

**THE WEEK STARTED OFF QUIETLY,
BUT ENDED WITH SHOCKS AND SURPRISES**

If no news is good news, then it was good news for US equity markets, last Monday.

Because, as far as most investors were concerned, there was little to nothing to move stocks and shares in any direction.

As a result, on The New York Stock Exchange, the Dow Jones Industrial Average ended the trading session at 11,076.02 points, down about one third of a percentage point on the previous Friday's closing level.

On The NASDAQ, its Composite Index shed 4.99 points, or about 0.22 percent, dropping back to 2,267.03 points.

The talk on trading floors was about interest rates and the potential for crude-oil delivery disruptions.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil was \$US61.77 for delivery in April, representing an increase of about 3.02 percent on the last quote of Friday, March 10, 2006.

As for May delivery, the last settlement for a barrel of light sweet crude oil rose to \$US63.67, up about 2.96 percent on the last settlement of the previous Friday.

In Europe, merger and acquisition mania continued as investors speculated as to which company would be next in line for a takeover.

The gains in the front month of crude oil also helped matters as energy counters saw investors dive in on concerns that there could be major delivery disruptions before the week was out, depending on the deliberations of the United Nations with regard to Iran and that fundamentalistic country's determination to forge ahead in order to become a member of the world's nuclear club.

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

Amsterdam's AEX Index	Plus	0.67 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	0.86 percent
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France's CAC 40 Index	Plus	0.75 percent
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Switzerland's Swiss Market Index	Plus	1.12 percent
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Italy's MIBTEL Index	Plus	0.82 percent
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In Asia, there were a number of considerations for investors:

1. What the United Nations Security Council would decide with regard to the Iran situation and that government's intransigence in respect of its determination to be a nuclear power;
2. The Open Market Committee Meeting of the US Federal Reserve, which was just 12 working days away; and,
3. Uncertainty as to the financial results of some of the Asian, stock-market favourites, during the past year.

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

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index put on about 0.63 percent, rising to 15,542.07 points on a Total Turnover of about \$HK23.86 billion.

The ratio of gaining counters to losing ones was about 1.88:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 0.38 percent to \$HK133.00 per share
China Construction Bank Corporation (Code: 939)	Up 1.47 percent to \$HK3.45 per share
China Life Insurance Company Ltd (Code: 2628)	Up 4.19 percent to \$HK8.70 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.26 percent to \$HK36.05 per share
PetroChina Company Ltd (Code: 857)	Up 0.68 percent to \$HK7.40 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 1.75 percent to \$HK4.35 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 3.30 percent to \$HK39.10 per share
Esprit Holdings Ltd (Code: 330)	Up 3.22 percent to \$HK60.95 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.13 percent to \$HK78.85 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.32 percent to \$HK78.80 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Alliance Holdings Ltd	616	36.36		1.35

Broad Intelligence International Pharmaceutical Holdings Ltd	1149	11.84		0.425
Cheung Tai Hong Holdings Ltd	199	10.23		0.485
China Fair Land Holdings Ltd	169	12.50		0.45
China Infrastructure Machinery Holdings Ltd	3339	12.70		3.55
eSun Holdings Ltd	571	18.10		6.20
Everest International Investments Ltd	204	24.24		0.041
Foundation Group Ltd	1182	10.00		0.033
G-Prop (Holdings) Ltd	286	11.17		0.209
IPE Group Ltd	929	11.83		1.89
Lam Soon (Hongkong) Ltd	411	20.00		4.95
Magnificent Estates Ltd	201	10.60		0.167
New Focus Auto Tech Holdings Ltd	360	12.57		2.15
New Smart Holdings Ltd	91	10.38		0.234
NewOcean Green Energy Holdings Ltd	342	10.61		0.73
Pan Sino International Holding Ltd	502	23.91		0.57
Prosperity Investment Holdings Ltd	310	17.12		0.13
Qualipak International Holdings Ltd	1224	45.29		0.247
REXCAPITAL International Holdings Ltd	155	10.00		0.55
Shenzhou International Group Holdings Ltd	2313	11.20		3.475
Shun Ho Technology Holdings Ltd	219	10.91		0.61
Soundwill Holdings Ltd	878	17.39		2.70
Spread Prospects Holdings Ltd	572	20.00		0.78
Technology Venture Holdings Ltd	61	13.28		0.145

Uni-Bio Science Group Ltd	690	10.93		0.68
United Power Investment Ltd	674	10.53		0.315
Universal Holdings Ltd	419	15.38		0.075
Y.T. Realty Group Ltd	75	34.21		1.53
Yanion International Holdings Ltd	82	19.28		0.495
Yugang International Ltd	613	15.52		0.134

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index rose about 1.81 percent, hitting 1,191.67 points by the close of the trading day.

The Total Turnover on this speculative market was about \$HK181.91 million.

Advancing counters outnumbered declining ones by the ratio of about 1.38: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 9 percent to \$HK2.00 per share

China LotSynergy Holdings Ltd (Code: 8161) Up 8 percent to \$HK2.375 per share

B and B Group Holdings Ltd (Code: 8156) Up 4 percent to \$HK2.60 per share

China Fire Safety Enterprise Group Holdings Ltd (Code: 8201) Up 1 percent to 82 cents per share

Shandong Weigao Group Medical Polymer Company Ltd (Code: 8190) Down 1 percent to \$HK2.775 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Angels Technology Company Ltd	8112	50.00		0.30
Armitage Technologies Holding Ltd	8213		11.76	0.03
Changmao Biochemical Engineering Company Ltd	8208	10.20		1.08
Grandy Corporation	8143	15.00		0.23

Xi'an Haitian Antenna Technologies Company Ltd	8227	18.60		0.51
Medical China Ltd	8186	39.53		0.06
ProSticks International Holdings Ltd	8055		14.29	0.018
Q9 Technology Holdings Ltd	8129	10.00		0.022
Shanghai Qingpu Fire-Fighting Equipment Company Ltd	8115		13.04	0.40
Sys Solutions Holdings Ltd	8182	73.91		0.04
SYSCAN Technology Holdings Ltd	8083		10.77	0.058
T S Telecom Technologies Ltd	8003		21.05	0.03
Timeless Software Ltd	8028	11.11		0.12
Tradeeasy Holdings Ltd	8163		11.54	0.046

In Japan, the 3 equity markets of the country boomed on the first day of trading, last week.

On The Tokyo Stock Exchange, its TOPIX Average rose 27.39 points, equivalent to about 1.66 percent, ending the day at 1,674.66 points.

Gaining counters outran losing ones by the ratio of about 8.86:One.

As for The Nikkei-225 Stock Average, it rose 245.88 yen, or about 1.53 percent, running up to 16,361.51yen.

Trading was heavy.

News Wise

- For the twenty fourth consecutive month, **wholesale prices** rose, during the month of February. According to The Bank of Japan, in February 2006, wholesale prices were up about 2.90 percent, Year-On-Year. February's gains were the highest on the past 16 years; and,
- Compared with December 2005, **orders for machinery** in the private sector fell by about 6.20 percent in January 2006, seasonably adjusted, The Cabinet Office announced. It was the first time in the previous 4 months that there had been a decline in the number and value of orders for machinery in the private sector.

