

**INTERNATIONAL EQUITY MARKETS REACT:
CHINA REVALUES ITS RENMINBI; AND,
TERRORISTS TARGET LONDON, ENGLAND, AGAIN !**

International oil prices retreated, last Monday, as Hurricane Emily weakened into a Category 2 hurricane, allaying fears of a prolonged stoppage of refining in The Gulf of Mexico.

On The New York Mercantile Exchange (NYMEX), light sweet crude oil for August delivery dropped about 1.33 percent, compared with the previous Friday's settlement, to \$US57.32 per barrel.

As for delivery in September, the price of light sweet crude oil went down to \$US58.42 per barrel, off 1.20 percent, exactly, compared with the final quote of Friday, July 15, 2005.

On Wall Street, the bears took the high ground for the most part.

On The New York Stock Exchange, the Dow Jones Industrial Average shed 65.84 points, equivalent to about 0.62 percent, ending the trading session at 10,574.99 points.

Over on The NASDAQ, its Composite Index gave up 11.91 points, or about 0.55 percent, falling back to 2,144.87 points.

In Europe, major equity markets lost ground, but only by fractions.

Disappointing financial results from some of Europe's blue chips were said to have been one of the main reasons for the losses in eurozone.

This was how key indices of major bourses closed, last Monday:

Amsterdam's AEX Index	Minus 0.20 percent
Great Britain's FTSE 100 Index	Minus 0.31 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.14 percent
France's CAC 40 Index	Minus 0.23 percent
Switzerland's Swiss Market Index	Plus 0.23 percent
Italy's MIBTEL Index	Plus 0.09 percent

In Asia, one of the largest equity markets, that of Taiwan, was closed for the day due to the passage of a typhoon.

Japan's equity markets were, also, closed, last Monday, but for a public holiday: The closure had nothing to do with inclement weather.

That left the 2 markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) as the major players of equities in the most-populous part of the world.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose to 14,567.00 points, exactly, a gain of 62.71 points, or about 0.43 percent, compared with the close of the previous Friday.

The Total Turnover dropped to about \$HK17.61 billion, which represented a fall of nearly one third of the previous Friday's volume of activity.

The ratio of gaining counters to losing ones was about 1.38:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 0.08 percent to \$HK125.90 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.80 percent to \$HK75.65 per share
Cheung Kong (Holdings) Ltd (Code: 1) e	Up 1.03 percent to \$HK83.30 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 0.66 percent to \$HK15.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 2.03 percent to \$HK80.45 per share
China Shenhua Energy Company Ltd (Code: 1088)	Up 4.03 percent to \$HK7.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.17 percent to \$HK29.70 per share
PetroChina Company Ltd (Code: 857)	Up 0.83 percent to \$HK6.05 per share
China Life Insurance Company Ltd (Code: 2628)	Up 1.90 percent to \$HK5.35 per share
CNOOC Ltd (Code: 883)	Down 1.60 percent to \$HK4.60 per share

The biggest Main Board gainers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Standard Hotel Group Ltd	292	10.71		0.93
Beauforte Investors Corporation Ltd	21	16.13		0.36
CATIC International Holdings Ltd	232	10.20		0.108
Chanco International Group Ltd	264	13.11		0.69
China Elegance (Holdings) Ltd	476		10.71	0.05
Ching Hing (Holdings) Ltd	692		15.00	0.085
CNT Group Ltd	701	12.32		0.155
Decca Holdings Ltd	997	17.65		0.60
Credit Card DNA Security System (Holdings) Ltd	1051	10.94		0.071
Gay Giano International Group Ltd	686		14.06	0.275
Imagi International Holdings Ltd	585		21.67	0.94
Kwong Hing International Holdings (Bermuda) Ltd	1131	13.79		0.33
Morning Star Resources Ltd	542	11.54		0.058
New Focus Auto Tech Holdings Ltd	360	10.91		1.22
Pioneer Global Group Ltd	224	12.24		0.55
Poly Investments Holdings Ltd	263	12.82		0.132
Shun Cheong Holdings Ltd	650		10.00	0.27
Sunny Global Holdings Ltd	1094	66.67		0.10
Tse Sui Luen Jewellery (International) Ltd	417		19.01	1.64

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

The Growth Enterprise Index rose by 0.18 percent, exactly, ending the day at 886.10 points.

The Total Turnover was about \$HK37.89 million, which was a drop, compared with the previous Friday's volume of activity, of about 27 percent.

Declining counters outnumbered advancing ones by the ratio of about 1.13:One.

