

**IRAN IS REPORTED TO THE UNITED NATIONS SECURITY COUNCIL:
FEATHERS FLY AS THE WAR OF WORDS HOTS UP**

The Government of Iran, last Monday, made its position very clear in respect of nuclear technology, with the country's Nuclear Negotiator, Mr Ali Larijani, stating that Iran would '*pursue its own path*' and, if its advances to date are reported to the United Nations Security Council by the International Atomic Energy Agency (IAEA), it would go full steam ahead with its industrial-scale, uranium enrichment programme.

Which, by itself, is an admission of sorts as to the country's nuclear ambitions.

Mr Ali Larijani said:

'Going to the Security Council will certainly not make Iran go back on research and development ... If Iran's nuclear dossier is referred to the UN Security Council, uranium enrichment will be resumed (at full throttle).'

The West believes that Iran is pursuing its nuclear path in order to produce nuclear weapons.

Iran has, consistently, denied that it wants nuclear technology for jingoistic purposes, but only wants to generate power, using nuclear fusion.

The IAEA convened the first day of its meeting, last Monday in Vienna, Austria, in order to make a determination as to whether or not to report Iran to the Security Council of the UN in order to allow the Council to decide whether or not economic (or other) sanctions should be imposed on the fundamentalistic Muslim nation of a little more than 68 million people.

The kerfuffle over Iran and its ambitions to join the world nuclear club, for whatever reasons, appeared to faze investors on international commodity exchanges not one iota, however, and, by the close of trading on The New York Mercantile Exchange (NYMEX), crude oil prices had retreated, significantly.

For delivery in April, the last settlement for light sweet crude oil came in at \$US62.41 per barrel, down \$US1.26 per barrel, equivalent to about 1.98 percent, compared with the last settlement on Friday, March 3, 2006.

With regard to May delivery, the last settlement for a barrel of light sweet crude oil was \$US64.05, down \$US1.31 per barrel, or about 2.00 percent, compared with the previous Friday's closing quote.

On The New York Stock Exchange, the Dow Jones Industrial Average fell 63 points, exactly, equivalent to about 0.57 percent, ending the trading day at 10,958.59 points.

On The NASDAQ, its Composite Index dropped about 16.57 points, or about 0.72 percent on the previous Friday's closing level, ending the session at 2,286.03 points.

News Wise

- The US Government's Commerce Department announced that **US factory orders** in January were at their lowest levels since the year 2000. The US housing market is, also, slowing down, the Commerce Department said. Year-On-Year, factory orders fell about 4.50 percent in January as durable goods orders, machinery orders, computers and aircraft orders all fell, compared with the like month in

2005.

In Europe, key indices of major bourses all rose.

Trading floors were abuzz with reports of mergers and takeovers, as the start of the financial reporting season got under way.

Telecommunications counters were the recipients of a great deal of investor attention due to unconfirmed reports that a number of companies were engaged in talks with a view to joint ventures and/or outright takeovers.

This was how key indices of major European bourses ended their respective trading days, last Monday:

Amsterdam's AEX Index	Plus	0.57 percent
Great Britain's FTSE 100 Index	Plus	0.66 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.56 percent
France's CAC 40 Index	Plus	0.43 percent
Switzerland's Swiss Market Index	Plus	0.04 percent
Italy's MIBTEL Index	Plus	0.83 percent

In Asia, stock and share prices firmed, following the previous week's losses, with the key indices of Japan's 3 equity markets, making very material gains.

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

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gained about 0.06 percent, ending the session at 15,811.83 points.

The Total Turnover was about \$HK27.98 billion.

Losing counters outnumbered gaining ones by the ratio of about 1.52:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 0.15 percent to \$HK132.30 per share
China Construction Bank Corporation (Code: 939)	Down 1.35 percent to \$HK3.65 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.67 percent to \$HK37.40 per share
Nine Dragons Paper (Holdings) Ltd (Code: 2689)	Up 0.53 percent to \$HK4.775 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.29 percent to \$HK80.25 per share

Chinese Estates Holdings Ltd (Code: 127)

Up 5.35 percent to \$HK9.85 per share

Hutchison Whampoa Ltd (Code: 13)

Down 0.20 percent to \$HK73.20 per share

Jiangxi Copper Company Ltd (Code: 358)

Up 8.00 percent to \$HK5.40 per share

Bank of Communications Company Ltd (Code: 3328)

Up 1.11 percent to \$HK4.575 per share

PetroChina Company Ltd (Code: 857)

Up 0.65 percent to \$HK7.70 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Artfield Group Ltd	1229	21.88		1.17
Berjaya Holdings (Hongkong) Ltd	288	38.89		0.10
Chi Cheung Investment Company Ltd	112	24.29		2.20
Chia Tai Enterprises International Ltd	121	11.33		0.167
China Agrotech Holdings Ltd	1073	23.60		0.55
China Force Oil and Grains Industrial Holdings Company Ltd	1194	19.19		0.59
Earnest Investments Holdings Ltd	339		23.48	0.176
Fintronics Holdings Company Ltd	706		11.92	0.17
Gay Giano International Group Ltd	686		12.50	0.168
Greater China Holdings Ltd	431		11.11	0.44
New World CyberBase Ltd	276	10.63		0.229
Paliburg Holdings Ltd	617	13.84		0.255
Qualipak International Holdings Ltd	1224	11.88		0.179
Quam Ltd	952		11.29	0.55
REXCAPITAL International Holdings Ltd	155	10.23		0.485

Sino Katalytics Investment Corporation	2324	13.33		0.85
Sunlink International Holdings Ltd	2336	10.91		0.061
Sunway International Holdings Ltd	58	11.48		0.34
Yardway Group Ltd	646	16.84		0.222

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shed about 0.62 percent of its value, dropping back to 1,178.83 points.

The Total Turnover on this speculative market was about \$HK185.05 million, while the ratio of declining counters to advancing ones was about 1.02:One.

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

Xinjiang Tianye Water Saving Irrigation System Company Ltd (Code: 8280) Up 24 percent to \$HK2.475 per share

Century Sunshine Ecological Technology Holdings Ltd (Code: 8276) Up 7 percent to \$HK3.20 per share

Zhengzhou Gas Company Ltd (Code: 8099) Unchanged at 89 cents per share

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

China LotSynergy Holdings Ltd (Code: 8161) Unchanged at \$HK2.05 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Ltd	8061	15.79		0.22
B.A.L. Holdings Ltd	8079	32.56		0.285
B M Intelligence International Ltd	8158	23.33		0.037
Co-winner Enterprise Ltd	8108		16.46	0.066
Computech Holdings Ltd	8081	11.11		0.05
EVI Education Asia Ltd	8090	16.00		0.058
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049		11.18	0.151

Ko Yo Ecological Agrotech (Group) Ltd	8042	16.48		0.53
Launch Tech Company Ltd	8196	10.00		1.98
Qianlong Technology International Holdings Ltd	8015	11.11		0.40
Xinjiang Tianye Water Saving Irrigation System Company Ltd	8280	24.37		2.475

In The Land of The Rising Sun, due in part to the weakness of the yen vis-à-vis the US dollar, stock and share prices were boosted on the country's 3 stock markets: A weaker yen spells bigger corporate profits for exporters.

On the premier equity market of the country, The Tokyo Stock Exchange, its TOPIX Average rose about 0.84 percent, running up to 1,626.46 points.

The ratio of advancing counters to declining ones was about 2.03:One.

As for The Nikkei-225 Stock Average, it gained 1.52 percent, rising to 15,901.16 yen.

