

**TERROR IN LONDON, ENGLAND:
AL-QAEDA KILLS 50 INNOCENTS AND MAIMS 700 OTHERS**

Crude Oil Prices Hit Record Highs

The translation value of the US dollar continued to make gains on international foreign-exchange markets, last Monday, pushing down the euro to its lowest level since May 2004.

The euro was quoted at about \$US1.1888, down from the previous week's last quote of about \$US1.1900.

Against other '*hard*' currencies, it was a similar story, with Japan, lapping it up because the weaken yen bodes well for Japanese businesses. (See below)

In Europe, the fall in the translation value of the euro vis-à-vis the US dollar was good news for industrialists in this part of the world and, as a result, most indices of major equity markets rose:

Amsterdam's AEX Index	Plus 0.40 percent
Great Britain's FTSE 100 Index	Plus 0.45 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.13 percent
France's CAC 40 Index	Minus 0.11 percent
Switzerland's Swiss Market Index	Plus 0.18 percent
Italy's MIBTEL Index	Plus 0.35 percent

As **TARGET** wrote in the previous week's report in respect of international equity markets, it was clear that the US Federal Reserve Board would, most likely, continue to increase The Fed Funds Rate in the months to come.

With crude oil prices, still on the rise, inflationary tendencies were bound to continue – and The Fed was duty bound to take steps to contain the situation.

With the United States of America (US), still enjoying a 3-day, booze-up and legs-up in order to celebrate Independence Day – that day on July 4, 1776, when the break-away American colonies formerly challenged the might of the then British Empire and hoisted the flag of rebellion, now, known as Stars and Stripes – equity

markets in Asia had to go it alone, without any suggestion as to how US equity markets and oil markets would behave when they opened for business on Tuesday.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), indices of both equity markets lost ground, but the losses were of a fractional nature, only.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index, the key gauge to trading in blue chips, listed on the Main Board, gave up 0.16 percent of its value, ending the day at 14,177.87 points.

The Total Turnover fell back to about \$HK15.82 billion, while the ratio of losing counters to gaining ones came in at about 1.52:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 0.64 percent to \$HK124.20 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.43 percent to \$HK69.95 per share
CNOOC Ltd (Code: 883)	Down 0.54 percent to \$HK4.625 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.52 percent to \$HK29.10 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.26 percent to \$HK76.55 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 0.34 percent to \$HK14.75 per share
China Telecom Corporation Ltd (Code: 728)	Up 1.79 percent to \$HK2.85 per share
PetroChina Company Ltd (Code: 857)	Up 2.61 percent to \$HK5.90 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.26 percent to \$HK75.55 per share
China Shenhua Energy Company Ltd (Code: 1088)	Unchanged at \$HK7.50 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Artfield Group Ltd	1229	16.67		0.385
Beijing Development (Hongkong) Ltd	154		11.11	0.80
Bestway International Holdings Ltd	718	14.58		0.165
Celestial Asia Securities Holdings Ltd	1049		10.81	0.33
Century Legend (Holdings) Ltd	79		11.73	0.173
China Velocity Group Ltd	149	17.07		0.96
China Wireless Technologies Ltd	2369	21.05		1.15
Dickson Group Holdings Ltd	313	11.11		0.35
Earnest Investments Holdings Ltd	339		20.59	0.027
Everest International Investments Ltd	204		15.79	0.032
Hua Lien International (Holding) Company Ltd	969		13.60	0.216
Hualing Holdings Ltd	382		11.76	0.12
INNOMAXX Biotechnology Group Ltd	340	10.40		0.138
Interchina Holdings Company Ltd	202	11.11		0.08
Landune International Ltd	245		12.80	0.109
Mei Ah Entertainment Group Ltd	391		10.71	0.25
New World CyberBase Ltd	276		15.49	0.30
Shanghai Allied Cement Ltd	1060	17.86		0.33
South Sea Petroleum Holdings Ltd	76	11.59		0.385
Sunny Global Holdings Ltd	1094	10.64		0.052
Unity Investments Holdings Ltd	913		15.79	0.032
Willie International Holdings Ltd	273		14.63	0.21

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the lone index of this speculative market, The Growth Enterprise Index, recorded a loss of about 0.47 percent, falling back to 894.39 points.

The Total Turnover was about \$HK53.48 million.

Declining counters outran advancing ones by the ratio of 1.62:One, exactly.

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

China Fire Safety Enterprise Group Holdings Ltd (Code: 8201)	Up 2 percent to 67 cents per share
Panva Gas Holdings Ltd (Code: 8132)	Down 2 percent to \$HK3.20 per share
Vertex Communications and Technology Group Ltd (Code: 8226)	Down 6 percent to 66 cents per share
B.A.L. Holdings Ltd (Code: 8079)	Unchanged at 37 cents per share
Kanstar Environmental Paper Products Holdings Ltd (Code: 8011)	Down 2 percent to 30.50 cents per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022	17.13		0.212
China Photar Electronics Group Ltd	8220	27.31		0.275
Co-winner Enterprise Ltd	8108		16.36	0.046
Golding Soft Ltd	8190		11.76	0.015
IIN International Ltd	8128	24.00		0.031
KanHan Technologies Group Ltd	8175		14.29	0.03
Medical China Ltd	8186		19.23	0.042
Panorama International Holdings Ltd	8173	11.27		0.079

In The Land of The Rising Sun, trading was predicated by the continued fall of the US dollar vis-à-vis the Japanese yen.

