

**PEACE IN THE MIDDLE EAST: BUT FOR HOW LONG ?
ISRAEL AND LEBANON TRY TO PUT THE PIECES BACK AGAIN –
OIL PRICES FALL AND EQUITY PRICES RISE**

The war between Israel and the Hezbollah ended at 0500 hours Greenwich Mean Time, last Monday, with both sides, claiming victories ... of sorts.

The fighting had stopped.

The guns fell silent.

For its part, Israel claimed that it had destroyed the '*state within a state*', the '*terror organisation*', known as Hezbollah, but its forces would continue, nevertheless, to pursue the leaders of the hated organisation in spite of the truce, brokered by the United Nations, over the weekend of August 12-13.

Hezbollah's leader, Sheikh Hassan Nasrallah, said Hezbollah had scored a '*strategic, historic victory*'.

Certainly, Hezbollah had done what most countries thought was almost impossible: Stand to fight against one of the best-trained and best-equipped armies in the Middle East – if not in the world.

Even Israeli Defence Force senior officers, grudgingly, recognised the effectiveness of the tactics of Hezbollah as well as the tenacity of guerrillas.

In 34 days of fighting, some 1,000 Lebanese civilians had been killed with between 700,000 and 900,000 Lebanese civilians, having been displaced.

As for the official figures, relating to the Israeli side's losses, some 114 Israeli Defence Force soldiers had been killed along with 43 Israeli civilians, with about 500,000 Israeli civilians, having been displaced.

US President George W. Bush, last Monday, berated Iran and Syria for being the sponsors of Hezbollah.

Equity markets around the world responded to the truce and ceasefire between Israel and Hezbollah.

On the New York Stock Exchange, the Dow Jones Industrial Average rose 9.84 points, equivalent to about 0.09 percent, ending the first day of trading of the week at 11,097.87 points.

Over on The NASDAQ, its Composite Index gained 11.33 points, or about 0.55 percent, running up to 2,069.04 points.

Wall Street's gains, however, could be considered somewhat of a knee-jerk reaction to the end of the fighting between Hezbollah and Israel because, on the US economic front, the situation had not altered over the weekend of August 12-13.

On The New York Mercantile Exchange (NYMEX), the price of crude oil fell, helped by the end of the fighting in the Middle East and news that British Petroleum (BP) had found a way to operate its herniated Alaskan oilfield, at least partially.

BP announced that its Prudhoe Bay oilfield in Alaska would be able to operate at 50-percent capacity, after all.

Previously, BP had closed down the entire pipeline – which accounts for about 8 percent of US output – due to excessive corrosion and pipeline damage.

For delivery in September, the last settlement for a barrel of light sweet crude oil was \$US73.53, representing a fall of 82 cents per barrel, equivalent to about 1.10 percent, compared with the last settlement of Friday, August 11, 2006.

The last settlement for a barrel of light sweet crude oil for delivery in October was \$US74.95, down \$US1.04 per barrel, or about 1.37 percent, compared with the last quote of the previous Friday.

In Europe, investors rose to the news that the fighting had ceased in the Middle East.

Indices of all European bourses made useful gains as the following TARGET () list illustrates:

Amsterdam's AEX Index	Plus	0.94 percent
France's CAC 40 Index	Plus	1.23 percent
Germany's Frankfurt XETRA DAX Index	Plus	1.13 percent
Great Britain's FTSE 100 Index	Plus	0.87 percent
Italy's MIBTEL Index	Plus	0.59 percent
Switzerland's Swiss Market Index	Plus	0.83 percent

Last Monday, European investors were looking forward to Tuesday's one-day's rest, which saw many equity markets of the region, being closed for Assumption Day – the feast to honour the reception of the Virgin Mary, bodily received into Heaven.

In Asia, equity markets were slightly stronger on the news that the fighting in the Middle East was coming to an end, at least for the time being.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), while trading on the territory's 2 equity markets could be described as being moderate, key indices moved by only very small fractions.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about 0.23 percent to 17,290.01 points on a Total Turnover of about \$HK21.94 billion.

Even though the Hang Seng Index was in the black, so to speak, declining counters outnumbered gaining ones by the ratio of about 1.22:One.

The Ten Most Active counters were:

Hutchison Whampoa Ltd (Code: 13)	Up 1.72 percent to \$HK73.75 per share
China Life Insurance Company Ltd (Code: 2628)	Up 3.27 percent to \$HK13.90 per share
HSBC Holdings plc (Code: 5)	Down 0.21 percent to \$HK140.80 per share

China Construction Bank Corporation (Code: 939) Down 0.57 percent to \$HK3.49 per share

Hongkong Exchanges and Clearing Ltd (Code: 388) Up 0.77 percent to \$HK52.30 per share

China Mobile Ltd (Code: 941) Unchanged at \$HK51.50 per share

PetroChina Company Ltd (Code: 857) Unchanged at \$HK9.09 per share

CNOOC Ltd (Code: 883) Up 2.00 percent to \$HK7.15 per share

China Petroleum and Chemical Corporation (Code: 386) Up 1.10 percent to \$HK4.61 per share

Bank of China Ltd (Code: 3988) Up 0.29 percent to \$HK3.43 per share

The biggest Main Board movers included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia TeleMedia Ltd	376		26.14	0.065
Carico Holdings Ltd	729	11.66		0.182
China Paradise Electronics Retail Ltd	503		10.50	1.79
China Sci-Tech Holdings Ltd	985	11.50		0.126
Fintronics Holdings Company Ltd	706	28.87		0.25
Grandtop International Holdings Ltd	2309		28.72	0.067
Guangdong Tannery Ltd	1058	10.29		0.375
Heritage International Holdings Ltd	412		12.50	0.021
Kader Holdings Company Ltd	180	11.76		0.38
Mei Ah Entertainment Group Ltd	391	10.53		0.42
One Media Group Ltd	426	15.38		0.60
Polytec Asset Holdings Ltd	208	14.83		2.40
Shimao International Holdings Ltd	649	15.52		0.67

Sunny Global Holdings Ltd	1094	10.87		0.102
Tidetime Sun (Group) Ltd	307	16.90		0.083
Wonderful World Holdings Ltd	109	18.57		0.083
Zhongtian International Ltd	2379	32.08		0.35

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index slid back by about 0.07 percent to 1,129.21 points.

The Total Turnover on this speculative market was about \$HK102.21 million.

The ratio of losers to gainers was about 1.22:One – not unlike the situation on the Main Board.

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

Changmao Biochemical Engineering Company Ltd (Code: 8208) Down 19.30 percent to \$HK1.84 per share

Town Health International Holdings Company Ltd (Code: 8138) Up 9.09 percent to \$HK0.30 per share

CK Life Sciences International (Holdings) Incorporated (Code: 8222) Up 2.94 percent to \$HK0.70 per share

TOM Online Incorporated (Code: 8282) Down 1.89 percent to \$HK1.04 per share

Techpacific Capital Ltd (Code: 8088) Down 1.30 percent to \$HK0.76 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022		20.87	0.091
Cardlink Technology Group Ltd	8066	14.29		0.12
Changmao Biochemical Engineering Company Ltd	8208		19.30	1.84
G.A. Holdings Ltd	8126		15.66	0.14
Longlife Group Holdings Ltd	8037	13.04		0.26
Shandong Luoxin Pharmacy Stock Company Ltd	8058	13.75		0.455
Mobile Telecom Network (Holdings) Ltd	8266		12.70	0.055

MP Logistics International Holdings Ltd	8239	23.26		0.106
Panorama International Holdings Ltd	8173		20.00	0.04
Sanmenxia Tianyuan Aluminum Company Ltd	8253	22.79		0.167

In Japan, there was a bit of an embarrassment for officials of The Tokyo Stock Exchange: There was a total blackout in Tokyo for a period of some 3 hours or so, during the morning session.

