

**HSBC HOLDINGS SHOCKS THE EQUITY MARKETS OF THE WORLD;  
OIL PRICES START TO RISE, AGAIN; AND,  
INVESTORS GET ALL SHOOK UP**

President George W. Bush presented a \$US2.90-trillion Budget to the US Congress for Fiscal 2008, with nearly \$US700 billion, earmarked for military spending for the wars in Afghanistan and Iraq.

It was, clearly, a shock to the world because that amount of money looks like this: \$US2,900,000,000,000.

*'This is enough to purchase Australia and New Zealand, combined,'* one US Congressman was heard to remark, jestingly.

Trading on Wall Street was flat, last Monday.

On The New York Stock Exchange, investors had a number of things to consider, all of which took priority over trading in stocks and shares, with scanning the scant details of the President's Budget proposals, being but one of the many considerations.

The Dow Jones Industrial Average rose 8.25 points, or about 0.07 percent, ending the trading session at 12,661.74 points.

As for The NASDAQ's Composite Index, it dropped back 5.28 points, equivalent to about 0.21 percent, falling to 2,470.60 points.

It was a similar situation in Europe as many investors were absolutely staggered by the enormity of the US Government's Budget proposals – as well as the escalating killing and maiming of innocents in Iraq.

But there were other concerns in Europe, also, because the problems of the US economy and of the leadership of the most-powerful country in the world, today, are certain to be in for a great deal of stick, all of which must eventually filter down to the European Union (EU) and other countries of Europe, those which are not, yet, part of the EU.

This was how the key indices of major European bourses fared, last Monday:

Amsterdam's AEX Index	Minus 0.11 percent
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France's CAC 40 Index	Plus 0.06 percent
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Germany's Frankfurt XETRA DAX Index	Minus 0.16 percent
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Great Britain's FTSE 100 Index	Plus 0.11 percent
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Italy's MIBTEL Index	Plus 0.20 percent
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Switzerland's Swiss Market Index      Minus 0.02 percent

On the world's commodity exchanges, the price of crude oil fell, slightly.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in March came in at \$US58.74, down 0.47 percent, compared with the final quote of Friday, February 2.

As for delivery in April, the last settlement for a barrel of light sweet crude oil was \$US59.30, representing a drop of about 0.57 percent on the last settlement of the previous Friday.

On Asian equity markets, one third of the major markets saw their key indices fall; the rest recorded mainly fractional gains.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key indices of the premier equity market fell while, on the speculative equity market, investors pushed its lone index up quite substantially.

The Hang Seng Index, which is the principal gauge of trading in blue chips, listed on the Main Board of The Stock Exchange of Hongkong Ltd, lost about 0.53 percent of its value, falling back to 20,455.62 points.

The Total Turnover was about \$HK47.85 billion, while the ratio of losing counters to gaining ones was about 1.20:One.

The Ten Most Active counters were:

China Life Insurance Company Ltd (Code: 2628)      Up 1.33 percent to \$HK22.80 per share

Industrial and Commercial Bank of China Ltd  
(Code: 1398)      Up 0.66 percent to \$HK4.55 per share

China Mobile Ltd (Code: 941)      Down 0.27 percent to \$HK73.50 per share

China Construction Bank Corporation (Code: 939)      Down 0.43 percent to \$HK4.58 per share

HSBC Holdings plc (Code: 5)      Down 0.56 percent to \$HK142.90 per share

Hutchison Whampoa Ltd (Code: 13)      Down 1.22 percent to \$HK80.80 per share

PetroChina Company Ltd (Code: 857)      Up 0.31 percent to \$HK9.66 per share

Bank of China Ltd (Code: 3988)      Up 0.26 percent to \$HK3.85 per share

China Telecom Corporation Ltd (Code: 728)      Down 2.13 percent to \$HK3.68 per share

China Communications Construction Company Ltd  
(Code: 1800)      Up 1.10 percent to \$HK9.17 per share

There was a total of 34, double-digit movers on the Main Board, last Monday, with 6 of their number, seeing their respective share prices fall by 10 percent or more; the closing prices of the other 28, double-digit

movers were up by at least 10 percent by the close of the trading day.

Dongfang Electrical Machinery Company Ltd (Code: 1072) was the biggest gainer of the day as investors pushed up its share price by 42.79 percent to \$HK29.70 per share.

China Strategic Holdings Ltd (Code: 235) was the biggest loser of the day, its share price, dropping back by 28.38 percent to 53 cents per share.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shot up about 1.19 percent to 1,302.64 points on a Total Turnover of about \$HK320.94 million.

