

**EQUITY MARKETS SHRUG OFF MIDDLE EAST CRISES,
BUT OIL PRICES STAY ON THE BOIL**

There, certainly, was no lack of international news, last Monday, but after weighing the news on the scales of pros and cons, there was more bad news than good news, of that, there was no question.

However, Wall Street was in no mood to look at the bad news as investors were mesmerised by a \$US33-billion takeover announcement of HCA Incorporated.

HCA is the largest hospital chain in the US.

According to reports, a group of investors, which included Thomas Frist Junior, HCA's Founder, Bain Capital, Kohlberg Kravis Roberts and Company and Merrill Lynch Global Private Equity, had agreed to buy HCA for about \$US21 billion plus assume the company's \$US11.70 billion of debts.

That was enough for Wall Street: Up went share prices on all major equity markets.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 182.67 points, equivalent to about 1.68 percent, ending the active trading session at 11,051.05 points.

Over on The NASDAQ, its Composite Index gained 41.45 points, or about 2.05 percent, rising to 2,061.84 points.

On The New York Stock Exchange, advancing counters beat off declining ones by the ratio of about 4:One while, in The NASDAQ, the ratio of gaining counters to losing ones was about 3:One.

Whether or not Wall Street would be able to hold onto its gains as the week wore on was another matter, of course, but, last Monday, it was, as far as US investors were concerned, '*Buy Day!*'

As for the bad news, it included a) higher oil prices b) a breakdown of the Doha round of World Trade Organisation negotiations and c) no end in sight to the fighting between Israel and the Hezbollah in Lebanon.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in September was \$US75.05, up about 0.83 percent on the final quote for the week, ended Friday, July 21, 2006.

For October delivery, the last settlement for a barrel of light sweet crude oil was \$US75.98, up about 0.84 percent on the last settlement of the previous Friday.

In the US, commuters were shocked to learn that the price for a gallon (US) of petrol had risen, an average, to \$US3.00.

Geopolitical fears were the main causes for the higher cost of '*gas*' in the world's largest economy.

In Geneva, Switzerland, it was announced that the Doha round of World Trade Organisation negotiations

had broken down, completely.

Ministers of one country pointed the finger at ministers of other countries as a sign that it was not their fault that the talks had failed, but somebody else's.

The US trade negotiator, however, had the most fingers, pointed in his direction.

In Lebanon, the fighting continued apace with more innocent Lebanese, being killed alongside Hezbollah guerrillas and Israeli soldiers.

There appeared to be no light at the end of this tunnel, indicating a possible termination to the terrible hostilities which had shocked the entire world (except, perhaps, Iran where the government was spurring on Hezbollah).

In Europe, where investors follow, closely, the goings on on Wall Street, it was, also, '*Buy Day!*'

Every key index of every major bourse rose, very materially:

Amsterdam's AEX Index	Plus 2.20 percent
France's CAC 40 Index	Plus 2.00 percent
Germany's Frankfurt XETRA DAX Index	Plus 2.33 percent
Great Britain's FTSE 100 Index	Plus 1.99 percent
Italy's MIBTEL Index	Plus 1.37 percent
Switzerland's Swiss Market Index	Plus 2.13 percent

In Asia, where trading in stocks and shares leads the world due to the time differential, only 2 key indices of 2 territories were written in black ink, last Monday night.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), trading was relatively light on the territory's 2 equity markets.

On the Main Board of The Stock Exchange of Hongkong Ltd, its key index, known as The Hang Seng Index, rose one tenth of a percentage point, exactly, to 16,480.59 points.

The Total Turnover was about \$HK17.93 billion.

However, losing counters outnumbered gaining ones by the ratio of about 2.27:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)

Up 0.07 percent to \$HK137.30 per share

China Construction Bank Corporation (Code: 939)	Unchanged at \$HK3.40 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.71 percent to \$HK12.56 per share
China Mobile Ltd (Code: 941)	Up 0.54 percent to \$HK46.40 per share
Bank of China Ltd (Code: 3988)	Down 0.86 percent to \$HK3.47 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 1.55 percent to \$HK15.74 per share
PetroChina Company Ltd (Code: 857)	Up 0.23 percent to \$HK8.57 per share
CNOOC Ltd (Code: 883)	Down 0.92 percent to \$HK6.44 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.06 percent to \$HK79.10 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK70.25 per share

The biggest, Main Board movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Commercial Holdings Ltd	104		10.77	0.58
Celestial Asia Securities Holdings Ltd	1049	16.67		0.42
Chaoda Modern Agriculture (Holdings) Ltd	682		11.06	3.78
China Everbright International Ltd	257	14.71		0.78
China Treasure (Greater China) Investments Ltd	810	11.25		0.445
Fortune Sun (China) Holdings Ltd	352	16.67		0.98
Frankie Dominion International Ltd	704	11.11		0.15
Haywood Investments Ltd	905		11.86	0.052
Hembly International Holdings Ltd	3989	10.68		2.85
Kiu Hung International Holdings Ltd	381	28.00		0.32

Peaktop International Holdings Ltd	925		12.22	0.079
Quam Ltd	952	14.29		0.80
REXCAPITAL Financial Holdings Ltd	555	12.12		0.37
Shougang Concord Century Holdings Ltd	103	14.04		0.65
Sino Union Petroleum and Chemical International Ltd	346	32.61		0.305
Smart Rich Energy Finance (Holdings) Ltd	1051	14.21		0.225
Softbank Investment International (Strategic) Ltd	648	18.18		0.104
Tysan Holdings Ltd	687	12.20		0.46
Wonson International Holdings Ltd	651	18.89		0.107

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, it was a completely different story to that, being told on the Main Board.

