakening

Crude oil prices continued to rise in electronic trading on The New York Mercantile Exchange (NYMEX), hitting \$US59.18 per barrel, last Monday in Asia.

The increase came on the back of news that the United States (US), Germany and the United Kingdom (UK) had closed their respective consulates at Lagos, Nigeria, following threats of attacks from Nigerian Islamic militants.

The previous week, ended June 11, 2005, 6 workers in the employ of Royal Dutch Shell had been kidnapped in Nigeria, the Capital City of the Country, but were released on Saturday, June 18, 2005.

Nigeria, the eighth largest producer of oil in the world and an important source of supply for the US, has long been a trouble spot, with many of the poor of the country, claiming that Nigeria's oil wealth is going into the pockets of the plutocrats and generals of the country, leaving the poor to become poorer.

During the Open Outcry Trading session on The NYMEX, last Monday in New York, the fears of Asia were proved to have been on the mark as the price of light sweet crude oil headed closer to the \$US60 per-barrel mark.

By the close of The NYMEX trading session, the price of light sweet crude oil for delivery in July (last Monday was the last day of trading for this month) was settled at \$US59.37 per barrel, up about 1.54 percent on the previous last settlement price of Friday, June 17, 2005.

For August delivery, the price of light sweet crude oil came in at \$US59.88 per barrel, an increase of 1.18 percent on the previous closing level.

Wall Street shuddered at the situation since record-high oil prices were bound, in the fullness of time, to take a slice out of corporate profits, as well as fanning inflationary flames.

On The New York Stock Exchange, the Dow Jones Industrial Average fell 13.96 points, or about 0.13 percent, ending the choppy session at 10,609.11 points.

Over on The (tech-laden) NASDAQ, its Composite Index was off by 1.98 points, equivalent to a fall of about 0.09 percent, coming to rest at 2,088.13 points.

In Europe, news that oil prices were bubbling over put the chills on equity trading on major bourses.

As a result, every key index of every major equity market was written in red ink, with Italy's bourse, suffering the most:

Amsterdam's AEX Index	Minus 0.01 percent
Great Britain's FTSE 100 Index	Minus 0.11 percent

Germany's Frankfurt XETRA DAX Index	Minus 0.38 percent
France's CAC 40 Index	Minus 0.65 percent
Switzerland's Swiss Market Index	Minus 0.22 percent
Italy's MIBTEL Index	Minus 1.15 percent

Airlines of Europe, many of which are hurting, in any event, saw the added increase in crude-oil prices as being another cross that they would have to try to bear because, obviously, the added burden would have to be passed on to the consumer – who would, without question, balk at the prospects of having to pay more for the price of an air ticket.

While energy stocks may well, in the short term, benefit from higher, crude-oil prices, it will only be a matter of time before those things that go around come around.

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

In Asia, fractional losses were the order of the day on the largest stock markets in this part of the world.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about 0.24 percent to 13,945.77 points on a Total Turnover of about \$HK14.83 billion.

Losing counters beat off gaining ones by the ratio of about 1.05:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 0.40 percent to \$HK125.00 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK69.25 per share
PetroChina Company Ltd (Code: 857)	Up 3.74 percent to \$HK5.55 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.69 percent to \$HK73.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.18 percent to \$HK28.60 per share
China Life Insurance Company Ltd (Code: 2628)	Up 0.94 percent to \$HK5.35 per share
CNOOC Ltd (Code: 883)	Up 1.20 percent to \$HK4.225 per share
China Shenhua Energy Company Ltd (Code: 1088)	Unchanged at \$HK7.50 per share
China Petroleum and Chemical Corporation (Code: 386)	Unchanged at \$HK2.925 per share
Esprit Holdings Ltd (Code: 330)	Up 0.95 percent to \$HK53.25 per share

The biggest Main Board movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Climax International Company Ltd	439		11.63	0.038
Greater China Holdings Ltd	431	16.28		0.50
Guo Xin Group Ltd	1215	12.00		0.028

Jinhui Holdings Company Ltd	137	11.70		2.10
Paul Y. Engineering Group Ltd	577	17.54		0.67
Ruili Holdings Ltd	491	10.53		0.168
Universe International Holdings Ltd	1046	15.22		0.053

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, the trading scenario was almost identical to that of the Main Board.

