

DR ALAN GREENSPAN ISSUES A WORD OF WARNING AT WEEK'S END**Oil Prices Continue Their March To \$US70 Per Barrel**

Crude oil prices continued to simmer, on and off the boil, last Monday, but, by the close of trading on international markets, the gains had been contained to just fractions.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for September delivery was \$US65.45, up 0.15 percent, compared with the last quote of Friday, August 19, 2005.

For October delivery, the last settlement was \$US65.65 per barrel, representing an increase of about 0.21 percent, compared with the last settlement of the previous Friday.

But it was widely expected, last Monday in New York, that crude oil prices would continue to rise due to:

1. Iraq's entire output and exports of crude oil had been halted due to saboteurs, who had triggered a cascade of blackouts which had affected all activities at the important Port of Basra and the Capital City of Baghdad;
2. Nigeria was in the grip of social unrest and this was disrupting the country's exports of crude oil;
3. Ecuador, the fifth-largest exporter of crude oil in South America, was having its fair share of troubles, too, as its government deployed troops to the Amazon Region in order to try to quell rioting in the area;
4. US refineries are continuing to find it more and more difficult to meet the growing demands for petrol and diesel fuel; and,
5. Weather reports suggest that more hurricanes will be headed for The Gulf of Mexico before the year is out.

It did not look promising for any material, oil-price reduction in the near term.

On Wall Street, investors determined to sit on their hands, for the most part.

This is, more often than not, a sign that a market is due for a fall.

On The New York Stock Exchange, the key index of blue chips, quoted on the Big Board, known as the Dow Jones Industrial Average, rose 10.66 points, or one tenth of a percentage point, exactly, ending the first trading day of the week at 10,569.89 points.

Over on The NASDAQ, its Composite Index did a little better than The Dow, with a gain of 5.85 points, equivalent to about 0.27 percent, limping up to 2,141.41 points.

In Europe, concerns over higher interest rates in the US and the continuing pressure on supplies of crude oil did little to allay the fears of investors.

Indices of major bourses moved only by fractions, as the following **TARGET** list illustrates:

Amsterdam's AEX Index	Plus 0.17 percent
Great Britain's FTSE 100 Index	Plus 0.10 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.23 percent
France's CAC 40 Index	Minus 0.04 percent
Switzerland's Swiss Market Index	Minus 0.03 percent
Italy's MIBTEL Index	Plus 0.13 percent

In Asia, investors were much more upbeat than in the US and Europe, as 6 stock markets out of 9 stock markets registered gains in their key indices – some of which gains were very material.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), its 2 equity markets recorded very useful improvements in key indices.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about 1.20 percent, ending the day at 15,218.63 points.

The Total Turnover, however, dropped back to about \$HK18.47 billion, down about 30 percent, compared with the Total Turnover of the previous Friday when it hit \$HK26.28 billion.

The ratio of gaining counters to losing ones was about 2.42:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 0.63 percent to \$HK126.90 per share
PetroChina Company Ltd (Code: 857)	Unchanged at \$HK6.30 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.28 percent to \$HK79.15 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 3.62 percent to \$HK3.575 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 3.71 percent to \$HK34.95 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 0.96 percent to \$HK15.85 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.47 percent to \$HK85.00 per share
CNOOC Ltd (Code: 883)	Up 3.64 percent to \$HK5.70 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.31 percent to \$HK80.65 per share
China Life Insurance Company Ltd (Code: 2628)	Up 1.63 percent to \$HK6.25 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Commercial Holdings Ltd	104	12.24		0.55
China Treasure (Greater China) Investments Ltd	810	14.29		0.12
Ching Hing (Holdings) Ltd	692	10.53		0.084
Earnest Investments Holdings Ltd	339		12.50	0.028
Everest International Investments Ltd	204	16.67		0.028
Hon Po Group (Lobster King) Ltd	228	17.65		1.20
Morning Star Resources Ltd	542		16.67	0.05

New World Mobile Holdings Ltd	862	20.00		1.20
Oriental Investment Corporation Ltd	735	15.15		0.38
CASH Retail Management Group Ltd	996	11.69		0.86
Pyxis Group Ltd	516	13.33		0.068
Regent Pacific Group Ltd	575	10.00		0.33
Sino Prosper Holdings Ltd	766	24.71		0.53
South East Group Ltd	726		10.26	0.07
Vantage International (Holdings) Ltd	15		10.53	0.255
Victory Group Ltd	1139		13.51	0.032

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index rose about 1.11 percent, running up to 930.54 points.

