

**THE WAITING COMES TO AN END:
THE U.S. FEDERAL RESERVE RAISES INTEREST RATES**

Only on The New York Mercantile Exchange (NYMEX) was there a decided movement, one way or the other, last Monday, as the price of crude oil rose, substantially.

But on international equity markets, key indices tended to mark time as investors awaited the pleasure of Dr Ben Bernanke, the head honcho of the US Federal Reserve, who was scheduled to chair the next Open Market Committee Meeting on Wednesday and Thursday.

It was widely expected that The Fed would raise interest rates at this meeting by at least 25 basis points.

On The NYMEX, the last settlement for a barrel of light sweet crude oil for August delivery rose to \$US71.80, an increase of about 1.31 percent, compared with the last quote of Friday, June 23, 2006.

As for September delivery, the last settlement was \$US72.74 for a barrel of light sweet crude oil, that price, representing an increase on the previous Friday's last settlement of about 1.35 percent.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 56.19 points, equivalent to about 0.51 percent, as investors pushed it up to 11,045.28 points.

Over on The NASDAQ, its Composite Index ended the day at 2,133.67 points, an increase of 12.20 points, or about 0.58 percent, on the last transaction of the previous Friday.

Trading was subdued on both The New York Stock Exchange and The NASDAQ, a situation which looked very much as though indices would seek for lower levels in the coming days.

In Europe, it was a similar story to that, being told on the world's largest equity markets, as the most-important bourses recorded only small, fractional movements by the close of the day.

This was how the key indices of the largest and most-important bourses ended, last Monday night:

Amsterdam's AEX Index	Minus 0.44 percent
France's CAC 40 Index	Minus 0.33 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.27 percent
Great Britain's FTSE 100 Index	Minus 0.19 percent
Italy's MIBTEL Index	Plus 0.04 percent

Switzerland's Swiss Market Index

Minus 0.21
percent

Asian equity markets, for the most part, were the stars of global equity firmament, last Monday, as it turned out, but the gains of the winning markets, as with other markets in other parts of the globe, were somewhat restrained as investors determined that caution should be the watchword of the day.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both of the territory's equity markets hardly moved, during the entire trading day.

It is a well-worn axiom that a market which cannot rise, must fall.

On The Stock Exchange of Hongkong Ltd, its Main Board's key gauge of trading in blue chips, known as The Hang Seng Index, closed the day at 15,804.81 points, equivalent to a loss of about 0.03 percent on the closing figure for Friday, June 23, 2006.

The Total Turnover was about \$HK20.21 billion, while the ratio of advancing counters to declining ones was about 1.08:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 0.52 percent to \$HK134.10 per share
Bank of China Ltd (Code: 3988)	Up 0.74 percent to \$HK3.425 per share
China Life Insurance Company Ltd (Code: 2628)	Up 2.29 percent to \$HK11.15 per share
PetroChina Company Ltd (Code: 857)	Up 1.31 percent to \$HK7.75 per share
China Construction Bank Corporation (Code: 939)	Up 0.75 percent to \$HK3.35 per share
CNOOC Ltd (Code: 883)	Unchanged at \$HK5.80 per share
China Mobile Ltd (Code: 941)	Up 0.83 percent to \$HK42.50 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Down 1.08 percent to \$HK45.95 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.29 percent to \$HK69.75 per share
PCCW Ltd (Code: 8)	Up 2.73 percent to \$HK5.65 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
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China Elegance (Holdings) Ltd	476		13.33	0.052
China Golden Development Holdings Ltd	162	20.00		0.30
China Green (Holdings) Ltd	904	10.08		3.275
China Nan Feng Group Ltd	979		17.78	0.74
China Treasure (Greater China) Investments Ltd	810	18.97		0.345
Grandtop International Holdings Ltd	2309	23.46		0.10
Guo Xin Group Ltd	1215		30.00	0.021
Kader Holdings Company Ltd	180		10.61	0.295
Ming Fung Jewellery Group Ltd	860		10.81	0.33
Northern International Holdings Ltd	736	13.64		0.20
See Corporation Ltd	491		11.54	0.023
South East Group Ltd	726		12.09	0.08
Theme International Holdings Ltd	990		15.38	0.022
Vital BioTech Holdings Ltd	1164		13.33	0.104
Vitop Bioenergy Holdings Ltd	1178	18.75		0.114
Wong's Kong King International (Holdings) Ltd	532	10.31		1.07

On The **G**rowth Enterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index fell about 0.29 percent to 1,141.38 points on a Total Turnover of just \$HK73.98 million.

