

**MORE EVIDENCE: THE U.S. ECONOMY IS ‘BLEEDING’;
THE U.S. DOLLAR HITS A 14-YEAR LOW; AND,
AMERICAN EQUITY MARKETS SWITCH INTO REVERSE GEAR**

Things did not look good for investors, locked into stocks and shares, listed on US equity markets, last Monday.

The US dollar was losing its exchange value against a number of ‘*hard*’ currencies, US consumers were cutting back on their spending in the High Street, and the price of crude oil was on the move to higher levels, again.

In addition, it was announced that Ford Motor Company would be seeking additional funding to the extent of about \$US18 billion in order to bring about its badly needed restructuring exercise.

On The New York Stock Exchange, the Dow Jones Industrial Average gave up 158.38 points, equivalent to about 1.29 percent, falling back to 12,121.79 points.

On The NASDAQ, its Composite Index shed 54.34 points, or about 2.21 percent, ending the hectic trading day at 2,405.92 points.

On the Big Board of The New York Stock Exchange, losing counters outnumbered gaining ones by the ratio of about 4.00:One, while, on The NASDAQ, the distance between the losers and the gainers was even wider, at about 4.80:One.

On The New York Mercantile Exchange (NYMEX), which was open, last Monday, for the first time since the previous Wednesday due to the Thanksgiving Day holiday, the last settlement for a barrel of light sweet crude oil for delivery in January 2007 was \$US60.32, up about 1.82 percent on the last settlement of Wednesday, November 22, 2006.

As for delivery in February 2007, the last settlement came in at \$US61.69 per barrel of light sweet crude oil, representing an increase of about 1.56 percent on the final quote of Wednesday, November 22, 2006.

Europe followed the lead of Wall Street as investors caused the key indices of major bourses to lose considerable ground:

Amsterdam’s AEX Index	Minus 1.35 percent
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France’s CAC 40 Index	Minus 1.49 percent
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Germany’s Frankfurt XETRA DAX Index	Minus 1.77 percent
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Great Britain’s FTSE 100 Index	Minus 1.17 percent
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Italy’s MIBTEL Index	Minus 1.39 percent
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Switzerland's Swiss Market Index Minus 1.28 percent

The key indices of major Asian equity markets were, generally, mildly bullish, with the lone exception of the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index eased back to 19,204.01 points, representing a one-day loss of about 0.29 percent.

The Total Turnover was about \$HK45.06 billion, while the ratio of declining counters to advancing ones was about 1.92:One.

The Ten Most Active counters were:

Industrial and Commercial Bank of China Ltd
(Code: 1398) Down 2.93 percent to \$HK3.97 per share

China Construction Bank Corporation (Code: 939) Down 3.80 percent to \$HK4.05 per share

Bank of China Ltd (Code: 3988) Down 3.34 percent to \$HK3.76 per share

HSBC Holdings plc (Code: 5) Down 0.48 percent to \$HK145.40 per share

China Mobile Ltd (Code: 941) Down 0.74 percent to \$HK67.30 per share

Melco International Development Ltd (Code: 200) Down 1.65 percent to \$HK20.90 per share

China Life Insurance Company Ltd (Code: 2628) Up 1.79 percent to \$HK19.32 per share

PetroChina Company Ltd (Code: 857) Up 0.41 percent to \$HK9.72 per share

COFCO International Ltd (Code: 506) Down 2.63 percent to \$HK7.04 per share

Hutchison Whampoa Ltd (Code: 13) Down 0.27 percent to \$HK73.70 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Apex Capital Ltd	905	23.08		0.16
Asia TeleMedia Ltd	376	51.64		0.185
BEP International Holdings Ltd	2326	18.18		0.13

China Financial Industry Investment Fund Ltd	1227	20.00		0.33
China Rich Holdings Ltd	1191	25.40		0.158
Garron International Ltd	1226	10.29		0.375
Graneagle Holdings Ltd	147		11.11	0.56
Great China Holdings Ltd	141		10.00	0.63
Green Energy Group Ltd	979	14.29		1.28
Junefield Department Store Group Ltd	758	14.86		0.085
MAE Holdings Ltd	851		23.26	0.33
Orient Overseas (International) Ltd	316	11.62		50.45
Shang Hua Holdings Ltd	371	24.29		0.435
Sky Hawk Computer Group Holdings Ltd	1129	18.33		0.355
SW Kingsway Capital Holdings Ltd	188		11.11	0.28
TCC International Holdings Ltd	1136	14.17		1.45
Tidetime Sun (Group) Ltd	307		10.11	0.16
Venture International Investment Holdings Ltd	61		10.83	0.14
Wing Hong (Holdings) Ltd	745	10.20		0.054

Over on The (very speculative) **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its lone index, The Growth Enterprise Index, managed a gain of about 0.74 percent, ending the trading session at 1,182.46 points.

The Total Turnover on this market was about \$HK192.86 million.

In spite of the lone index, being in positive territory at the close of the trading day, declining counters outnumbered advancing ones by the ratio of about 1.14:One.