News Wise

- **General Motors Corporation** (of the US) announced that it would be selling about 17.40 percent of its equity stake in **Suzuki Motor Corporation** in order to raise about \$US2 billion. The sale would leave General Motors with about 3 percent of the Issued and Fully Paid-Up Share Capital of Suzuki. General Motors reported a Loss Attributable to Shareholders of about \$US8.60 billion in its 2005-Year. Thus ends a partnership, spanning about one quarter of a century.

In other Asian stock markets, this was how their key indices fared, last Monday:

The HKSAR	Plus 0.06 percent to 15,811.83
Indonesia	Plus 0.11 percent to 1,262.69
Japan	TOPIX Average Plus 0.84 percent to 1,626.46 Nikkei-255 Stock Average Plus 1.52 percent to 15,901.16
Malaysia	Minus 0.22 percent to 914.92
The Philippines	Plus 0.84 percent to 2,148.32
Singapore	Plus 0.78 percent to 2,512.88
South Korea	Plus 1.19 percent to 1,344.76

Taiwan	Plus 0.34 percent to 6,575.78
Thailand	Minus 0.34 percent to 750.81

Tuesday

Prior to Wall Street, opening for business, last Tuesday, the US Department of Labour Statistics released its revised Fourth Quarter report in respect of Productivity and Costs in the US.

As many US Government officials had, previously, stated, the statistics, released last Tuesday, conclusively indicated that the US economy is moving forward apace and that it does appear that the US Federal Reserve Board will have to raise interest rates by at least 25 basis points at its Open Market Committee Meeting, scheduled for Tuesday, March 28, 2006.

This is most of that which The Bureau of Labour Statistics, a division of The Department of Labour, announced, minus tables and explanatory notes:

'PRODUCTIVITY AND COSTS **Fourth Quarter and Annual Averages, 2005 Revised**

'The Bureau of Labor Statistics of the US Department of Labor today reported revised fourth-quarter seasonally-adjusted annual rates of productivity change – as measured by output per hour of all persons – and revised changes for calendar year 2005.

*Percent changes in business and
nonfarm business productivity were:*

Fourth Annual Averages Quarter 2004-2005

<i>Business sector</i>	<i>0.0</i>	<i>2.7</i>
<i>Nonfarm business sector</i>	<i>-0.5</i>	<i>2.9</i>

'In the business sector, output per hour was unchanged from the third quarter to the fourth quarter of 2005, compared to the preliminary estimate of a 0.2 percent decline published February 2. In nonfarm businesses, productivity fell 0.5 percent, slightly less than the 0.6 percent decline reported previously (seasonally adjusted annual rates). Nonfarm business productivity last declined during the first quarter of 2001, when it fell 0.6 percent. On an annual average basis, productivity rose 2.7 percent in the business sector, 0.1 percentage point more than previously reported, and increased 2.9 percent in nonfarm businesses, compared to the preliminary estimate of 2.7 percent.

'In the manufacturing sector, increases in productivity were:

Fourth Annual Averages Quarter 2004-2005

<i>Manufacturing</i>	<i>4.7</i>	<i>5.0</i>
<i>Durable goods manufacturing</i>	<i>10.2</i>	<i>6.6</i>
<i>Nondurable goods manufacturing</i>	<i>-2.0</i>	<i>3.4</i>

'Productivity in total manufacturing grew at a 4.7 percent annual rate in the fourth quarter of 2005, more than the 3.9 percent preliminary estimate, as a downward revision to fourth-quarter productivity growth in nondurable goods manufacturing partially offset an upward revision to output per hour in the durable goods subsector.

'When revised annual averages for 2005 are compared to those for 2004, productivity increases were revised up in total manufacturing and nondurable manufacturing,

while the 6.6 percent increase in durable manufacturing output per hour was the same as the preliminary estimate published February 2. Output and hours in manufacturing, which includes about 13 percent of US business-sector employment, tend to vary more from quarter to quarter than data for the aggregate business and nonfarm business sectors ...

'THIRD-TO-FOURTH QUARTER 2005 CHANGES

'Business

'Labor productivity in the business sector was unchanged in the fourth quarter of 2005, as output increased 1.8 percent and hours of all persons engaged in the sector increased 1.7 percent. Revised estimates show that output per hour increased 4.9 percent in the third quarter, as output increased 4.8 percent and hours declined 0.1 percent.

'Hourly compensation grew at a 3.1-percent annual rate in the fourth quarter, compared with a 6.0-percent rise in the third quarter. This measure includes wages and salaries, supplements, employer contributions to employee-benefit plans, and taxes. Real hourly compensation, which takes into account changes in consumer prices, declined 0.1 percent in the fourth quarter of 2005 after increasing 0.9 percent one quarter earlier.

'Unit labor costs, which reflect changes in hourly compensation and productivity, increased 3.1 percent during the fourth quarter of 2005, after rising 1.1 percent in the third quarter. The implicit price deflator for business output, which reflects changes in unit labor costs and unit nonlabor payments, increased 3.4 percent in the fourth quarter and 3.2 percent in the third quarter.

'Nonfarm business

'In the nonfarm business sector, productivity fell at an annual rate of 0.5 percent in the fourth quarter of 2005, as output rose 1.5 percent and hours of all persons — employees, proprietors, and unpaid family workers — grew 2.0 percent (seasonally adjusted annual rates). Nonfarm business productivity increased 4.2 percent in the third quarter of 2005, as output and hours grew 4.7 percent and 0.4 percent, respectively.

'Hourly compensation rose 2.8 percent in the fourth quarter, after increasing 5.5 percent in the third quarter. When the increase in consumer prices was taken into account, real hourly compensation fell 0.4 percent in the fourth quarter and rose 0.3 percent in the third quarter.

'Unit labor costs rose 3.3 percent in the fourth quarter after increasing 1.2 percent one quarter earlier. The implicit price deflator for nonfarm business increased 3.4 percent in the fourth quarter, and 3.5 percent in the third quarter, of 2005.

'Manufacturing

'Manufacturing productivity increased 4.7 percent in the fourth quarter of 2005, as output grew 9.3 percent and hours grew 4.4 percent (seasonally adjusted annual rates). The hours increase was the largest since the second quarter of 1996, when hours grew 6.3 percent. In durable goods industries, productivity increased 10.2 percent when output grew 15.3 percent and hours rose 4.6 percent. In nondurable goods industries, output per hour fell 2.0 percent, reflecting increases of 2.0 percent in output and 4.0 percent in hours. During the third quarter, productivity increased 3.7 percent in total manufacturing, 6.5 percent in durable goods manufacturing, and 0.7 percent in nondurable goods manufacturing.

'Hourly compensation increased 1.8 percent during the fourth quarter in total manufacturing and in both subsectors. When the increase in consumer prices was taken into account, real hourly compensation fell 1.4 percent in the fourth quarter for workers in total, durable, and nondurable manufacturing.

'Unit labor costs in manufacturing fell 2.8 percent in the fourth quarter of 2005, after increasing 1.8 percent in the third quarter. These costs declined 7.7 percent in durable goods industries and rose 3.9 percent in nondurable goods industries during the fourth quarter of 2005.

'ANNUAL AVERAGE CHANGES 2004-2005

'Business

'Business sector productivity increased 2.7 percent when the annual average for 2005 was compared with the annual average for 2004. Output increased 4.0 percent and hours of all persons engaged in the sector rose 1.3 percent. The 2.7-percent increase in 2005 followed a three-year period in which productivity growth increased rapidly, at an average of 3.9 percent per year, and is the same as the 2.7-percent productivity trend from 1995 to 2001...