The Growth Enterprise Index lost about 1.14 percent of its value, falling back to 1,133.93 points on a Total Turnover of about \$HK112.33 million.

Losers outnumbered gainers by the ratio of about 1.24:One.

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

Wumart Stores Incorporated (Code: 8277)	Down 1.70 percent to \$HK28.90 per share
International Entertainment Corporation (Code: 8118)	Unchanged at \$HK1.98 per share
Techpacific Capital Ltd (Code: 8088)	Down 4.55 percent to \$HK0.84 per share
Long Success International (Holdings) Ltd (Code: 8017)	Up 8.89 percent to \$HK0.98 per share
HC International Incorporated (Code: 8292)	Down 1.19 percent to \$HK1.66 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Shenzhen Dongjiang Environmental Company Ltd	8230	10.26		2.15

Mobile Telecom Network (Holdings) Ltd	8266		14.00	0.043
Panorama International Holdings Ltd	8173	27.66		0.06
Recruit Holdings Ltd	8073		14.29	1.20
Satellite Devices Corporation	8172		23.86	0.067
Soluteck Holdings Ltd	8111		18.97	0.047
Sonavox International Holdings Ltd	8226		34.19	0.204
Timeless Software Ltd	8028	11.11		0.10
WLS Holdings Ltd	8021	12.00		0.14
Xteam Software International Ltd	8178	22.50		0.049

In Japan, trading was flat on all of the country's 3 equity markets.

On The Tokyo Stock Exchange, which is the premier equity market of The Land of The Rising Sun, its TOPIX Index lost 1.31 points, equivalent to about 0.09 percent, ending the relatively quiet trading day at 1,514.22 points.

The ratio of losing counters to gaining ones was 2.00:One, exactly.

The Nikkei-225 Stock Average, which is a much-narrower gauge to trading in blue chips, listed on The First Section of The Tokyo Stock Exchange, shed, exactly, 0.18 percent of its value, ending the trading session at 14,794.50 yen.

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

The HKSAR	Hang Seng Index Plus 0.10 percent to 16,480.59 The Growth Enterprise Index Minus 1.14 percent to 1,133.93
Indonesia	Minus 0.87 percent to 1,303.15
Japan	TOPIX Index Minus 0.09 percent to 1,514.22 Nikkei-255 Stock Average Minus 0.18 percent to 14,794.50
Malaysia	Minus 0.26 percent to 922.34
The Philippines	Closed

Singapore	Plus 0.15 percent to 2,375.04
South Korea	Minus 0.63 percent to 1,263.35
Taiwan	Minus 0.94 percent to 6,359.63
Thailand	Minus 0.28 percent to 683.76

Tuesday

The carnage in both Lebanon and Israel continued to escalate, last Tuesday, with news that 4 observers in the pay of the United Nations had been killed by Israeli cannon fire.

But Wall Street was getting quite used to the missile attacks by Hezbollah guerrillas on Israel and the bombardment of Lebanon by the Israel Defence Force, the latter-mentioned slowly reducing the Capital City of the country to rubble.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 52.66 points, equivalent to about 0.48 percent, as investors lifted the key index of the world's largest equity market to 11,103.71 points.

The Composite Index of The NASDAQ, following The Dow's example, put on 12.06 points, or about 0.58 percent, rising to 2,073.90 points.

The gains on Wall Street, however, were very selective and could only be considered an advance in prices of certain, high-technology counters, in the main.

There was a number of company announcements, most of them, signaling lower profits for the year.

One such announcement came from Amazon.com Incorporated which announced a decided decline in its quarterly income: Its share price fell by about 10 percent on the news.

Amazon.com, the world's largest Internet retailer, announced a fall in Net Income of about 58 percent to \$US22 million for the quarter, ended June 30, 2006.

But there was some good news, too, last Tuesday, as the price of crude oil retreated on international commodity exchanges.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in September fell by about 1.73 percent to \$US73.75.

As for October delivery, the last settlement for a barrel of light sweet crude oil was \$US74.71, down about 1.67 percent on the Monday's last settlement.

On European bourses, key indices ended the day relatively unchanged from Monday's closing levels:

Amsterdam's AEX Index	Minus 0.41 percent
France's CAC 40 Index	Plus 0.37 percent

Germany's Frankfurt XETRA DAX Index	Minus 0.22 percent
Great Britain's FTSE 100 Index	Plus 0.29 percent
Italy's MIBTEL Index	Minus 0.20 percent
Switzerland's Swiss Market Index	Plus 0.27 percent

For European investors, the situation in the Middle East continued to be a thorn in their side, with the prospects, being high, that oil deliveries could be curtailed if the fighting continued for too long a period of time.