Losing counters outnumbered gaining ones on this speculative market by the ratio of about 1.06:One.

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

Techpacific Capital Ltd (Code: 8088)	Down 2.06 percent to \$HK0.95 per share
Zhengzhou Gas Company Ltd (Code: 8099)	Up 1.12 percent to \$HK0.90 per share
Wumart Stores Incorporated (Code: 8277)	Up 1.08 percent to \$HK28.00 per share

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

Up 7.69 percent to \$HK1.96 per
share

Enric Energy Equipment Holdings Ltd (Code: 8289)

Down 0.57 percent to \$HK4.40 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		10.78	0.091
CCID Consulting Company Ltd	8235	14.94		0.10
Co-winner Enterprise Ltd	8108		14.29	1.20
Everpride Biopharmaceutical Company Ltd	8019		17.50	0.033
Global Digital Creations Holdings Ltd	8271		14.29	0.30
Golding Soft Ltd	8190	10.00		0.022
iMerchants Ltd	8009	10.00		0.11
Kanstar Environmental Paper Products Holdings Ltd	8011		11.39	0.35
Mobile Telecom Network (Holdings) Ltd	8266		11.11	0.056
Panorama International Holdings Ltd	8173		13.33	0.052
Prosperity International Holdings (Hongkong) Ltd	8139	27.87		0.78
Satellite Devices Corporation	8381	125.35		0.16
T S Telecom Technologies Ltd	8003	24.11		0.175
Tai Shing International (Holdings) Ltd	8103	10.00		0.55

In Japan, Asia's largest and most-important equity markets ended the day completely flat.

On The Tokyo Stock Exchange, its TOPIX Index rose 3.40 points, equivalent to about 0.22 percent, limping up to 1,548.97 points.

Gaining counters outran losing ones by the ratio of about 1.09:One.

As for the narrower gauge of the direction of the price of blue chips, listed on The First Section of The Tokyo Stock Exchange, known as The Nikkei-225 Stock Average, it ended the day at 15,152.40 yen, representing an improvement of 28.36 yen, or about 0.19 percent on the close of Friday, June 23, 2006.

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

The HKSAR	Minus 0.03 percent to 15,804.81
Indonesia	Minus 0.49 percent to 1,283.85
Japan	TOPIX Index Plus 0.22 percent to 1,548.97 Nikkei-255 Stock Average Plus 0.19 percent to 15,152.40
Malaysia	Minus 0.20 percent to 904.51
The Philippines	Minus 0.98 percent to 2,092.40
Singapore	Plus 1.06 percent to 2,367.94
South Korea	Plus 0.77 percent to 1,238.05
Taiwan	Plus 1.11 percent to 6,523.68
Thailand	Minus 0.04 percent to 659.27

Tuesday

With the US Federal Reserve about to reconvene its Open Market Committee Meeting on Wednesday and Thursday, investors steered clear of making any new commitments on US equity markets, last Tuesday.

And Wall Street fell out of bed.

On The New York Stock Exchange, the Dow Jones Industrial Average shed 120.54 points, equivalent to about 1.09 percent, as investors pulled it back to 10,924.74 points.

The ratio of losing counters to gaining ones was about 2.67:One.

Over on The NASDAQ, its Composite Index surrendered 33.42 points, or about 1.57 percent, closing the day at 2,100.25 points.

The ratio of losers to gainers on this market, which is laden with hi-tech counters, was about 3:One.

