

## IRAN OVERTURNS THE WORLD'S EQUITY CART

### Will You, Won't You, Will You, Won't You, Will You Join The Dance ?

For the first time in the previous 54 months, the key index of The New York Stock Exchange, the Dow Jones Industrial Average, broke through the 11,000-mark.

By the close of trading, last Monday, The Dow stood at 11,011.90 points, representing a gain over the previous Friday's closing level of 52.29 points, or about 0.48 percent.

Over the weekend of January 7-8, a number of Wall Street gurus had been pontificating, very vociferously, at the prospects of The Dow, breaching the magical 11,000-level by the close of Monday's trading session.

And so it came to pass: Post Hoc, Ergo Proctor Hoc?

As for The NASDAQ, its Composite Index added another 13.07 points, equivalent to about 0.57 percent, ending the trading day at 2,318.69 points.

Actually, there was little logic to the world's largest equity markets, enjoying 5 consecutive days of gains, with The Dow, cracking the 11,000-level.

But logic rarely counts for very much when investors determine to speculate wildly, pushing key indices up to much higher levels in a very short space of time.

If anything, considering the US Government's report in respect of the unemployment level for the month of December 2005 (Please see the previous Friday's report), the equity markets of the US should have seen key indices, dropping back, somewhat.

Wall Street, however, put a positive bias on the US Labour Department's report, released the previous Friday, with regard to the labour situation in the US for December 2005, suggesting that, when the US Federal Reserve Board convenes its Open Market Committee Meeting on Tuesday, January 31, it will, most likely, shelve any idea of raising interest rates, again.

The same song with slightly different wording.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in February was \$US63.50, down about 1.11 percent, compared with the final quote of Friday, January 6, 2005.

As for March delivery, the last settlement for a barrel of light sweet crude oil came in at \$US64.35, down about 0.95 percent on the previous Friday's last settlement.

In Europe, on the premise that trend is an investor's friend, investors in this part of the world followed the lead of Wall Street.

As a result, every key index of every major bourse rose, with some of the indices, also breaking a 54-month high.

This was how the key indices of the most-important European bourses fared, last Monday:

Amsterdam's AEX Index	Plus	0.39 percent
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Great Britain's FTSE 100 Index	Unchanged
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Germany's Frankfurt XETRA DAX Index	Plus	0.01 percent
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France's CAC 40 Index	Plus	0.16 percent
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Switzerland's Swiss Market Index	Plus	0.22 percent
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Italy's MIBTEL Index	Closed
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In Asia, with the lone exception of the South Korean equity market, every other major equity market saw their respective key indices rise for the fifth consecutive day, also.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), indices of the territory's 2 stock markets rose to near 5-year highs.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gained another 1.32 percent, ending the trading session at 15,547.43 points.

The volume of activity, at about \$HK40.82 billion, was the highest single day's Turnover for more than 2 years.

Gaining counters outnumbered losing ones by the ratio of about 3.22:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 1.64 percent to \$HK129.80 per share
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Hutchison Whampoa Ltd (Code: 13)	Up 1.70 percent to \$HK77.95 per share
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China Construction Bank Corporation (Code: 939)	Up 1.72 percent to \$HK2.95 per share
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China Life Insurance Company Ltd (Code: 2628)	Up 2.03 percent to \$HK7.55 per share
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China Mobile (Hongkong) Ltd (Code: 941)	Up 0.65 percent to \$HK38.45 per share
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PetroChina Company Ltd (Code: 857)	Up 3.05 percent to \$HK6.75 per share
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BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 1.29 percent to \$HK15.70 per share
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Sun Hung Kai Properties Ltd (Code: 16)	Up 1.72 percent to \$HK80.00 per share
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Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.02 percent to \$HK84.15 per share
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Bank of Communications Company Ltd (Code: 3328) Up 2.52 percent to \$HK4.075 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Artel Solutions Group Holdings Ltd	931	20.00		0.12
China Elegance (Holdings) Ltd	476		10.77	0.058
COSCO International Holdings Ltd	517	13.45		1.35
Dynamic Holdings Ltd	29	12.58		1.70
Foundation Group Ltd	1182	10.71		0.031
Karl Thomson Holdings Ltd	7	14.67		0.86
MAE Holdings Ltd	851	20.59		0.082
New Heritage Holdings Ltd	95	11.48		0.68
New Island Printing Holdings Ltd	377	13.21		0.60
New Smart Holdings Ltd	91	12.90		0.175
Oriental Explorer Holdings Ltd	430		12.77	0.041
Pioneer Global Group Ltd	224		13.21	0.46
Premium Land Ltd	164	17.36		0.169
renren Holdings Ltd	59	29.87		0.50
Shenyin Wanguo (Hongkong) Ltd	218	10.94		0.71
Shenzhen High-Tech Holdings Ltd	106	13.04		0.026
Tysan Holdings Ltd	687	15.09		0.305

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index rose about 0.39 percent to 1,034.53 points.

The Total Turnover on this market was about \$HK135.48 million.

In spite of The GEM, being in positive territory, losing counters outnumbered gaining ones by the ratio of about 1.03:One.

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

China LotSynergy Holdings Ltd (Code: 8161) Up 2 percent to \$HK3.15 per share

Zhengzhou Gas Company Ltd (Code: 8099) Up 7 percent to 77 cents per share

TOM Online Incorporated (Code: 8282) Up 6 percent to \$HK2.125 per share

B and B Group Holdings Ltd (Code: 8156) Up 5 percent to \$HK1.77 per share

Vertex Communications and Technology Group Ltd (Code: 8228) Down 12 percent to 45 cents per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Golding Soft Ltd	8190	13.33		0.017
T S Telecom Technologies Ltd	8003		16.22	0.031
Tiger Tech Holdings Ltd	8046	10.53		0.021
Vertex Communications and Technology Group Ltd	8228		11.76	0.45
Vodatel Networks Holdings Ltd	8033		18.18	0.09

All markets in Japan were closed for a national holiday, last Monday.

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

The HKSAR	Plus 1.32 percent to 15,547.43
Indonesia	Plus 1.87 percent to 1,245.05
Japan	Closed

Malaysia	Plus 0.23 percent to 913.80
The Philippines	Plus 0.81 percent to 2,151.15
Singapore	Plus 0.22 percent to 2,425.99
South Korea	Minus 0.31 percent to 1,408.33
Taiwan	Plus 0.71 percent to 6,742.39
Thailand	Plus 2.00 percent to 762.26

## Tuesday

The 5-day winning streak for investors, locked into The New York Stock Exchange, came to an end, last Tuesday, as profit-taking took its toll of share prices.