The fear was that Iran and, perhaps, Syria could become embroiled in the conflict between Hezbollah and Israel.

In Asia, the key indices of all major equity markets made gains, following on from the booming markets in the US on Monday.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), things appeared to look much better on the premier equity market, but not so on The (speculative) **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd.

The key index of the Main Board of The Stock Exchange of Hongkong Ltd, known as The Hang Seng Index, rose by about 0.63 percent to close the day at 16,583.86 points.

The Total Turnover was about \$HK22.64 billion, while the ratio of advancing counters to declining ones was about 1.19:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.87 percent to \$HK138.50 per share
China Mobile Ltd (Code: 941)	Up 0.86 percent to \$HK46.80 per share
China Life Insurance Company Ltd (Code: 2628)	Up 0.32 percent to \$HK12.60 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.07 percent to \$HK79.95 per share
PetroChina Company Ltd (Code: 857)	Up 1.75 percent to \$HK8.72 per share
CNOOC Ltd (Code: 883)	Up 1.09 percent to \$HK6.51 per share
Bank of China Ltd (Code: 3988)	Down 1.15 percent to \$HK3.43 per share

China Construction Bank Corporation (Code: 939)

Down 0.29 percent to
\$HK3.39 per share

BOC Hongkong (Holdings) Ltd (Code: 2388)

Down 0.25 percent to
\$HK15.70 per share

Hutchison Whampoa Ltd (Code: 13)

Down 0.07 percent to
\$HK70.20 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		16.67	0.05
Cheong Ming Investments Ltd	1196		12.73	0.48
Chevalier iTech Holdings Ltd	508	19.76		2.00
China Merchants DiChain (Asia) Ltd	632		11.51	3.69
China Motion Telecom International Ltd	989		11.32	0.235
China Velocity Group Ltd	149		20.00	0.48
Cosmos Machinery Enterprises Ltd	118	34.83		0.60
Daisho Microline Holdings Ltd	567	11.98		1.87
Greater China Holdings Ltd	431	13.33		0.34
Jiaoda Kunji High-Tech Company Ltd	300	14.00		3.42
Junefield Department Store Group Ltd	758		12.05	0.073
Kader Holdings Company Ltd	180	11.48		0.34
Kiu Hung International Holdings Ltd	381	20.00		0.30
Mei Ah Entertainment Group Ltd	391		11.90	0.37
Nam Hing Holdings Ltd	986	12.90		0.175
Sino Union Petroleum and Chemical International Ltd	346		13.11	0.265
Starlight International Holdings Ltd	485		13.93	1.05

Unity Investments Holdings Ltd	913		17.73	0.167
Vitop Bioenergy Holdings Ltd	1178		18.97	0.094
Wo Kee Hong (Holdings) Ltd	720		10.64	0.42
Wonderful World Holdings Ltd	109	12.35		0.091

On The GEM, it was a completely different story to that, heard on the Main Board.

The Growth Enterprise Index gave up about 2.21 percent of its value, falling to 1,108.90 points.

The ratio of losers to gainers was about 1.55:One.

The Total Turnover was about \$HK135.32 million.

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

Techpacific Capital Ltd (Code: 8088) Down 8.33 percent to \$HK0.77 per share

TOM Online Incorporated (Code: 8282) Down 7.38 percent to \$HK1.13 per share

Century Sunshine Ecological Technology Holdings Ltd (Code: 8276) Up 3.88 percent to \$HK4.28 per share

Long Success International (Holdings) Ltd (Code: 8017) Down 4.08 percent to \$HK0.94 per share

Shenzhen Dongjiang Environmental Company Ltd (Code: 8230) Up 3.72 percent to \$HK2.23 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
IIN International Ltd	8128	17.86		0.033
Jiangsu Nandasoft Company Ltd	8045		11.03	0.129
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049		14.08	0.122
Neolink Cyber Technology (Holding) Ltd	8116	11.76		0.095
Northeast Tiger Pharmaceutical Company Ltd	8197		26.09	0.051
Panorama International Holdings Ltd	8173		16.67	0.05

Sonavox International Holdings Ltd	8226	44.61		0.295
Thiz Technology Group Ltd	8119	12.90		0.035
Tiger Tech Holdings Ltd	8046		10.96	0.065
WLS Holdings Ltd	8021	11.43		0.156

In Japan, investors went after blue chips in a big way on the country's 3 equity markets.

On The Tokyo Stock Exchange, its key gauge to trading in blue chips, The TOPIX Index, rose by about 1.36 percent to end the day's activities at 1,534.82 points.

Gaining counters outnumbered losing ones by the ratio of about 2.96:One.

The Nikkei-225 Stock Average outdid The TOPIX Index with a gain of about 1.42 percent, rising to 15,005.24 yen.