A large drag on The Dow was an announcement from General Motors Corporation, the world's largest producer of motor vehicles (for the time being, only), which announced that its Bottom Line for 2006 was quite likely to be lower than that of the 2005-Year due, in part, to higher interest rates and the higher cost of petrol in the US.

The share price of General Motors fell nearly 7 percent on the news to \$US25.90.

And, with The Fed, widely expected to raise US interest rates by at least 25 basis points to 5.25 percent before the week was out, it was clear that General Motors, Ford Motor Company, DaimlerChrysler AG, et al, were all in the same leaking boat; and, all would suffer, accordingly.

News Wise

- **Nortel Networks Incorporated** has announced that it would be sacking about 1,100 of its North American workers and about 1,900 workers, worldwide. Workers' benefits will, also, be shaved back,

considerably. Nortel Networks is a Canadian-based, telecommunications-network equipment supplier. Canada is more socialistic in its political outlook than the US.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in August was \$US71.92, up 0.19 percent, compared with the last quote on Monday night.

As for September delivery, the last settlement for a barrel of light sweet crude oil was \$US72.80, representing a 0.08-percent rise, compared with the last settlement of Monday.

With Wall Street, crashing, it was hardly any wonder that European investors got cold feet, last Tuesday.

The broadly based sell-off on the world's largest equity markets caused many investors in Europe to shun equity markets until the interest-rate 'dust' had settled.

The situation on European equity markets would have been even worse had not the price for crude oil turned mildly bullish, pulling up the prices of energy stocks, somewhat, on major bourses.

Even so, it was not sufficient to turn the investment tide, caused by the many bears of Eurozone.

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

Amsterdam's AEX Index	Minus 1.03 percent
France's CAC 40 Index	Minus 0.63 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.00 percent
Great Britain's FTSE 100 Index	Minus 0.50 percent
Italy's MIBTEL Index	Minus 0.31 percent
Switzerland's Swiss Market Index	Minus 0.69 percent

In Asia, as with most of the rest of the world, the conversation on trading floors was centred on speculation as to the expected extent of The Fed's interest-rate hike to be announced before the end of the week.

While there were more gaining key indices than losing ones on Asia's 9, major equity markets, the gains were hardly worthy of a letter, being written home to mom about this situation.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the volumes of activity on the territory's 2 equity markets continued to be on the low side.

On the Main Board of The Stock Exchange of Hongkong Ltd, its Hang Seng Index slipped back another 0.19 percent to 15,774.70 points on a Total Turnover of about \$HK23.69 billion.

The ratio of advancing counters to declining ones was 1.31:One, exactly.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.45 percent to \$HK133.50 per share
China Construction Bank Corporation (Code: 939)	Up 0.75 percent to \$HK3.375 per share
PetroChina Company Ltd (Code: 857)	Up 1.94 percent to \$HK7.90 per share
China Life Insurance Company Ltd (Code: 2628)	Up 2.69 percent to \$HK11.45 per share
China Mobile Ltd (Code: 941)	Unchanged at \$HK42.50 per share
Bank of China Ltd (Code: 3988)	Unchanged at \$HK3.425 per share
China Petroleum and Chemical Corporation (Code: 386)	Unchanged at \$HK4.175 per share
CNOOC Ltd (Code: 883)	Up 0.86 percent to \$HK5.85 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.06 percent to \$HK81.10 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.36 percent to \$HK69.50 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139		10.00	0.09
Aurora Global Investment Holdings Ltd	353	18.57		0.415
Beauforte Investors Corporation Ltd	21		13.21	0.243
Celestial Asia Securities Holdings Ltd	1049	10.00		0.33
Chi Cheung Investment Company Ltd	112	14.29		1.60
China Everbright International Ltd	257	10.17		0.65
China Elegance (Holdings) Ltd	476	15.38		0.06
China Fair Land Holdings Ltd	169		10.53	0.34
China Financial Industry Investment Fund Ltd	1227	17.12		0.13