The Total Turnover on this very speculative market was about \$HK96.51 million, while the ratio of gaining counters to losing ones was 1.25:One, exactly.

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

WorldMetal Holdings Ltd (Code: 8161)	Up 12 percent to \$HK2.075 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Up 5 percent to \$HK1.21 per share
China.com Incorporated (Code: 8006)	Up 13 percent to 47.50 cents per share
Panva Gas Holdings Ltd (Code: 8132)	Unchanged at \$HK3.55 per share
TOM Online Incorporated (Code: 8282)	Up 2 percent to \$HK1.40 per share

The GEM's biggest movers of the day were reserved for the following bunch:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131	17.14		0.082
B and S Entertainment Holdings Ltd	8167		10.71	0.025
China.com Incorporated	8006	13.10		0.475
Computech Holdings Ltd	8081		11.11	0.04
Grandy Corporation	8143		14.71	0.145
North Asia Strategic Holdings Ltd	8080	14.86		0.425
Mobile Telecom Network (Holdings) Ltd	8266		18.00	0.164
Neolink Cyber Technology (Holding) Ltd	8116	20.16		0.155
ProSticks International Holdings Ltd	8055	12.50		0.027
Stockmartnet Holdings Ltd	8123		19.05	0.034
Tai Shing International (Holdings) Ltd	8103		12.00	0.22
WorldMetal Holdings Ltd	8161	11.56		2.075

In Japan, on the assumption that the second-largest economy of the world was well on the way to financial recovery, investors stepped in and purchased large chunks of domestically focused companies.

On The Tokyo Stock Exchange, the premier equity market of the country, the official index, known as the TOPIX Average, rose 19.32 points, equivalent to about 1.55 percent, running up to 1,269.82 points.

The (perceived, less-accurate) Nikkei-225 Stock Average, which follows only a select group of blue chips, listed on the First Section of The Tokyo Stock Exchange, put on a show of strength, also, rising 160.78 yen, or about 1.31 percent, ending the trading day at 12,452.51 yen.

Rising counters outnumbered losing ones by the ratio of about 4.86:One.

And, in other Asian equity markets, this was how their key indices fares, last Monday:

The HKSAR	Plus 1.20 percent to 15,218.63
Indonesia	Minus 1.07 percent to 1,076.35
Japan	Nikkei-255 Stock Average Plus 1.31 percent to 12,452.51 TOPIX Average Plus 1.55 percent to 1,269.82
Malaysia	Minus 0.17 percent to 923.97
The Philippines	Minus 0.15 percent to 1,963.37
Singapore	Plus 0.64 percent to 2,300.95
South Korea	Plus 2.46 percent to 1,116.68
Taiwan	Plus 0.77 percent to 6,206.65
Thailand	Plus 1.46 percent to 690.77

Tuesday

It was official: Ecuador is unable to resume full oil production and is, today, exporting only about half of its normal capacity, which was about 144,000 barrels of crude oil per day.

Extensive damage to oil installations, following 6 days of civil unrest, had taken its toll of the country's key oil installations, Ecuador's Energy Minister, Mr Ivan Rodriguez, said.

It was just what the doctor ordered for oil traders, holding long positions.

On The New York Mercantile Exchange (NYMEX), October's last settlement for light sweet crude oil was \$US65.71 per barrel, up about 0.09 percent, compared with Monday's last quote.

For the new month of November, the last settlement for a barrel of light sweet crude oil was \$US66.46.

The situation looked ominous: Crude oil prices were set to break new highs before the week was out.

On The New York Stock Exchange, prices of stocks and shares came off as worried investors noted that the price of crude oil was continuing to climb to higher levels.

The Dow Jones Industrial Average slid back 50.31 points, equivalent to about 0.48 percent, ending the trading session at 10,519.58 points.

Over on The NASDAQ, its Composite Index gave up about 0.19 percent of its value, slowly slipping back to end the day at 2,137.25 points.

And the situation on the world's largest equity markets was ominous, too: Prices were likely to continue to fall back as the week wore on.

On major European bourses, it was losers, all-round.

Trading was relatively light because, among other things, August is the month that, traditionally, Europe likes to take the time to visit the seashore in order to rest and recuperate.

