

**THE WEEK THAT HURRICANE KATRINA RAVAGED  
THE LAND OF THE FREE AND THE HOME OF THE BRAVE**

All eyes were glued on the southern-most part of the United States (US), last Monday, as the largest storm in the history of the US bore down on New Orleans, threatening to inundate the city as it had never been inundated before.

Hurricane Katrina, downgraded from a Category 5 Storm to a Category 4 Storm, roared across The Gulf of Mexico, with winds, whipping up to more than 165 miles per hour.

Flooding was extensive and everything that was not securely fastened to the earth became airborne.

Oil rigs were set adrift and insurance companies were suggesting a clean-up bill of more than \$US26 billion.

All oil refineries were shut down at The Gulf of Mexico.

The refineries at The Gulf of Mexico account for more than 40 percent of all refined oil, consumed in the US on a daily basis, from petrol to heating fuel.

The storm turned westerly, after ravaging New Orleans, Louisiana, heading straight for Mississippi and Alabama.

Flood waters were continuing to rise at what was described as a phenomenal rate.

It was clear that it would take at least 2 more days before the full extent of the storm's damage could be assessed.

Prior to the storm, making landfall at the heart of the US, oil-refining region, in Asia, last Monday, the very threat of the storm, seriously disrupting oil supplies in the US, caused the price of crude oil on electronic trading on The New York Mercantile Exchange (NYMEX) to drive up to \$US70.11 per barrel.

That was another record price for the black ooze.

However, as it turned out, initially, Hurricane Katrina was perceived to be not as powerful as had been predicted and, although storm damage was extensive, the apocalyptic scenario, with New Orleans, sinking below the sea for all time, never came to pass.

Oil prices retreated almost as fast as they had risen when it became known on Wall Street that the storm had come and gone; and, New Orleans was still there.

For delivery in October, the last settlement for a barrel of light sweet crude oil on The NYMEX, during Open Outcry Trading, was \$US67.20.

That was an increase of about 1.62 percent, compared with the last settlement of Friday, August 26, 2005.

As for November delivery, the last settlement for light sweet crude oil came in at \$US67.74 per barrel, up about 1.27 percent on the day.

Wall Street, as expected, was jittery at the thought of such a monster storm, bearing down on the heart of the refining industry in the US.

But, as last Monday wore on, it appeared, on the surface, at least, that things would not be as bad as had been predicted in some quarters.

In addition, Hurricane Katrina was said to be weakening very quickly as it went further inland.

On The New York Stock Exchange, the Dow Jones Industrial Average rallied on the news of the storm's passing, with a gain of 65.76 points, equivalent to about 0.63 percent, ending the hectic trading day at 10,463.05 points.

On The NASDAQ, its Composite Index rose 16.88 points, or about 0.80 percent, running up to 2,137.65 points.

### News Wise

- The President of **The Organisation of Petroleum Exporting Countries** (OPEC), Sheikh Ahmad al-Fahd al-Sabah, said that he would call on OPEC to increase crude oil output by another 500,000 barrels per day; and,
- **KPMG**, the international accounting firm, one of the so-called, '*Big Four*', has agreed to pay \$US456 million in order to settle the case where it had admitted that the firm had marketed tax shelters and concealed them from the US Internal Revenue Service (IRS). By paying this fine, KPMG avoided what could easily have been its swansong if it had tried to defend an Action, brought by the US Government, for criminal fraud.

In Europe, not knowing the full extent of the passage of Hurricane Katrina, investors in this part of the world, at first, dived for cover, for the most part.

Losses were widespread at the opening of most major European bourses, but after the price of crude oil on international markets started to come off their record-breaking highs, key indices of some of the largest equity markets steadied.

This was how Europe saw the situation, last Monday night:

Amsterdam's AEX Index	Minus 1.73 percent
Great Britain's FTSE 100 Index	Minus 0.52 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.59 percent
France's CAC 40 Index	Plus 0.42 percent
Switzerland's Swiss Market Index	Minus 1.60 percent
Italy's MIBTEL Index	Plus 0.29 percent

In Asia, it was a bloodbath.

Asia, because it leads the world when it comes to equity trading, due to the time differential, tends to set the pace and the price of many commodities and stocks and shares while the rest of the world sleeps.

As a result of the fears, surrounding the passage of Hurricane Katrina, every equity market of the most-populous part of the world saw its key indices, written in red ink, led by Indonesia's key stock-market index, which shed more than 5 percent.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), indices of both equity markets lost material amounts as investors sold part of their holdings, not knowing what the following day would bring.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gave up 145.92 points, equivalent to about 0.97 percent of its value, falling back to 14,836.97 points.

The Total Turnover was about \$HK19.78 billion, while the ratio of losing counters to gaining ones was about 3.23:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 0.56 percent to \$HK124.30 per share
China Life Insurance Company Ltd (Code: 2628)	Down 2.42 percent to \$HK6.05 per share
PetroChina Company Ltd (Code: 857)	Down 0.77 percent to \$HK6.45 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.76 percent to \$HK76.40 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 2.07 percent to \$HK33.05 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.63 percent to \$HK78.40 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.01 percent to \$HK82.95 per share
CNOOC Ltd (Code: 883)	Up 0.89 percent to \$HK5.70 per share
BOC Hongkong Holdings Ltd (Code: 2388)	Down 1.26 percent to \$HK15.65 per share
China Petroleum and Chemical Corporation (Code: 368)	Down 2.16 percent to \$HK3.40 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Alliance Holdings Ltd	616	19.05		0.05
Emperor Entertainment Hotel Ltd	296	15.96		2.725
First Tractor Company Ltd	38		15.13	1.29
Garron International Ltd	1226	16.67		0.07
Goldwiz Holdings Ltd	586	30.12		0.54
Jolimark Holdings Ltd	2028		10.00	0.90
Kantone Holdings Ltd	1059	70.00		0.68
Northern International Holdings Ltd	736		11.54	0.23
Oriental Explorer Holdings Ltd	430		12.50	0.042
Oriental Investment Corporation Ltd	735	11.86		0.33
South China Industries Ltd	413		21.67	0.47
Techwayson Holdings Ltd	2330	25.00		0.50
Theme International Holdings Ltd	990	10.81		0.041

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index surrendered about 1.16 percent of its value, ending the day at 922.03 points.