For this reason, The Nikkei-225 Stock Average, one of the independent indices, gauging trading in select blue chips, listed on The First Section of The Tokyo Stock Exchange, could not be updated past 1325 hours, Tokyo time.

Be that as it may, The Tokyo Stock Exchange's computer was seemingly unaffected by the morning's blackout and continued to operate normally, when the power returned.

The official TOPIX Index ended the trading day at 1,601.02 points, a gain of 23.10 points, equivalent to an improvement of about 1.46 percent on the previous Friday's closing level.

The ratio of gainers to losers was about 5.74:One.

News Wise

- Corporate **insolvencies**, during the month of July, numbered 1,051 incidents, an increase of about 2.60 percent, Year-On-Year.

In other parts of Asia, this was how their respective indices fared, last Monday:

The HKSAR	Hang Seng Index Plus 0.23 percent to 17,290.01 The Growth Enterprise Index Minus 0.07 percent to 1,129.21
Indonesia	Plus 0.93 percent to 1,415.22
Japan	TOPIX Index Plus 1.46 percent to 1,601.02 Nikkei-255 Stock Average Unavailable Due To Computer Breakdown
Malaysia	Plus 0.40 percent to 946.00
The Philippines	Minus 0.60 percent to 2,327.50
Singapore	Minus 0.01 percent to 2,450.50
South Korea	Plus 0.23 percent to 1,295.11
Taiwan	Plus 0.62 percent to 6,611.90

Thailand	Closed
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Tuesday

As is now commonplace in the US, prior to the opening of Wall Street, The Bureau of Labour Statistics, a division of the US Department of Labour, reports its findings in respect of Producer Price Index for the previous month.

Last Tuesday, The Bureau reported its findings with regard to the month of July.

The bottom line was that The Bureau's statistics indicated that July's prices of manufactured goods had risen, but by the smallest amount in the prior 5 months.

Excluding food and energy prices, core wholesale inflation was down by about 0.30 percent, Month-On-Month.

The following is The Bureau's verbatim report, minus the tables:

'Producer Price Indexes – July 2006

'The Producer Price Index for Finished Goods moved up 0.1 percent in July, seasonally adjusted ... This increase followed a 0.5-percent advance in June and a 0.2-percent rise in May. Prices for finished goods other than foods and energy decreased 0.3 percent in July after moving up 0.2 percent in the previous month. At the earlier stages of processing, prices received by manufacturers of intermediate goods advanced 0.5 percent compared with a 0.7-percent gain in June. The index for crude materials climbed 3.1 percent after declining 1.7 percent in the prior month

'In July, a 1.3-percent increase for finished energy goods prices slightly outweighed declines of 0.3 percent for finished goods less foods and energy and for finished consumer foods.

'Before seasonal adjustment, the Producer Price Index for Finished Goods rose 0.2 percent in July to 162.0 (1982 = 100). From July 2005 to July 2006, the finished goods index moved up 4.2 percent. Over the same period, prices for finished energy goods jumped 16.3 percent, the index for finished goods other than foods and energy increased 1.3 percent, and prices for finished consumer foods advanced 1.1 percent. For the 12-month period ended July 2006, the index for intermediate goods climbed 8.9 percent, and prices received by crude goods producers advanced 6.6 percent.

'Finished goods

'The finished energy goods index increased 1.3 percent in July compared with a 0.7-percent rise in June. Prices for residential electric power advanced 1.8 percent following a 2.8-percent decline in the previous month. The indexes for residential natural gas and lubricating grease also turned up after declining in June. Prices for liquefied petroleum gas rose more than they had a month earlier. By contrast, the gasoline index gained 0.7 percent after climbing 6.3 percent in June. Prices for home heating oil, diesel fuel, and kerosene turned down in July....

'The index for finished goods other than foods and energy declined 0.3 percent in July after edging up 0.2 percent a month earlier. Prices for light motor trucks decreased 3.1 percent compared with a 0.4-percent advance in June. The indexes for passenger cars, pharmaceutical preparations, civilian aircraft, mobile homes, newspaper circulation, railroad equipment, and for integrating and measuring instruments also turned down in July. Prices for men's and boys' apparel fell after remaining unchanged in June, and the index for alcoholic beverages advanced less than it had a month earlier. By contrast, tire prices increased 3.5 percent following no change in June. The indexes for women's, girls', and infants' apparel and for

commercial furniture turned up in July, while prices for platinum and karat gold jewelry declined less than they had in the prior month.

'The finished consumer foods index decreased 0.3 percent in July after rising 1.4 percent in June. The index for eggs for fresh use dropped 26.1 percent following a 27.7-percent climb a month earlier. Prices for fresh fruits and melons, finfish and shellfish, soft drinks, dairy products, processed fruits and vegetables, and for beef and veal also turned down in July after increasing in the prior month. The indexes for processed young chickens, confectionery end products, and pork rose less than in June. Conversely, prices for fresh and dry vegetables advanced 6.5 percent in July following a 7.5-percent decline in June.

'Intermediate goods

'The index for Intermediate Materials, Supplies, and Components increased 0.5 percent in July after advancing 0.7 percent in June. Prices for materials for nondurable manufacturing and for intermediate foods and feeds rose less than they had in June, while the index for intermediate energy goods turned down in July. By contrast, prices for materials for durable manufacturing and for materials and components for construction increased more in July than they had in the preceding month. The index for intermediate goods less foods and energy moved up 0.7 percent after rising 0.8 percent in June.

'The materials for nondurable manufacturing index edged up 0.2 percent in July following a 1.0-percent gain in the preceding month. Prices for primary basic organic chemicals increased 2.2 percent after advancing 5.4 percent in June. The indexes for plastic resins and materials, paperboard, and synthetic fibers also rose less in July than they had in the prior month. Prices for intermediate basic organic chemicals, paper, and nitrogenates turned down following increases a month earlier. Conversely, the index for finished fabrics moved up 0.6 percent in July after decreasing 0.2 percent in June. Prices for phosphates also advanced following declines in the previous month.

'Prices for intermediate energy goods inched down 0.1 percent in July after rising 0.4 percent in the prior month. Diesel fuel prices dropped 5.0 percent following a 5.4-percent advance in June. The indexes for jet fuel, residual fuel, and home heating oil also turned down in July. Prices for gasoline increased less than they had in June.

By contrast, the industrial natural gas index moved up 2.9 percent in July after declining 7.3 percent in June. Prices also turned up in July for commercial natural gas and natural gas to electric utilities. The index for liquefied petroleum gas rose more than it had in June.