This was the extent of the losses of key indices of major bourses, last Tuesday:

Amsterdam's AEX Index	Minus 0.55 percent
Great Britain's FTSE 100 Index	Minus 0.34 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.48 percent
France's CAC 40 Index	Minus 1.10 percent

Switzerland's Swiss Market Index
Italy's MIBTEL Index

Minus 0.84 percent
Minus 0.67 percent

With the exceptions of the indices of the 3 Japanese equity markets, all of Asia's key indices of its 9 stock markets were written in red ink.

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

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index fell about 1.61 percent, ending the session at 14,973.89 points.

All but 5 points of the 244.74-point loss on this equity market, the second-largest in Asia, came in the 90-minute afternoon session.

The Total Turnover rose to \$HK24.10 billion, while the ratio of declining counters to advancing ones was somewhat dramatic, at about 2.99:One.

The high volume of activity on the back of the wide gap between gainers and losers were suggestive that, come Wednesday's market, more losses could well be in the pipeline.

The Ten Most Active counters, last Tuesday, were:

PetroChina Company Ltd (Code: 857)	Up 1.59 percent to \$HK6.40 per share
HSBC Holdings plc (Code: 5)	Down 0.71 percent to \$HK126.00 per share
Hutchison Whampoa Ltd (Code: 13)	Down 3.85 percent to \$HK76.10 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 3.15 percent to \$HK33.85 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 3.35 percent to \$HK82.15 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 1.40 percent to \$HK3.525 per share
China Life Insurance Company Ltd (Code: 2628)	Down 1.60 percent to \$HK6.15 per share
Yanzhou Coal Mining Company Ltd (Code: 1171)	Down 4.84 percent to \$HK5.90 per share
Bank of Communications Company Ltd (Code: 3328)	Down 0.74 percent to \$HK3.375 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.86 percent to \$HK79.15 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)
Chinese People Gas Holdings Company Ltd	681	10.42		0.265
China Rich Holdings Ltd	1191		17.86	0.115
Gorient (Holdings) Ltd	729	12.50		0.018
Magician Industries (Holdings) Ltd	526	25.00		0.125
Mei Ah Entertainment Group Ltd	391	11.34		0.275
Oriental Explorer Holdings Ltd	430		10.87	0.041
Pacific Plywood Holdings Ltd	767		10.00	0.027
Pearl River Tyre (Holdings) Ltd	1187	11.11		0.50
Pyxis Group Ltd	516		13.24	0.059
Shang Hua Holdings Ltd	371		10.40	0.224
South China Industries Ltd	413		11.76	0.60
TOM Group Ltd	2383		12.35	1.49
Unity Investments Holdings Ltd	913		13.33	0.013
Wanji Pharmaceutical Holdings Ltd	835	13.04		0.13
Wing Hong (Holdings) Ltd	745		13.46	0.045

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index came off by about 1.42 percent, falling back to 917.29 points.

The Total Turnover on this market was about \$HK116.24 million.

Losing counters outnumbered gaining ones by the ratio of about 1.97:One.

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

WorldMetal Holdings Ltd (Code: 8161)	Down 6 percent to \$HK1.96 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 6 percent to \$HK1.14 per share
TOM Online Incorporated (Code: 8282)	Down 4 percent to \$HK1.35 per share
Golden Meditech Company Ltd (Code: 8180)	Down 2 percent to \$HK1.16 per share
China.com Incorporated (Code: 8006)	Down 6 percent to 44.50 cents per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Advance Holdings Ltd	8117		11.11	0.40
Essex Bio-Technology Ltd	8151		25.83	0.089
Excel Technology International Holdings Ltd	8048		10.53	0.051
G.A. Holdings Ltd	8126		11.59	0.061
Glory Mark Hi-Tech (Holdings) Ltd	8159		10.99	0.162
Golding Soft Ltd	8190	26.67		0.019
Innovis Holdings Ltd	8065	29.63		0.035
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049		11.95	0.14
KanHan Technologies Group Ltd	8175		16.00	0.042
Longlife Group Holdings Ltd	8037	10.29		0.375
Milkyway Image Holdings Ltd	8130		13.16	0.033
Mobile Telecom Network (Holdings) Ltd	8266		12.20	0.144
MP Logistics International Holdings Ltd	8239		11.11	0.08
Neolink Cyber Technology (Holding) Ltd	8116		15.48	0.131
Q9 Technology Holdings Ltd	8129		20.00	0.02
Zhejiang Yonglong Enterprises Company Ltd	8211		17.00	0.083

On The Tokyo Stock Exchange, its key indices made small, fractional gains.

