

**THE U.S. LABOUR DEPARTMENT PAINTS
A PICTURE OF A FALTERING ECONOMY**

Lower crude oil prices and confirmation of increased merger-and-acquisition activities in the pipeline sent key indices on US equity markets, scooting to higher levels, last Monday.

There was plenty of negative news, too, but investors on the world's largest equity markets discounted the negative in favour of the positive.

On The New York Stock Exchange, the Dow Jones Industrial Average gained 87.64 points, equivalent to about 0.72 percent, compared with the previous Friday's closing level, coming to rest at 12,281.77 points.

As for The (tech-laden) NASDAQ, its Composite Index rose 35.03 points, or about 1.45 percent, ending the trading day at 2,448.24 points.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in January 2007 was \$US62.44, down 1.56 percent, exactly, on the previous Friday's last settlement.

As for delivery in February 2007, the last settlement for a barrel of light sweet crude oil came in at \$US64.03, representing a fall of about 1.51 percent, compared with the final quote of Friday, December 1, 2006.

Europe climbed aboard the Wall Street '*bus*', but the gains on major bourses in this part of the world were limited to small fractions, in the main:

Amsterdam's AEX Index	Plus	0.09 percent
France's CAC 40 Index	Plus	0.79 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.86 percent
Great Britain's FTSE 100 Index	Plus	0.47 percent
Italy's MIBTEL Index	Plus	0.41 percent
Switzerland's Swiss Market Index	Minus	0.72 percent

In Asia, the volumes of activity on major equity markets were noticeably lower than those of the previous week with key indices, recording only fractional movements.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the territory's 2 equity markets managed only tiny movements to their key indices.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gained about 0.06 percent, ending the trading session at 18,702.73 points.

The Total Turnover was about \$HK37.23 billion, while the ratio of advancing counters to declining ones was about 1.04:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 0.42 percent to \$HK143.70 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 0.95 percent to \$HK6.23 per share
China Mobile Ltd (Code: 941)	Down 0.78 percent to \$HK63.30 per share
China Life Insurance Company Ltd (Code: 2628)	Down 1.90 percent to \$HK18.54 per share
Bank of China Ltd (Code: 3988)	Down 0.79 percent to \$HK3.75 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Unchanged at \$HK3.89 per share
PetroChina Company Ltd (Code: 857)	Up 0.71 percent to \$HK9.98 per share
China Construction Bank Corporation (Code: 939)	Up 1.00 percent to \$HK4.04 per share
CNOOC Ltd (Code: 883)	Up 0.15 percent to \$HK6.77 per share
Foxconn International Holdings Ltd (Code: 2038)	Up 3.91 percent to \$HK23.90 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)
Build King Holdings Ltd	240	12.86		0.237
China Agrotech Holdings Ltd	1073	12.64		0.98
China Eastern Airlines Corporation Ltd	670	16.08		1.66
China Investment Fund Company Ltd	612		14.29	0.39
China National Resources Development Holdings Ltd	661		10.00	0.234

Earnest Investments Holdings Ltd	339		22.22	0.105
First Tractor Company Ltd	38	17.01		2.27
G-Vision International (Holdings) Ltd	657	12.00		0.56
Get Nice Holdings Ltd	64	10.17		0.65
Graneagle Holdings Ltd	147	14.55		0.63
Henry Group Holdings Ltd	859		16.16	0.83
Magnum International Holdings Ltd	2988	33.72		1.15
Mayer Holdings Ltd	1116		11.32	0.47
New Times Group Holdings Ltd	166		21.05	0.30
Paladin Ltd	495	13.45		0.27
Pico Far East Holdings Ltd	752	13.02		1.91
Premium Land Ltd	164	12.82		0.88
Radford Capital Investment Ltd	901		10.13	0.071
Sino Golf Holdings Ltd	361	36.78		1.19
Smart Union Group (Holdings) Ltd	2700		11.63	0.76
Swank International Manufacturing Company Ltd	663		10.59	0.076
Tak Sing Alliance Holdings Ltd	126	14.42		1.19
The Sun's Group Ltd	988		10.00	1.35
Vantage International (Holdings) Ltd	15	11.49		0.165
Wang Sing International Holdings Group Ltd	2389		13.04	0.20
Water Oasis Group Ltd	1161	15.00		0.69
Yardway Group Ltd	646	23.38		0.285

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

Enterprise Index gave up about 0.21 percent of its value, falling back to 1,194.97 points.

The Total Turnover on this market was about \$HK193.31 million.

Gaining counters outnumbered losing ones by the ratio of about 1.07:One.

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

Anhui Tianda Oil Pipe Company Ltd (Code: 8241) Down 4.48 percent to \$HK3.41 per share

Phoenix Satellite Television Holdings Ltd (Code: 8002) Up 1.71 percent to \$HK1.19 per share

Shandong Weigao Group Medical Polymer Company Ltd
(Code: 8199) Down 5.39 percent to \$HK8.25 per share

Beijing Jingkelong Company Ltd (Code: 8245) Up 0.60 percent to \$HK6.74 per share

MegaInfo Holdings Ltd (Code: 8279) Up 7.20 percent to \$HK1.34 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AKM Industrial Company Ltd	8298		16.67	0.25
China Photar Electronics Group Ltd	8220		21.00	0.173
DeTeam Company Ltd	8112		12.50	0.70
Global Link Communications Holdings Ltd	8060		11.54	0.046
Golding Soft Ltd	8190		10.71	0.025
ITE (Holdings) Ltd	8092	25.00		0.06
Proactive Technology Holdings Ltd	8089	45.83		1.05
Prosperity International Holdings (Hongkong) Ltd	8139	10.67		0.83
Sys Solutions Holdings Ltd	8182		16.00	0.21

In Japan, the official TOPIX Index rose about 0.18 percent to 1,607.74 points.