'Hourly compensation in the business sector increased 5.4 percent in 2005 and 4.7 percent in 2004. Real hourly compensation increased 2.0 percent in each of the last two years.

'Business sector unit labor costs increased 2.7 percent in 2005, more than in any calendar year since 2000, when these costs increased 4.0 percent. In 2004, unit labor costs rose 1.2 percent. The implicit price deflator rose 2.6 percent in 2005 and 2.4 percent in 2004.

'Nonfarm business

'Productivity increased 2.9 percent in the nonfarm business sector during 2005. Output grew 4.2 percent and hours of all persons increased 1.3 percent. In 2004, productivity grew 3.4 percent, as output grew 4.8 percent and hours increased 1.3 percent. As in the more comprehensive business sector, nonfarm productivity grew at an above-average rate from 2001 to 2004, 3.8 percent. Productivity grew at an annual rate of 2.5 percent from 1995 to 2001.

'Hourly compensation grew 5.5 percent in 2005. This was the largest increase in this measure since 2000 (7.1 percent), and followed a 4.6-percent increase in 2004. Real hourly compensation increased 2.1 percent in 2005 and 1.8 percent in 2004.

'Unit labor costs in the nonfarm business sector rose 2.6 percent in 2005, after rising 1.1 percent in 2004. The 2005 increase in unit labor costs was the largest since 2000, when these costs increased 4.2 percent. The implicit price deflator, which reflects nonlabor payments as well as labor costs, increased 2.8 percent in 2005, following a 2.1-percent rise in 2004.

'Manufacturing

'Manufacturing productivity grew 5.0 percent in 2005, reflecting a 3.9-percent rise in output and a 1.1-percent decline in hours. In 2004, output per hour had increased 5.5 percent, as output grew 5.0 percent and hours declined 0.5 percent. Labor productivity increased 6.6 percent in durable goods manufacturing during 2005, as output grew 6.4 percent and hours declined 0.2 percent. In nondurable goods manufacturing, productivity rose 3.4 percent in 2005, as output rose 0.7 percent and hours fell 2.6 percent.

'Hourly compensation of manufacturing workers increased 7.0 percent in 2005, compared to a 2.3-percent increase one year earlier. Hourly compensation increased 6.6 percent in durable goods industries and 7.6 percent in nondurable goods industries in 2005. Real hourly compensation in the manufacturing sector rose 3.5 percent in 2005 and fell 0.4 percent in 2004.

'Unit labor costs rose 1.9 percent in manufacturing from 2004 to 2005. In durable manufacturing, annual average unit labor costs were unchanged from 2004 to 2005. Unit labor costs in nondurable manufacturing rose by 4.0 percent last year...

'In fourth-quarter 2005, business sector productivity was unchanged, rather than declining 0.2 percent, as reported in the preliminary estimate February 2 (seasonally adjusted annual rates). In the nonfarm business sector, productivity did fall, by 0.5 percent, slightly less than the 0.6 percent preliminary estimate. The upward revisions to business and nonfarm business productivity occurred as hours were revised up by less than output. Unit labor costs did not increase as much as in the preliminary estimate.'

'In the manufacturing sector, productivity and output were revised up, while hours were unchanged from the preliminary estimate. The upward revision to productivity, combined with a small downward revision in hourly compensation, lead to a revision in the change in unit labor costs from a decline of 1.9 percent to a decrease of 2.8 percent.'

'Measures of hourly compensation, real hourly compensation, and unit labor costs in all sectors were revised upwards substantially in the third quarter of 2005 after incorporation of revised compensation data.'

'When annual averages for 2005 are compared to those for 2004, productivity increased 2.7 percent in the business sector and 2.9 percent in the nonfarm business sectors, a little higher than previously reported. Small upward revisions to hourly compensation in both of these sectors led to larger increases in unit labor costs than previously reported. Manufacturing productivity growth was revised up as output rose more, and hours declined faster, than in the preliminary estimate. Because hourly compensation was revised up more than productivity, unit labor costs increased more than previously reported.'

'Revised measures: Nonfinancial corporations

'Measures for the nonfinancial corporate sector also were revised due to updated information on hours worked by employees. New information on output and compensation in the third quarter of 2005 also impacted measures for this sector.'

'Productivity in nonfinancial corporations in third-quarter 2005 increased more than in the preliminary estimates, as an upward revision to output was partially offset by an upward revision to hours worked. Hourly compensation was revised up by more than productivity, and unit labor costs increased more than published Feb. 2. Unit profits were revised down, posting a larger decline than originally reported ...'.

Wall Street was not happy with its lot and the report of The US Labour Department smelled too strongly that the US Fed would be employing its preferred weapon of choice: Higher interest rates.

On The New York Stock Exchange, the Dow Jones Industrial Average gained about 0.20 percent to end the rather quiet trading day at 10,980.69 points.

Over on The NASDAQ, its Composite Index shed about 0.77 percent, coming to rest at the close of the day at 2,268.38 points.

News Wise

- **AT&T Incorporated** said that it fully expects to cull about 10,000 jobs, following its \$US67-billion takeover of its rival, **Bellsouth Corporation**. The job cuts should be completed by 2009, the company said. These new job cuts are in addition to the company's earlier announcement that it will be sacking about 13,000 of its existing workers.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in April was \$US61.58, representing a fall of another 1.35 percent, compared with Monday's last settlement.

As for May delivery, the last settlement for a barrel of light sweet crude oil was \$US63.32, down about 1.14 percent on the last quote on Monday.

In Europe, the situation was a continuation of Monday's market, generally, as investors marked down key indices of the major European bourses.

The potential for further interest-rate increases before the month was out was the bugbear as far as European investors were concerned.

The previous week, the **E**uropean **C**entral **B**ank (ECB) raised key interest rates by 25 basis points and, now, it appeared inevitable that The US Federal Reserve would follow suit.

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

Amsterdam's AEX Index	Minus 0.58 percent
Great Britain's FTSE 100 Index	Minus 0.68 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.25 percent
France's CAC 40 Index	Minus 0.36 percent
Switzerland's Swiss Market Index	Minus 0.92 percent
Italy's MIBTEL Index	Minus 0.58 percent

Throughout Asia, last Tuesday, the consideration was not whether or not this company or that company would do well, this year, but whether or not interest rates, worldwide, would continue to rise and by how much.

Higher interest rates are almost guaranteed to crimp corporate profits.

Key indices of Asian equity markets lost materially as investors started to bail out.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets saw investors pull down key indices.

The Hang Seng Index, the key index of the Main Board of The Stock Exchange of Hongkong Ltd, shed about 1.33 percent of its value, ending the day at 15,602.36 points.

The Total Turnover shot up to about \$HK37.87 billion: A higher-than-average volume of activity on a rapidly falling market is not, normally, a good thing and often suggests that more losses will follow in quick succession.