News Wise

- **Nissan Motor Company** has informed the Japanese Government that it is recalling some 135,402 units of its Largo passenger motor cars in Japan due to faulty sunroofs;
- **Aiful Corporation**, the largest consumer lender in Japan, posted a 27.70-percent fall in its April-June quarterly profits to 14.61 billion yen;
- The Net Profit Attributable to Shareholders of **Sharp Corporation** rose to about 23.90 billion yen, about 23.10 percent, for the quarter, ended June 30, 2006, compared with the like period in 2005;
- **Nissan Motor Company** has posted a Net Profit Attributable to Shareholders of 110.20 billion yen for the period, ended June 30, 2006. That result was a gain of about 4.20 percent, Year-On-Year;
- **Japan's trade surplus** in June was 807.90 billion yen, The Finance Ministry reported. That surplus represented a fall of about 5.90 percent, Year-On-Year; and,
- **Oji Paper Company** is making a bid to take over Hokuetsu Paper Mills Ltd. Oji Paper is the country's leading paper manufacturer.

In other Asian stock markets, this was how their respective key indices ended, last Tuesday night:

The HKSAR	Hang Seng Index Plus 0.63 percent to 16,583.86 The Growth Enterprise Index Minus 2.21 percent to 1,108.90
Indonesia	Plus 0.35 percent to 1,307.78
Japan	TOPIX Index Plus 1.36 percent to 1,534.82 Nikkei-255 Stock Average Plus 1.42 percent to 15,005.24

Malaysia	Plus 0.62 percent to 928.05
The Philippines	Plus 1.18 percent to 2,267.67
Singapore	Plus 1.37 percent to 2,407.56
South Korea	Plus 1.30 percent to 1,279.77
Taiwan	Plus 0.49 percent to 6,390.99
Thailand	Plus 0.67 percent to 688.35

Wednesday

Share prices drifted on the world's major equity markets, last Wednesday, due to (a) the escalation of the war between the Israeli Defence Force and the Iranian-backed Hezbollah guerrillas of Lebanon (b) large losses reported by some Wall Street '*darlings*' and (c) the continuously high price of crude oil on international commodity exchanges.

On The New York Stock Exchange, the Dow Jones Industrial Average lost 1.20 points, equivalent to about 0.01 percent, slipping to 11,102.51 points while, on The NASDAQ, its Composite Index shed 3.44 points, or about 0.17 percent, ending up at 2,070.46 points by the close of the day.

The market had been hit by a raft of poor earnings' reports from some of the darlings of the world's largest equity market as well as warnings of missed chances, with General Motors Corporation, announcing a second-quarter loss of about \$US3.20 billion (second quarter loss for the 2005-Year: \$US987 million), Boeing Corporation, announcing a second quarter loss of about \$US160 million (second quarter net profit for the 2005-Year: \$US566 million) and Corning, a producer of liquid crystal display components, warning that its third-quarter financial results would miss analysts' expectations by a wide margin.

In addition, investors on Wall Street were still smarting from the report from Amazon.com Incorporated of Tuesday (Please see Tuesday's stock-market review) with the result that its share price dropped by another 22 percent to \$US26.26.

Trading on Wall Street was particularly heavy and, since key indices failed to rise, materially, the chances seemed to be high that Thursday would see a further deterioration in share prices.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in September rose by about 0.26 percent to \$US73.94.

As for October delivery, the last settlement for a barrel of light sweet crude oil was \$US74.99, up about 0.37 percent on the last settlement of Tuesday.

In Lebanon, it was reported that the Israeli Defence Force had suffered badly at the hands of the Hezbollah, with 9 more Israeli soldiers, having been killed in the 16-day battle, with 51 Israelis have been killed by Hezbollah missiles inside Israel.

Israel continues to allege that Syria is continuing to send arms and ammunition, medical supplies and food to the Hezbollah guerrilla fighters who have been trained by Iran.

The fighting between the Lebanese Hezbollah and the Israelis is continuing to be of grave concern to oil markets of the world for fear that oil supplies could, eventually, be curtailed as the allies of the Hezbollah take a stand in the conflict.

In Europe, key indices of major equity markets were relatively quiet, but managed fractional improvements as the following **TARGET** () list illustrates:

Amsterdam's AEX Index	Plus 0.52 percent
France's CAC 40 Index	Plus 0.20 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.31 percent
Great Britain's FTSE 100 Index	Plus 0.44 percent
Italy's MIBTEL Index	Plus 0.50 percent
Switzerland's Swiss Market Index	Plus 0.16 percent

Key indices of the most-important equity markets of Asia ended mixed, last Wednesday, with no large movements, at all.

The volume of activity, generally, was considerably lower.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both stock markets managed to record smallish gains.

On the Main Board of The Stock Exchange of Hongkong Ltd, its Hang Seng Index rose about 0.20 percent to 16,617.24 points on a Turnover of about \$HK19.64 billion.