Last Monday, the US dollar bought 111.60 yen, which compared with the previous Friday's rate of about 111.13 yen.

Put another way, the yen had depreciated against the US dollar by about 0.42 percent in one trading day.

Good news for Japanese exporters!

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average rose about 21.42 yen, or about 0.18 percent, ending the trading day at 11,651.55 yen.

However, a positive for this equity market, which is the largest in Asia, was that advancing counters outnumbered declining ones by the ratio of about 2.44:One.

What was helping this market were exporters, who, seeing the translation value of the yen vis-à-vis the US dollar, took it to mean that Japanese goods and services had an even better crack at the US marketplace.

Quite right, too!

News Wise

- The **Consumer Price Index** for Tokyo for the month of June was 97.00 points, according to the preliminary statistics of The Internal Affairs and Communications Ministry. That figure represented a fall of about 0.40 percent, compared with the figure for June 2004. It, also, represented the 69th consecutive month of Year-On-Year price deteriorations. The Ministry, in addition, announced its findings in respect of Tokyo households, whose spending shrank a real 2.00 percent in May, compared with the like month in 2004. It was the second consecutive month of falls in this category of spending. Deflation, rearing up again?

- **Sanyo Electric Company** is expected to sack about 10,000 of its workers, globally, according to very reliable sources at the company. Management reported a Loss Attributable to Shareholders of about 171.54 billion yen for its Financial Year, ended March 31, 2005; and,
- **Unemployment in Japan** remains unchanged at 4.40 percent, according to The Ministry of Internal Affairs and Communications. That means that there are, still, about 3.07 million people, walking the streets of the second largest economy of the world, looking for work.

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

The HKSAR	Minus 0.16 percent to 14,177.87
Indonesia	Minus 0.01 percent to 1,138.88
Japan	Plus 0.18 percent to 11,651.55
Malaysia	Plus 0.52 percent to 898.69
The Philippines	Minus 4.20 percent to 1,815.67
Singapore	Plus 0.51 percent to 2,221.16
South Korea	Plus 0.36 percent to 1,021.71
Taiwan	Minus 0.01 percent to 6,271.20
Thailand	Minus 0.85 percent to 669.78

Tuesday

As many as 4 tropical depressions had been formed in the Atlantic Ocean, last Tuesday, with the US National Hurricane Centre in Miami, Florida, warning that 2005 could be a rough year for the southern coast of the US, The Gulf of Mexico, in particular.

As the depressions approached The Gulf of Mexico, traders started to play the oil markets in anticipation of the storms, being upgraded into hurricanes.

The Gulf of Mexico is an area where a great deal of oil refining takes place. In fact, it is estimated that about 25 percent of all of the oil requirements of the US is produced in this key region.

Crude oil prices headed back to the \$US60 per-barrel mark.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in August was settled at \$US59.59 per barrel, an increase of about 1.43 percent on the last quote of Friday, July 1, 2005.

(Monday was a national holiday in the US)

For delivery in September, the price of light sweet crude oil was settled at \$US60.74 per barrel after hitting a high of \$US60.97.

The last quote represented an increase of about 1.55 percent on the day.

Wall Street, in its first day of trading for the week, took careful note of the price of crude oil, but a manufacturing report, which appeared to be mildly bullish of the US economy, took precedence over oil even though this report was coloured, to a great extent, by war-related manufactured product.

On The New York Stock Exchange, the Dow Jones Industrial Average closed up 68.36 points, or about 0.66 percent, ending the day at 10,371.80 points.

On The NASDAQ, its Composite Index rose 21.38 points, equivalent to about 1.04 percent, closing out the day at 2,075.78 points.

News Wise

- Having been beaten to the punch by General Motors Corporation with its '*Employee Discount for Everyone*', **Ford Motor Company** announced that it, too, would follow General Motors's lead and offer similar discounts to consumers of Ford products in a campaign to be called, '*The Ford Family Plan*'. This new initiative started last Wednesday, July 6, 2005.

In Europe, indices of major bourse sank, fractionally.

On the one hand, oil prices were on the rise, once again, which is positive for many equity markets of eurozone, but, on the other hand, the economies of the region were starting to feel the impact of higher energy prices.

And equity markets of Europe comprise a little more than just energy counters.

Consumer spending was continuing to be restrained, causing retailers to advertise earlier-than-expected sales campaigns in an attempt to lure consumers back into shops. (Please see News Wise, below)

The plan had not ameliorated the situation, however.

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

Amsterdam's AEX Index	Minus 0.18 percent
Great Britain's FTSE 100 Index	Plus 0.11 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.42 percent
France's CAC 40 Index	Minus 0.27 percent
Switzerland's Swiss Market Index	Minus 0.12 percent
Italy's MIBTEL Index	Minus 0.23 percent

News Wise

- In the United Kingdom, **Retail sales** slipped about 0.50 percent in June, Year-On-Year, according to the British Retail Consortium. In May, retail sale were off about 2.40 percent, compared with the figures for May 2004. The British Retail Consortium appealed to The Bank of England to reduce interest rates.