Advancing counters outnumbered declining ones by the ratio of about 1.84:One.

The Nikkei-225 Stock Average, which is a much-narrower gauge to trading than The TOPIX Index,

charting, as it does, only the prices of a number of select blue chips, listed on The First Section of The Tokyo Stock Exchange, fell about 0.11 percent to 16,303.59 yen.

Trading was said to be somewhat dull on Japan's 3 equity markets, last Monday – which was something of an understatement.

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

The HKSAR	Hang Seng Index Plus 0.06 percent to 18,702.73 The Growth Enterprise Index Minus 0.21 percent to 1,194.97
Indonesia	Minus 0.20 percent to 1,731.24
Japan	TOPIX Index Plus 0.18 percent to 1,607.74 Nikkei-255 Stock Average Minus 0.11 percent to 16,303.59
Malaysia	Minus 0.25 percent to 1,077.44
The Philippines	Plus 0.25 percent to 2,795.30
Singapore	Plus 0.52 percent to 2,850.72
South Korea	Minus 0.55 percent to 1,426.46
Taiwan	Plus 0.44 percent to 7,647.01
Thailand	Plus 0.14 percent to 742.45

Tuesday

US investors continued to stoke the bullish flames of the world's largest equity markets, last Tuesday.

The slimmest hint of something of a bullish nature appeared to be sufficient reason for more buying activity.

Last Tuesday, however, there was clear evidence of a chink in the armour of those stalwarts who claimed that there was no end to the present Wall Street, mildly bullish run: The average daily turnover was about 4 percent lower than the like period of 2005.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 47.75 points, or about 0.39 percent, ending the trading session at 12,331.60 points.

Over on The NASDAQ, its Composite Index gained 3.99 points, or about 0.16 percent, rising to 2,452.38 points.

There were all kinds of reasons, given by a number of Wall Street gurus, as to the so-called logic behind the continued stock-market bullishness, but all of the junk-talk was hardly worthy of being repeated since it made little sense when placed under the microscope of any impartial and objective economist.

On The **New York Mercantile Exchange** (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in January 2007 was \$US62.43, representing a fall of about 0.02 percent on the last settlement of Monday.

As for delivery in February 2007, the last settlement for a barrel of light sweet crude oil was \$US63.92, down about 0.17 percent on Monday's last quote.

The **Organisation of Petroleum Exporting Countries** (OPEC) is scheduled to meet on Thursday, December 14, 2006, and many people fear that this Extraordinary Meeting will result in oil exports from this cartel, being cut back by at least 500,000 barrels of crude oil, daily.

In Europe, it was simply a matter of staying aboard the Wall Street '*bus*', permitting the driver to determine the route.

Every key index of every major bourse made material gains:

Amsterdam's AEX Index	Plus	0.82 percent
France's CAC 40 Index	Plus	1.20 percent
Germany's Frankfurt XETRA DAX Index	Plus	1.23 percent
Great Britain's FTSE 100 Index	Plus	0.59 percent
Italy's MIBTEL Index	Plus	0.63 percent
Switzerland's Swiss Market Index	Plus	0.11 percent

In Asia, it was pretty much a mixed bag, with about half of the key indices of the major equity markets rising while the other half fell.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, rose about 1.29 percent to 18,944.19 points.

The Total Turnover was about \$HK41.40 billion.

Gaining counters outnumbered losing ones by the ratio of about 3.11:One.

The Ten Most Actives (all of which were gainers, by the way) were:

China Mobile Ltd (Code: 941)	Up 0.71 percent to \$HK63.75 per share
HSBC Holdings plc (Code: 5)	Up 0.63 percent to \$HK144.60 per share
China Construction Bank Corporation (Code: 939)	Up 3.22 percent to \$HK4.17 per share

China Life Insurance Company Ltd (Code: 2628) Up 0.65 percent to \$HK18.66 per share

China Telecom Corporation Ltd (Code: 728) Up 15.56 percent to \$HK4.01 per share

Industrial and Commercial Bank of China Ltd (Code: 1398) Up 1.54 percent to \$HK3.95 per share

PetroChina Company Ltd (Code: 857) Up 0.80 percent to \$HK10.06 per share

Bank of China Ltd (Code: 3988) Up 1.07 percent to \$HK3.79 per share

China Petroleum and Chemical Corporation (Code: 386) Up 4.82 percent to \$HK6.53 per share