Even so, losing counters outnumbered gaining ones by the ratio of about 1.46:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.22 percent to \$HK138.80 per share
China Life Insurance Company Ltd (Code: 2628)	Up 1.11 percent to \$HK12.74 per share
AAC Acoustic Technologies Holdings Incorporated (Code: 2018)	Down 5.73 percent to \$HK7.40 per share

China Mobile Ltd (Code: 941)	Up 0.32 percent to \$HK46.95 per share
Bank of China Ltd (Code: 3988)	Unchanged at \$HK3.43 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.13 percent to \$HK80.05 per share
PetroChina Company Ltd (Code: 857)	Down 0.34 percent to \$HK8.69 per share
China Construction Bank Corporation (Code: 939)	Down 0.59 percent to \$HK3.37 per share
China Paradise Electronics Retail Ltd (Code: 503)	Up 11.22 percent to \$HK2.28 per share
Hopson Development Holdings Ltd (Code: 754)	Down 4.63 percent to \$HK15.26 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Artel Solutions Group Holdings Ltd	931	10.00		0.055
Artfield Group Ltd	1229		11.46	0.85
Chevalier iTech Holdings Ltd	508	10.00		2.20
China Everbright International Ltd	257	10.53		0.84
China Financial Industry Investment Fund Ltd	1227		24.54	0.123
China National Resources Development Holdings Ltd	661	22.99		0.107
China Paradise Electronics Retail Ltd	503	11.22		2.28
Chinese People Gas Holdings Company Ltd	681		12.66	0.345
CITIC Resources Holdings Ltd	1205	10.22		1.51
Cosmos Machinery Enterprises Ltd	118		11.67	0.53

Deson Development International Holdings Ltd	262		10.87	0.41
Dream International Ltd	1126		11.29	0.275
E2-Capital (Holdings) Ltd	378	19.23		0.93
eForce Holdings Ltd	943	22.95		0.075
Everest International Investments Ltd	204	12.70		0.071
Fortune Telecom Holdings Ltd	110	16.67		0.49
Garron International Ltd	1226		14.67	0.32
Grand Field Group Holdings Ltd	115		10.71	0.10
Honesty Treasure International Holdings Ltd	600	11.11		0.19
Mascotte Holdings Ltd	136	10.00		0.22
Mei Ah Entertainment Group Ltd	391	14.86		0.425
Nam Hing Holdings Ltd	986	12.57		0.197
Same Time Holdings Ltd	451	22.22		1.10
Sino Union Petroleum and Chemical International Ltd	346		10.57	0.237
South East Group Ltd	726	10.00		0.088
Sunlink International Holdings Ltd	2336	13.24		0.077
Swank International Manufacturing Company Ltd	663		10.83	0.107
Wing Hong (Holdings) Ltd	745		20.00	0.036
Wonderful World Holdings Ltd	109	23.08		0.112

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, there was a bit of a turnabout situation, compared with Tuesday's big selloff, as investors pushed up The Growth Enterprise Index to 1,119.20 points, a one-day improvement of about 0.93 percent.

The Total Turnover rose to about \$HK167.47 million, while the ratio of advancing counters to declining ones was about 1.07:One.

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

Wumart Stores Incorporated (Code: 8277)

Up 2.86 percent
to \$HK27.00 per
share

Techpacific Capital Ltd (Code: 8088)

Up 6.49 percent
to \$HK0.82 per
share

Golden Meditech Company Ltd (Code: 8180)

Up 0.47 percent
to \$HK2.12 per
share

Changmao Biochemical Engineering Company Ltd (Code: 8208)

Up 6.74 percent
to \$HK1.90 per
share

TOM Online Incorporated (Code: 8282)

Down 3.54
percent to
\$HK1.09 per
share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
FX Creations International Holdings Ltd	8136		15.07	0.186
HC International Incorporated	8292	10.90		1.73
Sau San Tong Holdings Ltd	8200	11.11		0.13
SYSCAN Technology Holdings Ltd	8083	25.71		0.044
Tianjin TEDA Biomedical Engineering Company Ltd	8189	21.43		0.255
Thiz Technology Group Ltd	8119	17.14		0.041

In Japan, key indices of the country's 3 stock markets suffered as investors cashed out for fear that the situation in the Middle East would worsen.

On The Tokyo Stock Exchange, its key gauge to trading in blue chips, The TOPIX Index, fell by about 0.93 percent to 1,520.44 points.

Losing counters outnumbered gaining ones by the ratio of about 4.02:One.

As for the Nikkei-225 Stock Average, it lost about 0.81 percent, falling back to 14,884.07 yen.

News Wise

- Both **imports and exports** in Japan rose to record levels, during the first half of this year, ended June 30, 2006, compared with the like period in 2005, The Finance Ministry announced. Exports rose 16.10 percent while imports rose by about 22.90 percent. The trade surplus with the US hit a 20-year high of 4.23 trillion yen, up about 17.40 percent, Year-On-Year;

- **Matsushita Electric Industrial Company**, the maker of the Panasonic brand of household appliances as well as home electronics, reported that its Net Profit Attributable to Shareholders for the quarter, ended June 30, 2006, rose about 7 percent to 35.83 billion yen, compared with the like quarter in 2005; and,
- **Honda Motor Company** has reported a Net Profit Attributable to Shareholders for its first quarter, ended June 30, 2006, of 143.40 billion yen, up from 110.60 billion as recorded in the similar period in 2005.

