

THE U.S. EQUITY MARKETS ARE SET FOR A ROUGH RIDE**And Asia Could Well Follow Suit**

Investors bailed out of stocks and shares on the world's largest equity markets, last Monday, following disappointing results from some of the high-technology counters with fears that more bad news was in the offing.

On The New York Stock Exchange, the Dow Jones Industrial Average suffered its largest, single-day's drop since late November 2006.

The Dow ended the trading day at 12,477.16 points, a fall of 88.37 points, or about 0.70 percent.

On The NASDAQ, its Composite Index gave up 20.24 points, equivalent to about 0.83 percent, coming to rest at 2,431.07 points.

Trading was relatively light on both equity markets.

The ratio of losing counters to gaining ones was about 1.75:One on The New York Stock Exchange and about 2:One on The NASDAQ.

News Wise

- **Pfizer Incorporated** will sack 10,000 of its workers, the company announced. The culling of the workforce will save the company about \$US2 billion, annually. The company, which is the world's biggest enterprise in the manufacture of drugs, said that it is facing stiff competition from generic drug producers.

On The New York Mercantile Exchange (NYMEX), crude-oil prices resumed the previous week's price retreat.

For delivery in February, the last settlement for a barrel of light sweet crude oil was \$US51.13, representing a drop of about 1.65 percent, compared with the last settlement of Friday, January 19, 2007.

As for delivery in March, the last settlement for a barrel of light sweet crude oil came in at \$US52.58, down about 1.53 percent on the final quote of the previous Friday.

A weaker Wall Street weighed heavily upon equity markets in Europe.

The key indices of the major bourses in the region came off, badly, as the following **TARGET** () table illustrates:

Amsterdam's AEX Index	Minus 0.71 percent
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France's CAC 40 Index	Minus 0.62 percent
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Germany's Frankfurt XETRA DAX Index	Minus 0.88 percent
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Great Britain's FTSE 100 Index	Minus 0.30 percent
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Italy's MIBTEL Index	Minus 0.25 percent
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Switzerland's Swiss Market Index	Minus 0.57 percent
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It was the beginning of the week's share-trading proceedings and investors in Europe appeared to be playing it safe.

In Asia, it was boom time, once again.

With the lone exception of the key index of The Bangkok Stock Exchange, major indices of all of the other equity markets made material gains.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key indices of the territory's 2 equity markets made gains, but it was the premier stock market that really dazzled investors.

On the Main Board of The Stock Exchange of Hongkong Ltd, its Hang Seng Index rose about 2.19 percent to 20,772.22 points on a Total Turnover of about \$HK60.39 billion.

For the Hang Seng Index, it was a record high.

Gaining counters outran losing ones by the ratio of about 2.62:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 1.68 percent to \$HK145.40 per share
China Life Insurance Company Ltd (Code: 2628)	Up 1.43 percent to \$HK24.80 per share
China Mobile Ltd (Code: 941)	Up 4.31 percent to \$HK73.85 per share
China Merchants Bank Company Ltd (Code: 3968)	Up 2.42 percent to \$HK17.80 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 0.65 percent to \$HK4.63 per share
PetroChina Company Ltd (Code: 857)	Up 1.04 percent to \$HK9.67 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 3.52 percent to \$HK6.77 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.06 percent to \$HK81.25 per share
China Communications Construction Company Ltd (Code: 1800)	Up 1.50 percent to \$HK8.79 per share
CNOOC Ltd (Code: 883)	Unchanged at \$HK6.70 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Anex International Holdings Ltd	723	21.36		0.125
AV Concept Holdings Ltd	595		10.11	0.40
BEP International Holdings Ltd	2326	10.34		0.16
Capital Estate Ltd	193	16.94		0.145
China Elegance (Holdings) Ltd	476		21.25	0.063
China Merchants China Direct Investments Ltd	133	12.04		21.40
China National Resources Development Holdings Ltd	661	10.86		0.245
China Rich Holdings Ltd	1191	11.84		0.255
China Seven Star Shopping Ltd	245	13.95		0.49
Co-Prosperity Holdings Ltd	707	10.34		0.96
Cosmopolitan International Holdings Ltd	120	10.91		0.183
Cosmos Machinery Enterprises Ltd	118	11.83		0.52
Everest International Investments Ltd	204	58.46		0.103
Fortuna International Holdings Ltd	530	25.49		0.32
G-Vision International (Holdings) Ltd	657	19.12		0.81
Galaxy Semi-Conductor Holdings Ltd	527	11.48		0.68
Henry Group Holdings Ltd	859		10.81	0.66
Imagi International Holdings Ltd	585	10.34		4.80
IRICO Group Electronics Company Ltd	438	14.67		0.43
Junefield Department Store Group Ltd	758	10.00		0.077

Karce International Holdings Company Ltd	1159	10.00		0.275
MAE Holdings Ltd	851		10.64	0.42
Mirabell International Holdings Ltd	1179	11.24		4.65
O2Micro International Ltd	457		10.00	1.08
PME Group Ltd	379	10.14		0.076
Regent Pacific Group Ltd	575	12.31		0.365
Rontex International Holdings Ltd	1142	20.45		0.053
Sino Gas Group Ltd	260	27.45		0.65
Sino Union Petroleum and Chemical International Ltd	346	13.04		0.52
Suga International Holdings Ltd	912		13.46	0.45
Universe International Holdings Ltd	1046	16.67		0.175
Yardway Group Ltd	646	21.82		0.67

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index gained only about 0.22 percent as investors nudged it up to 1,272.60 points.