In Asia, equity markets started to drift down.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), last Tuesday, it was announced that interest rates would be raised by 50 basis points.

That was sufficient to put the skids under the prices of select equities, with property stocks, being hit among the hardest.

On The Stock Exchange of Hongkong Ltd, both equity markets came under fire, with The **Growth Enterprise Market** (The GEM), losing very material ground.

The Main Board of The Stock Exchange of Hongkong Ltd saw its Hang Seng Index give up about 0.37 percent of its value, dropping back to 14,124.80 points.

The Total Turnover was about \$HK15.05 billion.

The ratio of losing counters to gaining ones was 2:One, exactly.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.24 percent to \$HK123.90 per share
PetroChina Company Ltd (Code: 857)	Unchanged at \$HK5.90 per share
CNOOC Ltd (Code: 883)	Up 2.70 percent to \$HK4.75 per share

Hutchison Whampoa Ltd (Code: 13)	Down 0.21 percent to \$HK69.80 per share
Bank of Communications Company Ltd (Code: 3328)	Down 1.79 percent to \$HK2.75 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.99 percent to \$HK74.80 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 0.68 percent to \$HK14.65 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.72 percent to \$HK76.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.03 percent to \$HK28.80 per share
China Shenhua Energy Company Ltd (Code: 1088)	Down 0.67 percent to \$HK7.45 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
A-Max Holdings Ltd	959		10.78	0.455
Artfield Group Ltd	1229		14.29	0.33
Asia Alliance Holdings Ltd	616		10.78	0.091
Asia Commercial Holdings Ltd	104		11.67	0.53
China Agrotech Holdings Ltd	1073		13.33	0.39
China Rich Holdings Ltd	1191		15.72	0.134
China Treasure (Greater China) Investments Ltd	810		14.40	0.107
Compass Pacific Holdings Ltd	1188		12.79	0.191
eForce Holdings Ltd	943	22.86		0.043
EVA Precision Industrial Holdings Ltd	838	13.79		1.32
G-Vision International (Holdings) Ltd	657		10.00	0.09
Hua Yi Copper Holdings Ltd	559		31.18	0.64
Interchina Holdings Company Ltd	202		33.75	0.053
New Capital International Investment Ltd	1062		23.08	0.10
Pacific Plywood Holdings Ltd	767		16.67	0.025
Regent Pacific Group Ltd	575	11.32		0.295
Tack Hsin Holdings Ltd	611	10.45		0.37
Universal Holdings Ltd	419		11.01	0.097

On The GEM, The Growth Enterprise Index surrendered about 1.10 percent of its value, ending the trading session at 884.53 points.

The Total Turnover on this market was about \$HK51.75 million.

Trading in just one counter, that of Golden Meditech Company Ltd (Code: 8180), was responsible for about 43 percent of the entire volume of activity of the day. (Please see 5, most-active counters, below)

The ratio of losing counters to gaining ones was identical to that of the Main Board, at 2:One, exactly.

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

Golden Meditech Company Ltd (Code: 8180)	Down 11 percent to \$HK1.13 per share
B.A.L. Holdings Ltd (Code: 8079)	Unchanged at 37 cents per share
Panva Gas Holdings Ltd (Code: 8132)	Down 1 percent to \$HK3.175 per share
Vertex Communications and Technology Group Ltd (Code: 8226)	Down 3 percent to 64 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	0.015
Argos Enterprise (Holdings) Ltd	8022		33.49	0.141
Co-winner Enterprise Ltd	8108	26.09		0.058
Golden Meditech Company Ltd	8180		11.02	1.13
KanHan Technologies Group Ltd	8175		13.33	0.026
New Chinese Medicine Holdings Ltd	8085		20.00	0.016
Prosperity International Holdings (Hongkong) Ltd	8139		17.65	0.028
QUASAR Communication Technology Holdings Ltd	8171		11.85	0.119
Satellite Devices Corporation	8172	10.00		0.022

In Japan, the premier equity market of the country, The Tokyo Stock Exchange, lost ground as investors pulled down a key index of this market.

The Nikkei-225 Stock Average lost 34.85 yen, equivalent to about 0.30 percent, ending the day at 11,616.70 yen.

Losing counters swamped gaining ones by the ratio of about 2.49:One.

Things did not look good in the short term for the world's second largest economy so that investors, who were looking at short-term profits, took their money to their favourite bank.

In other parts of Asia, this was how the indices of those markets ended their respective trading sessions, last Tuesday:

The HKSAR	Minus 0.37 percent to 14,124.80
Indonesia	Minus 0.68 percent to 1,131.17
Japan	Minus 0.30 percent to 11,616.70
Malaysia	Plus 0.02 percent to 898.87
The Philippines	Plus 0.07 percent to 1,817.02
Singapore	Plus 0.07 percent to 2,222.61
South Korea	Minus 0.28 percent to 1,018.81
Taiwan	Minus 0.62 percent to 6,232.04
Thailand	Minus 0.93 percent to 663.52

Wednesday

Fears that oil refineries, situated at The Gulf of Mexico, could be adversely affected by the approach of multiple storms, gathering strength in the Atlantic Ocean and in the Caribbean region, caused crude oil prices to rise to new record heights, last Wednesday in Asia.