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

Kanstar Environmental Paper Products Holdings Ltd (Code: 8011)	Down 2 percent to 30 cents per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Up 1 percent to \$HK13.90 per share
TOM Online Incorporated (Code: 8282)	Up 1 percent to \$HK1.27 per share

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

Up 7 percent to 38.50 cents per share

WorldMetal Holdings Ltd (Code: 8161)

Up 10 percent to 88 cents per share

The biggest movers of this speculative market included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Cardlink Technology Group Ltd	8066	30.70		0.149
FlexSystem Holdings Ltd	8050		20.00	0.032
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231		16.67	0.15
iSteelAsia Holdings Ltd	8396		15.46	0.70
ProSticks International Holdings Ltd	8055		13.33	0.026
Q9 Technology Holdings Ltd	8129		30.00	0.021
WorldMetal Holdings Ltd	8161	10.00		0.88

On other Asian equity markets, this was how their key indices closed, last Monday night:

The HKSAR	Plus 0.43 percent to 14,567.00
Indonesia	Minus 0.27 percent to 1,128.44
Japan	Closed
Malaysia	Minus 0.19 percent to 915.08
The Philippines	Plus 0.64 percent to 1,909.25
Singapore	Minus 0.10 percent to 2,248.14
South Korea	Plus 0.27 percent to 1,062.43
Taiwan	Closed
Thailand	Minus 0.43 percent to 652.67

Tuesday

Hewlett-Packard Company announced that it would be sacking about 14,500 of its workers in an effort to save about \$US1.90 billion per year.

The announcement sent shock waves through trading floors of the US, but it did not stop the forward march of key indices of equity markets, which appeared to be determined to hit new 2005 highs, come what may.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 71.57 points, or about 0.68 percent, to 10,646.56 points.

It was the highest level since March, this year.

Over on The NASDAQ, its Composite Index rose to a new, 2005-year high of 2,173.18 points, up 28.31 points, equivalent to about 1.32 percent on Monday's close.

The equity markets of the US were pumped up by news that a number of Wall Street's most-closely watched blue chips had reported better-than-expected financial results so that the announcement by Hewlett-Packard had a minimal effect on share prices.

On The New York Mercantile Exchange (NYMEX), settlement for August delivery of light sweet crude oil was \$US57.46 per barrel, up about 0.24 percent on Monday's final level.

As for September delivery, a barrel of light sweet crude oil was fetching \$US58.69, an increase of about 0.46 percent on Monday's settlement.

In Europe, key indices of the 6 major equity markets were materially higher, with the lone exception of Great Britain's FTSE 100 Index, which slid back about 0.24 percent.

Europe was awaiting news from Wall Street, following the announcement of the paring of staff at Hewlett-Packard and the passage of Hurricane Emily, which had entered the northeast sector of The Gulf of Mexico.

This was how key indices of European equity markets fared, last Tuesday:

Amsterdam's AEX Index	Plus 1.00 percent
Great Britain's FTSE 100 Index	Minus 0.24 percent
Germany's Frankfurt XETRA DAX Index	Plus 1.07 percent
France's CAC 40 Index	Plus 1.39 percent
Switzerland's Swiss Market Index	Unchanged
Italy's MIBTEL Index	Plus 0.99 percent

On the 2 stock markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), key indices were flat, in the extreme.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about 0.74 of a point, or about 0.005 percent, to end the trading session at 14,567.74 points.

The Total Turnover rose, however, back to the \$HK21.56-billion level, while the ratio of declining counters to advancing ones was about 1.29:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.71 percent to \$HK125.00 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.33 percent to \$HK75.40 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 2.36 percent to \$HK30.40 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.20 percent to \$HK82.30 per share
China Life Insurance Company Ltd (Code: 2628)	Up 3.74 percent to \$HK5.55 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.50 percent to \$HK80.05 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 0.98 percent to \$HK15.10 per share
PetroChina Company Ltd (Code: 857)	Down 1.65 percent to \$HK5.95 per share
CNOOC Ltd (Code: 883)	Up 1.09 percent to \$HK4.65 per share
China Telecom Corporation Ltd (Code: 728)	Up 1.79 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)
Asia Tele-Net and Technology Corporation Ltd	679	16.13		0.36
Build King Holdings Ltd	240		15.58	0.168
CATIC International Holdings Ltd	232		11.11	0.096
China Rich Holdings Ltd	1191	13.85		0.148
China Velocity Group Ltd	149		26.14	0.65
Chinney Alliance Group Ltd	385	16.42		0.39
Earnest Investments Holdings Ltd	339	14.81		0.031
EVA Precision Industrial Holdings Ltd	838	12.98		1.48
Gay Giano International Group Ltd	686	12.73		0.31
Golden Dragon Group (Holdings) Ltd	329	20.00		0.30
Great China Holdings Ltd	141		23.15	0.415
Hansom Eastern (Holdings) Ltd	279	17.65		0.02
Hualing Holdings Ltd	382		14.52	0.106
Jiuzhou Development Company Ltd	908	10.23		0.485

Pacific Plywood Holdings Ltd	767		17.86	0.023
Shang Hua Holdings Ltd	371	12.73		0.62
Sino Technology Investments Company Ltd	1217		11.76	0.075
Sunny Global Holdings Ltd	1094		22.00	0.078
Tse Sui Luen Jewellery (International) Ltd	417	10.98		1.82
United Pacific Industries Ltd	176		16.40	0.209

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its lone index, The Growth Enterprise Index, lost about one fifteenth of a percentage point, ending the session at 884.76 points.