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

Kanstar Environmental Paper Products Holdings Ltd (Code: 8011) Up 13.24 percent to \$HK0.385 per share

Shandong Weigao Group Medical Polymer Company Ltd (Code: 8199) Up 2.05 percent to \$HK7.95 per share

Century Sunshine Ecological Technology Holdings Ltd
(Code: 8276)

Up 3.82 percent to \$HK7.07 per share

Beijing Jingkelong Company Ltd (Code: 8245)

Down 1.60 percent to \$HK6.78 per share

China Vanguard Group Ltd (Code: 8156)

Up 28.36 percent to \$HK0.86 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022	18.75		0.19
Armitage Technologies Holding Ltd	8213	16.00		0.058
Shanxi Changcheng Microlight Equipment Company Ltd	8286	35.71		0.38
China Medical Science Ltd	8120	349.15		0.265
China Vanguard Group Ltd	8156	28.36		0.86
Global Link Communications Holdings Ltd	8060	17.02		0.055
ITE (Holdings) Ltd	8092		29.33	0.053
Kanstar Environmental Paper Products Holdings Ltd	8011	13.24		0.385
Linefan Technology Holdings Ltd	8166	14.00		0.057
Sau San Tong Holdings Ltd	8200	19.61		0.122
Sys Solutions Holdings Ltd	8182	47.98		0.33
Timeless Software Ltd	8028	11.54		0.116
Union Bridge Holdings Ltd	8047	14.00		0.285

In The Land of The Rising Sun, things looked very differently on the country's 3 equity markets, compared with the previous week's trading direction, which saw key indices lose in excess of 2 percent.

On The Tokyo Stock Exchange, its TOPIX Index rose about 0.97 percent to 1,553.01 points with the ratio of gaining counters to losing ones, being about 4.60:One.

The narrower gauge of trading in blue chips, listed on The First Section of The Tokyo Stock Exchange,

known as The Nikkei-225 Stock Average, was up about 0.96 percent to 15,885.38 yen.

There was little news of any great important that made equity prices start to rise, last Monday, and, if anything, it was speculation on the part of Japanese investors, taking a flyer on Wall Street's direction when it opened for business for the first time since the long, Thanksgiving weekend holiday.

This was how investors saw the situation on other Asian equity markets, last Monday:

The HKSAR	Hang Seng Index Minus 0.29 percent to 19,204.01 The Growth Enterprise Index Plus 0.74 percent to 1,182.46
Indonesia	Plus 0.65 percent to 1,728.93
Japan	TOPIX Index Plus 0.97 percent to 1,553.01 Nikkei-255 Stock Average Plus 0.96 percent to 15,885.38
Malaysia	Plus 0.74 percent to 1,068.29
The Philippines	Minus 0.01 percent to 2,817.56
Singapore	Plus 0.93 percent to 2,840.94
South Korea	Plus 0.24 percent to 1,425.13
Taiwan	Plus 0.95 percent to 7,498.15
Thailand	Plus 1.49 percent to 734.66

Tuesday

The US economy has slowed, appreciably, and inflation is a worrying aspect of the largest, single economy of the world.

Dr Ben Bernanke, the Chairman of the US Federal Reserve, said this in New York, during a speech to The National American Foundation, last Tuesday.

He said, inter alia: '*A failure of inflation to moderate as expected would be especially troublesome ...*'.

Meanwhile, the US Commerce Department announced that orders for durable goods in the US for the month of October dropped by about 8.30 percent, Year-On-Year.

The figures represented the sharpest drop in the past 6 years.

Dr Ben Bernanke, commenting on the Commerce Department's release, said that '*substantial uncertainties*'

remain in respect of the US economy and that core inflation – which excludes energy and food costs – remains *‘uncomfortably high’*.

And, on international commodity exchanges, last Tuesday, crude oil prices rose, materially.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in January 2007 was \$US60.99, up 1.11 percent, exactly, compared with Monday’s closing level.

The January price closed at the peak of the day.

As for delivery in February 2007, the last settlement for a barrel of light sweet crude oil came in at \$US62.39, representing an increase of about 1.13 percent on the Monday’s last settlement.

Wall Street investors appeared to be untroubled, in the main, by the speech of the most-celebrated, living economist of the world, today, or of the statistical release from the US Commerce Department.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 14.74 points, equivalent to about 0.12 percent, ending the trading day at 12,136.45 points.

Over on The NASDAQ, its Composite Index gained 6.69 points, representing a one-day improvement of about 0.28 percent, rising to 2,412.61 points.

Investors, holding onto scrip, listed on European bourses, appeared to be unhappy with their lot, resulting in losses on major equity markets as TARGET’s list illustrates:

Amsterdam’s AEX Index	Plus 0.03 percent
France’s CAC 40 Index	Minus 0.04 percent
Germany’s Frankfurt XETRA DAX Index	Minus 0.26 percent
Great Britain’s FTSE 100 Index	Minus 0.39 percent
Italy’s MIBTEL Index	Minus 0.03 percent
Switzerland’s Swiss Market Index	Minus 0.90 percent

For the largest bourses, last Tuesday’s close represented a 7-week low.

Dr Ben Bernanke’s speech and the US Commerce Department’s release had a telling effect on investor sentiment, to be sure.

In Asia, it was losses all round on major equity markets for a number of very valid reasons:

1. Wall Street’s key indices appeared to have run up to uncomfortably high levels;
2. Home sales in the US continued to fall, taking their toll of the US economy;
3. The US economy had slowed and continued to show signs of more slowing; and,
4. There were growing indications that, at the next Open Market Committee Meeting of the US Federal Reserve, interest rates could be moved up another 25 basis points.

In the Hongkong Special Administrative Region (HKSAR) of the People’s Republic of China (PRC), both

equity markets suffered major losses.