The Total Turnover, however, rose to about \$HK330.53 million, an increase of about 21 percent compared with the volume of activity of the previous Friday (January 19).

The ratio of gainers to losers was about 1.50:One.

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

China Medical Science Ltd (Code: 8120) Up 159.62 percent to \$HK0.405 per share

Phoenix Satellite Television Holdings Ltd (Code: 8002) Up 4.96 percent to \$HK1.48 per share

Xinjiang Tianye Water Saving Irrigation System Company Ltd (Code: 8280) Up 12.72 percent to \$HK1.95 per share

Beijing Jingkelong Company Ltd (Code: 8245) Down 1.25 percent to \$HK7.13 per share

Anhui Tianda Oil Pipe Company Ltd (Code: 8241) Up 4.59 percent to \$HK5.70 per share

The GEM's biggest movers of the day were reserved for the following counters:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AKM Industrial Company Ltd	8298		10.00	0.225
BIG Media Group Ltd	8167		11.43	0.155
Capital Publications Ltd	8155	13.33		0.17
Shanxi Changcheng Microlight Equipment Company Ltd	8286	16.67		0.35
China Medical Science Ltd	8120	159.62		0.405
Dahe Media Company Ltd	8243	16.00		1.16
Everpride Biopharmaceutical Company Ltd	8019	23.44		0.079
EVI Education Asia Ltd	8090	56.25		0.10
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231	14.29		0.36
Global Digital Creations Holdings Ltd	8271	22.41		0.355
Global Link Communications Holdings Ltd	8060	10.00		0.055
Golife Concepts Holdings Ltd	8172	13.21		0.06
GreaterChina Technology Group Ltd	8032	12.28		0.064
IIN International Ltd	8128	11.11		0.03
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049	15.63		0.185
Shandong Luoxin Pharmacy Stock Company Ltd	8058	10.56		1.57
Medical China Ltd	8186	32.35		0.09
New Chinese Medicine Holdings Ltd	8085	25.49		0.32
Q9 Technology Holdings Ltd	8129	24.63		0.167
SJTU Sunway Software Industry Ltd	8148		11.39	0.14

Soluteck Holdings Ltd	8111	20.83		0.058
Techpacific Capital Ltd	8088	10.29		0.375
Tianjin TEDA Biomedical Engineering Company Ltd	8189		15.00	0.17
Xinjiang Tianye Water Saving Irrigation System Company Ltd	8280	12.72		1.95
Zhejiang Shibao Company Ltd	8331	12.99		0.87

In The Land of The Rising Sun, investors, locked into stock and shares, listed on the country's 3 equity markets, were cheered to see share prices rise, materially.

On The Tokyo Stock Exchange, The TOPIX Index rose 16.12 points, equivalent to about 0.94 percent, ending the active trading session at 1,730.33 points.

Gaining counters outnumbered losing ones by the ratio of 3.60:One, exactly.

As for the narrower gauge of trading in select blue chips, listed on The First Section of The Tokyo Stock Exchange, known as The Nikkei-225 Stock Average, it advanced 113.74 yen, or about 0.66 percent, ending the day's activities at 17,424.18 yen.

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

The HKSAR	Hang Seng Index Plus 2.19 percent to 20,772.22 The Growth Enterprise Index Plus 0.22 percent to 1,272.60
Indonesia	Plus 1.22 percent to 1,817.41
Japan	TOPIX Index Plus 0.94 percent to 1,730.33 Nikkei-225 Stock Average Plus 0.66 percent to 17,424.18
Malaysia	Plus 0.88 percent to 1,157.85
The Philippines	Plus 1.82 percent to 3,141.28
Singapore	Plus 2.35 percent to 3,145.20
South Korea	Plus 0.21 percent to 1,363.41
Taiwan	Plus 0.03 percent to 7,842.47

Thailand	Minus 0.46 percent to 655.12
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Tuesday

Crude-oil prices jumped, last Tuesday, after the US Energy Secretary, Mr Sam Bodman, announced that the US Government plans to fill the country's Strategic Petroleum Reserves.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in March (March became the near month, last Tuesday) bounced up about 4.68 percent to \$US55.04.

As for April delivery, the price of a barrel of light sweet crude oil rose about 4.45 percent to \$US55.91.

On US equity markets, there was a flurry of activity on energy and energy related counters: Investors wanted to catch this bus before it left the terminus.

On The New York Stock Exchange, the Dow Jones Industrial Average gained 56.64 points, equivalent to about 0.45 percent, ending the trading day at 12,533.80 points.

On The NASDAQ, its Composite Index did not fare as well as The Dow, gaining only about one third of a percentage point, limping to 2,431.41 points.