One storm, in particular, named Tropical Storm Cindy, was posing an immediate threat to the US Gulf of Mexico.

Meanwhile, Tropical Storm Dennis was gathering strength in The Caribbean Sea.

For August delivery, light sweet crude oil was being settled at \$US60.13 per barrel in Asia in electronic trading on The New York Mercantile Exchange (NYMEX).

The US Federal Minerals Management Services announced that about 3 percent of the daily production of oil and gas had been curtailed in The Gulf of Mexico as a precautionary measure.

Meanwhile, the European Union (EU) was trying to apply the thumbscrews on The Organisation of Petroleum Exporting Countries (OPEC) to increase production and exportation of crude oil in order to alleviate the situation, worldwide.

The EU's economies are reeling from the effects of the record-high prices, being paid for crude oil.

During Open Outcry Trading on The NYMEX, the price of crude oil shocked many a hardened trader and merchant banker: It rose to yet another new record high.

For August delivery, the price of a barrel of light sweet crude oil rose 2.84 percent to \$US61.28.

As for September delivery, the price of light sweet crude oil rose to \$US62.13 per barrel, an increase of about 2.29 percent on the settlement price of Tuesday.

The situation bordered on hysteria for managements of certain companies, the profits of which are determined by running expenses, the cost of fuel oil, being high on the list.

For airlines, there was no way out but to increase fuel surcharges, once again.

Trucking companies in North America would, without question, have to increase haulage charges.

Wall Street was shocked, clearly, by the sudden increase in the price of the black ooze.

On The New York Stock Exchange, the Dow Jones Industrial Average sank to 10,270.68 points, a loss of 101.12 points, or about 0.97 percent.

Over on The NASDAQ, its Composite Index gave up 10.10 points, equivalent to about 0.49 percent, ending the trading session at 2,068.65 points.

Oil prices had hit another record level and now, truly, the pressure was on because it is unlikely that the economies of the West can tolerate such a high cost of energy for too long a period of time.

Corporate costs, due to the high cost of fuel, will have to be passed onto consumers; and, the vicious cycle will start once more, as Management will be hit with increases in wages and salaries from labour at a time when margins of profit are being squeezed to the bone.

While Europe was very concerned about the high cost of crude oil, it was more interested in speculating as to whether or not The Bank of England would cut its interest rate on Thursday.

Falling demand for product from consumers in the eurozone added support for the suggestion that The Central Bank of England would have to consider taking action in order to try to reverse the current trend in the High Street. (Please see Tuesday's report)

If London dropped interest rates, the European Central Bank might well have to follow London's lead, it was being reasoned.

This was how indices of major bourses closed, last Wednesday night:

Amsterdam's AEX Index	Plus	0.31 percent
Great Britain's FTSE 100 Index	Plus	0.76 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.25 percent
France's CAC 40 Index	Plus	0.63 percent

Switzerland's Swiss Market Index	Plus	0.45 percent
Italy's MIBTEL Index	Plus	0.52 percent

News Wise

- **Manufacturing** in the **United Kingdom (UK)** was flat during the month of May, according to The Office of National Statistics. For the quarter, ended May 31, 2005, manufacturing output was off by about 1.90 percent, compared with the quarter's figures, ended February 28, 2005; and,
- **Individual bankruptcies** in England and Wales hit another new record high, during the first quarter of 2005 to March 31, 2005, The Department of Trade and Industry has announced. The figures came in at 10,091 declarations of insolvency. On a Year-On-Year comparison, that figure is an increase of about 24.50 percent.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors appeared to be hesitant to make fresh commitments, one way or the other.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index lost about 0.18 percent of its value, dropping back to 14,149.93 points.

The Total Turnover was about \$HK17.64 billion, while the ratio of losers to gainers was neck-to-neck, at One:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.40 percent to \$HK124.40 per share
CNOOC Ltd (Code: 883)	Up 3.68 percent to \$HK4.925 per share
PetroChina Company Ltd (Code: 857)	Up 3.39 percent to \$HK6.10 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 1.63 percent to \$HK3.125 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.20 percent to \$HK74.95 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.39 percent to \$HK28.40 per share
New World Development Company Ltd (Code: 17)	Down 2.16 percent to \$HK9.05 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.93 percent to \$HK5.30 per share
Bank of Communications Company Ltd (Code: 3328)	Unchanged at \$HK2.75 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.43 percent to \$HK70.10 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Century Legend (Holdings) Ltd	79		10.37	0.147
China Fair Land Holdings Ltd	169	10.14		0.38
eForce Holdings Ltd	943	11.63		0.048
FU JI Food and Catering Services Holdings Ltd	1175		10.88	6.55
Golden Resorts Group Ltd	2985		10.15	1.77
GOME Electrical Appliances Holding Ltd	493		12.80	5.45
Guo Xin Group Ltd	1215		11.11	0.024
Hua Yi Copper Holdings Ltd	559		38.28	0.395
Jackin International Holdings Ltd	630	11.54		0.145

Proview International Holdings Ltd	334		15.12	0.73
Sky Hawk Computer Group Holdings Ltd	1129	10.00		0.11
Sunway International Holdings Ltd	58	10.00		0.33
Universal Holdings Ltd	419		17.53	0.08
Yunnan Enterprises Holdings Ltd	455	10.39		0.425

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, it was another day of material losses for investors, locked into companies, quoted on this speculative market.

