

**AL-QAEDA'S SECOND-IN-COMMAND IS KILLED –  
INTEREST RATES AROUND THE WORLD START TO RISE –  
KEY EQUITY MARKETS' INDICES TAKE A POUNDING**

Iran's Supreme Leader Ayatollah Ali Khamenei made it clear, on Sunday, June 4, 2006, that, should the West make a '*wrong move*', Iran's crude oil output might well be slashed.

The statements of this fundamentalist Muslim cleric, who, de facto, controls the reigns of power in Iran, sent oil prices to more than \$US74 per barrel before noon, Greenwich Mean Time (GMT), last Monday.

Ayatollah Ali Khamenei, in fiery rhetoric, last Sunday, made it abundantly obvious that, should the West impose sanctions on Iran, there could well be consequences which would hurt the West.

The West has threatened Iran with sanctions if the country does not cease and desist from its determination to enrich uranium in order to become a nuclear power.

Iran, for its part, claims that it only wants nuclear technology for peaceful purposes, but the West fears that, armed with nuclear technology, Iran will, secretly, produce weapons of mass destruction, including, nuclear bombs.

Meanwhile, Mr Javier Solana, the head of the United Nations Foreign Policy, arrived in Tehran, last Monday, carrying with him the previous week's proposals of the 5 Permanent Members of the United Nations – Great Britain, the People's Republic of China (PRC), France, Russia and the United States – plus Germany.

These proposals are aimed at trying to persuade Iran to give up its ambitions to join the international nuclear '*club*'.

These events, alone, were sufficiently unsettling for the international investing community, but, then, the Chairman of the US Federal Reserve, Dr Ben Bernanke, came out with a corker of a statement which strongly suggested that, at the June 29 Open Market Committee Meeting of The Fed, interest rates could be raised, once again.

Talking to a group of international bankers in Washington, D.C., last Monday, Dr Ben Bernanke talked of the US economy '*entering a period of transition ... the anticipated moderation of economic growth seems now under way ...*'.

He said that inflation in the US had reached a level that was uncomfortable, as far as The Fed was concerned.

About inflation, he said that it had '*reached a level that, if sustained, would be at, or above, the upper end of the range that many economists, including myself, would consider consistent with price stability and the promotion of maximum long-run growth.*'

He, then, went on to state:

*'The Committee (of the US Federal Reserve Board) will be vigilant to ensure that the recent pattern of elevated monthly core inflation readings is not sustained ...'.*

The more that this celebrated economist talked, the more likely it seemed that, all things, being equal, at the next Open Market Committee Meeting of The Fed, there would be another 25, basis-point increase in interest rates – at least.

On US equity markets, the statements of Iran's Ayatollah Ali Khamenei and Dr Ben Bernanke were a little too much for many investors to bear.

Down came key indices on US equity markets with a crash!

On The New York Stock Exchange, the Dow Jones Industrial Average dropped 199.15 points, equivalent to about 1.77 percent, coming to rest at 11,048.72 points.

Over on The NASDAQ, its Composite Index surrendered 49.79 points, or about 2.24 percent, ending the trading day at 2,169.62 points.

On The New York Mercantile Exchange (NYMEX), investors and traders on the world's largest commodity market shrugged off many of the concerns, posed earlier by Europeans – who had pushed crude oil prices to more than \$US74 per barrel – putting their hopes in the attempts by Mr Javier Solana to pacify Iran which is the world's fourth-largest oil exporter.

(There is a school of thought that maintains that the Iranians are merely putting on a show of bravado in order to get the West to kowtow to the country's demands.)

The last settlement for a barrel of light sweet crude oil for delivery in July was \$US72.60, representing an increase of about 0.37 percent on the last settlement of Friday, June 2, 2006.

For August delivery, the last settlement for a barrel of light sweet crude oil was \$US73.34, up about 0.42 percent on the final quote for the week, ended June 2, 2006.

In Europe, initially, the words of the Supreme Leader of the Muslim nation of Iran rattled investors, pushing down key indices on major bourses in the region.

And, when the Washington speech of Dr Ben Bernanke was known, it merely added oil to the already burning charcoal, smoldering on European hearths.

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

Amsterdam's AEX Index	Minus 0.61 percent
Great Britain's FTSE 100 Index	Minus 0.04 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.15 percent
France's CAC 40 Index	Minus 0.88 percent
Switzerland's Swiss Market Index	Plus 0.04 percent
Italy's MIBTEL Index	Minus 0.18 percent

In Asia, there was concern that the slowdown in the US economy would affect the economies of the world's most-populous region.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, however, investors, locking into stocks and shares, listed on both equity markets, bucked the general trend of Asia.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about 0.65 percent to 16,016.23 points on a Total Turnover of about \$HK31.58 billion.

The ratio of advancing counters to declining ones was about 1.83:One.

The Ten Most Active counters were:

Bank of China Ltd (Code: 3988)	Up 2.16 percent to \$HK3.55 per share
China Construction Bank Corporation (Code: 939)	Up 2.92 percent to \$HK3.525 per share
China Life Insurance Company Ltd (Code: 2628)	Up 4.27 percent to \$HK12.20 per share
HSBC Holdings plc (Code: 5)	Down 0.15 percent to \$HK135.40 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 2.40 percent to \$HK42.65 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 4.91 percent to \$HK55.55 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 2.89 percent to \$HK4.45 per share
PetroChina Company Ltd (Code: 857)	Up 1.22 percent to \$HK8.30 per share
Bank of Communications Company Ltd (Code: 3328)	Up 2.04 percent to \$HK5.00 per share
CNOOC Ltd (Code: 883)	Unchanged at \$HK5.90 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Alliance Holdings Ltd	616	16.28		5.00
Asia Resources Holdings Ltd	899	14.49		0.79
Benefun International Holdings Ltd	1130		12.70	0.055

China Credit Holdings Ltd	185	11.89		0.16
China Motion Telecom International Ltd	989		18.42	0.31
China Velocity Group Ltd	149	20.00		0.60
Concepta Investments Ltd	1140	22.45		0.30
eForce Holdings Ltd	943	24.00		0.062
ENM Holdings Ltd	128	11.48		0.68
Gay Giano International Group Ltd	686		11.76	0.15
Guo Xin Group Ltd	1215	14.29		0.056
Heritage International Holdings Ltd	412	14.81		0.031
K.P.I. Company Ltd	605	15.38		0.225
Magician Industries (Holdings) Ltd	526	13.33		0.119
Man Sang International Ltd	938	10.00		0.33
New Smart Holdings Ltd	91	13.64		0.375
Orient Resources Group Company Ltd	467		13.21	0.46
Pan Sino International Holding Ltd	502	14.61		0.51
Solartech International Holdings Ltd	1166	12.64		0.98
Solomon Systech (International) Ltd	2878		12.00	2.20
TPV Technology Ltd	903		10.53	6.80
Universe International Holdings Ltd	1046		10.91	0.049
Wing Lee Holdings Ltd	876		12.50	0.63

On The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index rose about 0.72 percent to 1,171.66 points, but the Total Turnover stayed low, at about \$HK189.86 million.