The Total Turnover was about \$HK47.30 million, while the ratio of advancing counters to declining ones was about 1.09:One.

Trading in the shares of TOM Online Incorporated (Code: 8282) represented, in terms of the dollar value of the trades, about 25 percent of the total volume of activity of the entire market.

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

TOM Online Incorporated (Code: 8282)	Up 3 percent to \$HK1.31 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Unchanged at \$HK13.85 per share
Rojam Entertainment Holdings Ltd (Code: 8075)	Up 4 percent to 53 cents per share
Kanstar Environmental Paper Products Holdings Ltd (Code: 8011)	Up 2 percent to 30.05 cents per share
Vertex Communications and Technology Group Ltd (Code: 8228)	Up 2 percent to 63 cents per share

The GEM's biggest movers of the trading day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022		28.87	0.138
B and S Entertainment Holdings Ltd	8167	12.90		0.035
Cardlink Technology Group Ltd	8066		24.83	0.112
China Photar Electronics Group Ltd	8220	18.67		0.178
Co-winner Enterprise Ltd	8108		25.93	0.04
Espco Technology Holdings Ltd	8299		10.26	0.35
Everpride Biopharmaceutical Company Ltd	8019		20.41	0.078
Greencool Technology Holdings Ltd	8056		12.79	0.375
IIN International Ltd	8128	43.48		0.033
Zhejiang Yonglong Enterprises Company Ltd	8211		11.02	0.105

On Asia's largest equity market, that of The Tokyo Stock Exchange, it was a similar situation to that that had transpired on the 2 equity markets of the HKSAR.

A key index of The Tokyo Stock Exchange, known as The Nikkei-225 Stock Average, gained 6.16 yen, equivalent to about 0.05 percent, ending the first trading session of the week at 11,764.84 yen.

The ratio of losing counters to gaining ones was about 1.18:One.

In other Asian markets, this was how their key indices ended at the conclusion of their respective trading days:

The HKSAR	Plus 0.005 percent to 14,567.74
Indonesia	Plus 0.32 percent to 1,132.02
Japan	Plus 0.05 percent to 11,764.84
Malaysia	Plus 0.19 percent to 916.78
The Philippines	Minus 0.13 percent to 1,889.55

Singapore	Plus 1.99 percent to 2,292.92
South Korea	Plus 1.23 percent to 1,075.48
Taiwan	Plus 0.09 percent to 6,416.34
Thailand	Minus 0.61 percent to 648.67

Wednesday

Dr Alan Greenspan, the world's most-celebrated economist, as well as being the Chairman of The US Federal Reserve Board, which is The Central Bank of the United States, delivered his testimony The Committee on Financial Services, The US House of Representatives of the US Congress, last Wednesday.

What he said, in a nutshell, was:

1. The US economy is on track for solid gains;
2. The Fed will continue to raise interest rates in order to keep inflation in check;
3. There are, however, '*significant uncertainties*' in respect of the largest, single economy of the world, which must be addressed; and,
4. The current, booming housing market of the US is cause for some concern because is it borne out of '*speculative fervour*': The Fed is keep a watching brief on that situation.

Prior to the complete testimony of Dr Alan Greenspan, the US Government's Bureau of Labour Statistics, a branch of The Labour Department, announced, at the opening of The New York Stock Exchange, last Wednesday morning, its statistics in respect of weekly earnings of workers in the US, during the second quarter of the year.

The findings of The Bureau appeared to add impetus to that which Dr Alan Greenspan was to state, later on in the day.

This is part of that which The Bureau announced:

'USUAL WEEKLY EARNINGS OF WAGE AND SALARY WORKERS: SECOND QUARTER 2005

'Median weekly earnings of the nation's 103.3 million full-time wage and salary workers were \$643 in the second quarter of 2005 ... This was 0.6 percent higher than a year earlier, compared with a gain of 3.0 percent in the Consumer Price Index for All Urban Consumers (CPI-U) over the same period.