The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, shed 564.48 points, equivalent to about 2.94 percent, ending the very active trading day at 18,639.53 points.

The Total Turnover was about \$HK58.87 billion, the third-highest turnover in the history of the second, most-important equity market of Asia.

Last Tuesday's fall was the largest, one-day paring since September 11, 2001, aka 9/11.

The ratio of losing counters to gaining ones was about 5.87:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 1.79 percent to \$HK142.80 per share
China Construction Bank Corporation (Code: 939)	Down 6.42 percent to \$HK3.79 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 5.29 percent to \$HK3.76 per share
Bank of China Ltd (Code: 3988)	Down 5.32 percent to \$HK3.56 per share
China Life Insurance Company Ltd (Code: 2628)	Down 4.97 percent to \$HK18.36 per share
PetroChina Company Ltd (Code: 857)	Down 4.63 percent to \$HK9.27 per share
China Mobile Ltd (Code: 941)	Down 4.16 percent to \$HK64.50 per share
Hutchison Whampoa Ltd (Code: 13)	Down 2.85 percent to \$HK71.60 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 5.92 percent to \$HK5.72 per share
China Merchants Bank Company Ltd (Code: 3968)	Down 5.87 percent to \$HK14.10 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)
BEP International Holdings Ltd	2326		24.62	0.098
China Credit Holdings Ltd	185		11.03	0.129
China Everbright Ltd	165		10.10	7.48

China Financial Industry Investment Fund Ltd	1227		12.12	0.29
China Investment Fund Company Ltd	612		21.31	0.48
Chinese People Gas Holdings Company Ltd	681		11.34	0.43
China Rich Holdings Ltd	1191		11.39	0.14
China Sci-Tech Holdings Ltd	985		10.68	0.092
Climax International Company Ltd	439		10.06	0.161
Compass Pacific Holdings Ltd	1188	16.19		0.122
Fushan International Energy Group Ltd	639		12.00	0.88
Guangzhou Shipyard International Company Ltd	317		10.00	12.60
Heritage International Holdings Ltd	412		15.38	0.022
The Hongkong Building and Loan Agency Ltd	145		12.50	0.98
Jolimark Holdings Ltd	2028		11.00	0.89
MAE Holdings Ltd	851	15.15		0.38
Magician Industries (Holdings) Ltd	526		16.67	0.10
MAXX Bioscience Holdings Ltd	512		11.50	0.10
Min Xin Holdings Ltd	222		10.45	2.40
New Capital International Investment Ltd	1062		12.82	0.17
Next Media Ltd	282		10.21	3.43
Oriental Investment Corporation Ltd	735	16.95		0.345
Shanghai Allied Cement Ltd	1060		10.00	0.405
Sino Union Petroleum and Chemical International Ltd	346	17.78		0.265
SW Kingsway Capital Holdings Ltd	188		10.71	0.25
Venture International Investment Holdings Ltd	61		14.29	0.12

VST Holdings Ltd	856	10.74		1.65
Wealthmark International (Holdings) Ltd	39		30.00	0.35
Wing Hong (Holdings) Ltd	745		11.11	0.048

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its lone index, known as The Growth Enterprise Index, shed 19.59 points, or about 1.66 percent, ending the moderately active trading day at 1,162.87 points.

The ratio of losers to gainers was about 3.42:One.

The Total Turnover on this market was about \$HK192.05 million.

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

Century Sunshine Ecological Technology Holdings Ltd (Code: 8276) Down 9.34 percent to \$HK6.41 per share

Beijing Jingkelong Company Ltd (Code: 8245) Down 2.65 percent to \$HK6.60 per share

Kanstar Environmental Paper Products Holdings Ltd (Code: 8011) Down 9.09 percent to \$HK0.35 per share

Aptus Holdings Ltd (Code: 8212) Up 1.80 percent to \$HK1.70 per share

Shandong Weigao Group Medical Polymer Company Ltd (Code: 8199) Unchanged at \$HK7.95 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Armitage Technologies Holding Ltd	8213		17.24	0.048
BIG Media Group Ltd	8167	169.23		0.315
China Chief Cable TV Group Ltd	8153		30.00	0.231
Shanxi Changcheng Microlight Equipment Company Ltd	8286		21.05	0.30
China Medical Science Ltd	8120		39.62	0.16
ePRO Ltd	8086	19.57		0.11

Everpride Biopharmaceutical Company Ltd	8019		14.47	0.065
Golding Soft Ltd	8190		22.58	0.024
ITE (Holdings) Ltd	8092		18.87	0.043
Jiangsu Nandasoft Company Ltd	8045		10.85	0.115
Linefan Technology Holdings Ltd	8166		10.53	0.051
Mobile Telecom Network (Holdings) Ltd	8266	29.23		0.084
Northeast Tiger Pharmaceutical Company Ltd	8197	16.22		0.086
Panorama International Holdings Ltd	8173	32.31		0.086
Sau San Tong Holdings Ltd	8200		11.48	0.108
Sino Haijing Holdings Ltd	8065		18.64	0.048
Soluteck Holdings Ltd	8111		28.81	0.042
Sys Solutions Holdings Ltd	8182	22.73		0.405
SYSCAN Technology Holdings Ltd	8083		14.29	0.24
T S Telecom Technologies Ltd	8003		13.33	0.13
Tradeeasy Holdings Ltd	8163		10.53	0.051
Union Bridge Holdings Ltd	8047	10.53		0.315
Vodatel Networks Holdings Ltd	8033		15.15	0.14

On The Tokyo Stock Exchange, The TOPIX Index, which is the key index of this market, gained about 0.14 percent, edging its way to 1,555.11 points.