And, on other Asian equity markets, this was how their respective indices ended, last Wednesday night:

The HKSAR	Hang Seng Index Plus 0.20 percent to 16,617.24 The Growth Enterprise Index Plus 0.93 percent to 1,119.20
Indonesia	Plus 0.39 percent to 1,312.83
Japan	TOPIX Index Minus 0.94 percent to 1,520.44 Nikkei-255 Stock Average Minus 0.81 percent to 14,884.07
Malaysia	Plus 0.68 percent to 934.34
The Philippines	Plus 0.95 percent to 2,289.13
Singapore	Minus 0.05 percent to 2,406.31
South Korea	Minus 0.05 percent to 1,279.08
Taiwan	Minus 0.23 percent to 6,376.39
Thailand 690.92	Plus 0.37 percent to

Thursday

More disappointing financial news from more Wall Street favourites stopped key indices of major equity markets from rising, last Thursday.

In addition, the fighting in Lebanon between the Israeli Defence Force and Hezbollah guerrillas hotted up, with Israel, calling up tens of thousands of reserves troops in order to put the squeeze on Hezbollah.

The death toll in Lebanon had risen to more than 600 civilians, as at last Thursday's count.

And, still, there was no sign of any political developments that could be considered even casting a small glimmer of hope to end the killing and maiming of both Israeli civilians, through Hezbollah missiles, raining down on top of them, or of the innocent Lebanese citizens who were being used as shields for the Hezbollah fighters.

On The New York Stock Exchange, the Dow Jones Industrial Average slipped back 2.08 points, equivalent to about 0.02 percent, to end the trading day at 11,100.43 points.

The NASDAQ's Composite Index lost, heavily, however, falling 15.99 points, or about 0.77 percent, dropping to 2,054.47 points.

The biggest disappointment to investors on the world's largest equity market, last Thursday, was a report from Dow Chemical Company, the largest chemical company in the US, which reported a 19-percent drop in its profits for the quarter, ended June 30, 2006.

Dow's share price fell 10 percent as a direct result of the wording of its announcement.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in September was \$US74.54, representing an increase of about 0.81 percent on the last settlement of Wednesday.

As for October delivery, the last settlement for a barrel of light sweet crude oil was \$US75.70, up about 0.95 percent on Wednesday's last quote.

In Europe, buoyed by gains in the energy sector and solid earnings' results from Volkswagen AG and DaimlerChrysler AG, investors went on a small buying spree, sending key indices up, substantially:

Amsterdam's AEX Index	Plus 1.36 percent
France's CAC 40 Index	Plus 1.17 percent
Germany's Frankfurt XETRA DAX Index	Plus 1.36 percent
Great Britain's FTSE 100 Index	Plus 0.89 percent
Italy's MIBTEL Index	Plus 0.83 percent
Switzerland's Swiss Market Index	Plus 0.48 percent

As the price of crude oil continued to rise, so key indices of major European bourses, studded as they are with energy counters, rose in sympathy.

In Asia, every key index of every major stock markets rose, last Thursday.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets made gains, but the emphasis was, almost, completely on the Main Board's stocks and shares.

And, on the Main Board, its Hang Seng Index rose about 1.80 percent to 16,916.77 points.

The Total Turnover shot up to about \$HK28.89 billion, an increase of about 47 percent on the volume of activity on Wednesday.

The ratio of gainers to losers was 2.14:One, exactly.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 1.01 percent to \$HK140.20 per share
China Mobile Ltd (Code: 941)	Up 5.01 percent to \$HK49.30 per share
China Life Insurance Company Ltd (Code: 2628)	Up 1.88 percent to \$HK12.98 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 2.19 percent to \$HK81.80 per share
PetroChina Company Ltd (Code: 857)	Up 1.27 percent to \$HK8.80 per share
CNOOC Ltd (Code: 883)	Up 1.69 percent to \$HK6.61 per share
China Construction Bank Corporation (Code: 939)	Up 0.89 percent to \$HK3.40 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 2.73 percent to \$HK50.75 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.71 percent to \$HK70.95 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 0.38 percent to \$HK15.86 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		13.71	0.107
Bestway International Holdings Ltd	718		20.72	0.088
China Investment Fund Company Ltd	612		10.00	0.126
China Velocity Group Ltd	149	18.75		0.57
Deson Development International Holdings Ltd	262	12.20		0.46

Dream International Ltd	1126	23.64		0.34
Macau Prime Properties Holdings Ltd	199		10.53	0.425
Omnicorp Ltd	94	11.54		0.58
Riche Multi-Media Holdings Ltd	764		12.50	0.14
Suga International Holdings Ltd	912		10.64	0.42
Willie International Holdings Ltd	273		14.12	0.152

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gained only 0.27 percent, rising to 1,122.19 points on a Total Turnover of about \$HK120.37 million.

Losing counters outnumbered gaining ones by the ratio of about 1.18:One.

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

Techpacific Capital Ltd (Code: 8088)	Up 2.44 percent to \$HK0.84 per share
CASH Financial Services Group Ltd (Code: 8122)	Down 1.69 percent to \$HK0.29 per share
Grandy Corporation (Code: 8143)	Up 2.50 percent to \$HK0.82 per share
TOM Online Incorporated (Code: 8282)	Up 7.34 percent to \$HK1.17 per share
Wumart Stores Incorporated (Code: 8277)	Down 2.78 percent to \$HK26.25 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd	8095		12.35	0.355
B M Intelligence International Ltd	8158	12.50		0.045
CCID Consulting Company Ltd	8235	20.21		0.113
Changmao Biochemical Engineering Company Ltd	8208	10.00		2.09
International Entertainment Corporation	8118		24.62	1.50

Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049	16.80		0.146
Neolink Cyber Technology (Holding) Ltd	8116		15.79	0.08
International Financial Network Holdings Ltd	8123	12.00		0.056
SYSCAN Technology Holdings Ltd	8083		13.64	0.038
Tianjin TEDA Biomedical Engineering Company Ltd	8189	23.53		0.315

In Japan, the 3 equity markets of the country were booming, last Thursday.