The Dow Jones Industrial Average, the key index of blue chips, listed on the Big Board, shed about one third of a point to come to rest at about 11,011.58 points.

However, on The NASDAQ, there was no holding back its Composite Index, which, for the sixth consecutive day of trading, continued to rise to higher levels with a gain of about 1.63 points, ending the day at 2,320.32 points.

Various people gave a multitude of reasons for the flat equity markets of the US, but, in truth, it was just profit-taking which shaved down prices in moderate trading conditions.

## News Wise

- **Toys R Us Incorporated** announced that it would close 75 of its stores in the US and convert 12 other stores into Babies “R” Us. The partial restructuring will result in about 3,000 workers, being sacked.

On The New York Mercantile Exchange (NYMEX), crude-oil prices were little changed from those of Monday night.

The last settlement for a barrel of light sweet crude oil for delivery in February was \$US63.37, down about 0.20 percent on the last quote of Monday.

As for March delivery, the last settlement for a barrel of light sweet crude oil was \$US64.10, representing a fall of about 0.39 percent on the last settlement of Monday.

In Europe, every key index of every major bourse fell.

For investors in this part of the world, Wall Street’s opening looked a little anaemic and so European investors determined that it was time to take their trading profits to the bank.

Also, there was the matter of interest rates: Would the European Central Bank raise rates in the near future?

This was how key indices of the most-important European bourses ended their respective trading sessions, last Tuesday:

Amsterdam's AEX Index	Minus 0.88 percent
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Great Britain's FTSE 100 Index	Minus 0.74 percent
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Germany's Frankfurt XETRA DAX Index	Minus 0.76 percent
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France's CAC 40 Index	Minus 0.26 percent
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Switzerland's Swiss Market Index	Minus 0.66 percent
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Italy's MIBTEL Index	Closed
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In Asia, all but one of the region's equity markets saw falls in key indices.

The lone winner was the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

In the HKSAR, the territory's 2 equity markets continued to make gains, but last Tuesday's gains were of a fractional nature, only.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about 0.15 percent to end the trading session at 15,569.91 points.

The Total Turnover, however, continued to be high, at about \$HK38.04 billion.

Losing counters, however, outnumbered gaining ones by the ratio of about 1.40:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.85 percent to \$HK130.90 per share
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Hutchison Whampoa Ltd (Code: 13)	Up 0.90 percent to \$HK78.65 per share
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China Construction Bank Corporation (Code: 939)	Down 1.69 percent to \$HK2.90 per share
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China Life Insurance Company Ltd (Code: 2628)	Unchanged at \$HK7.55 per share
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China Mobile (Hongkong) Ltd (Code: 941)	Down 1.17 percent to \$HK38.00 per share
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PetroChina Company Ltd (Code: 857)	Down 0.74 percent to \$HK6.70 per share
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Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.18 percent to \$HK84.00 per share
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Sun Hung Kai Properties Ltd (Code: 16)	Up 0.38 percent to \$HK80.30 per share
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CNOOC Ltd (Code: 883)	Up 3.70 percent to \$HK5.60 per share
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Bank of Communications Company Ltd (Code: 3328) Down 2.45 percent to \$HK3.975 per share

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

<b>Name of Company</b>	<b>Code</b>	<b>Increase (%)</b>	<b>Decrease (%)</b>	<b>Closing Price (\$HK)</b>
Asia Commercial Holdings Ltd	104	11.32		0.59
Burwill Holdings Ltd	24	11.11		0.70
Celestial Asia Securities Holdings Ltd	1049		15.15	0.28
Compass Pacific Holdings Ltd	1188	41.84		0.139
Daisho Microline Holdings Ltd	567	10.96		0.81
Global Flex Holdings Ltd	471		14.67	0.64
Hang Fung Gold Technology Ltd	870	10.10		1.09
Hop Hing Holdings Ltd	47	10.00		0.22
Kader Holdings Company Ltd	180		10.00	0.315
Kenford Group Holdings Ltd	464	11.90		0.235
MAE Holdings Ltd	851		10.98	0.073
Mei Ah Entertainment Group Ltd	391	12.90		0.28
Nam Hing Holdings Ltd	986		10.11	0.16
Oriental Explorer Holdings Ltd	430	14.63		0.047
Radford Capital Investment Ltd	2930		14.29	0.102
Shanghai Allied Cement Ltd	1060		11.39	0.21
Sino Union Petroleum and Chemical International Ltd	346		11.58	0.168
South China Brokerage Company Ltd	619	11.43		0.078
Sunlink International Holdings Ltd	2336		15.38	0.055

Tidetime Sun (Group) Ltd	307		12.00	0.132
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On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, trading was relatively quiet, throughout the entire day.

The Growth Enterprise Index rose about 0.29 percent to 1,037.51 points on a Total Turnover of about \$HK85.35 million.

As with the Main Board, although the index of this market was in the black, losers outpaced gainers by the ratio of about 1.09:One.

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

Golden Meditech Company Ltd (Code: 8180) Up 3 percent to \$HK1.72 per share

TOM Online Incorporated (Code: 8282) Down 1 percent to \$HK2.10 per share

B and B Group Holdings Ltd (Code: 8156) Unchanged at \$HK1.77 per share

Enric Energy Equipment Holdings Ltd (Code: 8289) Up 7 percent to \$HK2.60 per share

Zhengzhou Gas Company Ltd (Code: 8099) Unchanged at 77 cents per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Ltd	8061	23.08		0.24
Global Digital Creations Holdings Ltd	8271	13.33		0.17
Xi'an Haitian Antenna Technologies Company Ltd	8227	12.86		0.395
Jiangsu Nandasoft Company Ltd	8045		10.56	0.161
North Asia Strategic Holdings Ltd	8080	25.93		0.68
QUASAR Communication Technology Holdings Ltd	8171		20.00	0.10
Shanghai Fudan Microelectronics Company Ltd	8102		11.37	0.226
Soluteck Holdings Ltd	8111	23.33		0.074
Value Convergence Holdings Ltd	8101	13.33		0.68



Vodatel Networks Holdings Ltd	8033	11.11		0.10
Zhejiang Yonglong Enterprises Company Ltd	8211	10.00		0.11
Zhejiang Prospect Company Ltd	8273	11.76		0.95

On the first day of trading on Japan's 3 stock markets (last Monday was a public holiday in the country), every index was written in red ink.

The losses of last Tuesday just about erased all of the gains of the previous week.

On The Tokyo Stock Exchange, The TOPIX Average lost 25.87 points, equivalent to about 1.54 percent, coming to rest at 1,659.03 points by the close of the day.

The ratio of losing counters to gaining ones was about 1.48:One.