CITIC 21CN Company Ltd	241	12.05		0.93
CNT Group Ltd	701	12.40		0.145
Everbest Century Holdings Ltd	578		17.81	0.30
Fintronics Holdings Company Ltd	706	10.84		0.225
G-Vision International (Holdings) Ltd	657	44.74		0.11
GFT Holdings Ltd	1003		40.00	0.033
Grandtop International Holdings Ltd	2309	23.00		0.123
Man Sang International Ltd	938	14.55		0.315
New Focus Auto Tech Holdings Ltd	360		10.28	2.40
Pioneer Global Group Ltd	224	13.21		0.60
Sunlink International Holdings Ltd	2336	13.64		0.075
SW Kingsway Capital Holdings Ltd	188		12.36	0.241
Tak Shun Technology Group Ltd	1228	11.11		0.15
Tidetime Sun (Group) Ltd	307		16.38	0.148

Over on The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, while the Total Turnover was only about \$HK95.53 million, with losing counters, outnumbering gaining ones by the ratio of about 1.08:One, selective buying propped up The Growth Enterprise Index which ended the day with a gain of about three quarters of a percentage point, culminating the day's proceedings at 1,149.90 points.

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

Zhengzhou Gas Company Ltd (Code: 8099)	Up 2.22 percent to \$HK0.92 per share
Golden Meditech Company Ltd (Code: 8180)	Up 2.41 percent to \$HK2.125 per share
Wumart Stores Incorporated (Code: 8277)	Up 0.36 percent to \$HK28.10 per share

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

Up 4.59
percent to
\$HK2.05
per share
Down 1.05
percent to
\$HK0.94
per share_

Techpacific Capital Ltd (Code: 8088)

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CCID Consulting Company Ltd	8235	10.00		0.11
Co-winner Enterprise Ltd	8108	14.17		1.37
Everpride Biopharmaceutical Company Ltd	8019	21.21		0.04
Galileo Capital Group Ltd	8029	33.33		0.076
MegaInfo Holdings Ltd	8279		12.00	0.11
Sino Haijing Holdings Ltd	8065	25.00		0.07
SYSCAN Technology Holdings Ltd	8083		11.11	0.04
T S Telecom Technologies Ltd	8003	62.86		0.285
Tiger Tech Holdings Ltd	8046		18.64	0.048

In Japan, it was another flat day for investors.

The TOPIX Index rose only 4 tenths of a percentage point, equivalent to about 0.03 percent, ending the quiet trading conditions at 1,549.37 points.

Gaining counters outnumbered losing ones by the ratio of about 1.26:One.

The Nikkei-225 Stock Average rose 19.14 yen, equivalent to about 0.13 percent, rising to 15,171.81 yen.

This was how the situation looked on other Asian equity markets, last Tuesday night:

The HKSAR	Minus 0.19 percent to 15,774.70
Indonesia	Plus 0.14 percent to 1,285.63
Japan	TOPIX Index Plus 0.03 percent to 1,549.37 Nikkei-255 Stock Average Plus 0.13 percent to 15,171.81
Malaysia	Plus 0.36 percent to 907.76

The Philippines	Minus 0.54 percent to 2,081.09
Singapore	Minus 0.44 percent to 2,357.58
South Korea	Plus 0.77 percent to 1,247.54
Taiwan	Plus 0.75 percent to 6,572.39
Thailand	Plus 0.06 percent to 659.69

Wednesday

Gains in the energy sectors of US equity markets propped up key indices, last Wednesday, as investors appeared to be willing to take positions in oil and gas counters, but were clearly unwilling to invest in industrials, communications or retailers.

The US Federal Reserve convened its Open Market Committee Meeting on schedule; everybody and his cat were awaiting The Fed's determination in respect of interest rates.

The big money continued to maintain the stance that interest rates would be raised by 25 basis points to 5.25 percent.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 48.82 points, equivalent to about 0.45 percent, as investors pushed it gently up to 10,973.56 points.