The Total Turnover on this speculative market was about \$HK75.17 million.

Losing counters outran gaining ones by the ratio of about 1.42:One.

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

CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 2 percent to \$HK1.08 per share
WorldMetal Holdings Ltd (Code: 8161)	Down 1 percent to \$HK1.90 per share
Golden Meditech Company Ltd (Code: 8180)	Down 3 percent to \$HK1.11 per share
TOM Online Incorporated (Code: 8282)	Down 4 percent to \$HK1.36 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Down 3 percent to \$HK13.70 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B and S Entertainment Holdings Ltd	8167		15.56	0.038
B.A.L. Holdings Ltd	8079	17.86		0.33
Glory Future Group Ltd	8071	11.11		0.02
Golding Soft Ltd	8190	33.33		0.028
M Dream Inworld Ltd	8100	10.00		0.011
Medical China Ltd	8186		18.18	0.036

Northeast Tiger Pharmaceutical Company Ltd	8197		14.29	0.06
Satellite Devices Corporation	8172		11.11	0.016

Japan saw only losers on its 3 equity markets as investors of the second-largest economy of the world shuddered to think of the many possibilities should Hurricane Katrina devastate a large proportion of the oil refineries at The Gulf of Mexico.

On The Tokyo Stock Exchange, indices went into steep decline, at the opening, and stayed at those low levels for the entire trading day.

The TOPIX Average, the official index of The Tokyo Stock Exchange, lost 1.09 percent of its value, ending the session at 1,258.64 points.

The Nikkei-225 Stock Average, considered a less reliable gauge to trading on this market, due to its obvious shallowness, generally, compared with The TOPIX Average, fell 129.65 yen, or about 1.04 percent, to end the day at 12,309.83 yen.

The ratio of losing counters to gaining counters was, exactly, 5:One.

And this was the extent of the losses on other Asian equity markets, last Monday night:

The HKSAR	Minus 0.97 percent to 14,836.97
Indonesia	Minus 5.16 percent to 994.77
Japan	Nikkei-255 Stock Average Minus 1.04 percent to 12,309.83 TOPIX Average Minus 1.09 percent to 1,258.64
Malaysia	Minus 0.71 percent to 911.85
The Philippines	Closed
Singapore	Minus 0.64 percent to 2,272.00
South Korea	Minus 2.15 percent to 1,063.16
Taiwan	Minus 1.42 percent to 6,049.44
Thailand	Minus 0.66 percent to 691.33

## Tuesday

Hurricane Katrina had, clearly, not finished inflicting death and destruction on the southern-most part of the US, last Tuesday, as remnants of the largest storm to hit the US in history wended its way through Louisiana, to Mississippi, to Alabama, and, then, to Tennessee.

New Orleans, Louisiana, was inundated in 20-plus feet of water in some areas, following 30-foot walls of water, having swept through the historic town, leaving much of it in ruins.

And this was after the passage of Hurricane Katrina.

Looters were a common sight on the water-logged streets of the old city.

Law enforcement had all but broken down due to the extent of the carnage, brought by the storm.

Police vehicles found themselves without the ability to refuel and, then, even if petrol had been available, most of the streets were impassable.

Anarchy reigned.

In The Gulf of Mexico, oil production was at a standstill, meaning that about 25 percent of the output of oil and oil products had ceased, completely.

Those refineries, which had not been badly damaged by the high winds – with gusts of more than 165 miles per hour – were flooded and could not be recommissioned in a short space of time.

Even if the refineries could have been re-opened, there was still the problem of road and rail transport – which was non-existent due to the flooding and the many obstacles which had been left on nearly all of the roads by the storm.

It would take some time for the refineries to be able to resume even partial production, according to preliminary reports.

And so the price of energy reached new historic highs – again.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for delivery in October shot up about 3.88 percent to \$US69.40 per barrel, after hitting an intraday high of \$US70.57 per barrel.

As for November delivery, the last settlement for a barrel of light sweet crude oil was \$US69.87, an increase of about 3.14 percent, compared with the last settlement of Monday.

Wall Street reversed Monday course: Down came the prices of stocks and shares as it was clear that Monday's trading session did not, accurately, reflect that true situation in respect of the extent of the damage, left in the wake of Hurricane Katrina.

On The New York Stock Exchange, the Dow Jones Industrial Average fell 50.23 points, or about 0.48 percent, ending the trading day at 10,412.82 points.

Over on The NASDAQ, its Composite Index gave up 7.89 points, equivalent to about 0.37 percent, falling back to 2,129.25 points.

Hurricane Katrina would, without question, push up the rate of inflation in The Home of The Free and The Land of The Brave.

In Europe, it was obvious that, although crude oil prices were rising, it would do nobody any good.

Infrastructural losses and damage in the US, due to the passage of the massive storm, would dent bottom lines of energy companies, especially those with oil rigs in The Gulf of Mexico.

Corporate profit margins were, also, bound to be shaved.

In short, the prospects seemed ominous for trading in stocks and shares in Europe.

In such a scenario, many investors determined to wait it out in order to see, exactly, which way the investment wind would blow as the week wore on.

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

Amsterdam's AEX Index	Plus 0.11 percent
Great Britain's FTSE 100 Index	Plus 0.52 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.42 percent
France's CAC 40 Index	Minus 0.10

Switzerland's Swiss Market Index

percent  
Plus  
0.27  
percent  
Minus  
0.14  
percent

Italy's MIBTEL Index

Once again, Asia was in the dark with regard to the full extent of the damage, caused by passage of Hurricane Katrina, during trading in stocks and shares in the most-populous part of the world, last Tuesday.

Investors in Asia, noting that Wall Street appeared to be unperturbed, during its trading session on Monday, decided that, perhaps, the losses of Monday, on all of Asia's equity markets, had been a little overdone.

And so it was a case of playing the game called, catch-up if you can.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets recorded reasonable gains, but it was noted that the volume of activity was considerably lower, compared with Monday's volume.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about 0.58 percent to end the session at 14,922.22 points.

The Total Turnover fell to about \$HK16.92 billion.