The chief reason for the paring of indices on Asia's largest equity market was due to concern that the Japanese yen might strengthen too quickly against the US dollar, thus eroding profit margins.

The Nikkei-225 Stock Average shed 303.86 yen, or about 1.85 percent of its value, falling to 16,124.35 yen.

The equity markets of Singapore, Malaysia and Indonesia were closed last Tuesday for national holidays.

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

The HKSAR	Plus 0.15 percent to 15,569.91
Indonesia	Closed
Japan	TOPIX Average Minus 1.54 percent to 1,659.03 Nikkei-255 Stock Average Minus 1.85 percent to 16,124.35
Malaysia	Closed
The Philippines	Plus 0.52 percent to 2,162.43
Singapore	Closed
South Korea	Minus 0.85 percent to 1,396.29
Taiwan	Minus 0.52 percent to 6,707.40
Thailand	Minus 0.39 percent to 759.32

## **Wednesday**

The United Kingdom (UK) called for the United Nations's Security Council to consider and, if thought fit, make a determination as to what action would be appropriate in respect of Iran and that Islamic fundamentalistic country's decision to remove the UN's seals on the country's uranium enrichment research facilities.

Iran appeared to be outwardly defying the West and breaking its promises to the UN in its determination to resume its research into the manufacture of nuclear fuel.

The European Union, Russia and the US are violently opposed to the prospects of seeing Iran become another nuclear power in the world.

Britain's Prime Minister Tony Blair has promised to drag Iran before the UN's Security Council, the members of which could vote for punitive measures to be imposed on Iran.

The fear of the West is that Iran may use nuclear technology to be incorporated in its arsenal of weaponry.

The country may, also, decide to sell nuclear weapons to other fundamentalistic groups and governments, such as countries, which are known to be sympathetic to the aspirations of Osama bin Laden et al.

Unlike North Korea, which, also, had (and may still have) ambitions to become a nuclear power but made it clear that it is for sale to the highest bidder, Iran cannot be bought off with a couple of power stations and some shiploads of grain.

However, as at last Wednesday, it was still early days and world pressure may well cause the Government of Iran to recant.

On Wall Street, there appeared to be no panic with regard to the actions of Iran.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 31.86 points, equivalent to about 0.29 percent, rising to 11,043.44 points.

On The NASDAQ, its Composite Index rose for the seventh consecutive trading day, hitting 2,331.36 points by the close of the session. The closing figure represented a one-day gain of about 0.48 percent.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in February was \$US64.94, up about 0.90 percent, compared with Tuesday's closing level.

For March delivery, the last settlement for a barrel of light sweet crude oil was \$US64.45, an increase of about 0.55 percent, compared with the last settlement on Tuesday night.

In Europe, all of the key indices of the major bourses rose in line with Wall Street's lead.

Iran and its determination to restart its nuclear research facilities was a worry to some people, but investors, by and large, decided that, at the end of the day, the Government of Iran would cave in to international pressure.

This was how the key indices of the most-important European bourses fared, last Wednesday:

Amsterdam's AEX Index	Plus	0.54 percent
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Great Britain's FTSE 100 Index	Plus	0.75 percent
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Germany's Frankfurt XETRA DAX Index	Plus	0.69 percent
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France's CAC 40 Index	Plus	0.58 percent
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Switzerland's Swiss Market Index      Plus    1.02 percent

Italy's MIBTEL Index      Closed

In Asia, the premier equity market of Japan was the biggest gainer of the region, taking the poll position over all of the other winners.

In the HKSAR, it was another winning day for the bulls of the territory.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose 0.52 percent to 15,650.88 points.

The Total Turnover was about \$HK31.16 billion.

Once again, however, despite the Hang Seng Index, being firmly in positive territory, losing counters outnumbered gaining ones, the ratio, being about 1.04:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK130.90 per share
China Construction Bank Corporation (Code: 939)	Unchanged at \$HK2.90 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.18 percent to \$HK38.45 per share
PetroChina Company Ltd (Code: 857)	Up 1.49 percent to \$HK6.80 per share
CNOOC Ltd (Code: 883)	Up 3.57 percent to \$HK5.80 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 1.23 percent to \$HK4.10 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK78.65 per share
China Life Insurance Company Ltd (Code: 2628)	Down 1.99 percent to \$HK7.40 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.18 percent to \$HK83.85 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.87 percent to \$HK81.00 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
APT Satellite Holdings Ltd	1045	10.49		1.58

Asia TeleMedia Ltd	376	12.73		0.062
Asia Tele-Net and Technology Corporation Ltd	679	12.00		0.28
AviChina Industry and Technology Company Ltd	2357	11.83		0.52
Burwill Holdings Ltd	24	11.43		0.78
Capital Estate Ltd	193		14.08	0.61
Celestial Asia Securities Holdings Ltd	1049	25.00		0.35
Climax International Company Ltd	439	11.11		0.02
eForce Holdings Ltd	943		15.00	0.017
Garron International Ltd	1226	17.39		0.27
Golik Holdings Ltd	1118	24.14		0.36
Grand Field Group Holdings Ltd	115	13.33		0.085
Haywood Investments Ltd	905		12.50	0.07
Hongkong Parkview Group Ltd, The	207		12.16	0.325
Junefield Department Store Group Ltd	758		27.78	0.065
Karl Thomson Holdings Ltd	7	26.25		1.01
Luen Thai Holdings Ltd	311	11.11		2.25
MAE Holdings Ltd	851		10.96	0.065
New Island Printing Holdings Ltd	377		10.00	0.54
New Smart Holdings Ltd	91	11.43		0.195
Omnicorp Ltd	94		12.00	0.66
Pioneer Global Group Ltd	224	18.00		0.59
renren Holdings Ltd	59	17.31		0.61
Skyworth Digital Holdings Ltd	751		59.18	1.09

Van Shung Chong Holdings Ltd	1001	12.68		0.80
Wonson International Holdings Ltd	651		11.43	0.031

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gained about one half of a percentage point, coming to rest at 1,042.72 points by the close of the day.

The volume of activity on this speculative market was about \$HK79.04 million.

Gaining counters outnumbered losing ones by the ratio of about 1.13:One.