'Data on usual earnings are collected as part of the Current Population Survey, a nationwide sample survey of households in which respondents are asked, among other things, how much each wage and salary worker usually earns. Highlights from the second-quarter data are:

-- Women who usually worked full time had median earnings of \$580 per week, or 81.3 percent of the \$713 median for men. The female-to-male earnings ratios were higher among Hispanics or Latinos (89.7 percent) and blacks (86.2 percent) than among Asians (82.0 percent) or whites (80.6 percent).

-- Median earnings for black men working at full-time jobs were \$565 per week, 77.2 percent of the median for white men (\$732). The difference was less among women, as black women's median earnings (\$487) were 82.5 percent of those for their white counterparts (\$590). Overall, median earnings of Hispanics or Latinos who worked full time

(\$473) were lower than those of blacks (\$518), whites (\$663), and Asians (\$743).

-- Among men, those age 45 to 54 and age 55 to 64 had the highest median weekly earnings, \$848 and \$841, respectively. Among women, earnings also were highest for 45- to 54-year-olds and 55- to 64-year-olds, \$636 and \$624, respectively.

-- Among the major occupational groups, persons employed full time in managerial, professional, and related occupations had the highest median weekly earnings.

-- \$1,089 for men and \$805 for women. Men and women in service jobs earned the least.

-- Full-time workers age 25 and over without a high school diploma had median weekly earnings of \$412, compared with \$584 for high school graduates (no college) and \$996 for college graduates holding at least a bachelor's degree. Among college graduates with advanced degrees (professional or master's degree and above), the highest-earning 10 percent of male workers made \$2,888 or more per week, compared with \$1,914 or more for their female counterparts.'

Wall Street appeared to warm to the words of The Chairman of The Fed in spite of the fact that it signalled further interest-rate increases to be announced at the next meeting of The Federal Open Market Committee Meeting, scheduled for August 8, 2005.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 42.59 points, or about 0.40 percent, running up to 10,689.15 points.

On The NASDAQ, its Composite Index climbed 15.39 points, equivalent to about 0.71 percent, ending the active trading day at 2,188.57 points.

News Wise

- **Eastman Kodak Company** announced that it intended to sack between 22,500 and 25,000 of its workforce. That is equivalent to about 46 percent of the current Establishment level of the company. The company is (or should that read, was?) the world's largest photography company.

On The New York Mercantile Exchange (NYMEX), the price of crude oil continued to fall.

For delivery in August (last Wednesday was the last trading day for this month), the price of light sweet crude oil fell back by about 1.29 percent to the settlement level of \$US56.72 per barrel.

As for delivery in September, the price of a barrel of light sweet crude oil was settled at \$US58.02, down about 1.14 percent on Tuesday's last quote.

The fall in the price of crude oil was due, in part at least, to the fact that the passage of Hurricane Emily was certain to miss the major oil refineries in The Gulf of Mexico.

In Europe, weaker-than-expected earnings of some Wall Street 'darlings' dented the confidence of many a European investor.

Exactly half of the key indices of the most-important bourses of eurozone lost ground, as the following **TARGET** list indicates:

Amsterdam's AEX Index	Minus 0.31 percent
Great Britain's FTSE 100 Index	Plus 0.26 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.29 percent
France's CAC 40 Index	Minus 0.13 percent

Switzerland's Swiss Market Index
Italy's MIBTEL Index

Plus 0.61 percent
Minus 0.31 percent

News Wise

- **Electrolux**, the world's largest producer of home appliances, announced that its net profits in the second quarter fell by about 3.50 percent, Year-On-Year, to about \$US151 million.

In Asia, with the lone exception of the stock markets of The Philippines, key indices of the region were in positive territory, but only by fractions.

There was little to promote trading in equities on the stock exchanges of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC): Key indices drifted for most of the day.

When the closing bell sounded, on the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index was standing at 14,602.70 points, an increase of 0.24 percent on Tuesday's closing level.