Advancing counters were ahead of declining ones by the ratio of about 1.98:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.24 percent to \$HK124.60 per share
PetroChina Company Ltd (Code: 857)	Down 2.33 percent to \$HK6.30 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.72 percent to \$HK76.95 per share
China Life Insurance Company Ltd (Code: 2628)	Unchanged at \$HK6.05 per share
Bank of Communications Company Ltd (Code: 3328)	Up 2.26 percent to \$HK3.40 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.60 percent to \$HK83.45 per share
CNOOC Ltd (Code: 883)	Up 0.88 percent to \$HK5.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.66 percent to \$HK33.60 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.06 percent to \$HK78.45 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 1.47 percent to \$HK3.45 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)
Applied International Holdings Ltd	519	10.00		0.275
Asia Alliance Holdings Ltd	616	17.07		0.048
Capital Estate Ltd	193	30.00		0.013
China Treasure (Greater China) Investments Ltd	810		16.00	0.105
Goldwiz Holdings Ltd	586	16.67		0.63
Gorient (Holdings) Ltd	729	11.11		0.02
Hans Energy Company Ltd	554	24.44		0.56
HKC International Holdings Ltd	248	15.69		0.295
Jolimark Holdings Ltd	2028	20.00		1.08
Kantone Holdings Ltd	1059		13.24	0.59
Multifield International Holdings Ltd	898		20.27	0.118
New Smart Holdings Ltd	91	13.21		0.12
Perennial International Ltd	725		18.92	0.30
REXCAPITAL Financial Holdings Ltd	555	13.64		0.025

Shimao International Holdings Ltd	649	10.77		0.72
Sino Prosper Holdings Ltd	766	14.29		0.52
South China Industries Ltd	413	14.89		0.54
United Power Investment Ltd	674	23.91		0.57
Unity Investments Holdings Ltd	913		10.34	0.026
Wing Shing International Holdings Ltd	850	11.39		0.176

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shot up about 1.37 percent to 934.65 points.

The Total Turnover on this market was about \$HK78 million, with gaining counters outnumbering losing counters by the ratio of about 1.32:One.

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

CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Unchanged at \$HK1.08 per share
Golden Meditech Company Ltd (Code: 8180)	Up 11 percent to \$HK1.21 per share
WorldMetal Holdings Ltd (Code: 8161)	Down 1 percent to \$HK1.89 per share
Wumart Stores Incorporated (Code: 8277)	Up 6 percent to \$HK13.65 per share
TOM Online Incorporated (Code: 8282)	Up 3 percent to \$HK1.40 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B and S Entertainment Holdings Ltd	8167	18.42		0.045
CASH Financial Services Group Ltd	8122	12.00		0.28
China Photar Electronics Group Ltd	8220	18.64		0.28
Co-winner Enterprise Ltd	8108	17.24		0.068
Golden Meditech Company Ltd	8180	11.11		1.21
Golding Soft Ltd	8190		25.00	0.021
IIN International Ltd	8128		16.67	0.02
Innovis Holdings Ltd	8065		27.40	0.106
Shenzhen Mingwah Aohan High Technology Corporation Ltd	8301	25.13		0.249
New Chinese Medicine Holdings Ltd	8085	19.57		0.11
Neolink Cyber Technology (Holding) Ltd	8116		16.67	0.095
New Universe International Group Ltd	8068		13.64	0.038
Northeast Tiger Pharmaceutical Company Ltd	8197	16.67		0.07
Recruit Holdings Ltd	8073	12.50		0.90
Zheda Lande Scitech Ltd	8106	19.05		0.225

On Asia's largest equity market, that of The Tokyo Stock Exchange, key indices rose rapidly.

The TOPIX Average, generally accepted as the most accurate assessment of trading in blue chips, quoted on the First Section of The Tokyo Stock Exchange, put on 1.19 percent, rising to 1,273.60 points.

The Nikkei-225 Stock Average, which is not an official gauge to trading on The Tokyo Stock Exchange, put its closing figure at 12,453.14 yen, representing a one-day gain of about 1.16 percent.

The ratio of gaining counters to losing ones was about 2.45:One.

### News Wise

- The Internal Affairs and Communications Ministry of the Japanese Government announced that the **unemployment rate**, seasonally adjusted, stood at 4.40 percent in July, up about 0.20 percent, compared with the June statistic. Some 2.89 million Japanese workers are looking for jobs, today;

- The Ministry of Economy, Trade and Industry announced that **retail sales** in the month of July rose 0.60 percent, Year-On-Year; and,
- The Internal Affairs and Communications Ministry announced that **spending by households** fell 3.30 percent in July, compared with the like month in 2004. It was the first decline in the past few months.

In other Asian equity markets, this was how their key indices closed, last Tuesday:

The HKSAR	Plus 0.58 percent to 14,922.22
Indonesia	Plus 4.53 percent to 1,039.82
Japan	Nikkei-255 Stock Average Plus 1.16 percent to 12,453.14 TOPIX Average Plus 1.19 percent to 1,273.60
Malaysia	Plus 0.19 percent to 913.56
The Philippines	Plus 0.88 percent to 1,951.63
Singapore	Minus 0.15 percent to 2,268.49
South Korea	Plus 0.89 percent to 1,072.61
Taiwan	Minus 0.29 percent to 6,032.12
Thailand	Plus 0.22 percent to 692.86

### Wednesday

Appointed State officials of Louisiana, Mississippi, Tennessee and Alabama had stopped counting the dead and the dying, by last Wednesday, concentrating instead in trying to rescue and, then, secure the living as the clean-up started to get underway, following the passage of the killer storm, Hurricane Katrina.

The police were stretched to their absolute limit as they tried to restore law and order.

Widespread looting and mayhem contributed to the horror of the situation: The living just looked on, many numbed in shock and disbelief.

The entire US Gulf Coast had been designated as being a disaster area.

In New Orleans, the historic city continued to fill with the waters of Lake Pontchartrain: Attempts to repair breaches in the levee system were not succeeding.

In Mississippi, Tennessee and Alabama, entire townships had disappeared, overnight, as the extent of the disaster became known.

Dead bodies were found, lining some of the back roads.

The authorities in these States were completely overwhelmed by the enormity of the task that lay before them.