The TOPIX Average, the official gauge of trading in blue chips, listed on the First Section of Asia's largest equity market, gained 0.17 percent, ending the trading day at 1,272.00 points.

The Nikkei-225 Stock Average rose 0.16 percent to 12,472.93 yen.

Gaining counters outnumbered losing ones by the ratio of about 1.17:One.

News Wise

- The month of August saw the price of **petrol** in The Land of The Rising Sun rise to a 12-year high of 129 yen per litre, according to the statistics of The Oil Information Centre of Japan.

This was how the key indices of other Asian equity markets ended their respective trading days, last Tuesday:

The HKSAR	Minus 1.61 percent to 14,973.89
Indonesia	Minus 0.95 percent to 1,066.92
Japan	Nikkei-255 Stock Average Plus 0.16 percent to 12,472.93 TOPIX Average Plus 0.17 percent to 1,272.00

Malaysia	Minus 0.02 percent to 923.79
The Philippines	Minus 1.00 percent to 1,943.76
Singapore	Minus 0.49 percent to 2,289.66
South Korea	Minus 0.08 percent to 1,115.84
Taiwan	Minus 0.18 percent to 6,195.18
Thailand	Minus 0.06 percent to 690.39

Wednesday

As **TARGET**'s Chief Analyst had expected on Monday, oil prices hit the roof last Wednesday; and, Wall Street stocks and shares sank on the news of the rapid escalation in the price of crude oil.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in October was \$US67.32, after hitting the record level of \$US68, earlier in the session.

That price was about 2.45 percent higher than the last settlement of Tuesday.

At \$US68 per barrel for light sweet crude oil, it was a record high since NYMEX started trading in oil futures, back in 1983.

As for November delivery, the last settlement was \$US68.01 for a barrel of light sweet crude oil, representing an increase of about 2.33 percent on the day.

For the Western World, the ever-rising price of energy was cutting a swath through their economies.

(For more about oil, please see last Friday's [TARGET Intelligence Report, Volume VII, Number 161, The Betty Letters](#))

Wall Street responded, immediately, to the news about oil prices on The NYMEX and the earlier gains were shaved to the bone ... and then some.

On The New York Stock Exchange, the Dow Jones Industrial Average lost 84.71 points, or about 0.81 percent, ending the session at 10,434.87 points.

Over on The NASDAQ, its Composite Index shed 8.34 points, equivalent to about 0.39 percent, skidding back to 2,128.91 points.

In Europe, on the one hand, it was apparent that energy companies, whose scrip is quoted on eurozone bourses, stood to gain from the record-high prices of crude oil, but, on the other hand, it was just as apparent that the economies of eurozone would suffer as a direct consequence of the higher prices.

This was the result of trading on the major equity markets of Europe, last Wednesday:

Amsterdam's AEX Index	Unchanged
Great Britain's FTSE 100 Index	Minus 0.47 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.03 percent
France's CAC 40 Index	Minus 0.27 percent
Switzerland's Swiss Market Index	Unchanged
Italy's MIBTEL Index	Plus 0.49 percent

In Asia, there were some dramatic losses on the 9 major equity markets of the region.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the Main Board of The Stock Exchange of Hongkong Ltd saw its key index fall, while, on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, its lone index rose by a tiny fraction.

The Hang Seng Index, the key index of the Main Board, lost about 0.67 percent of its value, falling back to 14,873.85 points.

The Total Turnover was about \$HK20.16 billion, while the ratio of losing counters to gaining ones was about 2.59:One.