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

B and B Group Holdings Ltd (Code: 8156) Up 11 percent to \$HK1.96 per share

TOM Online Incorporated (Code: 8282) Down 4 percent to \$HK2.025 per share

Wumart Stores Incorporated (Code: 8277) Up 4 percent to \$HK16.50 per share

Phoenix Satellite Television Holdings Ltd (Code: 8277) Up 5 percent to \$HK1.00 per share

Zhengzhou Gas Company Ltd (Code: 8099) Unchanged at 77 cents per share

The GEM's biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B and B Group Holdings Ltd	8156	10.73		1.96
B M Intelligence International Ltd	8158	13.64		0.025
Byford International Ltd	8272	13.64		0.25
Everpride Biopharmaceutical Company Ltd	8019		16.67	0.04
Fast Systems Technology (Holdings) Ltd	8150		25.00	0.012
FX Creations International Holdings Ltd	8136	10.00		0.11
Innovis Holdings Ltd	8065		17.65	0.06
Shanghai Jiaoda Withub Information Industrial Company Ltd	8205	13.33		0.17

North Asia Strategic Holdings Ltd	8080	54.41		1.05
New Chinese Medicine Holdings Ltd	8085		11.11	0.08
ProSticks International Holdings Ltd	8055		20.00	0.02
Tiger Tech Holdings Ltd	8046	10.00		0.022

In Japan, after a morning session which saw its key indices collapse, one after another, there was a complete change of heart and of pace with the result that investors of The Land of The Rising Sun suddenly rose up on their hind legs and bought blue chips in somewhat of a buying frenzy.

On The Tokyo Stock Exchange, which is the largest equity market in Asia, its TOPIX Average ended the choppy trading session at 1,672.44 points, a one-day gain of about 0.81 percent.

The ratio of gainers to losers was about 1.22:One.

The Nikkei-225 Stock Average followed The TOPIX Average, putting on about 1.48 percent to close the day at 16,363.59 yen.

In other parts of Asia, this was how the key indices of lesser equity markets ended their respective trading days, last Wednesday:

The HKSAR	Plus 0.52 percent to 15,650.88
Indonesia	Plus 1.30 percent to 1,261.28
Japan	TOPIX Average Plus 0.81 percent to 1,672.44 Nikkei-255 Stock Average Plus 1.48 percent to 16,363.59
Malaysia	Minus 0.46 percent to 909.59
The Philippines	Minus 0.54 percent to 2,150.71
Singapore	Minus 0.30 percent to 2,418.65
South Korea	Minus 0.16 percent to 1,394.09
Taiwan	Plus 0.42 percent to 6,735.89
Thailand	Plus 0.62 percent to 764.01

## **Thursday**

Early last Thursday, Foreign Ministers of the United Kingdom, France and Germany turned up the heat on the Government of Iran, stating that they are planning to demand an emergency meeting of the United Nations's **I**nternational **A**tom**E**n**E**rgy **A**gency (IAEA).

The IAEA will, almost without question, refer Iran's actions to the UN's Security Council where a determination will be made as to whether or not to impose punitive sanctions on the Islamic fundamentalistic country.

By last Thursday afternoon, the US had joined the chorus of the 3 European economic powerhouses, with the US Secretary of State, Ms Condoleezza Rice, calling, urgently, for an emergency meeting of the IAEA, saying, inter alia:

*'That meeting would be to report Iran's non-compliance with its safeguard obligations to the UN Security Council.'*

The situation was escalating at an alarming rate, it seemed.

Wall Street was not amused.

On The New York Stock Exchange, the Dow Jones Industrial Average fell 81.08 points, equivalent to about 0.73 percent, ending the day at 10,962.36 points.

For the first time in 8 trading sessions, The NASDAQ's Composite Index gave up ground as investors shot it down by about 0.63 percent to 2,316.69 points.

Concern over the potential problems, facing the world order should Iran continue to be intransigent in its avowed intent to press ahead with its nuclear programme, was the main reason for the selling pressure on the world's largest equity markets.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in February was \$US63.94, down exactly \$US1.00 per barrel, or about 1.54 percent, compared with the last settlement of Wednesday.

For delivery in March, the last settlement for a barrel of light sweet crude oil was \$US64.49, an increase of 4 cents per barrel, compared with the final quote on Wednesday night.

In Europe, there was good news as both the **E**uropean **C**entral **B**ank (ECB) and The Bank of England left interest rates unchanged, following their respective interest-rate meetings, last Thursday (Please see [News Wise](#)).

Indices of the most-important European bourses welcomed the news, resulting in key indices, making up for earlier lost ground.

This was how the key indices of major European bourses ended, last Thursday:

Amsterdam's AEX Index	Plus	0.24 percent
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Great Britain's FTSE 100 Index	Plus	0.06 percent
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Germany's Frankfurt XETRA DAX Index	Plus	0.16 percent
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France's CAC 40 Index	Unchanged
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Switzerland's Swiss Market Index	Plus	0.61 percent
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News Wise

- **Germany's economy** grew by 0.90 percent in 2005, The Federal Statistical Office announced. That growth was down from 1.60 percent for the 2004-Year. Weaker domestic demand and consumer concerns about employment tended to hold down the growth of the economy;
- **The ECB** decided to keep interest rates unchanged at 2.25 percent; and,
- The Bank of England's Monetary Policy Committee, for the fifth consecutive month, determined to leave interest rates at 4.50 percent. The last time that **The Bank of England** cut its key interest rates was in August 2005.

In Asia, it was a mixed bag, with roughly, about half of the most-important equity markets of the region, gaining ground, while remainder, lost ground.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), for the seventh consecutive day, key indices rose on the territory's premier equity market.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose another 0.44 percent to 15,719.37 points.

The Total Turnover was about \$HK31.38 billion, with the ratio of advancing counters to declining ones, being 1.36:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 0.23 percent to \$HK131.20 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK78.65 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.78 percent to \$HK38.75 per share
Lingbao Gold Company Ltd (Code: 3330)*	\$HK4.425 per share
PetroChina Company Ltd (Code: 857)	Up 1.47 percent to \$HK6.90 per share
China Construction Bank Corporation (Code: 939)	Unchanged at \$HK2.90 per share
China Life Insurance Company Ltd (Code: 2628)	Unchanged at \$HK7.40 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.56 percent to \$HK81.45 per share
Techtronic Industries Company Ltd (Code: 669)	Up 0.27 percent to \$HK18.75 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Down 2.78 percent to \$HK34.95 per share



\*This was a new listing.