Disappointing results of certain European trading entities dampened enthusiasm to trade in stocks and shares on major bourses, last Tuesday, resulting in their key indices to vacillate for most of the day:

Amsterdam's AEX Index	Minus 0.13 percent
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France's CAC 40 Index	Minus 0.08 percent
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Germany's Frankfurt XETRA DAX Index	Minus 0.12 percent
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Great Britain's FTSE 100 Index	Plus 0.14 percent
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Italy's MIBTEL Index	Plus 0.05 percent
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Switzerland's Swiss Market Index	Plus 0.03 percent
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Had it not been for a mild run on energy counters, no doubt, all of the key indices of the most-important bourses would have been in negative territory by the close of trading, last Tuesday.

For the most part, trading in stocks and shares in Asia was muted, last Tuesday, following the bullish trend on Monday and the fact that the US President, Mr George W. Bush, was scheduled to speak to the country in his State of The Union Address.

What he would say could well be, literally, earth-shattering.

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

On the Main Board of The Stock Exchange of Hongkong Ltd, its Hang Seng Index shed about 0.01 percent to edge back to 20,769.70 points.

The Total Turnover was about \$HK55.84 billion.

Losing counters outnumbered gaining ones by the ratio of about 1.82:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 0.69 percent to \$HK144.40 per share
China Mobile Ltd (Code: 941)	Up 2.51 percent to \$HK75.70 per share
Bank of China Ltd (Code: 3988)	Down 1.72 percent to \$HK4.00 per share
China Life Insurance Company Ltd (Code: 2628)	Down 2.82 percent to \$HK24.10 per share
China Communications Construction Company Ltd (Code: 1800)	Up 4.44 percent to \$HK9.18 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.12 percent to \$HK81.35 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 0.89 percent to \$HK6.71 per share
Hang Seng Bank Ltd (Code: 11)	Down 1.51 percent to \$HK110.70 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 0.22 percent to \$HK4.62 per share
PICC Property and Casualty Company Ltd (Code: 2328)	Up 6.04 percent to \$HK4.74 per share

Of the 35, double-digit movers of the Main Board, 63 percent of their number saw their share prices rise by 10 percent or more while the remainder lost 10 percent or more of their respective market capitalisations.

Star Cruises Ltd (Code: 678) was the biggest gainer of the day as its share price rose by about 47.83 percent to \$HK3.74.

Shang Hua Holdings Ltd (Code: 371) was the biggest loser as investors pulled down its share price to 33.50 cents, a fall of about 22.09 percent.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index lost about one third of a percentage point, coming to rest at 1,268.46 points.

The Total Turnover on this speculative market was about \$HK213.18 million.

The ratio of losing counters to gaining ones was about 1.19:One.

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

Xinjiang Tianye Water Saving Irrigation System Company Ltd (Code: 8280)	Up 9.74 percent to \$HK2.14 per share
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Beijing Jingkelong Company Ltd (Code: 8245)

Down 1.54 percent to \$HK7.02 per share

Proactive Technology Holdings Ltd (Code: 8089)

Down 10.20 percent to \$HK3.08 per share

Phoenix Satellite Television Holdings Ltd (Code: 8002)

Down 2.70 percent to \$HK1.44 per share

Century Sunshine Ecological Technology Holdings Ltd (Code: 8276)

Up 0.65 percent to \$HK1.54 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025		15.19	0.067
Argos Enterprise (Holdings) Ltd	8022		16.67	0.145
BIG Media Group Ltd	8167		12.90	0.135
China Photar Electronics Group Ltd	8220		11.73	0.143
Everpride Biopharmaceutical Company Ltd	8019		13.92	0.068
EVI Education Asia Ltd	8090		52.00	0.152
FX Creations International Holdings Ltd	8136	87.50		0.15
Golding Soft Ltd	8190		12.50	0.035
Hua Xia Healthcare Holdings Ltd	8143	12.00		0.28
IIN International Ltd	8128		10.00	0.027
ITE (Holdings) Ltd	8092	26.67		0.057
New Chinese Medicine Holdings Ltd	8085		18.75	0.26
New Universe International Group Ltd	8395		24.14	0.11
Proactive Technology Holdings Ltd	8089		10.20	3.08
Qianlong Technology International Holdings Ltd	8015	43.48		0.33
Shanghai Fudan Microelectronics Company Ltd	8102	51.65		0.69

Union Bridge Holdings Ltd	8047	15.00		0.345
Xteam Software International Ltd	8178		13.89	0.062
Zheda Lande Scitech Ltd	8106	11.11		0.20
Zhongyu Gas Holdings Ltd	8070	38.03		0.49

In Japan, it was another very dull trading day.

On The Tokyo Stock Exchange, its TOPIX Index managed to be written in black ink by the close of the trading day, but only just: Plus 0.02 percent at 1,730.76 points.

Even so, declining counters outnumbered advancing ones by the ratio of about 1.33:One.

As for The Nikkei-225 Stock Average, it went in the opposite direction to The TOPIX Index, losing about 0.09 percent to end the trading day at 17,408.57 yen.