The Growth Enterprise Index shed another 0.92 percent of its value, dropping back to 876.40 points.

The Total Turnover was about \$HK122.44 million, with one counter, that of Golden Meditech Company Ltd (Code: 8180), being responsible for about 50.31 percent of the entire volume of activity. (Please see 5, most-active counters below)

It was the second day of large losses for this counter, whose share price had shed the best part of 24 percent in just 2 trading days.

The ratio of losing counters to gaining ones was about 1.96:One.

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

Golden Meditech Company Ltd (Code: 8180)	Down 12 percent to \$HK1.00 per share
TOM Online Incorporated (Code: 8282)	Up 2 percent to \$HK1.26 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Down 1 percent to \$HK14.20 per share
Techpacific Capital Ltd (Code: 8088)	Down 3 percent to 31.50 cents per share
B.A.L. Holdings Ltd (Code: 8079)	Up 5 percent to 39 cents per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGL MediaTech Holdings Ltd	8192		20.00	0.012
Argos Enterprise (Holdings) Ltd	8022	19.86		0.169
Co-winner Enterprise Ltd	8108		13.79	0.05
Golden Meditech Company Ltd	8180		11.50	1.00
Jessica Publications Ltd	8137		21.88	0.25
M21 Technology Ltd	8153		11.24	1.50
Panorama International Holdings Ltd	8173	10.13		0.087
Plasmagene Biosciences Ltd	8250		10.50	0.179
Timeless Software Ltd	8028	15.79		0.088
WLS Holdings Ltd	8021	11.83		0.104

Trading on Asia's largest bourse, that of The Tokyo Stock Exchange, was especially quiet, last Wednesday.

The Nikkei-225 Stock Average gave up about 13.17 yen, or about 0.11 percent, sliding back to 11,603.53 yen.

The ratio of losers to gainers was 1.03:One.

News Wise

- **Standard Chartered Bank plc** (of the UK) has opened its first branch office in Japan. The office is aimed at the retail trade and is located in Tokyo. Standard Chartered Bank, already, has wholesale operations in the country.

In other Asian markets, key indices ended mixed:

The HKSAR	Plus 0.18 percent to 14,149.93
Indonesia	Minus 1.18 percent to 1,117.81
Japan	Minus 0.11 percent to 11,603.53
Malaysia	Plus 0.42 percent to 902.69
The Philippines	Minus 0.22 percent to 1,813.04
Singapore	Plus 0.52 percent to 2,234.13
South Korea	Plus 0.02 percent to 1,019.01
Taiwan	Minus 0.16 percent to 6,222.05
Thailand	Minus 0.54 percent to 659.91

Thursday

It was an unimaginable day, last Thursday.

As commuters sat in public transport in London, England, trying to get to their places of work before 9:00 a.m., a series of bomb blasts shook the ancient walls of this historic city, leaving 50 dead, outright, and at least 700 others badly injured, some mortally.

Al-Qaeda had struck again!

Equity market around the world, initially, went into steep decline, especially in Europe, but recovered somewhat from the initial shock of the terrorist attacks.

When European equity markets closed for the day, some of the earlier losses had been pared, but, still, key indices of major bourses were off material amounts as the following **TARGET** list illustrates:

Amsterdam's AEX Index	Minus 1.78 percent
Great Britain's FTSE 100 Index	Minus 1.36 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.84 percent
France's CAC 40 Index	Minus 1.38 percent
Switzerland's Swiss Market Index	Minus 0.93 percent
Italy's MIBTEL Index	Minus 1.55 percent

Economics was forgotten: It was considered incidental to the tragedy at London, England.

The price of crude oil was all but forgotten in spite of a hurricane, bearing down on The Gulf of Mexico.

Whether or not The Bank of England would increase interest rates was put on the back burner: It paled to insignificance at the horror that was London, last Thursday.

The only question on most people's minds in London was how to save the injured and bring back normalcy to the capital cities of Europe – else al-Qaeda had won the day.

On The New York Mercantile Exchange (NYMEX), the August delivery price of light sweet crude oil gyrated between a low of about \$US57.20 per barrel to the settlement level of \$US60.73 per barrel.

The last quote – \$US60.73 – represented a fall of about 0.90 percent, compared with Wednesday's settlement.

For September delivery, the price of a barrel of light sweet crude oil was settled at \$US61.68, off 0.72 percent on the day.

On The New York Stock Exchange, the Dow Jones Industrial Average put on 31.61 points, rising to 10,302.29 points, a one-day gain of about 0.31 percent.

On The NASDAQ, its Composite Index managed a gain of 7.01 points, or about 0.34 percent, ending the hectic trading session at 2,075.66 points.

While the world's largest equity markets ended their respective trading sessions in positive territory, at the openings of these markets, their key indices were sharply lower.

The recovery was clearly due to investors, making determinations that al-Qaeda would not be the victor, no matter what may transpire.