The ratio of gainers to losers on this market was about 1.26:One.

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

Techpacific Capital Ltd (Code: 8088)

Up 0.90 percent to \$HK1.12 per share

Wumart Stores Incorporated (Code: 8277)

Down 0.21 percent to \$HK24.25 per share

Phoenix Satellite Television Holdings Ltd (Code: 8002)

Up 12.90 percent to \$HK1.40 per share

TOM Online Incorporated (Code: 8282)

Down 2.35 percent to \$HK2.075 per share

Century Sunshine Ecological Technology Holdings Ltd (Code: 8276)

Up 6.58 percent to \$HK4.05 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022		14.39	0.119
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd	8095	15.79		0.44
Everpride Biopharmaceutical Company Ltd	8019		27.66	0.034
FlexSystem Holdings Ltd	8050	19.05		0.075
Galileo Capital Group Ltd	8029		20.00	0.08
Glory Mark Hi-Tech (Holdings) Ltd	8159	12.03		0.27
GreaterChina Technology Group Ltd	8032	13.33		0.085
Jiangsu Nandasoft Company Ltd	8045		11.11	0.16
New Universe International Group Ltd	8068	16.22		0.043
Northeast Tiger Pharmaceutical Company Ltd	8197	30.43		0.06
Phoenix Satellite Television Holdings Ltd	8002	12.90		1.40
Prosten Technology Holdings Ltd	8026	27.91		0.55
Q9 Technology Holdings Ltd	8129	10.00		0.033
Stockmartnet Holdings Ltd	8123		11.86	0.052

SYSCAN Technology Holdings Ltd	8083	10.00		0.055
Tiger Tech Holdings Ltd	8046		13.04	0.02
Universal Technologies Holdings Ltd	8091	16.88		0.09
Ningbo Yidong Electronic Company Ltd	8249		16.67	0.20

On The Tokyo Stock Exchange, which is the largest equity market of Asia, of course, its key gauge, The TOPIX Index, gave up about 0.70 percent of its value, falling to 1,594.92 points.

The ratio of falling counters to rising ones was about 1.88:One.

The Nikkei-225 Stock Average, which is a narrower gauge of the direction of blue chips, listed on the First Section of The Tokyo Stock Exchange, lost about 0.77 percent, falling back to 15,668.31 yen.

In Japan, aside from the fact that that which affects the US, which is Japan's largest, single trading partner, affects The Land of The Rising Sun, in spades, there was, also, a parochial consideration in respect of allegations of insider trading by a well-known fund operator.

This was how the key indices of other Asian equity markets ended, last Monday night:

The HKSAR	Plus 0.65 percent to 16,016.23
Indonesia	Plus 0.10 percent to 1,349.04
Japan	TOPIX Index Minus 0.70 percent to 1,594.92 Nikkei-255 Stock Average Minus 0.77 percent to 15,668.31
Malaysia	Plus 0.13 percent to 931.90
The Philippines	Plus 0.01 percent to 2,304.41
Singapore	Minus 0.50 percent to 2,407.25
South Korea	Minus 0.57 percent to 1,301.62
Taiwan	Minus 3.51 percent to 6,715.27
Thailand	Minus 1.30 percent to 713.22

## Tuesday

The entire Western world appeared to be awaiting the determination of the Government of Iran with regard to the proposals of the 5 Permanent Members of the United Nations – Great Britain, the People's Republic of China (PRC), France, Russia and the United States – plus Germany in respect of breaking the log-jam over Iran's intransigent stance on attaining the status of being the newest member of the nuclear family of nations.

But key indices of major equity markets of the world continued to fall, and some, very hard, due to the statements of the Chairman of the US Federal Reserve Board, Dr Ben Bernanke. (Please see Monday's report)

On The New York Mercantile Exchange (NYMEX), the price of crude oil appeared to mark time.

The last settlement for a barrel of light sweet crude oil for delivery in July was \$US72.50, down 10 cents per barrel on Monday's last quote.

As for August delivery, the last settlement for a barrel of light sweet crude oil was \$US73.11, representing a fall of 23 cents per barrel on the last settlement on Monday.

On Wall Street, it was another down day for investors.

Had it not been for a late-buying spree, however, the key indices of the world's largest equity markets would have been even further in the red than the closing levels.

On The New York Stock Exchange, the Dow Jones Industrial Average ended the hectic trading day at 11,002.14 points, down 46.58 points, or about 0.42 percent on Monday's close.

Over on The NASDAQ, its Composite Index ended at 2,162.78 points for a one-day loss of about 0.32 percent.

On major European equity markets, however, there was little in the way of a late-buying spree as key indices dug deeply into the ground, and stayed there:

Amsterdam's AEX Index	Minus 1.90 percent
Great Britain's FTSE 100 Index	Minus 1.60 percent
Germany's Frankfurt XETRA DAX Index	Minus 2.10 percent
France's CAC 40 Index	Minus 2.40 percent
Switzerland's Swiss Market Index	Minus 2.31 percent
Italy's MIBTEL Index	Minus 1.98 percent

Europe is, especially, sensitive to inflation, having suffered miserably, just prior to World War II and, then, at its conclusion with the collapse of a number of economies, whose mediums of exchange became worthless in a very short space of time.

With the statements of the Chairman of The Fed, fresh in their minds, investors in Europe started to suffer from a form of Sydenham's Chorea, also known as St Vitus's Dance.

In Asia, it was another day of losers on the biggest equity markets of the region.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both of the territory's equity markets saw their key indices in the red at the close of the trading day, but compared with other markets in the most-populous part of the world, the HKSAR stock markets did well.

On the Main Board of The Stock Exchange of Hongkong Ltd, its Hang Seng Index dropped about 0.27 percent, edging down to 15,973.11 points.

The Total Turnover was about \$HK29.79 billion, with losing counters outnumbering gaining ones by the ratio of about 1.40:One.