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

<b>Name of Company</b>	<b>Code</b>	<b>Increase (%)</b>	<b>Decrease (%)</b>	<b>Closing Price (\$HK)</b>
Artel Solutions Group Holdings Ltd	931		12.17	0.101
Asia Resources Holdings Ltd	899		13.85	1.12
Beauforte Investors Corporation Ltd	21	13.64		0.375
Burwill Holdings Ltd	24	14.10		0.89
Capital Estate Ltd	2928	10.00		0.66
Cheong Ming Investments Ltd	1196	14.61		0.51
China Nan Feng Group Ltd	979	16.42		0.078
Fintronics Holdings Company Ltd	706		36.89	0.142
Global Flex Holdings Ltd	471	10.77		0.72
Guangzhou Investment Company Ltd	123	17.07		0.96
Hongkong Building and Loan Agency Ltd, The	145	23.89		1.40
Kiu Hung International Holdings Ltd	381		16.13	0.13
LERADO Group (Holding) Company Ltd	1225	14.00		0.57
Morning Star Resources Ltd	542	16.00		0.058
New Smart Holdings Ltd	91	26.15		0.246
Peking Apparel International Group Ltd	761	10.71		0.31
renren Holdings Ltd	59	16.39		0.71
SW Kingsway Capital Holdings Ltd	188		11.29	0.275
Takson Holdings Ltd	918	23.86		0.109

Tonic Industries Holdings Ltd	978		11.34	0.172
UDL Holdings Ltd	620		16.67	0.025
Universe International Holdings Ltd	1046	11.63		0.048
Victory Group Ltd	1139		11.11	0.16
Wonderful World Holdings Ltd	109		30.00	0.07
Wonson International Holdings Ltd	651	12.90		0.035

Over on The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shot up about 1.66 percent to 1,059.99 points.

The Total Turnover was about \$HK112.57 million.

The ratio of gaining counters to losing ones was about 1.05:One.

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

Techpacific Capital Ltd (Code: 8088) Up 22 percent to 77 cents per share

Century Sunshine Ecological Technology Holdings Ltd (Code: 8276) Up 1 percent to \$HK3.075 per share

TOM Online Incorporated (Code: 8282) Up 1 percent to \$HK2.05 per share

Phoenix Satellite Television Holdings Ltd (Code: 8277) Unchanged at \$HK1.00 per share

China Fire Safety Enterprise Group Holdings Ltd (Code: 8201) Up 4 percent to 72 cents per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Ltd	8061		14.55	0.188
China Advance Holdings Ltd	8117		10.00	0.54
FX Creations International Holdings Ltd	8136	18.18		0.13
Galileo Capital Group Ltd	8029		12.82	0.034
Global Digital Creations Holdings Ltd	8271	10.06		0.175

Global Solution Engineering Ltd	8192		37.04	0.017
Shanghai Jiaoda Withub Information Industrial Company Ltd	8205	11.76		0.19
Neolink Cyber Technology (Holding) Ltd	8116	18.06		0.085
ProSticks International Holdings Ltd	8055	25.00		0.025
Stockmartnet Holdings Ltd	8123		10.81	0.033
Techpacific Capital Ltd	8088	22.22		0.77
Tianjin TEDA Biomedical Engineering Company Ltd	8189		19.51	0.099

In Japan, the key index of The Tokyo Stock Exchange hit a fresh, 5-year high as The TOPIX Average rose about 0.71 percent to 1,684.34 points.

Gaining counters outnumbered losing ones by the ratio of about 1.79:One.

The Nikkei-225 Stock Average rose one half of a percentage point to 16,445.19 yen.

Japanese investors appeared to be chasing laggards, mainly, with a strong appetite for hi-tech counters.

Banks and financials suffered, as investors appeared to be switching part of their portfolios.

#### News Wise

- **Japan's foreign reserves** totalled \$US846.90 billion, as at December 31, 2005, according to an official release of The Finance Ministry. That figure represented an increase of about \$US3.63 billion, compared with Japan's foreign reserves as at November 30, 2005.

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

The HKSAR	Plus 0.44 percent to 15,719.37
Indonesia	Minus 0.40 percent to 1,256.25
Japan	TOPIX Average Plus 0.71 percent to 1,684.34 Nikkei-255 Stock Average Plus 0.50 percent to 16,445.19
Malaysia	Plus 0.17 percent to 911.16
The Philippines	Plus 0.37 percent to 2,158.65

Singapore	Minus 0.47 percent to 2,407.38
South Korea	Plus 0.61 percent to 1,402.58
Taiwan	Minus 0.15 percent to 6,725.61
Thailand	Minus 1.44 percent to 753.04

## **Friday**

The Government of Iran hit back at the West, last Friday, threatening that if the country was referred to the United Nations's Security Council, it would refuse to allow inspections of its nuclear facilities by the International Atomic Energy Agency (IAEA).

US Secretary of State, Ms Condoleezza Rice, labelled Iran's threat as being '*defiance*.'

The generally held belief in both Europe and the US is that Iran is, covertly, seeking to build up an arsenal of nuclear weaponry.

The new Chancellor of Germany, Ms Angela Merkel, made the statement that Iran had '*crossed the red line*' by its actions of removing the UN's seals on its nuclear facilities, clearly in order to restart its nuclear programme.

The situation in Iran had reached another dangerous plateau by last Friday morning.

Iran is a member of The Organisation of Petroleum Exporting Countries (OPEC) and, as such, it has the ability of using oil as a weapon against the West.

It was only too obvious that the government of this Islamic country would not think very long before using whatever weapons it has at its disposal in order to win the day.

US President George W. Bush offered conciliatory platitudes to the effect that it was the intent of the US Government to settle the Iran matter, diplomatically, unlike the situation that persisted when the US invaded Iraq over non-existent weapons of mass destruction.

Prior to Wall Street, opening for business, last Friday, the US Department of Labour brought out its Producer Price Indices for the month of December 2005.

The statistics indicated, inter alia, that retail sales were nearly flat, during the month of December, while, at the same time, retail prices rose.

This is, just about, everything that The Labour Department released, minus the tables:

### **'Producer Price Indexes – December 2005**

*'The Producer Price Index for Finished Goods rose 0.9 percent in December, seasonally ... This increase followed a 0.7-percent decline in November and a 0.7-percent gain in October. Prices for finished goods other than foods and energy advanced 0.1 percent in December, the same rate as in November. At the earlier stages of processing, the intermediate goods index rose 0.2 percent in December, following a 1.2-percent decrease in the prior month, while prices for crude goods moved down 2.3 percent, after falling 1.2 percent in November...*

*'The December upturn in finished goods prices was led by the index for energy goods, which climbed 3.1 percent after dropping 4.0 percent in the*

*preceding month. Larger price increases for finished consumer foods and an upturn in the index for capital equipment also contributed to this turnaround. By contrast, prices for finished consumer goods other than foods and energy moved up at a 0.1-percent rate in December, compared with a 0.2-percent increase in November.*