The US National Guard had been called in to help rescue those in need and to distribute water, food, blankets, medicine, and clothing.

With refining facilities in The Gulf of Mexico at a standstill, the US Government announced that it would open the 'tap' of its Strategic Petroleum Reserves of some 700 million barrels of crude oil, the crude oil, being stored in 5 underground salt caverns in Texas and Louisiana.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in October was \$US68.94, down about 0.66 percent on the last settlement on Tuesday.



For November delivery, the last settlement for a barrel of light sweet crude oil, also, fell 0.66 percent, compared with Tuesday's closing level, ending the Open Outcry Trading session at \$US69.41.

Few oil traders and speculators thought that that would be the end of the push to the \$US80 per-barrel mark.

On Wall Street, indices rose as it was very clear that certain industries stood to benefit from the disaster in the Gulf States.

Equipment producers, builders, construction companies, manufacturers of heavy earth-moving equipment, and oil-service companies all stood to make a bundle from contracts, which were bound to come their way.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 68.78 points, or about 0.66 percent, ending the trading day at 10,481.60 points.

Over on The NASDAQ, its Composite Index gained 22.33 points, equivalent to about 1.05 percent, running up to 2,152.09 points.

At the start of trading on US equity markets, last Wednesday, The Bureau of Economic Analysis released its preliminary findings in respect of the Gross Domestic Product/Gross National Product for the second quarter of 2005.

This is part of that which this important branch of the US Labour Department released:

**'GROSS DOMESTIC PRODUCT: SECOND QUARTER 2005 (PRELIMINARY)**

*'Real gross domestic product — the output of goods and services produced by labor and property located in the United States — increased at an annual rate of 3.3 percent in the second quarter of 2005 ... In the first quarter, real GDP increased 3.8 percent.*

*'The GDP estimates released today are based on more complete source data than were available for the advance estimates issued last month. In the advance estimates, the increase in real GDP was 3.4 percent.*

*'The major contributors to the increase in real GDP in the second quarter were personal consumption expenditures, exports, equipment and software, residential fixed investment, and government spending. The contribution of these components were partly offset by a negative contribution from private inventory investment. Imports, which are a subtraction in the calculation of GDP, increased.*

*'The deceleration in real GDP growth in the second quarter primarily reflected a downturn in private inventory investment that was partly offset by a deceleration in imports and an acceleration in exports.*

*'Final sales of computers contributed 0.33 percentage point to second-quarter real GDP growth after contributing 0.37 percentage point to first-quarter growth. Motor vehicle output contributed 0.01 percentage point to second-quarter real GDP growth after contributing 0.15 percentage point to the first-quarter growth.*

*'The price index for gross domestic purchases, which measures prices paid by U.S. residents, increased 3.1 percent in the second quarter, 0.1 percentage point less than the advance estimate; this index increased 2.9 percent in the first quarter. Excluding food and energy prices, the price index for gross domestic purchases increased 1.9 percent in the second quarter, compared with an increase of 3.0 percent in the first.*

*'Real personal consumption expenditures increased 3.0 percent in the second quarter, compared with an increase of 3.5 percent in the first. Real nonresidential fixed investment increased 8.4 percent, compared with an increase of 5.7 percent. Nonresidential structures increased 2.7 percent, in contrast to a decrease of 2.0 percent. Equipment and software increased 10.4 percent, compared with an increase of 8.3 percent. Real residential fixed investment increased 9.8 percent, compared with an increase of 9.5 percent.*

*'Real exports of goods and services increased 13.2 percent in the second quarter, compared with an increase of 7.5 percent in the first. Real imports of goods and services increased 0.5 percent, compared with an increase of 7.4 percent.*

*'Real federal government consumption expenditures and gross investment increased 1.6 percent in the second quarter, compared with an increase of 2.4 percent in the first. National defense increased 2.4 percent, compared with an increase of 3.0 percent. Nondefense decreased 0.1 percent, in contrast to an increase of 1.1 percent. Real state and local government consumption expenditures and gross investment increased 3.3 percent, compared with an increase of 1.6 percent.*

*'The real change in private inventories subtracted 1.99 percentage points from the second-quarter change in real GDP, after adding 0.29 percentage point to the first-quarter change. Private businesses increased inventories \$2.6 billion in the second quarter, following increases of \$58.2 billion in the first quarter and \$50.1 billion in the fourth.*

*'Real final sales of domestic product – GDP less change in private inventories – increased 5.4 percent in the second quarter, compared with an increase of 3.5 percent in the first.*

#### *'Gross domestic purchases*

*'Real gross domestic purchases – purchases by U.S. residents of goods and services wherever produced – increased 1.9 percent in the second quarter, compared with an increase of 4.0 percent in the first.*

#### *'Gross national product*

*'Real gross national product – the goods and services produced by the labor and property supplied by U.S. residents – increased 3.0 percent in the second quarter, compared with an increase of 3.9 percent in the first. GNP includes, and GDP excludes, net receipts of income from the rest of the world, which decreased \$6.1 billion in the second quarter after increasing \$2.4 billion in the first; in the second quarter, receipts increased \$19.2 billion, and payments increased \$25.3 billion ...'.*

In Europe, speculators were pondering as to the bill for the clean-up in the US and how much insurance companies would be stung by the massive claims, which were certain to come.

Estimates of the claims had, already, been suggested at \$US26 billion ... and climbing.

However, with the price of crude oil, hovering at record highs, energy counters pushed up the value of key indices on major European bourses:

Amsterdam's AEX Index	Plus	0.52 percent
Great Britain's FTSE 100 Index	Plus	0.78 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.79 percent
France's CAC 40 Index	Plus	0.98 percent
Switzerland's Swiss Market Index	Plus	0.29 percent
Italy's MIBTEL Index	Plus	0.95 percent

In Asia, investors looked to the US for direction because that which was happening in The Land of The Free and The Home of The Brave would, without question, cascade round the world.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), after an early sell-off on the premier equity market, which was quite pronounced, investors moved in, picking up what they considered to be cheapies.

However, by the close of the day, on the Main Board of The Stock Exchange of Hongkong Ltd, its key gauge to trading in blue chips, the Hang Seng Index, was still in the red.

The Hang Seng Index ended the trading day at 14,903.55 points, off about 0.13 percent, compared with Tuesday's closing level.