In other Asian equity markets, this was how their key indices ended the day:

The HKSAR	Plus 0.63 percent to 15,542.07
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Indonesia	Minus 0.30 percent to 1,243.66
Japan	TOPIX Average Plus 1.66 percent to 1,674.66 Nikkei-255 Stock Average Plus 1.53 percent to 16,361.51
Malaysia	Plus 0.01 percent to 922.03
The Philippines	Plus 0.87 percent to 2,121.76
Singapore	Plus 0.62 percent to 2,512.14
South Korea	Plus 1.38 percent to 1,338.28
Taiwan	Plus 0.83 percent to 6,544.63
Thailand	Plus 0.65 percent to 732.88

Tuesday

Movements in the share prices of banking counters propelled the key index of The New York Stock Exchange to a near, 5-year highs, last Tuesday.

Also, helping the world's largest equity market was the fact that crude oil prices continued to reach for much higher levels.

The Dow Jones Industrial Average, which is the key index of The New York Stock Exchange, gained about 0.68 percent, rising to 11,151.34 points.

On The NASDAQ, its Composite Index shot up about 1.27 percent to 2,295.90 points.

The world's top investment banks are scheduled to report their earnings in the coming fortnight and US investors were trying to outguess how they performed in the 2005-Year by taking a flyer on their stocks and shares, prior to official announcements.

On The **New York Mercantile Exchange** (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in April was \$US63.10, up about 2.15 percent on the day.

As for May delivery, the last settlement for a barrel of light sweet crude oil was \$US65.09, representing an increase of about 2.23 percent on Monday's last settlement.

In Europe, noting that Wall Street was on a roll, so to speak, leading bourses in the region followed suit.

By the close of the day, many share prices were touching 54-month highs.

Merger-and-acquisition frenzy continued to keep Europe on the boil, last Tuesday, and the increase in the price of crude oil also pushed key indices to higher levels as investors went back to playing on energy counters.

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

Amsterdam's AEX Index	Plus 0.19 percent
Great Britain's FTSE 100 Index	Minus 0.03 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.26 percent
France's CAC 40 Index	Plus 0.18 percent
Switzerland's Swiss Market Index	Unchanged
Italy's MIBTEL Index	Plus 0.50 percent

In Asia, there was a great deal of profit-taking, following on from Monday's gains.

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

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gave up about 0.14 percent of its value, dropping back to 15,519.76 points.

The Total Turnover on the premier stock market of the territory was about \$HK23.12 billion.

Losing counters outnumbered gaining ones by the ratio of about 1.45:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.15 percent to \$HK132.80 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.11 percent to \$HK36.45 per share
PetroChina Company Ltd (Code: 857)	Up 2.03 percent to \$HK7.55 per share
China Construction Bank Corporation (Code: 939)	Unchanged at \$HK3.45 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 2.30 percent to \$HK4.45 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 2.30 percent to \$HK40.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.70 percent to \$HK78.30 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.57 percent to \$HK8.65 per share

Cheung Kong (Holdings) Ltd (Code: 1)

Down 0.76 percent to \$HK78.20 per share

CNOOC Ltd (Code: 883)

Unchanged at \$HK6.15 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	25.93		1.70
Build King Holdings Ltd	240	13.33		0.17
Cheung Tai Hong Holdings Ltd	199	11.34		0.54
China Fair Land Holdings Ltd	169		11.11	0.40
China Haidian Holdings Ltd	256	21.57		0.31
Extrawell Pharmaceutical Holdings Ltd	858	11.54		0.29
Hongkong Parkview Group Ltd, The	207		23.75	0.305
Hua Lien International (Holding) Company Ltd	969		11.00	0.178
Jackin International Holdings Ltd	630	10.85		0.143
Kiu Hung International Holdings Ltd	381	23.08		0.16
Lai Sun Garment (International) Ltd	191		10.53	0.85
Lei Shing Hong Ltd	238		26.47	2.50
Lippo Ltd	226	15.48		2.425
Lung Cheong International Holdings Ltd	348	14.29		0.36
Ports Design Ltd	589	10.34		11.20
REXCAPITAL International Holdings Ltd	155	14.55		0.63
Seapower Resources International Ltd	269	11.92		0.169
Shun Cheong Holdings Ltd	650		11.59	0.305

Signal Media and Communications Holdings Ltd	2362	27.10		0.197
Sun Innovation Holdings Ltd	547	31.03		3.80
Swank International Manufacturing Company Ltd	663		12.00	0.088
United Power Investment Ltd	674	17.46		0.37
Victory Group Ltd	1139	25.83		0.151

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, investors followed the same route as those investors, locked into stocks and shares, listed on the Main Board.

The Growth Enterprise Index surrendered about 0.21 percent, falling back to 1,189.15 points.

Declining counters outran advancing ones by the ratio of about 1.09:One.

The Total Turnover on this market was about \$HK265.94 million.

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

Xinjiang Tianye Water Saving Irrigation System Company Ltd (Code: 8280)	Up 12 percent to \$HK2.25 per share
Finet Group Ltd (Code: 8317)	Down 5 percent to 70 cents per share
Techpacific Capital Ltd (Code: 8088)	Down 4 percent to 75 cents per share
China LotSynergy Holdings Ltd (Code: 8161)	Down 2 percent to \$HK2.325 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Up 3 percent to \$HK15.95 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Changmao Biochemical Engineering Company Ltd	8208	11.11		1.20
Dahe Media Company Ltd	8243	11.48		0.34
Eco-Tek Holdings Ltd	8169		12.33	0.32
Fast Systems Technology (Holdings) Ltd	8150	50.00		0.015
FlexSystem Holdings Ltd	8050		19.12	0.055

FX Creations International Holdings Ltd	8136		10.00	0.099
Medical China Ltd	8186		11.67	0.053
MegaInfo Holdings Ltd	8279		10.00	0.045
Prosten Technology Holdings Ltd	8026		16.67	0.075
Satellite Devices Corporation	8172		10.00	0.018
Sys Solutions Holdings Ltd	8182		30.00	0.028
T S Telecom Technologies Ltd	8003	30.00		0.039
Tai Shing International (Holdings) Ltd	8103	10.17		0.26
Xinjiang Tianye Water Saving Irrigation System Company Ltd	8280	12.50		2.25
Timeless Software Ltd	8028	15.00		0.138

On Japan's 3 equity markets, there was widespread selling of scrip as investors, cognisant of the rises and falls of the week, ended March 10, 2006, determined that this time around, they would bank profits as they materialised.

On The Tokyo Stock Exchange, its TOPIX Average lost about 0.53 percent, dropping to 1,665.79 points.

Losing counters outran gaining ones by the ratio of about 1.88:One.

As for The Nikkei-225 Stock Average, it lost about three quarters of a percentage point as investors pushed it down to 16,238.36 yen.