Advancing counters outnumbered declining ones by the ratio of about 1.54:One.

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

Kanstar Environmental Paper Products Holdings Ltd (Code: 8011) Down 2.27 percent to \$HK0.43 per share

Beijing Jingkelong Company Ltd (Code: 8245) Up 4.55 percent to \$HK8.27 per share

China LotSynergy Holdings Ltd (Code: 8161) Up 9.32 percent to \$HK2.58 per share

Century Sunshine Ecological Technology Holdings Ltd (Code: 8276) Up 6.18 percent to \$HK1.89 per share

Neolink Cyber Technology (Holding) Ltd (Code: 8116) Up 34.62 percent to \$HK0.35 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
A-S China Plumbing Products Ltd	8262	10.00		2.20
B M Intelligence International Ltd	8158	98.82		0.169
Essex Bio-Technology Ltd	8151		10.71	0.125
Everpride Biopharmaceutical Company Ltd	8019		13.64	0.076
FX Creations International Holdings Ltd	8136	16.77		0.195
Golding Soft Ltd	8190	11.11		0.05
International Financial Network Holdings Ltd	8123	15.22		0.053
Medical China Ltd	8186	13.04		0.13

Neolink Cyber Technology (Holding) Ltd	8116	34.62		0.35
Prosperity International Holdings (Hongkong) Ltd	8139	12.68		0.80
Shanghai Fudan Microelectronics Company Ltd	8102		10.59	0.76
Tradeeasy Holdings Ltd	8163	11.11		0.07
Xteam Software International Ltd	8178	30.34		0.116
Yusei Holdings Ltd	8319	12.10		1.39
Zheda Lande Scitech Ltd	8106		14.29	0.18

On Asia's largest equity market, all of the key indices recorded losses.

The TOPIX Index, which is the key index of The Tokyo Stock Exchange, lost 26.12 points, equivalent to about 1.50 percent, falling to 1,716.28 points.

Losing counters outpaced gaining ones by the ratio of about 3.77:One.

The Nikkei-225 Stock Average lost 202.31 yen, or about 1.15 percent, ending the trading day at 17,344.80 yen.

#### News Wise

- **Hitachi Ltd** announced a Group Net Profit Attributable to Shareholders of about 1.26 billion yen for the quarter, ended December 31, 2006. That result represented a 77-percent drop, compared with the like quarter in 2005.

In other Asian equity markets, this was how their respective key indices ended at the close of trading, last Monday:

The HKSAR	Hang Seng Index Minus 0.53 percent to 20,445.62 The Growth Enterprise Index Plus 1.19 percent to 1,302.64
Indonesia	Minus 0.67 percent to 1,768.54
Japan	TOPIX Index Minus 1.50 percent to 1,716.28 Nikkei-225 Stock Average Minus 1.15 percent to 17,344.80
Malaysia	Plus 1.34 percent to 1,225.73
The Philippines	Plus 0.39 percent to 3,281.90

Singapore	Plus 0.18 percent to 3,223.32
South Korea	Plus 0.34 percent to 1,417.95
Taiwan	Plus 0.08 percent to 7,783.12
Thailand	Plus 0.57 percent to 674.42

## **Tuesday**

As parts of the US and Europe were engulfed in a deep freeze, the price of crude oil nudged \$US60 per barrel on international commodity exchanges, only to back off as the day wore on, last Tuesday.

On The New York Mercantile Exchange (NYMEX), after touching \$US59.99 per barrel of light sweet crude oil for delivery in March, the last settlement came in at \$US58.88 per barrel, representing a gain of about 0.24 percent on Monday's closing level.

As for April delivery, the last settlement was \$US59.44 per barrel of light sweet crude oil, that price, being up about 0.08 percent on Monday's last settlement.

For the second consecutive day, trading on Wall Street was flat.

On The New York Stock Exchange, the Dow Jones Industrial Average ended the day's proceedings at 12,666.31 points, representing a gain of about 0.04 percent on Monday's closing level.

Over on The NASDAQ, its Composite Index managed an equal gain to The Dow, up 0.04 percent to 2,471.49 points.

As snow and ice covered much of the eastern part of the US and a large part of the mid-West, it was noted that many brokers did not show up for work due to an inability to negotiate the snowbound roads.