The ratio of losing counters to gaining ones was about 4.47:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.23 percent to \$HK132.60 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 2.81 percent to \$HK36.35 per share
China Construction Bank Corporation (Code: 939)	Down 2.05 percent to \$HK3.575 per share

Sun Hung Kai Properties Ltd (Code: 16)

Down 2.24 percent to \$HK78.45 per share

PetroChina Company Ltd (Code: 857)

Down 1.95 percent to \$HK7.55 per share

Hutchison Whampoa Ltd (Code: 13)

Down 1.02 percent to \$HK72.45 per share

China Petroleum and Chemical Corporation (Code: 386) Down 3.70 percent to \$HK4.55 per share

China Life Insurance Company Ltd (Code: 2628)

Down 4.40 percent to \$HK8.70 per share

Bank of Communications Company Ltd (Code: 3328)

Down 2.19 percent to \$HK4.475 per share

Chinese Estates Holdings Ltd (Code: 127)

Up 2.54 percent to \$HK10.10 per share

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

Name of Company	Code	Increase (%)	Decrease(%)	Closing Price (\$HK)
Chi Cheung Investment Company Ltd	112	18.18		2.60
China Motion Telecom International Ltd	989	15.63		0.185
China Infrastructure Machinery Holdings Ltd	3339	12.00		2.80
eForce Holdings Ltd	943		13.64	0.019
Fintronics Holdings Company Ltd	706		10.59	0.152
J.I.C. Technology Company Ltd	987	10.71		0.62
New Smart Holdings Ltd	91		11.27	0.244
Orient Industries Holdings Ltd	353	11.11		0.35
PME Group Ltd	379	16.44		0.085
REXCAPITAL International Holdings Ltd	155	11.34		0.54
Shun Cheong Holdings Ltd	650	50.00		0.45
Sun Innovation Holdings Ltd	547	16.36		3.20
Swank International Manufacturing Company Ltd	663	13.48		0.101

UDL Holdings Ltd	620	16.13		0.036
Yardway Group Ltd	646	10.36		0.245

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, after an early morning gain, investors pulled up stakes and left the field, resulting in share prices, sagging, some, quite materially.

By the close of the day, The Growth Enterprise Index stood at 1,178.56 points, down about 0.02 percent on Monday's closing level.

The Total Turnover on this speculative market was about \$HK153.03 million.

Declining counters outran advancing ones by the ratio of about 2.38:One.

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

Xinjiang Tianye Water Saving Irrigation System Company Ltd (Code: 8280) Down 11 percent to \$HK2.20 per share

China LotSynergy Holdings Ltd (Code: 8161) Up 4 percent to \$HK2.125 per share

Ko Yo Ecological Agrotech (Group) Ltd (Code: 8042) Up 19 percent to 63 cents per share

TOM Online Incorporated (Code: 8282) Down 3 percent to \$HK1.97 per share

CMA Logistics Company Ltd (Code: 8217) Up 1 percent to \$HK4.875 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131		14.06	0.11
Co-winner Enterprise Ltd	8108		16.67	0.055
Computech Holdings Ltd	8081	10.00		0.055
Ko Yo Ecological Agrotech (Group) Ltd	8042	18.87		0.63
Medical China Ltd	8186		10.42	0.043
Northeast Tiger Pharmaceutical Company Ltd	8197	11.43		0.078
Plasmagene Biosciences Ltd	8250	15.38		0.06

Shine Software (Holdings) Ltd	8270		11.39	0.07
Xinjiang Tianye Water Saving Irrigation System Company Ltd	8280		11.11	2.20

In Japan, investors continued to be rattled with regard to the determination of General Motors Corporation in respect of that company's intended share sales of most of its interest in the Issued and Fully Paid-Up Share Capital of Suzuki Motor Corporation. (Please see Monday's report)

Last Tuesday, it was announced that Suzuki Motor Corporation was a willing purchaser of General Motors' shares of the company.

That led to suggestions that Suzuki's finances might be strained since the cost of the purchase would be in the region of \$US2 billion – quite a handful of change in anybody's books.

On The Tokyo Stock Exchange, The TOPIX Average lost about 0.53 percent of its value, falling back to 1,617.87 points.

Losing counters outraced advancing ones by the ratio of about 1.99:One.

The Nikkei-225 Stock Average surrendered about 1.10 percent of its value, coming to rest at 15,726.02 yen.

News Wise

- The Finance Ministry of the Government of Japan announced that **capital spending** rose about 9.50 percent in the final quarter of 2005 to December 31, compared with the like period in 2004. It was the 11th consecutive quarter of expansion in capital spending among corporations in The Land of The Rising Sun.

The key indices of other major Asian equity markets ended their respective trading days as follows:

The HKSAR	Minus 1.33 percent to 15,602.36
Indonesia	Minus 1.30 percent to 1,246.25
Japan	TOPIX Average Minus 0.53 percent to 1,617.87 Nikkei-255 Stock Average Minus 1.10 percent to 15,726.02
Malaysia	Plus 0.03 percent to 915.21
The Philippines	Minus 1.23 percent to 2,121.91
Singapore	Minus 0.94 percent to 2,489.15
South Korea	Minus 2.09 percent to 1,316.67

Taiwan	Minus 1.24 percent to 6,494.15
Thailand	Minus 1.66 percent to 738.36

Wednesday

The **O**rganisation of **P**etroleum **E**xporting **C**ountries (OPEC) started its meeting in Vienna, Austria, last Wednesday, amid widespread suggestions that the cartel might consider reducing crude-oil exports to the world's marketplaces.

That prospect, coupled with growing insurgency in Nigeria and strong suggestions that there could be many more problems in Iran over its nuclear programme, caused investors, worldwide, to fret, resulting in share prices falling, some rather quickly.

Crude-oil exports from Saudi Arabia, Iraq, Iran and Nigeria account for about one third of the world's total exports of the black ooze.

By the close of the day, however, OPEC had announced that it would continue pumping out crude oil at near full capacity – no change, at all.

The President of OPEC, Mr Edmund Daukoru, said that there were too many geopolitical factors with which OPEC had to contend at this time.

But OPEC's determination was not the big story of the day: That was reserved for the United Nations International Atomic Energy Agency (IAEA).

The IAEA decided that its report in respect of Iran's nuclear programme should be forwarded to the Security Council of the United Nations for its determination.

It is generally held that the Security Council will recommend sanctions against Iran.

The Government of the United States has severely criticised the Iranian Government, claiming that it indulged, the previous week, in '*phoney negotiations*'.

The West appears to be convinced that Iran wants the ability to create weapons of mass destruction and that that is the underlying reason that it is desirous of becoming a member of the international nuclear club.

Iran pooh-poohs the suggestion, claiming that it only wants to join the nuclear club for peaceful purposes.

Against that claim, however, last Wednesday, Tehran National Security Official, Mr Javad Vaeedi, is quoted as stating that if the US persuades the Security Council to impose sanctions on Iran, this fundamentalistic Muslim country could inflict '*harm and pain*' on the US in a tit-for-tat exchange,

Mr Javad Vaeedi said:

'The United States may have the power to cause harm and pain, but it is also susceptible to harm and pain. So, if the United States wishes to choose that path, let the ball roll.'

Whether or not this was merely a show of bravado, only history will be able to record. (Please see Monday's report for more on this subject)

Meanwhile, on international commodity markets, the price of crude oil fell.

On The **N**ew **Y**ork **M**ercantile **E**xchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in April was \$US60.02, down 2.53 percent on Tuesday's closing level.

As for May delivery, a barrel of light sweet crude oil fetched \$US61.79 at the last settlement, representing a drop of about 2.42 percent on the final quote of Tuesday.

On The New York Stock Exchange, the Dow Jones Industrial Average ended the day at 11,005.74 points, representing a gain of about 0.23 percent on Tuesday's closing level.

Over on The NASDAQ, its Composite Index fell back by about 0.04 percent to 2,267.46 points.

In Europe, every key index of every major bourse fell with thuds that could be heard from London, England, to Istanbul, Turkey.

The fall in the price of crude oil was one of the main reasons for the deterioration of indices of major European bourses due to the fact that European bourses are studded, liberally, with energy counters.

And the decision of OPEC to continue to pump crude oil at present levels means that crude oil prices are unlikely to rise very much in the short term.

In addition, it is widely believed that interest rates will continue to rise and, as they do run to higher levels, so corporate profits will be constrained.