The Ten Most Actives were:

Bank of China Ltd (Code: 3988)	Up 0.70 percent to \$HK3.575 per share
HSBC Holdings plc (Code: 5)	Down 0.59 percent to \$HK134.60 per share
China Construction Bank Corporation (Code: 939)	Down 0.71 percent to \$HK3.50 per share
China Life Insurance Company Ltd (Code: 2628)	Up 2.46 percent to \$HK12.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.94 percent to \$HK42.25 per share
Sinopec Shanghai Petrochemical Company Ltd (Code: 338)	Up 13.04 percent to \$HK3.90 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.35 percent to \$HK85.10 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 0.63 percent to \$HK55.90 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK70.70 per share
PetroChina Company Ltd (Code: 857)	Up 0.60 percent to \$HK8.35 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Alliance Holdings Ltd	616	14.00		5.70



Deson Development International Holdings Ltd	262	16.67		0.56
Credit Card DNA Security System (Holdings) Ltd	1051		11.50	0.20
e-Kong Group Ltd	524	11.36		0.98
EC-Founder (Holdings) Company Ltd	618	16.67		0.28
Everest International Investments Ltd	204		23.64	0.042
Golden Dragon Group (Holdings) Ltd	329		16.13	0.52
Hop Hing Holdings Ltd	47		13.89	0.31
Inner Mongolia Development (Holdings) Ltd	279		12.00	0.198
Linmark Group Ltd	915	13.64		1.50
Magician Industries (Holdings) Ltd	526		14.29	0.102
Rising Development Holdings Ltd	1004	26.67		0.38
See Corporation Ltd	491	37.50		0.022
Shimao International Holdings Ltd	649	11.59		0.77
SinoCom Software Group Ltd	2953		13.33	1.95
South East Group Ltd	726	12.63		0.107
Sunny Global Holdings Ltd	1094		22.48	0.10
SW Kingsway Capital Holdings Ltd	188	12.73		0.31
Vitop Bioenergy Holdings Ltd	1178		14.29	0.09

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index gave up about 0.45 percent of its value, falling back to 1,166.43 points.

The Total Turnover on this speculative market was about \$HK163.33 million.

Declining counters outpaced advancing ones by the ratio of about 1.08:One.

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

Techpacific Capital Ltd (Code: 8088)

Down 8.93 percent to \$HK1.02 per share

Wumart Stores Incorporated (Code: 8277)

Down 0.82 percent to \$HK24.05 per share

Phoenix Satellite Television Holdings Ltd (Code: 8002)

Up 1.43 percent to \$HK1.42 per share

Golden Meditech Company Ltd (Code: 8180)

Down 1.06 percent to \$HK2.325 per share

Town Health International Holdings Company Ltd (Code: 8138)

Down 1.61 percent to \$HK0.305 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022	15.13		0.137
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd	8095	15.91		0.51
B M Intelligence International Ltd	8158	57.14		0.055
Byford International Ltd	8272	13.64		0.25
Shanxi Changcheng Microlight Equipment Company Ltd	8286		30.86	0.242
China Advance Holdings Ltd	8117	14.12		4.85
China LotSynergy Holdings Ltd	8161	14.81		0.93
Global Link Communications Holdings Ltd	8060		27.69	0.047
IIN International Ltd	8128		10.81	0.033
Long Success International (Holdings) Ltd	8017	11.11		0.80
Mobile Telecom Network (Holdings) Ltd	8266	10.00		0.033
Northeast Tiger Pharmaceutical Company Ltd	8197	15.00		0.069
Plasmagene Biosciences Ltd	8250	11.11		0.09
Recruit Holdings Ltd	8073	11.11		1.00

SYSCAN Technology Holdings Ltd	8083	25.45		0.069
T S Telecom Technologies Ltd	8003	13.93		0.139
Thiz Technology Group Ltd	8119		11.76	0.045
Tiger Tech Holdings Ltd	8046	10.00		0.022
Ningbo Yidong Electronic Company Ltd	8249	15.00		0.23

In Japan, the country's 3 equity markets had the distinction of seeing their key indices, being the biggest losers in Asia, last Tuesday.

With the US economy, seemingly, on the decline, exporters in Japan knew well that, sooner or later, this would have an impact on the finances of the second-largest economy of the world.

On The Tokyo Stock Exchange, its TOPIX Index surrendered 1.73 percent, dropping back to 1,567.30 points.

The ratio of losers to gainers on Asia's largest equity market was about 7.72:One.

The Nikkei-225 Stock Average fell back to 15,384.86 yen, a one-day loss of about 1.81 percent.

As for other Asian stock markets, this was how their respective key indices closed the day of June 6, 2006:

The HKSAR	Minus 0.27 percent to 15,973.11
Indonesia	Minus 2.38 percent to 1,316.95
Japan	TOPIX Index Minus 1.73 percent to 1,567.30 Nikkei-255 Stock Average Minus 1.81 percent to 15,384.86
Malaysia	Minus 0.69 percent to 925.49
The Philippines	Minus 0.63 percent to 2,289.80
Singapore	Minus 0.72 percent to 2,390.01
South Korea	Closed
Taiwan	Plus 0.22 percent to 6,730.27

Thailand	Minus 1.57 percent to 702.04
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### Wednesday

Share prices continued their retreat on US equity markets, last Wednesday, as investors continued to worry that the US Federal Reserve would bump up interest rates at the coming June 29 Open Market Committee Meeting.

On The New York Stock Exchange, the Dow Jones Industrial Average lost about 0.65 percent of its value, falling back to 10,930.90 points.

As for the Composite Index of The NASDAQ, it gave up about 0.51 percent, slipping back to 2,151.80 points.

Ironically, a pretty hefty fall in the price of crude oil, which was a positive for the world's economies, tended to exacerbate the falls in key indices on US equity markets due to a re-appraisal of the energy situation, worldwide.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in July was \$US70.82, down about 2.32 percent on Tuesday's last settlement at the close of trading on the world's largest commodity exchange.

For August delivery, the last settlement for a barrel of light sweet crude oil was \$US71.50, representing a fall of about 2.20 percent on the final transaction of Tuesday.

The reason for the fall in the price of crude oil on international markets was confirmation that conciliatory statements had been made by the Government of Iran, following the first reading of the basket of proposals, offered by Great Britain, the People's Republic of China (PRC), France, Russia, the United States and Germany on condition that Iran cease and desist from enriching uranium. (Please see Monday's and Tuesday's report)

Many people expect Iran to cave in and agree to join the good boys on the block. (!)

Actually, the only statement of any merit to come out of Iran were 2 words, uttered by Mr Ali Larijani, Iran's Chief Nuclear Negotiator: *'Positive steps.'*

The final words will have to be spoken by the hard-nosed, Ultimate (cleric) Leader of this fundamentalistic Muslim country, Ayatollah Ali Khamenei.

In Europe, despite the fall in the price of crude oil, key indices of the most-important bourses recovered part of their losses of Tuesday:

Amsterdam's AEX Index	Plus 0.97 percent
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Great Britain's FTSE 100 Index	Plus 0.64 percent
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Germany's Frankfurt XETRA DAX Index	Plus 0.74 percent
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France's CAC 40 Index	Plus 0.55 percent
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Switzerland's Swiss Market Index                      Plus    0.84 percent

Italy's MIBTEL Index                                      Plus    0.53 percent

What was, perhaps, a little surprising was that, although energy stocks were the targets of some selling pressure, the balancing factor appeared to be short-covering as investors picked up stocks and shares, which had, in their opinions, fallen too low too quickly.