Investors in other parts of the world went into defensive huddles, last Thursday, after learning of the al-Qaeda strikes at the heart of London.

Equity markets in Asia and those markets, which were trading when Asia was working, saw their key indices dive sharply.

Panic had set in, in this part of the world.

The terrorists had struck during the height of the rush hour and at the heart of London's public transportation system: The (underground) tube.

At least 7 bomb blasts had been reported when Asian equity markets were still open.

In addition to the carnage, and making matters much worse, from investors' point of view, the US Government reported that Hurricane Dennis, a Category 3 Hurricane, with wind strength of up to 130 miles per hour, was headed straight for The (US) Gulf of Mexico.

It was expected to make landfall over the weekend (July 9-10).

Oil production at The Gulf of Mexico had, already, been disrupted by Tropical Storm Cindy, which came ashore on Tuesday night, forcing the evacuation of 23 production platforms and 3 drilling rigs.

Oil production at The Gulf was, already, down by about 3 percent, with more cuts, being anticipated.

Oil prices were bound to rise to even higher levels.

On Asian stock markets, last Thursday, losses were widespread due to (1) the bomb blasts in London and (b) the threat of oil prices, rising even further.

The situation was becoming very difficult.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both stock markets witnessed quick falls in the value of key indices.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gave up about 0.84 percent of its value, dropping back to 14,030.81 points.

The Total Turnover rose to about \$HK21.56 billion.

(It is never a good sign to note that the volume of activity is rising on a fast-falling market.)

The ratio of losing counters to gaining ones was 3.43:One, exactly.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.72 percent to \$HK123.50 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.21 percent to \$HK70.25 per share
CNOOC Ltd (Code: 883)	Down 0.51 percent to \$HK4.90 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.60 percent to \$HK74.50 per share
PetroChina Company Ltd (Code: 857)	Down 0.82 percent to \$HK6.05 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 1.60 percent to \$HK3.075 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.94 percent to \$HK27.85 per share
Bank of Communications Company Ltd (Code: 3328)	Up 1.82 percent to \$HK2.80 per share
China Shenhua Energy Company Ltd (Code: 1088)	Up 1.35 percent to \$HK7.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.05 percent to \$HK75.15 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		11.76	0.015
A-Max Holdings Ltd	959		18.60	0.35
Bauhaus International (Holdings) Ltd	483		16.53	1.01
Cheung Tai Hong Holdings Ltd	199		13.85	0.28
China Electronics Corporation Holdings Company Ltd	85		10.34	1.30
China Rich Holdings Ltd	1191	11.03		0.151
China Southern Airlines Company Ltd	1055		10.75	2.075
e-Kong Group Ltd	524		13.47	0.212
G-Prop (Holdings) Ltd	286		12.92	0.209
Graneagle Holdings Ltd	147	10.53		0.42
Paul Y. Engineering Group Ltd	577		10.77	0.58
Proview International Holdings Ltd	334		15.07	0.62
Shanghai Allied Cement Ltd	1060		10.00	0.27
Sinochem Hongkong Holdings Ltd	2992	10.39		1.70
Sunny Global Holdings Ltd	1094		12.73	0.048
Universal Holdings Ltd	419		11.25	0.071
Wai Yuen Tong Medicine Holdings Ltd	2987		13.58	0.35
Winfair Investment Company Ltd	287	12.28		3.20
ZZNode Holdings Company Ltd	2371		10.00	0.45

The pattern of trading on The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd was similar to that of the Main Board.

The Growth Enterprise Index surrendered about 0.68 percent of its value, dropping back to 870.42 points.

The Total Turnover rose to about \$HK114.89 million, while the ratio of losing counters to gaining ones was about 2.04:One.

Once again, trading in the shares of Golden Meditech Company Ltd (Code: 8180) stole the limelight as investors traded about 49.49 million shares of the company, that volume of activity in this one counter, representing a

dollar value of about \$HK53.42 million, equivalent to about 46.50 percent of the Total Turnover of The GEM.

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

Golden Meditech Company Ltd (Code: 8180)	Up 11 percent to \$HK1.10 per share
Wumart Stores Incorporated (Code: 8277)	Unchanged at \$HK12.55 per share
Yantai North Andre Juice Company Ltd (Code: 8259)	Down 3 percent to 61 cents per share
Vertex Communications and Technology Group Ltd (Code: 8228)	Down 8 percent to 59 cents per share
B.A.L. Holdings Ltd (Code: 8079)	Down 5 percent to 37 cents per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGL MediaTech Holdings Ltd	8192	25.00		0.015
China Photar Electronics Group Ltd	8220		10.20	0.22
CyberM International (Holdings) Ltd	8017	16.67		0.63
ePRO Ltd	8086		14.29	0.012
Golden Meditech Company Ltd	8180	11.00		1.11
Shenzhen Mingwah Aohan High Technology Corporation Ltd	8301	33.61		0.159
Timeless Software Ltd	8028	13.64		0.10

Japan's 3 equity markets were relatively quiet, last Thursday, compared with many of the stock markets around the world.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average lost 13.39 yen, or about 0.12 percent, dropping back to 11,590.14 yen.

The ratio of losing counters to gaining ones, however, was telling, at about 2.09:One: More losses looked more than likely for Friday.