'The rate of increase in the index for intermediate foods and feeds slowed from 1.0 percent in June to 0.4 percent in July. Prices for processed young chickens rose 1.9 percent following a 12.1-percent jump in June. The index for pork also advanced less in July than it had a month earlier. Prices for natural, processed, and imitation cheese and for beef and veal turned down after increasing in June. Alternatively, the index for fluid milk products moved up 1.1 percent in July following a 0.3-percent decline in the preceding month. Prices for flour and for refined sugar and byproducts advanced more than they had in June. The prepared animal feeds index increased after remaining unchanged in the previous month.

'Prices for materials for durable manufacturing advanced 2.3 percent in July following a 1.1-percent gain in the prior month. The index for primary nonferrous metals jumped 11.4 percent after falling 3.5 percent in June. Prices for copper and brass mill shapes and for plywood also turned up in July. The indexes for softwood lumber and for building paper and board decreased less than they had in the previous month. By contrast, prices for aluminum mill shapes fell 2.3 percent after rising 2.4 percent in June. The index for secondary aluminum also turned down in July following a gain in the previous month. Prices for semifinished steel mill products, cold finished steel bars, and unprocessed filament yarns increased less than they had in June.

'Prices for materials and components for construction increased 0.7 percent in July

after climbing 0.3 percent in June. The index for concrete products advanced 1.4 percent following a 0.2-percent gain in the prior month. Softwood lumber prices declined less in July than they had a month earlier. The indexes for plastic construction products, plumbing fixtures and brass fittings, and plywood turned up after falling in the preceding month. Alternatively, prices for wiring devices climbed 0.2 percent in July following a 1.4-percent increase in June. The index for air conditioning and refrigeration equipment also rose less than it had in the preceding month, and prices for nonferrous wire and cable fell more than in June.

'Crude goods

'The Producer Price Index for Crude Materials for Further Processing increased 3.1 percent in July following a 1.7-percent decrease in June. Prices for crude energy materials rose after falling in the previous month. By contrast, the indexes for crude foodstuffs and feedstuffs and for crude nonfood materials less energy advanced less in July than they had in the preceding month.

'The index for crude energy materials turned up 4.8 percent after decreasing 6.8 percent in June. Leading this upturn, the natural gas index rose 1.2 percent following a 10.8-percent drop in the prior month. Crude petroleum prices moved up 9.4 percent in July after a 3.7-percent decline a month earlier. The index for coal increased 0.6 percent following no change in the preceding month.

'Price increases for crude foodstuffs and feedstuffs slowed from 4.8 percent in June to 1.8 percent in July. The index for slaughter broilers and fryers advanced 6.4 percent following a 14.7-percent increase in the previous month. Prices for slaughter cattle also rose less in July than they had a month earlier, while the indexes for slaughter hogs, fluid milk, and for fresh fruits and melons fell after increasing in June. Conversely, corn prices climbed 8.0 percent following a 1.2-percent decline in June. The indexes for wheat, fresh vegetables (except potatoes), and soybeans also rose in July after falling in the prior month.

'The crude nonfood materials less energy index increased 1.3 percent following a 1.7-percent advance in the preceding month. In July, rising prices for wastepaper; construction sand, gravel, and crushed stone; gold ores; and miscellaneous metal ore mining outweighed falling prices for iron and steel scrap, copper base scrap, aluminum base scrap, and raw cotton.

'Net output price indexes for mining, manufacturing, and services industries

'Mining. The Producer Price Index for the Net Output of Total Mining Industries increased 5.0 percent in July after decreasing 4.4 percent in June. (Net output price indexes are not seasonally adjusted.) Leading this upturn, prices received by the industry for crude petroleum and natural gas extraction jumped 5.3 percent following a 6.5-percent drop in the previous month. Also advancing in July following declines a month earlier were the industry indexes for natural gas liquid extraction, gold ore mining, oil and gas well drilling services, bituminous coal underground mining, and crushed and broken granite mining and quarrying. Alternatively, prices received by the industry for miscellaneous metal ore mining rose 3.9 percent after climbing 7.0 percent in June. The index for oil and gas operations support activities also moved up at a slower rate than it had in the preceding month. In July, the Producer Price Index for Total Mining Industries was 212.9 (December 1984 = 100), 10.1 percent above its year-ago level.

'Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries inched up 0.1 percent in July after increasing 0.6 percent in June. Prices received by producers of petroleum and coal products edged up 0.1 percent following a 3.0-percent gain in the previous month. The industry group indexes for foods, paper, and machinery manufacturing also advanced less in July than they had in the previous month. Prices received by producers of transportation equipment moved down in July after registering no change in June. The indexes for beverage and tobacco manufacturing, as well as printing and related support activities, turned down after climbing in the prior month. Conversely, prices received by the plastics and rubber products industry group rose 0.6 percent in July compared

with a 0.6-percent decline in June. The industry group index for medical equipment and supplies manufacturing also turned up after falling in the preceding month, while prices received by wood products manufacturers decreased less than they had in June. In July, the Producer Price Index for Total Manufacturing Industries was 159.7 (December 1984 =100), 5.8 percent above its year-ago level.

'Services. Among services industries, prices received by commercial bankers fell 3.6 percent in July following a 5.8-percent jump in June. The industry indexes for portfolio management, television broadcasting, software publishers, and lessors of nonresidential buildings (excluding miniwarehouses) also moved down in July after rising a month earlier. Prices received by the scheduled passenger air transportation industry and savings institutions increased at slower rates than they had in June. By contrast, the index for general medical and surgical hospitals climbed 0.8 percent in July after moving up 0.1 percent in the prior month. Prices received by the industries for investment banking and securities dealing and for specialty hospitals (except psychiatric and substance abuse) also advanced more in July than they had in the previous month ...'.

Investors in the US appeared to like that which they had read about the US economy because it suggested, strongly, that The US Federal Reserve might well be tempted to leave well enough alone and not raise interest rates at its next Open Market Committee Meeting, scheduled September 20, 2006.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 132.39 points, equivalent to about 1.19 percent, ending the trading session at 11,230.26 points.

Over on The NASDAQ, its Composite Index gained 45.97 points, or about 2.22 percent, rising to 2,115.01 points.

News Wise

- **US builders** of homes appear to be far from optimistic about the future of their industry, with The National Association of Home Builders' Index, having fallen to its lowest level of the past 15 years.

In the Middle East, the fragile peace between Hezbollah and Israel appeared to be holding.

With peace (or sorts), having come to the Middle East after more than a month of killing, maiming and mass destruction of parts of Lebanon, oil prices drifted slightly lower.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in September came in at \$US73.05, down about 0.65 percent on Monday's closing level.

For October delivery, the last settlement for a barrel of light sweet crude oil was \$US74.33, representing a fall of about 0.83 percent on the last settlement of Monday.

Europe noted the falls in the price of crude oil on world commodity exchanges and noted, especially, the strength of Wall Street.

Investors in this part of the world reacted, accordingly.