This was how things looked on other Asian equity markets, last Tuesday:

The HKSAR	Hang Seng Index Minus 0.01 percent to 20,769.70 The Growth Enterprise Index Minus 0.33 percent to 1,268.46
Indonesia	Minus 0.49 percent to 1,808.58
Japan	TOPIX Index Plus 0.02 percent to 1,730.76 Nikkei-225 Stock Average Minus 0.09 percent to 17,408.57
Malaysia	Plus 0.97 percent to 1,169.12
The Philippines	Plus 1.85 percent to 3,199.34
Singapore	Minus 0.39 percent to 3,132.90
South Korea	Minus 0.02 percent to 1,363.09
Taiwan	Plus 0.13 percent to 7,852.36
Thailand	Minus 0.67 percent to 650.76

Wednesday

The US President's State of the Union Address was a flop.

The US Congress said 'no' to President George W. Bush's entreaties to send 21,000 more troops to Iraq.

Even his former, stalwart supporters declined to go along with the President's plans, describing them as ill-conceived.

The US President's approval rating dropped to its lowest level, ever.

In Japan, there was official government talk that the US had made a tragic mistake in the invasion (termed by President George W. Bush as being a '*liberation*') of Iraq on March 21, 2003.

The Defense Minister of Japan, Mr Fumio Kyuma, said, *inter alia*, that he had, in the past, expressed his understanding of the US war in Iraq, but he never, personally, supported it, and '*my opinion remains the same.*'

Mr Fumio Kyuma said that President George W. Bush's decision to invade Iraq was '*based on an assumption that weapons of mass destruction existed was a mistake.*'

His comments came after President George W. Bush begged Congress to agree to his plans to send more troops to Iraq, saying that it represented the best chance in a war that America must not lose.

Wall Street paid little notice to the State of The Union Address and went along its merry way.

On The New York Stock Exchange, the Dow Jones Industrial Average gained 87.97 points, equivalent to about 0.70 percent, ending the trading day at 12,621.77 points.

On The NASDAQ, its Composite Index rose 34.87 points, or about 1.43 percent, shooting back to 2,466.28 points.

The gains on Wall Street came despite another hike in the price of crude oil on international commodity exchanges.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in March was \$US55.37, up about 0.60 percent on the final quote of Tuesday.

As for April delivery, the last settlement for a barrel of light sweet crude oil was \$US56.16, an increase of about 0.45 percent on Tuesday's last settlement.

In Europe, investors followed the charge to higher prices on Wall Street, resulting in every key index of every major European bourse to rise, smartly.

In some cases, key indices of the most-important bourses stood at 6-year highs.

There was little reason for the very material gains in Europe, last Wednesday: It was simply a case of follow the (Wall Street) leader.

The following **TARGET** list of the key indices of major European bourses tells the tale:

Amsterdam's AEX Index	Plus	0.74 percent
France's CAC 40 Index	Plus	1.13 percent
Germany's Frankfurt XETRA DAX Index	Plus	1.03 percent
Great Britain's FTSE 100 Index	Plus	1.40 percent

Italy's MIBTEL Index	Plus	0.96 percent
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Switzerland's Swiss Market Index Plus 0.52 percent

Only the stock market of Indonesia did not heed the call for higher prices in the most-populous part of the world, last Wednesday.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key index of the premier equity market crawled to a fractional gain while, on the speculative equity market, there was a decided thud as share prices tumbled.

The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, rose about one quarter of a percentage point, ending the trading day at 20,821.05 points.

The Total Turnover was about \$HK58.54 billion while the ratio of advancing counters to declining ones was about 1.07:One.

The Ten Most Actives were:

China Mobile Ltd (Code: 941) Up 2.38 percent to \$HK77.50 per share

China Life Insurance Company Ltd (Code: 2628) Down 1.04 percent to \$HK23.85 per share

HSBC Holdings plc (Code: 5) Down 0.62 percent to \$HK143.50 per share

PICC Property and Casualty Company Ltd (Code: 2328) Up 9.49 percent to \$HK5.19 per share

China Communications Construction Company Ltd (Code: 1800) Up 2.61 percent to \$HK9.42 per share

PetroChina Company Ltd (Code: 857) Up 1.76 percent to \$HK9.85 per share

China Construction Bank Corporation (Code: 939) Up 1.24 percent to \$HK4.88 per share

Industrial and Commercial Bank of China Ltd (Code: 1398) Up 1.30 percent to \$HK4.68 per share

Bank of China Ltd (Code: 3988) Unchanged at \$HK4.00 per share

Sun Hung Kai Properties Ltd (Code: 16) Down 1.16 percent to \$HK97.60 per share

There was a total of 38, double-digit movers on the Main Board, with 28 counters, seeing their share prices rise by 10 percent or more, while 10 counters saw their market capitalisations fall by 10 percent or more.

The biggest gainer of the day was China Force Oil and Grains Industrial Holdings Company Ltd (Code: 1194) whose share price jumped 47.37 percent to 42 cents.