*‘Before seasonal adjustment, the Producer Price Index for Finished Goods advanced 0.3 percent in December to 158.8 (1982 = 100). From December 2004 to December 2005, finished goods prices rose 5.4 percent, following a 4.2-percent increase in 2004. The index for finished energy goods climbed 23.9 percent in 2005, after moving up 13.4 percent in the preceding calendar year. Conversely, prices for finished goods other than foods and energy rose 1.7 percent in 2005, following a 2.3-percent gain in 2004. The finished consumer foods index also went up at a slower rate in 2005 than it had in the previous year – 1.4 and 3.1 percent, respectively. At the earlier stages of processing, prices received by manufacturers of intermediate goods advanced 8.4 percent in 2005, compared with a 9.2-percent increase in 2004, while the crude goods index jumped 22.1 percent, after rising 17.4 percent a year earlier ...*

#### *‘Finished goods*

*‘The index for finished energy goods jumped 3.1 percent in December, following a 4.0-percent decline in November. Most of this upturn can be attributed to gasoline prices, which advanced 12.3 percent in December after falling 10.7 percent a month earlier. The indexes for liquefied petroleum gas, home heating oil, diesel fuel, and kerosene also increased, following decreases in November. By contrast, prices for residential electric power moved up 0.5 percent in December, compared with a 2.3-percent gain in the previous month. The index for residential natural gas declined 2.7 percent, after falling 0.5 percent in November.*

*‘The index for finished consumer foods rose 0.9 percent in December, following a 0.5-percent advance in November. Prices for fresh and dry vegetables jumped 21.7 percent, after increasing 7.2 percent in the receding month. The indexes for beef and veal and for pork also climbed at faster rates in December than a month earlier, while prices for processed young chickens fell less than they had in November. The indexes for finfish and shellfish and for processed turkeys turned up in December, while the dairy products index rose, following no change in the prior month. By contrast, soft drink prices declined 0.4 percent in December, after advancing 0.8 percent in November. The index for shortening and cooking oils also turned down, following an increase in the previous month.*

*‘Prices for eggs for fresh use, fresh fruits and melons, and processed fruits and vegetables moved up at slower rates in December than they had in November....*

*‘The capital equipment index advanced 0.1 percent in December, after inching down 0.1 percent in November. Prices for communication and related equipment increased 0.6 percent, compared with a 0.3-percent decrease in the previous month. The indexes for metal cutting machine tools and for mining machinery and equipment also turned up in December, after falling a month earlier. Passenger car prices declined less in December than they had in the prior month, while the indexes for civilian aircraft and for integrating and measuring instruments rose more than in November. Conversely, prices for light motor trucks moved down 1.0 percent in December, following a 0.8-percent decrease in the previous month. The index for electronic computers also fell at a quicker rate than it had in November. Prices for agricultural machinery and equipment, as well as for tools, dies, jigs, fixtures, and industrial molds, turned down in December. The capital equipment index advanced 1.3 percent in 2005, after climbing 2.4 percent in 2004.*

*'The index for finished consumer goods other than foods and energy edged up 0.1 percent in December, following a 0.2-percent gain in November.*

*'In December, rising prices for pharmaceutical preparations, newspaper circulation, tires, book publishing, and mobile homes slightly outweighed falling prices for light motor trucks, sanitary papers and health products, passenger cars, and sporting and athletic goods. The index for finished consumer goods other than foods and energy increased 1.9 percent in 2005, after advancing 2.2 percent in 2004.*

#### *'Intermediate goods*

*'The Producer Price Index for Intermediate Materials, Supplies, and Components increased 0.2 percent in December, following a 1.2-percent drop in November. Prices for intermediate foods and feeds turned up, after falling in the previous month. The indexes for intermediate energy goods and nondurable manufacturing materials fell less in December than in the preceding month. By contrast, the index for construction materials advanced at a slower rate in December than it had in the prior month, while prices for durable manufacturing materials increased at the same rate as in November. The increase in the index for intermediate goods less foods and energy slowed to 0.3 percent, after rising 0.5 percent a month earlier.*

*'After decreasing 0.1 percent in November, prices for intermediate foods and feeds edged up 0.1 percent in December. The index for prepared animal feeds increased 0.4 percent in December, compared with a 1.3-percent decline a month earlier. Prices for beef and veal; natural, processed, and imitation cheese; and pork moved up at faster rates than they had in November. The index for processed young chickens declined less in December than in the preceding month. By contrast, prices for shortening and cooking oils moved down 4.9 percent in December, following a 0.2-percent gain in the prior month. The indexes for flour, fluid milk products, and snack chips also turned down, after climbing in November. Prices for refined sugar and byproducts advanced less in December than they had a month earlier. From December 2004 to December 2005, the index for intermediate foods and feeds rose 2.1 percent, following a 2.3-percent decline in 2004.*

*'Prices for intermediate energy goods declined 0.2 percent in December, compared with a 6.6-percent decrease in November. The jet fuels index fell 2.5 percent, after dropping 26.5 percent in the preceding month. Prices for gasoline, diesel fuel, home heating oil, and liquefied petroleum gas turned up, following declines in November. Alternatively, industrial electric power prices edged up 0.1 percent, after advancing 4.4 percent in November. The indexes for natural gas to electric utilities and industrial natural gas decreased more in December than they had a month earlier, while prices for commercial electric power increased less than in November. From December 2004 to December 2005, prices for intermediate energy goods advanced 26.5 percent, following a 15.8-percent gain in 2004.*

*'The index for materials for nondurable manufacturing inched down 0.1 percent in December, after falling 0.9 percent in November. Prices for primary basic organic chemicals declined 1.9 percent, following a 10.3-percent drop in the preceding month. The index for ethanol also decreased less in December than it had a month earlier. Prices for medicinal and botanical chemicals and for woodpulp moved up, after declining in November.*

*'Conversely, the index for plastic resins and materials fell 1.2 percent in December, following a 2.4-percent increase in the prior month. Prices for*

*paperboard and gray fabrics also turned down, after rising in November.*

*The index for nitrogenates rose less in December than it had in the preceding month. The index for materials for nondurable manufacturing climbed 7.5 percent in 2005, following a 13.7-percent gain in 2004.*

*'The index for materials and components for construction moved up 0.6 percent in December, after rising 1.0 percent in November. Prices for plastic construction products increased 1.4 percent, compared with an 8.0-percent gain in the prior month. The indexes for concrete products and architectural paint coatings turned down, after rising in November.*

*Prices for wiring devices, steel mill products, and asphalt felts and coatings increased less in December than they had in the prior month. By contrast, the plywood index edged down 0.2 percent, following a 15.0-percent drop in November. Prices for building paper and board, softwood lumber, and air conditioning and refrigeration equipment turned up in*