The Growth Enterprise Index gained 0.24 percent, rising to 894.99 points on a Total Turnover of about \$HK60.60 million.

On this speculative market, however, losing counters outnumbered gaining ones by the ratio of about 1.39:One.

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

B.A.L. Holdings Ltd (Code: 8079)	Up 5 percent to 40 cents per share
Sau San Tong Holdings Ltd (Code: 8200)	Up 10 percent to 57 cents per share
Lang Chao International Ltd (Code: 8141)	Up 13 percent to 69 cents per share
Vertex Communications and Technology Group Ltd (Code: 8228)	Down 3 percent to 58 cents per share
HC International Incorporated (Code: 8292)	Unchanged at \$HK1.75 per share

The biggest movers on this market included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
FlexSystem Holdings Ltd	8050		14.89	0.04
iSteelAsia Holdings Ltd	8080	18.18		0.026
Lang Chao International Ltd	8141	13.11		0.69
New Chinese Medicine Holdings Ltd	8085		18.18	0.018
Soluteck Holdings Ltd	8111		10.26	0.07
Techpacific Capital Ltd	8088		10.45	0.30

In Japan, after 6 trading days of gains on the country's 3 equity markets, investors started to take profits, pulling down key indices.

On The Tokyo Stock Exchange, a key index of this market, The Nikkei-225 Stock Average, gave up 30.68 yen, equivalent to a loss of about 0.27 percent, coming to rest at 11,483.35 yen.

Even though The Nikkei-225 Stock Average was slightly off, gaining counters continued to outrace losing ones by the ratio of about 1.26:One.

Influencing trading on Asia's largest stock market was, of course, the continued gains in the price of crude oil on international exchanges.

In other Asian equity markets, this was how those markets fared, last Monday:

The HKSAR	Plus 0.24 percent to 13,945.77
Indonesia	Plus 0.52 percent to 1,147.71
Japan	Minus 0.27 percent to 11,483.35
Malaysia	Minus 0.03 percent to 896.75
The Philippines	Minus 0.32 percent to 2,004.71
Singapore	Minus 0.53 percent to 2,197.38
South Korea	Minus 0.90 percent to 994.65
Taiwan	Plus 0.05 percent to 6,296.89
Thailand	Minus 1.00 percent to 679.68

## Tuesday

The price of light sweet crude oil for delivery in August retreated, somewhat, last Tuesday, but investors, now a little more savvy than in the past, put down the one-day, 1.40-percent fall, to merely a technical correction.

With the price of crude oil for August delivery, standing at \$US59.04 per barrel, that price is, still, within shooting distance of the \$US60 per-barrel level.

For delivery in the new month of September, the price of light sweet crude oil came in at \$US59.63 per barrel.

Many US investors, having listened to their favourite guru of the day, had said, on Monday, that the world was getting quite used to the high price of fossil fuels and that, as such, one may discount this, to a great extent, in making determinations with regard to future investments in stocks and shares.

However, when many major, international enterprises start to talk of lowering earnings projections for the year due, in large part, to the high cost of energy, it starts to sink in that twaddle will, always, be twaddle, no matter who is uttering the twaddle or how many degrees has the twaddler.

If money becomes tighter, due to the higher price of crude oil, the added burden, having been passed to the consumer, down the line, it could well have a domino effect, causing other markets to waver and start to sink.

One such market, which is, already, very vulnerable, is the US housing market.

If that bubble should burst and prices come off too quickly, the resultant losses will, certainly, play havoc on equity markets – almost, immediately.

On The New York Stock Exchange, last Tuesday, the Dow Jones Industrial Average shed 9.44 points, equivalent to about 0.09 percent, ending the trading session at 10,599.67 points.

On The NASDAQ, its Composite Index rose 2.94 points, or about 0.14 percent, limping to 2,091.07 points.

The largest equity markets of the world looked set to fall if oil prices start to move up, again.

In Europe, however, the high price of oil appeared to be a reason for select investors to get back into energy stocks.