Radford Capital Investment Ltd (Code: 901) turned out to be the biggest loser of the Main Board as investors pulled down its share price to 6.90 cents, a one-day fall of about 23.33 percent.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index shed about 0.91 percent of its value, falling back to 1,256.97 points.

The ratio of losers to gainers was about 1.04:One.

The Total Turnover on this speculative marketplace was about \$HK184.81 million.

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

Beijing Jingkelong Company Ltd (Code: 8245) Up 1.57 percent to \$HK7.13 per share

Anhui Tianda Oil Pipe Company Ltd (Code: 8241) Up 2.71 percent to \$HK6.06 per share

Proactive Technology Holdings Ltd (Code: 8089) Up 0.32 percent to \$HK3.09 per share

Core Healthcare Investment Holdings Ltd (Code: 8250) Up 1.30 percent to \$HK0.156 per share

Shandong Weigao Group Medical Polymer Company Ltd
(Code: 8199) Up 0.57 percent to \$HK10.56 per share

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	19.40		0.08
Argos Enterprise (Holdings) Ltd	8022	17.24		0.17
B.A.L. Holdings Ltd	8079		11.59	0.305
Byford International Ltd	8272	10.00		0.33
China Leason Investment Group Company Ltd	8270		14.86	0.189
Everpride Biopharmaceutical Company Ltd	8019	32.35		0.09
FX Creations International Holdings Ltd	8136		10.00	0.135
Golding Soft Ltd	8190	42.86		0.05
ITE (Holdings) Ltd	8092		19.30	0.046
Jiangsu Nandasoft Company Ltd	8045	10.37		0.149
MegaInfo Holdings Ltd	8279		11.24	1.58

PINE Technology Holdings Ltd	8013	12.82		0.22
Sau San Tong Holdings Ltd	8200	10.83		0.133
Tianjin TEDA Biomedical Engineering Company Ltd	8189	11.11		0.20
TeleEye Holdings Ltd	8051	37.50		0.11
Tiger Tech Holdings Ltd	8046	11.11		0.05
Vertex Group Ltd	8228	13.25		0.47
Vodatel Networks Holdings Ltd	8033	17.42		0.182
Xteam Software International Ltd	8178	24.19		0.077

In Japan, investors appeared to be a little cautious, but even so, key indices rose on the country's 3 equity markets.

On The Tokyo Stock Exchange, its TOPIX Index gained about 0.45 percent, rising to 1,738.61 points.

Advancing counters outnumbered declining ones by the ratio of about 1.36:One.

As for The Nikkei-225 Stock Average, it put on about 0.57 percent, ending the trading day at 17,507.40 yen.

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

The HKSAR	Hang Seng Index Plus 0.25 percent to 20,821.05 The Growth Enterprise Index Minus 0.91 percent to 1,256.97
Indonesia	Minus 0.16 percent to 1,805.69
Japan	TOPIX Index Plus 0.45 percent to 1,738.61 Nikkei-225 Stock Average Plus 0.57 percent to 17,507.40
Malaysia	Plus 1.19 percent to 1,183.04
The Philippines	Plus 1.42 percent to 3,244.75
Singapore	Plus 0.55 percent to 3,150.24

South Korea	Plus 1.47 percent to 1,383.06
Taiwan	Plus 1.06 percent to 7,935.54
Thailand	Plus 0.98 percent to 657.16

Thursday

US equity markets were hit from all angles, last Thursday, resulting in many investors, running for cover.

The biggest shock came from Ford Motor Company: Nobody wants to drive the company's motor vehicles, it seems.

Ford, the second-largest motor-vehicle producer in the US, reported that, for the Financial Year, ended December 31, 2006, it had logged in a Loss Attributable to Shareholders of about \$US12.70 billion.

That it larger than the annual national budget of many countries!

The company is planning to sack about 45,000 workers and close 16 factories in North America.

As if that was not enough, the bottom dropped out of the share prices of many US home-builders, following very negative reports from the major producers – with promises of worse times to come.

The Dow Jones US Home Construction Index, a measure of the performance of US home-builders, was down about 3.60 percent by late afternoon trading, last Thursday.

A number of companies had reported weak quarterly reports, with the managements of these companies, claiming that they saw no light at the end of the home-builders' tunnel.

Meritage Homes Corporation reported a 91-percent drop in profits, Year-On-Year, with its management, saying that it fully expects 2007 *'to be a difficult year.'*

Its share price fell about 4.20 percent to \$US43.93.

Ryland Group Incorporated reported a 46-percent decline in quarterly earnings, Year-On-Year: Its share price dropped about 5.60 percent to \$US52.82.

And so it went on.

As for the Dow Jones Industrial Average, the key, blue-chip index of The New York Stock Exchange, it lost 119.21 points, equivalent to about 0.94 percent, ending the hectic trading day at 12,502.56 points.

Over on The NASDAQ, its Composite Index shed 32.04 points, or about 1.30 percent, ending the trading session at 2,434.24 points.

In addition to the above-mentioned, a fall in the price of crude oil on international commodity exchanges brought down the prices of energy and energy related stocks and shares.

Then, along came a report from the US Government's Labour Department – which was a real shock.