In Europe, there was very little action on the most-important bourses, with key indices, also ending trading sessions almost unchanged from Monday's final quotes:

Amsterdam's AEX Index                      Plus    0.23 percent

France's CAC 40 Index                      Minus 0.07 percent

Germany's Frankfurt XETRA DAX Index Plus    0.02 percent

Great Britain's FTSE 100 Index           Plus    0.43 percent

Italy's MIBTEL Index                      Minus 0.10 percent

Switzerland's Swiss Market Index       Plus    0.08 percent

It was in Asia that things were popping on equity markets, however.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key indices of both equity markets made material gains.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about 0.98 percent to 20,655.20 points on a Total Turnover of about \$HK50.35 billion.

The ratio of advancing counters to declining ones was about 1.58:One.

The Ten Most Active counters were:

China Mobile Ltd (Code: 941)	Up 3.06 percent to \$HK75.75 per share
China Life Insurance Company Ltd (Code: 2628)	Up 0.66 percent to \$HK22.95 per share
China Mengniu Dairy Company Ltd (Code: 2319)	Down 2.01 percent to \$HK21.95 per share
HSBC Holdings plc (Code: 5)	Up 0.56 percent to \$HK143.70 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 0.22 percent to \$HK4.56 per share
China Construction Bank Corporation (Code: 939)	Up 1.09 percent to \$HK4.63 per share
PetroChina Company Ltd (Code: 857)	Down 0.21 percent to \$HK9.64 per share
Lenovo Group Ltd (Code: 992)	Down 6.98 percent to \$HK3.20 per share
China Telecom Corporation Ltd (Code: 728)	Down 1.90 percent to \$HK3.61 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.12 percent to \$HK80.90 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)
Benefun International Holdings Ltd	1130	11.11		0.08
Bestway International Holdings Ltd	718		13.21	0.23
Carico Holdings Ltd	729	11.11		0.20
CATIC Shenzhen Holdings Ltd	161	12.56		2.33

Cheuk Nang (Holdings) Ltd	131	10.53		6.93
China Investment Fund Company Ltd	612	30.33		0.275
Daido Group Ltd	544	14.08		0.081
Dan Form Holdings Company Ltd	271	19.30		0.68
Digital China Holdings Ltd	861	16.07		3.90
Dongfang Electrical Machinery Company Ltd	1072	10.10		32.70
Far East Technology International Ltd	36	15.13		1.37
Fortune Sun (China) Holdings Ltd	352		10.53	0.85
Genesis Energy Holdings Ltd	702	25.00		0.40
China Haisheng Juice Holdings Company Ltd	359	12.24		1.10
Heng Tai Consumables Group Ltd	197	12.22		1.01
HyComm Wireless Ltd	499	23.53		0.063
Peking Apparel International Group Ltd	761	10.00		0.385
SEEC Media Group Ltd	205	13.33		0.34
Sino Technology Investments Company Ltd	1217	14.75		0.07
China Water Industry Group Ltd	1129	16.13		0.72
Theme International Holdings Ltd	990		10.81	0.033
Wonderful World Holdings Ltd	109		11.82	0.194

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gained about 1.49 percent, rising to 1,322.07 points.

The Total Turnover on this speculative market was about \$HK364.15 million.

Gaining counters outnumbered losing ones by the ratio of about 1.22:One.

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

Century Sunshine Ecological Technology Holdings Ltd    Up 13.23 percent to \$HK2.14 per share  
(Code: 8276)

Beijing Jingkelong Company Ltd (Code: 8245) Up 0.24 percent to \$HK8.29 per share

Yantai North Andre Juice Company Ltd (Code: 8259) Up 6.74 percent to \$HK0.95 per share

Xteam Software International Ltd (Code: 8178) Down 1.72 percent to \$HK0.114 per share

CK Life Sciences International (Holdings) Incorporated  
(Code: 8222) Up 3.90 percent to \$HK0.80 per share

The biggest GEM movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Armitage Technologies Holding Ltd	8213		14.29	0.06
B M Intelligence International Ltd	8158	121.89		0.375
Century Sunshine Ecological Technology Holdings Ltd	8276	13.23		2.14
China Photar Electronics Group Ltd	8220	35.19		0.219
Era Information and Entertainment Ltd	8043	20.00		0.066
Everpride Biopharmaceutical Company Ltd	8019	13.16		0.086
FlexSystem Holdings Ltd	8050	16.67		0.07
Global Link Communications Holdings Ltd	8060	23.64		0.068
Global Solution Engineering Ltd	8192		23.57	0.12
IIN International Ltd	8128	20.69		0.035
ITE (Holdings) Ltd	8092	16.33		0.057
Medical China Ltd	8186	11.54		0.145
New Chinese Medicine Holdings Ltd	8085		12.96	0.235
Neolink Cyber Technology (Holding) Ltd	8116		11.43	0.31
Q9 Technology Holdings Ltd	8129	12.82		0.22



Sys Solutions Holdings Ltd	8182	14.12		0.485
Tiger Tech Holdings Ltd	8046	19.15		0.056
Zheda Lande Scitech Ltd	8106	11.11		0.20

On The Tokyo Stock Exchange, which is the largest equity market in Asia, its TOPIX Index rose about 0.90 percent to 1,732.42 points.