On The Tokyo Stock Exchange, its TOPIX Index gained 1.41 percent, ending the busy trading session at 1,541.81 points.

Advancing counters outnumbered retreating ones by the ratio of 3.05:One, exactly.

The Nikkei-225 Stock Average was 1.99 percent better on the day, closing at 15,179.78 yen.

News Wise

- **NEC Corporation** recorded a Net Profit Attributable to Shareholders for the quarter, ended June 30, 2006, of 11.46 billion yen. That result compared with a Loss Attributable to Shareholders of about 5.32 billion yen for the like period in 2005.

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

The HKSAR	Hang Seng Index Plus 1.80 percent to 16,916.77 The Growth Enterprise Index Plus 0.27 percent to 1,122.19
Indonesia	Plus 1.35 percent to 1,330.59
Japan	TOPIX Index Plus 1.41 percent to 1,541.81 Nikkei-255 Stock Average Plus 1.99 percent to 15,179.78
Malaysia	Plus 0.26 percent to 936.76
The Philippines	Plus 2.07 percent to 2,336.42
Singapore	Plus 1.59 percent to 2,444.66

South Korea	Plus 1.34 percent to 1,296.27
Taiwan	Plus 1.30 percent to 6,459.25
Thailand	Plus 0.71 percent to 695.83

Friday

The US economy slowed in the second quarter of the year.

It is official: The Bureau of Economic Analysis, a department of the US Government, confirmed it.

This is a précis of that which The Bureau announced, last Friday morning:

‘ECONOMY SLOWS IN THE SECOND QUARTER

‘Real gross domestic product (GDP), the most comprehensive measure of economic activity, increased 2.5 percent in the second quarter after increasing 5.6 percent in the first quarter, according to estimates released today by the Bureau of Economic Analysis.

‘The deceleration in real GDP growth primarily reflected the following:

- 1 Consumer spending decelerated, increasing 2.5 percent after increasing 4.8 percent. The slowdown in consumer spending accounted for more than half of the slowdown in real GDP growth;*
- 1 Business investment in equipment and software turned down, decreasing 1.0 percent, following a 15.6-percent increase; and,*
- 1 Exports decelerated, increasing 3.3 percent after increasing 14.0 percent.*

‘Inflation, as measured by prices for domestic purchases, increased 4.0 percent in the second quarter after increasing 2.7 percent. Excluding food and energy, prices increased 2.9 percent, following a 3.0-percent increase.

‘Real disposable personal income increased 1.0 percent, following an increase of 1.7 percent.’

It was, just about, everything that equity markets, around the world, wanted to hear because it is likely to mean that, when the US Federal Reserve meets in August, it may be persuaded not to raise interest rates any more ... at least, for the time being.

However, with crude oil prices still on the boil, so to speak, a slowdown in the US economy may not mean that inflation has been tamed.

And The Fed may, still, have to consider ways and means to control its rise.

On Wall Street, it was, once again, a time to buy into stocks and shares, as far as investors were concerned.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 119.27 points, about 1.07 percent, ending the trading day at 11,219.70 points.

On The NASDAQ, its Composite Index put on 39.67 points, equivalent to about 1.93 percent, ending the week at 2,094.14 points.

The largest equity markets in the world had had a good week, the tally being:

The Dow Jones Industrial Average	Plus	3.23 percent
The NASDAQ's Composite Index	Plus	3.65 percent

And, on the world's commodity exchanges, even crude oil prices came to the '*party*', cooperating with a material drop in prices.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in September was \$US73.24, down 1.74 percent on Thursday's closing level.

As for delivery in October, the last settlement was \$US74.39 per barrel of light sweet crude oil, representing a drop of about 1.73 percent on Thursday's last settlement.

In Europe, the early morning news from The Bureau gave heart to major bourses, all of which saw their respective key indices rise, some very materially as **TARGET**'s list illustrates:

Amsterdam's AEX Index	Plus 0.82 percent
France's CAC 40 Index	Plus 0.54 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.81 percent
Great Britain's FTSE 100 Index	Plus 0.76 percent
Italy's MIBTEL Index	Plus 0.49 percent
Switzerland's Swiss Market Index	Plus 1.17 percent

In Asia, of course, not having the benefit of knowing, officially, of the slowdown in the US economy for the second quarter of the year, things were, somewhat, up in the air, with key indices of major equity markets of the region, being mixed.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), indices of the territory's 2 equity markets moved very little.

On the Main Board of The Stock Exchange of Hongkong Ltd, its Hang Seng Index rose about 0.23 percent to end the week's proceedings at 16,955.04 points.