In Europe, a number of equity markets were closed for Assumption Day, but those markets that were open for business, made very useful gains as the following **TARGET** table illustrates:

Amsterdam's AEX Index	Plus	1.14 percent
France's CAC 40 Index	Plus	1.34 percent
Germany's Frankfurt XETRA DAX Index	Plus	1.48 percent
Great Britain's FTSE 100 Index	Plus	0.45 percent

Italy's MIBTEL Index

Closed

Switzerland's Swiss Market Index

Plus 1.70 percent

Asian investors were not happy with their lot, last Tuesday, with most key indices of major equity markets, falling to lower levels.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets' key indices fell, but the speculative equity market of the territory, The Growth Enterprise Market (The GEM), fell with a decided thud.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index lost about 0.09 percent of its value, dropping back to 17,274.07 points on a Total Turnover of about \$HK21.23 billion.

Declining counters outnumbered advancing ones by the ratio of 1.59:One, exactly.

The Ten Most Actives were:

China Life Insurance Company Ltd (Code: 2628)	Down 0.14 percent to \$HK13.88 per share
HSBC Holdings plc (Code: 5)	Down 0.14 percent to \$HK140.60 per share
Bank of China Ltd (Code: 3988)	Up 0.87 percent to \$HK3.46 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.41 percent to \$HK73.45 per share
Bank of Communications Company Ltd (Code: 3328)	Up 0.79 percent to \$HK5.09 per share
China Construction Bank Corporation (Code: 939)	Down 0.29 percent to \$HK3.48 per share
PetroChina Company Ltd (Code: 857)	Down 0.77 percent to \$HK9.02 per share
CNOOC Ltd (Code: 883)	Down 1.12 percent to \$HK7.07 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 0.22 percent to \$HK4.62 per share
China Mobile Ltd (Code: 941)	Down 0.29 percent to \$HK51.35 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)
Beijing Development (Hongkong) Ltd	154	10.00		0.88
Crocodile Garments Ltd	122	25.49		0.64

Everest International Investments Ltd	204	115.38		0.084
Fintronics Holdings Company Ltd	706		10.80	0.223
G-Vision International (Holdings) Ltd	657		11.25	0.071
Radford Capital Investment Ltd	901	31.58		0.125
Shanghai Merchants Holdings Ltd	1104		10.57	0.11
Takson Holdings Ltd	918		29.41	0.096
Wonderful World Holdings Ltd	109	14.46		0.095

On The GEM, which is the speculative equity market of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shed 1.83 percent, exactly, coming to rest at 1,108.55 points.

The Total Turnover on this market rose to \$HK159.31 million, with the ratio of losing counters to gaining ones, being about 1.29:One.

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

Techpacific Capital Ltd (Code: 8088)

Down 11.84 percent to \$HK0.67 per share

China Fire Safety Enterprise Group Holdings Ltd (Code: 8201)

Down 16.85 percent to \$HK0.74 per share

Town Health International Holdings Company Ltd (Code: 8138)

Down 8.33 percent to \$HK0.275 per share

Century Sunshine Ecological Technology Holdings Ltd (Code: 8276)

Up 3.09 percent to \$HK4.67 per share

Changmao Biochemical Engineering Company Ltd (Code: 8208) Up 2.17 percent to \$HK1.88 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Chief Cable TV Group Ltd	8153		10.45	0.60
China Fire Safety Enterprise Group Holdings Ltd	8201		16.85	0.74
Longlife Group Holdings Ltd	8037		14.62	0.222
Shandong Luoxin Pharmacy Stock Company Ltd	8058	14.29		0.52

MegaInfo Holdings Ltd	8279	44.64		0.405
North Asia Strategic Holdings Ltd	8080	22.45		0.60
New Chinese Medicine Holdings Ltd	8085	27.27		0.07
New Universe International Group Ltd	8068	21.21		0.04
Panorama International Holdings Ltd	8173	12.50		0.045
T S Telecom Technologies Ltd	8003		11.11	0.16
Techpacific Capital Ltd	8088		11.84	0.67
Tianjin TEDA Biomedical Engineering Company Ltd	8189		31.25	0.165
Ningbo Yidong Electronic Company Ltd	8249		10.81	0.165

In Japan, trading conditions were a little quiet on the country's 3 equity markets, last Tuesday.

On The Tokyo Stock Exchange, its official TOPIX Index gained about 0.26 percent, edging up to 1,605.12 points.

The Nikkei-225 Stock Average, which is not an official index of this equity market and which, on Monday, could not be reported because the people in charge of the computer, which calculates the value of the Nikkei-225 Average on a day-to-day basis, could not restart the computer, for one reason or another, shed about 0.26 percent, ending the day at 15,816.19 yen.

Advancing counters outpaced declining ones, according to The Tokyo Stock Exchange, by about 1.56:One.

And this was how the key indices of other Asian equity markets ended their respective trading days, last Tuesday:

The HKSAR	Hang Seng Index Minus 0.09 percent to 17,274.07 The Growth Enterprise Index Minus 1.83 percent to 1,108.55
Indonesia	Plus 0.64 percent to 1,424.24
Japan	TOPIX Index Plus 0.26 percent to 1,605.12 Nikkei-255 Stock Average Minus 0.26 percent to 15,816.19
Malaysia	Minus 0.22 percent to 943.94
The Philippines	Plus 0.08 percent to 2,329.42

Singapore	Minus 0.40 percent to 2,440.62
South Korea	Closed
Taiwan	Plus 0.05 percent to 6,615.13
Thailand	Minus 0.10 percent to 707.68

Wednesday

Once again, The Bureau of Labour Statistics, an important division of the US Department of Labour, reported its finding with regard to the Consumer Price Index.

Last Wednesday, it was The Bureau's statistics for the month of July.

Bottom Line: The Consumer Price Index for the month of July 2006 registered a gain of about 4.10 percent, compared with the like month of 2005.

The following is the full text of The Bureau's finding, minus the tables:

'CONSUMER PRICE INDEX: JULY 2006

'The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.3 percent in July, before seasonal adjustment ... The July level of 203.5 (1982-84=100) was 4.1 percent higher than in July 2005.

'The Consumer Price Index for Urban Wage Earners and Clerical workers (CPI-W) also increased 0.3 percent in July, prior to seasonal adjustment. The July level of 199.2 (1982-84=100) was 4.3 percent higher than in July 2005.

'The Chained Consumer Price Index for All Urban Consumers (C-CPI-U) increased 0.1 percent in July on a not seasonally adjusted basis. The July level of 117.6 (December 1999=100) was 3.5 percent higher than in July 2005. Please note that the indexes for the post-2004 period are subject to revision.

'CPI for All Urban Consumers (CPI-U)

'On a seasonally adjusted basis, the CPI-U advanced 0.4 percent in July, following a 0.2 percent rise in June. Energy costs, which declined 0.9 percent in June, advanced 2.9 percent in July. Within energy, the index for petroleum based energy increased 5.0 percent and the index for energy services rose 0.1 percent. The food index increased 0.2 percent in July. The index for all items less food and energy rose 0.2 percent in July following increases of 0.3 percent in each of the preceding four months. A sharp drop in the index for apparel was largely responsible for the smaller increase in July.

'During the first seven months of 2006, the CPI-U rose at a 4.8 percent seasonally adjusted annual rate (SAAR). This compares with an increase of 3.4 percent for all of 2005. The index for energy, which rose 17.1 percent in 2005, advanced at a 25.3 percent SAAR in the first seven months of 2006.