Over on The NASDAQ, its Composite Index advanced 11.59 points, or about 0.55 percent, ending the moderately active trading day at 2,111.84 points.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in August rose another 27 cents per barrel to \$US72.19, a one-day gain of about 0.38 percent.

As for September delivery, the last settlement for a barrel of light sweet crude oil rose 34 cents per barrel to \$US73.14, representing a gain of about 0.47 percent on Tuesday's last settlement.

In Europe, the situation mirrored that of the world's largest equity markets as investors were quite willing to take new positions in select energy counters, but quite unwilling to do much more.

As with US investors, Europe was awaiting The Fed's determination in respect of interest rates.

Key indices finished the day flat, for the most part:

Amsterdam's AEX Index	Plus 0.23 percent
France's CAC 40 Index	Plus 0.05 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.04 percent
Great Britain's FTSE 100 Index	Plus 0.46 percent
Italy's MIBTEL Index	Plus 0.17 percent
Switzerland's Swiss Market Index	Plus 0.40 percent

In Asia, only one stock market was able to write the final figures of its key indices in black ink – because the other 8 stock markets saw their key indices fall, some, very materially.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), it was the third, consecutive dull trading day of the week.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index fell back by about one fifth of a percentage point to 15,742.66 points on a Total Turnover of about \$HK21.32 billion.

Losing counters outnumbered gaining ones by the ratio of about 1.31:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5) Down 0.37 percent to \$HK133.00 per share

China Life Insurance Company Ltd (Code: 2628) Up 2.62 percent to \$HK11.75 per share

China Construction Bank Corporation (Code: 939) Up 2.22 percent to \$HK3.45 per share

Hongkong Exchanges and Clearing Ltd (Code: 388) Down 0.87 percent to \$HK45.40 per share

Bank of China Ltd (Code: 3988) Unchanged at \$HK3.425 per share

CNOOC Ltd (Code: 883) Up 1.71 percent to \$HK5.95 per share

PetroChina Company Ltd (Code: 857) Up 0.63 percent to \$HK7.95 per share

China Mobile Ltd (Code: 941) Down 0.35 percent to \$HK42.35 per share

Cheung Kong (Holdings) Ltd (Code: 1) Down 0.86 percent to \$HK80.40 per share

Hutchison Whampoa Ltd (Code: 13) Down 0.14 percent to \$HK69.40 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)
139 Holdings Ltd	139	11.11		0.10
Artel Solutions Group Holdings Ltd	931		13.79	0.05
Asia Alliance Holdings Ltd	616		12.07	0.51
Asia Tele-Net and Technology Corporation Ltd	679	11.11		0.30

Celestial Asia Securities Holdings Ltd	1049		10.61	0.295
China Rich Holdings Ltd	1191		10.34	0.13
CITIC 21CN Company Ltd	241	17.20		1.09
CNT Group Ltd	701		10.34	0.13
Everest International Investments Ltd	204	51.16		0.065
Fintronics Holdings Company Ltd	706	15.56		0.26
GFT Holdings Ltd	1003	21.21		0.04
Grandtop International Holdings Ltd	2309		18.70	0.10
Hongkong Catering Management Ltd	668	11.02		1.41
HKC International Holdings Ltd	248	25.52		0.30
Kasen International Holdings Ltd	496		10.00	1.35
Magnum International Holdings Ltd	305		14.14	0.085
Man Sang International Ltd	938		12.70	0.275
Oriental Explorer Holdings Ltd	430	14.89		0.054
Sunlink International Holdings Ltd	2336		13.33	0.065
Rontex International Holdings Ltd	1142	32.26		0.041
SW Kingsway Capital Holdings Ltd	188	16.18		0.28
Tidetime Sun (Group) Ltd	307		12.16	0.13
Xin Corporation Ltd	1141		10.74	0.241

On The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shed about 0.38 percent to end the quiet trading day at 1,145.44 points.

The Total Turnover on this market was about \$HK97.27 million, with declining counters outnumbering gaining ones by the ratio of 1.06:One, exactly.