The volume of activity continued to be on the high side, however, at about \$HK23.95 billion, while the ratio of advancing counters to declining ones was 2.30:One, exactly.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.40 percent to \$HK125.50 per share
China Life Insurance Company Ltd (Code: 2628)	Up 1.80 percent to \$HK5.65 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.82 percent to \$HK30.15 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.40 percent to \$HK75.70 per share
PetroChina Company Ltd (Code: 857)	Up 2.52 percent to \$HK6.10 per share
CNOOC Ltd (Code: 883)	Up 0.54 percent to \$HK4.675 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.09 percent to \$HK83.20 per share
Bank of Communications Company Ltd (Code: 3328)	Up 0.89 percent to \$HK2.825 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 0.83 percent to \$HK3.025 per share
Sun Hung Kai Properties Ltd (Code: 16)	Unchanged at \$HK80.05 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CATIC International Holdings Ltd	232	18.75		0.114
China Treasure (Greater China) Investments Ltd	810		11.30	0.102
China Velocity Group Ltd	149	15.38		0.75
Chitaly Holdings Ltd	1198	13.66		5.20
Dickson Group Holdings Ltd	313	10.61		0.365
Emperor International Holdings Ltd	163	22.55		1.25
Everest International Investments Ltd	204	35.71		0.038
Golden Dragon Group (Holdings) Ltd	329		10.00	0.27
Great China Holdings Ltd	141	20.48		0.50
Hansom Eastern (Holdings) Ltd	279	10.00		0.022
Pacific Plywood Holdings Ltd	767	13.04		0.026
Pak Tak International Ltd	2668	19.05		0.25
Pyxis Group Ltd	516	10.77		0.072
Quam Ltd	952	12.07		0.65
Same Time Holdings Ltd	451		24.39	3.10
Shang Hua Holdings Ltd	371	16.13		0.72
Shun Cheong Holdings Ltd	650		11.11	0.24
South China Holdings Ltd	265		12.07	0.255
Sunny Global Holdings Ltd	1094	12.82		0.088

Vision Century Corporation Ltd	535	15.38		0.15
Wing Hong (Holdings) Ltd	745		10.29	0.061
Zhong Hua International Holdings Ltd	1064		31.51	0.05

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

The Growth Enterprise Index rose by one third of a percentage point, exactly, ending the trading session at 887.70 points.

The Total Turnover was about \$HK58.99 million.

On this market, however, losing counters were ahead of gaining ones by the ratio of 1.28:One.

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

Town Health International Holdings Company Ltd (Code: 8138)	Up 4 percent to 10.70 cents per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Unchanged at \$HK13.85 per share
TOM Online Incorporated (Code: 8282)	Down 2 percent to \$HK1.29 per share
M21 Technology Ltd (Code: 8153)	Up 14 percent to \$HK1.88 per share
Superdata Software Holdings Ltd (Code: 8263)	Unchanged at \$HK1.80 per share

The biggest GEM movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022	14.49		0.158
China Photar Electronics Group Ltd	8220	16.29		0.207
Everpride Biopharmaceutical Company Ltd	8019		12.82	0.068
Excel Technology International Holdings Ltd	8048		10.00	0.045
Xi'an Haitian Antenna Technologies Company Ltd	8227		12.50	0.21
IIN International Ltd	8128		24.24	0.025
iSteelAsia Holdings Ltd	8396		12.86	0.61
M21 Technology Ltd	8153	13.94		1.88

News Wise

- **BOC Hongkong (Holdings) Ltd** (Code: 2388, Main Board, The Stock Exchange of Hongkong Ltd), The Hongkong and Shanghai Banking Corporation Ltd and **Hang Seng Bank Ltd** (Code: 11, Main Board, The Stock Exchange of Hongkong Ltd) all raised their Prime Rates by 25 basis points to 6.50 percent, effective immediately.

In Japan, trading on Asia's largest stock markets was lethargic.

On The Tokyo Stock Exchange, a key index of this market, The Nikkei-225 Stock Average, lost 0.21 percent of its former value, sliding slowly back to 11,789.35 yen.

However, gaining counters outran losing ones by the ratio of 1.83:One.

In other Asian stock markets, this was how their key indices ended their respective trading days, last Wednesday:

The HKSAR	Plus 0.24 percent to 14,602.70
Indonesia	Plus 0.76 percent to 1,140.66
Japan	Plus 0.21 percent to 11,789.35

Malaysia	Plus 0.79 percent to 924.01
The Philippines	Plus 2.92 percent to 1,944.71
Singapore	Plus 0.71 percent to 2,309.26
South Korea	Minus 0.10 percent to 1,074.40
Taiwan	Plus 0.12 percent to 6,423.81
Thailand	Plus 0.21 percent to 650.04

Thursday

There was, certainly, no shortage of news of materiality, internationally, last Thursday.

From the Government of the People's Republic of China (PRC), it was announced that its currency, the renminbi, would be, de facto, revalued against the US dollar by about 2.10 percent, effective immediately.

This was accomplished by unpegging the renminbi to the US dollar, formerly at about 8.28 renminbi:\$US1.00, and replacing the US dollar with a basket of currencies, formerly known in Europe, some years ago, as *'the snake'*.

Effectively, that placed the translation rate of the renminbi to the US dollar at about 8.11:One.

This will, no doubt, be inflationary for the US because, now, PRC-produced goods will cost more to US importing houses which, no doubt, will have to pass on the additional costs of PRC products to the US consumer, down in the High Street.

The move by the PRC Government will have international repercussions in the fullness of time, without question.