This caused a turnabout situation on major bourses, as the following **TARGET** list indicates:

Amsterdam's AEX Index	Plus 0.61 percent
Great Britain's FTSE 100 Index	Plus 0.19

Germany's Frankfurt XETRA DAX Index	percent Plus 0.46
France's CAC 40 Index	percent Plus 0.68
Switzerland's Swiss Market Index	percent Plus 0.90
Italy's MIBTEL Index	percent Plus 0.40 percent

Amid a continued surge in crude-oil prices, internationally, Asia was nonplussed as to what action to take, last Tuesday.

For the most part, indices of key equity markets in the most-populous part of the world were directionless, disregarding special situations.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the volume of trading on the premier equity market of the territory fell back.

The Hang Seng Index, a key index of the Main Board of The Stock Exchange of Hongkong Ltd, gained about 0.24 percent, ending the quiet trading session at 13,979.35 points.

The Total Turnover on this market was about \$HK12.92 billion.

Gaining counters only just managed to beat off losing ones by the ratio of about 1.03:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK125.00 per share
PetroChina Company Ltd (Code: 857)	Up 0.90 percent to \$HK5.60 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.72 percent to \$HK69.75 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.68 percent to \$HK73.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Unchanged at \$HK74.00 per share
CNOOC Ltd (Code: 883)	Down 1.18 percent to \$HK4.175 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 0.85 percent to \$HK2.90 per share
China Shenhua Energy Company Ltd (Code: 1088)	Unchanged at \$HK7.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.87 percent to \$HK28.85 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 0.35 percent to \$HK14.40 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Climax International Company Ltd	439		15.79	0.032
e-Kong Group Ltd	524	17.88		0.178
Hanison Construction Holdings Ltd	896	13.16		0.86
Hop Hing Holdings Ltd	47	10.71		0.31
Junefield Department Store Group Ltd	758	10.00		0.088
Mirabell International Holdings Ltd	1179		12.00	2.75
Poly Investments Holdings Ltd	263	12.00		0.14

Sunny Global Holdings Ltd	1094	52.17		0.07
UDL Holdings Ltd	620		26.83	0.03
Yue Da Holdings Ltd	629		10.00	0.495

On The (very speculative) **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index rose about 0.72 percent to 901.47 points on a Total Turnover of about \$HK72.18 million.

Although the lone index of this market was in positive territory, losing counters swamped gaining ones by the ratio of about 1.29:One.

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

TOM Online Incorporated (Code: 8282)	Up 5 percent to \$HK1.25 per share
Lang Chao International Ltd (Code: 8141)	Up 36 percent to 94 cents per share
Sau San Tong Holdings Ltd (Code: 8200)	Down 5 percent to 54 cents per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Up 1 percent to \$HK14.65 per share
B.A.L. Holdings Ltd (Code: 8079)	Down 6 percent to 37.50 cents per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
IIN International Ltd	8128		13.33	0.026
iSteelAsia Holdings Ltd	8080		11.54	0.023
KanHan Technologies Group Ltd	8175	19.23		0.031
Lang Chao International Ltd	8141	36.23		0.94
Medical China Ltd	8186		13.46	0.045
New Chinese Medicine Holdings Ltd	8085		11.11	0.016
Prosperity International Holdings (Hongkong) Ltd	8139	13.33		0.034

On The Tokyo Stock Exchange, trading was extremely quiet.

The Nikkei-225 Stock Average, a key index of this market, which is the largest in Asia, ended the trading session at 11,488.74 yen, up 0.05 percent on Monday's close.

Declining counters outran advancing ones by the ratio of about 1.19:One.

With oil prices, continuing to climb, there was little to inspire investors in Asia to make new commitments in equities, last Tuesday.

The was how indices of other Asian equity markets ended their respective trading sessions:

The HKSAR	Plus 0.24 percent to 13,979.35
Indonesia	Minus 1.25 percent to 1,133.33
Japan	Plus 0.05 percent to 11,488.74
Malaysia	Minus 0.05 percent to 896.31
The Philippines	Minus 2.53 percent to 1,954.09
Singapore	Minus 0.03 percent to 2,196.64
South Korea	Minus 0.47 percent to 989.99
Taiwan	Minus 0.29 percent to 6,278.46
Thailand	Plus 1.47 percent to 689.64

### Wednesday

An unexpected announcement from Ford Motor Company (Please see News Wise, below) put the skids under stocks and shares on the world's largest equity markets, last Wednesday.