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

Techpacific Capital Ltd (Code: 8088)

Down 1.06
percent to
\$HK0.93

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

per share
Up 2.89
percent to
\$HK4.45
per share
Up 3.51
percent to
\$HK0.295
per share
Up 4.35
percent to
\$HK0.96
per share
Up 3.66
percent to
\$HK2.125
per share

T S Telecom Technologies Ltd (Code: 8003)

Zhengzhou Gas Company Ltd (Code: 8099)

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

The GEM's biggest movers of the day numbered just 5 counters:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Info Communication Holdings Ltd	8082		40.00	0.054
Jiangsu Nandasoft Company Ltd	8045		12.50	0.14
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049	10.34		0.16
Northeast Tiger Pharmaceutical Company Ltd	8197		19.12	0.055
Prosten Technology Holdings Ltd	8026		18.92	0.30

Japan's 3 equity markets were the biggest losers in Asia, last Wednesday.

For most Japanese economists and industrialists, the writing was on the proverbial wall: Interest rates in the US would rise; Japanese exports would suffer, accordingly.

On The Tokyo Stock Exchange, its TOPIX Index gave up about 1.41 percent of its value, falling to 1,527.51 points.

The ratio of losers to gainers was wide, at about 6.74:One.

The Nikkei-225 Stock Average lost even more than the official TOPIX Index as investors pushed it down to 14,886.11 yen, a fall of about 1.88 percent, compared with Tuesday's closing level.

News Wise

- The average annual **household income** rose by about 0.10 percent in Fiscal 2005, compared with Fiscal 2004, according to the statistics of The Health, Labour and Welfare Ministry. It was the first rise in householders' annual incomes since 1998;
- Retail sales in Japan were up by about one tenth of a percentage point in May, Year-On-Year, The Ministry of Economy, Trade and Industry (METI) announced; and,

- **Industrial production** in Japan slumped by about one percent in April, Year-On-Year, seasonally adjusted, according to METI.

And this was how things looked on other Asian equity markets, last Wednesday night:

The HKSAR	Minus 0.20 percent to 15,742.66
Indonesia	Minus 1.06 percent to 1,272.05
Japan	TOPIX Index Minus 1.41 percent to 1,527.51 Nikkei-255 Stock Average Minus 1.88 percent to 14,886.11
Malaysia	Minus 0.09 percent to 906.90
The	Philippines Minus 0.72 percent to 2,066.06
Singapore	Minus 0.29 percent to 2,350.80
South Korea	Minus 0.71 percent to 1,238.71
Taiwan	Minus 0.48 percent to 6,540.93
Thailand	Plus 1.08 percent to 666.80

Thursday

Stock and share prices rose, dramatically, around the world, last Thursday, as investors in Asia and Europe took flyers that the US Federal Reserve would do its thing – raise interest rates by 25 basis points, but intimate that inflation was being contained – while, in North America, investors had the benefit of the definitive determination of The Fed on which to make investment decisions.

The Fed did come to the party, so to speak, last Thursday, bringing out the following statement at the close of its Open Market Committee Meeting:

‘The Federal Open Market Committee decided today to raise its target for the federal funds rate by 25 basis points to 5-1/4 percent.

‘Recent indicators suggest that economic growth is moderating from its quite strong pace earlier this year, partly reflecting a gradual cooling of the housing market and the lagged effects of increases in interest rates and energy prices.

‘Readings on core inflation have been elevated in recent months. Ongoing productivity gains have held down the rise in unit labor costs, and inflation expectations remain contained. However, the high levels of resource utilization and of the prices of energy and other commodities have the potential to sustain inflation pressures.

‘Although the moderation in the growth of aggregate demand should help to limit inflation pressures over time, the Committee judges that some inflation risks remain. The extent and timing of any additional firming that may be needed to address these risks will depend on the evolution of the outlook for both inflation and economic growth, as implied by incoming information. In any event, the Committee will respond to changes in economic prospects as needed to support the attainment of its objectives.