Furthermore, a 2.10-percent, de facto devaluation/revaluation of the currency of the most-populous country in the world against other currencies may well be just a tickler: More mini-devaluations/revaluations of the renminbi in order to fine-tune it with its basket of currencies so as to maintain stability of the currency of the PRC within a narrow band could well follow in its wake.

The announcement by the PRC Government came after the equity markets of Asia had closed for the day so that it did not interfere or influence trading in equities in that part of the world.

Then, from London, England: Another terrorist outrage!

Terrorists struck in London just a fortnight to the day after the first attack that left more than 50 innocent people dead and more than 700 innocent people maimed and injured to a greater or lesser extent.

Last Thursday, at about 30 minutes past noon, bombs were discovered at 3 London, underground (tube) stations and on one omnibus.

The bombs misfired, it appeared: Nobody was hurt.

But the attacks had a devastating effect, nevertheless.

Scotland Yard was on the scene, almost immediately, collecting evidence, interviewing eye-witnesses, and making one arrest.

On Wall Street, the prices of stocks and shares started to slide back on news of the terrorist attacks in London, England.

The world's largest equity markets saw key indices fall despite oil prices, continuing their retreats, and despite the de facto revaluation of the renminbi vis-à-vis the US dollar.

On The New York Stock Exchange, the Dow Jones Industrial Average fell 61.38 points, equivalent to about 0.57 percent, ending the day at 10,627.77 points.

On The (tech-laden) NASDAQ, its Composite Index gave up 9.97 points, or about 0.46 percent, coming to rest at 2,178.60 points when the doors closed for the day.

On The New York Mercantile Exchange (NYMEX), for September delivery, settlement of a barrel of light sweet crude oil was \$US57.13, down 1.53 percent on Wednesday's last quote.

For the new month of October, settlement was \$US57.86 per barrel.

Despite a bit of a hiccuph over the terrorists' failed attempts to detonate more bombs in London's tube network, trading on Europe's equity markets went off without much of a hitch.

However, key indices' gains and losses, for the most part, were held to fractions, as the following **TARGET** list illustrates:

Amsterdam's AEX Index	Plus	0.08 percent
Great Britain's FTSE 100 Index	Plus	0.12 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.94 percent
France's CAC 40 Index	Plus	0.16 percent
Switzerland's Swiss Market Index	Minus	0.28 percent
Italy's MIBTEL Index	Plus	0.05 percent

In Asia, key indices of major equity markets hardly moved, at all, last Thursday.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China, while trading continued to be on the relatively high side, indices moved sideways, for the most part.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about 0.12 percent to 14,620.14 points on a Total Turnover of about \$HK23.30 billion.

The ratio of gaining counters to losing ones was narrow, at 1.02:One.

The Ten Most Actives were:

PetroChina Company Ltd (Code: 857)	Up 6.56 percent to \$HK6.50 per share
HSBC Holdings plc (Code: 5)	Up 0.08 percent to \$HK125.60 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 1.99 percent to \$HK15.40 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.83 percent to \$HK30.40 per share
China Shenhua Energy Company Ltd (Code: 1088)	Up 3.23 percent to \$HK8.00 per share
China Life Insurance Company Ltd (Code: 2628)	Unchanged at \$HK5.65 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.32 percent to \$HK82.10 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.66 percent to \$HK75.20 per share
Aluminum Corporation of China Ltd (Code: 2600)	Up 5.49 percent to \$HK4.80 per share
CNOOC Ltd (Code: 883)	Up 3.21 percent to \$HK4.825 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)
Chitaly Holdings Ltd	1198	11.54		5.80
E. Bon Holdings Ltd	599		10.71	0.25
eForce Holdings Ltd	943	20.69		0.035
Grand Field Group Holdings Ltd	115		13.56	0.102
Grandtop International Holdings Ltd	2309		10.80	0.223
Ruili Holdings Ltd	491		17.24	0.096
Shang Hua Holdings Ltd	371	27.78		0.92

Sino Technology Investments Company Ltd	1217		26.67	0.055
Starbow Holdings Ltd	397		26.09	0.051
Willie International Holdings Ltd	273		10.47	0.154
Wing Hong (Holdings) Ltd	745		13.11	0.053

Over on The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, the lone index of this speculative market, known as The Growth Enterprise Index, went in the opposite direction to that of the Main Board's Hang Seng Index, as investors pushed it to 883.11 points, a fall of about 0.52 percent on the day.

Losing counters were ahead of gaining ones by the ratio of 1.72:One.

The Total Turnover was about \$HK67. 96 million.

