

**OIL PRICES HIT NEW, HISTORICAL HIGHS;
INTERNATIONAL EQUITY MARKETS START TO FEEL THE HEAT**

The price of crude oil hit a new record high on international markets, last Monday.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in September was settled at \$US63.94 per barrel, up about 2.62 percent, compared with the last settlement of Friday, August 5, 2005.

For delivery in October, light sweet crude oil was fetching \$US64.90 per barrel, an increase of about 2.60 percent on the last settlement of the previous Friday.

The reasons for the continued spike in the price of crude oil were refinery output limitations due to the ever-increasing demand for refined oil, for which refineries were unable to accommodate, and the fact that the United States had closed its diplomatic missions in Saudi Arabia – the US Embassy and its Consulates – in response to credible threats to the safety of its missions and the staff, manning them.

To top it off, Iran announced that it would resume its uranium conversion activities at its Isfahan nuclear facility.

The announcement from the Iranian Government followed persistent warnings that sanctions might be imposed on this fundamentalist Muslim country by the United Nations Security Council if it would not cease and desist in enriching uranium.

The Iranian Government has declared that it only wants nuclear energy to generate electricity; the world is afraid that Iran wants to be another nuclear power.

Iran is the second-largest oil producer among the members of The Organisation of Petroleum Exporting Countries.

On Wall Street, last Monday, things looked rather grim.

The US Federal Reserve Board was due to hold its Open Market Committee Meeting, the following day, with the consensus, being that interest rates would be raised by at least 25 basis points at the conclusion of this meeting.

On The New York Stock Exchange, the Big Board's Dow Jones Industrial Average gave up 21.10 points, equivalent to about one fifth of a percentage point, ending the trading day at 10,536.93 points.

On The NASDAQ, its Composite Index fell 13.52 points, or about 0.62 percent, falling back to 2,164.39 points.

Indices of European bourses headed for higher ground, last Monday, in direct response to the higher prices for crude oil.

Energy counters gained, but retailers were none too happy with their lot.

Europe, as with the rest of the world, was awaiting the outcome of The (US) Fed's Open Market Committee Meeting of last Tuesday.

This was how key indices of major European bourses fared:

Amsterdam's AEX Index	Plus	0.03 percent
Great Britain's FTSE 100 Index	Plus	0.55 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.22 percent
France's CAC 40 Index	Plus	0.43 percent
Switzerland's Swiss Market Index	Plus	0.29 percent
Italy's MIBTEL Index	Plus	0.62 percent

New Wise

- The price of **unleaded petrol** in the United Kingdom has hit a new, record high of 90 pence per litre (about \$US1.58 per litre).

Asian indices of the most-important bourses moved sideways, for the most part, as investors determined to wait it out in order to see which way the wind would blow when equity markets opened in other parts of the world.

On the 2 stock markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both indices rose, but only by fractions.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index put on 0.38 percent, rising to 15,108.94 points.

The Total Turnover was about \$HK18.74 billion, while the ratio of gaining counters to losing ones was about 1.42:One.

The Ten Most Active counters were:

Bank of Communications Company Ltd (Code: 3328)	Up 6.40 percent to \$HK3.325 per share
China Life Insurance Company Ltd (Code: 2628)	Up 1.69 percent to \$HK6.00 per share
HSBC Holdings plc (Code: 5)	Up 0.31 percent to \$HK127.90 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 2.21 percent to \$HK3.475 per share
PetroChina Company Ltd (Code: 857)	Up 2.17 percent to \$HK7.05 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.69 percent to \$HK87.10 percent
Hutchison Whampoa Ltd (Code: 13)	Up 0.32 percent to \$HK77.55 per share
China Telecom Corporation Ltd (Code: 728)	Up 2.52 percent to \$HK3.05 per share
CNOOC Ltd (Code: 883)	Up 3.77 percent to \$HK5.50 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Unchanged at \$HK16.10 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)
Chevalier iTech Holdings Ltd	508	10.34		1.60
e-Kong Group Ltd	524	10.87		0.255
Goldigit Atom-Tech Holdings Ltd	2362		12.59	0.125
Gorient (Holdings) Ltd	729		32.00	0.017
Greater China Holdings Ltd	431	15.38		0.60
Hongkong Construction (Holdings) Ltd	190	10.91		0.61
Interchina Holdings Company Ltd	202	31.71		0.054
Junefield Department Store Group Ltd	758	11.76		0.095
MAE Holdings Ltd	851	20.00		0.108
Mei Ah Entertainment Group Ltd	391		13.33	0.26
Orient Power Holdings Ltd	615		10.94	0.285
Pyxis Group Ltd	516	23.08		0.08
renren Holdings Ltd	2997		20.83	0.38
Rising Development Holdings Ltd	1004	10.14		0.76
South China Industries Ltd	413		14.29	0.60
Sunlink International Holdings Ltd	2336		10.67	0.067

On The **G**rowth Enterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its lone index, The Growth Enterprise Index, rose 0.83 percent, running up to 919.66 points.

The Total Turnover rose to about \$HK101.41 million, with trading in just one counter, that of WorldMetal Holdings Ltd (Code: 8161), being responsible for a little more than 23 percent of the entire volume of activity of the day. (Please see 5, most-active counters, below)

The ratio of gaining counters to losing ones was about 1.15:One.