The Ten Most Active counters of the day were:

HSBC Holdings plc (Code: 5)	Down 0.63 percent to \$HK125.20 per share
PetroChina Company Ltd (Code: 857)	Down 1.56 percent to \$HK6.30 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.13 percent to \$HK76.20 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.34 percent to \$HK81.05 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.07 percent to \$HK78.30 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.44 percent to \$HK33.70 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 0.71 percent to \$HK3.50 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.81 percent to \$HK6.10 per share
BOC Hongkong Holdings Ltd (Code: 2388)	Up 0.32 percent to \$HK15.70 per share
CNOOC Ltd (Code: 883)	Down 2.68 percent to \$HK5.45 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Artfield Group Ltd	1229		15.71	0.295
China Merchants DiChain (Asia) Ltd	632	46.67		0.066
China Motion Telecom International Ltd	989	14.18		0.161
Chinese People Gas Holdings Company Ltd	681		11.32	0.235
Gorient (Holdings) Ltd	729	11.11		0.02
Kee Shing (Holdings) Ltd	174		11.70	0.83
Morning Star Resources Ltd	542	14.81		0.062
Multifield International Holdings Ltd	898	33.33		0.148
Zhongda International Holdings Ltd	909	10.34		0.32

On The GEM, its Growth Enterprise Index lost about 0.13 percent, ending the day at 918.47 points.

The Total Turnover on this market was about \$HK86 million.

The ratio of advancing counters to declining ones was about 1.24:One.

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

WorldMetal Holdings Ltd (Code: 8161)	Unchanged at \$HK1.96 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 2 percent to \$HK1.12 per share
Techpacific Capital Ltd (Code: 8088)	Up 15 percent to 41 cents per share
TOM Online Incorporated (Code: 8282)	Up 1 percent to \$HK1.36 per share
Panva Gas Holdings Ltd (Code: 8132)	Up 1 percent to \$HK3.55 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Advance Holdings Ltd	8117	20.00		0.48
Essex Bio-Technology Ltd	8151	17.98		0.195
Glory Future Group Ltd	8071		21.05	0.015
Golding Soft Ltd	8190		31.58	0.013

Innovis Holdings Ltd	8065	88.57		0.066
KanHan Technologies Group Ltd	8175	19.05		0.05
Milkyway Image Holdings Ltd	8130	15.15		0.038
MP Logistics International Holdings Ltd	8239	25.00		0.10
Satellite Devices Corporation	8172	38.46		0.018
Techpacific Capital Ltd	8088	15.49		0.41

In Japan, key indices of the country's 3 equity markets rose, but by less than one half of a percentage point.

On The Tokyo Stock Exchange, the official index, the TOPIX Average, put on 0.28 percent, rising to 1,275.61 points.

The Nikkei-225 Stock Average, which is not an official index of The Tokyo Stock Exchange, rose 0.24 percent to rise to 12,502.26 yen.

The ratio of gaining counters to losing ones was about 1.13:One.

News Wise

- **Kanebo Cosmetics Incorporated**, a spin-off of **Kanebo Ltd**, which came about following the Japanese Government's intervention, last May, when it determined to save the company from the scrap yard, announced that, in the first half of the Current Financial Year, ended June 30, 2005, the Operating Profit was 19 billion yen on a Turnover of about 210 billion yen.

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

The HKSAR	Minus 0.67 percent to 14,873.85
Indonesia	Minus 2.87 percent to 1,035.45
Japan	Nikkei-255 Stock Average Plus 0.24 percent to 12,502.26 TOPIX Average Plus 0.28 percent to 1,275.61
Malaysia	Plus 0.25 percent to 926.08
The Philippines	Minus 1.01 percent to 1,924.15
Singapore	Minus 0.49 percent to 2,278.35
South Korea	Minus 1.94 percent to 1,094.21
Taiwan	Minus 1.10 percent to 6,127.24
Thailand	Plus 0.76 percent to 695.67

Thursday

Fears that Tropical Storm Katrina could be upgraded into a Severe Tropical Storm, or even a hurricane, and move slightly off its more easterly track into The Gulf of Mexico caused more consternation with investors, worldwide, last Thursday.

The storm struck Florida's southern-most protuberance in the Straits of Florida and looked as though it was intensifying, according to the US National Hurricane Centre, late last Thursday night.

If it entered The Gulf of Mexico, the possibilities existed for it to disturb or bring a halt to some of the refining facilities in the area.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in October was \$US67.49, up another one quarter of a percentage point, compared with Wednesday's

last quote.

As for delivery in the month of November, a barrel of light sweet crude oil was fetching \$US68.19, up 0.27 percent on the day.

On Wall Street, gains were made on both The New York Stock Exchange and The NASDAQ as investors shrugged off the higher price of crude oil, turning their attentions to some material corporate mergers as a welcome relief.

The Dow Jones Industrial Average, the gauge of trading in blue chips, listed on the Big Board of The New York Stock Exchange, rose about 0.15 percent to 10,450.63 points.