The Total Turnover was about \$HK20.06 billion, while the ratio of declining counters to gaining ones was about 1.73:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.08 percent to \$HK124.50 per share
Lifestyle International Holdings Ltd (Code: 1212)	Down 6.32 percent to \$HK12.60 per share
CNOOC Ltd (Code: 883)	Down 3.48 percent to \$HK5.55 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.32 percent to \$HK76.70 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.83 percent to \$HK6.00 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 1.45 percent to \$HK3.40 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.02 percent to \$HK84.30 per share
China Mobile (Hongkong) Ltd (Code: 941)	Unchanged at \$HK33.60 per share
Bank of Communications Company Ltd (Code: 3328)	Up 0.74 percent to \$HK3.425 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.25 percent to \$HK78.65 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Alliance Holdings Ltd	616		14.58	0.041
Asia Resources Holdings Ltd	899		10.26	1.40
Chinney Alliance Group Ltd	385	12.99		0.435
Goldwiz Holdings Ltd	586	30.16		0.82
Gorient (Holdings) Ltd	729	10.00		0.022
Haywood Investments Ltd	905		13.04	0.08
Imagi International Holdings Ltd	585	17.46		1.48
Mandarin Entertainment (Holdings) Ltd	9		10.10	0.89
Massive Resources International Corporation Ltd	70		10.00	0.018
Northern International Holdings Ltd	736	10.87		0.255
Pyxis Group Ltd	516	18.46		0.077
Symphony Holdings Ltd	1223	12.28		1.28
Universe International Holdings Ltd	1046	12.50		0.054
Zida Computer Technologies Ltd	859	12.05		0.93

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

The Growth Enterprise Index registered a gain of about 1.04 percent, running up to 944.34 points.

The Total Turnover, however, remained relatively moderate, at about \$HK83.79 million.

Although the lone index of this market was in positive territory, losing counters outnumbered gaining ones by the ratio of about 1.15:One.

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

CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 2 percent to \$HK1.06 per share
WorldMetal Holdings Ltd (Code: 8161)	Up 6 percent to \$HK2.00 per share
TOM Online Incorporated (Code: 8282)	Up 4 percent to \$HK1.45 per share
Far Eastern Polychem Industries Ltd (Code: 8012)	Up 50 percent to \$HK2.10 per share
Chinasoft International Ltd (Code: 8216)	Down 1 percent to \$HK1.19 per share

The biggest movers of The GEM, last Wednesday, they included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGL MediaTech Holdings Ltd	8192		20.00	0.016
Argos Enterprise (Holdings) Ltd	8022	24.39		0.153
Armitage Technologies Holding Ltd	8213	14.29		0.04
B M Intelligence International Ltd	8158		16.67	0.03
Capinfo Company Ltd	8157	15.38		0.18
Far Eastern Polychem Industries Ltd	8012	50.00		2.10
Grandy Corporation	8143	12.00		0.168
IIN International Ltd	8128	20.00		0.024
Medical China Ltd	8186	27.78		0.046
Shenzhen Mingwah Aohan High Technology Corporation Ltd	8301		11.65	0.22
New Chinese Medicine Holdings Ltd	8085	16.36		0.128
Neolink Cyber Technology (Holding) Ltd	8116	20.00		0.114
Prosten Technology Holdings Ltd	8026		10.00	0.09
Tianjin Tianlian Public Utilities Company Ltd	8290		11.34	0.43

In Japan, with an important part of the country's major market – the US – in turmoil, investors were concerned as to the near-term effects of the disaster on the second-largest economy of the world.

Equity markets do not appreciate uncertainty of any kind.

As a result, key indices of the country's 3 equity markets retreated.

On The Tokyo Stock Exchange, the TOPIX Average gave up 0.18 percent of its value, ending the day at 1,271.29 points.

The Nikkei-225 Stock Average, which is not associated with The Tokyo Stock Exchange, shed 0.32 percent of its value, ending the day at 12,413.60 yen.

The ratio of losing counters to gaining counters was about 1.58:One.

#### News Wise

- **Housing Starts** in Japan rose about 8.30 percent in July, Year-On-Year, The Land, Infrastructure and Transport Ministry said; and,
- **Industrial production** dropped by about 1.10 percent in July, compared with the June statistic, The Ministry of Economy, Trade and Industry announced. The Ministry remarked that demand for vehicles and machinery waned, during the month of July.

This was how the key indices of other Asian equity markets fared, last Wednesday:

The HKSAR	Minus 0.13 percent to 14,903.55
Indonesia	Plus 0.99 percent to 1,050.09
Japan	Nikkei-255 Stock Average Minus 0.32 percent to 12,413.60 TOPIX Average Minus 0.18 percent to 1,271.29
Malaysia	Closed
The Philippines	Minus 0.75 percent to 1,936.90
Singapore	Plus 0.31 percent to 2,275.43

South Korea	Plus 1.00 percent to 1,083.33
Taiwan	Plus 0.02 percent to 6,033.47
Thailand	Plus 0.72 percent to 697.85

### **Thursday**

The dead and the dying littered the water-logged streets of the jazz centre of the world, last Thursday, and the Mayor of New Orleans, Mr Ray Nagin, pleaded for help in order to save an estimated 20,000, almost helpless people.

The situation in The Gulf States of the US had deteriorated further from the unhappy state of affairs, which had prevailed on Wednesday.

Armed looters, mostly blacks, were out in force on every street where booty could be found.

The New Orleans Police Department had all but given up trying to restore law and order: There was too much to handle.

The rotting corpses added to the horror because they had become a health hazard to the living.

Fresh drinking water had still not been supplied in sufficient quantities and many people had not eaten in the previous 3 days.

New Orleans had been emptied of all emergency supplies – and the promised help from Washington had not arrived.

Despair had led to anger; anger had led to violence; and, violence had led to more death.

The survivors wanted, desperately, to leave the city of the dead, but many of them had no means to evacuate safely.

The situation in New Orleans was described as being '*intolerable*', but, in Mississippi, Tennessee and Alabama, there were hundreds of pockets at hamlets whose residents were suffering miserably, too, but nothing could compare with situation in New Orleans, Louisiana.