The US Labour Department announced that applications from workers for unemployment benefits rose to their highest levels of the past 16 months: 325,000 Claims.

That was an increase, Week-On-Week, of about 36,000 Claims.

On The New York Mercantile Exchange (NYMEX), the last settlement of a barrel of light sweet crude oil

for delivery in March fell about 2.06 percent to \$US54.23.

For delivery in April, the last settlement came in at \$US55.12 per barrel of light sweet crude oil, down about 1.85 percent on the last settlement of Wednesday.

Nearly all of the major European bourses were hit hard on the back of Wall Street's falls:

Amsterdam's AEX Index	Minus 0.69 percent
France's CAC 40 Index	Minus 0.51 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.42 percent
Great Britain's FTSE 100 Index	Minus 0.72 percent
Italy's MIBTEL Index	Minus 0.18 percent
Switzerland's Swiss Market Index	Minus 0.20 percent

Clearly, it was reasoned, the worst is yet to come.

In Asia, it was mostly losers on the 9 major equity markets of the region.

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

The Hang Seng Index, which is the key gauge of trading in blue chips, listed on the Main Board of The Stock Exchange of Hongkong Ltd, shed about 0.73 percent, ending the trading day at 20,669.83 points.

The Total Turnover was about \$HK51.77 billion.

Declining counters outpaced advancing ones by the ratio of about 2.64:One.

The Ten Most Active counters were:

China Life Insurance Company Ltd (Code: 2628)	Down 2.94 percent to \$HK23.15 per share
China Mobile Ltd (Code: 941)	Down 1.74 percent to \$HK76.15 per share
HSBC Holdings plc (Code: 5)	Up 0.42 percent to \$HK144.10 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 0.21 percent to \$HK4.67 per share
China Construction Bank Corporation (Code: 939)	Down 1.23 percent to \$HK4.82 per share
China Communications Construction Company Ltd (Code: 1800)	Down 3.82 percent to \$HK9.06 per share

PetroChina Company Ltd (Code: 857)

Unchanged at \$HK9.85 per share

Bank of China Ltd (Code: 3988)

Down 0.25 percent \$HK3.99 per share

PICC Property and Casualty Company Ltd (Code: 2328)

Down 7.90 percent to \$HK4.78 per share

Foxconn International Holdings Ltd (Code: 2038)

Down 1.49 percent to \$HK23.10 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)
A-Max Holdings Ltd	959	57.81		0.101
Asia TeleMedia Ltd	376		10.48	0.188
China Force Oil and Grains Industrial Holdings Company Ltd	1194		11.90	0.37
China Seven Star Shopping Ltd	245		11.00	0.445
Daido Group Ltd	544	18.64		0.07
Everbest Century Holdings Ltd	578	15.58		0.89
Fortuna International Holdings Ltd	530		11.43	0.31
Fushan International Energy Group Ltd	639	23.91		1.14
Global Flex Holdings Ltd	471	11.83		0.52
Grandtop International Holdings Ltd	2309	11.76		0.095
Henry Group Holdings Ltd	859	10.29		0.75
HKC International Holdings Ltd	248	11.79		0.218
LeRoi Holdings Ltd	221	38.10		0.145
Lippo China Resources Ltd	156		10.61	0.295
New World CyberBase Ltd	276	15.88		0.27
Oriental Explorer Holdings Ltd	430	12.24		0.055

PacMOS Technologies Holdings Ltd	1010	27.27		0.56
Pearl Oriental Innovation Ltd	632		11.54	2.30
Radford Capital Investment Ltd	901		18.84	0.056
Sam Woo Holdings Ltd	2322	14.71		1.17
Shenzhen High-Tech Holdings Ltd	106	41.67		0.034
Signal Media and Communications Holdings Ltd	2362		13.28	0.111
Star Cruises Ltd	678		10.97	3.49
Tidetime Sun (Group) Ltd	307	13.82		0.14
UDL Holdings Ltd	620		19.15	0.038
Wing Hong (Holdings) Ltd	745		10.87	0.041
Wing Shing International Holdings Ltd	850	15.94		0.80
Xin Corporation Ltd	1141	13.48		0.16
Yardway Group Ltd	646		10.17	0.53
Zhongda International Holdings Ltd	909	10.23		0.485

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index gave up about 0.62 percent of its value, falling back to 1,249.19 points.

The Total Turnover was about \$HK162.60 million, while the ratio of losers to gainers was about 1.27:One.