In Asia, however, it was a completely different situation: Every key index of every major equity market came under moderate or heavy selling pressure – with the stock exchanges of the Philippines, losing more than 3 percent.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), while there were concerns over higher interest rates before the month was out, investors, for the most part, did not appear to be too perturbed by the probability.

With Wall Street in steep decline and with the rest of Asia, following the lead of Wall Street, it was difficult for the HKSAR to go it alone.

On the Main Board of The Stock Exchange of Hongkong Ltd, its Hang Seng Index shed about 0.98 percent of its value, dropping back to 15,816.55 points on a Total Turnover of about \$HK28.96 billion.

The ratio of losing counters to gaining ones was about 3.22:One.

The Ten Most Actives were:

Bank of China Ltd (Code: 3988)	Down 1.40 percent to \$HK3.525 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.40 percent to \$HK12.45 per share
HSBC Holdings plc (Code: 5)	Down 0.45 percent to \$HK134.00 per share
China Construction Bank Corporation (Code: 939)	Unchanged at \$HK3.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.76 percent to \$HK84.45 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.42 percent to \$HK41.65 per share
PetroChina Company Ltd (Code: 857)	Down 2.40 percent to \$HK8.15 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 2.26 percent to \$HK4.325 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Down 2.06 percent to \$HK54.75 per share
CNOOC Ltd (Code: 883)	Down 0.85 percent to \$HK5.80 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)
Artel Solutions Group Holdings Ltd	931	13.51		0.084
China Motion Telecom International Ltd	989		10.71	0.25
Deson Development International Holdings Ltd	262		11.61	0.495
HKC International Holdings Ltd	248	10.42		0.265
INNOMAXX Biotechnology Group Ltd	340	44.93		0.50
Junefield Department Store Group Ltd	758		10.00	0.072
Premium Land Ltd	164		10.20	0.229
Shang Hua Holdings Ltd	371		12.00	0.33
Signal Media and Communications Holdings Ltd	2362		12.73	0.24
Sino Union Petroleum and Chemical International Ltd	346	20.81		0.18
Tonic Industries Holdings Ltd	978	10.46		0.169
Willie International Holdings Ltd	273		10.00	0.27
Yanion International Holdings Ltd	82	10.13		0.87
Zida Computer Technologies Ltd	859	19.79		1.15

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, it was a different story, again.

On this speculative stock market, its Growth Enterprise Index rose about 0.36 percent to 1,170.68 points on a Total Turnover of about \$HK206.36 million.

Even though the lone index of this market was in positive territory by the close of the trading day, still losing counters outnumbered gaining ones by the ratio of about 1.66:One.

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

Techpacific Capital Ltd (Code: 8088)

Down 0.98 percent to \$HK1.01 per share

China LotSynergy Holdings Ltd (Code: 8161)

Up 32.26 percent to \$HK1.23 per share

B and B Group Holdings Ltd (Code: 8156)

Up 4.88 percent to \$HK2.15 per share

Chinainfo Holdings Ltd (Code: 8206)

Up 0.63 percent to \$HK1.59 per share

Phoenix Satellite Television Holdings Ltd (Code: 8002)

Up 2.82 percent to \$HK1.46 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Advanced Card Systems Holdings Ltd	8210		38.46	0.08
B M Intelligence International Ltd	8158		27.27	0.04
Shanxi Changcheng Microlight Equipment Company Ltd	8286	44.63		0.35
China LotSynergy Holdings Ltd	8161	32.26		1.23
ITE (Holdings) Ltd	8092		22.00	0.039
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049		14.47	0.13
Long Success International (Holdings) Ltd	8017	15.00		0.92
MegaInfo Holdings Ltd	8279	44.29		0.101
New Universe International Group Ltd	8068		20.45	0.035
Prosten Technology Holdings Ltd	8026	27.78		0.69
SYSCAN Technology Holdings Ltd	8083	20.29		0.083

In Japan, the key indices of the country's 3 equity markets hit their lowest levels since the start of the year.

Fears of a slowdown in the US economy and higher interest rates in the offing at the end of the month made rabbits out of the normally phlegmatic Japanese investor.

On The Tokyo Stock Exchange, which is the premier equity market of the country, its TOPIX Index gave up about 2.15 percent, falling to 1,533.54 points.

Losing counters outnumbered gaining ones by the ratio of about 7.59:One.

The Nikkei-225 Stock Average lost about 1.88 percent of its value, dropping to 15,096.01 yen.

#### News Wise

- Year-On-Year, sales of imported **motor vehicles**, including Japanese-produced vehicles, manufactured outside the country, fell by about 4.80 percent in May, according to The Japan Automobile Importers Association. It was the third consecutive month of declines in the sales of motor vehicles in the country.

In other Asian equity markets, this was how the key indices ended their respective trading days, last Wednesday:

The HKSAR	Minus 0.98 percent to 15,816.55
Indonesia	Minus 2.26 percent to 1,287.18
Japan	TOPIX Index Minus 2.15 percent to 1,533.54 Nikkei-255 Stock Average Minus 1.88 percent to 15,096.01
Malaysia	Minus 0.21 percent to 923.57
The Philippines	Minus 3.12 percent to 2,218.42
Singapore	Minus 1.45 percent to 2,355.43
South Korea	Minus 2.67 percent to 1,266.84
Taiwan	Minus 1.75 percent to 6,612.74
Thailand	Minus 1.97 percent to 688.22

#### Thursday

Around the world, investors were pounded on equity markets, following on from a spate of interest-rate rises from the European Central Bank, South Korea, Turkey, India and South Africa.

Had it not been for a late-day rally on The New York Stock Exchange, the world's largest equity market would have ended with its key index, down for the fifth, consecutive day.

But, in a day which saw a great deal of investor short-covering and news that the

second-in-command of the al-Qaeda terrorist network had been killed in a US, surgical air-strike at the City



of Baquba, Iraq, the Dow Jones Industrial Average managed to record a gain of about 0.07 percent, ending the trading day at 10,938.82 points.

Over on The NASDAQ, however, the killing of Abu Musab al-Zarqawi did little for investors who pulled down the Composite Index, once again.

By the close of the day, the Composite Index recorded a loss of about 0.30 percent to 2,145.32 points.

The Western World may have been hailing the death of one of the most-wanted men on the planet, but investors were more concerned over interest rates, which were, clearly, on the way up.

On the world's commodity exchanges, the death of Abu Musab al-Zarqawi resulted in metals and crude-oil prices, drifting to lower levels.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in July was \$US70.35, down about 0.66 percent on Wednesday's final quote.

As for August delivery, the last settlement for a barrel of light sweet crude oil was \$US71.13, a fall of about 0.52 percent on the last settlement of Wednesday.

In Europe, it was another horror day as key indices of the most-important bourses took an absolute thrashing.