The price of crude oil took another about face, reversing the course of Wednesday.

On The New York Mercantile Exchange (NYMEX), hectic trading conditions resulted in the price of crude oil, shooting up to near record highs – again.

For delivery in October, the last settlement for a barrel of light sweet crude oil was \$US69.47, representing a one-day increase of about 0.77 percent.

The November last settlement was \$US69.98 per barrel, up about 0.82 percent on the day.

The price of jet fuel was rising, also, hammering in another nail in the coffins of many an American carrier.

Since the day before Hurricane Katrina had struck New Orleans, the price of jet fuel had risen by about 21 percent to \$US2.32 per gallon.

On Wall Street, an announcement from General Motors Corporation, the world's largest manufacturer of motor vehicles, to the effect that sales of its products in the US in August had fallen by about 16 percent, compared with July's figures, set the pace of trading for the day.

On The New York Stock Exchange, the Dow Jones Industrial Average lost 21.97 points, or about 0.21 percent, falling back to 10,459.63 points.

Over on The NASDAQ, its Composite Index gave up 4.19 points, equivalent to about 0.19 percent, dropping to 2,147.90 points.

Had it not been for gains in the energy sector of the world's largest equity market, things would have been much worse because it stood to reason that, with the price of crude oil, shooting to ever higher levels, anybody and everybody, involved in this industry, was bound to get a slice of The Gulf States' pie.

Meanwhile, the price of petrol at the pumps shot up to more than \$US3 per (US) gallon.

In Europe, investors smelt more profits for energy companies and, on those likely prospects, the share prices of oil companies and oil-distribution companies were pushed up.

All eyes were on The Gulf of Mexico: Little else seemed to matter because of the enormity of the situation, which was affecting other parts of the world.

This was how the indices of major European bourses ended their respective trading sessions, last Thursday:

Amsterdam's AEX Index	Unchanged
Great Britain's FTSE 100 Index	Plus 0.59 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.27 percent
France's CAC 40 Index	Plus 0.56 percent
Switzerland's Swiss Market Index	Unchanged
Italy's MIBTEL Index	Plus 0.53 percent

### News Wise

- The annual **growth in the price of houses** in the United Kingdom has hit its lowest levels since 1996, according to industry sources. And prices are expected to continue to fall for the remainder of the year.

Indices of Asian equity markets were, generally, higher – which surprised a number of the more-hardened, stock-market operators and investors.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key index of the premier equity market of The Stock Exchange of Hongkong Ltd rose, while its **Growth Enterprise Market** (The GEM) saw the lone index of this speculative market fall, fractionally.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gained about 1.61 percent shooting up to 15,143.75 points.

The Total Turnover was about \$HK23.08 billion, while the ratio of advancing counters to declining ones was about 2.79:One.

The Ten Most Actives were:

PetroChina Company Ltd (Code: 857)	Up 0.79 percent to \$HK6.35 per share
HSBC Holdings plc (Code: 5)	Up 0.64 percent to \$HK125.30 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 2.61 percent to \$HK86.50 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.76 percent to \$HK78.05 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 3.27 percent to \$HK34.70 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 2.56 percent to \$HK16.05 per share
CNOOC Ltd (Code: 883)	Up 2.70 percent to \$HK5.70 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 2.21 percent to \$HK3.475 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 2.10 percent to \$HK80.30 per share
Wharf (Holdings) Ltd, The (Code: 4)	Up 5.43 percent to \$HK30.10 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Applied International Holdings Ltd	519	16.67		0.35
Asia Tele-Net and Technology Corporation Ltd	679	18.64		0.35
Bestway International Holdings Ltd	718	14.60		0.157

China Best Group Holding Ltd	370		10.87	0.082
China Elegance (Holdings) Ltd	476		28.57	0.045
Everest International Investments Ltd	204		10.34	0.026
Hansom Eastern (Holdings) Ltd	279	11.43		0.78
Hi Sun Technology (China) Ltd	818	17.65		0.80
Interchina Holdings Company Ltd	202	14.58		0.055
Kantone Holdings Ltd	1059	11.48		0.68
Karl Thomson Holdings Ltd	7	58.00		0.79
Linfair Holdings Ltd	462	12.50		0.63
Mandarin Entertainment (Holdings) Ltd	9	12.36		1.00
Morning Star Resources Ltd	542		13.33	0.052
NewOcean Green Energy Holdings Ltd	342	14.29		0.64
Omnicorp Ltd	94		10.00	0.72
Pacific Plywood Holdings Ltd	767		10.34	0.026
renren Holdings Ltd	59	17.81		0.43
Techwayson Holdings Ltd	2330		10.00	0.45
Zhongda International Holdings Ltd	909		10.00	0.27

On The GEM, its Growth Enterprise Index gave up about 0.17 percent of its value, dropping back to 942.77 points.

The volume of activity on this market was about \$HK89.55 million.

Gaining counters, however, still managed to beat off losing ones by the ratio of about 1.56:One.

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

Techpacific Capital Ltd (Code: 8088)	Up 9 percent to 53 cents per share
WorldMetal Holdings Ltd (Code: 8161)	Down 2 percent to \$HK1.96 per share
China.com Incorporated (Code: 8006)	Up 6 percent to 50 cents per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Up 3 percent to \$HK1.09 per share
Golden Meditech Company Ltd (Code: 8180)	Up 1 percent to \$HK1.25 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	18.75		0.019
Argos Enterprise (Holdings) Ltd	8022		15.03	0.13
China Photar Electronics Group Ltd	8220	48.33		0.445
Co-winner Enterprise Ltd	8108		11.76	0.06
IIN International Ltd	8128		12.50	0.021
Inno-Tech Holdings Ltd	8202	16.33		0.057
International Entertainment Corporation	8118		11.33	6.65
Lee's Pharmaceutical Holdings Ltd	8221	30.43		0.15

In Japan, indices of the country's 3 equity markets moved to higher ground.

On The Tokyo Stock Exchange, The TOPIX Average, normally watched by more-serious market analysts and investors of worth, rose by about 0.48 percent, moving up to 1,277.33 points.

The Nikkei-225 Stock Average, which is not followed as closely as in the past (for obvious reasons), rose 0.75 percent to 12,506.97 yen.