*December, after declining a month earlier. During 2005, prices for materials and components for construction climbed 6.1 percent, following a 10.1-percent increase in the previous year.*

*'Prices for materials for durable manufacturing advanced 1.6 percent in December, the same rate of increase as in November. The indexes for primary nonferrous metals; aluminum mill shapes; hot rolled steel bars, plates, and structural shapes; hot rolled steel sheet and strip; and copper and brass mill shapes moved up in December. These increases more than offset falling prices for cold rolled steel sheet and strip, semifinished steel mill products, plywood, and unprocessed filament yarns. In 2005, the index for materials for durable manufacturing climbed 6.1 percent, following an 18.3-percent jump in 2004.*

#### *'Crude goods*

*'The Producer Price Index for Crude Materials for Further Processing declined 2.3 percent in December, following a 1.2-percent fall in November. In December, prices for crude nonfood materials less energy were unchanged, after rising in the previous month, while prices for crude energy materials declined more than they had in November. By contrast, the crude foodstuffs and feedstuffs index increased more than it had a month earlier.*

*'The index for basic industrial materials showed no change in December, after increasing 5.4 percent in November. Prices for iron and steel scrap decreased 4.4 percent, following an 18.8-percent advance in the preceding month. The indexes for copper base scrap; both hardwood and softwood logs, bolts, and timber; hides and skins; and phosphates also turned down in December. Prices for construction sand, gravel, and crushed stone increased at slower rates, compared to the previous month. By contrast, the gold ores index gained 11.9 percent, subsequent to a 1.1-percent decrease in November. The wastepaper index also turned up in December. The index for raw cotton declined less than it had in the prior month, while the rates of increase in prices for aluminum base scrap quickened from November to December. In 2005, the basic industrial materials index advanced 4.8 percent, after rising 20.5 percent in 2004.*

*'The crude energy materials index fell 5.4 percent in December, following a 4.2-percent decline in November. The index for natural gas fell 11.4 percent in December, after decreasing 1.3 percent in the prior month. By contrast, prices for crude petroleum gained 7.9 percent, following an 11.4-percent decline in November, while the index for coal showed no change, after edging down 0.1 percent in the previous month. In 2005, the crude energy materials index surged 44.8 percent, subsequent to a 35.9-percent climb in 2004.*

*'The crude foodstuffs and feedstuffs index advanced 2.8 percent in December, after rising 1.3 percent in November. In December, prices for*

slaughter cattle gained 4.1 percent, following a 1.5-percent increase in the preceding month. Similarly, prices for fresh and dry vegetables and for slaughter turkeys rose at faster rates than they had in November. The slaughter hogs, unprocessed finfish, and alfalfa hay indexes turned up in December. Alternatively, prices for slaughter broilers and fryers fell 6.2 percent in December, following a 2.9-percent decrease in the prior month. The index for fluid milk declined, after showing no change in November. Prices for soybeans and corn rose at slower rates, compared with the previous month. In 2005, the crude foodstuffs and feedstuffs index increased 1.4 percent, subsequent to a 2.6-percent decrease in 2004.

#### 'Net output price indexes for mining, manufacturing, and services industries Mining.

'The Producer Price Index for the Net Output of Total Mining Industries fell 2.9 percent in December, following a 3.4-percent decline in the previous month. (Net output price indexes are not seasonally adjusted.) Prices received by the natural gas liquid extraction industry decreased 0.6 percent, after moving down 2.5 percent in November. The industry indexes for gold ore mining, oil and gas operations support activities, and bituminous coal and lignite surface mining turned up, following declines in the preceding month. Prices received by the industry for oil and gas well drilling rose more than they had in November. Conversely, the industry index for crude petroleum and natural gas extraction decreased 7.2 percent in December, after falling 6.1 percent in the prior month. Prices received by the industries for support activities for coal mining; potash, soda, and borate mineral mining; and kaolin and ball clay mining turned down, compared with increases in November. The industry index for crushed and broken limestone mining and quarrying advanced less than it had in the previous month. In December, the Producer Price Index for the Net Output of Total Mining Industries was 238.1 (December 1984 = 100). Prices received by the mining sector advanced 40.7 percent in 2005, after increasing 31.2 percent a year ago.

#### 'Manufacturing

'The Producer Price Index for the Net Output of Total Manufacturing Industries edged up 0.1 percent in December, after decreasing 2.4 percent in the previous month. Prices received by manufacturers of wood products increased 0.8 percent, compared with a 2.7-percent decline in the prior month. The industry group index for food manufacturing also turned up in December, while prices received by the industry groups for petroleum and coal products, transportation equipment, and computer and electronic products fell less than they had in November. Prices received by manufacturers of machinery rose, following no change in the preceding month. By contrast, prices received by the plastics and rubber products industry group inched down 0.1 percent in December, after advancing 3.3 percent in the prior month. The industry group index for beverages and tobacco also turned down, following increases in the preceding month. Prices received by the industry groups for chemicals, paper, and nonmetallic mineral products advanced at slower rates than they had in November. In December, the Producer Price Index for the Net Output of Total Manufacturing Industries was 152.8 (December 1984 = 100). For the 12 months ended December 2005, prices received by the manufacturing sector increased 5.4 percent, compared with a 5.3-percent rise in 2004.

#### 'Services

'Among services industries, the industry index for commercial banking increased 0.5 percent in December, following a 4.4-percent gain in the previous month. Prices received by the industry for couriers also rose less than they had in November. The industry indexes for scheduled passenger



*air transportation, hotels and motels (excluding casinos), and offices of certified public accountants turned down, after moving up a month earlier. Alternatively, prices received by the industry for lessors of nonresidential buildings (excluding miniwarehouses) went up 1.7 percent, following a 4.0-percent decline in November. The industry indexes for investment banking and securities dealing, savings institutions, and casino hotels fell less in December than they had a month earlier. Prices received by the passenger car rental industry rose more than they had in November....'*

On Wall Street, investors, for the most part, held firm with what they surmised to be pat hands.

The Dow Jones Industrial Average ended the week at 10,959.87 points, down 2.49 points on the day.

As for The NASDAQ, its Composite Index rose 0.35 percent to 2,317.04 points in relatively quiet trading conditions.

Investors appeared to be waiting to learn of the events, if any, that may transpire over the long weekend, since today is a public holiday in The Land of The Free and The Home of The Brave.

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

The Dow Jones Industrial Average	Plus	0.002 percent
The NASDAQ's Composite Index	Plus	0.50 percent

In Europe, investors were jittery and this was made very apparent as key indices of the most-important European bourses came under vigorous selling pressure.

Europe has seen how, seemingly, immaterial political events can quickly escalate into major problems – and, in a hurry.