'Petroleum-based energy costs increased at a 52.8 percent annual rate while charges for energy services fell at a 2.5 percent annual rate.

'The food index has increased at a 2.1 percent SAAR thus far this year, following a 2.3 percent rise for all of 2005. Excluding food and energy, the CPI-U advanced at a

3.1 percent SAAR in the first seven months, following a 2.2 percent rise for all of 2005.

'The food and beverages index increased 0.2 percent in July. The index for food at home rose 0.2 percent in July, following a 0.4 percent increase in June. The index for fruits and vegetables, which increased 1.3 percent in June, advanced 0.9 percent in July. Increases in the indexes for fresh fruits and for processed fruits and vegetables – up 2.3 and 0.3 percent, respectively – more than offset a 0.3 percent drop in the index for fresh vegetables. The index for cereal and bakery products rose 0.9 percent in July, reflecting in part, a 1.9 percent increase in bread prices. The indexes for dairy products and for other food at home increased 0.1 and 0.5 percent, respectively. Partially offsetting these increases were declines in the indexes for meats, poultry, fish, and eggs and for nonalcoholic beverages – down 0.6 and 0.5 percent, respectively. Within the former category, prices for beef, poultry, other meats, fish and seafood, and eggs each declined, while pork prices turned up in July. The other two components of the food and beverages index – food away from home and alcoholic beverages – increased 0.3 and declined 0.1 percent, respectively.

'The index for housing, which rose 0.2 percent in June, increased 0.3 percent in July. The index for shelter rose 0.4 percent in July. Within shelter, the indexes for rent and owners' equivalent rent each increased 0.4 percent and the index for lodging away from home rose 0.6 percent. The index for fuels and utilities turned up in July, registering its first increase in six months. The index for natural gas, which had fallen 19.0 percent in the preceding five month period, was unchanged in July. The index for electricity increased 0.1 percent. The index for fuel oil rose for the fourth consecutive month – up 3.1 percent in July. During the last 12 months, the indexes for fuel oil, for electricity, and for natural gas have increased 19.7, 12.7, and 4.0 percent, respectively. In July, the index for household furnishings and operations was unchanged for the second consecutive month.

'The transportation index increased 1.6 percent in July, reflecting an upturn in the index for motor fuel. The index for gasoline rose 5.3 percent, following a 1.0 percent decline in June. (Prior to seasonal adjustment, gasoline prices rose 3.0 percent. As of July, the price of gasoline was 1.9 percent higher than its previous peak level of May 2006.) The index for new vehicles increased 0.1 percent in July and was 0.4 percent higher than a year ago. The index for used cars and trucks increased 0.4 percent in July and was 0.8 percent higher than in July 2005. The index for public transportation increased 0.4 percent in July. (Prior to seasonal adjustment, the index for public transportation rose 1.3 percent, reflecting another increase in airline fares.) Airline fares increased 1.3 percent in July and have advanced 12.6 percent in the first seven months of the year.

'The index for apparel registered its first monthly decline since February, down 1.2 percent in July. (Prior to seasonal adjustment, apparel prices declined 4.3 percent, reflecting continued seasonal discounting of spring-summer clothing. Prices for women's and girls' clothing, which had registered smaller than usual seasonal declines in the preceding two months, fell a record 7.3 percent in July.)

'Medical care costs rose 0.2 percent in July and were 4.0 percent higher than a year ago. The index for medical care commodities – prescription drugs, nonprescription drugs, and medical supplies – increased 0.3 percent. The index for medical care services rose 0.2 percent in July. The indexes for professional services and for hospital and related services each increased 0.2 percent.

'The index for recreation rose 0.3 percent in July. A 2.4 percent increase in the index for sports vehicles accounted for about three-fourths of the advance in the July recreation index.

'The index for education and communication increased 0.3 percent in July. Educational costs increased 0.6 percent while the index for communication was unchanged. Within the latter group, the index for telephone services rose 0.2 percent, as increases in charges for both local land-line telephone services and for wireless telephone services – each up 0.5 percent – more than offset a 0.4 percent decline in land-line long distance telephone services. The index for personal

computers and peripheral equipment declined 0.9 percent in July.

'The index for other goods and services, which rose 0.6 percent in June, declined 0.2 percent in July.

'The indexes for tobacco and smoking products and for personal care each decelerated in July. The index for tobacco and smoking products was unchanged after increasing 0.8 percent in June. The index for personal care, which rose 0.5 percent in June, declined 0.2 percent in July.

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

'On a seasonally adjusted basis, the CPI for Urban Wage Earners and Clerical Workers rose 0.5 percent in July ...'.

Last Wednesday, also, The US Federal Reserve released its findings with regard to industrial production and capacity utilisation for the month of July 2006.

Bottom Line: Industrial production in the US was halved in July 2006, compared with the month of June 2006.

The following is the full text of The Fed's release, minus some tables:

'INDUSTRIAL PRODUCTION AND CAPACITY UTILIZATION

'Industrial production increased 0.4 percent in July after a gain of 0.8 percent in June. Manufacturing output increased 0.1 percent in July; excluding motor vehicles and parts, manufacturing production rose 0.7 percent. With temperatures well above normal during July, the output of utilities rose 2.0 percent. Production at mines climbed 0.8 percent.

'Capacity utilization for total industry rose to 82.4 percent in July; the utilization rate was 2.2 percentage points above its level in July 2005 and 1.4 percentage points above its 1972-2005 average. ...

'Market Groups

'The output of consumer goods decreased 0.3 percent in July, as a decline in the output of consumer durable goods more than offset an increase in the production of nondurable consumer goods. Within consumer durable goods, a drop of 6.2 percent in the output of automotive products was due mostly to a decrease in the production of autos and light trucks. Assemblies of light vehicles dropped from an annual rate of 11.2 million units in June to 10.2 million units in July. The index for appliances, furniture, and carpeting decreased 0.7 percent, whereas the indexes for both home electronics and miscellaneous goods registered gains. The production of consumer nondurable goods rose 0.8 percent for a second consecutive month. In July, the index for non-energy nondurable consumer goods increased 0.6 percent, and gains in the sector were widespread. The production of consumer energy products advanced 1.6 percent but was down 0.6 percent from its year-ago level.

'The production of business equipment moved up 1.1 percent in July and was up 12.2 percent from its year-ago level. Increases in the production of information processing equipment and of industrial and other equipment more than offset a drop in the output of transit equipment. The production of defense and space equipment moved up 0.7 percent. The output of construction supplies rose 0.5 percent in July and was up 6 percent from its year-ago level. The index for business supplies advanced 0.6 percent, its fifth consecutive monthly gain.

'The output of materials gained 0.6 percent in July. The index for energy materials rose 1.2 percent, while the index for non-energy materials was up 0.3 percent. Continued increases in the output of equipment parts boosted the index for durable goods materials, which rose 0.4 percent. Within nondurable materials, the production of textiles edged up, and the output of paper materials and of chemical materials declined.