While Ford, clearly, is expecting the worst for the remainder of the year, investors speculated that sauce for the goose is, also, sauce for the gander.

Therefore, General Motors Corporation, the world's largest producer of motor vehicles, was, quite likely, to follow the path, laid by its closest competitor in the US.

The share price of Ford fell 4.40 percent on The New York Stock Exchange, while the share price of General Motors gave up about 3 percent.

Wall Street was, clearly, shaken by the Ford announcement, which set the tone for trading on equity markets throughout the country.

The Dow Jones Industrial Average fell by about 0.11 percent to end the trading session at 10,587.93 points while, on The NASDAQ, its Composite Index rose about 0.05 percent to 2,092.03 points.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in August fell back by about 1.61 percent to \$US58.09 per barrel and, for delivery in September, the price of light sweet crude oil dropped by about 1.49 percent to settle at \$US58.74 per barrel.

Lower oil prices, last Wednesday, should have been a bit of a fillip for equity markets, around the world, but investors, these days, do not believe that the price of crude oil will stay below the \$US60 per-barrel level for very much longer.

### News Wise

- **Ford Motor Company**, the second-largest producer of motor vehicles in the US, said its earnings for the Current Financial Year would be between \$US1 per share and \$US1.25 per share, down from Management's previous estimates of between \$US1.25 per share and \$US1.50 per share. Management said that it well expected core automotive operations to show a loss. The company will be sacking about 1,700 workers in North America, alone.

In Europe, investors were hoping for an interest-rate reduction as consumer spending continued to dry up.

Minutes of the June Meeting of the Monetary Policy Committee of The Bank of England, recently released, revealed that 2 of the 9 members voted for an interest-rate reduction.

The Bank of England has kept interest rates, firmly, at 4.75 percent for the past 10 months, but hopes were running high that the Central Bank of England would strongly consider at least a 25 basis-point reduction, back to 4.50 percent.

If The Bank of England cuts its rate, then, the reasoning was that it would send a message to the ECB – European Central Bank – to cut its rate, too.

That was the main reason that indices of major bourses in Europe were a tad higher, last Wednesday:

Amsterdam's AEX Index	Plus 0.25 percent
Great Britain's FTSE 100 Index	Plus 0.33 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.24 percent
France's CAC 40 Index	Plus 0.17 percent
Switzerland's Swiss Market Index	Minus 0.01 percent
Italy's MIBTEL Index	Minus 0.13 percent

As the price of crude oil eased, slightly, on international markets, so indices of Asian equity markets started to bounce back.

On many markets in this part of the world, early in the morning session, key indices were, once again, in full retreat.

But, in the afternoon session, things turned, again.

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

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose 1.30 percent to hit 14,161.02 points.

Perhaps, more important than the Hang Seng Index was the fact that the Total Turnover on the Main Board shot up to about \$HK26.56 billion, an increase of about 105.57 percent, compared with the volume of activity on Tuesday.

The ratio of gaining counters to losing ones was 2.63:One.

The value of trades in the scrip of the top 3 counters of the Ten Most Actives represented about 28.92 percent of the Total Turnover.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.80 percent to \$HK126.00 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.72 percent to \$HK70.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 2.95 percent to \$HK29.70 per share
CNOOC Ltd (Code: 883)	Unchanged at \$HK4.175 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.36 percent to \$HK74.75 per share
PetroChina Company Ltd (Code: 857)	Up 1.79 percent to \$HK5.70 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.35 percent to \$HK75.00 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 1.39 percent to \$HK14.60 per share



Hang Seng Bank Ltd (Code: 11)

Up 0.95 percent to \$HK106.50 per share

China Life Insurance Company Ltd (Code: 2628)