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

WorldMetal Holdings Ltd (Code: 8161)	Up 17 percent to \$HK1.40 per share
HC International, Incorporated (Code: 8292)	Up 6 percent to \$HK1.69 per share
China.com Incorporated (Code: 8006)	Up 15 percent to 45.50 cents per share
TOM Online Incorporated (Code: 8282)	Up 3 percent to \$HK1.42 per share
Yantai North Andre Juice Company Ltd (Code: 8259)	Up 4 percent to 52 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		12.50	0.014
B and S Entertainment Holdings Ltd	8167		18.18	0.027
CASH Financial Services Group Ltd	8122	10.70		0.238
China.com Incorporated	8006	15.19		0.455
Co-winner Enterprise Ltd	8108		25.81	0.046
iSteelAsia Holdings Ltd	8080		64.67	0.53
Lee's Pharmaceutical Holdings Ltd	8221		15.20	0.106
Satellite Devices Corporation	8172		45.45	0.012
Shanghai Fudan Microelectronics Company Ltd	8102		14.29	0.24
Shanghai Qingpu Fire-Fighting Equipment Company Ltd	8115	11.11		0.50
WorldMetal Holdings Ltd	8161	16.67		1.40

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

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average managed to make a gain of 12.50 yen, equivalent to about 0.11 percent, coming to rest at 11,778.98 yen by the close of the trading day.

The ratio of declining counters to advancing ones was very close, at 1.005:One.

In the rest of Asia, this was how the key indices of the most-important equity markets ended their respective trading days, last Monday:

The HKSAR	Plus 0.38 percent to 15,108.94
Indonesia	Minus 1.32 percent to 1,158.59
Japan	Plus 0.11 percent to 11,778.98
Malaysia	Plus 0.49 percent to 948.02
The Philippines	Minus 0.04 percent to 1,974.83
Singapore	Plus 0.40 percent to 2,348.21
South Korea	Minus 0.25 percent to 1,086.64
Taiwan	Minus 1.02 percent to 6,380.03

Thailand	Plus 0.05 percent to 686.32
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Tuesday

As nearly everybody had anticipated, the US Federal Reserve Board, at its Open Market Committee Meeting, last Tuesday (Washington time), raised the Discount Rate by 25 basis points to 4.50 percent.

It was the tenth consecutive interest-rate increase for the US Government's Central Bank.

The Fed made clear mention of inflation in The Land of The Free and The Home of The Brave and the fact that it was still a threat to the US economy.

This is the exact wording of that which The Fed announced:

'The Federal Open Market Committee decided today to raise its target for the federal funds rate by 25 basis points to 3-1/2 percent.

'The Committee believes that, even after this action, the stance of monetary policy remains accommodative and, coupled with robust underlying growth in productivity, is providing ongoing support to economic activity. Aggregate spending, despite high energy prices, appears to have strengthened since late winter, and labor market conditions continue to improve gradually. Core inflation has been relatively low in recent months and longer-term inflation expectations remain well contained, but pressures on inflation have stayed elevated. The Committee perceives that, with appropriate monetary policy action, the upside and downside risks to the attainment of both sustainable growth and price stability should be kept roughly equal. With underlying inflation expected to be contained, the Committee believes that policy accommodation can be removed at a pace that is likely to be measured. Nonetheless, the Committee will respond to changes in economic prospects as needed to fulfill its obligation to maintain price stability....

'In a related action, the Board of Governors unanimously approved a 25-basis-point increase in the discount rate to 4-1/2 percent. In taking this action, the Board approved the requests submitted by the Boards of Directors of the Federal Reserve Banks of Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco.'

With no apparent shocks from The Fed, Wall Street appeared to appreciate the wording of The Fed's announcement: Key indices on equity markets moved to higher ground.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 78.74 points, or three quarters of a percentage point, rushing up to 10,615.67 points.

On The NASDAQ, its Composite Index gained 9.80 points, equivalent to about 0.45 percent, ending the trading day at 2,174.19 points.

On The New York Mercantile Exchange (NYMEX), the price of crude oil eased somewhat.

For delivery in September, the last settlement for a barrel of light sweet crude oil was \$US63.07, down 1.36 percent on Monday's last rate.

October delivery was settled at \$US64.16 per barrel, off 1.14 percent on the last settlement of Monday.

Europe was, also, happy with The Fed's pronouncement, causing every key index of the most-important bourses to rise, some very materially:

Amsterdam's AEX Index	Plus 1.13 percent
Great Britain's FTSE 100 Index	Plus 0.36 percent
Germany's Frankfurt XETRA DAX Index	Plus 1.48 percent
France's CAC 40 Index	Plus 1.14 percent
Switzerland's Swiss Market Index	Plus 0.07 percent

The price of European equities, in many cases, hit 3-year highs, last Tuesday, because many of the bourses are inundated with energy counters and, with crude oil, still staying above the \$US60-per-barrel level, it boded well for these counters.

By and large, Asia was cautious due in large part to the high price of energy and uncertainty, concerning The Fed's determination in respect of interest rates.

Bankers in Asia have gone on record as saying that, if The Fed raised US interest rates, they would follow suit.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets saw their key indices come under pressure, pulling them both down by fractions.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index gave up about 0.40 percent of its value, falling back to 15,047.84 points.

The Total Turnover was about \$HK20.71 billion.

Although The Hang Seng Index was only off by four tenths of a percentage point, it was noted that losing counters outnumbered gaining ones by the ratio of about 2.47:One.