The NASDAQ's Composite Index put on about 0.26 percent, rising to 2,134.37 points.

Due to the fact that both equity markets, which are the largest in the world, could only make fractional gains in relatively light trading, it was suggestive that the markets were due for another material correction.

On European bourses, losses were the order of the day, as the following **TARGET** list indicates:

Amsterdam's AEX Index	Unchanged
Great Britain's FTSE 100 Index	Minus 0.36 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.21 percent
France's CAC 40 Index	Minus 1.03 percent
Switzerland's Swiss Market Index	Unchanged
Italy's MIBTEL Index	Minus 0.65 percent

Thin earnings with the likelihood of even thinner earnings before the year is out were said to be the main reasons for the losses in eurozone.

In addition, major flooding in various parts of the region, caused by torrential downpours, tended to dampen (excuse the pun) the exuberance of investors.

In Asia, the key indices of major equity markets closed mixed, for the most part.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), trading was somewhat subdued on the territory's 2 stock markets.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gained about one tenth of a percentage point, ending the day at 14,889.10 points.

The Total Turnover was about \$HK19.92 billion.

Although the Hang Seng Index was in positive territory by the close of the day, losing counters outnumbered gaining ones by the ratio of about 1.28:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.24 percent to \$HK124.90 per share
PetroChina Company Ltd (Code: 857)	Up 2.38 percent to \$HK6.45 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.18 percent to \$HK77.10 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.12 percent to \$HK81.15 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.13 percent to \$HK78.20 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.30 percent to \$HK33.80 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 1.43 percent to \$HK3.45 per share
CNOOC Ltd (Code: 883)	Up 2.75 percent to \$HK5.60 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.82 percent to \$HK6.05 per share
China Telecom Corporation Ltd (Code: 728)	Down 1.71 percent to \$HK2.875 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Chinese People Gas Holdings Company Ltd	681	10.64		0.26
Compass Pacific Holdings Ltd	1188	10.59		0.188
Fintronics Holdings Company Ltd	706		11.87	0.193
MACRO-LINK International Holdings Ltd	472		11.11	0.16
Northern International Holdings Ltd	736	12.55		0.26
Oriental Explorer Holdings Ltd	430	14.29		0.048
Oriental Investment Corporation Ltd	735	11.49		0.33
Radford Capital Investment Ltd	2901	13.46		0.118
Shun Cheong Holdings Ltd	650		11.60	0.221
Takson Holdings Ltd	918		10.11	0.08
Unity Investments Holdings Ltd	913	21.43		0.017
Wonderful World Holdings Ltd	109	10.34		0.128

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, speculators were out in force, picking up scrip of select companies, whose share prices had not moved, or not moved appreciably, for some time.

The Growth Enterprise Index moved up about 0.64 percent to 924.30 points on a Total Turnover of about \$HK99.47 million.

However, as with the Main Board, although the key index was in positive territory, losing counters outperformed gaining ones by the ratio of about 1.31:One.

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

Wumart Stores Incorporated (Code: 8277)	Down 2 percent to \$HK12.80 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 2 percent to \$HK1.10 per share
Lang Chao International Ltd (Code: 8141)	Up 6 percent to \$HK1.25 per share
Techpacific Capital Ltd (Code: 8088)	Up 27 percent to 52 cents per share
China.com Incorporated (Code: 8006)	Up 7 percent to 47.50 cents per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Armitage Technologies Holding Ltd	8213	16.67		0.035
B and S Entertainment Holdings Ltd	8167	40.00		0.035
Chinainfo Holdings Ltd	8206	12.50		0.36
Golding Soft Ltd	8190	15.38		0.015
IIN International Ltd	8128		20.83	0.019
Innovis Holdings Ltd	8065	104.55		0.135
Medical China Ltd	8186	22.22		0.044
New Chinese Medicine Holdings Ltd	8085	28.57		0.09
Northeast Tiger Pharmaceutical Company Ltd	8197		11.11	0.064
PINE Technology Holdings Ltd	8013		14.79	0.121
Prosperity International Holdings (Hongkong) Ltd	8139	13.33		0.34
Prosten Technology Holdings Ltd	8026	45.83		0.105
Q9 Technology Holdings Ltd	8129	25.00		0.025
Techpacific Capital Ltd	8088	26.83		0.52
Universal Technologies Holdings Ltd	8091		11.11	0.16
WLS Holdings Ltd	8021	12.24		0.11

The higher price of crude oil had started to weigh heavily on investors in The Land of The Rising Sun, last Friday.