This was the extent of the falls of key indices of major European bourses, last Wednesday:

Amsterdam's AEX Index	Minus 0.83 percent
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Great Britain's FTSE 100 Index	Minus 0.75 percent
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Germany's Frankfurt XETRA DAX Index	Minus 1.14 percent
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France's CAC 40 Index	Minus 0.45 percent
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Switzerland's Swiss Market Index	Minus 0.08 percent
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Italy's MIBTEL Index	Minus 0.64 percent
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In Asia, key indices of major equity markets came under heavy selling pressure, resulting in all but one major equity market, losing materially.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), it was another bearish day on the territory's 2 equity markets, with the key index, dropping back on a very heavy volume of activity.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index lost, exactly, 0.70 percent of its value, dropping back to 15,493.09 points.

The Total Turnover rose to about \$HK41.18 billion, a record level for the year to date.

The ratio of declining counters to gaining ones was about 3.93:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 0.15 percent to \$HK132.40 per share
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China Construction Bank Corporation (Code: 939)	Down 2.80 percent to \$HK3.475 per share
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China Mobile (Hongkong) Ltd (Code: 941)	Down 1.10 percent to \$HK35.95 per share
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PetroChina Company Ltd (Code: 857)

Down 1.99 percent to \$HK7.40 per share

China Life Insurance Company Ltd (Code: 2628)

Down 2.30 percent to \$HK8.50 per share

Hutchison Whampoa Ltd (Code: 13)

Down 0.69 percent to \$HK71.95 per share

Bank of Communications Company Ltd (Code: 3328)

Down 0.56 percent to \$HK4.45 per share

China Petroleum and Chemical Corporation (Code: 386) Down 3.85 percent to \$HK4.375 per share

Esprit Holdings Ltd (Code: 330)

Up 0.68 percent to \$HK59.15 per share

Hongkong Exchanges and Clearing Ltd (Code: 388)

Down 4.09 percent to \$HK38.70 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	20.00		0.78
Asia Commercial Holdings Ltd	104		13.85	0.56
Asia TeleMedia Ltd	376		13.85	0.056
China Agrotech Holdings Ltd	1073	24.53		0.66
China State Construction International Holdings Ltd	3311		11.58	2.10
China Strategic Holdings Ltd	235		11.58	0.84
Climax International Company Ltd	439		11.76	0.015
Compass Pacific Holdings Ltd	1188	12.67		0.169
Concepta Investments Ltd	1140	13.46		0.295
Credit Card DNA Security System (Holdings) Ltd	1051		10.00	0.054
eForce Holdings Ltd	943	15.79		0.022
Mei Ah Entertainment Group Ltd	391	15.38		0.30

Nan Hai Corporation Ltd	680	11.76		0.057
Orient Industries Holdings Ltd	353	35.71		0.475
Rontex International Holdings Ltd	1142		10.26	0.035
Shun Cheong Holdings Ltd	650		15.56	0.38
Sino Union Petroleum and Chemical International Ltd	346		11.30	0.157
Winsor Properties Holdings Ltd	1036	14.21		10.85
Zhong Hua International Holdings Ltd	1064	16.67		0.028

Over on The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, it was a very similar situation to that which prevailed on the Main Board.

The Growth Enterprise Index surrendered about 1.14 percent of its value, falling to 1,165.18 points on a Total Turnover of about \$HK202.98 million.

Losing counters outran gaining ones by the ratio of about 1.52:One.

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

Convenience Retail Asia Ltd (Code: 8052)

Unchanged at \$HK2.90 per share

Xinjiang Tianye Water Saving Irrigation System Company Ltd
(Code: 8280)

Up 5 percent to \$HK2.30 per share

Wumart Stores Incorporated (Code: 8277)

Down 2 percent to \$HK25.25 per share

Ko Yo Ecological Agrotech (Group) Ltd (Code: 8042)

Up 11 percent to 70 cents per share

TOM Online Incorporated (Code: 8282)

Down 3 percent to \$HK1.92 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B.A.L. Holdings Ltd	8079	10.71		0.31
Co-winner Enterprise Ltd	8108	23.64		0.068
Dahe Media Company Ltd	8243	11.32		0.295

Essex Bio-Technology Ltd	8151		14.11	0.14
Global Solution Engineering Ltd	8192	31.82		0.029
Ko Yo Ecological Agrotech (Group) Ltd	8042	11.11		0.70
Panorama International Holdings Ltd	8173	11.43		0.078
Stockmartnet Holdings Ltd	8123		11.69	0.068
Tai Shing International (Holdings) Ltd	8103	10.00		0.22
Tiger Tech Holdings Ltd	8046		17.39	0.027

At the opening of the key meeting of Japan's Central Bank, when The Bank of Japan was expected to make a determination whether or not to stop supporting the economy with its near zero-percent interest rates, investors of the country took no chances and continued, partially at least, to deplete share portfolios.

It had been more than 5 years since The Bank of Japan embarked on its policy of employing a zero percent, interest-rate policy, but deflation appears to have vanished from the scene of the second-largest economy of the world: Time for a change in policy from the country's Central Bank, it was speculated.

On The Tokyo Stock Exchange, its TOPIX Average gave up about 0.76 percent of its value, dropping back to 1,605.58 points.

The ratio of losing counters to gaining ones was about 2.68:One.

The Nikkei-225 Stock Average was shaved down by about 0.63 percent to 15,627.49 yen.

News Wise

- **Suzuki Motor Corporation** announced that, in fact, it shall repurchase 17.40 percent of the Issued and Fully Paid-Up Share Capital of the company from **General Motors Corporation**. (Please see Monday's report)

This was how indices of other Asia equity markets ended their respective trading days, last Wednesday:

The HKSAR	Minus 0.70 percent to 15,493.09
Indonesia	Minus 1.02 percent to 1,233.60
Japan	TOPIX Average Minus 0.76 percent to 1,605.58 Nikkei-255 Stock Average Minus 0.63 percent to 15,627.49
Malaysia	Minus 0.18 percent to 913.53
The Philippines	Minus 1.07 percent to 2,099.26

Singapore	Plus 0.54 percent to 2,502.60
South Korea	Minus 0.20 percent to 1,314.05
Taiwan	Minus 0.53 percent to 6,459.57
Thailand	Minus 1.96 percent to 723.86

Thursday

Certain powerful members of the United Nations Security Council started pre-emptive deliberations in respect of Iran's ambitions to become another nuclear nation.

Officials of the 5 Permanent Members of the Security Council met to discuss the strategy to be employed when the Security Council convenes its next meeting, scheduled for this week.

Iran's Supreme Leader, Ayatollah Ali Khamenei, came out in support of the stance of Iran's elected President, Mr Mahmoud Amadinejad.

The Ayatollah said, inter alia:

'If the Iranian nation and (the Iran) Government steps back on nuclear energy today, the story will not end there and the Americans will make another pretext ... The officials are responsible for continuing Iran's drive for advanced technology, including nuclear energy, without yielding to the pressures ...'.

President Mahmoud Amadinejad is reported to have put in his oar, by saying, publicly:

'They (the Western powers) know that they are not capable of inflicting the slightest blow on the Iranian nation because they need the Iranian nation ... They will suffer more and they are vulnerable... This nation will not allow others to treat it with a bullying attitude, even if (they) are international bullies ...'.

The West is determined that Iran shall not be allowed to have *'the bomb'*, no matter what.

On the US economic front, the US Census Bureau and the US Bureau of Economic Analysis released their findings with regard to the overall health of the world's only superpower.

In short, the figures proved that the country is spending more than it is earning – which is the sure-shot direction to galloping inflation in the fullness of time.