The Ten Most Active counters were:

Bank of Communications Company Ltd (Code: 3328)	Down 1.50 percent to \$HK3.275 per share
HSBC Holdings plc (Code: 5)	Down 0.23 percent to \$HK127.60 per share
China Petroleum and Chemical Corporation (Code: 386)	Unchanged at \$HK3.475 per share
CNOOC Ltd (Code: 883)	Up 2.73 percent to \$HK5.65 per share
PetroChina Company Ltd (Code: 857) e	Down 0.71 percent to \$HK7.00 per shar
China Telecom Corporation Ltd (Code: 728)	Unchanged at \$HK3.05 per share
BOC Hongkong (Holdings) Ltd Down (Code: 2388)	0.31 percent to \$HK16.05 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.83 percent to \$HK5.95 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.77 percent to \$HK76.95 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.72 percent to \$HK85.60 percent

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
A-Max Holdings Ltd	959		13.10	0.365
China Elegance (Holdings) Ltd	476		16.67	0.05
Ching Hing (Holdings) Ltd	692		13.59	0.089
CITIC 21CN Company Ltd	241		12.90	1.35
Compass Pacific Holdings Ltd	1188	12.61		0.125
Earnest Investments Holdings Ltd	339	18.52		0.032
Fortuna International Holdings Ltd	530		20.00	0.012
Gorient (Holdings) Ltd	729	11.76		0.019
Grandtop International Holdings Ltd	2309	10.05		0.208
Interchina Holdings Company Ltd	202	14.81		0.062
Massive Resources International Corporation Ltd	70		10.00	0.018
Mei Ah Entertainment Group Ltd	391	13.46		0.295
Premium Land Ltd	164	12.50		0.18
Quam Ltd	952	11.59		0.77
renren Holdings Ltd	2997		13.16	0.33
Ruili Holdings Ltd	491		10.00	0.081
Shang Hua Holdings Ltd	371		46.58	0.203
Sunlink International Holdings Ltd	2336		10.45	0.06
Theme International Holdings Ltd	990	13.89		0.041

On The **G**rowth Enterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its lone index, The Growth Enterprise Index, ended the day within 0.01 percent of Monday's closing level, at 919.54 points.

The Total Turnover was about \$HK111.24 million, with the ratio of losing counters to gaining ones, being 1.21:One.

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

WorldMetal Holdings Ltd (Code: 8161)	Up 2 percent to \$HK1.43 per share
HC International, Incorporated (Code: 8292)	Down 1 percent to \$HK1.68 per share
Yantai North Andre Juice Company Ltd (Code: 8259)	Up 12 percent to 58 cents per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Unchanged at \$HK14.50 per share
China.com Incorporated (Code: 8006)	Down 2 percent to 44.50 cents per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Ltd	8061	12.50		0.225
AGL MediaTech Holdings Ltd	8192	57.14		0.022
Yantai North Andre Juice Company Ltd	8259	11.54		0.58
B and S Entertainment Holdings Ltd	8167	11.11		0.03
Byford International Ltd	8272	20.00		0.30
China Advance Holdings Ltd	8117	11.11		0.40
Computech Holdings Ltd	8081	25.00		0.05
iSteelAsia Holdings Ltd	8080		15.09	0.45
Shanghai Fudan Microelectronics Company Ltd	8102	14.58		0.275
T S Telecom Technologies Ltd	8003		12.73	0.048
Ultra Group Holdings Ltd	8203	18.92		0.044
Value Convergence Holdings Ltd	8101		10.00	0.90

In Japan, a report by the Government with regard to a jump in machinery orders (Please see News Wise, below) helped to propel key indices on the country's 3 equity markets, considerably.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average tagged on a gain of 121.34 yen, equivalent to about 1.03 percent, running back to 11,900.32 yen.

Advancing counters trounced declining ones by the ratio of about 10.10:One.

News Wise

- The Cabinet Office of the Japanese Government announced that **private-sector machinery orders** rose, Month-On-Month, seasonally adjusted, by 11.10 percent in the month of June to 1.059 trillion yen. It was the highest level of the previous 5 years. The amount of money, spent by Japanese industry on machinery, is considered a leading indicator of corporate spending in The Land of The Rising Sun and is suggestive of expansion in this important sector of the economy;
- **McDonald's Holdings Company Japan** announced that its Net Profit Attributable to Shareholders for the first half of the Current Financial Year, ended June 30, 2005, was about 474 million yen. That figure was more than half of the Net Profit achieved in the like period of 2004; and,
- **West Japan Railway Company** said that its Group Net Profit Attributable to Shareholders for the quarter, ended June 30, 2005, was 13.87 billion yen. That result represented a 4-percent increase, compared with like period in 2004.

In other parts of Asia, this was how indices of those equity markets ended their respective days, last Tuesday:

The HKSAR	Minus 0.40 percent to 15,047.84
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Indonesia	Plus 0.36 percent to 1,162.80
Japan	Plus 1.03 percent to 11,900.32
Malaysia	Minus 0.33 percent to 944.94
The Philippines	Plus 0.77 percent to 1,990.00
Singapore	Closed
South Korea	Plus 1.21 percent to 1,099.77
Taiwan	Minus 0.001 percent to 6,380.00
Thailand	Minus 0.70 percent to 681.54

Wednesday

It was becoming boring to report, but last Wednesday, again the price of crude oil broke another record high on international markets, as buyers piled in, driving the price to what, only a few months ago, appeared to be unbelievably high levels.

On The New York Mercantile Exchange (NYMEX), light sweet crude oil was settled at \$US64.90 per barrel, up 2.90 percent on Tuesday's closing level.