News Wise

- The Finance Ministry of the Government of Japan announced that the country's **Current Account Surplus** fell 7.60 percent in January 2006, compared with the like month in 2005. It was the first fall in 5 months and was due, in large part, to the higher cost of imported oil; and,
- **Japan's economy** grew by a real 1.30 percent during the quarter, ended December 31, 2005, Year-On-Year, The Cabinet Office announced. Initially, The Cabinet Office had put the growth-rate figure at 1.40 percent. The revised figure translates into a growth in the annual Gross Domestic Product of about 5.40 percent, which is a 1.82-percentile-point drop from previous estimates.

And this was how other Asian equity markets fared, last Tuesday:

The HKSAR	Minus 0.14 percent to 15,519.76
Indonesia	Plus 0.14 percent to 1,245.38

Japan	TOPIX Average Minus 0.53 percent to 1,665.79 Nikkei-255 Stock Average Minus 0.75 percent to 16,238.36
Malaysia	Plus 0.25 percent to 924.37
The Philippines	Minus 0.04 percent to 2,120.99
Singapore	Minus 0.22 percent to 2,506.70
South Korea	Minus 0.90 percent to 1,326.30
Taiwan	Minus 1.29 percent to 6,460.01
Thailand	Plus 0.78 percent to 738.63

Wednesday

The Bureau of Labour Statistics, a branch of the US Department of Labour, reported, last Wednesday, its statistics as they related to US import and export prices for the month of February.

Although the historical figures had been overshadowed by current events, on careful analysis of the February statistics, they appeared to indicate that crude-oil import prices, even at February's figures, which are lower than today's, 'rose 40.8 percent over the past year.'

Further, disregarding the influence of high-priced, crude-oil imports on the US economy, the situation still looked bad as imports of goods and services continued to become more expensive to the average US consumer.

This is inflationary, no matter how you spell the word.

Here is the full text of the release from The Bureau, minus the tables:

'U.S. IMPORT AND EXPORT PRICE INDEXES **- FEBRUARY 2006 -**

'The US Import Price Index declined 0.5 percent in February...The decrease followed a 1.4 percent increase in January and was impacted by lower prices for both nonpetroleum and petroleum imports. Export prices were unchanged for the month after rising 0.7 percent in January ...

'Import Goods

'Import prices decreased 0.5 percent in February following a 1.4 percent increase the previous month that was driven by higher petroleum prices. Decreases for both nonpetroleum prices and petroleum prices, down 0.5 percent and 0.7 percent, respectively, contributed to the overall downward movement in import prices. In contrast to the first three quarters of 2005, petroleum prices declined in four of the past five months, the exception being a 6.9 percent increase in January. Despite the recent trend, petroleum prices rose 40.8 percent over the past year. In addition, the price indexes for

nonpetroleum imports and overall imports also increased for the year ended in February, rising 1.8 percent and 7.4 percent, respectively.

'The February decrease in nonpetroleum prices was led by a 2.2 percent decline in the price index for nonpetroleum industrial supplies and materials. That decrease in turn was led by a sharp drop in natural gas prices. Excluding all fuels, import prices increased 0.2 percent and prices for industrial supplies and materials rose 1.4 percent. A 1.7 percent decrease in foods, feeds, and beverages prices, driven by lower prices for vegetables, also contributed to the overall decline in nonpetroleum prices. The decrease in foods, feeds, and beverages prices was the first since July and the index rose 4.1 percent for the February 2005-2006 period.

'In contrast, prices for capital goods and for automotive vehicles increased in February, rising 0.2 percent and 0.1 percent, respectively. The February advance in capital goods prices was the first monthly increase since April 2005, as the index declined 1.3 percent over the past 12 months. The increase in automotive vehicles prices was the first advance in four months, and the index rose 0.4 percent for the year ended in February.

'The price index for consumer goods was unchanged in February and down 0.4 percent over the past year.

'Export Goods

'Export prices were unchanged in February as a 1.1 percent decline in agricultural prices offset a 0.1 percent uptick in the price index for nonagricultural exports. The drop in agricultural prices was the third decrease in the past four months. Lower prices for soybeans and vegetables contributed to the February decline. Despite the recent downward trend, agricultural prices rose 4.2 percent over the past 12 months. Prices for nonagricultural exports and for overall exports each increased 2.6 percent for the year ended in February.

'A 0.3 percent increase in nonagricultural industrial supplies and materials prices led the overall increase in prices for nonagricultural exports and was driven mostly by higher metals prices. The advance in nonagricultural industrial supplies and materials prices continued the recent upward trend for the index, which rose 8.5 percent over the past year. Increases in the price indexes for consumer goods and for automotive vehicles also contributed to the February increase in nonagricultural prices. Consumer goods prices increased 0.3 percent in February after rising 0.5 percent the previous month. Automotive vehicle prices also rose for the second consecutive month, up 0.1 percent following a 0.3 percent advance in January. For the year ended in February, consumer goods prices and prices for automotive vehicles increased 1.1 percent and 1.2 percent, respectively.

'In contrast, capital goods prices edged down 0.1 percent in February following increases of 0.1 percent and 0.2 percent the two previous months. The index declined 0.7 percent over the past year...

'Imports by Locality of Origin

'Prices for imports from Canada and from Mexico declined in February, decreasing 2.1 percent and 1.2 percent, respectively. The drop in import prices from Canada was the largest one-month decline for the index since April 2003. Despite the downturns in February, the price indexes for import prices from Canada and from Mexico were both up over the past 12 months, rising 9.1 percent and 5.0 percent, respectively.

'In contrast, prices of imports from the European Union increased 0.4 percent in February as a 0.4 percent increase in manufactured prices more than offset a 0.7 percent decline in nonmanufactured prices. Import prices from the European Union rose 2.9 percent for the year ended in February.

'The price indexes of imports from Japan and from China were both unchanged in February and down 0.9 percent and 0.4 percent, respectively, over the past year.'

'Import and Export Services

'Import air passenger fares decreased a modest 0.1 percent in February as lower Asian and Latin American fares offset a 1.2 percent increase in European fares. In contrast, export air passenger fares increased 1.7 percent, led by higher European fares and Asian fares. Both import air passenger fares and export air passenger fares rose over the past 12 months, increasing 4.2 percent and 0.2 percent, respectively.'

'Prices for import air freight increased 3.7 percent in February, a turnaround from the 1.8 percent decline in January. Higher European and Asian air freight prices contributed to the February increase. Export air freight prices also turned around from January, increasing 1.5 percent in February following a 0.3 percent drop the previous month...'

The gurus of Wall Street labelled The Bureau's report as being only '*moderately inflationary*' and, on that note, up went share prices of the world's largest equity markets.

By the end of the trading day, the Dow Jones Industrial Average, the key index of The New York Stock Exchange, was standing at 11,209.77 points, up about 0.52 percent on the close of Tuesday.

As for The NASDAQ, its Composite Index gained about 0.69 percent, rising to 2,311.84 points.