CNOOC Ltd (Code: 883) Up 1.18 percent to \$HK6.85 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	13.08		1.47
Bestway International Holdings Ltd	718	20.00		0.024
Chengdu PUTIAN Telecommunications Cable Company Ltd	1202	15.56		1.04
China Investment Fund Company Ltd	612		15.38	0.33
China Oil and Gas Group Ltd	603	21.43		0.255
China Telecom Corporation Ltd	728	15.56		4.01
Chitaly Holdings Ltd	1198	10.77		1.44
Daiwa Associate Holdings Ltd	1037		11.11	0.44
Everbest Century Holdings Ltd	578	11.90		0.47
Far East Technology International Ltd	36	12.15		1.20
Graneagle Holdings Ltd	147	30.16		0.82
Great China Holdings Ltd	141	11.48		0.68

Jiaoda Kunji High-Tech Company Ltd	300	19.64		4.02
Kenfair International (Holdings) Ltd	223	10.00		0.88
Hainan Meilan International Airport Company Ltd	357	12.60		4.20
Morning Star Resources Ltd	542	20.00		0.12
Nanjing Panda Electronics Company Ltd	553	10.38		2.02
Northeast Electric Development Company Ltd	42	15.19		0.91
New Times Group Holdings Ltd	166	13.33		0.34
Panva Gas Holdings Ltd	1083	19.95		4.75
Sam Woo Holdings Ltd	2322	53.85		1.00
Sino Technology Investments Company Ltd	1217		20.22	0.071
Smart Union Group (Holdings) Ltd	2700		14.47	0.65
Takson Holdings Ltd	918	14.49		0.395
Van Shung Chong Holdings Ltd	1001	11.90		0.94
Water Oasis Group Ltd	1161		13.04	0.60
Wonderful World Holdings Ltd	109		15.38	0.11
Yardway Group Ltd	646	10.53		0.315

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

The Growth Enterprise Index, the lone index of this very speculative marketplace, shed about 0.41 percent of its value, falling back to 1,190.02 points on a Total Turnover of about \$HK169.64 million.

Gaining counters were ahead of losing ones by the ratio of about 1.17:One.

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

Anhui Tianda Oil Pipe Company Ltd (Code: 8241) Up 3.52 percent to \$HK3.53 per share

Phoenix Satellite Television Holdings Ltd (Code: 8002) Up 6.72 percent to \$HK1.27 per share

Chinainfo Holdings Ltd (Code: 8206)

Down 6.93 percent to \$HK3.49 per share

MegaInfo Holdings Ltd (Code: 8279)

Up 8.21 percent to \$HK1.45 per share

Beijing Jingkelong Company Ltd (Code: 8245)

Down 0.45 percent to \$HK6.71 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Armitage Technologies Holding Ltd	8213		13.85	0.056
Global Link Communications Holdings Ltd	8060	13.04		0.052
Linefan Technology Holdings Ltd	8166	13.73		0.058
Medical China Ltd	8186	15.00		0.069
SJTU Sunway Software Industry Ltd	8148	27.66		0.18
Sys Solutions Holdings Ltd	8182	50.00		0.315
T S Telecom Technologies Ltd	8003		12.59	0.118
Thiz Technology Group Ltd	8119		15.38	0.055
Tradeeasy Holdings Ltd	8163	10.34		0.064
Zheda Lande Scitech Ltd	8106		14.29	0.15

In Japan, there was considerable selling pressure on export-orientated companies, resulting in key indices of the country's 3 equity markets to lose traction.

On The Tokyo Stock Exchange, The TOPIX Index shed 0.55 percent of its value, exactly, ending the trading session at 1,598.89 points.

The ratio of losers to gainers was about 2.72:One.

As for The Nikkei-225 Stock Average, it lost about 0.23 percent, ending the day at 16,265.76 yen.

News Wise

- **Factory spending** in Japan has slowed, according to the latest statistics, correlated by Government departments. The annualised spending on plant and equipment for the quarter, ended September 30, 2006, rose by about 12 percent, compared with the previous quarter when spending on plant and equipment grew by about 16.60 percent on an annualised basis.

In other Asian equity markets, their key indices ended their respective trading days as follows:

The HKSAR	Hang Seng Index Plus 1.29 percent to 18,944.19 The Growth Enterprise Index Minus 0.41 percent to 1,190.02
Indonesia	Plus 2.63 percent to 1,776.76
Japan	TOPIX Index Minus 0.55 percent to 1,598.89 Nikkei-255 Stock Average Minus 0.23 percent to 16,265.76
Malaysia	Plus 1.07 percent to 1,088.96
The Philippines	Plus 0.46 percent to 2,808.09
Singapore	Plus 1.80 percent to 2,901.99
South Korea	Minus 0.41 percent to 1,420.59
Taiwan	Minus 0.49 percent to 7,609.90
Thailand	Closed

Wednesday

It is said that a market that cannot make an appreciable gain within a reasonable amount of time must fall.

Last Wednesday, this axiom proved to be correct, once again.

On The New York Stock Exchange, last Wednesday, the key measure of trading, known as the Dow Jones Industrial Index, fell back by about 0.18 percent to 12,309.25 points on a continued fall in the volume of activity. (Please see Tuesday's report)

While trading was somewhat spirited, it lagged a long way behind the average daily turnover in terms of the number of shares, traded in 2005.

On The NASDAQ, its Composite Index lost about 0.27 percent, ending the trading day at 2,445.86 points.

Wall Street gurus looked long and hard for another investor leaf on which to grasp, but there were none available, last Wednesday.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in January 2007 was \$US62.19, down about 0.38 percent, compared with Tuesday's last settlement.