This was how the key indices of major European bourses fared, last Friday:

Amsterdam's AEX Index	Minus	1.34 percent
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Great Britain's FTSE 100 Index	Minus	0.42 percent
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Germany's Frankfurt XETRA DAX Index	Minus	1.06 percent
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France's CAC 40 Index	Minus	0.81 percent
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Switzerland's Swiss Market Index	Minus	0.12 percent
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Italy's MIBTEL Index	Closed	
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In Asia, equity prices were restrained, generally, with gains and losses, being held to fractions.

Prices on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) moved up for the ninth consecutive day, last Friday.

The Hang Seng Index, the key index of the Main Board of The Stock Exchange of Hongkong Ltd, rose another 0.44 percent to end the week at 15,787.97 points.

The Total Turnover was about \$HK27.72 billion.

Gaining counters outran declining ones by the ratio of about 2.03:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK131.20 per share
China Construction Bank Corporation (Code: 939)	Up 2.59 percent to \$HK2.975 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.02 percent to \$HK79.45 per share
PetroChina Company Ltd (Code: 857)	Up 0.72 percent to \$HK6.95 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.77 percent to \$HK39.05 per share
China Life Insurance Company Ltd (Code: 2628)	Up 2.70 percent to \$HK7.60 per share
Bank of Communications Company Ltd (Code: 3328)	Up 4.20 percent to \$HK5.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.31 percent to \$HK81.20 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 2.41 percent to \$HK4.25 per share
Cheung Kong Holdings Ltd (Code: 1)	Up 0.36 percent to \$HK84.25 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
APT Satellite Holdings Ltd	1045	11.88		1.79
Asia Resources Holdings Ltd	899	15.18		1.29
Asia TeleMedia Ltd	376		16.13	0.052
Concepta Investments Ltd	1140		19.35	0.25
Everest International Investments Ltd	204		14.29	0.024
Grand Field Group Holdings Ltd	115		10.71	0.075
Kingdee International Software Group Company Ltd	268	11.49		2.435
Mei Ah Entertainment Group Ltd	391		12.14	0.246

New Capital International Investment Ltd	1062	11.97		0.159
Radford Capital Investment Ltd	2930	22.58		0.114
Rontex International Holdings Ltd	1142		11.11	0.024
Shanghai Allied Cement Ltd	1060		10.48	0.188
Shang Hua Holdings Ltd	371		14.89	0.20
Shenzhen Investment Ltd	604	10.71		1.24
SIM Technology Group Ltd	2000	18.42		1.80
Sino Union Petroleum and Chemical International Ltd	346	12.26		0.174
Sunlink International Holdings Ltd	2336	18.18		0.065
Victory Group Ltd	1139	12.50		0.18
Wah Nam International Holdings Ltd	159		28.82	0.121
Weichai Power Company Ltd	2338		11.71	13.20
Wing Hong (Holdings) Ltd	745	22.86		0.043
Wing Shan International Ltd	570		13.79	0.25
ZZNode Holdings Company Ltd	2371		16.36	0.46

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index rose about 0.20 percent to 1,062.08 points.

The volume of activity on this speculative market rose to about \$HK339.29 million, with trading in just one counter, that of B and B Group Holdings Ltd (Code: 8156) (Please see the GEM list below), being responsible for nearly 82 percent of the Total Turnover.

Although The GEM's lone index was in positive territory, the number of losing counters outnumbered the number of gaining ones by the ratio of about 1.09:One.

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

B and B Group Holdings Ltd (Code: 8156)

Unchanged at \$HK2.275 per share

Techpacific Capital Ltd (Code: 8088)

Down 3 percent to 75 cents per share

Enric Energy Equipment Holdings Ltd (Code: 8289)      Up 5 percent to \$HK2.65 per share

TOM Online Incorporated (Code: 8282)      Down 1 percent to \$HK2.025 per share

Tong Ren Tang Technologies Company Ltd (Code: 8269)      Unchanged at \$HK13.70 per share

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

<b>Name of Company</b>	<b>Code</b>	<b>Increase (%)</b>	<b>Decrease (%)</b>	<b>Closing Price (\$HK)</b>
AcrossAsia Ltd	8061	22.34		0.23
CCID Consulting Company Ltd	8235	19.05		0.10
Essex Bio-Technology Ltd	8151	10.57		0.136
Everpride Biopharmaceutical Company Ltd	8019	20.00		0.048
G.A. Holdings Ltd	8126		11.29	0.055
Galileo Capital Group Ltd	8029		14.71	0.029
Global Link Communications Holdings Ltd	8060	15.38		0.06
Global Solution Engineering Ltd	8192	58.02		0.027
MP Logistics International Holdings Ltd	8239		20.00	0.08
North Asia Strategic Holdings Ltd	8080		14.29	0.90
Vodatel Networks Holdings Ltd	8033	50.00		0.15
Shandong Weigao Group Medical Polymer Company Ltd	8199	15.89		2.225

The tally for the second-largest equity market of Asia was:

The Hang Seng Index	Plus	2.89 percent
The Growth Enterprise Index	Plus	3.07 percent

In The Land of The Rising Sun, trading was relatively quiet on the country's 3 equity markets.

On The Tokyo Stock Exchange, its TOPIX Average shed about 0.16 percent, falling back to 1,681.69 points.

The ratio of losing counters to gaining ones was about 1.20:One.

The Nikkei-225 Stock Average, on the other hand, rose about 0.06 percent to 16,454.95 yen.

The tally for indices of the premier stock market of Asia for the 4-day trading week was:

The TOPIX Average	Minus 0.19 percent
The Nikkei-225 Stock Average	Plus 0.16 percent

#### News Wise

- The Bank of Japan reported, last Friday, that **consumer sentiment** in the country had hit a record high in December 2005, according to its reading of the BOJ Index. The BOJ Index jumped to a plus 12.70 points from a minus 14.90 points, as at June 2005.

And this was how the indices of other major Asian equity markets ended the second week of trading of 2006:

The HKSAR	Plus 0.44 percent to 15,787.97
Indonesia	Minus 0.46 percent to 1,250.43
Japan	TOPIX Average Minus 0.16 percent to 1,681.69 Nikkei-255 Stock Average Plus 0.05 percent to 16,454.95
Malaysia	Plus 0.08 percent to 911.90
The Philippines	Minus 0.48 percent to 2,148.27
Singapore	Minus 0.06 percent to 2,405.86
South Korea	Plus 0.97 percent to 1,416.28
Taiwan	Minus 0.64 percent to 6,682.35
Thailand	Plus 0.35 percent to 755.72

***While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.***

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