And this was how the key indices of other Asian equity markets closed, last Thursday night:

The HKSAR	Minus 0.84 percent to 14,030.81
Indonesia	Minus 0.84 percent to 1,108.40
Japan	Minus 0.12 percent to 11,590.14
Malaysia	Plus 0.47 percent to 906.96
The Philippines	Plus 1.89 percent to 1,847.32
Singapore	Minus 0.98 percent to 2,212.34
South Korea	Plus 0.77 percent to 1,026.82
Taiwan	Minus 0.15 percent to 6,212.60
Thailand	Minus 3.27 percent to 638.31

Friday

Just prior to the equity markets, opening their doors for business, last Friday, The Bureau of Labour Statistics, a department of the US Labour Department, put out a rather bullish statement with regard to employment in The

Land of The Free and The Home of The Brave.

Ms Kathleen P. Utgoff, Commissioner of The Bureau, said:

'Nonfarm payroll employment rose by 146,000 in June, and the unemployment rate, at 5.0 percent, continued its recent downward trend. Payroll employment has increased by 2.1 million over the year. In June, job growth continued in several industries, with notable gains in professional and business services and in health care. Manufacturing employment declined over the month.'

'Professional and business services added 56,000 jobs in June and nearly half a million over the year. Employment continued to trend upward in several component industries, including architectural and engineering services and computer systems design and related services. Temporary help services employment was little changed over the month; job growth in the industry has slowed since last fall.'

'Employment in health care continued to expand in June with a gain of 25,000. The industry has added 249,000 jobs over the year. Over the month, employment rose in hospitals and in ambulatory health care services, such as doctors' offices.'

'Employment growth continued in construction in June, with a sizable gain (13,000) in heavy construction. Construction employment has increased by 282,000 over the year. In June, employment in financial activities remained on an upward trend and has increased by 151,000 over the year. More than half of the over-the-year gain occurred in credit intermediation, which rose by 9,000 in June. Real estate also has accounted for a substantial portion of the job growth in financial activities over the year.'

'Manufacturing employment declined by 24,000 in June. The number of factory jobs has decreased by 96,000 since August 2004, offsetting gains posted earlier in 2004. The June employment decline was concentrated in motor vehicles and parts manufacturing, where production cutbacks occurred in assembly and parts plants. Job losses also occurred in electrical equipment and in paper and paper products. In contrast, employment in computer and electronic products increased in June. Both the factory workweek, at 40.4 hours, and factory overtime, at 4.4 hours, were unchanged over the month.'

'Average hourly earnings of private production or nonsupervisory workers rose by 3 cents in June to \$16.06, following a 3-cent increase in May. Over the year, average hourly earnings have grown by 2.7 percent.'

'Turning now to our survey of households, the unemployment rate has trended down in recent months. At 5.0 percent in June, the rate was 0.4 percentage point lower than in February. During the February-through-June period, the employment-population ratio increased from 62.3 to 62.7 percent.'

'The number of long-term unemployed--that is, persons unemployed for 27 weeks or more - declined to 1.3 million in June. They constituted 17.8 percent of all unemployed persons, down from 20.1 percent in May.'

'In summary, nonfarm payroll employment increased by 146,000 in June, and the unemployment rate was 5.0 percent.'

In view of what had transpired in London, England, on Thursday, the statement from The Bureau was roundly welcomed since it could be described as light, shining through the darkness that is London.

Indices of the world's largest stock markets rose, quickly, at the opening – and stayed up for most of the day.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 146.85 points, equivalent to about 1.43 percent, ending the week at 10,449.14 points.

On The NASDAQ, its Composite Index gained 1.79 percent, running up to 2,112.88 points as investors quickly picked up, what they considered to be, cheapies.

There was, also, the determination in the hearts of many investors, from all walks of life, from Europe, to New York, to the Antipodes, that *'We shall prevail, no matter what!'*

For the 4-day week, ended July 8, 2005, the tally for the world's largest equity markets was:

The Dow Jones Industrial Average	Plus	1.41 percent
The NASDAQ's Composite Index	Plus	2.85 percent

Meanwhile, Cuba was experiencing a lashing, brought about by Hurricane Dennis, which was whipping the Communist island with winds, gusting up to 150 miles per hour.

Hurricane Dennis was expected to continue on its path and hit The Gulf of Mexico over the weekend.

In spite of the approach of Hurricane Dennis into The Gulf, the price of crude oil continued to fall on The New York Mercantile Exchange (NYMEX), last Friday.

For delivery in August, the price of light sweet crude oil was settled at \$US59.63 per barrel, a decline of about 1.81 percent, compared with Thursday's last quote.

For September delivery, the price of a barrel of light sweet crude oil was \$US60.64, a settlement level, which was 1.69 percent lower than Thursday's last settlement.

Thursday's losses on European bourses were all but erased by last Friday night: Investors seemed determined that it should be business as usual.