As for delivery in February 2007, the last settlement was \$US63.52 per barrel of light sweet crude oil, equivalent to a fall of about 0.63 percent on Tuesday's last quote.

In Europe, investors were paying close attention to what was transpiring on Wall Street and, since it was just 19 days away from the height of the festive season – Christmas and New Year are the most-important holidays in Europe – investor attention was more focused on matters, relating to holidays and suchlike, than on making fresh financial commitments on equity markets.

As a result of the above-mentioned, key indices of major European bourses hardly moved, last Wednesday, as the following **TARGET** () list illustrates:

Amsterdam's AEX Index	Minus 0.25 percent
France's CAC 40 Index	Minus 0.16 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.05 percent
Great Britain's FTSE 100 Index	Plus 0.06 percent
Italy's MIBTEL Index	Plus 0.17 percent
Switzerland's Swiss Market Index	Plus 0.29 percent

In Asia, it was another day of mixed blessings on the most-important equity markets.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, rose about 0.43 percent to 19,026.36 points.

The Total Turnover, however, rose to about \$HK58.31 billion, an increase of about 41 percent, compared with Tuesday's volume of activity.

The ratio of gainers to losers was 1.49:One, exactly.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 1.73 percent to \$HK142.10 per share
Hutchison Whampoa Ltd (Code: 13)	Up 2.67 percent to \$HK75.10 per share
China Mobile Ltd (Code: 941)	Up 1.33 percent to \$HK64.60 per share
China Construction Bank Corporation (Code: 939)	Up 2.64 percent to \$HK4.28 per share
China Life Insurance Company Ltd (Code: 2628)	Up 2.47 percent to \$HK19.12 per share
China Telecom Corporation Ltd (Code: 728)	Down 3.49 percent to \$HK3.87 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 0.51 percent to \$HK3.97 per share

PetroChina Company Ltd (Code: 857)

Unchanged at \$HK10.06 per share

China Petroleum and Chemical Corporation (Code: 386)

Down 0.77 percent to \$HK6.48 per share

Bank of China Ltd (Code: 3988)

Up 0.53 percent to \$HK3.81 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	16.33		1.71
Benefun International Holdings Ltd	1130	13.33		0.068
Chen Hsong Holdings Ltd	57	12.00		5.60
CASH Retail Management Group Ltd	996		11.00	0.445
Golden Dragon Group (Holdings) Ltd	329	13.43		1.52
Hi Sun Technology (China) Ltd	818	16.67		1.82
Jiwa Bio-Pharm Holdings Ltd	2327		12.90	0.27
Matsunichi Communication Holdings Ltd	283	17.58		2.14
NagaCorp Ltd	3918		15.79	1.12
Nam Tai Electronic and Electrical Products Ltd	2633	10.40		1.38
Sam Woo Holdings Ltd	2322		24.00	0.76
Same Time Holdings Ltd	451	17.15		2.80
SEEC Media Group Ltd	205	16.67		0.35
Sky Hawk Computer Group Holdings Ltd	1129		10.59	0.38
Smart Union Group (Holdings) Ltd	2700	12.31		0.73
South Sea Petroleum Holdings Ltd	76		10.89	0.18
SPG Land (Holdings) Ltd	337	10.58		7.11

SW Kingsway Capital Holdings Ltd	188		14.16	0.20
UBA Investments Ltd	768		10.00	0.09
Willie International Holdings Ltd	273	11.00		0.111
Win Hanverky Holdings Ltd	3322	13.24		3.85
Wing Hang Bank Ltd	302	10.22		96.00
Wonderful World Holdings Ltd	109	13.64		0.125
Yanion International Holdings Ltd	82	25.30		1.04

On The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, its lone index, The Growth Enterprise Index, lost about 0.14 percent of its value, falling back to 1,188.39 points.

The Total Turnover on this market was about \$HK169.33 million, while the ratio of losing counters to gaining ones was about 1.08:One.

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

Century Sunshine Ecological Technology Holdings Ltd (Code: 8393) Down 3.82 percent to \$HK1.26 per share

Phoenix Satellite Television Holdings Ltd (Code: 8002) Down 1.57 percent to \$HK1.25 per share

Beijing Jingkelong Company Ltd (Code: 8245) Down 1.49 percent to \$HK6.61 per share

Anhui Tianda Oil Pipe Company Ltd (Code: 8241) Up 1.70 percent to \$HK3.59 per share

Xinjiang Tianye Water Saving Irrigation System Company Ltd (Code: 8280) Up 3.13 percent to \$HK1.65 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	21.43		0.068
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd	8095	11.11		0.60
China Medical Science Ltd	8120		15.38	0.165
Chinainfo Holdings Ltd	8206		14.04	3.00

Everpride Biopharmaceutical Company Ltd	8019		14.77	0.075
Global Digital Creations Holdings Ltd	8271	37.25		0.35
Global Solution Engineering Ltd	8192	16.67		0.14
Xi'an Haitian Antenna Technologies Company Ltd	8227	14.29		0.40
Inno-Tech Holdings Ltd	8202	10.06		0.175
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049		11.25	0.142
Mobile Telecom Network (Holdings) Ltd	8266	11.24		0.099
Proactive Technology Holdings Ltd	8089		10.53	1.02
Prosperity International Holdings (Hongkong) Ltd	8139		12.20	0.72
Q9 Technology Holdings Ltd	8129	10.71		0.093
T S Telecom Technologies Ltd	8003	26.27		0.149
TeleEye Holdings Ltd	8051	16.67		0.105
Thiz Technology Group Ltd	8119	36.36		0.075
Tianjin Tianlian Public Utilities Company Ltd	8290		10.59	0.76
Vodatel Networks Holdings Ltd	8033	12.00		0.14
Wafer Systems Ltd	8198	11.11		0.10
Zheda Lande Scitech Ltd	8106	11.33		0.167

In Japan, there was a bit of a bounce on the country's 3 equity markets.