Unchanged at \$HK5.40 per share

The biggest, Main Board movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139		14.29	0.018
Bestway International Holdings Ltd	718	20.44		0.165
CNT Group Ltd	701	12.14		0.157
Compass Pacific Holdings Ltd	1188		15.81	0.181
e-Kong Group Ltd	524	23.03		0.219
GeoMaxima Energy Holdings Ltd	702	17.74		0.073
Mei Ah Entertainment Group Ltd	391	12.00		0.28
Morning Star Resources Ltd	542	16.67		0.07
Multifield International Holdings Ltd	898	19.05		0.15
Orient Resources Group Company Ltd	467	24.62		0.081
Shenzhen High-Tech Holdings Ltd	106	14.81		0.031
Technology Venture Holdings Ltd	61	10.71		0.124
Wonderful World Holdings Ltd	109		31.67	0.082
ZZNode Holdings Company Ltd	2371	10.00		0.55

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, the trading scenario was similar to that of the Main Board.

The Growth Enterprise Index rose by about 1.03 percent to 910.72 points, while the Total Turnover rose to about \$HK114.26 million, an increase of about 58 percent, compared with Tuesday's Total Turnover.

Gaining counters were ahead of losing ones by the ratio of about 1.05:One.

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

Vertex Communications and Technology Group Ltd  
(Code: 8226)

Up 12 percent to 67 cents per share

Tong Ren Tang Technologies Company Ltd (Code: 8069)

Up 2 percent to \$HK15.00 per share

TOM Online Incorporated (Code: 8282)

Unchanged at \$HK1.25 per share

Wumart Stores Incorporated (Code: 8277)

Up 1 percent to \$HK12.30 per share

B.A.L. Holdings Ltd (Code: 8079)

Down 9 percent to 34 cents per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B and S Entertainment Holdings Ltd	8167		17.50	0.033
ePRO Ltd	8086		14.29	0.012
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231	12.86		0.158
Medical China Ltd	8186	22.22		0.055
T S Telecom Technologies Ltd	8003	38.00		0.069
Techpacific Capital Ltd	8088		11.48	0.27
Vertex Communications and Technology Group Ltd	8228	11.67		0.67

In Japan, it was another dull trading day.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average gained 58.54 yen, or about 0.51 percent, ending the day at 11,547.28 yen.

The ratio of gaining counters to losing ones was about 1.51:One

And, on other Asian equity markets, this was how their respective key indices came to rest, last Wednesday night:

The HKSAR	Plus 1.30 percent to 14,161.02
Indonesia	Plus 0.12 percent to 1,134.70
Japan	Plus 0.51 percent to 11,547.28
Malaysia	Plus 0.78 percent to 903.33
The Philippines	Plus 0.23 percent to 1,958.62
Singapore	Plus 0.44 percent to 2,206.34
South Korea	Plus 1.23 percent to 1,002.15
Taiwan	Plus 1.26 percent to 6,357.83
Thailand	Minus 0.45 percent to 686.57

### **Thursday**

Oil! Oil! And more Oil! Those were the '*words*' on most investors' lips, last Thursday, as the price of the black ooze hit another record level.

By the close of the day on The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in August was settled at \$US59.42 per barrel.

That was an increase of 2.29 percent, compared with Wednesday's last settlement.

For September delivery, the price of light sweet crude oil hit \$US60.26 per barrel before succumbing to market forces, which pushed down the price to \$US60.05 per barrel by the close of the day.

Even so, the closing level for September delivery represented an increase on Wednesday's close of about 2.23 percent.

Investors on US equity markets were, visibly, shaken.

On The New York Stock Exchange, the Dow Jones Industrial Average dropped 166.49 points, equivalent to a fall of about 1.57 percent, ending the trading session at 10,421.44 points.

Over on The NASDAQ, its Composite Index gave up 21.37 points, or about 1.02 percent, coming to rest at 2,070.66 points when the hammer came down, signifying the end of trading for the day.

What drove home the point about crude oil and how it was adversely affecting corporate profits was when Fedex Corporation announced weaker-than-expected earnings due in large part to the increase in the price of jet fuel.

The share price of Fedex Corporation dropped 8.30 percent to \$US80.77.

### **News Wise**

- **United Airlines** has raised its airfares by 3 percent, effective immediately. The reason for the increase in airfares, the company announced, was due to the higher cost of jet fuel.