'Industry Groups

'Manufacturing production increased 0.1 percent in July. The output of nondurable manufacturers was up 0.3 percent, while the production of durable manufacturers was unchanged. Excluding motor vehicles and parts, the output of durable goods advanced 1.0 percent. Capacity utilization in manufacturing edged down to 81.0 percent, a rate 2.4 percentage points above its year-ago level and 1.2 percentage points above its 1972-2005 average.

'Within durable goods manufacturing, the production of motor vehicles and parts dropped 5.4 percent. The decline more than reversed its June increase. The index for furniture and related products also registered a decline, but production for all other major categories of durables remained unchanged or increased. The index for computer and electronic products increased 0.8 percent and stood 18.6 percent above its year-ago level. The production of wood products turned up 1.1 percent after having decreased for seven consecutive months. The index for miscellaneous manufacturing moved up 1.6 percent.

'Among the major categories of nondurable manufacturing, the indexes for paper and for printing and support declined, and the indexes for chemicals and for petroleum and coal products did not change. The production of food, beverage, and tobacco products; textile and product mills; apparel and leather; and plastics and rubber products all registered gains. The output of non-NAICS manufacturing industries (publishing and logging) increased 0.5 percent.

'The output of utilities jumped 2.0 percent in July, and capacity utilization for this category rose to 88.2 percent. Mining output increased 0.8 percent, its fourth consecutive monthly gain. Capacity utilization in mining moved up to 92.1 percent, its highest rate in five years.

'By stage of process, capacity utilization for industries in the crude stage increased 0.5 percentage point, to 89.4 percent. For industries in the primary and semifinished stages, the operating rate rose 0.4 percentage point, to 83.7 percent; for industries in the finished stage, the utilization rate decreased 0.3 percentage point, to 79.5 percent.'

Wall Street warmed to the statistics, pouring out of various US Government agencies, with the result that key indices on major US equity markets rose sharply.

On The New York Stock Exchange, the Dow Jones Industrial Average rose about 0.86 percent, ending the hectic trading session at 11,327.12 points.

The NASDAQ's Composite Index did even better than The Dow, putting on about 1.63 percent to 2,149.54 points.

Gaining counters on The New York Stock Exchange outranked losing ones by about 3:One, while, on The NASDAQ, advancing counters outnumbered declining ones by the ratio of about 2:One.

Investors on the world's largest and most-important equity markets were counting on The Fed, after studying the latest batch of economic statistics, not to increase interest rates at its next Open Market Committee Meeting.

On The New York Mercantile Exchange (NYMEX), crude-oil prices continued to slide.

The last settlement for a barrel of light sweet crude oil for delivery in September was \$US71.89, down \$US1.16 per barrel, or about 1.59 percent, compared with Tuesday's closing level.

As for October delivery, the last settlement for a barrel of light sweet crude oil was \$US73.19, down \$US1.14 per barrel, equivalent to a fall of about 1.53 percent, compared with the last settlement of Tuesday.

In Europe, investors in this part of the world were not as pleased about the US economic data as were their US counterparts.

As far as many European economists were concerned, the recent US economic data was, perhaps, promising, but it smelled of little else.

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

Amsterdam's AEX Index	Plus 0.34 percent
France's CAC 40 Index	Plus 0.43 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.62 percent
Great Britain's FTSE 100 Index	Minus 0.02 percent
Italy's MIBTEL Index	Plus 1.09 percent
Switzerland's Swiss Market Index	Plus 0.53 percent

In Asia, with the lone exception of the equity markets of Malaysia, every key index of every stock market rose, substantially, with Japan's stock markets, leading the way.

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

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index improved by about 1.02 percent to 17,451.03 points.

The Total Turnover was about \$HK28.54 billion.

Gaining counters outnumbered losing ones by the ratio of about 2.31:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 1.05 percent to \$HK140.90 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 3.24 percent to \$HK54.10 per share
China Mobile Ltd (Code: 941)	Up 1.95 percent to \$HK52.35 per share
China Life Insurance Company Ltd (Code: 2628)	Up 0.43 percent to \$HK13.94 per share
Bank of China Ltd (Code: 3988)	Unchanged at \$HK3.46 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.41 percent to \$HK73.75 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 1.64 percent to \$HK16.16 per share

Cheung Kong (Holdings) Ltd (Code: 1)

Up 1.46 percent to \$HK86.85 per share

Sun Hung Kai Properties Ltd (Code: 16)

Up 0.89 percent to \$HK84.65 per share

China Construction Bank Corporation (Code: 939)

Unchanged at \$HK3.48 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139	15.00		0.138
Asia Commercial Holdings Ltd	104	10.77		0.72
Asia TeleMedia Ltd	376	36.92		0.089
Benefun International Holdings Ltd	1130	10.00		0.066
Capital Estate Ltd	193		11.18	0.135
China Rich Holdings Ltd	1191		18.12	0.113
Compass Pacific Holdings Ltd	1188		12.50	0.14
ENM Holdings Ltd	128	16.36		0.64
Everest International Investments Ltd	204		29.76	0.059
Grandtop International Holdings Ltd	2309	11.94		0.075
Kiu Hung International Holdings Ltd	381	10.34		0.32
MAE Holdings Ltd	851		15.38	0.33
Pak Tak International Ltd	2668		13.33	0.26
Poly (Hongkong) Investments Ltd	119	15.44		1.57
Sky Hawk Computer Group Holdings Ltd	1129	13.24		0.077
Wah Nam International Holdings Ltd	159	10.00		0.11
Wonderful World Holdings Ltd	109		12.63	0.083

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index rose by only about 0.11 percent to 1,109.74 points.

The Total Turnover was about \$HK137.26 million.

By the close of the trading day, advancing counters were ahead of declining ones by the ratio of about 1.26:One.

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

MegaInfo Holdings Ltd (Code: 8279)	Up 38.27 percent to \$HK0.56 per share
China Fire Safety Enterprise Group Holdings Ltd (Code: 8201)	Up 1.35 percent to \$HK0.75 per share
Techpacific Capital Ltd (Code: 8088)	Up 4.48 percent to \$HK0.70 per share
Golden Meditech Company Ltd (Code: 8180)	Up 1.49 percent to \$HK2.05 per share
Grandy Corporation (Code: 8143)	Up 1.35 percent to \$HK0.75 per share

The GEM's biggest movers included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
First Mobile Group Holdings Ltd	8110	19.05		0.125
Golding Soft Ltd	8190	11.11		0.02
GreaterChina Technology Group Ltd	8032	12.90		0.035
Longlife Group Holdings Ltd	8037		10.81	0.198
MegaInfo Holdings Ltd	8279	38.27		0.56
Shenzhen Neptunus Interlong Bio-technique Company Ltd	8329		12.07	0.51
Prosperity International Holdings (Hongkong) Ltd	8139	10.29		0.75
Tianjin TEDA Biomedical Engineering Company	8189	24.24		0.205

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In Japan, it was a crackerjack day for investors, locked into Asia's largest equity market.

On The Tokyo Stock Exchange, its TOPIX Index gained 24.61 points, equivalent to about 1.53 percent, rising to 1,629.73 points.

Gainers were ahead of losers by the ratio of about 7.51:One.

The Nikkei-225 Stock Average registered a gain of about 1.61 percent, ending the fast-pace trading day at about 16,071.36 yen.