The Tokyo Stock Exchange's official index, The TOPIX Index, rose about 1.02 percent to 1,615.17 points.

Advancing counters outnumbered declining ones by the ratio of about 3.48:One.

The Nikkei-225 Stock Average gained about 0.65 percent to end the day at 16,371.28 yen.

On other Asian equity markets, at the close of their respective trading days, their key indices were:

The HKSAR	Hang Seng Index Plus 0.43 percent to 19,026.36
-----------	---

	The Growth Enterprise Index Minus 0.14 percent to 1,188.39
Indonesia	Plus 0.43 percent to 1,784.43
Japan	TOPIX Index Plus 1.02 percent to 1,615.17 Nikkei-255 Stock Average Plus 0.65 percent to 16,371.28
Malaysia	Plus 0.86 percent to 1,098.35
The Philippines	Minus 0.37 percent to 2,797.79
Singapore	Minus 0.24 percent to 2,895.02
South Korea	Minus 0.48 percent to 1,413.73
Taiwan	Plus 1.10 percent to 7,693.33
Thailand	Plus 0.50 percent to 746.16

Thursday

For a change, Wall Street looked at Eurozone, following a determination by its bankers to raise interest rates.

The US Federal Reserve Board is scheduled to convene its Open Market Committee Meeting on December 12, 2006 (tomorrow) at which time, the prospects appear to be high for The Fed to raise interest rates by another one quarter of a percentage point.

Investors on Wall Street were concerned, especially after receiving confirmation of the interest-rate hike in the European Union.

The **E**uropean **C**entral **B**ank (ECB) determined to increase interest rates by 25 basis points, last Thursday, in line with its promises of November.

In an official release, the ECB said:

‘At today’s meeting the Governing Council of the ECB took the following monetary policy decisions:

- *‘The minimum bid rate on the main refinancing operations of the Eurosystem will be increased by 25 basis points to 3.50%, starting from the operation to be settled on 13 December 2006.*
- *‘The interest rate on the marginal lending facility will be increased by 25 basis points to 4.50%, with effect from 13 December 2006.*
- *‘The interest rate on the deposit facility will be increased by 25 basis points to 2.50%,*

with effect from 13 December 2006.'

The decision of the ECB was well expected, but, nevertheless, it was hardly welcomed by industry in Europe as well as in The Land of The Free and The Home of The Brave.

On The New York Stock Exchange, the Dow Jones Industrial Average lost one quarter of a percent point, exactly, falling back to 12,278.41 points.

On The NASD AQ, its Composite Index gave up about 0.74 percent of its value, ending the trading day at 2,427.69 points.

On Wall Street, aside from the news that the ECB had raised its key interest rates by 25 basis points, there was, also, the matter of the employment/unemployment report which was due to be released, the following day.

Actually, the weekly report from the US Labour Department does not say very much because it can only report the statistics in accordance with the filings by the unemployed, wanting to receive unemployment benefits.

But it is, nevertheless, an indication as to the direction of the US economy.

On The New York Mercantile Exchange (NYMEX), the price of crude oil for the near month of January 2007 rose, while, the price for the far month of February 2007 fell.

The last settlement for the month of January 2007 was \$US62.49 per barrel of light sweet crude oil, equivalent to an increase of about 0.48 percent, compared with Wednesday's last settlement.

As for February 2007, the last settlement for a barrel of light sweet crude oil was \$US63.38, representing a fall of about 0.22 percent on Wednesday's last quote.

In Europe, the announcement by the ECB was expected so that, in the vernacular of the Americans: No great shakes!

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

Amsterdam's AEX Index	Plus	0.09 percent
France's CAC 40 Index	Plus	0.53 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.68 percent
Great Britain's FTSE 100 Index	Plus	0.67 percent
Italy's MIBTEL Index	Plus	0.29 percent
Switzerland's Swiss Market Index	Plus	0.73 percent

In Asia, with the exception of the Japanese equity markets, major stock markets witnessed the retreat of key indices.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the territory's 2 equity markets' key indices lost ground.

The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, shed about 0.96 percent of its value, falling back to 18,842.99 points.

The Total Turnover was about \$HK50.03 billion.