'Voting for the FOMC monetary policy action were: Ben S. Bernanke, Chairman; Timothy F. Geithner, Vice Chairman; Susan S. Bies; Jack Guynn; Donald L. Kohn; Randall S. Kroszner; Jeffrey M. Lacker; Sandra Pianalto; Kevin M. Warsh; and Janet L. Yellen.

'In a related action, the Board of Governors unanimously approved a 25-basis-point increase in the discount rate to 6-1/4 percent. In taking this action, the Board approved the requests submitted by the Boards of Directors of the Federal Reserve Banks of Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, and Dallas.'

But, against the mildly warming statement from The Fed, on commodity markets, the price of crude oil continued its relentless move to higher plateaux.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in August was \$US73.52, representing an increase on Wednesday's closing level of about 1.84 percent.

As for September delivery, the last settlement for a barrel of light sweet crude oil was \$US74.51, up 1.87 on the last settlement of Wednesday.

On The New York Stock Exchange, which is the largest equity market in the world, the Dow Jones Industrial Average rose 217.24 points, or about 1.98 percent, to end the booming trading session at 11,190.80 points.

Over on The NASDAQ, its Composite Index gained 62.54 points, equivalent to about 2.96 percent, running up to 2,174.38 points.

It was said in some quarters that investors were banking on The Fed, thinking that it was time to bring to a halt its mini, interest-rate increases, which had been its modus operandi during the past 17, Open Market Committee Meetings.

Against that wishful thinking, TARGET notes the persistent rise in the price of crude oil on international commodity markets.

But logic rarely plays a part in a bullish market where long-suffering investors make the decision, rightly or wrongly, to buy into a fast-rising market.

In Europe, every key index of every major bourse made substantive gains as investors ploughed into stocks and shares as though there were going to be a shortage of scrip.

The strength in the energy sector on European bourses helped the bullish sentiment, of course, but, in addition, many investors went chasing after their favourite stocks and shares, following what some people saw as a drawn-out drought of bearishness.

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

	Plus
Amsterdam's AEX Index	1.97
	percent
	Plus
France's CAC 40 Index	2.22
	percent
	Plus
Germany's Frankfurt XETRA DAX Index	2.28
	percent

Great Britain's FTSE 100 Index	Plus 1.98 percent
Italy's MIBTEL Index	Plus 1.35 percent
Switzerland's Swiss Market Index	Plus 1.39 percent

In Asia, every key index of every major stock market chalked up material gains.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets' key indices managed to record pluses, but those gains were not entirely convincing of a turnabout market.

On the Main Board of The Stock Exchange of Hongkong Ltd, its Hang Seng Index rose about 0.78 percent to 15,865.22 points on the very respectable Total Turnover of about \$HK27.89 billion.

About 26 percent of the entire volume of activity, however, was centred on the exchange of scrip in just 3 banking counters. (Please see Ten Most Actives, below)