For delivery in October, the last settlement for light sweet crude oil was \$US66.06 per barrel, an increase of about 2.26 percent on the day.

Rising tensions in the Middle East was just part of the reason for the increase in the price of the black ooze because Iran's determination to reopen its Isfahan nuclear facility in order to enrich uranium was causing ripples throughout the Western World.

A number of countries of the West had called upon the hard-line government of this Islamic fundamentalistic country to think hard about its policies ... or suffer the consequences.

Iran is the second-largest player of the Organisation of Petroleum Exporting Countries, just behind Saudi Arabia, and should Iran's ruling clerics determine to stop exporting oil, completely, it could well drive the price of crude oil up closer to the \$US100 per barrel mark.

Many oil traders were counting on just such a possibility.

Wall Street was, clearly, taken aback by the record high price of crude oil.

On The New York Stock Exchange, the Dow Jones Industrial Average fell 21.36 points, equivalent to one twentieth of a percentage point, dropping to 10,594.41 points.

On The NASDAQ, its Composite Index surrendered 16.38 points, or about three quarters of a percentage point, backing off to 2,157.81 points.

With energy counters, being in abundance on European bourses, investors in this part of the world appeared to be happy with their lot, in the main.

The fact that the US Federal Reserve Board had said little to upset wheelers and dealers of equities of the US and the fact that Wall Street had, just about, shrugged off the 25 basis-point rise in interest rates in the US boded well for investors of stocks and shares of Europe, it was reasoned.

Every index of every major European bourse scored positively, last Wednesday, for the third consecutive day of the week:

Amsterdam's AEX Index	Plus 1.43 percent
Great Britain's FTSE 100 Index	Plus 0.25 percent

Germany's Frankfurt XETRA DAX Index	Plus	1.65 percent
France's CAC 40 Index	Plus	0.78 percent
Switzerland's Swiss Market Index	Plus	0.76 percent
Italy's MIBTEL Index	Plus	0.88 percent

On Asian equity markets, investors followed Wall Street's lead of Tuesday, with the largest equity markets, registering very material gains, led by the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about 1.98 percent, ending the very bullish trading session at 15,346.41 points.

The Total Turnover was about \$HK23.22 billion; the ratio of gaining counters to losing ones was 2.65:One, exactly.

The Ten Most Actives, all of which were gainers, were:

HSBC Holdings plc (Code: 5)	Up 0.47 percent to \$HK128.20 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 7.32 percent to \$HK34.45 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 3.60 percent to \$HK3.60 per share
CNOOC Ltd (Code: 883)	Up 5.31 percent to \$HK5.95 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.49 percent to \$HK78.10 per share
China Life Insurance Company Ltd (Code: 2628)	Up 1.68 percent to \$HK6.05 per share
Bank of Communications Company Ltd (Code: 3328)	Up 1.53 percent to \$HK3.325 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 0.93 percent to \$HK16.20 per share
PetroChina Company Ltd (Code: 857)	Up 0.71 percent to \$HK7.05 per share
China Telecom Corporation Ltd (Code: 728)	Up 2.46 percent to \$HK3.125 per share

The biggest Main Board movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Golden Development Holdings Ltd	162	12.68		0.24
Compass Pacific Holdings Ltd	1188	26.40		0.158
Emperor Entertainment Hotel Ltd	296	12.87		1.93
G-Vision International (Holdings) Ltd	657	13.33		0.085
Garron International Ltd	1226		44.76	0.058
Golden Resorts Group Ltd	1031	10.00		2.475
Goldigit Atom-Tech Holdings Ltd	2362	10.40		0.138
Gorient (Holdings) Ltd	729		10.53	0.017
HyComm Wireless Ltd	499	12.86		0.079
Jackin International Holdings Ltd	630	10.37		0.149
LifeTec Group Ltd	1180	12.75		0.115
Nam Tai Electronic and Electrical Products Ltd	2633		12.23	1.65
Pyxis Group Ltd	516		12.50	0.07
renren Holdings Ltd	2997		12.12	0.29
REXCAPITAL Financial Holdings Ltd	555		15.38	0.022
Shang Hua Holdings Ltd	371	72.41		0.35
South China Industries Ltd	413	16.67		0.70
Starbow Holdings Ltd	397	10.00		0.055
Sunlink International Holdings Ltd	2336	11.67		0.067
Unity Investments Holdings Ltd	913	25.00		0.015
Wing Hong (Holdings) Ltd	745	15.56		0.052
Wing Shing International Holdings Ltd	850		14.38	0.137

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, the lone index of this very speculative market hardly moved, during the entire trading session.

The Growth Enterprise Index gained about 0.31 percent, rising to 955.41 points on a Total Turnover of about \$HK58.48 million.

Advancing counters beat off declining ones by the ratio of about 1.47:One.

The low volume of activity appeared to suggest that investors on this market were not too enthralled with their lot: A sell-off seemed entirely possible on Thursday's market.