Gaining counters outpaced losing ones by the ratio of about 2.38:One.

The Nikkei-225 Stock Average rose about 0.36 percent, ending the trading day at 17,406.86 yen.

#### News Wise

- **Mitsubishi Motors Corporation** announced a Loss Attributable to Shareholders for the 9 months, ended December 31, 2006, of about 11.70 billion yen. For the like period in 2005, the motor-vehicle producer recorded a Loss Attributable to Shareholders of about 68.10 billion yen;
- **Japan Airlines Corporation** continued to lose money in the first 9 months of the Current Financial Year, ended December 31, 2006. The country's Number One airline recorded a Loss Attributable to Shareholders of about 9.30 billion yen. This compared with a Loss Attributable to Shareholders of about 23 billion yen for the like period in 2005. The airline is planning to sack 4,300 of its 53,100 workers, it was announced, officially; and,
- **Toyota Motor Corporation** reported a Net Profit Attributable to Shareholders of about 426.70 billion yen for the quarter, ended December 31, 2006, up about 7.30 percent on the same period in 2005.

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

The HKSAR	Hang Seng Index Plus 0.98 percent to 20,655.20 The Growth Enterprise Index Plus 1.50 percent to 1,322.70
Indonesia	Minus 0.41 percent to 1,761.29
Japan	TOPIX Index Plus 0.94 percent to 1,732.42 Nikkei-225 Stock Average Plus 0.36 percent to 17,406.86
Malaysia	Plus 0.89 percent to 1,236.63
The Philippines	Minus 0.30 percent to 3,271.97
Singapore	Unchanged at 3,223.25
South Korea	Plus 0.75 percent to 1,428.58

Taiwan	Plus 1.19 percent to 7,875.75
Thailand	Minus 0.12 percent to 673.63

### Wednesday

Despite a continuation of the deep freeze in the US and parts of Europe, the price of crude oil on international commodity exchanges fell, last Wednesday.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in March was \$HK57.71, equivalent to a 1.99-percent drop, compared with Tuesday's closing level.

As for delivery in April, the last settlement was \$US58.35 per barrel of light sweet crude oil, representing a one-day reduction in the price of the black ooze of about 1.83 percent.

The fall in the price of crude oil took its toll of share prices on the world's largest equity markets, especially on The New York Stock Exchange.

On the world's largest stock market, its Dow Jones Industrial Average rose about 0.56 of a point, equivalent to a gain of about 0.004 percent on Tuesday's final figure, ending the day at 12,666.87 points.

On The NASDAQ, however, it was a slightly different situation because investors appeared to be in favour of hi-tech counters over industrials and energy counters.

The Composite Index of The NASDAQ ended the trading day at 2,490.50 points, up about 0.77 percent on Tuesday's close.

Europe continued to see sluggish trading conditions on the major bourses of the region, following Wall Street's lead.

The fall in the price of crude oil put a damper on any gains in energy counters, to be sure.

This was how the key indices of the most-important bourses ended their respective trading days, last Wednesday:

Amsterdam's AEX Index	Plus 0.33 percent
France's CAC 40 Index	Plus 0.46 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.57 percent
Great Britain's FTSE 100 Index	Plus 0.36 percent
Italy's MIBTEL Index	Plus 0.63 percent
Switzerland's Swiss Market Index	Plus 0.23 percent

Trading in Asia was somewhat sluggish, last Wednesday, but for a completely different reason to anywhere else in the world.

Chinese New Year eve falls on Saturday, February 17, and the Lunar New Year festivities will run, in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), until Tuesday, February 20.

The world of Suzie Wong will come to a halt for a few days ... although the ladies of the night will continue to peddle their wares.

In other parts of Asia, however, the holiday is much longer.

In the PRC, proper, for instance, the Chinese New Year holidays last anywhere from a fortnight to a month, depending on the distance one has to travel, which is, mostly, by train and bus.

In other parts of Asia where Chinese New Year is celebrated as the most-important holiday of the year, markets will close for at least 4 days.

Last Wednesday, one noted that some people had, already, started their holidays early.