Gaining counters outnumbered losing ones by the ratio of about 1.73:One.

The narrower gauge of trading in blue chips, listed on The First Section of The Tokyo Stock Exchange, known as The Nikkei-225 Stock Average, lost about 0.19 percent, skidding back to 15,855.26 yen.

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

The HKSAR	Hang Seng Index Minus 2.94 percent to 18,639.53 The Growth Enterprise Index Minus 1.66 percent to 1,162.87
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Indonesia	Minus 2.19 percent to 1,691.08
Japan	TOPIX Index Plus 0.14 percent to 1,555.11 Nikkei-255 Stock Average Minus 0.19 percent to 15,855.26
Malaysia	Minus 1.04 percent to 1,057.23
The Philippines	Minus 1.36 percent to 2,779.14
Singapore	Minus 1.87 percent to 2,787.81
South Korea	Minus 0.96 percent to 1,411.47
Taiwan	Minus 0.71 percent to 7,444.94
Thailand	Minus 1.00 percent to 727.33

Wednesday

There were mixed signals for investors to ponder, last Wednesday, but a large proportion of them chose to adopt a positive posture with regard to the data, despite what should have been considered a raft of very negative news.

On The **New York Mercantile Exchange** (NYMEX), the price of crude oil went for a merry ride, rising substantially over Tuesday's closing levels.

For delivery in January 2007, the last settlement for a barrel of light sweet crude oil came in at \$US62.46, up 2.41 percent, exactly, compared with Tuesday's last settlement.

As for February 2007 delivery, the last settlement for a barrel of light sweet crude oil was \$US63.82, representing a jump of about 2.29 percent on Tuesday's last price.

From The Bureau of Economic Analysis, a division of the US Department of Commerce, came a revision of the US **Gross Domestic Product** (GDP) for the third quarter.

The irony of this situation was that, although the new data was an improvement over the previous figures, the latest figures continued to indicate a slowing of the US economy.

The following is an abridged version of The Bureau's official release of last Wednesday:

'The economy grew at an annual rate of 2.2 percent in the third quarter, compared with 2.6 percent in the second quarter, according to the "preliminary" estimates released by the Bureau of Economic Analysis. The third-quarter growth rate was revised up 0.6 percentage point from the "advance" estimates released in October. BEA also released its first estimate of third-quarter corporate profits, which increased 30.9 percent from the same quarter a year ago.

'Gross Domestic Product (GDP)

‘As reported last month, the deceleration in third-quarter GDP growth reflected an acceleration in imports. (Because GDP is a measure of domestic production, imports are subtracted in its calculation.) The deceleration in GDP also reflected a larger decrease in residential investment, and decelerations in inventory investment, in consumer spending for services, and in state and local government spending.

‘Data made available since last month’s release indicate that the acceleration in imports and the decelerations in inventory investment and consumer spending for services were less than originally indicated.

‘Corporate Profits

‘Corporate profits growth was strong in the third quarter of 2006, compared with the third quarter of 2005, when profits were reduced by Hurricanes Katrina and Rita.

Also from the Commerce Department, it was announced that sales of new homes had fallen by about 3.20 percent in October, Year-On-Year, seasonally adjusted.

In the past year, new homes sales have declined by about 25.40 percent, statistics proved.

Overall, in the past 12 months, the housing sector of the US economy has posted its biggest decline in the previous 15 years.

In spite of all of the above, on The New York Stock Exchange, investors went back to buying into stocks and shares in a big way, pushing up key indices.

The Dow Jones Industrial Average gained 90.28 points, equivalent to about 0.74 percent, ending the trading day at 12,226.73 points.

On The NASDAQ, its Composite Index rode the buying waves with a gain of 19.62 points, or about 0.81 percent, as investors pushed it to 2,432.23 points.

Ironically, much of the gains was due to the rapid increase in the price of crude oil on international commodity exchanges because, seeing the price of the black ooze rise, once again, investors went back into energy counters.

News Wise

- **Ford Motor Company** announced that 38,000 of its unionised employees had agreed to leave their workplaces, voluntarily. The company will pay severance pay to those workers who have agreed to leave the company, permanently.

In Europe, there was a bit of a bounce as investors, noting the Wall Street turnabout, determined that they were not going to miss out on this bullish ‘bus’:

Amsterdam’s AEX Index	Plus	0.73 percent
France’s CAC 40 Index	Plus	1.41 percent
Germany’s Frankfurt XETRA DAX Index	Plus	1.30 percent
Great Britain’s FTSE 100 Index	Plus	0.97 percent
Italy’s MIBTEL Index	Plus	1.37 percent

Switzerland's Swiss Market Index Plus 1.04 percent

As with Wall Street, Europe's gains were predicated by the increase in crude oil prices and the revision of the US GDP by the Commerce Department.

In Asia, with the lone exception of the equity markets of The Philippines, investors witnessed the return of the bull.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both stock markets witnessed renewed buying activity of old favourites, reversing Tuesday's bearishness.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about 0.76 percent to 18,780.93 points on a Total Turnover of about \$HK50.06 billion.

Gainers outnumbered losers by the ratio of about 3.15:One.