Declining counters outnumbered advancing ones by the ratio of about 2.18:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.70 percent to \$HK141.10 per share
China Mobile Ltd (Code: 941)	Down 2.55 percent to \$HK62.95 per share
*Kingboard Laminates Holdings Ltd (Code: 1888)	\$HK8.93 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 1.26 percent to \$HK4.02 per share
China Life Insurance Company Ltd (Code: 2628)	Down 1.05 percent to \$HK18.92 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.13 percent to \$HK74.25 per share
China Construction Bank Corporation (Code: 939)	Down 2.34 percent to \$HK4.18 per share
China Telecom Corporation Ltd (Code: 728)	Down 2.58 percent to \$HK3.77 per share
Bank of China Ltd (Code: 3988)	Down 0.26 percent to \$HK3.80 per share
PetroChina Company Ltd (Code: 857)	Unchanged at \$HK10.06 per share

* First Day of Trading

The biggest movers of the Main Board included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Chengtong Development Group Ltd	217	11.76		0.57
China Sci-Tech Holdings Ltd	985	31.87		0.12
China Wireless Technologies Ltd	2369	10.83		1.74
Chun Wo Holdings Ltd	711	10.64		1.04
Daisho Microline Holdings Ltd	567		14.74	2.14

Frasers Property (China) Ltd	535	11.49		0.165
Grand Field Group Holdings Ltd	115	16.84		0.111
Graneagle Holdings Ltd	147		24.10	0.63
Hongkong Pharmaceutical Holdings Ltd	182		75.77	0.47
Matsunichi Communication Holdings Ltd	283	14.49		2.45
New Capital International Investment Ltd	1062	18.92		0.22
Riche Multi-Media Holdings Ltd	764		12.16	0.13
Sino-Tech International Holdings Ltd	724	11.11		1.20
Sun Innovation Holdings Ltd	547		12.28	1.00
TCC International Holdings Ltd	1136	14.29		1.76
Vitop Bioenergy Holdings Ltd	1178	10.00		0.11
Winfair Investment Company Ltd	287		14.87	3.32
Wing Hang Bank Ltd	302		10.52	85.90
Yanion International Holdings Ltd	82	14.42		1.19

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index lost about 0.18 percent of its value, ending the trading day at 1,186.15 points.

The Total Turnover was about \$HK152.06 million.

Losing counters outran gaining ones by the ratio of about 1.36:One.

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

Anhui Tianda Oil Pipe Company Ltd (Code: 8241) Up 14.21 percent to \$HK4.10 per share

Century Sunshine Ecological Technology Holdings Ltd
(Code: 8393) Up 7.14 percent to \$HK1.35 per share

Beijing Jingkelong Company Ltd (Code: 8245) Down 1.66 percent to \$HK6.50 per share

Global Digital Creations Holdings Ltd (Code: 8271) Down 11.43 percent to \$HK0.31 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Capital Publications Ltd	8155	11.11		0.20
Global Digital Creations Holdings Ltd	8271		11.43	0.31
Global Link Communications Holdings Ltd	8060	14.58		0.055
Global Solution Engineering Ltd	8192	14.29		0.16
Inspur International Ltd	8141	31.48		0.71
ITE (Holdings) Ltd	8092		13.21	0.046
Qianlong Technology International Holdings Ltd	8015	18.52		0.32
Anhui Tianda Oil Pipe Company Ltd	8241	14.21		4.10
Union Bridge Holdings Ltd	8047		10.34	0.26

In Japan, investors continued to buy into the country's 3 equity markets, pushing up key indices, once again.

On The Tokyo Stock Exchange, which is the premier equity market of the country, its TOPIX Index rose about 0.47 percent, ending the day at 1,622.77 points.

The ratio of gaining counters to losing ones was about 1.67:One.

As for The Nikkei-225 Stock Average, it managed a gain of about 0.62 percent as investors pushed it to 16,473.36 yen.

News Wise

- **NTT DoCoMo Incorporated** and **Mitsubishi Electric Corporation** have announced that they will, jointly, recall about 1.30 million, cellular-telephone battery packs – because they are likely to explode;
- Japan's **foreign reserves** stood at \$US896.95 billion, as at November 30, 2006, The Finance Ministry announced. It was a record level; and,
- **Toys "R" Us Japan Ltd**, the largest toy retailer in the country, announced that it fully expects to record its biggest loss in its history for the Current Financial Year. The company said that it, now, expected to log in a Loss Attributable to Shareholders of about 2.50 billion yen, compared with a previous forecast of a Net Profit Attributable to Shareholders of about 700 million yen.

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

The HKSAR	Hang Seng Index Minus 0.96 percent to 18,842.99 The Growth Enterprise Index Minus 0.19 percent to 1,186.15
Indonesia	Minus 0.13 percent to 1,782.12
Japan	TOPIX Index Plus 0.47 percent to 1,622.77 Nikkei-255 Stock Average Plus 0.62 percent to 16,473.36
Malaysia	Minus 0.01 percent to 1,098.26
The Philippines	Minus 0.06 percent to 2,796.18
Singapore	Plus 0.23 percent to 2,901.80
South Korea	Minus 0.24 percent to 1,410.30
Taiwan	Minus 0.09 percent to 7,686.52
Thailand	Minus 0.08 percent to 745.54

Friday

Just before Wall Street got down to business, last Friday morning, The Department of Labour brought out its report in respect of the employment and unemployment situation in the US.

The optimists interpreted the report as being good news.

TARGET disagrees.

Jobs losses continued unabated in the construction and manufacturing industries and the number of jobs, created in the month of November, did not go anywhere near to match the number of jobs, created one month earlier.