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

Tong Ren Tang Technologies Company Ltd (Code: 8069)	Up 1 percent \$HK14.60 per share
China Fire Safety Enterprise Group Holdings Ltd (Code: 8201)	Down 1 percent to 67 cents per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Up 1 percent to \$HK1.16 per share
Yantai North Andre Juice Company Ltd (Code: 8259)	Down 3 percent to 56 cents per share
TOM Online Incorporated (Code: 8282)	Unchanged at \$HK1.39 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022		13.25	0.144
B and S Entertainment Holdings Ltd	8167		10.00	0.027
CASH Financial Services Group Ltd	8122	14.04		0.26
Co-winner Enterprise Ltd	8108	15.22		0.053
Essex Bio-Technology Ltd	8151		14.53	0.10
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231	12.50		0.18
Global Digital Creations Holdings Ltd	8271		13.04	0.20
iSteelAsia Holdings Ltd	8080	10.00		0.495
Shenzhen Mingwah Aohan High Technology Corporation Ltd	8301	37.18		0.214
Prosperity International Holdings (Hongkong) Ltd	8398		10.71	0.25
ProSticks International Holdings Ltd	8055		22.73	0.017
T S Telecom Technologies Ltd	8003	14.58		0.055

In Japan, indices of the 3 equity markets of the country were bubbling over.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average rose about 1.66 percent, running up to 12,098.08 yen, which was a 4-year high.

The TOPIX Average, a more-representative index of blue chips, quoted on the First Section of Asia's largest equity market, shot to 1,227.85 points, its highest level since April 2004.

That gain represented a one-day improvement of about 1.79 percent.

It was said that foreign buying was driving indices to higher levels.

The ratio of gaining counters to losing ones was about 8.06:One.

News Wise

- In the month of July, **wholesale prices** rose a preliminary 1.50 percent, compared with July 2004, The Bank of Japan announced. It was the seventeenth consecutive month of gains in wholesale prices; and,
- **Softbank Corporation** announced that it fully expected a full-year Operating Profit for Fiscal 2005, the first positive Operating Profit for this company since 2000.

In other Asian equity markets, this was how their indices fared, last Wednesday:

The HKSAR	Plus 1.98 percent to 15,346.41
Indonesia	Plus 1.21 percent to 1,176.84
Japan	Plus 1.66 percent to 12,098.08
Malaysia	Minus 0.58 percent to 939.48
The Philippines	Plus 1.03 percent to 2,010.41
Singapore	Minus 0.41 percent to 2,338.49
South Korea	Plus 0.46 percent to 1,104.86
Taiwan	Minus 0.36 percent to 6,356.84
Thailand	Plus 0.45 percent to 684.59

Thursday

The price of crude-oil futures continued to steal the march on all other events, internationally, last Thursday, as it hit new, historical highs.

On The New York Mercantile Exchange (NYMEX), the last settlement for light sweet crude oil for delivery in September was \$US65.80 per barrel, an increase on Wednesday's closing level of about 1.39 percent.

As for delivery in October, light sweet crude oil was settled at \$US66.75 per barrel, up about 1.05 percent, compared with the last settlement of Wednesday.

Iran continued to be used as a primary reason for the increased speculation in the price of crude oil as the International Atomic Energy Agency (IAEA) approved a resolution to the effect that it should apply pressure on the fundamentalistic government of Iran in order to persuade it to suspend all of its activities at its Isfahan nuclear facility.

The IAEA had, by last Thursday, made a determination that, should Iran decide not to abide by its ruling – Iran is a signatory to the United Nations's nuclear, non-proliferation treaty – the matter would be referred to The Security Council of the United Nations for its consideration.

If that eventuality should transpire, the United Nations could well impose punitive sanctions on the second-largest exporter of crude oil of The Organisation of Petroleum Exporting Countries.

Iran appeared to be adamant, last Thursday, however, stating steadfastly that it would not tolerate the intimidatory attitude of the IAEA and, in any event, it only wanted to produce nuclear power for peaceful purposes; it had no intention of building up a nuclear arsenal.

On most of the important equity markets of the world, almost completely ignoring fundamentals, share prices rose, buoyed by higher prices in energy sectors.

On The New York Stock Exchange, the Dow Jones Industrial Average rallied 91.48 points, equivalent to about 0.86 percent, ending the hectic trading session at 10,685.89 points.

On The NASDAQ, its Composite Index rose 16.74 points, or about 0.78 percent, running up to 2,174.55 points.

The share price of Exxon Mobile Corporation, the world's biggest, publicly listed company by market capitalisation, was responsible, at least in large part, for a great deal of Wall Street's gains, last Thursday, as its share price rose another 1.80 percent to close the day at \$US60.95.

For the first day of last week, key indices of Europe lost ground, last Thursday.

While energy counters remained strong, with prices, rising steadily, investors in this part of the world were getting a little worried that the high price of crude oil would cause a contraction in corporate profit margins.

For many European investors, a sell-off was on the cards, due almost completely to the rising price of crude oil, petrol and petroleum products supply considerations, and continued tensions in the Middle East.

The little ball may well spin round quickly on the rip of a casino's roulette wheel, but, as the ball loses momentum, it would, invariably, have to fall onto one of the numbers; and, then, the chances of a win were about one in 36.

The following is how the key indices in Europe closed their respective trading days, last Thursday:

Amsterdam's AEX Index	Minus 0.35 percent
Great Britain's FTSE 100 Index	Minus 0.35 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.73 percent
France's CAC 40 Index	Minus 0.39 percent
Switzerland's Swiss Market Index	Minus 0.13 percent
Italy's MIBTEL Index	Minus 0.34 percent

In Asia, there was a mixed reaction to the news of the record-high price of crude oil, with about half of the most-important equity markets of the region, losing steam.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the premier stock market gained, while the speculative market lost ground.