As the saying goes, one cannot fart against thunder.

On The Tokyo Stock Exchange, the official index of Asia's largest equity market, known as The TOPIX Average, shed 0.59 percent of its value, falling back to 1,275.61 points.

The Nikkei-225 Stock Average, which charts the course of a select number of stocks, only, fell 0.78 percent to 12,405.16 yen.

The ratio of declining counters to advancing ones was about 2.88:One.

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

The HKSAR	Plus 0.10 percent to 14,889.10
Indonesia	Plus 2.55 percent to 1,061.85
Japan	Nikkei-255 Stock Average Minus 0.78 percent to 12,405.16 TOPIX Average Minus 0.59 percent to 1,268.06
Malaysia	Minus 0.67 percent to 919.85
The Philippines	Plus 0.08 percent to 1,925.68
Singapore	Plus 0.27 percent to 2,284.40
South Korea	Plus 0.28 percent to 1,097.29
Taiwan	Minus 0.29 percent to 6,109.66
Thailand	Minus 0.51 percent to 692.14

Friday

The Chairman of the US Federal Reserve Board, Dr Alan Greenspan, sounded another wake-up call to investors of The Land of The Free and The Home of The Brave, telling them to be wary of too-rapid increases in the prices of houses and stocks and shares.

In short, his message was that The Fed is afraid of rising inflation and that, should the *'newly abundant liquidity'* suddenly dry up, there could be trouble in the economy.

It is not the first time that the world's most-celebrated economist has called on US investors to be more circumspect – and it is unlikely to be the last time, too.

Wall Street took note of Dr Alan Greenspan's comments, made at a symposium at Jackson Hole, Wyoming, on Friday.

On The New York Stock Exchange, the Dow Jones Industrial Average fell about 0.51 percent to 10,397.29 points while, on The NASDAQ, its Composite Index gave up about 0.64 percent to end the week at 2,120.77 points.

In addition to the comments of Dr Alan Greenspan, The University of Michigan brought out its Consumer Sentiment Index, indicating a fall of about 7.67 percentile points, comparing the August closing figure with that of July's.

Investors on the world's largest equity markets were in a very cautious mood.

For the week, the tally was:

The Dow Jones Industrial Average	Minus 1.53 percent
The NASDAQ's Composite Index	Minus 0.70 percent

The price of crude oil dropped on the world's energy markets as all bets were off that Hurricane Katrina would affect The Gulf of Mexico and disrupt the all-important oil refineries in the area.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for October delivery was \$US66.13, down about 2.02 percent, compared with Thursday's last settlement.

For delivery in November, the last settlement was \$US66.89 for a barrel of light sweet crude oil, representing a one-day fall of about 1.91 percent.

For the fifth consecutive day, key indices of the biggest bourses of Europe lost ground.

Last Friday, however, the losses started to take their toll of investors in this part of the world because some of the falls were very material.

The drop in consumer sentiment in the US was said to be the reason behind the falls.

This was how the indices of the major European bourses ended the week of August 26, 2005:—

Amsterdam's AEX Index	Unchanged
Great Britain's FTSE 100 Index	Minus 0.52 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.48 percent
France's CAC 40 Index	Minus 0.81 percent
Switzerland's Swiss Market Index	Unchanged
Italy's MIBTEL Index	Minus 0.80 percent

In Asia, not being apprised of the findings of The University of Michigan's Consumer Sentiment Index or of the utterances of Dr Alan Greenspan, investors in the most-populous part of the world concentrated on the fact that crude oil prices were appearing to level off.

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

The Hang Seng Index, the key index of the Main Board of The Stock Exchange of Hongkong Ltd, rose 0.63 percent to end the trading session at 14,982.89 points.

The Total Turnover was about \$HK19.26 billion.