Japanese investors, not knowing about the latest statistics with regard to the US economy, were counting on declining crude-oil prices and improved exports to The Land of The Free and The Home of The Brave.

The following is the closing of other Asian equity markets, last Wednesday:

The HKSAR	Hang Seng Index Plus 1.02 percent to 17,451.03 The Growth Enterprise Index Plus 0.11 percent to 1,109.74
Indonesia	Plus 0.95 percent to 1,437.77
Japan	TOPIX Index Plus 1.53 percent to 1,629.73 Nikkei-255 Stock Average Plus 1.61 percent to 16,071.36
Malaysia	Minus 0.63 percent to 937.98
The Philippines	Plus 0.60 percent to 2,343.51
Singapore	Plus 0.52 percent to 2,453.43
South Korea	Plus 1.58 percent to 1,315.61
Taiwan	Plus 1.23 percent to 6,696.63
Thailand	Plus 0.62 percent to 712.07

Thursday

Crude oil prices continued to fall, last Thursday, as the Israel-Hezbollah truce appeared to be holding.

Israel Defence Force units were exiting southern Lebanon as a United Nations peacekeeping force, led by about 15,000 Lebanese Army Regulars, prepared to create a buffer zone between Lebanon (Hezbollah) and Israel.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in September was \$US70.06, down about 2.55 percent, compared with the final quote of Wednesday.

As for October delivery, the last settlement for a barrel of light sweet crude oil was \$US71.48, representing a one-day fall of about 2.34 percent.

On the world's largest equity markets, however, trading was somewhat subdued.

The Dow Jones Industrial Average, a key index of the New York Stock Exchange, was up about 0.07 percent to 11,334.96 points while, on The NASDAQ, its Composite Index rose just 0.38 percent to close out the day at 2,157.61 points.

Unlike Wednesday's booming markets, US investors appeared to be taking stock of their, and their country's, positions.

It was a similar story on European bourses where key indices of the most-important markets, though in positive territory by the close of the trading day, only scored small, fractional improvements, in the main.

The fall in the price of crude oil, ironically, had a negative effect on key indices because European stock markets are inundated with energy counters.

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

Amsterdam's AEX Index	Plus	0.08 percent
France's CAC 40 Index	Plus	0.14 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.35 percent
Great Britain's FTSE 100 Index	Plus	0.06 percent
Italy's MIBTEL Index	Plus	0.35 percent
Switzerland's Swiss Market Index	Plus	0.08 percent

Asian equity markets was slightly stronger, but only marginally so.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors went on a profit-taking spree on the Main Board of The Stock Exchange of Hongkong Ltd, but bought into select stocks and shares on The Growth Enterprise Market (The GEM).

The Hang Seng Index, which is the key index of the Main Board, rose about 0.45 percent to end the day at 17,373.05 points.

The Total Turnover was about \$HK27.36 billion, while the ratio of declining counters to advancing ones was about 1.54:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.21 percent to \$HK140.60 per share
China Life Insurance Company Ltd (Code: 2628)	Down 1.43 percent to \$HK13.74 per share

Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 0.09 percent to \$HK54.15 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.27 percent to \$HK73.95 per share
PetroChina Company Ltd (Code: 857)	Down 1.43 percent to \$HK8.93 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 0.62 percent to \$HK16.26 per share
China Mobile Ltd (Code: 941)	Down 1.24 percent to \$HK51.70 per share
CNOOC Ltd (Code: 883)	Down 3.08 percent to \$HK6.93 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.15 percent to \$HK87.85 per share
China Construction Bank Corporation (Code: 939)	Down 0.29 percent to \$HK3.47 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	26.81		0.175
Asia TeleMedia Ltd	376		12.36	0.078
China Elegance (Holdings) Ltd	476		10.34	0.052
China Rich Holdings Ltd	1191	11.50		0.126
Coastal Greenland Ltd	1124	11.29		0.69
EganaGoldpfeil (Holdings) Ltd	48	16.44		3.40
Egana Jewellery and Pearls Ltd	926	17.20		2.18
Everest International Investments Ltd	204		20.34	0.047
Gay Giano International Group Ltd	686		16.67	0.125
Goldbond Group Holdings Ltd	172	19.61		0.183
Hi Sun Technology (China) Ltd	818	11.88		1.13
Magnum International Holdings Ltd	305	11.90		0.094

Pak Tak International Ltd	2668		16.15	0.218
Shanghai Zendai Property Ltd	755	15.88		0.27
Sunlink International Holdings Ltd	2336		11.39	0.07
Takson Holdings Ltd	918	26.00		0.126
Tidetime Sun (Group) Ltd	307		11.11	0.072
United Metals Holdings Ltd	2302	13.21		0.60
Vitop Bioenergy Holdings Ltd	1178	12.79		0.097
Wong's International (Holdings) Ltd	99	11.67		0.67

On The GEM, its Growth Enterprise Index rose by about 1.04 percent to end the trading day at 1,121.33 points.

The Total Turnover on this speculative market was about \$HK161.41 million.

In spite of The Growth Enterprise Index, being deep in positive territory, losing counters outnumbered gaining ones by the ratio of about 1.16:One.

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

TOM Online Incorporated (Code: 8282) Up 20.95 percent to \$HK1.27 per share

MegaInfo Holdings Ltd (Code: 8279) Up 19.64 percent to \$HK0.67 per share

CK Life Sciences International (Holdings) Incorporated (Code: 8222) Up 5.88 percent to \$HK0.72 per share

Ko Yo Ecological Agrotech (Group) Ltd (Code: 8042) Down 4.48 percent to \$HK0.64 per share

China Fire Safety Enterprise Group Holdings Ltd (Code: 8201) Down 8.00 percent to \$HK0.69 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022	20.88		0.11
China Chief Cable TV Group Ltd	8153	23.33		0.74
EMER International Group Ltd	8149		12.50	0.77

Finet Group Ltd	8317		11.90	0.74
Galileo Capital Group Ltd	8029		19.79	0.077
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049	10.00		0.165
MegaInfo Holdings Ltd	8279	19.64		0.67
North Asia Strategic Holdings Ltd	8080		17.19	0.53
New Universe International Group Ltd	8068		15.00	0.034
TOM Online Incorporated	8282	20.95		1.27

In Japan, trading on the country's 3 equity markets was relatively quiet.

On The Tokyo Stock Exchange, its official TOPIX Index was up about 0.11 percent to 1,631.46 points.

The Nikkei-225 Stock Average, however, went in the opposite direction to The TOPIX, losing about 0.32 percent of its value, falling back to 16,020.84 yen.

Losing counters outnumbered gaining ones by the ratio of about 1.04:One.

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

The HKSAR	Hang Seng Index Minus 0.45 percent to 17,373.05 The Growth Enterprise Index Plus 1.04 percent to 1,121.33
Indonesia	Closed
Japan	TOPIX Index Plus 0.11 percent to 1,631.46 Nikkei-255 Stock Average Minus 0.32 percent to 16,020.84
Malaysia	Plus 0.44 percent to 942.08
The Philippines	Plus 0.10 percent to 2,345.96
Singapore	Plus 0.70 percent to 2,470.65
South Korea	Plus 0.93 percent to 1,327.78

Taiwan	Plus 0.55 percent to 6,733.46
Thailand	Minus 0.43 percent to 709.01

Friday

The production of motor vehicles at Ford Motor Company is to be cut in the fourth quarter, the company announced.