The ratio of gaining counters to losing ones was about 2.33:One.

The following is **TARGET's** list of other Asian equity markets and how their key indices fared, last Thursday:

The HKSAR	Plus 1.61 percent to 15,143.75
Indonesia	Minus 1.03 percent to 1,039.23
Japan	Nikkei-255 Stock Average Plus 0.75 percent to 12,506.97 TOPIX Average Plus 0.48 percent to 1,277.33
Malaysia	Minus 0.43 percent to 909.67
The Philippines	Plus 0.23 percent to 1,941.41
Singapore	Plus 0.88 percent to 2,295.54
South Korea	Plus 2.13 percent to 1,106.37
Taiwan	Closed
Thailand	Plus 1.78 percent to 710.28

## Friday

The world was coming to the aid of the richest and the most-powerful country of the world, last Friday.

It was a cruel irony, which history would record for posterity.

It must have been humbling for many of the members of the Administration of US President George W. Bush to have to accept handouts from less wealthy countries of the world.

Hurricane Katrina's devastation appeared to have touched the heart-strings of many people and many countries.

Telecasts of the dead and dying in the Gulf States of the US had softened many a heart, of that, there could be no question.

The International Energy Agency, which is based in Paris, France, announced that its member countries – the United Kingdom, Germany, Japan and France – would release 2 million barrels of crude oil per day in order to try to alleviate the situation in the US, as well as the immense suffering of its people.

The price of oil in the US fell on the announcement from The International Energy Agency.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in October fell about 2.73 percent to end the week at \$US67.57.

For November delivery, a barrel of light sweet crude oil was fetching \$US68.16, down 2.60 percent, exactly, compared with the last settlement of Thursday.

Prior to the opening of Wall Street, the US Labour Department announced its statistics in respect of job growth for the month of August.

Bottom Line: It was slowing.

This is the complete speech of Kathleen P. Utgoff, Commissioner of The Bureau of Labour Statistics:

*'Nonfarm payroll employment rose by 169,000 in August, following a gain of 242,000 in July (as revised). The unemployment rate, at 4.9 percent in August, was little changed; the jobless rate has decreased by 0.5 percentage point since February. Payroll employment has increased by 2.2 million over the year. In August, job growth continued in several industries, with notable gains in health care, accommodations and food services, and construction. Manufacturing employment edged down over the month. (Hurricane Katrina struck Florida and the Gulf Coast after the*



*August survey reference period, and therefore did not affect August estimates from the payroll and household surveys.)*

*'Health care added 26,000 jobs in August. Employment in the industry has increased by 264,000 over the year. Over the month, employment rose in hospitals and ambulatory health care services, such as doctors' offices.*

*'Employment growth continued in accommodations and food services. Over the year, employment in food services has increased by 280,000.*

*'Wholesale trade employment continued to trend up in August. Since its most recent trough in August 2003, the industry has added 150,000 jobs. Most of this gain occurred in durable goods and in electronic market components. Retail trade employment was little changed in August, following a large increase in July. Over the year, the industry has added 224,000 jobs. Employment in financial activities rose by 15,000 in August and by 184,000 over the year.*

*'Employment continued to expand in professional and business services in August. Over the year, the industry added 507,000 jobs. In August, employment in temporary help was about unchanged; job growth in the industry has slowed since last fall.*

*'Within the goods-producing sector, employment in construction rose by 25,000 in August and has increased by 277,000 over the year. Nearly three-fourths of August's job gain occurred among specialty trade contractors. Employment in mining edged up over the month and has risen by 67,000 since its most recent trough in April 2003. Much of the increase over this period has been in support activities for oil and gas.*

*'Manufacturing employment edged down in August; over the year, factory job losses have totaled 110,000. Over the month, employment continued to decline in motor vehicles and parts. Since May, this industry has shed 37,000 jobs. Both the factory workweek, at 40.5 hours, and factory overtime, at 4.5 hours, were unchanged over the month.*

*'Average hourly earnings of private production or nonsupervisory workers rose by 2 cents in August to \$16.16, following a 7-cent increase in July. Over the year, average hourly earnings have grown by 2.7 percent.*

*'Turning to data from the household survey, the unemployment rate was little changed in August at 4.9 percent but has trended down since February, when it was 5.4 percent. The jobless rate for adult women declined over the month, while the rates for the other major worker groups showed little or no change from July.*

*'Total employment continued to trend up in August. The employment-to-population ratio, at 62.9 percent, is 0.6 percentage point higher than it was in February.*

*'As part of our mission reporting on America's workers each month, and in recognition of Labor Day this coming Monday, I would like to highlight a few characteristics of our Nation's labor force, which now totals nearly 150 million workers.*

*'The American labor force is demographically diverse. Women make up nearly half of the labor force (46 percent in 2004). By race and ethnicity, non-Hispanic whites make up the largest share of the labor force (70 percent).*

*'Hispanics are the next largest group accounting for 13 percent of the total, followed by non-Hispanic blacks and Asians (11 and 4 percent, respectively). About 1 in 7 labor force participants in the U.S. are immigrants. Between 2000 and 2004, these foreign-born workers have accounted for about half of the net labor force growth.*

*'Looking at education and the type of occupations workers hold, three-fifths of employed persons age 25 and over have some post-secondary schooling. One-third of workers have a college degree or more. Only 10 percent have less than a high school diploma. A little over a third of employed individuals work in management or professional occupations and about one-fourth hold sales and office jobs.*

*'Sixteen percent are service workers, and 13 percent are employed in production and transportation occupations. Natural resources, construction, and maintenance occupations account for the remainder.*

*'Returning to August's labor market developments, nonfarm payroll employment rose by 169,000, and the unemployment rate was 4.9 percent.'*

On The New York Stock Exchange, the Dow Jones Industrial Average dropped about 0.12 percent to end the week at 10,447.37 points.

The NASDAQ's Composite Index gave up about 0.32 percent of its value, falling to 2,141.07 points.

The talk on The Street was that the US Federal Reserve Board might, now, have to consider changing its stance in respect of raising interest rates and do something a little more positive: Such as nothing.

The situation in Louisiana, Mississippi, Alabama, Tennessee and other Gulf States, which had been affected by Hurricane Katrina, continued ... with help from Washington, said to be on the way – 4 days after the catastrophe of Monday.