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

Tong Ren Tang Technologies Company Ltd (Code: 8069)	Down 1 percent to \$HK13.75 per share
M21 Technology Ltd (Code: 8153)	Up 10 percent to \$HK2.075 per share
Town Health International Holdings Company Ltd (Code: 8138)	Down 2 percent to 10.50 cents per share
B.A.L. Holdings Ltd (Code: 8079)	Down 1 percent to 37 cents per share
Golden Meditech Company Ltd (Code: 8180)	Unchanged at \$HK1.14 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
G.A. Holdings Ltd	8126		10.45	0.06
iSteelAsia Holdings Ltd	8396		24.59	0.46
Longlife Group Holdings Ltd	8037	11.76		0.38
M21 Technology Ltd	8153	10.37		2.075
New Universe International Group Ltd	8068	17.02		0.055
ProSticks International Holdings Ltd	8055		16.00	0.021
Tai Shing International (Holdings) Ltd	8103		15.15	0.28

Economic uncertainty appeared to be plaguing the 3 equity markets of the second-largest economy of the world, last Thursday.

On The Tokyo Stock Exchange, a key index of this market, The Nikkei-225 Stock Average, lost 2.62 yen, equivalent to about 0.02 percent, coming to rest at 11,786.73 yen.

The ratio of declining counters to gaining ones was 1.28:One, exactly.

And, in other Asian stock markets, this was how their key indices ended the day of July 21, 2005:

The HKSAR	Plus 0.12 percent to 14,620.14
Indonesia	Plus 1.48 percent to 1,157.51
Japan	Minus 0.02 percent to 11,786.73
Malaysia	Minus 0.22 percent to 921.94
The Philippines	Plus 0.83 percent to 1,960.76
Singapore	Plus 0.08 percent to 2,311.14
South Korea	Plus 0.02 percent to 1,074.65
Taiwan	Minus 0.46 percent to 6,394.03

Thailand	Minus 0.17 percent to 648.92
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Friday

The world of commerce and industry reacted, almost immediately, to the official announcement that the Government of the People's Republic of China (PRC) had revalued the renminbi against the US dollar, effectively by 2.10 percent, and, at the same time, unpegged the decade-long, inflexible chain between renminbi and the American currency in favour of a basket of currencies.

Various industries and equity markets saw the situation differently, but it was generally held that, long term, it was a solidly favourable move by the government of the most-populous country of the world and, probably, soon to be the second-largest economy of the world, knocking Japan off its perch.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 23.41 points, equivalent to about 0.22 percent, ending the week at 10,651.18 points.

As for the NASDAQ's Composite Index, however, it advanced by only 1.14 points, or about 0.05 percent, to 2,179.74 points.

Wall Street was caught between a rock and a hard place, as Americans like to say, because international oil markets were seeing improved buying of stocks of crude oil, pushing up prices, quite materially, and, at the same time, a number of popular blue chips and NASDAQ '*darlings*' had put out reports, stating that the next quarter might not be a very hot one for sales of their products and services.

News Wise

- **Kimberly-Clark Corporation** – Huggies diapers and Kleenex tissues, et al – announced that it would be sacking 6,000 of its workers and closing down 20 plants in an effort to save between \$US300 million and \$US350 million per annum. The closures will be in North America and Europe; and,
- **Ford Motor Company**, which lost about \$US1.21 billion in its second quarter, said it was considering sacking more of its staff.

For the week, ended July 22, 2005, the tally for the world's largest equity markets was:

The Dow Jones Industrial Average	Plus	0.10 percent
The NASDAQ's Composite Index	Plus	1.06 percent

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in September rose 2.66 percent on Thursday's settlement to \$US58.65 per barrel.

As for October delivery, the price of a barrel of light sweet crude oil was settled at \$US59.26, up 2.42 percent on the day.

In Europe, the second attempt by al-Qaeda-sponsored bombers to kill and maim innocent people of London continued to make the rounds of equity markets, pulling down indices and dissuading investors to some extent.

Also, news that one of the suspected bombers had been shot to death by one policeman, who fired 5 shots into the suspect, sent chills down the spines of many people.

Further, the killing was performed in a train station, in front of a crowd of commuters.

Chilling stuff!

This was how key indices of major bourses closed the week:

Amsterdam's AEX Index	Minus	0.41 percent
Great Britain's FTSE 100 Index	Plus	0.38 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.14 percent

France's CAC 40 Index	Minus 0.22 percent
Switzerland's Swiss Market Index	Plus 0.02 percent
Italy's MIBTEL Index	Plus 0.20 percent

The revaluation of the renminbi vis-à-vis the US dollar was greeted variously in Asia, last Friday, with the 3 equity markets of Japan, fearing that their export-related companies would be hurt by the move.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets saw their respective indices rise.