The Ten Most Actives were:

China Construction Bank Corporation (Code: 939) Up 5.80 percent to \$HK4.01 per share

Bank of China Ltd (Code: 3988) Up 4.78 percent to \$HK3.73 per share

China Life Insurance Company Ltd (Code: 2628) Up 1.85 percent to \$HK18.70 per share

Industrial and Commercial Bank of China Ltd (Code: 1398) Up 3.99 percent to \$HK3.91 per share

HSBC Holdings plc (Code: 5) Up 0.70 percent to \$HK143.80 per share

China Mobile Ltd (Code: 941) Down 0.31 percent to \$HK64.30 per share

PetroChina Company Ltd (Code: 857) Up 3.56 percent to \$HK9.60 per share

China Petroleum and Chemical Corporation (Code: 386) Up 3.85 percent to \$HK5.94 per share

China Telecom Corporation Ltd (Code: 728) Up 4.82 percent to \$HK3.48 per share

Neo-China Group (Holdings) Ltd (Code: 563) Down 12.20 percent to \$HK1.08 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)
Benefun International Holdings Ltd	1130		10.77	0.058

Decca Holdings Ltd	997	14.40		1.43
Frankie Dominion International Ltd	704	19.35		0.148
Fushan International Energy Group Ltd	639	18.18		1.04
G-Vision International (Holdings) Ltd	657	15.66		0.48
Golden Dragon Group (Holdings) Ltd	329	14.95		1.23
Grandtop International Holdings Ltd	2309		11.39	0.07
Heng Tai Consumables Group Ltd	197	18.52		0.96
Luks Industrial (Group) Ltd	366	11.70		3.82
Magician Industries (Holdings) Ltd	526	18.00		0.118
Ming Hing Holdings Ltd	402		13.51	0.64
Neo-China Group (Holdings) Ltd	563		12.20	1.08
Oriental Explorer Holdings Ltd	430		13.33	0.052
Pico Far East Holdings Ltd	752	11.59		1.54
Qualipak International Holdings Ltd	1224	10.39		0.425
South East Group Ltd	726	10.67		0.083
UDL Holdings Ltd	620	14.29		0.04
Uni-Bio Science Group Ltd	690	16.26		3.79
Venture International Investment Holdings Ltd	61	25.00		0.15
Vongroup Ltd	318		10.45	0.30
Wai Yuen Tong Medicine Holdings Ltd	897	10.64		0.26
Wealthmark International (Holdings) Ltd	39	12.86		0.395
Wing Hong (Holdings) Ltd	745	10.42		0.053

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

Turnover regressed to about \$HK158.82 million, compared with Tuesday's volume of activity of about \$HK192.05 million, its Growth Enterprise Index gained about 1.03 percent to close the day at 1,174.89 points in contrast to a loss of about 1.66 percent on Tuesday.

The ratio of gaining counters to losing ones was about 1.60:One.

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

Century Sunshine Ecological Technology Holdings Ltd (Code: 8276) Up 2.96 percent to \$HK6.60 per share

Beijing Jingkelong Company Ltd (Code: 8245) Up 0.61 percent to \$HK6.64 per share

Golden Meditech Company Ltd (Code: 8180) Up 4.78 percent to \$HK2.41 per share

Aptus Holdings Ltd (Code: 8212) Up 1.76 percent to \$HK1.73 per share

Kanstar Environmental Paper Products Holdings Ltd (Code: 8011) Up 2.86 percent to \$HK0.36 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025	18.75		0.095
Armitage Technologies Holding Ltd	8213	43.75		0.069
China Medical Science Ltd	8120	12.50		0.18
Dahe Media Company Ltd	8243	10.91		0.61
ePRO Ltd	8086		17.27	0.091
Everpride Biopharmaceutical Company Ltd	8019	23.08		0.08
Galileo Capital Group Ltd	8029	21.79		0.475
Golding Soft Ltd	8190	16.67		0.028
Hua Xia Healthcare Holdings Ltd	8143	13.21		0.30
ITE (Holdings) Ltd	8092	55.81		0.067
Jiangsu Nandasoft Company Ltd	8045	11.30		0.128

Longlife Group Holdings Ltd	8037	13.94		0.188
Milkyway Image Holdings Ltd	8130		15.38	0.022
Mobile Telecom Network (Holdings) Ltd	8266		19.05	0.068
Northeast Tiger Pharmaceutical Company Ltd	8197	17.44		0.101
Panorama International Holdings Ltd	8173		11.63	0.076
PINE Technology Holdings Ltd	8013	10.00		0.22
Sino Haijing Holdings Ltd	8065	27.08		0.061
Soluteck Holdings Ltd	8111	23.81		0.052
Sys Solutions Holdings Ltd	8182		18.52	0.33
Tradeeasy Holdings Ltd	8163	13.73		0.058
Value Convergence Holdings Ltd	8101	11.45		1.46
Zhejiang Yonglong Enterprises Company Ltd	8211	10.94		0.142
Zheda Lande Scitech Ltd	8106	10.00		0.165

In Japan, investors went on a decided buying spree on the country's 3 equity markets, also.

On The Tokyo Stock Exchange, The TOPIX Index rose about 1.61 percent to 1,580.10 points.

Advancing counters outnumbered declining ones by the ratio of about 8.22:One.

The Nikkei-225 Stock Average rose about 1.39 percent to 16,076.20 yen.