The dead still lay where they fell in New Orleans, however: There were, still, no facilities to dispose of them.

The tally for the week for the largest equity markets of the world was:

The Dow Jones Industrial Average	Plus	0.48 percent
The NASDAQ's Composite Index	Plus	0.96 percent

In Europe, the statistics in respect of the labour situation in the US were not considered positive and, with the death and destruction, caused by the most-powerful storm ever to hit The Gulf of Mexico and the Gulf States, European investors were unsure of the near-term consequences of the events of the week, just ended.

The fall-out from Hurricane Katrina would be felt for some time to come: There was little doubt about this.

In such an atmosphere of uncertainty and, with more than a little foreboding, this was how the key indices of eurozone bourses ended their respective trading days, last Friday:

Amsterdam's AEX Index	Unchanged
Great Britain's FTSE 100 Index	Minus 0.03 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.10 percent
France's CAC 40 Index	Minus 0.43 percent
Switzerland's Swiss Market Index	Unchanged
Italy's MIBTEL Index	Minus 0.05 percent

In Asia, things appeared to look a little better, last Friday, in view of the aid, about to pour in to the US.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index finished the week at 15,221.89 points, a one-day improvement of about 0.52 percent.

The Total Turnover was about \$HK20.86 billion.

The ratio of gainers to losers was about 1.59:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.56 percent to \$HK126.00 per share
PetroChina Company Ltd (Code: 857)	Up 1.57 percent to \$HK6.45 per share
Bank of Communications Company Ltd (Code: 3328)	Unchanged at \$HK3.475 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 2.30 percent to \$HK82.15 per share

China Petroleum and Chemical Corporation (Code: 386)	Up 0.72 percent to \$HK3.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.04 percent to \$HK87.40 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.03 percent to \$HK78.85 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Unchanged at \$HK16.05 per share
China Mobile (Hongkong) Ltd (Code: 941)	Unchanged at \$HK34.70 per share
CNOOC Ltd (Code: 883)	Up 1.75 percent to \$HK5.80 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139	10.17		0.13
Applied International Holdings Ltd	519	10.00		0.385
Asia Resources Holdings Ltd	899	10.00		1.43
Century Legend (Holdings) Ltd	79	13.43		0.152
China Elegance (Holdings) Ltd	476	15.56		0.052
Guo Xin Group Ltd	1215	14.29		0.04
Haier Electronics Group Company Ltd	1169		10.24	0.149
Karl Thomson Holdings Ltd	7		10.13	0.71
Landune International Ltd	245	11.11		0.11
Massive Resources International Corporation Ltd	70	11.11		0.02
Multifield International Holdings Ltd	898	25.22		0.144
New Smart Holdings Ltd	91		14.73	0.11
New Spring Holdings Ltd	690	22.00		0.61
Oriental Explorer Holdings Ltd	430	14.29		0.048
Oriental Investment Corporation Ltd	735	17.91		0.395
Perennial International Ltd	725	19.35		0.37
renren Holdings Ltd	59	11.63		0.48
Sing Tao News Corporation Ltd	1105	12.33		0.41
South China Industries Ltd	413	11.11		0.60
Starbow Holdings Ltd	397	20.00		0.06
Victory Group Ltd	1139	21.21		0.04
Wing Hong (Holdings) Ltd	745	14.29		0.048
Wing Shing International Holdings Ltd	850	12.36		0.20

On The **G**rowth Enterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, losers and gainers were close, at about 1.13:One.

The Growth Enterprise Index rose about 0.23 percent to end trading for the week at 944.91 points.

The Total Turnover on this speculative market was about \$HK93.28 million.

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

Techpacific Capital Ltd (Code: 8088)	Unchanged at 53 cents per share
WorldMetal Holdings Ltd (Code: 8161)	Down 3 percent to \$HK1.90 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Unchanged at \$HK13.95 per share
China.com Incorporated (Code: 8006)	Up 2 percent to 51 cents per share
Panva Gas Holdings Ltd (Code: 8132)	Unchanged at \$HK3.625 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022	21.54		0.158
China Advance Holdings Ltd	8117	10.42		0.53
Co-winner Enterprise Ltd	8108	13.33		0.068
ePRO Ltd	8086		17.65	0.014

Grandy Corporation	8143	26.79		0.213
North Asia Strategic Holdings Ltd	8080	22.50		0.49
Lee's Pharmaceutical Holdings Ltd	8221	12.00		0.168
Timeless Software Ltd	8028	11.25		0.089
Zheda Lande Scitech Ltd	8106		15.93	0.19

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

The Hang Seng Index	Plus	1.60 percent
The Growth Enterprise Index	Plus	1.29 percent

On The Tokyo Stock Exchange, investors took note of the horrible situation in the US and speculated that the US Federal Reserve Board might determine to hold off on interest-rate increases in the short term, at least.

If this should come to pass, it would be good for Japan since the US is the country's biggest market for its manufactured goods.

On the back of these thoughts, key indices of the largest equity market in Asia rose to a 4-year high.

The TOPIX Average rose to 1,282.79 points, representing a gain over Thursday's closing figure of about 0.43 percent.

As for The Nikkei-225 Stock Average, it gained about 0.74 percent to run up to 12,600 yen, exactly.

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

The tally for the largest equity market of Asia was:

The TOPIX Average	Plus	0.81 percent
The Nikkei-225 Stock Average	Plus	1.29 percent

In other Asian equity markets, this was how their key indices ended the week of September 2, 2005, the week that Hurricane Katrina ravaged The Land of The Free and The Home of The Brave:

The HKSAR	Plus 0.52 percent to 15,221.89
Indonesia	Closed
Japan	Nikkei-255 Stock Average Plus 0.74 percent to 12,600.00 TOPIX Average Plus 0.43 percent to 1,282.79
Malaysia	Minus 0.05 percent to 909.18
The Philippines	Plus 0.25 percent to 1,946.38
Singapore	Plus 0.23 percent to 2,300.89
South Korea	Plus 0.85 percent to 1,115.83
Taiwan	Plus 1.36 percent to 6,116.05
Thailand	Minus 0.04 percent to 709.97

-- E N D --

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