This is the gist of the findings of these important departments of Government:

'U.S. INTERNATIONAL TRADE IN GOODS AND SERVICES January 2006

'Goods and Services

The U.S. Census Bureau and the U.S. Bureau of Economic Analysis, through the Department of Commerce, announced today that total January exports of \$114.4 billion and imports of \$182.9 billion resulted in a goods and services deficit of \$68.5 billion, \$3.4 billion more than the \$65.1 billion in December, revised.

'January exports were \$2.8 billion more than December exports of \$111.6 billion. January imports were \$6.2 billion more than December imports of

\$176.6 billion.

'In January, the goods deficit increased \$3.2 billion from December to \$73.4 billion, and the services surplus decreased \$0.2 billion to \$4.9 billion.

Exports of goods increased \$2.6 billion to \$81.7 billion, and imports of goods increased \$5.9 billion to \$155.1 billion. Exports of services increased \$0.2 billion to \$32.7 billion, and imports of services increased \$0.4 billion to \$27.8 billion.

'In January, the goods and services deficit was up \$10.2 billion from January 2005. Exports were up \$12.2 billion, or 12.0 percent, and imports were up \$22.5 billion, or 14.0 percent.

'Goods

'The December to January change in exports of goods reflected increases in industrial supplies and materials (\$1.0 billion); capital goods (\$0.9 billion); foods, feeds, and beverages (\$0.5 billion); and automotive vehicles, parts, and engines (\$0.1 billion). Decreases occurred in consumer goods (\$0.1 billion) and other goods (\$0.1 billion).

'The December to January change in imports of goods reflected increases in industrial supplies and materials (\$1.4 billion); capital goods (\$1.2 billion); automotive vehicles, parts, and engines (\$1.2 billion); consumer goods (\$1.0 billion); other goods (\$0.6 billion); and foods, feeds, and beverages (\$0.4 billion).

'The January 2005 to January 2006 change in exports of goods reflected increases in capital goods (\$4.7 billion); industrial supplies and materials (\$2.6 billion); consumer goods (\$1.1 billion); automotive vehicles, parts, and engines (\$0.9 billion); foods, feeds, and beverages (\$0.7 billion); and other goods (\$0.5 billion).

'The January 2005 to January 2006 change in imports of goods reflected increases in industrial supplies and materials (\$12.0 billion); capital goods (\$3.1 billion); automotive vehicles, parts, and engines (\$2.8 billion); consumer goods (\$1.9 billion); foods, feeds, and beverages (\$0.8 billion); and other goods (\$0.6 billion).

'Services

'Services exports increased \$0.2 billion from December to January. Increases in travel and passenger fares were partly offset by a decrease in transfers under U.S. military sales contracts. Changes in other categories of services exports were small.

'Services imports increased \$0.4 billion from December to January. The increase was mostly accounted for by increases in other transportation, which includes freight and port services, and travel. Changes in other categories of services imports were small.

'From January 2005 to January 2006, services exports increased \$2.0 billion. The largest increases were in other private services, which includes items such as business, professional, and technical services, insurance services, and financial services (\$0.9 billion), travel (\$0.6 billion), and other transportation (\$0.5 billion).

'From January 2005 to January 2006, services imports increased \$1.3 billion. The largest increases were in other private services (\$1.0 billion) and passenger fares (\$0.3 billion).

'Goods and Services Moving Average

'For the three months ending in January, exports of goods and services

averaged \$111.7 billion, while imports of goods and services averaged \$177.7 billion, resulting in an average trade deficit of \$66.0 billion. For the three months ending in December, the average trade deficit was \$65.8 billion, reflecting average exports of \$109.4 billion and average imports of \$175.2 billion.

'Selected Not Seasonally Adjusted Goods Details

The January figures showed surpluses, in billions of dollars, with Australia \$0.9 (\$0.7 for December), Hong Kong \$0.4 (\$0.7), Singapore \$0.3 (\$0.3), and Egypt \$0.1 (\$0.1). Deficits were recorded, in billions of dollars, with China \$17.9 (\$16.3), Europe \$11.7 (\$11.8), the European Union \$9.7 (\$10.1), Canada \$8.9 (\$8.0), OPEC \$8.4 (\$7.6), Japan \$6.5 (\$6.8), Mexico \$4.6 (\$4.3), Taiwan \$1.6 (\$1.1), Korea \$1.3 (\$1.1), and Brazil \$0.6 (\$0.6).

'Advanced technology products (ATP) exports were \$18.3 billion in January and imports were \$21.7 billion, resulting in a deficit of \$3.4 billion. January exports were \$2.0 billion less than the \$20.3 billion in December, while imports were \$1.9 billion less than the \$23.6 billion in December... '.

On Wall Street, key indices of both The New York Stock Exchange and The NASDAQ came off on the news of the record-high trade deficit and the war of words between the US Government and the Government of Iran.

On The New York Stock Exchange, the Dow Jones Industrial Average lost about 0.30 percent of its value, ending the day at 10,972.28 points.

Over on The NASDAQ, its Composite Index shed about 0.78 percent, coming to rest at 2,249.72 points.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in April was \$US60.47, an increase of about 45 cents (US) per barrel on the last settlement of Wednesday.

For delivery in May, the last settlement for a barrel of light sweet crude oil was \$US62.42, up about 63 cents (US) per barrel on Wednesday's last quote.

In Europe, there was a decided improvement of key indices of the most-important bourses as certain investors jumped in to take up new positions, following Wednesday's widespread falls.

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

Amsterdam's AEX Index	Plus	0.67 percent
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Great Britain's FTSE 100 Index	Plus	0.73 percent
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Germany's Frankfurt XETRA DAX Index	Plus	1.03 percent
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France's CAC 40 Index	Plus	0.77percent
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Switzerland's Swiss Market Index	Plus	0.14 percent
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Italy's MIBTEL Index	Plus	0.84 percent
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News Wise

- The Monetary Policy Committee of The Bank of England decided to leave **base interest rates** at 4.50

percent. It was the seventh consecutive month that the Monetary Policy Committee had decided to leave well-enough alone.

In Asia, there was a distinct positive aspect to trading in stocks and shares in the most-populous part of the world, last Thursday.

In the Hongkong Special Administrative Region (HKSAR) of The Stock Exchange of Hongkong Ltd, after an early morning sell-off on the Main Board of The Stock Exchange of Hongkong Ltd, things righted themselves and prices started to rise.

The Hang Seng Index, which is the key index of the Main Board, ended the trading day at 15,510.13 points, a gain of about 0.11 percent on Wednesday's closing level.