And, in other parts of Asia, the situation on these equity markets at the close of their respective trading days was:

The HKSAR	Hang Seng Index Plus 0.76 percent to 18,780.93 The Growth Enterprise Index Plus 1.03 percent to 1,174.89
Indonesia	Plus 1.32 percent to 1,713.40
Japan	TOPIX Index Plus 1.61 percent to 1,580.10 Nikkei-255 Stock Average Plus 1.39 percent to 16,076.20

Malaysia	Plus 0.70 percent to 1,064.60
The Philippines	Minus 1.21 percent to 2,745.56
Singapore	Plus 1.38 percent to 2,826.36
South Korea	Plus 0.78 percent to 1,422.55
Taiwan	Plus 0.39 percent to 7,474.19
Thailand	Plus 1.16 percent to 735.76

Thursday

The price of crude oil continued to rise on international commodity exchanges, last Thursday and it was starting to cause consternation among investors on senior equity markets, from New York to Tokyo.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in January 2007 was \$US63.13, up another 1.07 percent on Wednesday's last quote.

For February 2007 delivery, the last settlement for a barrel of light sweet crude oil came in at \$US64.62, up about 1.25 percent on the last settlement of Wednesday.

As at last Thursday night, New York time, the price of light sweet crude oil had risen by about 6.57 percent, compared with the last settlement of Wednesday, November 22, 2006, that Wednesday, being the last day of trading for the week ended November 24, 2006 (Thanksgiving Day booze-up, etc).

Not good news for corporate America.

And Wall Street was well aware of the situation – in spades.

On The New York Stock Exchange, the Dow Jones Industrial Average ended last Thursday's trading session at 12,221.93 points, representing a fall of 4.80 points, equivalent to about 0.04 percent.

As for The NASDAQ, its Composite Index shed only 0.46 of a point, or about 0.02 percent, coming to rest at 2,431.77 points.

Energy counters continued to be hot properties as investors piled back into equities, involved in oil exploration and/or oil production on the prospect that The Organisation of Petroleum Exporting Countries (OPEC) would announce another reduction in oil exports when it meets on December 14, 2006, at Abuja, Nigeria, at the convening of the 143rd Extraordinary Meeting of the cartel.

European investors were not very happy with their lot, last Thursday, to be sure, with many of them, bailing out of equities in direct response to the increase in the price of crude oil on international commodity exchanges.

In addition, the release of data by The Bureau of Economic Analysis with regard to the US economy's Gross Domestic Product for the third quarter did not sit well with many investors because it smelt of a continued meltdown of the world's largest single economy. (Please see Wednesday's report for more on this subject)

This was how the situation looked on major European bourses, last Thursday night:

Amsterdam's AEX Index	Minus 0.89 percent
France's CAC 40 Index	Minus 0.99 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.85 percent
Great Britain's FTSE 100 Index	Minus 0.58 percent
Italy's MIBTEL Index	Minus 0.69 percent
Switzerland's Swiss Market Index	Minus 0.69 percent

In Asia, it was a slightly different story to that, being told in Europe.

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

The Hang Seng Index, which is the key index of The Stock Exchange of Hongkong Ltd, rose about 0.96 percent to 18,960.48 points on a Total Turnover of about \$HK46.67 billion.

The ratio of gaining counters to losing ones was about 3.23:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.49 percent to \$HK144.50 per share
PetroChina Company Ltd (Code: 857)	Up 3.13 percent to \$HK9.90 per share
China Mobile Ltd (Code: 941)	Up 1.71 percent to \$HK65.40 per share
Bank of China Ltd (Code: 3988)	Up 1.07 percent to \$HK3.77 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 0.77 percent to \$HK3.94 per share
China Life Insurance Company Ltd (Code: 2628)	Up 1.39 percent to \$HK18.96 per share
China Construction Bank Corporation (Code: 939)	Up 1.25 percent to \$HK4.06 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 3.54 percent to \$HK6.15 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.04 percent to \$HK73.10 per share
CNOOC Ltd (Code: 883)	Up 0.59 percent to \$HK6.86 per share

There was a total of 36, double-digit movers of the day, with 4 of their number, seeing their share prices fall by 10 percent or more.

The biggest gainer of the day was Quam Ltd (Code: 952), whose share price rose 37.74 percent to 73 cents.

The biggest loser of the day was Sino Technology Investments Company Ltd (Code: 1217) as investors pulled down its share price to 8.30 cents, a one-day fall of about 19.42 percent.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its lone index, The Growth Enterprise Index, moved up about 1.41 percent to 1,191.45 points.

The Total Turnover was about \$HK158.30 million, while the ratio of gainers to losers was 1.29:One, exactly.

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

Century Sunshine Ecological Technology Holdings Ltd (Code: 8276) Up 6.06 percent to \$HK7.00 per share

Shandong Weigao Group Medical Polymer Company Ltd (Code: 8199) Up 4.91 percent to \$HK8.55 per share

Chinainfo Holdings Ltd (Code: 8206) Down 1.00 percent to \$HK3.95 per share

Launch Tech Company Ltd (Code: 8196) Up 5.88 percent to \$HK1.80 per share

Kanstar Environmental Paper Products Holdings Ltd (Code: 8011) Down 1.39 percent to \$HK0.355 per share

There were only 7, double-digit movers of The GEM, last Thursday.