Gaining counters outnumbered losing ones by the ratio of about 2.69:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.53 percent to \$HK133.70 per share
China Construction Bank Corporation (Code: 939)	Up 2.17 percent to \$HK3.525 per share
Bank of China Ltd (Code: 3988)	Up 0.73 percent to \$HK3.45 per share
China Life Insurance Company Ltd (Code: 2628)	Up 1.28 percent to \$HK11.90 per share
PetroChina Company Ltd (Code: 857)	Up 0.63 percent to \$HK8.00 per share
CNOOC Ltd (Code: 883)	Up 1.68 percent to \$HK6.05 per share
China Mobile Ltd (Code: 941)	Up 0.59 percent to \$HK42.60 per share
Bank of Communications Company Ltd (Code: 3328)	Up 2.04 percent to \$HK5.00 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.65 percent to \$HK69.85 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 4.63 percent to \$HK47.50 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)
China Elegance (Holdings) Ltd	476		11.67	0.053
CNT Group Ltd	701	13.85		0.148
EC-Founder (Holdings) Company Ltd	618		10.38	0.233
First Sign International Holdings Ltd	933	10.87		0.255
HKC International Holdings Ltd	248		16.67	0.25
Hua Yi Copper Holdings Ltd	559	10.23		0.485
Kader Holdings Company Ltd	180	10.00		0.33
Kasen International Holdings Ltd	496		11.85	1.19
Kiu Hung International Holdings Ltd	381	17.29		0.156
Magician Industries (Holdings) Ltd	526		10.78	0.091
Magnum International Holdings Ltd	305		14.12	0.073
Neo-China Group (Holdings) Ltd	563	39.22		0.71
New Island Printing Holdings Ltd	377	12.50		0.45
QPL International Holdings Ltd	243	11.94		0.75
SNP Leefung Holdings Ltd	623	53.33		1.61
Solomon Systech (International) Ltd	2878	11.49		1.94
Sun Innovation Holdings Ltd	547	16.54		3.70
SW Kingsway Capital Holdings Ltd	188		13.57	0.242
Vitop Bioenergy Holdings Ltd	1178	21.74		0.14
Willie International Holdings Ltd	273		14.47	0.195
Wing Hong (Holdings) Ltd	745	16.22		0.043

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

activity rose to about \$HK141.22 million, up about 45 percent, compared with Wednesday's Total Turnover.

The Growth Enterprise Index moved up about 0.93 percent to 1,156.12 points, with gaining counters, outnumbering losing ones by the ratio of about 1.86:One.

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

Techpacific Capital Ltd (Code: 8088)	Up 3.23 percent to \$HK0.96 per share
Zhengzhou Gas Company Ltd (Code: 8099)	Up 1.04 percent to \$HK0.97 per share
T S Telecom Technologies Ltd (Code: 8003)	Up 13.56 percent to \$HK0.335 per share
Chinainfo Holdings Ltd (Code: 8206)	Down 2.30 percent to \$HK1.70 per share
Golden Meditech Company Ltd (Code: 8180)	Unchanged at \$HK2.10 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Golding Soft Ltd	8190	10.00		0.022
GreaterChina Technology Group Ltd	8032		33.82	0.045
Info Communication Holdings Ltd	8082	51.85		0.082
ITE (Holdings) Ltd	8092	23.64		0.068
Kanstar Environmental Paper Products Holdings Ltd	8011	10.81		0.41
Linefan Technology Holdings Ltd	8166		17.78	0.037
Milkyway Image Holdings Ltd	8130	18.18		0.039
Shenzhen Mingwah Aohan High Technology Corporation Ltd	8301	20.00		0.18
Nanjing Sample Technology Company Ltd	8287	14.41		6.35
Shandong Molong Petroleum Machinery Company Ltd	8261	11.73		2.00

SYSCAN Technology Holdings Ltd	8083	10.00		0.044
T S Telecom Technologies Ltd	8003	13.56		0.335
Universal Technologies Holdings Ltd	8091	16.33		0.114

In Japan, its 3 equity markets were humming with activity as investors were out in force, buying up shares in their *'darlings'*.

On The Tokyo Stock Exchange, its TOPIX Index gained 1.33 percent, rising to 1,547.75 points.

Gaining counters outnumbered losing ones by the ratio of 1.50:One, exactly.

The Nikkei-225 Stock Average rose 1.58 percent to end the trading day at 15,121.15 yen.

This was how the key indices of other Asian equity markets closed, last Thursday night:

The HKSAR	Plus 0.78 percent to 15,865.22
Indonesia	Plus 0.21 percent to 1,274.74
Japan	TOPIX Index Plus 1.33 percent to 1,547.75 Nikkei-255 Stock Average Plus 1.58 percent to 15,121.15
Malaysia	Plus 0.40 percent to 910.54
The Philippines	Plus 0.90 percent to 2,084.62
Singapore	Plus 1.53 percent to 2,386.77
South Korea	Plus 1.96 percent to 1,263.02
Taiwan	Plus 1.02 percent to 6,607.39
Thailand	Plus 0.59 percent to 670.71_

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