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

Proactive Technology Holdings Ltd (Code: 8089) Up 8.74 percent to \$HK3.36 per share

Beijing Jingkelong Company Ltd (Code: 8245) Unchanged at \$HK7.13 per share

Anhui Tianda Oil Pipe Company Ltd (Code: 8241) Down 0.99 percent to \$HK6.00 per share

Phoenix Satellite Television Holdings Ltd (Code: 8002) Down 0.69 percent to \$HK1.43 per share

TOM Online Incorporated (Code: 8282) Up 5.15 percent to \$HK1.43 per share

The biggest GEM movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022	10.59		0.188
China Medical Science Ltd	8120		10.34	0.39
Golife Concepts Holdings Ltd	8172		12.28	0.05
GreaterChina Technology Group Ltd	8032		10.00	0.054
Xi'an Haitian Antenna Technologies Company Ltd	8227	12.90		0.35
Jiangsu Nandasoft Company Ltd	8045	12.08		0.167
KanHan Technologies Group Ltd	8175	15.83		0.161
Long Success International (Holdings) Ltd	8017	13.58		0.46
Northeast Tiger Pharmaceutical Company Ltd	8197	16.67		0.105
QUASAR Communication Technology Holdings Ltd	8171		10.71	0.125
SJTU Sunway Software Industry Ltd	8148	10.39		0.17
Vodatel Networks Holdings Ltd	8033		14.84	0.155
Zhejiang Shibao Company Ltd	8331		11.22	0.87

In Japan, the country's 3 equity markets experienced falling share prices, which weighed heavily on key indices.

On The Tokyo Stock Exchange, The TOPIX Index surrendered about 0.53 percent of its value, falling back to 1,729.40 points.

Losing counters outnumbered gaining ones by the ratio of about 3.97:One.

The Nikkei-225 Stock Average lost about 0.28 percent, ending the trading day at 17,458.30 yen.

News Wise

- **KDDI Corporation**, Japan's second-largest, telephone company, announced that it fully expected a 7.50-percent increase in its Operating Profits for Fiscal 2006, ending March 31, 2007. That would take it to about 342 billion yen;
- **Nintendo Company** said that its Group Net Profit Attributable to Shareholders was about 131.92

billion yen for the 9 months, ended December 31, 2006. That was a jump, Year-On-Year, of about 43.10 percent; and,

- **Japan's trade surplus** rose about 22.80 percent in December 2006, compared with the like month in 2005, The Finance Ministry announced.

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

The HKSAR	Hang Seng Index Minus 0.73 percent to 20,669.83 The Growth Enterprise Index Minus 0.62 percent to 1,249.19
Indonesia	Minus 1.76 percent to 1,773.96
Japan	TOPIX Index Minus 0.53 percent to 1,729.40 Nikkei-225 Stock Average Minus 0.28 percent to 17,458.30
Malaysia	Minus 0.29 percent to 1,179.66
The Philippines	Plus 0.94 percent to 3,275.19
Singapore	Minus 1.32 percent to 3,108.63
South Korea	Minus 0.05 percent to 1,382.36
Taiwan	Minus 0.15 percent to 7,923.77
Thailand	Plus 0.54 percent to 660.71

Friday

Prices of stocks and shares continued to fall on the world's largest equity markets, last Friday, as investors worried that more bad news would come to the fore in the coming weeks and months.

Adding to the gloom and doom was another hike in the price of crude oil on international commodity exchanges.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in March rose to \$US55.42, an increase of about 2.19 percent on Thursday's closing level.

As for delivery in April, the last settlement was \$US56.25 per barrel of light sweet crude oil, representing an increase over Thursday's last settlement of about 2.05 percent.

The Organisation of Petroleum Exporting Countries (OPEC) has promised that, come this Thursday, it will cut OPEC's oil production by 500,000 barrels per day.

And, if that move does not push the price of crude oil back to above the \$US60 per-barrel level, further export cuts in OPEC's oil output could well follow.

Higher oil prices cut into profits of companies in nearly every country of the Western and Eastern world.

On The New York Stock Exchange, the Dow Jones Industrial Average shed another 15.54 points, equivalent to about 0.12 percent, edging down to 12,487.02 points.

On The (tech-laden) NASDAQ, its Composite Index ended the week at 2,435.49 points, down 1.25 points, or about 0.05 percent.

The tally for the week for the largest equity markets of the world was:

The Dow Jones Industrial Average	Minus 0.62 percent
The NASDAQ's Composite Index	Minus 0.64 percent

In Europe, it was more of the action of Thursday: Falling key indices of major bourses in the region.

Europe was following the leader – Wall Street.

This was how the key indices of the most-important European bourses fared, last Friday:

Amsterdam's AEX Index	Minus 0.64 percent
France's CAC 40 Index	Minus 0.47 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.43 percent
Great Britain's FTSE 100 Index	Minus 0.65 percent
Italy's MIBTEL Index	Minus 0.44 percent
Switzerland's Swiss Market Index	Minus 1.01 percent

In Asia, the tone was set long before Wall Street had opened its doors for business, last Friday, as investors, disheartened at their lot, started to sell stocks and shares in anticipation of what might befall the most-populous part of the world in the near future.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the situation was especially bad on the premier equity market of the territory.

The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, gave up about 1.88 percent of its value, ending the week at 20,281.13 points.

The Total Turnover rose to \$HK60.15 billion.

The ratio of losing counters to gaining ones was about 3.62:One.