Further, unemployment was, virtually, unchanged, Month-On-Month.

The following is a verbatim copy of the comments of the Acting Commissioner of The Bureau of Labour Statistics, Mr Philip L. Ronces:

'Payroll employment rose by 132,000 in November, and the unemployment rate was essentially unchanged at 4.5 percent. The November employment gain followed increases of 203,000 in September and 79,000 in October (as revised). Over the month, employment rose in several service-providing industries. Job losses continued in construction and manufacturing.

'Employment in professional and business services continued to grow in November

(43,000). Over the year, the industry has added 426,000 jobs. Growth has occurred during this period in a number of the component industries, including architectural and engineering services, management consulting services, and computer systems design.

'Health care employment rose by 28,000 in November, bringing the increase over the year to 309,000. In November, job growth continued in hospitals and in ambulatory health care services, which includes doctors' offices.

'Within the leisure and hospitality sector, employment growth continued in food services and drinking places, which added 34,000 jobs over the month and 295,000 over the year.

'Employment in retail trade edged up in November, with gains in health and personal care stores; clothing and accessory stores; sporting goods, hobby, book, and music stores; and nonstore retailers, which include catalog and internet retailers. Over the month, job losses continued in general merchandise stores, after seasonal adjustment. Employment in this industry has decreased by 107,000 since August 2005.

'Employment continued to grow in mining in November. Since its low point in April 2003, mining employment has risen by 136,000, mainly in support activities.

'Construction employment fell sharply for the second month in a row. The November decline (-29,000) was widespread across the component industries. Since peaking in February of this year, residential specialty trades employment has fallen by 109,000. Nonresidential specialty trades added jobs during the first 10 months of the year but employment in the industry edged down in November.

'Employment in manufacturing continued its downward trend in November (-15,000). The over-the-month decline was concentrated in durable goods manufacturing. Employment continued to fall in motor vehicles and in two construction-related industries – wood products and furniture. In November, both the manufacturing workweek and factory overtime decreased by 0.1 hour to 41.1 and 4.2 hours, respectively.

'Average hourly earnings for private production and nonsupervisory workers increased 3 cents in November to \$16.94, a gain of 0.2 percent. Over the year, average hourly earnings rose by 4.1 percent.

'Most major indicators from the survey of households showed little or no change in November. The civilian labor force increased by 383,000 persons over the month, and the labor force participation rate was 66.3 percent. The unemployment rate was 4.5 percent in November, essentially unchanged from 4.4 percent in October. The unemployment rate had ranged from 4.6 to 4.8 percent in the first 9 months of the year.

'In summary, payroll employment rose by 132,000 in November, and the unemployment rate was 4.5 percent.'

On The New York Stock Exchange, the Dow Jones Industrial Average rose about 0.24 percent, rising to 12,307.49 points.

As for The NASDAQ's Composite Index, it rode The Dow's 'wave' with a gain of about 0.40 percent, climbing to 2,437.36 points.

Once again, however, the daily volume of activity slumped further, compared with the daily average number of shares, traded in 2005.

A potentially ominous sign.

The tally for the largest equity markets of the world for the week, ended December 8, 2006, was:

The Dow Jones Industrial Average	Plus	0.93 percent
The NASDAQ's Composite Index	Plus	1.00 percent

On The New York Mercantile Exchange (NYMEX), the price of crude oil fell.

For delivery in January 2007, the last settlement for a barrel of light sweet crude oil came in at \$US62.03, representing a fall of about 0.74 percent on Thursday's closing level.

As for February delivery, the last settlement was \$US63.09 per barrel of light sweet crude oil, that price, being down about 0.46 percent, compared with the last quote of Thursday.

European investors, seeing that Wall Street was mildly bullish, determined that it was time to follow the leader – again.

As a result, every key index of every major bourse rose, more out of sympathy than out of the logic for the situation.

The following is **TARGET**'s list of the major European bourses and how their key indices ended their respective week's trading:

Amsterdam's AEX Index	Minus 0.07 percent
France's CAC 40 Index	Plus 0.09 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.22 percent
Great Britain's FTSE 100 Index	Plus 0.34 percent
Italy's MIBTEL Index	Plus 0.09 percent
Switzerland's Swiss Market Index	Minus 0.21 percent

In Asia, many investors were circumspect about making any new financial commitments in view of the fact that the US Government was scheduled to bring out its employment/unemployment report after Asia had gone to bed, last Friday night.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets lost ground, albeit only fractional losses were recorded.

The Hang Seng Index, the key index of the Main Board of The Stock Exchange of Hongkong Ltd, lost about 0.55 percent of its value, falling back to 18,739.99 points.

The Total Turnover fell to about \$HK47.66 billion, while the ratio of declining counters to advancing ones was about 1.96:One.