There were a number of factors, driving US equity prices to higher levels:

1. Positive vibes from some of Wall Street's '*darlings*';
2. The continued fall in the price of crude oil on international commodity exchanges; and,
3. An unconfirmed report that the financing arm of General Motors Corporation had received a non-binding offer in the neighbourhood of \$US13 billion for a stake in the division.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in April was \$US62.17, down about 1.47 percent on the last settlement of Tuesday.

For May delivery, the last settlement for a barrel of light sweet crude oil came in at \$US63.84, down 1.92 percent, exactly, on the last quote on Tuesday night.

News Wise

- The US Energy Information Administration reported that **crude-oil inventories** rose about 4.80 million barrels for the week, ended March 10, 2006. That put crude-oil inventories in the US at their highest levels since May 1999.

In Europe, many stocks and shares shot up to 5-year highs, helped greatly by interest in mining counters.

Merger-and-acquisition hype continued apace and that seemed to push prices even higher.

This was how the key indices of the major European bourses performed, last Wednesday:

Amsterdam's AEX Index	Plus	0.41 percent
Great Britain's FTSE 100 Index	Plus	0.24 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.47 percent

France's CAC 40 Index	Plus 0.21 percent
Switzerland's Swiss Market Index	Minus 0.05 percent
Italy's MIBTEL Index	Plus 0.31 percent

In Asia, investors were out in force to pick up stocks and shares on equity markets in the most-populous part of the world.

Key indices of major Asian stock markets rose.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the territory's 2 equity markets made very material gains.

The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, rose about 1.29 percent to 15,720.36 points by the close of the trading day.

Advancing counters outran declining ones by the ratio of about 3.49:One.

The Total Turnover was about \$HK28.89 billion.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.68 percent to \$HK133.70 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 3.02 percent to \$HK37.55 per share
China Construction Bank Corporation (Code: 939)	Up 1.45 percent to \$HK3.50 per share
PetroChina Company Ltd (Code: 857)	Up 0.66 percent to \$HK7.60 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 2.11 percent to \$HK79.85 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.04 percent to \$HK72.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.21 percent to \$HK79.25 per share
China Life Insurance Company Ltd (Code: 2628)	Up 2.31 percent to \$HK8.85 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 1.69 percent to \$HK4.525 per share
Bank of Communications Company Ltd (Code: 3328)	Up 1.11 percent to \$HK4.575 per share

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

Name of Company	Code	Increase	Decrease	Closing Price
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		(%)	(%)	(\$HK)
Berjaya Holdings (Hongkong) Ltd	288	10.00		0.11
Build King Holdings Ltd	240		11.18	0.151
China Golden Development Holdings Ltd	162	12.00		0.56
Coastal Greenland Ltd	1124	12.05		0.465
Earnest Investments Holdings Ltd	339		29.14	0.124
Grand Field Group Holdings Ltd	115	16.85		0.104
Hopson Development Holdings Ltd	754	12.20		16.10
HyComm Wireless Ltd	499	20.00		0.06
Imagi International Holdings Ltd	585	18.63		6.05
Keck Seng Investments (Hongkong) Ltd	184	10.34		2.40
Lam Soon (Hongkong) Ltd	411	15.63		5.55
Lei Shing Hong Ltd	238	28.00		3.20
MAE Holdings Ltd	851		13.16	0.495
Morning Star Resources Ltd	542	26.42		0.067
Proview International Holdings Ltd	334	12.50		1.80
Signal Media and Communications Holdings Ltd	2362	18.27		0.233
Sunny Global Holdings Ltd	1094	12.00		0.112
Universe International Holdings Ltd	1046	14.00		0.057
Victory Group Ltd	1139		12.58	0.132
Wing Shing International Holdings Ltd	850	12.56		0.224
Yanion International Holdings Ltd	82	10.42		0.53

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth

Enterprise Index shot up about 1.80 percent to 1,210.59 points.

The Total Turnover was about \$HK333.43 million.

Gaining counters were ahead of losing ones by the ratio of 1.17:One, exactly.

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

Techpacific Capital Ltd (Code: 8088) Up 5 percent to 79 cents per share

B and B Group Holdings Ltd (Code: 8156) Up 2 percent to \$HK2.70 per share

Xinjiang Tianye Water Saving Irrigation System Company Ltd (Code: 8280) Down 3 percent to \$HK2.175 per share

Tong Ren Tang Technologies Company Ltd (Code: 8069) Up 7 percent to \$HK17.05 per share

Zhengzhou Gas Company Ltd (Code: 8099) Up 5 percent to 92 cents per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Chief Cable TV Group Ltd	8153		11.11	0.80
Enric Energy Equipment Holdings Ltd	8289	12.50		4.05
FlexSystem Holdings Ltd	8050	27.27		0.07
FX Creations International Holdings Ltd	8136		40.40	0.059
Golding Soft Ltd	8190	13.33		0.017
KanHan Technologies Group Ltd	8175		15.56	0.38
Shine Software (Holdings) Ltd	8270	25.00		0.10
T S Telecom Technologies Ltd	8003	15.38		0.045
Tai Shing International (Holdings) Ltd	8103	153.85		0.66
Tradeeasy Holdings Ltd	8163		12.50	0.042
Value Convergence Holdings Ltd	8101	11.32		1.18

In Japan, where investors follow, closely, what is taking place on Wall Street, there appeared to be a certain amount of uncertainty in spite of the fact that the key indices of the premier equity market of the country was in the black.

On The Tokyo Stock Exchange, the TOPIX Average rose about 0.06 percent to 1,666.78 points, but losing counters outnumbered gaining ones by the ratio of about 1.12:One.

As for The Nikkei-225 Stock Average, it ended the trading day at 16,319.04 yen, up about one half of a percentage point.

News Wise

- **Industrial output** in Japan for January 2006, seasonally adjusted, was up by about 0.40 percent, compared with December 2005, The Ministry of Economy, Trade and Industry announced; and,
- **Corporate failures** in Japan for the month of February rose about 2.90 percent, compared with the like month in 2005. The number of corporations, filing for protection from creditors, during the month, was 1,044 companies.

This was how the key indices of other Asian stock markets ended, last Wednesday:

The HKSAR	Plus 1.29 percent to 15,720.36
Indonesia	Minus 0.08 percent to 1,244.44
Japan	TOPIX Average Plus 0.06 percent to 1,666.78 Nikkei-255 Stock Average Plus 0.50 percent to 16,319.04
Malaysia	Minus 0.01 percent to 924.24
The Philippines	Plus 0.33 percent to 2,127.91
Singapore	Minus 0.35 percent to 2,498.02
South Korea	Plus 0.58 percent to 1,333.98
Taiwan	Plus 0.91 percent to 6,518.70
Thailand	Plus 0.35 percent to 741.21

Thursday

The 'word' on Wall Street, last Thursday, reverberated from one, self-proclaimed guru's office to the next: 'Moderate'.