Stubborn Brits chanted: *'Damned be al-Qaeda!'*

Key indices of major equity markets made substantial gains, as the following **TARGET** table illustrates:

Amsterdam's AEX Index	Plus	1.28 percent
Great Britain's FTSE 100 Index	Plus	1.43 percent
Germany's Frankfurt XETRA DAX Index	Plus	1.49 percent
France's CAC 40 Index	Plus	1.88 percent
Switzerland's Swiss Market Index	Plus	0.95 percent
Italy's MIBTEL Index	Plus	1.72 percent

But key indices of major equity markets in Asia fell, last Friday, due in part to the uncertainty of the al-Qaeda attacks on London, England, and the omnipresence of Hurricane Dennis, which had, by last Friday, been upgraded into a Category 4 storm with wind strengths in excess of 140 miles per hour.

Florida residents were undergoing a compulsorily evacuation of low-lying areas due to the approach of Hurricane Dennis and, in The Gulf of Mexico, it was a matter only of battening down the hatches before the storm hit the refineries in the region.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the indices of the 2 equity markets fell from the opening bells.

The Hang Seng Index, the key index of blue chips, listed on the Main Board of The Stock Exchange of Hongkong Ltd, dropped another 0.47 percent of its value, ending the week at 13,964.47 points.

The Total Turnover shrank to about \$HK16.86 billion, while the ratio of losing counters to gaining ones was about 2.43:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 0.40 percent to \$HK123.00 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK70.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.08 percent to \$HK27.55 per share
PetroChina Company Ltd (Code: 857)	Down 1.65 percent to \$HK5.95 per share
CNOOC Ltd (Code: 883)	Down 2.04 percent to \$HK4.80 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.13 percent to \$HK75.05 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.54 percent to \$HK74.10 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.95 percent to \$HK5.20 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 0.81 percent to \$HK3.05 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 0.34 percent to \$HK14.50 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Best Group Holding Ltd	370	12.62		0.116
China Golden Development Holdings Ltd	162		16.67	0.20
E. Bon Holdings Ltd	599		11.15	0.231
Everest International Investments Ltd	204		20.00	0.024
Hua Yi Copper Holdings Ltd	559		11.11	0.36
Interchina Holdings Company Ltd	202		32.00	0.034
Kam Hing International Holdings Ltd	2307		11.02	1.05
New Smart Holdings Ltd	91	12.75		0.168
NewOcean Green Energy Holdings Ltd	342		10.34	0.52
Poly Investments Holdings Ltd	263		10.08	0.116
Proview International Holdings Ltd	334	12.90		0.70
REXCAPITAL Financial Holdings Ltd	555		12.50	0.028
Rontex International Holdings Ltd	1142	10.34		0.064
Sunway International Holdings Ltd	58		13.64	0.285
Zhongda International Holdings Ltd	909	12.00		0.28

Over on The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index gave up about 0.76 percent, falling back to 863.79 points.

The Total Turnover was about \$HK72.75 million and, once again, for the fourth consecutive day, it was Golden Meditech Company Ltd (Code: 8180) which was the lead player in the 5, most-active counters. (Please see below)

The ratio of losing counters to gaining ones was 2.35:One, exactly.

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

Golden Meditech Company Ltd (Code: 8180)	Down 3 percent to \$HK1.08 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Up 1 percent to \$HK13.95 per share

Lang Chao International Ltd (Code: 8141)

Panva Gas Holdings Ltd (Code: 8132)

TOM Online Incorporated (Code: 8282)

Down 10 percent to 96 cents per share

Unchanged at \$HK3.175 per share

Down 1 percent to \$HK1.24 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Photar Electronics Group Ltd	8220	10.45		0.243
Global Link Communications Holdings Ltd	8060		16.28	0.036
IIN International Ltd	8128		20.69	0.023
International Entertainment Corporation	8118		13.04	6.00
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049		14.29	0.12
Lang Chao International Ltd	8141		10.28	0.96
MP Logistics International Holdings Ltd	8239		11.11	0.12
Stockmartnet Holdings Ltd	8123	14.29		0.04
Tianjin Tianlian Public Utilities Company Ltd	8290		15.79	0.40
Universal Technologies Holdings Ltd	8091		10.13	0.142
WorldMetal Holdings Ltd	8161		11.11	0.72

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

The Hang Seng Index

Minus 1.67 percent

The Growth Enterprise Index

Minus 3.87 percent

In Japan, the shadow of London, England, passed over the second-largest economy of the world: The Land of The Rising Sun knew only too well that it was as vulnerable as any other capital city of the world.

And the Japanese investor was well aware of this fact.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average lost 24.15 yen, or about 0.21 percent, dropping back to 11,565.99 yen.

Losing counters outnumbered gaining ones by the ratio of about 1.25:One.

The tally for the week for Asia's largest equity market was:

The Nikkei-225 Stock Average Minus 0.55 percent

And this was how the other Asian equity markets saw the situation, last Friday:

The HKSAR	Minus 0.47 percent to 13,964.47
Indonesia	Plus 0.19 percent to 1,110.56
Japan	Minus 0.21 percent to 11,565.99
Malaysia	Minus 0.37 percent to 903.61
The Philippines	Plus 1.57 percent to 1,876.28
Singapore	Plus 0.17 percent to 2,215.99
South Korea	Minus 0.47 percent to 1,021.95

Taiwan	Minus 0.18 percent to 6,201.40
Thailand	Plus 0.78 percent to 643.31

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