On the Main Board of The Stock Exchange of Hongkong, the Hang Seng Index rose about 0.64 percent to 15,445.20 points.

The Total Turnover rose to just a tad above \$HK28 billion, while the ratio of gaining counters to losing ones was about 1.38:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.70 percent to \$HK129.10 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 2.18 percent to \$HK35.20 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 0.69 percent to \$HK3.625 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.02 percent to \$HK78.90 per share
CNOOC Ltd (Code: 883)	Unchanged at \$HK5.95 per share
China Telecom Corporation Ltd (Code: 728)	Down 0.80 percent to \$HK3.10 per share
PetroChina Company Ltd (Code: 857)	Up 0.71 percent to \$HK7.10 per share
China Life Insurance Company Ltd (Code: 2628)	Unchanged at \$HK6.05 per share
Bank of Communications Company Ltd (Code: 3328)	Down 0.75 percent to \$HK3.30 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.51 percent to \$HK87.15 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)
Arnhold Holdings Ltd	102		10.00	0.63
Burwill Holdings Ltd	24	16.67		0.56
CEC International Holdings Ltd	759	11.84		0.17
China Motion Telecom International Ltd	989	13.29		0.162
Compass Pacific Holdings Ltd	1188	25.32		0.198
Earnest Investments Holdings Ltd	339		15.63	0.027
G-Vision International (Holdings) Ltd	657	15.29		0.098
Garron International Ltd	1226	20.69		0.07
GeoMaxima Energy Holdings Ltd	702	11.48		0.068
Good Fellow Group Ltd	910	14.88		0.139

Hansom Eastern (Holdings) Ltd	2996	12.24		0.55
Hopson Development Holdings Ltd	754	19.23		6.20
Lenovo Group Ltd	992	10.62		3.125
LifeTec Group Ltd	1180	11.30		0.128
Man Yue International Holdings Ltd	894	10.94		1.42
Nam Tai Electronic and Electrical Products Ltd	2633		18.79	1.34
New Capital International Investment Ltd	1062	10.53		0.126
New Smart Holdings Ltd	91		10.45	0.12
Oriental Explorer Holdings Ltd	430		14.89	0.04
Pacific Plywood Holdings Ltd	767	11.54		0.029
Universal Holdings Ltd	419		10.89	0.09
Victory Group Ltd	1139	13.33		0.034
Wah Yuen Holdings Ltd	2349	21.74		0.28
Wealthmark International (Holdings) Ltd	39	11.32		0.59
Zhongtian International Ltd	2379		11.39	0.70

On The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, the volume of activity shot up to about \$HK767.65 million, a volume, not seen for many a moon.

The relatively high Total Turnover was due, almost entirely, to trading in just one counter: WorldMetal Holdings Ltd (Code: 8161). (Please see 5, most-active counters, below)

Totally, some 495.25 million, WorldMetal Holdings's shares changed hands, during the trading session, the aggregate value of those trades, being about \$HK698.05 million, equivalent to about 91 percent of the entire volume of activity.

The Growth Enterprise Index lost, however, about 0.86 percent of its value, ending the day at 914.52 points.

Declining counters outpaced advancing ones by the ratio of 1.29:One.

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

WorldMetal Holdings Ltd (Code: 8161)	Up 57 percent to \$HK2.25 per share
TOM Online Incorporated (Code: 8282)	Down 6 percent to \$HK1.31 per share
Golden Meditech Company Ltd (Code: 8180)	Unchanged at \$HK1.35 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Up 3 percent \$HK15.05 per share
Town Health International Holdings Company Ltd (Code: 8138)	Up 6 percent to 10.80 cents per share

The GEM's biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131		11.40	0.101
AGL MediaTech Holdings Ltd	8192		15.00	0.017
Argos Enterprise (Holdings) Ltd	8022	11.11		0.16
B and S Entertainment Holdings Ltd	8167	11.11		0.03
ePRO Ltd	8086	30.77		0.017
Essex Bio-Technology Ltd	8151	20.00		0.12
iSteelAsia Holdings Ltd	8080	11.11		0.55
New Chinese Medicine Holdings Ltd	8085		32.00	0.051
ProSticks International Holdings Ltd	8055	11.76		0.019
QUASAR Communication Technology Holdings Ltd	8171		18.18	0.09
WorldMetal Holdings Ltd	8161	57.34		2.25
Zhejiang Yonglong Enterprises Company Ltd	8211		12.38	0.092

On Asia's largest and most-important equity market, that of The Tokyo Stock Exchange, it was another day of material gains.

The Nikkei-225 Stock Average rose to 12,263.32 yen, a rise of about 1.37 percent on Wednesday's closing level.

The TOPIX Average, considered a more-accurate gauge to trading on the First Section of The Tokyo Stock Exchange, rose to a new, 4-year high of 1,243.74 points, an increase of 1.29 percent on Wednesday's close.

The ratio of gaining counters to losing ones was about 1.98:One.

The Total Turnover on The Tokyo Stock Exchange was about 2.24 billion yen, which was the highest Turnover since November 1989.

The reason for Japan's equity markets to bubble over continuously was because of the consensus that the economy had recovered and was out of the doldrums, sailing into good weather, which would drive it to bigger and better things.