That was the over-generalisation that was used to describe the latest set of statistics, produced by the US Labour Department in its review of the Consumer Price Index for the month of February.

The Bureau of Labour Statistics, a branch of The Department of Labour, released its findings just before US equity markets opened for business, last Thursday.

If anything, it gave credence to the strong suggestion that the US Federal Reserve would raise interest rates by another 25 basis points on Tuesday, March 28, 2006, unless there are dramatic changes in the US economy between now and the date of the next Open Market Committee Meeting of The Fed.

But many stockbrokers held the view that things were not as bad in the US economy as had been obliquely threatened in certain quarters, and, if anything, inflation was benign.

The following is most of that which The Department of Labour announced, last Thursday at 0830 hours:

'CONSUMER PRICE INDEX: FEBRUARY 2006

'The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.2 percent in February, before seasonal adjustment ... The February level of 198.7 (1982-84=100) was 3.6 percent higher than in February 2005.

'The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W increased 0.1 percent in February, prior to seasonal adjustment.

'The February level of 194.2 (1982-84=100) was 3.7 percent higher than in February 2005.

'The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) increased 0.1 percent in February, prior to seasonal adjustment. The February level of 194.2 (1982-84=100) was 3.7 percent higher than in February 2005.

'The Chained Consumer Price Index for All Urban Consumers (C-CPI-U) increased 0.2 percent in February on a not seasonally adjusted basis. The February level of 115.4 (December 1999=100) was 3.0 percent higher than in February 2005...

'CPI for All Urban Consumers (CPI-U)

'On a seasonally adjusted basis, the CPI-U advanced 0.1 percent in February, following a 0.7 percent rise in January. Energy costs, which increased 5.0 percent in January, declined 1.2 percent in February. Within energy, the index for petroleum-based energy decreased 1.0 percent and the index for energy services fell 1.3 percent. The food index rose 0.1 percent in February after increasing 0.5 percent in January. The index for food at home declined 0.1 percent, reflecting decreases in five of the six major subgroups. The index for all items less food and energy rose 0.1 percent in February, following a 0.2 percent increase in January; shelter costs rose 0.4 percent and accounted for about four-fifths of the February increase ...

'During the first 2 months of 2006, the CPI-U rose at a 4.3 percent seasonally adjusted annual rate (SAAR). This compares with an increase of 3.4 percent for all of 2005. The index for energy, which increased 17.1 percent in 2005, advanced at a 24.7 percent SAAR in the first 2 months of 2006. Petroleum-based energy costs increased at a 31.4 percent annual rate and charges for energy services rose at an 18.4 percent annual rate. The food index has increased at a 3.5 percent rate thus far in 2006, following a 2.3 percent rise for all of 2005. Excluding food and energy, the CPI-U advanced at a 2.1 percent SAAR in the first 2 months of 2006 after advancing 2.2 percent in 2005.

'The food and beverages index rose 0.2 percent in February. The index for food at home declined 0.1 percent, following a 0.5 percent increase in January. Each of the six major grocery store food groups contributed to the deceleration

in February. The index for fruits and vegetables, which rose 1.7 percent in January, increased 0.7 percent in February. The indexes for fresh fruits and for processed fruits and vegetables increased 2.5 and 0.7 percent, respectively, more than offsetting a 1.1 percent drop in the index for fresh vegetables.

(Prior to seasonal adjustment, the indexes for fresh fruits and for fresh vegetables declined 1.6 and 3.6 percent, respectively.) Each of the other five major grocery store food groups turned down in February. The indexes for cereal and bakery products and for meats, poultry, fish, and eggs each declined 0.3 percent in February. Within the latter group, a 0.2 percent increase in meat prices was more than offset by a sharp drop in egg prices and small declines in prices for poultry and for fish and seafood. The indexes for dairy products and for nonalcoholic beverages each decreased 0.2 percent. Within the former group, declines in prices for cheese and for ice cream more than offset an increase in milk prices. The index for other food at home declined 0.1 percent, reflecting decreases in the indexes for sugar and sweets and for butter and margarine. The other two components of the food and beverages index--food away from home and alcoholic beverages -- increased 0.3 and 0.8 percent, respectively.

'The index for housing, which advanced 0.5 percent in January, rose 0.1 percent in February. The index for fuels and utilities declined 1.1 percent after increasing 3.4 percent in January. Each of the three major household fuels contributed to the deceleration. The index for natural gas turned down in February, declining 4.5 percent after increasing 1.7 percent in January. Charges for electricity, which registered a record 5.5 percent increase in January, rose 0.4 percent in February. The index for fuel oil declined for the fifth consecutive month--down 2.8 percent in February, following a 1.9 percent drop in January. The index for shelter increased 0.4 percent in February, following a 0.1 percent rise in January. Within shelter, the indexes for rent and owners' equivalent rent each increased 0.3 percent and the index for lodging away from home rose 0.6 percent. (Prior to seasonal adjustment, the index for lodging away from home increased 4.6 percent.) The index for household furnishings and operations, which declined 0.3 percent in January, was unchanged in February.

'The transportation index declined 0.2 percent, following a 1.8 percent increase in January, largely as a result of the deceleration in gasoline prices. The index for gasoline, which rose 6.4 percent in January, declined 1.0 percent in February. The index for new vehicles also decelerated in February--up 0.1 percent after increasing 0.6 percent in January. (As of February, about 90 percent of the new vehicle sample was represented by 2006 models. The 2006 models will continue to be phased in, with appropriate adjustments for quality change, as they replace old models at dealerships.) The index for used cars and trucks increased 0.1 percent in February. The index for public transportation declined 0.2 percent in February as an increase in airline fares was more than offset by declines in the indexes for other intercity transportation and for intracity transportation. Airline fares increased 1.2 percent in February, the same as in January.

'The index for apparel fell 1.0 percent in February, following a 0.3 percent increase in January. (Prior to seasonal adjustment, apparel prices rose 1.5 percent, reflecting the introduction of spring-summer wear. Prices for women's apparel registered the largest advance--up 3.3 percent.)

'Medical care costs rose 0.5 percent in January and are 4.0 percent higher than a year ago. The index for medical care commodities -- prescription drugs, nonprescription drugs, and medical supplies -- increased 0.3 percent. The index for medical care services rose 0.5 percent in February. The indexes for professional services and for hospital and related services increased 0.2 and 1.1 percent, respectively.

'The index for recreation, which was unchanged in January, rose 0.1 percent in February. An increase in the index for recreational services, reflecting in part a 0.9 percent rise in the index for club membership dues and fees for

participant sports, more than offset declines in the indexes for video and audio, for newspapers and magazines, for toys, and for photography.

'The index for education and communication rose 0.2 percent in February. Educational costs increased 0.3 percent, reflecting a 0.8 percent increase in the index for college textbooks. Communication costs were unchanged as a 0.1 percent increase in local land-line telephone charges was offset by a 0.9 percent decrease in the index for personal computers and peripheral equipment.

'The index for other goods and services increased 0.1 percent in February, reflecting in part an increase of 0.8 percent in the index for haircuts and other personal care services.