They were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Photar Electronics Group Ltd	8220	27.66		0.24
Eco-Tek Holdings Ltd	8169		12.50	0.21
International Financial Network Holdings Ltd	8123		10.20	0.044
Milkyway Image Holdings Ltd	8130	13.64		0.025
Mobile Telecom Network (Holdings) Ltd	8266	26.47		0.086
Panorama International Holdings Ltd	8173	18.42		0.09
Vodatel Networks Holdings Ltd	8033		11.33	0.133

In The Land of The Rising Sun, the story was similar to that of the HKSAR.

On The Tokyo Stock Exchange, its TOPIX Index gained about 1.45 percent, rising to 1,603.03 points.

Advancing counters outraced declining ones by the ratio of about 3.22:One.

As for The Nikkei-225 Stock Average, it rose about 1.23 percent to end the trading session at 16,274.33 yen.

On other Asian equity markets, this was how their respective key indices fared, last Thursday:

The HKSAR	Hang Seng Index Plus 0.96 percent to 18,960.48 The Growth Enterprise Index Plus 1.41 percent to 1,191.45
Indonesia	Plus 0.32 percent to 1,718.96
Japan	TOPIX Index Plus 1.45 percent to 1,603.03 Nikkei-255 Stock Average Plus 1.23 percent to 16,274.33
Malaysia	Plus 1.51 percent to 1,080.66
The Philippines	Plus 1.56 percent to 2,788.46
Singapore	Plus 0.43 percent to 2,838.53
South Korea	Plus 0.68 percent to 1,432.21
Taiwan	Plus 1.25 percent to 7,567.72
Thailand	Plus 0.45 percent to 739.06

Friday

Key indices of US equity markets fell, last Friday, following a report from the US **I**nstitute of **S**upply **M**anagement (ISM) indicating, conclusively, that activity at US factories had fallen to their lowest levels in more than 3 years.

There followed a number of reactions: The US dollar fell against a number of '*hard*' currencies; European equity markets reversed gear; and, and Wall Street investors retreated in a hurry.

On The New York Stock Exchange, the Dow Jones Industrial Average lost 27.80 points, equivalent to about 0.23 percent, ending the week at 12,194.13 points.

As for The NASDAQ, its Composite Index shed 18.56 points, or about 0.76 percent, falling back to

2,413.21 points.

As TARGET had pointed out in Wednesday's report, the findings of The Bureau of Economic Analysis were not good news, contrary to the statements of a number of Wall Street gurus.

The ISM's Manufacturing Index recorded a reading of 49.50 points in November, confirming that the US economy is shrinking.

While much of the US was covered in snow, with freezing weather, enveloping parts of the east of the country, last Friday, on Wall Street, an even colder wind was starting to blow.

The value of the US dollar, vis-à-vis the British pound, dropped to a 14-year low and, against the euro, the translation rate of the US dollar fell to a 20-month low.

Many other 'hard' currencies, also, witnessed a drooping value of the greenback as investors ran away from the world's most-important exchange currency to the Swiss franc, the Japanese yen or any other seemingly safe haven for spare cash.

The situation for the largest single economy of the world appeared ominous.

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

The Dow Jones Industrial Average	Minus 0.70 percent
The NASDAQ's Composite Index	Minus 1.91 percent

News Wise

- **Ford Motor Company** announced that sales of its vehicles in November had fallen by about 10 percent, Year-On-Year. The company said that it would reduce output in the first quarter of 2007 to about 750,000 vehicles, a reduction of about 126,000 vehicles, compared with 2006, first-quarter output. (Please see Wednesday's report for more on this subject)

On The New York Mercantile Exchange (NYMEX), it was another day of advancing prices for crude oil.

For delivery in January 2007, the last settlement was \$US63.43 per barrel of light sweet crude oil, an increase of about 0.48 percent on Thursday's closing level.

The February 2007 delivery price for a barrel of light sweet crude oil saw the last settlement at \$US65.01, an increase of about 0.60 percent on the last settlement of Thursday.

On European equity markets, investors bailed out, also.

The ISM data was just too much for the financial institutions of the European Union and, as a direct result, key indices of the most-important bourses headed south:

Amsterdam's AEX Index	Minus 0.91 percent
France's CAC 40 Index	Minus 1.38 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.07 percent
Great Britain's FTSE 100 Index	Minus 0.45 percent
Italy's MIBTEL Index	Minus 0.70 percent

Switzerland's Swiss Market Index Plus 0.30 percent

In Asia, it was a mixed bag.

The largest and most-important stock market of the region, The Tokyo Stock Exchange, saw its key index rise fractionally, while the second, most-important equity market, that of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), saw its premier equity markets lose, materially.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gave up about 1.42 percent of its value, dropping back to 18,690.82 points.

The Total Turnover was about \$HK44.13 billion.