In Europe, however, there was a slightly different scenario, last Thursday.

With investors, still feeling that interest rates had a good chance of falling in the near future, and with energy counters, steaming hot from the record prices of crude oil, most key indices of major bourses rose.

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

Amsterdam's AEX Index	Plus 0.21 percent
Great Britain's FTSE 100 Index	Plus 0.29 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.17 percent
France's CAC 40 Index	Plus 0.25 percent
Switzerland's Swiss Market Index	Minus 0.36 percent
Italy's MIBTEL Index	Plus 0.05 percent

While key indices of most equity markets in Asia were higher, the gains were only of a fractional nature.

The price of crude oil continued to weigh heavily on the minds of many of the more-serious investors of the region even though, in Asia, last Thursday, crude oil prices had not, yet, hit the magic \$US60 per-barrel mark.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), while the volume of activity on the territory's 2 stock markets continued to be relatively high, most of the gains of the 'darlings' of the markets were quite limited.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose by about 0.21 percent, ending the session at 14,190.44 points.

The Total Turnover was about \$HK26.96 billion, while the ratio of gaining counters to losing ones was about 1.26:One.

The value of trades of the 4, most-active counters, at about \$HK10.72 billion, represented about 39.76 percent of the entire volume of activity of the day.

The Ten Most Actives were:

Bank of Communications Company Ltd (Code: 3328)	Unchanged at \$HK2.825 per share
HSBC Holdings plc (Code: 5)	Up 0.79 percent to \$HK127.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.52 percent to \$HK29.25 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.36 percent to \$HK70.50 per share
CNOOC Ltd (Code: 883)	Up 1.20 percent to \$HK4.225 per share
PetroChina Company Ltd (Code: 857)	Unchanged at \$HK5.70 per share

Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.33 percent to \$HK75.00 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.93 percent to \$HK5.35 per share
Sun Hung Kai Properties Ltd (Code: 16)	Unchanged at \$HK75.00 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 0.34 percent to \$HK14.65 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)
139 Holdings Ltd	139		11.11	0.016
Asia Alliance Holdings Ltd	616		11.11	0.096
China Star Entertainment Ltd	326		10.00	0.27
Chinney Alliance Group Ltd	2984	15.48		0.485
Compass Pacific Holdings Ltd	1188	19.89		0.217
e-Kong Group Ltd	524	27.85		0.28
Jinhui Holdings Company Ltd	137	11.49		2.425
Joyce Boutique Holdings Ltd	647	14.29		0.72
Magnificent Estates Ltd	201	21.90		0.167
Oriental Explorer Holdings Ltd	430	41.03		0.055
Shun Ho Technology Holdings Ltd	219	10.34		0.64
Sino Union Petroleum and Chemical International Ltd	346		10.48	0.205
Sinochem Hongkong Holdings Ltd	297		40.69	0.172
Sunlink International Holdings Ltd	2336	13.89		0.082
Unity Investments Holdings Ltd	913	14.29		0.04
VTech Holdings Ltd	303	38.67		15.60
Wonderful World Holdings Ltd	109	28.05		0.105

Over on The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index lost about 0.57 percent of its previous value, ending the trading session at 905.56 points.

The Total Turnover on this speculative market was about \$HK144.30 million.

Advancing counters were neck-to-neck with retreating ones, at One:One, exactly.

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

Launch Tech Company Ltd (Code: 8196)	Down 4 percent to \$HK1.92 per share
B.A.L. Holdings Ltd (Code: 8079)	Up 9 percent to 37 cents per share
Vertex Communications and Technology Group Ltd (Code: 8226)	Down 3 percent to 65 cents per share
Golden Meditech Company Ltd (Code: 8180)	Down 3 percent to \$HK1.40 per share
Aptus Holdings Ltd (Code: 8212)	Up 33 percent to 68 cents per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Aptus Holdings Ltd	8212	33.33		0.68
China Advance Holdings Ltd	8117		13.33	0.26

Chinainfo Holdings Ltd	8206	11.11		0.24
First Mobile Group Holdings Ltd	8110	10.84		0.225
M Dream Inworld Ltd	8100	14.29		0.016
Shanghai Fudan Microelectronics Company Ltd	8102	10.34		0.32
T S Telecom Technologies Ltd	8003		10.14	0.062
Value Convergence Holdings Ltd	8101		12.73	0.96

In Japan, it was another quiet day of trading on the premier equity market of the country, The Tokyo Stock Exchange: The Nikkei-225 Stock Average rose about 0.26 percent to 11,576.75 yen.