'CPI for Urban Wage Earners and Clerical Workers (CPI-W)

'On a seasonally adjusted basis, the CPI for Urban Wage Earners and Clerical Workers was unchanged in February ... '.

On The New York Stock Exchange, the Dow Jones Industrial Average climbed another 0.39 percent to run up to 11,253.24 points, but, on The NASDAQ, its Composite Index shed about 0.53 percent, coming to rest at 2,299.56 points by the close of the day.

For The Dow, it was the third consecutive day of gains, but, for the Composite Index of The NASDAQ, last Thursday's close was the first fall in 4 trading sessions.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in April was \$US63.58, up about 2.27 percent on Wednesday's closing level.

As for May delivery, the last settlement for a barrel of light sweet crude oil was \$US65.10, representing a one-day gain of about 1.97 percent.

In Europe, key indices of the most-important bourses ended their respective trading sessions nearly unchanged from Wednesday's closing levels.

The new concern in Europe was that The European Central Bank (ECB) might determine to continue to raise interest rates at its next meeting.

This is quite likely because the ECB said, at the conclusion of its last meeting, that it would continue to combat inflation in the region.

Adding to the concern of many investors in Europe was confirmation that the Swiss National Bank and the Norwegian Central Bank had both raised their key interest rates by 25 basis points, last Thursday. raised their key interest rates by 25 basis points, last Thursday.

Mergers and acquisition are lovely, of course, but, for the most part, they are one-offs, whereas, increased interest rates tend to stay up for an extended period of time.

This was how the key indices of the most-important European bourses ended, last Thursday night:

Amsterdam's AEX Index	Minus 0.07 percent
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Great Britain's FTSE 100 Index	Plus 0.41 percent
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Germany's Frankfurt XETRA DAX Index	Minus 0.01 percent
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France's CAC 40 Index	Minus 0.03 percent
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Switzerland's Swiss Market Index Minus 0.24 percent

Italy's MIBTEL Index Plus 0.14 percent

News Wise

- The United Kingdom has about 1.53 million people, roaming the streets of the country, looking for work. According The Office for National Statistics, between November 2005 and January 2006, the number of people, out of work, rose about 37,000, compared with the like period, one year earlier. At the same time, the number of unemployed people, claiming Government benefits, rose 14,600 workers to 919,7000 workers. This is the highest level since December 1992. The **unemployment rate** now stands at about 5 percent of the entire population, according to The Office for National Statistics. In London, the Capital City, the unemployment rate stands at about 7.20 percent, which is the highest rate throughout the United Kingdom.

In Asia, there were just about as many equity markets, whose key indices fell, as there were those equity markets, whose key indices gained ground.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors did not appear to want to follow Wall Street's lead of Wednesday.

As a result, on the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose by about 0.06 percent to 15,729.04 points on the reduced Total Turnover of about \$HK24.47 billion.

Losing counters outnumbered gaining ones by the ratio of about 1.24:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.37 percent to \$HK133.20 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.13 percent to \$HK37.60 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.69 percent to \$HK73.25 per share
China Construction Bank Corporation (Code: 939)	Unchanged at \$HK3.50 per share
China Life Insurance Company Ltd (Code: 2628)	Down 1.13 percent to \$HK8.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.51 percent to \$HK78.95 per share
PetroChina Company Ltd (Code: 857)	Up 0.66 percent to \$HK7.65 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 1.11 percent to \$HK4.475 per share
China Overseas Land and Investment Ltd (Code: 688)	Up 2.23 percent to \$HK4.575 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.06 percent to \$HK79.90 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139	16.87		0.097
Capital Estate Ltd	193		18.52	0.33
China Aerospace International Holdings Ltd	31	15.69		0.59
China Best Group Holding Ltd	370	10.92		0.132
China Motion Telecom International Ltd	989		11.11	0.16
China Sci-Tech Holdings Ltd	985		10.24	0.114
Compass Pacific Holdings Ltd	1188	10.56		0.178
Deson Development International Holdings Ltd	262	17.65		0.40
Fintronics Holdings Company Ltd	706	10.34		0.128
Guangzhou Shipyard International Company Ltd	317	11.03		3.775
Jiuzhou Development Company Ltd	908	25.00		0.70
Qualipak International Holdings Ltd	1224	12.00		0.28
Rivera (Holdings) Ltd	281	10.87		0.255
Shanghai Zendai Property Ltd	755	26.05		0.30
Shell Electric Manufacturing (Holdings) Company Ltd	81	10.75		2.575
Shenzhen Investment Ltd	604	11.59		1.83
Signal Media and Communications Holdings Ltd	2362		10.73	0.208
SIM Technology Group Ltd	2000	10.28		2.95
Sinochem Hongkong Holdings Ltd	297	10.10		2.725
Tomson Group Ltd	258	13.00		2.825

Wonderful World Holdings Ltd	109		10.11	0.08
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Over on The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index rose by about 0.84 percent, hitting 1,220.70 points by the close of the trading day.

The Total Turnover on this market was about \$HK223.40 million, while the ratio of advancing counters to declining ones was about 1.13:One.

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

Techpacific Capital Ltd (Code: 8088) Up 1 percent to 80 cents per share

B and B Group Holdings Ltd (Code: 8156) Up 5 percent to \$HK2.825 per share

Tong Ren Tang Technologies Company Ltd (Code: 8069) Unchanged at \$HK17.00 per share

Phoenix Satellite Television Holdings Ltd (Code: 8002) Unchanged at \$HK1.21 per share

Zhengzhou Gas Company Ltd (Code: 8099) Down 1 percent to 91 cents per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131	16.67		0.14
Computech Holdings Ltd	8081		10.00	0.045
Dahe Media Company Ltd	8243	10.45		0.37
FX Creations International Holdings Ltd	8136	44.07		0.085
Golding Soft Ltd	8190		11.76	0.015
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049		12.90	0.135
Mobile Telecom Network (Holdings) Ltd	8266	11.11		0.10
Satellite Devices Corporation	8172	41.18		0.024
Shanghai Donghua Petrochemical Company Ltd	8251	12.50		1.08
Sys Solutions Holdings Ltd	8182		26.67	0.022

Tai Shing International (Holdings) Ltd	8103	30.30		0.86
Tianjin TEDA Biomedical Engineering Company Ltd	8189	85.00		0.185
Value Convergence Holdings Ltd	8101	14.41		1.35

The prospects of higher interest rates, in Japan and around the world, dampened the ardour of many investors on Asia's largest equity market, last Thursday.

Wall Street, for a change, did not appear to have much of an influence on trading on The Tokyo Stock Exchange.

The TOPIX Average lost about 1.30 percent of its value, falling back to 1,645.06 points.

The ratio of losers to gainers was about 4.64:One.

The Nikkei-225 Stock Average topped The TOPIX Average with a loss of about 1.37 percent as investors pushed down this narrower gauge of the direction of blue chips, listed on The First Section of The Tokyo Stock Exchange, to 16,096.21 yen.