The Ten Most Actives were:

*China Communications Services Corporation Ltd (Code: 552)	\$HK4.08 per share
HSBC Holdings plc (Code: 5)	Down 0.14 percent to \$HK140.90 per share
China Mobile Ltd (Code: 941)	Down 1.83 percent to \$HK61.80 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Unchanged at \$HK4.02 per share

Kingboard Laminates Holdings Ltd (Code: 1888) Up 5.71 percent to \$HK9.44 per share

*Zhaojin Mining Industry Company Ltd (Code: 1818) \$HK15.98 per share

Hutchison Whampoa Ltd (Code: 13) Up 1.35 percent to \$HK75.25 per share

China Life Insurance Company Ltd (Code: 2628) Down 1.37 percent to \$HK18.66 per share

China Petroleum and Chemical Corporation (Code: 386) Down 2.65 percent to \$HK6.24 per share

China Construction Bank Corporation (Code: 939) Down 0.72 percent to \$HK4.15 per share

* First Day of Trading

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Alco Holdings Ltd	328		13.26	4.12
Asia TeleMedia Ltd	376	13.71		0.199
Bossini International Holdings Ltd	592		12.96	0.47
Chitaly Holdings Ltd	1198	13.13		1.81
Elegance International Holdings Ltd	907	22.62		1.03
Everest International Investments Ltd	204	16.33		0.057
Fortuna International Holdings Ltd	530		15.90	0.201
Good Friend International Holdings Incorporated	2398	26.44		1.10
Guo Xin Group Ltd	1215	13.33		0.034
Hua Lien International (Holding) Company Ltd	969		10.00	0.126
Multifield International Holdings Ltd	898		22.69	0.092
NagaCorp Ltd	3918	22.95		1.50

Oriental Investment Corporation Ltd	735	12.31		0.365
Sky Hawk Computer Group Holdings Ltd	1129	10.00		0.385
Sun Innovation Holdings Ltd	547	14.00		1.14
Swank International Manufacturing Company Ltd	663	23.75		0.099
Theme International Holdings Ltd	990		11.11	0.024
UBA Investments Ltd	768	11.11		0.10
United Metals Holdings Ltd	2302		20.00	0.36
Wah Nam International Holdings Ltd	159		12.86	0.122
Wang Sing International Holdings Group Ltd	2389	10.58		0.209
Yunnan Enterprises Holdings Ltd	455	13.40		0.55

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shed about 0.22 percent, ending the week at 1,183.35 points.

The Total Turnover on this speculative market was about \$HK162.85 million.

Losing counters outnumbered gaining ones by the ratio of about 1.17:One.

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

Beijing Jingkelong Company Ltd (Code: 8245) Down 3.85 percent to \$HK6.25 per share

Shandong Weigao Group Medical Polymer Company Ltd
(Code: 8199) Down 1.59 percent to \$HK8.04 per share

Century Sunshine Ecological Technology Holdings Ltd
(Code: 8393) Up 0.74 percent to \$HK1.36 per share

Anhui Tianda Oil Pipe Company Ltd (Code: 8241) Unchanged at \$HK4.10 per share

Town Health International Holdings Company Ltd (Code:
8138) Down 0.91 percent to \$HK0.218 per share

As for the biggest movers of The GEM, last Friday, they included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
-----------------	------	-----------------	-----------------	-------------------------

BIG Media Group Ltd	8167		15.20	0.212
DeTeam Company Ltd	8112	14.29		0.80
Global Link Communications Holdings Ltd	8060	16.36		0.064
ITE (Holdings) Ltd	8092	32.61		0.061
Jessica Publications Ltd	8137		28.33	0.043
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049	11.19		0.159
New Universe International Group Ltd	8068		17.91	0.055
Northeast Tiger Pharmaceutical Company Ltd	8197		15.89	0.09
SJTU Sunway Software Industry Ltd	8148	12.63		0.214
Vodatel Networks Holdings Ltd	8033		14.29	0.12

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

The Hang Seng Index	Plus 0.26 percent
The Growth Enterprise Index	Minus 1.18 percent

Trading was quiet on the 3 equity markets of Japan, last Friday.

On The Tokyo Stock Exchange, its TOPIX Index lost about 0.40 percent of its value, dropping back to 1,161.34 points.

The ratio of losing counters to gaining ones was about 1.77:One.

The Nikkei-225 Stock Average was down about 0.34 percent to 16,417.82 yen.

For Asia's most-important stock market, the tally for the week was:

The TOPIX Index	Plus 0.71 percent
The Nikkei-225 Stock Average	Plus 0.59 percent

And the following was the situation on other Asian equity markets, last Friday night:

The HKSAR	Hang Seng Index Minus 0.55 percent to 18,739.99 The Growth Enterprise Index Minus 0.24 percent to 1,183.35
Indonesia	Minus 0.38 percent to 1,775.29
Japan	TOPIX Index Minus 0.40 percent to 1,616.34

	Nikkei-255 Stock Average Minus 0.34 percent to 16,417.82
Malaysia	Plus 0.03 percent to 1,098.59
The Philippines	Plus 1.26 percent to 2,831.40
Singapore	Minus 1.26 percent to 2,865.14
South Korea	Minus 1.41 percent to 1,390.43
Taiwan	Minus 0.65 percent to 7,636.30
Thailand	Minus 0.62 percent to 740.94

**Due to the approach of the Christmas and New Year holidays,
this will be the last, international stock-market report for 2006.**

The next report will be published on January 8, 2007.

**The economics division of TARGET takes this opportunity to wish all
Subscribers:**

**MERRY CHRISTMAS
AND A
PROSPEROUS 2007**

-- E N D --

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

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