The Ten Most Actives were:

China Life Insurance Company Ltd (Code: 2628)	Up 1.08 percent to \$HK23.40 per share
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China Mobile Ltd (Code: 941)	Down 4.60 percent to \$HK72.65 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 1.71 percent to \$HK4.59 per share
China Construction Bank Corporation (Code: 939)	Down 2.49 percent to \$HK4.70 per share
HSBC Holdings plc (Code: 5)	Down 0.35 percent to \$HK143.60 per share
Bank of China Ltd (Code: 3988)	Down 1.50 percent \$HK3.93 per share
Lee and Man Paper Manufacturing Ltd (Code: 2314)	Down 6.35 percent \$HK18.28 per share
China Communications Construction Company Ltd (Code: 1800)	Down 1.77 percent to \$HK8.90 per share
PetroChina Company Ltd (Code: 857)	Down 2.64 percent to \$HK9.59 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Down 3.15 percent to \$HK86.10 per share

As for the biggest movers of the day, they included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
A-Max Holdings Ltd	959		16.83	0.084
BEP International Holdings Ltd	2326		18.10	0.19
China Haidian Holdings Ltd	256	23.21		0.345
China Seven Star Shopping Ltd	245	21.35		0.54
Foundation Group Ltd	1182	16.88		1.87
Fushan International Energy Group Ltd	639	13.16		1.29
HKC International Holdings Ltd	248		11.47	0.193
Hop Hing Holdings Ltd	47		10.45	0.30
Interchina Holdings Company Ltd	202	20.00		0.072
LeRoi Holdings Ltd	221		17.93	0.119

Magician Industries (Holdings) Ltd	526		12.20	0.144
Mei Ah Entertainment Group Ltd	391		10.00	0.36
Northern International Holdings Ltd	736	12.50		0.36
Orient Resources Group Company Ltd	467	12.50		0.99
PacMOS Technologies Holdings Ltd	1010		10.71	0.50
Pak Tak International Ltd	2668	11.43		0.39
Shenzhen High-Tech Holdings Ltd	106		17.65	0.028
Signal Media and Communications Holdings Ltd	2362	11.71		0.124
Star Cruises Ltd	678		11.46	3.09
Sunlink International Holdings Ltd	2336		10.86	0.156
Takson Holdings Ltd	918		16.22	0.31
UDL Holdings Ltd	620	15.79		0.044

Over on The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index slipped about 0.74 percent to 1,240.00 points, exactly.

The Total Turnover was about \$HK202.01 million.

Declining counters outpaced advancing ones by the ratio of about 2.29:One.

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

Chinasoft International Ltd (Code: 8216) Down 0.52 percent to \$HK1.90 per share

Beijing Jingkelong Company Ltd (Code: 8245) Down 0.42 percent to \$HK7.10 per share

Anhui Tianda Oil Pipe Company Ltd (Code: 8241) Down 3.17 percent to \$HK5.81 per share

Proactive Technology Holdings Ltd (Code: 8089) Up 2.08 percent to \$HK3.43 per share

Xteam Software International Ltd (Code: 8178) Up 24.32 percent to \$HK0.092 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		14.29	0.06
China Medical Science Ltd	8120	10.26		0.43
Dahe Media Company Ltd	8243		12.50	0.91
DIGITALHONGKONG.COM	8007		11.86	0.104
Essex Bio-Technology Ltd	8151		10.29	0.122
Glory Future Group Ltd	8071	11.90		0.235
International Financial Network Holdings Ltd	8123	24.39		0.051
Long Success International (Holdings) Ltd	8017		10.87	0.41
MP Logistics International Holdings Ltd	8239	10.00		0.099
New Chinese Medicine Holdings Ltd	8085		10.34	0.26
Sys Solutions Holdings Ltd	8182		11.34	0.43
Xteam Software International Ltd	8178		24.32	0.092
Zhongyu Gas Holdings Ltd	8070		10.87	0.41

The tally for the week, ended January 26, 2007, for the second, most-important stock market of Asia was:

The Hang Seng Index	Minus 0.23 percent
The Growth Enterprise Index	Minus 2.35 percent

Trading on Asia's largest equity market, however, was very dull, last Friday.

On The Tokyo Stock Exchange, its TOPIX Index gave up about 0.08 percent as investors pushed down the key index of the largest equity market in the region to 1,728.02 points.

Losers and gainers were close, at about 1.13:One.

The Nikkei-225 Stock Average lost about 0.21 percent of its value, dropping back to 17,421.93 yen.

For the largest stock market of Asia, the tally for the week was:

The TOPIX Index	Minus 0.13 percent
The Nikkei-225 Stock Average	Minus 0.01 percent

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

The HKSAR	Hang Seng Index Minus 1.89 percent to 20,281.13 The Growth Enterprise Index Minus 0.74 percent to 1,240.00
Indonesia	Minus 0.83 percent to 1,759.21
Japan	TOPIX Index Minus 0.08 percent to 1,728.02 Nikkei-225 Stock Average Minus 0.21 percent to 17,421.93
Malaysia	Minus 0.83 percent to 1,169.89
The Philippines	Minus 3.43 percent to 3,162.82
Singapore	Minus 0.67 percent to 3,087.74
South Korea	Minus 0.80 percent to 1,371.33
Taiwan	Minus 1.29 percent to 7,821.32
Thailand	Minus 0.46 percent to 657.65

-- **END** --

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