News Wise

- **Nippon Oil Corporation** will reduce oil imports from Iran by about 15.49 percent in view of the brouhaha raging between the Government of Iran and the West over Iran's ambitions to be the next member of the international nuclear club. Iran supplies about 16 percent of Japan's oil requirements;
- Kamera-no Doi Stores is in **Receivership**, Japanese style. The Tokyo District Court has Ordered that Doi, which ran a rather large discount, camera and electrical goods chain of stores, start proceedings to wind up the group which has debts of about 5.50 billion yen; and,
- The **Japanese economy** is on a roll, according to The Cabinet Office. In its March Report, The Cabinet Office said that private consumption is increasing moderately, with consumer sentiment improving.

In other Asian equity markets, this was how their key indices ended up, last Thursday:

The HKSAR	Plus 0.06 percent to 15,729.04
Indonesia	Plus 2.36 percent to 1,273.80
Japan	TOPIX Average Minus 1.30 percent to 1,645.06 Nikkei-255 Stock Average Minus 1.37 percent to 16,096.21
Malaysia	Minus 0.12 percent to 923.15
The Philippines	Plus 0.65 percent to 2,141.77

Singapore	Plus 0.04 percent to 2,498.93
South Korea	Plus 0.15 percent to 1,335.98
Taiwan	Minus 0.21 percent to 6,504.98
Thailand	Minus 0.17 percent to 739.96

Friday

The Federal Reserve Board released its statistics in respect of industrial production and utilisation for the month of February, last Friday.

It indicated, among other things, that industrial output in the US was up about 3.30 percent in February, compared with the like month in 2005.

This is the complete text of The Fed's report, minus the tables:

'INDUSTRIAL PRODUCTION AND CAPACITY UTILIZATION

'Industrial production increased 0.7 percent in February after a decrease of 0.3 percent in January. The output of utilities jumped 7.9 percent in February, as the weather moved closer to seasonal norms after January's warm temperatures. Mining output decreased 0.5 percent in February, and manufacturing production was unchanged after a gain of 0.8 percent in January. At 110.9 percent of its 2002 average, overall industrial output in February was 3.3 percent above its February 2005 level. Because of the jump in utilities output, the rate of capacity utilization for total industry rose 0.4 percentage point, to 81.2 percent, a level just above its 1972-2005 average of 81.0 percent. Capacity utilization in manufacturing edged down in February to 80.4 percent, a rate 0.6 percentage point above its 1972-2005 average

...

'Market Groups

'The output of consumer goods climbed 0.8 percent in February; the increase was driven primarily by a jump of 6.0 percent in the production of consumer energy goods. The production of consumer durables increased 0.1 percent. The production gains for appliances, furniture, and carpeting and for miscellaneous goods were mostly offset by a decline of 1.8 percent in the index for home electronics; the output of automotive products was unchanged. The output of non-energy nondurable consumer goods decreased 0.2 percent; the indexes for paper products, chemical products, and clothing all moved down.

'After having risen more substantially in January, the production of business equipment edged up 0.1 percent in February to stand 10.4 percent above its year-ago level. Among the major categories of business equipment, the production of information processing equipment climbed for a second consecutive month, but the indexes for transit equipment and for industrial and other equipment turned down. The index for defense and space equipment increased further, with a gain of 0.5 percent that reflected the settlement of a strike at a producer of guided missiles and space vehicles. The production of business supplies rose 1.2 percent and was bolstered by a rebound in the output of commercial energy products; the production of non-energy business supplies was little changed. The index for construction supplies decreased 0.2 percent. Production gains for construction supplies have moderated so far this year after strong advances in the fourth quarter of last year.

'The production of industrial materials rose 0.7 percent. The output of energy materials gained 1.6 percent. Among non-energy materials, the output of both nondurables and durables rose 0.3 percent, with gains of more than 1 percent in the indexes for equipment parts (in durables) and paper materials (in nondurables).

'Industry Groups

'Manufacturing production was unchanged in February, and the factory operating rate edged down to 80.4 percent. The output of durable goods increased 0.2 percent. The largest gains were in aerospace and miscellaneous transportation equipment, furniture and related products, computer and electronic products, and fabricated metal products. The durable goods industries in which output decreased included wood products, which declined a good bit for a second consecutive month; motor vehicles and parts; electrical equipment, appliances, and components; and machinery. The production of nondurable goods edged down 0.1 percent. Output in both the petroleum and coal products industry and the textile and product mills industry declined more than 1 percent, and smaller decreases occurred in apparel and leather, chemicals, and plastics and rubber products. Printing and support was the only major nondurable industry in which output climbed by more than 1 percent; smaller production increases came in the paper industry and in the food, beverage, and tobacco product industry. Production in the non-NAICS manufacturing industries (logging and publishing) decreased 0.2 percent in February after having declined 1.1 percent in January. Capacity utilization for industries in the crude stage of processing was little changed at 86.0 percent, a rate 0.4 percentage point below its 1972-2005 average. For industries in the primary and semifinished stages, the utilization rate increased 0.9 percentage point, to 82.2 percent, as a result of the rebound in utilities output. For producers in the finished stage, the utilization rate was unchanged at 79.1 percent, a rate 1.2 percentage points above its 1972-2005 average of 77.9 percent.'

On The New York Stock Exchange, the Dow Jones Industrial Average rose another 0.23 percent, limping up to 11,279.65 points, while, on the tech-laden NASDAQ, its Composite Index ended the week with a gain of about 0.30 percent to 2,306.48 points.

The world's largest equity markets were shaken by the announcement from General Motors Corporation with regard to the restatement of its profits for the 2005-Year. (Please see [News Wise](#))

Questions were, once again, doing the rounds as to whether or not General Motors would be able to stay the course.

This concern put something of a damper on trading on Wall Street, last Friday.

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

The Dow Jones Industrial Average	Plus	1.84 percent
The NASDAQ 's Composite Index	Plus	1.52 percent

News Wise

- **General Motors Corporation**, the world's largest motor-vehicle manufacturer, has revised its 2005 Loss Attributable to Shareholders to \$US10.60 billion, up about \$US2 billion from earlier company estimates.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in April was \$US62.77, down about 1.27 percent on the final quote of Thursday.

As for May delivery, the last settlement for a barrel of light sweet crude oil came in at \$US64.20, representing a fall of about 1.38 percent on Thursday's last settlement.

In Europe, trading was flat for the most part.

The Vodafone Group plc sale of its Japanese operation to SoftBank Corporation (Please see the Japanese

report, below) was not considered bullish because it had been expected that a bidding war would erupt instead of the benign announcement about the sale.

Mergers and acquisitions throughout the Eurozone continued, but investors appeared to be getting weary of news, which, at the end of the day, brought little long-term joy.