However, the bears had the upper hand, last Thursday, as the ratio of losing counters to gaining one was about 1.30:One.

There was good reason for the shine to come off the equity markets of The Land of The Rising Sun.

### News Wise

- The Finance Ministry announced that the country's **trade surplus** fell 68.30 percent in May, Year-On-Year, to 297 billion yen. It was the second, consecutive monthly decline. Exports to the PRC, proper, slowed; import prices were inflated due to the record-high price of crude oil.

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

The HKSAR	Plus 0.21 percent to 14,190.44
Indonesia	Plus 0.24 percent to 1,137.42
Japan	Plus 0.26 percent to 11,576.75
Malaysia	Minus 0.11 percent to 902.31
The Philippines	Minus 0.17 percent to 1,955.22
Singapore	Plus 0.78 percent to 2,223.45
South Korea	Plus 0.86 percent to 1,010.80
Taiwan	Plus 0.25 percent to 6,373.86
Thailand	Plus 0.96 percent to 693.13

### Friday

The price of crude oil on international markets continued to rise, last Friday, hitting yet another record level.

There appeared to be no way to stop its march.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in August ended the week at \$US59.84 per barrel, an increase on Thursday's closing level of about 0.71 percent.

For delivery in September, the price of light sweet crude oil rose by about 0.73 percent, settling at \$US60.49 per barrel.

The situation was becoming desperate for corporations, from one part of the globe to another.

On The New York Stock Exchange, the Dow Jones Industrial Average tumbled another 123.60 points, equivalent to about 1.19 percent, dropping back to 10,297.84 points.

On The NASDAQ, its Composite Index gave up 17.39 points, or about 0.84 percent, ending the week at 2,053.27 points.

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

The Dow Jones Industrial Average	Minus 3.06 percent
The Composite Index of the NASDAQ	Minus 1.76 percent

In Europe, airlines and motor-vehicle manufacturers came under heavy pressure as the price of crude oil continued to rise.

European investors were, still, continuing to be hopeful that interest rates in eurozone would come off, but, by last Friday, there were no definitive suggestions of this happening.

The **E**uropean **C**entral **B**ank (ECB) has kept interest rates at 2 percent for the past 2 years, amid faltering economies of the European Union.

Losses on major bourses came off very material amounts, last Friday, as the following **TARGET** list of major bourses illustrates:

Amsterdam's AEX Index	Minus 0.84 percent
Great Britain's FTSE 100 Index	Minus 0.69 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.31 percent
France's CAC 40 Index	Minus 0.95 percent
Switzerland's Swiss Market Index	Minus 0.67 percent
Italy's MIBTEL Index	Minus 0.86 percent

#### News Wise

- **British Airways** announced that it intends to increase the fuel surcharge by 50 percent due to the current high price of crude oil. The surcharge on long-haul flights will rise from £16 to £24, one-way only, immediately.

The situation, as far as Asia was concerned, last Friday, was approaching the critical stage.

The price of crude oil had, for the second consecutive day, touched \$US60 per barrel, and airlines, around the world, were increasing ticket prices by increasing fuel surcharges.

How long would it be before other industries felt the crunch, too, if it had not, already?

With these thoughts, and numerous others, indices of key equity markets in Asia fell, in quick succession.

In The Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key index of the Main Board of The Stock Exchange of Hongkong Ltd rose fractionally, while, on The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its lone index dropped back by a fraction.

The Hang Seng Index, the key index of the Main Board, which charts the course of blue chips, rose 0.28 percent to end the week at 14,230.29 points on a Total Turnover of about \$HK20.33 billion.