The following is **TARGET**'s list of the major losers:

Amsterdam's AEX Index	Minus 2.87 percent
Great Britain's FTSE 100 Index	Minus 2.51 percent
Germany's Frankfurt XETRA DAX Index	Minus 2.89 percent
France's CAC 40 Index	Minus 2.91 percent
Switzerland's Swiss Market Index	Minus 2.66 percent
Italy's MIBTEL Index	Minus 2.36 percent

For nearly all of the above indices, it was their lowest levels since the start of the year.

What touched off the bear run in earnest on key European bourses, last Thursday, was an announcement from the European Central Bank (ECB) that Eurozone interest rates are to rise by another 25 basis points to 2.75 percent, effective June 15, 2006.

The ECB's determination was hardly a shock because its President, Mr Jean-Claude Trichet, had warned that it would be coming at the previous meeting of the ECB, held in May. (Please see News Wise, below, for the exact wording of the announcement of the ECB)

However, The Bank of England decided not to go with the flow and kept interest rates on hold at 4.50 percent – to the relief, no doubt, of many investors in that part of the world.

The European Central Bank issued the following announcement:

*‘At today’s meeting, which was held in Madrid, the Governing Council of the ECB took the following monetary policy decisions:*

- 1. The minimum bid rate on the main refinancing operations of the Eurosystem will be increased by 25 basis points to 2.75%, starting from the operation to be settled on 15 June 2006.*
- 2. The interest rate on the marginal lending facility will be increased by 25 basis points to 3.75%, with effect from 15 June 2006.*
- 3. The interest rate on the deposit facility will be increased by 25 basis points to 1.75%, with effect from 15 June 2006.’*

It was Taiwan’s turn to be the largest loser in the equity markets’ stakes, last Thursday, as every key index of every stock market in Asia was beaten to a pulp.

The Bank of Korea appeared to set the tone, to some extent, at least, when it shocked the region by announcing that interest rates in the country are to rise by 25 basis points to 4.25 percent in order to try to contain rising inflation in that country.

It was the fourth interest-rate increase since October 2005.

In the Hongkong Special Administrative Region (HKSAR) of the People’s Republic of China (PRC), its 2 equity markets took it, hard, right on the nose.

The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, surrendered about 2.32 percent of its value, ending the very heavy trading day at 15,450.11 points.

The Total Turnover rose to about \$HK44.48 billion, an increase, Day-On-Day, of about 54 percent.

Whenever a stock market falls quickly on an unusually heavy volume of activity, it is rarely a good sign because, among other things, it suggests that investors/traders are subject to margin calls.

The ratio of losing counters to gaining ones, last Thursday, was about 5.63:One.

The Ten Most Active counters were:

Bank of China Ltd (Code: 3988)	Down 4.26 percent to \$HK3.375 per share
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HSBC Holdings plc (Code: 5)	Down 1.19 percent to \$HK132.40 per share
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China Life Insurance Company Ltd (Code: 2628)	Down 8.03 percent to \$HK11.45 per share
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PetroChina Company Ltd (Code: 857)	Down 4.91 percent to \$HK7.75 per share
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China Construction Bank Corporation (Code: 939)	Down 2.14 percent to \$HK3.425 per share
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China Mobile (Hongkong) Ltd (Code: 941)      Down 3.72 percent to \$HK40.10 per share

Hongkong Exchanges and Clearing Ltd (Code: 388)      Down 6.30 percent to \$HK51.30 per share

Sun Hung Kai Properties Ltd (Code: 16)      Down 3.49 percent to \$HK77.40 per share

Cheung Kong (Holdings) Ltd (Code: 1)      Down 2.78 percent to \$HK82.10 per share

Hutchison Whampoa Ltd (Code: 13)      Down 1.28 percent to \$HK69.35 per share

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

<b>Name of Company</b>	<b>Code</b>	<b>Increase (%)</b>	<b>Decrease (%)</b>	<b>Closing Price (\$HK)</b>
139 Holdings Ltd	139	10.00		0.088
Artel Solutions Group Holdings Ltd	931		19.05	0.068
Asia Alliance Holdings Ltd	616	45.45		0.80
Asia Commercial Holdings Ltd	104		18.03	0.50
Asia TeleMedia Ltd	376		13.04	0.06
BEP International Holdings Ltd	2326		20.00	0.08
Capital Estate Ltd	193		20.26	0.181
Carico Holdings Ltd	729		32.26	0.168
China Motion Telecom International Ltd	989		12.00	0.22
China Paradise Electronics Retail Ltd	503		10.11	2.00
China Solar Energy Holdings Ltd	155		11.67	0.53
China Ting Group Holdings Ltd	3398		10.67	1.59
CNPC (Hongkong) Ltd	135		10.07	3.35
Hongkong Economic Times Holdings Ltd	423		11.72	1.92
Huabao International Holdings Ltd	336	29.03		2.40

Interchina Holdings Company Ltd	202		10.00	0.036
Jiangxi Copper Company Ltd	358		11.11	6.00
Ju Teng International Holdings Ltd	3336		10.47	1.54
Mexan Ltd	22		13.56	0.51
ONFEM Holdings Ltd	230		11.11	0.44
PYI Corporation Ltd	498		10.00	2.70
Pyxis Group Ltd	516		12.00	0.176
Rivera (Holdings) Ltd	281	10.81		0.205
SIM Technology Group Ltd	2000		16.45	3.175
Sino Prosper Holdings Ltd	766		22.22	0.84
Sun Innovation Holdings Ltd	547		10.71	2.50
Takson Holdings Ltd	918		13.33	0.078
Winbox International (Holdings) Ltd	474		11.70	0.415
Wonderful World Holdings Ltd	109	10.00		0.11

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index lost about 2.49 percent, falling back to 1,141.58 points.

The Total Turnover on this speculative market was about \$HK171.48 million, with losing counters, trouncing gaining ones by the ratio of about 4.53:One

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

Techpacific Capital Ltd (Code: 8088)

Down 5.94 percent to \$HK0.95 per share

China LotSynergy Holdings Ltd (Code: 8161)

Down 0.81 percent to \$HK1.22 per share

Zhengzhou Gas Company Ltd (Code: 8099)

Up 1.27 percent to \$HK0.80 per share

Shandong Weigao Group Medical Polymer Company Ltd (Code: 8199)

Down 1.10 percent to \$HK4.50 per share

The GEM's double-digit movers were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Ltd	8061		14.55	0.235
CCID Consulting Company Ltd	8235		19.00	0.081
Everpride Biopharmaceutical Company Ltd	8019	21.21		0.04
Golding Soft Ltd	8190		13.04	0.02
GreaterChina Technology Group Ltd	8032		24.39	0.062
Ko Yo Ecological Agrotech (Group) Ltd	8042		10.59	0.76
MegaInfo Holdings Ltd	8279	43.56		0.145
Milkyway Image Holdings Ltd	8130		10.00	0.036
Mobile Telecom Network (Holdings) Ltd	8266		12.50	0.028
North Asia Strategic Holdings Ltd	8080	11.36		0.49
Prosten Technology Holdings Ltd	8026	23.19		0.85
QUASAR Communication Technology Holdings Ltd	8171		10.00	0.09
Recruit Holdings Ltd	8073		10.00	0.90
Satellite Devices Corporation	8172		22.58	0.024
Sino Haijing Holdings Ltd	8065		15.71	0.059
SYSCAN Technology Holdings Ltd	8083	79.52		0.149
Tradeeasy Holdings Ltd	8163	16.22		0.043
Universal Technologies Holdings Ltd	8091	14.89		0.108

In Japan, key indices fell to their lowest levels of the previous 7 months.