News Wise

- Supermarket chain **Daiei Incorporated** said that it would close down, in total, some 62 of its outlets, nationwide. That is an increase of 9 stores on the previous determination of management to restructure the company;
- **Livedoor Company**, a Japanese-based, Internet supplier, said that its sales for the first 9 months of the 2005 Financial Year, ended June 30, 2005, were 52.28 billion yen, up about 300 percent, compared with the like period in 2004. The Net Profit Attributable to Shareholders was about 4.70 billion yen, more than double that of the first 9 months of 2004;
- **Kirin Brewery Company**, Japan's largest producer of the amber nectar, said that its Operating Profit had fallen about 16 percent to 37.53 billion yen, during the period, January 1, 2005, to June 30, 2005; and,
- For the same period as Kirin Brewery, **Suntory Ltd** said that its Operating Profit had dropped about 6 percent, Year-On-Year, to 21.23 billion yen.

And this was how key indices of other Asian equity markets ended their respective trading days, last Thursday:

The HKSAR	Plus 0.64 percent to 15,445.20
Indonesia	Minus 0.75 percent to 1,167.97
Japan	Plus 1.37 percent to 12,263.32
Malaysia	Minus 0.37 percent to 936.05
The Philippines	Plus 0.66 percent to 2,023.70
Singapore	Minus 1.39 percent to 2,305.97
South Korea	Plus 1.71 percent to 1,123.77
Taiwan	Minus 0.05 percent to 6,353.71
Thailand	Minus 0.39 percent to 681.95

Friday

For the fifth time, the price of crude oil hit a new record high.

Demand continued to outstrip supply by a wide margin and, as every first-year student of economics knows, in such a situation, prices must rise in a free capitalistic economy.

On The New York Mercantile Exchange (NYMEX), the last settlement for light sweet crude oil for delivery in September rose another 1.61 percent to \$US66.86 per barrel.

As for delivery in October, the last settlement was \$US67.37 per barrel, an increase of about 0.93 percent on the closing level of the previous day.

In the US, petrol deliveries are being threatened by a series of refinery fires and other refinery troubles.

In Texas, the third largest refinery in the US was shut down for inspection, following a series of fires at refinery installations in other parts of the country (not British Petroleum's).

A power loss at ConocoPhillips's refinery at Illinois, one that produces 306,000 barrels per day, was, also, closed, temporarily.

In Iran, furious diplomatic exchanges between that government and officials of the International Atomic Energy Agency (IAEA) continued, with about 1,000 people, taking to the streets of Teheran, the Capital City of Iran, yelling for their government not to give into the intimidatory determination of the IAEA.

Meanwhile, the European Union (EU) is adamant: It will refer the matter of Iran to the United Nations Security Council for consideration.

The EU is pressing for sanctions to be imposed on Iran if it does not cease its uranium enrichment plans.

The world is fearful that Iran will develop an atomic bomb and it may just use it.

Iran claims that it only wants nuclear energy for peaceful purposes.

Meanwhile, the fear factor weighs heavily on the world's oil market.

The tally for the week for the price of light sweet crude oil on The NYMEX was:

Light Sweet Crude for Delivery in September	Plus 11.23 percent
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While international equity markets, earlier in the week, appeared to be unruffled by fundamentals, last Friday, it was a slightly different story.

On the world's largest equity markets, prices came off in a hurry.

On The New York Stock Exchange, the Dow Jones Industrial Average gave up 51.18 points, or about 0.48 percent of its value, ending the week at 10,634.71 points.

On the tech-laden NASDAQ, its Composite Index surrendered 22.42 points, equivalent to about 1.03 percent, falling back to 2,152.13 points.

Consumer sentiment was being bruised due in large part to the record price of energy, which is hurting most people of the US, from the housewife to the industrialist.

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

The Dow Jones Industrial Average	Plus 0.73 percent
The NASDAQ's Composite Index	Minus 1.18 percent

News Wise

- Leading US airlines have announced increases in **ticket prices** in order to cover the higher costs of jet fuel. These airlines include: American Airlines; Northwest Airlines; American West Holdings Corporation; JetBlue Airways Corporation; Delta Air Lines Incorporated; UAL Corporation; United Airlines; and, Continental Airlines Incorporated.

European investors were, also, feeling the heat, last Friday, with leading indices of major equity markets, coming under renewed pressure as investors started to unload stocks and shares in the wake of record-high oil prices:

Amsterdam's AEX Index	Minus 1.02 percent
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Great Britain's FTSE 100 Index	Minus 0.23 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.33 percent
France's CAC 40 Index	Minus 0.72 percent
Switzerland's Swiss Market Index	Minus 0.49 percent
Italy's MIBTEL Index	Minus 0.35 percent

It was the second, consecutive day of losses for Europe's premier bourses.

With crude oil prices, having risen by more than 50 percent in a period of just 8 months, it was obvious that inflation would start to hurt industrial enterprises more and more as profit margins continued to be squeezed while labour would continue to press for more money in order to make ends meet.

In Asia, for the most part, trading was quiet on the 8 major stock markets of the region (Thailand's markets were closed for a holiday).

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), trading on the premier stock market was active, but the key index of this market hardly moved, during the entire trading session.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index ended the week at 15,450.95 points for a one-day gain of about 0.04 percent.