Losing counters outnumbered gaining ones by the ratio of 1.12:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK127.00 per share
Bank of Communications Company Ltd (Code: 3328)	Down 0.89 percent to \$HK2.80 per share
CNOOC Ltd (Code: 883)	Up 0.59 percent to \$HK4.25 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.35 percent to \$HK70.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.34 percent to \$HK29.35 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.00 percent to \$HK75.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.00 percent to \$HK75.75 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.93 percent to \$HK5.30 per share
PetroChina Company Ltd (Code: 857)	Up 1.75 percent to \$HK5.80 per share
New World Development Company Ltd (Code: 17)	Up 3.28 percent to \$HK9.45 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Velocity Group Ltd	149	26.98		0.80
EC-Founder (Holdings) Company Ltd	618		16.67	0.25
Everest International Investments Ltd	204		11.63	0.038
Grandtop International Holdings Ltd	2309		21.61	0.243
Guangnan (Holdings) Ltd	1203		12.80	0.109
Incutech Investments Ltd	356		21.30	0.85
Kwong Hing International Holdings (Bermuda) Ltd	1131		10.29	0.305
Man Yue International Holdings Ltd	894	10.34		0.64
Orient Power Holdings Ltd	615	14.92		0.285
Pearl Oriental Enterprises Ltd	600	23.68		0.47
South East Group Ltd	726	11.11		0.09
Wonderful World Holdings Ltd	109	14.29		0.12
Yue Da Holdings Ltd	629	16.00		0.58
Zhong Hua International Holdings Ltd	1064	24.19		0.077

On The GEM, its Growth Enterprise Index lost about 0.45 percent of its value, dropping to 901.47 points.

The Total Turnover on this speculative market retreated to about \$HK64.84 million.

The ratio of declining counters to advancing ones was about 1.52:One.

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

Vertex Communications and Technology Group Ltd (Code: 8226)	Up 6 percent to 69 cents per share
Sau San Tong Holdings Ltd (Code: 8200)	Down 5 percent to 52 cents per share
B.A.L. Holdings Ltd (Code: 8079)	Up 3 percent to 38 cents per share
Lang Chao International Ltd (Code: 8141)	Unchanged at 94 cents per share
TOM Online Incorporated (Code: 8282)	Unchanged at \$HK1.23 per share

The GEM biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGL MediaTech Holdings Ltd	8192	14.29		0.016

Cardlink Technology Group Ltd	8066	26.53		0.124
Chinainfo Holdings Ltd	8206	29.17		0.31
ePRO Ltd	8086	16.67		0.014
KanHan Technologies Group Ltd	8175		15.63	0.027
M Dream Inworld Ltd	8100		12.50	0.014
Medical China Ltd	8186		10.91	0.049
T S Telecom Technologies Ltd	8003	20.97		0.075

For the week, the tally of the 2 equity markets of the HKSAR was:

The Hang Seng Index	Plus	1.29 percent
The Growth Enterprise Market	Plus	0.97 percent

In The Land of The Rising Sun, investors were, still, cogitating over their Government's announcement in respect of trade surplus for May. (Please see Thursday's News Wise)

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average lost 39.72 yen, equivalent to about 0.34 percent, ending the trading week at 11,537.03 yen.

The ratio of losers to gainers was 1.15:One.

The tally for the week for the largest equity market in Asia was:

The Nikkei-225 Stock Average	Plus	0.20 percent
------------------------------	------	--------------

#### News Wise

- Unofficial sources have reported that Crystal Lines, the most-expensive cruise company in the world, today, based in Tokyo, Japan, has imposed a **fuel surcharge** of \$US4 per day per customer, effective immediately.

This was how the key indices of other Asian equity markets ended their respective trading weeks:

The HKSAR	Plus 0.28 percent to 14,230.29
Indonesia	Minus 0.15 percent to 1,135.67
Japan	Minus 0.34 percent to 11,537.03
Malaysia	Minus 0.47 percent to 898.08
The Philippines	Minus 0.41 percent to 1,947.21
Singapore	Plus 0.01 percent to 2,223.72
South Korea	Minus 0.83 percent to 1,002.43
Taiwan	Minus 0.52 percent to 6,340.69
Thailand	Minus 0.42 percent to 690.25



-- E N D --

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

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

 [Site Meter](#)