On The Tokyo Stock Exchange, The TOPIX Index shed about 3.35 percent of its value, ending the day at 1,482.22 points.

The ratio of losing counters to gaining ones was outrageous, at about 41.20:One.

As for the narrower gauge of trading in blue chips, listed on the First Section of The Tokyo Stock Exchange, known as The Nikkei-225 Stock Average, it fell by about 3.07 percent to 14,633.03 yen.

Japan, of course, in addition to worrying about a slowdown in the US economy, is also beset by the prospective effects that are bound to be detrimental to consumer spending in its largest single market.

Exporters know, only too well, that, as interest rates rise in the US, corporate profits are squeezed, capital spending wanes, and, down the road, unemployment starts to rise.

And this is not good for a country which depends on that single market for the sale of much of its goods and services.

This is the way that things panned out in Asia on major equity markets, last Thursday:

The HKSAR	Minus 2.32 percent to 15,450.11
Indonesia	Minus 3.56 percent to 1,241.33
Japan	TOPIX Index Minus 3.35 percent to 1,482.22 Nikkei-255 Stock Average Minus 3.07 percent to 14,633.03
Malaysia	Minus 0.68 percent to 917.25
The Philippines	Minus 2.74 percent to 2,157.68
Singapore	Minus 2.48 percent to 2,297.11
South Korea	Minus 3.45 percent to 1,223.13
Taiwan	Minus 4.25 percent to 6,331.81
Thailand	Minus 1.83 percent to 675.63

### **Friday**

For economists from Washington to Zanzibar, last Friday was, certainly, not a good day.

To begin, the US Government announced that its trade deficit with the rest of the world increased by about \$US63.40 billion, during the month of April.

To date, therefore, for the US, the gap between imports and exports for Fiscal 2006 stands at about \$US252 billion.

Pressure on the US dollar vis-à-vis other 'hard' currencies is sure to follow in the weeks to come.

What was only too obvious about the release from The Department of Commerce of the US Government was that the higher price of energy was cutting a swath through the largest economy of the world.

This is the entire text of the release from the US Department of Commerce, just prior to Wall Street, opening for business, last Friday:

### ***'U.S. INTERNATIONAL TRADE IN GOODS AND SERVICES***

*April 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 April exports of \$115.7 billion and imports of \$179.1 billion resulted in a goods and services deficit of \$63.4 billion, \$1.6 billion more than the \$61.9 billion in March, revised. April exports were \$0.3 billion less than March exports of \$115.9 billion. April imports were \$1.3 billion more than March imports of \$177.8 billion.*

*'In April, the goods deficit increased \$1.8 billion from March to \$69.5 billion, and the services surplus increased \$0.2 billion to \$6.0 billion. Exports of goods decreased \$0.5 billion to \$81.9 billion, and imports of goods increased \$1.3 billion to \$151.3 billion. Exports of services increased \$0.2 billion to \$33.8 billion, and imports of services were virtually unchanged at \$27.8 billion.*

*'In April, the goods and services deficit was up \$6.4 billion from April 2005. Exports were up \$10.3 billion, or 9.8 percent, and imports were up \$16.7 billion, or 10.3 percent.*

#### ***'Goods***

*'The March to April change in exports of goods reflected decreases in consumer goods (\$0.4 billion) and capital goods (\$0.2 billion). An increase occurred in automotive vehicles, parts, and engines (\$0.1 billion). Industrial supplies and materials; foods, feeds, and beverages; and other goods were virtually unchanged.*

*'The March to April change in imports of goods reflected increases in industrial supplies and materials (\$2.4 billion); automotive vehicles, parts, and engines (\$0.4 billion); and capital goods (\$0.1 billion). Decreases occurred in consumer goods (\$1.3 billion); other goods (\$0.2 billion); and foods, feeds, and beverages (\$0.1 billion).*

*'The April 2005 to April 2006 change in exports of goods reflected increases in capital goods (\$3.0 billion); industrial supplies and materials (\$2.6 billion); consumer goods (\$0.8 billion); automotive vehicles, parts, and engines (\$0.7 billion); foods, feeds, and beverages (\$0.3 billion); and other goods (\$0.2 billion).*

*'The April 2005 to April 2006 change in imports of goods reflected increases in industrial supplies and materials (\$7.4 billion); capital goods (\$2.8 billion); automotive vehicles, parts, and engines (\$2.3 billion); consumer goods (\$1.7 billion); and foods, feeds, and beverages (\$0.7 billion). Other goods were virtually unchanged.*

#### *'Services*

*'Services exports increased \$0.2 billion from March to April. Increases in travel and transfers under U.S. military sales contracts were partly offset by a decrease in other private services (which includes items such as business, professional, and technical services, insurance services, and financial services). Changes in other categories of services exports were small.*

*'Services imports were virtually unchanged from March to April. Increases in travel and passenger fares were offset by a decrease in other transportation (which includes freight and port services). Changes in other categories of services imports were small.*

*'From April 2005 to April 2006, services exports increased \$2.7 billion. The largest increases were in other private services (\$1.5 billion), other transportation (\$0.5 billion), and royalties and license fees (\$0.4 billion).*

*'From April 2005 to April 2006, services imports increased \$1.9 billion. The largest increases were in other private services (\$1.3 billion) and other transportation (\$0.2 billion).*

#### *'Goods and Services Moving Average*

*'For the three months ending in April, exports of goods and services averaged \$115.2 billion, while imports of goods and services averaged \$177.8 billion, resulting in an average trade deficit of \$62.6 billion. For the three months ending in March, the average trade deficit was \$63.6 billion, reflecting average exports of \$114.9 billion and average imports of \$178.5 billion.*

#### *'Selected Not Seasonally Adjusted Goods Details*

*'The April figures showed surpluses, in billions of dollars, with Hong Kong \$0.8 (\$1.0 for March), Australia \$0.8 (\$0.7), Singapore \$0.6 (\$0.5), Argentina \$0.1 (\$0.0), and Egypt \$0.1 (\$0.2). Deficits were recorded, in billions of dollars, with China \$17.0 (\$15.6), Europe \$11.2 (\$11.2), the European Union \$9.4 (\$10.1), OPEC \$8.1 (\$8.1), Japan \$7.8 (\$7.6), Canada \$6.1 (\$5.3), Mexico \$4.9 (\$5.4), Taiwan \$1.3 (\$1.2), Korea \$0.8 (\$0.7), and Brazil \$0.6 (\$0.7).*

*'Advanced technology products (ATP) exports were \$19.8 billion in April and imports were \$21.5 billion, resulting in a deficit of \$1.7 billion. April exports were \$3.1 billion less than the \$22.9 billion in March, while imports were \$3.8 billion less than the \$25.3 billion in March ...'.*

Almost immediately following the above release, The Bureau of Labour Statistics, a division of the US Department of Labour, added even more fuel to the fires of those economists who maintain that the higher cost of energy is constricting growth in the largest economy of the world.