On the Main Board of The Stock Exchange of Hongkong Ltd, its gauge of trading in blue chips, the Hang Seng Index, hit a 54-month high of 14,786.46 points, up about 1.14 percent on Thursday's close.

The Total Turnover hit a 2005-high of about \$HK31.85 billion.

The ratio of gainers to losers was 1.71:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.88 percent to \$HK126.70 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 5.69 percent to \$HK3.25 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 0.97 percent to \$HK15.55 per share
PetroChina Company Ltd (Code: 857)	Down 0.77 percent to \$HK6.45 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 2.74 percent to \$HK84.35 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.20 percent to \$HK76.10 per share
China Life Insurance Company Ltd (Code: 2628)	Unchanged at \$HK5.65 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.81 percent to \$HK30.95 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.95 percent to \$HK80.95 per share
China Telecom Corporation Ltd (Code: 728)	Up 3.54 percent to \$HK2.925 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia TeleMedia Ltd	376		12.63	0.083
China Force Oil and Grains Industrial Holdings Company Ltd	1194		12.96	0.47
China Motion Telecom International Ltd	989		11.76	0.15
China Resources Land Ltd	1109	13.70		1.66
China Rich Holdings Ltd	1191		10.34	0.13
Concepta Investments Ltd	1140		12.50	0.35
EC-Founder (Holdings) Company Ltd	618		10.40	0.224
eForce Holdings Ltd	943		20.00	0.028
Everest International Investments Ltd	204	11.43		0.039
HKC International Holdings Ltd	248		13.33	0.26
Junefield Department Store Group Ltd	758		10.53	0.085
K and P International Holdings Ltd	675		22.22	0.21
Mei Ah Entertainment Group Ltd	391		12.90	0.27
Oriental Explorer Holdings Ltd	430	19.05		0.05
Poly Investments Holdings Ltd	263		12.31	0.114
Regent Pacific Group Ltd	575		10.77	0.29
Ruili Holdings Ltd	491		10.42	0.086
Starbow Holdings Ltd	397	15.69		0.059
Unity Investments Holdings Ltd	913		10.00	0.027

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index rose by about 0.21 percent, ending the trading day at 884.95 points.

The Total Turnover on this market continued to be low, however, at about \$HK47.95 million.

The ratio of gainers to losers was close, at about 1.03:One.

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

Vertex Communications and Technology Group Ltd (Code: 8228)	Up 2 percent to 66 cents per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Up 1 percent to \$HK13.85 per share
TOM Online Incorporated (Code: 8282)	Up 1 percent to \$HK1.27 per share
M21 Technology Ltd (Code: 8153)	Down 11 percent to \$HK1.85 per share
Golden Meditech Company Ltd (Code: 8180)	Up 1 percent to \$HK1.15 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Co-winner Enterprise Ltd	8108	11.90		0.047
Everpride Biopharmaceutical Company Ltd	8019	25.00		0.08
Info Communication Holdings Ltd	8082	21.05		0.092
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049	12.15		0.12
Lee's Pharmaceutical Holdings Ltd	8221		13.04	0.12
M Dream Inworld Ltd	8100		13.33	0.013
M21 Technology Ltd	8153		10.84	1.85
Shenzhen Mingwah Aohan High Technology Corporation Ltd	8301		20.10	0.159
New Chinese Medicine Holdings Ltd	8085	31.25		0.084
Shine Software (Holdings) Ltd	8270		12.50	0.14

And so, the tally for the equity markets of the HKSAR was:

The Hang Seng Index	Plus 1.95 percent
The Growth Enterprise Market	Plus 0.05 percent

In Japan, fearful that the revaluation of the renminbi to the US dollar would hurt the country's exports of goods and services to the US marketplace, investors went on a bit of a selling spree.

By the end of the trading day, The Nikkei-225 Stock Average, a key index of The Tokyo Stock Exchange, was standing at 11,695.05 yen, off 91.68 yen, or about 0.77 percent, compared with Thursday's closing level.

Losing counters outnumbered gaining ones by the ratio of 3.35:One.

For the 4-day trading week, the tally for Asia's biggest equity market was:

The Nikkei-225 Stock Average	Minus 0.54 percent
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And this was how the indices of other Asian stock markets ended their respective trading days, last Friday:

The HKSAR	Plus 1.14 percent to 14,786.46
Indonesia	Plus 1.27 percent to 1,172.24
Japan	Minus 0.78 percent to 11,695.05
Malaysia	Plus 1.93 percent to 939.69
The Philippines	Minus 0.32 percent to 1,954.40

Singapore	Plus 0.36 percent to 2,319.34
South Korea	Minus 0.04 percent to 1,074.22
Taiwan	Minus 0.21 percent to 6,380.73
Thailand	Minus 0.17 percent to 648.92

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