At the same time, the company will sack about 30,000 North American workers in the coming years, leading up to 2012, as it winds down operations on the North American Continent and closes some 14 US manufacturing plants.

The shock announcement had only a limited effect on US equity markets, however, with investors, continuing to look kindly on the fact that the price of crude oil was off its highs for the week.

For the fifth consecutive trading session, key indices rose on the world's largest equity markets.

On The New York Stock Exchange, the Dow Jones Industrial Average rose another 0.41 percent to close the week at 11,381.47 points.

On The NASDAQ, its Composite Index put on another 0.29 percent to 2,163.95 points.

The tally for the week for The Dow and NASDAQ's Composite Index was:

The Dow Jones Industrial Average	Plus 2.65 percent
The NASDAQ's Composite Index	Plus 5.16 percent

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in September was \$US71.14, up about 1.54 percent on Thursday's closing level.

As for October delivery, the last settlement for a barrel of light sweet crude oil was \$US72.10, equivalent to a one-day improvement of about 0.87 percent.

In Europe, the values of key indices on major bourses drifted sideways, for the most part.

News of materiality of any description, other than Ford's announcement, was scarce to non-existent, last Friday, and investors in this part of the world pondered the obvious weakness of the US economy.

Also, whether or not that weakness would be exacerbated in the coming months.

This was how the key indices of major European bourses ended the week of August 18, 2006:

Amsterdam's AEX Index	Plus 0.14 percent
France's CAC 40 Index	Minus 0.17 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.28 percent
Great Britain's FTSE 100 Index	Plus 0.05 percent
Italy's MIBTEL Index	Plus 0.16 percent

Switzerland's Swiss Market Index

Minus 0.30 percent

And weakness prevailed throughout many parts of Asia, last Friday, with investors, sitting on their hands.

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

The Main Board of The Stock Exchange of Hongkong Ltd had its Hang Seng Index, standing at 17,330.70 points by the end of the trading day, representing a fall of about 0.24 percent on Thursday's closing level.

The Total Turnover was about \$HK21.44 billion, while the ratio of losers to gainers was about 1.42:One.

The Ten Most Active counters were:

PetroChina Company Ltd (Code: 857) Down 1.90 percent to \$HK8.76 per share

HSBC Holdings plc (Code: 5) Down 0.36 percent to \$HK140.10 per share

China Mobile Ltd (Code: 941) Down 0.10 percent to \$HK51.65 per share

Esprit Holdings Ltd (Code: 330) Up 3.53 percent to \$HK64.55 per share

China Life Insurance Company Ltd (Code: 2628) Up 1.02 percent to \$HK13.88 per share

CNOOC Ltd (Code: 883) Down 2.02 percent to \$HK6.79 per share

Bank of China Ltd (Code: 3988) Unchanged at \$HK3.44 per share

China Construction Bank Corporation (Code: 939) Down 0.29 percent to \$HK3.46 per share

BOC Hongkong (Holdings) Ltd (Code: 2388) Down 0.37 percent to \$HK16.20 per share

Ping An Insurance (Group) Company of China, Ltd (Code: 2318) Down 1.93 percent to \$HK25.35 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)
139 Holdings Ltd	139	15.43		0.202
Asia TeleMedia Ltd	376		10.26	0.07
China Motion Telecom International Ltd	989		10.81	0.132

Compass Pacific Holdings Ltd	1188	15.27		0.151
E. Bon Holdings Ltd	599	10.71		0.62
Everest International Investments Ltd	204	17.02		0.055
Fortuna International Holdings Ltd	530	15.38		0.015
Fortune Telecom Holdings Ltd	110		14.00	0.43
Gay Giano International Group Ltd	686	13.60		0.142
Goldbond Group Holdings Ltd	172	36.07		0.249
Hon Po Group (Lobster King) Ltd	228	11.33		1.67
Luks Industrial (Group) Ltd	366	14.52		2.13
MAE Holdings Ltd	851	12.12		0.37
Sky Hawk Computer Group Holdings Ltd	1129	14.10		0.089
Winfair Investment Company Ltd	287	12.07		3.25
Wonson International Holdings Ltd	651	15.79		0.11
Xin Corporation Ltd	1141		13.88	0.18
Yugang International Ltd	613	10.71		0.124
Zhong Hua International Holdings Ltd	1064	11.49		0.165

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, the situation was very similar to that of the Main Board.

The Growth Enterprise Index lost about 0.29 percent of its value, slipping back to 1,118.05 points on a Total Turnover of about \$HK147.46 million.

The ratio of losing counters to gaining ones was about 1.33:One.

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

TOM Online Incorporated (Code: 8282)

Down 6.30 percent to \$HK1.19 per share

Century Sunshine Ecological Technology Holdings Ltd (Code: 8276)

Unchanged at \$HK4.71 per share

Changmao Biochemical Engineering Company Ltd (Code: 8208) Up 9.24 percent to \$HK2.01 per share

China Fire Safety Enterprise Group Holdings Ltd (Code: 8201) Up 2.90 percent to \$HK0.71 per share

MegaInfo Holdings Ltd (Code: 8279) Down 5.97 percent to \$HK0.63 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		18.18	0.09
CCID Consulting Company Ltd	8235	11.11		0.10
Galileo Capital Group Ltd	8029	16.88		0.09
IIN International Ltd	8128	10.00		0.033
North Asia Strategic Holdings Ltd	8080	28.30		0.68
Sau San Tong Holdings Ltd	8200		10.00	0.099

The tally for the week for the second-largest equity market of Asia was:

The Hang Seng Index	Plus 0.47 percent
The Growth Enterprise Index	Minus 1.06 percent

In The Land of The Rising Sun, the country's 3 equity markets made modest gains.

On The Tokyo Stock Exchange, which is the premier equity market of Japan, its TOPIX Index rang up a gain of about 0.61 percent to 1,641.45 points.

Gaining counters outnumbered losing ones by the ratio of about 3.03:One.

The Nikkei-225 Stock Average rose 0.53 percent to 16,105.98 yen.

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

The TOPIX Index	Plus 4.03 percent
The Nikkei-225 Stock Average	Plus 3.48 percent

And this was how the key indices of other Asian equity markets fared, last Friday:

The HKSAR	Hang Seng Index Minus 0.24 percent to 17,330.70 The Growth Enterprise Index Minus 0.29 percent to 1,118.05
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Indonesia	Closed
Japan	TOPIX Index Plus 0.61 percent to 1,641.45 Nikkei-255 Stock Average Plus 0.53 percent to 16,105.98
Malaysia	Minus 0.01 percent to 942.00
The Philippines	Minus 0.68 percent to 2,329.90
Singapore	Plus 0.52 percent to 2,483.53
South Korea	Plus 0.25 percent to 1,331.10
Taiwan	Minus 0.18 percent to 6,721.08
Thailand	Minus 0.07 percent to 708.49
Thailand	Minus 0.43 percent to 709.01

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