The Total Turnover remained on the high side, however, at about \$HK26.47 billion.

Declining counters outnumbered gaining ones by the ratio of about 1.02:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.29 percent to \$HK139.80 per share
China Mobile Ltd (Code: 941)	Up 1.93 percent to \$HK50.25 per share
China Life Insurance Company Ltd (Code: 2628)	Up 0.92 percent to \$HK13.10 per share
PetroChina Company Ltd (Code: 857)	Up 0.80 percent to \$HK8.87 per share
China Construction Bank Corporation (Code: 939)	Unchanged at \$HK3.40 per share
Aluminum Corporation of China Ltd (Code: 2600)	Down 2.92 percent to \$HK5.32 per share
CNOOC Ltd (Code: 883)	Up 0.15 percent to \$HK6.62 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.18 percent to \$HK81.65 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.07 percent to \$HK71.00 per share
Bank of China Ltd (Code: 3988)	Down 0.29 percent to \$HK3.45 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Artel Solutions Group Holdings Ltd	931	16.36		0.064
Artfield Group Ltd	1229	25.61		1.03
Asia Resources Holdings Ltd	899		14.29	0.60
China Haidian Holdings Ltd	256	12.39		0.245
Chitaly Holdings Ltd	1198		12.21	1.15
China Infrastructure Machinery Holdings Ltd	3339	10.21		5.29
Cosmos Machinery Enterprises Ltd	118	13.73		0.58
Grandtop International Holdings Ltd	2309	16.49		0.113

Karl Thomson Holdings Ltd	7	10.50		2.00
Magician Industries (Holdings) Ltd	526		21.74	0.072
MAXX Bioscience Holdings Ltd	512		10.00	0.081
Multifield International Holdings Ltd	898	17.12		0.13
Signal Media and Communications Holdings Ltd	2362		12.86	0.183
Sun East Technology (Holdings) Ltd	365		32.92	0.218
Unity Investments Holdings Ltd	913		23.08	0.12
Zhong Hua International Holdings Ltd	1064	10.12		0.185

Over on The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, it was a slightly different situation as The Growth Enterprise Index slipped 0.39 percent, exactly, to end the week at 1,117.81 points.

The Total Turnover on this speculative market was about \$HK107.65 million, with losing counters, outnumbering gaining ones by the ratio of about 1.29:One.

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

Shenzhen Dongjiang Environmental Company Ltd (Code: 8230)	Down 9.61 percent to \$HK2.07 per share
Techpacific Capital Ltd (Code: 8088)	Down 4.76 percent to \$HK0.80 per share
Golden Meditech Company Ltd (Code: 8180)	Down 0.97 percent to \$HK2.05 per share
Wumart Stores Incorporated (Code: 8277)	Down 4.00 percent to \$HK25.20 per share
HC International Incorporated (Code: 8292)	Up 1.11 percent to \$HK1.82 per share

As for The GEM's double-digit movers of the day, they included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B M Intelligence International Ltd	8158	33.33		0.06

CCID Consulting Company Ltd	8235		24.78	0.085
China Advance Holdings Ltd	8117	13.84		5.51
Info Communication Holdings Ltd	8082	26.47		0.086
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049	13.01		0.165
MP Logistics International Holdings Ltd	8239	11.58		0.106
Plasmagene Biosciences Ltd	8250	10.00		0.11
T S Telecom Technologies Ltd	8003		12.87	0.176
Tianjin TEDA Biomedical Engineering Company Ltd	8189		14.29	0.27

For the week, the tally for Asia's second-largest equity market was:

The Hang Seng Index	Plus 2.98 percent
The Growth Enterprise Index	Minus 2.35 percent

In Japan, things were hopping with key indices of the country's 3 equity markets, all rising substantially.

On The Tokyo Stock Exchange, the TOPIX Index gained 1.14 percent, rising to 1,559.41 points.

The ratio of gainers to losers was about 2.54:One.

The Nikkei-225 Stock Average went along with The TOPIX with a gain of about 1.07 percent, ending the week at 15,342.87 yen.

For the biggest equity market of Asia, the tally was:

The TOPIX Index	Plus 2.90 percent
The Nikkei-225 Stock Average	Plus 3.52 percent

And, for other Asian equity markets, this was how things came to a close, last Friday night:

The HKSAR	Hang Seng Index Plus 0.23 percent to 16,955.04 The Growth Enterprise Index Minus 0.39 percent to 1,117.81
Indonesia	Plus 0.51 percent to 1,337.41
Japan	TOPIX Index Plus 1.14 percent to 1,559.41 Nikkei-255 Stock Average Plus 1.07 percent to 15,342.87

Malaysia	Minus 0.22 percent to 934.72
The Philippines	Minus 0.29 percent to 2,329.57
Singapore	Minus 0.62 percent to 2,429.44
South Korea	Plus 0.06 percent to 1,297.07
Taiwan	Plus 0.32 percent to 6,480.07
Thailand	Minus 0.63 percent to 691.43

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

*If readers feel that they would like to voice their opinions about that which they have read in **TARGET**, please feel free to e-mail your views to editor@targetnewspapers.com. **TARGET** does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*