This release, also, added to the belief that, when the US Federal Reserve Board meets at the end of June, it will, almost certainly, take steps to hold down inflation.



The following is the entire release of The Bureau, minus the tables:

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

*'The U.S. Import Price Index advanced 1.6 percent in May, the Import prices rose for the second consecutive month as higher petroleum and nonpetroleum prices both contributed to the May increase. Export prices rose 0.7 percent in May following a 0.6 percent advance the previous month...*

***'Import Goods***

*'The 1.6 percent rise in May followed a 2.1 percent increase in April, and marked the largest 2-month jump for the index since October 1990. A 5.2 percent rise in petroleum prices and a 0.6 percent advance in nonpetroleum prices both contributed to the overall increase in May. The advance in petroleum prices was the third consecutive monthly increase for the index, but was less than half the 11.5 percent jump recorded in April. Petroleum prices rose 45.7 percent for the year ended in May. The 0.6 percent increase in nonpetroleum prices last month was the largest monthly change since October and followed a comparatively modest 0.1 percent advance in April. Over the past 12 months, nonpetroleum import prices rose 1.5 percent while overall import prices increased 8.3 percent.*

*'The May increase in nonpetroleum prices was led by a 2.5 percent advance in prices for nonpetroleum industrial supplies and materials. That increase was primarily driven by a continued rise in metals prices, although higher prices for building materials and chemicals were also contributing factors. The price index for unfinished metals rose 7.8 percent in May, which was the largest monthly increase for that index since monthly publication began back in September 1988. Prices for nonpetroleum industrial supplies and materials rose 9.0 percent for the year ended in May.*

*'Higher prices for consumer goods; foods, feeds and beverages; and automotive vehicles also contributed to the May increase in nonpetroleum prices. Consumer goods prices advanced 0.3 percent in May, but declined 0.1 percent over the past 12 months. Foods, feeds, and beverages prices rose 1.3 percent for the month and prices for automotive vehicles ticked up 0.1 percent. Over the past year, the price indexes for foods, feeds, and beverages and automotive vehicles increased 1.9 percent and 0.4 percent, respectively.*

*'Capital goods prices were unchanged in May and down 1.6 percent for the May 2005-2006 period.*

***'Export Goods***

*'Export prices increased for the sixth consecutive month, rising 0.7 percent in May following a 0.6 percent advance in April. Higher nonagricultural prices and a turnaround in agricultural prices both contributed to the May increase. Agricultural prices rose 0.8 percent in May after falling in each of the three previous months, and were led by rising soybean prices. Despite the increase, prices for agricultural exports declined 1.4 percent for the year ended in May. Nonagricultural prices rose 0.6 percent in May after increasing 0.7 percent in April, and advanced 3.8 percent over the past year. Overall export prices rose 3.4 percent for the year ended in May.*

*'The increase in nonagricultural prices was led by a 1.7 percent advance in nonagricultural industrial supplies and materials prices. Continued higher prices for metals and fuel, as well as an upturn in chemicals prices all contributed to the increase. The price index for nonagricultural industrial supplies and materials rose 11.6 percent over the past 12 months.'*

*'Prices for each of the major finished goods areas also rose in May; consumer goods prices increased 0.5 percent, and the price indexes for both capital goods and automotive vehicles ticked up 0.1 percent. For the year ended in May, consumer goods prices increased 1.0 percent, automotive vehicles prices increased 1.1 percent, and capital goods prices increased 0.2 percent.'*

#### *'Imports by Locality of Origin*

*'Import prices from Mexico, from Canada, and from the European Union all rose in May, as higher petroleum prices contributed to the increases. The price index of imports from Mexico increased 1.8 percent for the month after rising 0.6 percent and 2.2 percent, respectively, in March and April. The index increased 8.1 percent for the year ended in May. Prices of imports from Canada and from the European Union also increased in May, rising 1.5 percent and 0.8 percent, respectively. Import prices from Canada advanced 9.0 percent over the past 12 months, while import prices from the European Union rose 3.1 percent for the same period.'*

*'In contrast, prices of imports from China declined 0.1 percent in May, while import prices from Japan were unchanged for the month. The price indexes for imports from China and from Japan have both trended down over the past year, falling 1.3 percent and 1.4 percent, respectively, over that period.'*

#### *'Import and Export Services*

*'Export air passenger fares advanced 5.6 percent in May, the largest increase for the index since an 8.1 percent jump in July 2005. The May increase was led by an 11.0 percent rise in Asian fares. Despite that advance, export air passenger fares declined 2.5 percent over the past 12 months. Import air passenger fares also rose in May, increasing 1.1 percent following a sharp 5.7 percent jump the previous month. European fares rose by a comparatively modest 0.9 percent after rising 8.1 percent in April. Led by the recent increases, import air passenger fares rose 5.6 percent for the year ended in May.'*

*'Prices for import and export air freight both increased in May, rising 1.1 percent and 1.0 percent, respectively. Both indexes were unchanged for the previous month....'*

On The New York Stock Exchange, investors were nervous, and, as analyses of the latest US Government statistics became more widely known, so selling pressure hotted up.

By the close of the trading day, the Dow Jones Industrial Average was standing at 10,891.92, down about 0.43 percent on Thursday's closing level.

Over on The NASDAQ, its Composite Index gave up about 0.48 percent, dropping back to 2,135.06 points.

For the horror week, ended June 9, 2006, the tally for the world's largest equity markets was:

The Dow Jones Industrial Average	Minus 3.16 percent
The NASDAQ's Composite Index	Minus 3.80 percent

On The New York Mercantile Exchange (NYMEX), the price of crude oil took off, once again.

For July settlement, the last settlement for a barrel of light sweet crude oil was \$US71.63, up about 1.79 percent on Thursday's closing quote.

As for August delivery, the last settlement for a barrel of light sweet crude oil was \$US72.31, representing an increase of about 1.66 percent on Thursday's final figure.

In Europe, equity markets, after taking a thrashing for most of the week, made some useful gains.

Investors appeared to have covered some short positions while others took flyers that the markets in this part of the world would bounce back, during the coming week.