The Total Turnover was about \$HK22.55 billion, while the ratio of gaining counters to losing ones was about 1.19:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 0.08 percent to \$HK129.20 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 1.85 percent to \$HK16.55 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.63 percent to \$HK79.40 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.71 percent to \$HK34.95 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 2.07 percent to \$HK3.70 per share
Aluminum Corporation of China Ltd (Code: 2600)	Up 3.16 percent to \$HK4.90 per share
Swire Pacific Ltd (Code: 19)	Down 1.76 percent to \$HK75.25 per share
PetroChina Company Ltd (Code: 857)	Up 0.70 percent to \$HK7.15 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.23 percent to \$HK86.95 per share
Bank of Communications Company Ltd (Code: 3328)	Up 0.76 percent to \$HK3.325 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)
Artfield Group Ltd	1229		10.00	0.36
Capital Estate Ltd	193		44.00	0.014
Capital Prosper Ltd	1003	10.84		0.092
Carry Wealth Holdings Ltd	643	11.54		0.58
China State Construction International Holdings Ltd	3311	14.44		1.03
Compass Pacific Holdings Ltd	1188		18.18	0.162
Everest International Investments Ltd	204		10.71	0.025
Garron International Ltd	1226		12.86	0.061
IDT International Ltd	167		11.22	0.87
Jackin International Holdings Ltd	630		11.61	0.137
MAE Holdings Ltd	851	10.42		0.106
Nam Tai Electronic and Electrical Products Ltd	2633	14.50		1.50
Nan Hai Corporation Ltd	680	13.51		0.042
Pacific Plywood Holdings Ltd	767		10.34	0.026
Quam Ltd	952		15.00	0.68

Shang Hua Holdings Ltd	371		25.71	0.26
Sino Gas Group Ltd	260	23.81		0.026
Solartech International Holdings Ltd	1166	11.54		0.29
Tencent Holdings Ltd	700	12.21		7.35
TOM Group Ltd	2383	11.61		1.73
Unity Investments Holdings Ltd	913		14.29	0.012
Victory Group Ltd	1139	29.41		0.044
Weichai Power Company Ltd	2338	16.67		21.70
Zijin Mining Group Company Ltd	2899	10.29		1.93

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

On this speculative market, its Growth Enterprise Index gained 2.41 percent, rising to 936.56 points on the largest volume of activity of the year: \$HK383 million.

Trading in just 2 counters – WorldMetal Holdings Ltd (Code: 8161) and B and B Group Holdings Ltd (Code: 8156) – accounted for 71.09 percent of the Total Turnover. (Please see 5 most-actives below)

The ratio of advancing counters to losing ones was about 1.22:One.

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

WorldMetal Holdings Ltd (Code: 8161)	Down 12 percent to \$HK1.97 per share
B and B Group Holdings Ltd (Code: 8156)	Up 103 percent to \$HK1.48 per share
Golden Meditech Company Ltd (Code: 8180)	Up 1 percent to \$HK1.36 per share
TOM Online Incorporated (Code: 8282)	Up 8 percent to \$HK1.41 per share
China.com Incorporated (Code: 8006)	Up 10 percent to 45 cents per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Armitage Technologies Holding Ltd	8213	52.17		0.035
B and B Group Holdings Ltd	8156	102.74		1.48
B and S Entertainment Holdings Ltd	8167		10.00	0.027
CASH Financial Services Group Ltd	8122	10.20		0.27
CCID Consulting Company Ltd	8235	14.63		0.141
Shanxi Changcheng Microlight Equipment Company Ltd	8286		20.00	0.30
China Photar Electronics Group Ltd	8220		11.05	0.169
Essex Bio-Technology Ltd	8151		16.67	0.10
Excel Technology International Holdings Ltd	8048		30.00	0.049
KanHan Technologies Group Ltd	8175	33.33		0.04
Northeast Tiger Pharmaceutical Company Ltd	8197		13.89	0.062
ProSticks International Holdings Ltd	8055	10.53		0.021
Techpacific Capital Ltd	8088	17.24		0.34
Timeless Software Ltd	8028	10.96		0.081
WorldMetal Holdings Ltd	8161		12.44	1.97

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

The Hang Seng Index	Plus	2.66 percent
The Growth Enterprise Index	Plus	2.68 percent

In Japan, it was a very quiet trading day on the country's 3 stock markets.

On The Tokyo Stock Exchange, The TOPIX Average, the official index of the largest equity market of Asia, rose to another new high of 1,245.13 points, up about 0.11 percent on Thursday's closing level.

The Nikkei-225 Stock Average ended the trading day at 12,261.68 yen, up 0.01 percent compared with the close of Thursday.

Losing counters outnumbered gaining ones by the ratio of 1.58:One, exactly.

The tally for The Tokyo Stock Exchange for the week, ended August 12, 2005, was:

The Nikkei-225 Stock Average Plus 4.21 percent

News Wise

- The Ministry of Economy, Trade and Industry announced that **industrial output** rose a seasonally adjusted 1.60 percent in June 2005, compared with May 2005;
- The Government of Japan has imposed a **15-percent import tax** on US imported ball bearings and other steel products, effective September 1, 2005; and,
- The number of **corporate failures** in Japan during the month of July numbered 1,024 incidents. This number represented a decrease of about 8.80 percent, compared with the like month in 2004.

And, in other Asian equity markets, this was how their respective key indices finished the week of August 12, 2005:

The HKSAR	Plus 0.04 percent to 15,450.95
Indonesia	Minus 1.20 percent to 1,153.97
Japan	Minus 0.01 percent to 12,261.68
Malaysia	Plus 0.11 percent to 937.04
The Philippines	Plus 0.09 percent to 2,038.10
Singapore	Minus 0.12 percent to 2,303.20
South Korea	Plus 0.57 percent to 1,130.22
Taiwan	Minus 0.04 percent to 6,350.90
Thailand	Closed

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