The Total Turnover fell back to about \$HK27.94 billion, while the ratio of gaining counters to losing ones was about 1.31:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.15 percent to \$HK132.60 per share
China Construction Bank Corporation (Code: 939)	Unchanged at \$HK3.475 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.14 percent to \$HK36.00 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 1.71 percent to \$HK4.30 per share
CNOOC Ltd (Code: 883)	Down 1.60 percent to \$HK6.15 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Down 2.20 percent to \$HK37.85 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.21 percent to \$HK72.10 per share
PetroChina Company Ltd (Code: 857)	Down 1.35 percent to \$HK7.30 per share
China Life Insurance Company Ltd (Code: 2628)	Unchanged at \$HK8.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.45 percent to \$HK78.95 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Artfield Group Ltd	1229	14.16		1.29
Asia Commercial Holdings Ltd	104	21.43		0.68
Asia TeleMedia Ltd	376	16.07		0.065

Compass Pacific Holdings Ltd	1188	18.34		0.20
Daisho Microline Holdings Ltd	567	19.67		0.73
Dan Form Holdings Company Ltd	271	19.15		0.56
eSun Holdings Ltd	571	14.81		4.65
Fintronics Holdings Company Ltd	706		13.55	0.134
Guangzhou Shipyard International Company Ltd	317	16.82		3.125
Huabao International Holdings Ltd	336	13.85		1.48
ITC Corporation Ltd	372	10.00		0.77
Jade Dynasty Group Ltd	970	15.25		0.68
Lai Sun Development Company Ltd	488	10.91		0.305
Lai Sun Garment (International) Ltd	191	12.16		0.83
Mei Ah Entertainment Group Ltd	391		13.33	0.26
Orient Industries Holdings Ltd	353	24.21		0.59
Pan Sino International Holding Ltd	502	12.50		0.45
Prosperity Investment Holdings Ltd	310		13.28	0.111
REXCAPITAL Financial Holdings Ltd	555	34.82		0.151
Sino Gas Group Ltd	260	16.33		0.57
South China Holdings Ltd	265	10.00		0.33
UDL Holdings Ltd	620	105.26		0.078
Uni-Bio Science Group Ltd	690	14.49		0.79
Winfair Investment Company Ltd	287	30.30		4.30

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index rose about 0.65 percent, running back to 1,172.79 points.

Advancing counters outnumbered declining ones by the ratio of about 1.73:One.

The Total Turnover on this market was about \$HK141.45 million.

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

Techpacific Capital Ltd (Code: 8088) Up 5 percent to 81 cents per share

Xinjiang Tianye Water Saving Irrigation System Company Ltd
(Code: 8280) Unchanged at \$HK2.30 per share

Ko Yo Ecological Agrotech (Group) Ltd (Code: 8042) Up 16 percent to 81 cents per share

B and B Group Holdings Ltd (8156) Up 2 percent to \$HK2.45 per share

CMA Logistics Company Ltd (Code: 8217) Down 1 percent to \$HK4.775 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B M Intelligence International Ltd	8158		18.92	0.03
China Advance Holdings Ltd	8117	14.29		0.96
Ko Yo Ecological Agrotech (Group) Ltd	8042	15.71		0.81
North Asia Strategic Holdings Ltd	8080	12.50		0.63

On The Tokyo Stock Exchange, which is the largest equity market of Asia, investors went all out to pick up stocks and shares which, in their opinions, had fallen too low too quickly.

As a result, prices rose rapidly as soon as this market opened and, by the close of the morning session, key indices were registering double-digit gains, compared with Wednesday's closing levels.

In the afternoon trading session, The Central Bank of Japan reported its decision with regard to interest rates and that lit another fire under investors: The Bank of Japan announced that it was ending its zero-rate interest policy.

The decision signalled that the country had successfully battled deflation, the economy was stable and the present growth rate was sustainable, and now was the time for things to get back to normal, following 5 years of oblique, Japanese Government subsidies.

By the time that the doors of The Tokyo Stock Exchange closed for the day, The TOPIX Average was standing at 1,641.01 points.

That figure represented a gain on Wednesday's close of about 2.21 percent.

Gaining counters outpaced declining ones by the ratio of about 16.77:One.

The Nikkei-225 Stock Average ended the trading session at 16,036.91 yen, a gain of about 2.62 percent.

The bulk of the gains in the morning session was put down to bargain-hunting, following 2 days of falling prices.

This was how key indices of other Asia equity markets fared, last Thursday:

The HKSAR	Plus 0.11 percent to 15,510.13
Indonesia	Plus 0.48 percent to 1,239.58
Japan	TOPIX Average Plus 2.21 percent to 1,641.01 Nikkei-255 Stock Average Plus 2.62 percent to 16,036.91
Malaysia	Plus 0.81 percent to 920.91
The Philippines	Plus 0.50 percent to 2,109.77
Singapore	Plus 0.07 percent to 2,504.25
South Korea	Minus 0.22 percent to 1,311.21
Taiwan	Plus 0.42 percent to 6,486.47
Thailand	Plus 0.71 percent to 728.99

Friday

Prior to the opening of Wall Street, last Friday, The Bureau of Labour Statistics released its findings with regard to the labour situation in the US for the month of February 2006.

Buried in the statistics was the fact that, over the 30 months to the end of February, *‘the labor force participation rate has shown little movement ...’*.

Ms Kathleen P. Utgoff, Commissioner of The Bureau of Labour Statistics, presented a summary of the situation to the Joint Economic Committee of the US Congress, last Friday.

This is most of that which she said:

‘Nonfarm payroll employment rose by 243,000 in February, and the unemployment rate was little changed at 4.8 percent. February's employment increase reflected gains in construction, mining, and several service-providing industries.

‘Within the goods-producing sector, construction employment increased by 41,000 in February, following another sizeable gain in January. Over the past 12 months, job growth in construction has totaled 346,000. In February, employment continued to rise in mining, mainly in support activities, especially those for oil and gas operations.

'Manufacturing employment overall was virtually unchanged in February. There were, however, offsetting movements in several industries. The largest job losses were in motor vehicles and parts and primary metals. Job gains occurred in machinery, petroleum products, and computer and electronic products. The manufacturing workweek (at 41.0 hours) and factory overtime (at 4.6 hours) each rose by 0.1 hour.'

'Over the month, financial activities added 22,000 jobs, reflecting increases in depository institutions and in insurance carriers. Health care employment expanded by 18,000, with continued growth in hospitals, doctors' offices, and home health care. Professional and business services, private education, food services and drinking places, and government also had job gains in February.'

'Average hourly earnings for private production or non-supervisory workers rose by 5 cents in February, following increases of 7 cents in both December and January. Over the year, hourly earnings increased by 3.5 percent. The average workweek was down by 0.1 hour in February to 33.7 hours.'

'Turning to data from the household survey, both the number of unemployed persons (7.2 million) and the unemployment rate (4.8 percent) were little changed over the month. The number of persons unemployed for 27 weeks or more returned to its December level of 1.4 million, after declining in January. These long-term unemployed constituted 19.0 percent of all unemployed persons, down slightly from a year earlier.'

'Total employment and the labor force continued to trend up in February. However, the employment-population ratio has held steady in recent months, and the labor force participation rate has shown little movement for about 2 ½ years.'

'This month, we again report on the labor force status of survey respondents who evacuated from their homes due to Hurricane Katrina. The data are derived from a special set of questions that have been included in the household survey since October to gather information about evacuees. The estimates do not account for all persons who evacuated from their homes due to Hurricane Katrina. Information is not gathered on those evacuees who remain outside the scope of the survey, such as those currently living in hotels or shelters.'

'The February data indicate that there were about 1 million persons age 16 and over who evacuated from their August residences due to Hurricane Katrina. In February, about one-half of the evacuees were back in the homes they vacated in August. Among Katrina evacuees identified in February, 58.1 percent were in the labor force, and their unemployment rate was 12.6 percent. Unemployment rates were much lower for those evacuees who had returned home (4.8 percent) than for those evacuees who had not (22.6 percent).'

'To summarize February's labor market data, nonfarm payroll employment rose by 243,000, and the unemployment rate was little changed at 4.8 percent. Payroll employment has increased by 2.1 million over the year, and the unemployment rate is down by about half a percentage point.'

Based on the number of new jobs that were created in the month of February (243,000) – and little else – and disregarding, almost entirely, the fact that the unemployment rate was unchanged, Month-On-Month, at about 4.80 percent, investors went on a bit of buying spree on US equity markets.