Some of the gains on the most-important European bourses, of course, were energy related.

This was how the European situation looked, last Friday night, on the largest bourses:

Amsterdam's AEX Index	Plus	1.62 percent
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Great Britain's FTSE 100 Index	Plus	1.65 percent
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Germany's Frankfurt XETRA DAX Index	Plus	1.50 percent
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France's CAC 40 Index	Plus	1.78 percent
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Switzerland's Swiss Market Index	Plus	1.10 percent
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Italy's MIBTEL Index	Plus	1.29 percent
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There was a bit of a bounce on Asian equity markets, too, last Friday, but, for the most part, indices gains were a very modest reversal of fortunes, considering the pounding that had been dished out for the first 4 days of the week.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), only one of the territory's 2 stock markets made a gain.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rang up a gain of about 1.16 percent, rising to 15,628.69 points.

The Total Turnover was about \$HK33.38 billion.

However, it was noted that losing counters continued to outnumber gaining ones by the margin of about 1.29:One.

The Ten Most Actives were:

Bank of China Ltd (Code: 3988)	Unchanged at \$HK3.375 per share
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HSBC Holdings plc (Code: 5)	Up 1.36 percent to \$HK134.20 per share
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China Life Insurance Company Ltd (Code: 2628)      Down 0.44 percent to \$HK11.40 per share

PetroChina Company Ltd (Code: 857)      Down 1.94 percent to \$HK7.60 per share

China Construction Bank Corporation (Code: 939)      Down 2.19 percent to \$HK3.35 per share

China Mobile Ltd (Code: 941)      Up 2.49 percent to \$HK41.10 per share

Cathay Pacific Airways Ltd (Code: 293)      Up 6.95 percent to \$HK13.85 per share

CNOOC Ltd (Code: 883)      Unchanged at HK\$5.60 per share

Bank of Communications Company Ltd (Code: 3328)      Down 1.02 percent to \$HK4.875 per share

Hongkong Exchanges and Clearing Ltd (Code: 388)      Down 0.10 percent to \$HK51.25 per share

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

<b>Name of Company</b>	<b>Code</b>	<b>Increase (%)</b>	<b>Decrease (%)</b>	<b>Closing Price (\$HK)</b>
Artel Solutions Group Holdings Ltd	931	17.65		0.08
Asia Alliance Holdings Ltd	616		18.75	0.65
Asia Commercial Holdings Ltd	104	20.00		0.60
Asia Resources Holdings Ltd	899		10.26	0.70
China Credit Holdings Ltd	185		11.76	0.15
China National Aviation Company Ltd	1110	31.98		2.60
Everbest Century Holdings Ltd	578		16.46	0.33
Grandtop International Holdings Ltd	2309	12.12		0.074
Magnum International Holdings Ltd	305	16.67		0.105
Mexan Ltd	22	15.69		0.59
New Capital International Investment Ltd	1062		10.00	0.171

Ngai Hing Hong Company Ltd	1047		10.42	0.43
Premium Land Ltd	164	10.64		0.26
Semtech International Holdings Ltd	724	11.45		1.46
Shang Hua Holdings Ltd	371		22.73	0.255
Sunny Global Holdings Ltd	1094	14.94		0.10
Theme International Holdings Ltd	990	13.04		0.026
Wah Nam International Holdings Ltd	159	32.00		0.132

Over on The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index surrendered another 0.70 percent, ending the week at 1,133.61 points.

The Total Turnover on this speculative market was about \$HK160.85 million.

The ratio of losing counters to gaining ones was about 1.02:One.

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

Techpacific Capital Ltd (Code: 8088) Up 5.26 percent to \$HK1.00 per share

Phoenix Satellite Television Holdings Ltd (Code: 8002) Down 8.22 percent to \$HK1.34 per share

China LotSynergy Holdings Ltd (Code: 8161) Up 2.46 percent to \$HK1.25 per share

Wumart Stores Incorporated (Code: 8277) Down 0.43 percent to \$HK23.20 per share

Chinainfo Holdings Ltd (Code: 8206) Down 0.63 percent to \$HK1.58 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Advanced Card Systems Holdings Ltd	8210	25.00		0.10
CCID Consulting Company Ltd	8235	23.46		0.10
Shenzhen Dongjiang Environmental Company Ltd	8230		13.89	1.55
Everpride Biopharmaceutical Company Ltd	8019	30.00		0.052

First Mobile Group Holdings Ltd	8110		11.39	0.14
FX Creations International Holdings Ltd	8136	29.31		0.375
GreaterChina Technology Group Ltd	8032	16.13		0.072
International Entertainment Corporation	8118		11.64	3.225
Linefan Technology Holdings Ltd	8166		21.21	0.052
Medical China Ltd	8186		10.64	0.042
North Asia Strategic Holdings Ltd	8080		10.20	0.44
Q9 Technology Holdings Ltd	8129	15.15		0.038
Satellite Devices Corporation	8172	20.83		0.029
Shandong Molong Petroleum Machinery Company Ltd	8261		10.95	1.87
Shine Software (Holdings) Ltd	8270	11.30		0.128
Soluteck Holdings Ltd	8111	27.12		0.075
SYSCAN Technology Holdings Ltd	8083		23.49	0.114
Vodatel Networks Holdings Ltd	8033	17.39		0.135

The tally for the week for the second, most-important equity market of Asia was:

The Hang Seng Index	Minus 1.78 percent
The Growth Enterprise Index	Minus 2.55 percent

In Japan, there was a slight improvement in the key indices of the country's 3 stock markets, but it was nowhere near sufficient to cover the losses, incurred from Monday through to Thursday.

On The Tokyo Stock Exchange, its TOPIX Index closed the day at 1,498.68 points, a one-day improvement of about 1.11 percent.

Gaining counters outran losing ones by the ratio of about 2.80:One.

The Nikkei-225 Stock Average regained about 0.81 percent of its value, ending the day at 14,750.84 yen.

For the week, the tally for the largest equity market of Asia was:

The TOPIX Index	Minus 6.69 percent
The Nikkei-225 Stock Average	Minus 6.58 percent

In other parts of Asia, this was how the situation looked on other equity markets at the close of trading on

Friday, June 9, 2006:

The HKSAR	Plus 1.16 percent to 15,628.69
Indonesia	Plus 2.69 percent to 1,274.75
Japan	TOPIX Index Plus 1.11 percent to 1,498.68 Nikkei-255 Stock Average Plus 0.81 percent to 14,750.84
Malaysia	Minus 0.20 percent to 915.40
The Philippines	Plus 0.08 percent to 2,159.50
Singapore	Plus 1.76 percent to 2,337.44
South Korea	Plus 1.02 percent to 1,235.65
Taiwan	Plus 1.78 percent to 6,444.63
Thailand	Minus 0.77 percent to 670.41

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