This was how the key indices of the most-important European bourses ended the week:

Amsterdam's AEX Index	Minus 0.02 percent
Great Britain's FTSE 100 Index	Plus 0.15 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.26 percent
France's CAC 40 Index	Plus 0.29 percent
Switzerland's Swiss Market Index	Plus 0.55 percent
Italy's MIBTEL Index	Minus 0.17 percent

Stock and share prices rose on the 2 equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), last Friday, helped along by what appeared to be bullish announcements from some of the heavyweights of the markets.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about 0.46 percent to end the week's trading at 15,801.66 points.

The Total Turnover rose to about \$HK30.89 billion, while the ratio of gaining counters to losing ones was about 1.67:One.

The Ten Most Active counters were:

China Mobile (Hongkong) Ltd (Code: 941)	Up 1.73 percent to \$HK38.25 per share
HSBC Holdings plc (Code: 5)	Unchanged at \$HK133.20 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 2.62 percent to \$HK15.65 per share
PetroChina Company Ltd (Code: 857)	Unchanged at \$HK7.65 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.20 percent to \$HK73.10 per share
Nine Dragons Paper (Holdings) Ltd (Code: 2689)	Up 8.99 percent to \$HK5.15 per share
China Construction Bank Corporation (Code: 939)	Unchanged at \$HK3.50 per share
New World Development Company Ltd (Code: 17)	Up 3.86 percent to \$HK13.45 per share

MTR Corporation Ltd (Code: 66)

Up 5.25 percent to \$HK18.05 per share

Cheung Kong (Holdings) Ltd (Code: 1)

Up 0.31 percent to \$HK80.15 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Artfield Group Ltd	1229	10.17		1.30
Asia TeleMedia Ltd	376	31.58		0.075
Capital Estate Ltd	193	10.61		0.365
China Rich Holdings Ltd	1191	15.52		0.201
Comba Telecom Systems Holdings Ltd	2342	10.00		3.025
Dan Form Holdings Company Ltd	271	16.07		0.65
eSun Holdings Ltd	571	11.86		6.60
Everest International Investments Ltd	204		10.00	0.036
Great Wall Motor Company Ltd	2333	25.87		4.50
Imagi International Holdings Ltd	585	30.95		8.25
Magician Industries (Holdings) Ltd	526	14.00		0.114
Magnum International Holdings Ltd	305	21.43		0.085
Nanjing Panda Electronics Company Ltd	553	10.98		1.92
New Smart Holdings Ltd	91	12.45		0.28
New World CyberBase Ltd	276	20.45		0.265
Nority International Group Ltd	660	57.69		0.41
Qualipak International Holdings Ltd	1224	41.07		0.395
Same Time Holdings Ltd	451	15.20		1.44

Softbank Investment International (Strategic) Ltd	648	16.33		0.057
South East Group Ltd	726	14.04		0.065
United Pacific Industries Ltd	176	12.25		0.229
Vision Grande Group Holdings Ltd	2300	10.14		8.15

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, it was a similar story to that, being told on the Main Board, as The Growth Enterprise Index rose to 1,231.85 points, a one-day gain of about 0.91 percent.

The Total Turnover was about \$HK236.84 million, of which figure, about 19 percent was the result of trading in the scrip of Phoenix Satellite Television Holdings Ltd. (Please see 5, most-active counters, below).

The ratio of gaining counters to losing ones was about 1.37:One.

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

Phoenix Satellite Television Holdings Ltd (Code: 8002) Up 11 percent to \$HK1.34 per share

Techpacific Capital Ltd (Code: 8088) Down 2 percent to 78 cents per share

B and B Group Holdings Ltd (Code: 8156) Up 3 percent to \$HK2.90 per share

China LotSynergy Holdings Ltd (Code: 8161) Up 2 percent to \$HK2.40 per share

Value Convergence Holdings Ltd (Code: 8101) Up 30 percent to \$HK1.75 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
FlexSystem Holdings Ltd	8050	12.31		0.073
Galileo Capital Group Ltd	8029	26.67		0.038
Grandy Corporation	8143	30.61		0.32
Xi'an Haitian Antenna Technologies Company Ltd	8227	10.00		0.55
International Entertainment Corporation	8118	11.32		5.90
Longlife Group Holdings Ltd	8037		11.76	0.30

Panorama International Holdings Ltd	8173		12.09	0.08
Phoenix Satellite Television Holdings Ltd	8002	10.74		1.34
Plasmagene Biosciences Ltd	8250	29.03		0.08
Satellite Devices Corporation	8172		16.67	0.02
Sys Solutions Holdings Ltd	8182	36.36		0.03
Tai Shing International (Holdings) Ltd	8103		29.07	0.61
Tianjin TEDA Biomedical Engineering Company Ltd	8189	31.89		0.244
Sanmenxia Tianyuan Aluminum Company Ltd	8253	10.34		0.16
Tradeeasy Holdings Ltd	8163	12.20		0.046
Value Convergence Holdings Ltd	8101	29.63		1.75

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

The Hang Seng Index	Plus	2.31 percent
The Growth Enterprise Index	Plus	5.24 percent

In Japan, conciliatory statements, uttered by the country's leading banker, allayed investors' fears about the prospects of near-term future, interest-rate increases – and that was the impetus for bigger and better things on the country's 3 equity markets. (Please see News Wise, below)

On the premier stock market of Japan, The Tokyo Stock Exchange, its TOPIX Average gained 1.15 percent, ending the trading day at 1,663.98 points.

Gaining counters beat off losing ones by the ratio of 3.73:One, exactly.

The Nikkei-225 Stock Average ended the day at 16,339.73 yen, representing an improvement of about 1.51 percent, compared with Thursday's closing level.

News Wise

- The Governor of The Bank of Japan dismissed widespread speculation that The Central Bank would be raising **interest rates** in the near future, stating, in a speech to Tokyo business leaders: *'If inflationary pressure remains restrained as the economy follows a balanced and sustainable growth path, an accommodative monetary environment, ensuring from very low interest rates, will probably be maintained for some time...'*; and,
- **SoftBank Corporation** of Japan has agreed to purchase 97.68 percent of **Vodafone KK**, the Japanese arm of the British-based, mobile telecommunications company, **Vodafone Group plc**, for about \$US15.50 billion (about 1.80 trillion yen). Vodafone is the world's largest mobile telephone operator in terms of sales.

For the week for the most-important equity markets of Asia, the tally was:

The TOPIX Average	Plus	1.01 percent
The Nikkei-225 Stock Average	Plus	1.39 percent

In other Asian equity markets, this was how their key indices ended the week of March 17, 2006:

The HKSAR	Plus 0.46 percent to 15,801.66
Indonesia	Plus 2.46 percent to 1,305.18
Japan	TOPIX Average Plus 1.15 percent to 1,663.98 Nikkei-255 Stock Average Plus 1.51 percent to 16,339.73
Malaysia	Minus 0.05 percent to 922.62
The Philippines	Plus 0.39 percent to 2,150.17
Singapore	Minus 0.18 percent to 2,494.41
South Korea	Plus 0.38 percent to 1,341.12
Taiwan	Plus 0.36 percent to 6,528.57
Thailand	Plus 0.19 percent to 741.43

-- E N D --

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