Had US investors been more attentive to the details, contained in last Friday's Labour Department report, and looked askance at some of the statements of Ms Kathleen P. Utgoff, perhaps key indices of US equity markets would not have risen, at all.

However, investors were a-mind to cling onto leaves rather than strong boughs as Wall Street brokers fanned a mild buying frenzy, resulting in key indices moving to higher levels.

On The New York Stock Exchange, the Dow Jones Industrial Average ended the week at 11,076.34 points, a one-day gain of about 0.95 percent.

On The NASDAQ, its Composite Index rose about 0.55 percent, coming to rest at 2,262.04 points.

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

The Dow Jones Industrial Average	Plus	0.50 percent
The NASDAQ's Composite Index	Minus	1.76 percent

In Europe, the most-important bourses of the region saw investors continue their strong buying of stocks and shares, started on Thursday.

On learning of the increase in the number of new jobs that had been created in the month of February in the US, and not looking at the number of new workers, entering the job markets of the country, investors determined that the US economy was on course for bigger and better things in the months ahead.

Key indices of major European bourses rose, some quite materially, almost solely on the basis on The US Labour Department's figures:

Amsterdam's AEX Index	Plus	0.91 percent
Great Britain's FTSE 100 Index	Plus	0.88 percent
Germany's Frankfurt XETRA DAX Index	Plus	1.26 percent
France's CAC 40 Index	Plus	1.22 percent
Switzerland's Swiss Market Index	Plus	1.22 percent
Italy's MIBTEL Index	Plus	0.72 percent

On The New York Mercantile Exchange (NYMEX), crude oil prices came off, once again.

The last settlement for delivery in April for light sweet crude oil came in at \$US59.96 per barrel, down 51 cents (US) per barrel, compared with the last quote of Thursday.

As for May delivery, a barrel of light sweet crude oil was fetching, at the last settlement, \$US61.84, representing a fall of 58 cents (US) per barrel, compared with Thursday's final figure.

On Asian equity markets, the mood was generally mildly bullish, but there were some soft spots in the region, also.

Both equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) drifted lower in relatively light trading, last Friday.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index lost about 0.42 percent of its value, coming to rest at 15,445.05 points at the close of the day.

The Total Turnover was about \$HK25.21 billion.

But the ratio of losers to gainers was wide, at about 1.88:One.

The Ten Most Active counters were:

China Construction Bank Corporation (Code: 939)	Down 2.16 percent to \$HK3.40 per share
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HSBC Holdings plc (Code: 5)

Down 0.08 percent to \$HK132.50 per share

China Life Insurance Company Ltd (Code: 2628)

Down 1.76 percent to \$HK8.35 per share

China Mobile (Hongkong) Ltd (Code: 941)

Down 1.11 percent to \$HK35.60 per share

Hutchison Whampoa Ltd (Code: 13)

Down 0.07 percent to \$HK72.05 per share

Swire Pacific Ltd (Code: 19)

Up 0.93 percent to \$HK76.00 per share

PetroChina Company Ltd (Code: 857)

Up 0.68 percent to \$HK7.35 per share

China Petroleum and Chemical Corporation (Code: 386) Down 0.58 percent to \$HK4.275 per share

Sun Hung Kai Properties Ltd (Code: 16)

Unchanged at \$HK78.95 per share

Melco International Development Ltd (Code: 200)

Up 26.41 percent to \$HK14.60 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Alliance Holdings Ltd	616	19.28		0.99
Asia Commercial Holdings Ltd	104		11.76	0.60
Asia TeleMedia Ltd	376		10.77	0.058
Century Legend (Holdings) Ltd	79	11.43		0.117
China Aerospace International Holdings Ltd	31	12.50		0.495
China Chengtong Development Group Ltd	217	15.69		0.295
China Rare Earth Holdings Ltd	769	11.11		1.30
CNT Group Ltd	701	10.81		0.123
Coastal Greenland Ltd	1124	10.14		0.38
Compass Pacific Holdings Ltd	1188		15.00	0.17
Credit Card DNA Security System (Holdings) Ltd	1051	28.30		0.068

eSun Holdings Ltd	571	12.90		5.25
Fintronics Holdings Company Ltd	706		10.45	0.12
Greater China Holdings Ltd	431		15.96	0.395
Lam Soon (Hongkong) Ltd	411	13.01		4.125
Melco International Development Ltd	200	26.41		14.60
New Smart Holdings Ltd	91		14.17	0.212
New World Mobile Holdings Ltd	862	10.00		1.76
Rontex International Holdings Ltd	1142	17.14		0.041
UDL Holdings Ltd	620		38.46	0.048
Victory Group Ltd	1139		13.57	0.121
Wonderful World Holdings Ltd	109	24.64		0.086

Over on The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gave up about 0.20 percent of its value, falling to 1,170.50 points.

The Total Turnover on this speculative market was about \$HK148.54 million.

Losing counters outnumbered gaining ones by the ratio of about 1.09:One.

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

Techpacific Capital Ltd (Code: 8088)

Down 5 percent to 77 cents per share

Xinjiang Tianye Water Saving Irrigation System Company Ltd
(Code: 8280)

Down 4 percent to \$HK2.20 per share

China LotSynergy Holdings Ltd (Code: 8161)

Up 5 percent to \$HK2.20 per share

Ko Yo Ecological Agrotech (Group) Ltd (Code: 8042)

Down 2 percent to 79 cents per share

Tianjin Tianlian Public Utilities Company Ltd (Code: 8290)

Unchanged at 69 cents per share

The biggest movers of the GEM, last Friday, included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
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Angels Technology Company Ltd	8112	37.93		0.20
B M Intelligence International Ltd	8158	26.67		0.038
Eco-Tek Holdings Ltd	8169	16.67		0.35
Fast Systems Technology (Holdings) Ltd	8150		33.33	0.01
FX Creations International Holdings Ltd	8136		31.25	0.11
G.A. Holdings Ltd	8126	16.13		0.072
Global Solution Engineering Ltd	8192		22.22	0.021
Neolink Cyber Technology (Holding) Ltd	8116		10.67	0.067
Panorama International Holdings Ltd	8173	17.95		0.092
Soluteck Holdings Ltd	8111	15.00		0.069
Tradeeasy Holdings Ltd	8163	33.33		0.052
Value Convergence Holdings Ltd	8101	36.99		1.00

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

The Hang Seng Index	Minus 2.26 percent
The Growth Enterprise Index	Minus 1.33 percent

Trading was relatively quiet on Japan's 3 equity markets, also, last Friday.

On The Tokyo Stock Exchange, which is the premier stock market of Japan, its TOPIX Average rose about 0.38 percent to 1,647.27 points.

The ratio of advancing counters to losing ones was about 1.78:One.

The Nikkei-225 Stock Average ended the week at 16,115.63 yen, representing a gain of about 0.49 percent on the close of Thursday.

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

The TOPIX Average	Plus 2.13 percent
The Nikkei-225 Stock Average	Plus 2.89 percent

And, as for the rest of Asia, this was how their respective key indices ended the week of March 10, 2006:

The HKSAR	Minus 0.42 percent to 15,445.05
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Indonesia	Plus 0.63 percent to 1,247.42
Japan	TOPIX Average Plus 0.38 percent to 1,647.27 Nikkei-255 Stock Average Plus 0.49 percent to 16,115.63
Malaysia	Plus 0.11 percent to 921.96
The Philippines	Minus 0.30 percent to 2,103.37
Singapore	Minus 0.30 percent to 2,496.73
South Korea	Plus 0.67 percent to 1,320.07
Taiwan	Plus 0.06 percent to 6,490.68
Thailand	Minus 0.11 percent to 728.18

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