The ratio of gaining counters to losing ones was about 1.89:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.08 percent to \$HK125.00 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.78 percent to \$HK77.70 per share
PetroChina Company Ltd (Code: 857)	Up 0.78 percent to \$HK6.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 3.27 percent to \$HK83.80 per share
China Life Insurance Company Ltd (Code: 2628)	Up 2.48 percent to \$HK6.20 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.18 percent to \$HK34.20 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.90 percent to \$HK78.90 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 0.72 percent to \$HK3.475 per share
CNOOC Ltd (Code: 883)	Up 0.89 percent to \$HK5.65 per share
BOC Hongkong Holdings Ltd (Code: 2388)	Up 0.32 percent to \$HK15.85 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)
Artfield Group Ltd	1229	18.03		0.36
Emperor Entertainment Hotel Ltd	296	10.59		2.35
Karl Thomson Holdings Ltd	7	17.39		0.54

Linfair Holdings Ltd	462		23.29	0.56
Mei Ah Entertainment Group Ltd	391	10.00		0.275
Oriental Investment Corporation Ltd	735		10.61	0.295
PME Group Ltd	379	14.29		0.088
Unity Investments Holdings Ltd	913	64.71		0.028
VST Holdings Ltd	856	11.26		0.168
Wanji Pharmaceutical Holdings Ltd	835	11.67		0.134
Wonson International Holdings Ltd	651	15.32		0.128

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index rang up a gain of about 0.92 percent, hitting 932.83 points by the close of the day.

The Total Turnover fell to about \$HK82.98 million, while the ratio of advancing counters to losing ones was about 2.19:One.

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

CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Unchanged at \$HK1.10 per share
WorldMetal Holdings Ltd (Code: 8161)	Down 1 percent to \$HK1.91 per share
TOM Online Incorporated (Code: 8282)	Up 6 percent to \$HK1.42 per share
China.com Incorporated (Code: 8006)	Up 5 percent to 50 cents per share
Innvois Holdings Ltd (Code: 8065)	Up 4 percent to 14 cents per share

The biggest movers of the day included:.

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGL MediaTech Holdings Ltd	8192	23.53		0.021
Angels Technology Company Ltd	8112		32.73	0.111
Argos Enterprise (Holdings) Ltd	8022		17.65	0.112
B and S Entertainment Holdings Ltd	8167	28.57		0.045
B M Intelligence International Ltd	8158	33.33		0.036
Co-winner Enterprise Ltd	8108	12.00		0.056
Excel Technology International Holdings Ltd	8048	27.45		0.065
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231		19.50	0.128
G.A. Holdings Ltd	8126	12.90		0.07
Glory Future Group Ltd	8071	28.57		0.018
Golding Soft Ltd	8190	40.00		0.021
IIN International Ltd	8128	26.32		0.024
Neolink Cyber Technology (Holding) Ltd	8116		17.39	0.114
QUASAR Communication Technology Holdings Ltd	8171	10.53		0.105
Shanghai Fudan Microelectronics Company Ltd	8102	10.64		0.26
Stockmartnet Holdings Ltd	8123	10.81		0.041
SYSCAN Technology Holdings Ltd	8083	28.75		0.103
Wafer Systems Ltd	8198	11.32		0.118

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

The Hang Seng Index	Minus 12.84 percent
The Growth Enterprise Index	Minus 1.36 percent

In Japan, gains were modest on the country's 3 stock markets.

On The Tokyo Stock Exchange, its official index, The TOPIX Average, gained about 0.35 percent, running up to 1,272.46 points.

The Nikkei-225 Stock Average, a much-narrower gauge to trading in blue chips, listed on the First Section of The Tokyo Stock Exchange, than is The TOPIX Average, rose 0.28 percent to 12,439.48 yen.

The ratio of advancing counters to declining ones was 1.27:One, exactly.

The tally for the largest equity market in Asia was:

The TOPIX Average	Plus	1.76 percent
The Nikkei-225 Stock Average	Plus	1.20 percent

And, on other Asian equity markets, this was how their respective indices ended, last Friday:

The HKSAR	Plus 0.63 percent to 14,982.89
Indonesia	Minus 1.22 percent to 1,048.87
Japan	Nikkei-255 Stock Average Plus 0.27 percent to 12,439.48 TOPIX Average Plus 0.35 percent to 1,272.46
Malaysia	Minus 0.16 percent to 918.38
The Philippines	Plus 0.46 percent to 1,934.56
Singapore	Plus 0.09 percent to 2,286.55
South Korea	Minus 0.97 percent to 1,086.55
Taiwan	Plus 0.44 percent to 6,136.55
Thailand	Plus 0.54 percent to 695.89

-- E N D --

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