The ratio of declining counters to advancing ones was about 2.17:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 0.14 percent to \$HK144.30 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 2.28 percent to \$HK6.29 per share
Bank of China Ltd (Code: 3988)	Up 0.27 percent to \$HK3.78 per share
China Mobile Ltd (Code: 941)	Down 2.45 percent to \$HK63.80 per share
China Construction Bank Corporation (Code: 939)	Down 1.48 percent to \$HK4.00 per share
PetroChina Company Ltd (Code: 857)	Up 0.10 percent to \$HK9.91 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.32 percent to \$HK18.90 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 1.27 percent to \$HK3.89 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.64 percent to \$HK71.90 per share
CNOOC Ltd (Code: 883)	Down 1.46 percent to \$HK6.76 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Apex Capital Ltd	905	10.34		0.16

Aurora Global Investment Holdings Ltd	353	10.53		0.63
Berjaya Holdings (Hongkong) Ltd	288	12.23		0.156
Build King Holdings Ltd	240	10.53		0.21
China National Resources Development Holdings Ltd	661	14.04		0.26
Daisho Microline Holdings Ltd	567		15.32	2.93
Easyknit Enterprises Holdings Ltd	616	15.73		1.03
EganaGoldpfeil (Holdings) Ltd	48	10.10		4.25
Everbest Century Holdings Ltd	578	14.08		0.405
Fujian Holdings Ltd	181	11.11		0.20
Garron International Ltd	1226		18.92	0.30
Genesis Energy Holdings Ltd	702	15.89		0.175
Global Bio-chem Technology Group Company Ltd	809	12.60		2.86
Lung Cheong International Holdings Ltd	348		13.56	0.255
MACRO-LINK International Holdings Ltd	472	10.61		0.365
Nan Hai Corporation Ltd	680	12.28		0.064
Premium Land Ltd	164	20.00		0.78
Quam Ltd	952		12.33	0.64
Sam Woo Holdings Ltd	2322	19.30		0.68
Seapower Resources International Ltd	269		14.81	0.069
Shanghai International Shanghai Growth Investment Ltd	770		14.53	2.00
SW Kingsway Capital Holdings Ltd	188		13.21	0.23
Tidetime Sun (Group) Ltd	307		10.44	0.163

UBA Investments Ltd	768	11.11		0.10
Winbox International (Holdings) Ltd	474	13.24		0.385
Yardway Group Ltd	646		17.50	0.231

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, there was a bit of unexpected excitement as the shares of Anhui Tianda Oil Pipe Company Ltd (Code: 8241) were traded for the first time.

Totally, 55,424,000 shares of this oil-pipe company changed hands, the dollar value of those trades, being about \$HK197.28 million.

That turnover represented nearly 49 percent of the Total Turnover of the day of about \$HK404.17 million.

Trading in the shares of this new listing resulted in pumping up The Growth Enterprise Index – which is the lone index of this speculative market – by about one half of a percentage point to end the trading day at 1,197.44 points.

The share price of Anhui Tianda Oil Pipe rose by about 19 percent, compared with its Offer Price of \$HK3.00, as investors pushed it to \$HK3.57 by the close of the session, after hitting a high of \$HK3.65 per share.

But the fact that The GEM's losing counters outpaced gaining ones by the ratio of about 1.31:One told another story.

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

*Anhui Tianda Oil Pipe Company Ltd (Code: 8241)	\$HK3.57 per share
Aptus Holdings Ltd (Code: 8212)	Up 5.99 percent to \$HK1.77 per share
Century Sunshine Ecological Technology Holdings Ltd (Code: 8276)	Up 0.43 percent to \$HK7.03 per share
FAVA International Holdings Ltd (Code: 8108)	Up 10.13 percent to \$HK4.24 per share
Beijing Jingkelong Company Ltd (Code: 8245)	Down 0.30 percent to \$HK6.70 per share

* First Day of Trading

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025		16.67	0.075
Argos Enterprise (Holdings) Ltd	8022	10.00		0.198

B M Intelligence International Ltd	8158		10.11	0.08
Cardlink Technology Group Ltd	8066		13.00	0.087
DeTeam Company Ltd	8112	14.29		0.80
Essex Bio-Technology Ltd	8151	20.69		0.14
FAVA International Holdings Ltd	8108	10.13		4.24
Finet Group Ltd	8317		11.11	0.64
ITE (Holdings) Ltd	8092		28.36	0.048
Jessica Publications Ltd	8137		14.29	0.06
Medical China Ltd	8186		10.45	0.06
Proactive Technology Holdings Ltd	8089	24.14		0.72
Sys Solutions Holdings Ltd	8182		23.08	0.25
T S Telecom Technologies Ltd	8003	14.41		0.135

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

The Hang Seng Index	Minus 2.96 percent
The Growth Enterprise Index	Plus 2.01 percent

On The Tokyo Stock Exchange, its key index, The TOPIX Index, rose by 1.87 points to 1,604.90 points.

Advancing counters outnumbered declining ones by the ratio of about 1.57:One.

As for The Nikkei-225 Stock Average, it put on just 0.29 percent to end the week at 16,321.78 yen.

The tally for the week for the largest and most-important stock market of Asia was:

The TOPIX Index	Plus 4.35 percent
The Nikkei-225 Stock Average	Plus 3.73 percent

And this was how the key indices of other Asian equity markets closed their respective doors, last Friday, the first day of December 2006:

The HKSAR	Hang Seng Index Minus 1.42 percent to 18,690.82 The Growth Enterprise Index Plus 0.50 percent to 1,197.44
Indonesia	Plus 0.92 percent to 1,734.75

Japan	TOPIX Index Plus 0.12 percent to 1,604.90 Nikkei-255 Stock Average Plus 0.29 percent to 16,321.78
Malaysia	Minus 0.05 percent to 1,080.11
The Philippines	Closed
Singapore	Minus 0.09 percent to 2,836.04
South Korea	Plus 0.15 percent to 1,434.36
Taiwan	Plus 0.61 percent to 7,613.57
Thailand	Plus 0.32 percent to 741.38

-- E N D --

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