In the HKSAR, last Wednesday, the key indices of the territory's 2 equity markets moved sideways, by and large.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index ended the trading day at 20,679.69 points, representing a gain of about 0.12 percent on Tuesday's closing level.

The Total Turnover was about \$HK49.10 billion, while the ratio of advancing counters to declining ones was about 1.77:One.

The Ten Most Active counters were:

China Life Insurance Company Ltd (Code: 2628)	Up 3.27 percent to \$HK23.70 per share
China Construction Bank Corporation (Code: 939)	Up 4.10 percent to \$HK4.82 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 2.41 percent to \$HK4.67 per share
China Mobile Ltd (Code: 941)	Down 0.40 percent to \$HK75.45 per share
Bank of China Ltd (Code: 3988)	Up 1.55 percent to \$HK3.92 per share
HSBC Holdings plc (Code: 5)	Down 0.14 percent to \$HK143.50 per share
PetroChina Company Ltd (Code: 857)	Up 0.93 percent to \$HK9.73 per share
China Overseas Land and Investment Ltd (Code: 688)	Up 7.14 percent to \$HK8.55 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.12 percent to \$HK80.80 per share
Ping An Insurance (Group) Company of China Ltd (Code: 2318)	Up 3.70 percent to \$HK37.80 per share

As for the double-digit movers of the day, there was a total of 43 counters that qualified for that title, with only 2 of their number, seeing their respective share prices fall.

The biggest gainer of the day was Sino Technology Investments Company Ltd (Code: 1217) as investors pushed up its share price by 115.71 percent to 15.10 cents.

In contrast, the biggest loser of the day was China Motion Telecom International Ltd (Code: 989). Its share price was pulled down by 14.29 percent to 42 cents.

On The (speculative) **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index slid about 0.05 percent to 1,321.45 points.

The Total Turnover of this market was about \$HK270.33 points.

The ratio of advancing counters to declining ones was about 1.22:One.

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

Golden Meditech Company Ltd (Code: 8180) Up 5.68 percent to \$HK3.35 per share

Kanstar Environmental Paper Products Holdings Ltd (Code: 8011) Down 3.66 percent to \$HK0.395 per share

Century Sunshine Ecological Technology Holdings Ltd (Code: 8276) Down 6.07 percent to \$HK2.01 per share

Yantai North Andre Juice Company Ltd (Code: 8259) Down 2.11 percent to \$HK0.93 per share

China.com Incorporated (Code: 8006) Up 1.89 percent to \$HK0.54 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Ltd	8061		10.40	0.155
B M Intelligence International Ltd	8158	12.00		0.42
Capital Publications Ltd	8155	12.12		0.185
Era Information and Entertainment Ltd	8043	13.64		0.075
Galileo Capital Group Ltd	8029	12.77		0.265
Golding Soft Ltd	8190		12.00	0.044
Golife Concepts Holdings Ltd	8172	13.04		0.052

MP Logistics International Holdings Ltd	8239	90.91		0.21
Q9 Technology Holdings Ltd	8129	31.82		0.29
TeleEye Holdings Ltd	8051		10.00	0.09
Thiz Technology Group Ltd	8119	35.71		0.076
Union Bridge Holdings Ltd	8047	32.69		0.345

In Japan, the talk was that the equity markets of the country could well see their key indices dive to lower levels in the coming weeks in line with a strengthening of the yen.

On The Tokyo Stock Exchange, The TOPIX Index gave up about 0.23 percent of its value, dropping back to 1,728.36 points.

The ratio of losers to gainers was about 2.25:One.

The Nikkei-225 Stock Average shed about 0.66 percent of its value, ending the trading session at 17,292.32 yen.

On other Asian equity markets, this was how their respective key indices finished, last Wednesday night:

The HKSAR	Hang Seng Index Plus 0.12 percent to 20,679.69 The Growth Enterprise Index Minus 0.05 percent to 1,321.45
Indonesia	Plus 0.21 percent to 1,764.91
Japan	TOPIX Index Minus 0.23 percent to 1,728.36 Nikkei-225 Stock Average Minus 0.66 percent to 17,292.32
Malaysia	Plus 0.56 percent to 1,243.57
The Philippines	Minus 1.21 percent to 3,232.39
Singapore	Plus 0.41 percent to 3,236.60
South Korea	Minus 0.16 percent to 1,426.29
Taiwan	Minus 0.33 percent to 7,850.06

Thailand	Plus 0.25 percent to 675.33
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### Thursday

Investors were shaken to their very knickers, last Thursday, following confirmation (at long last) that the housing bust in the US is hurting, badly – and is likely to continue hurting, badly.

The profits of US banks and international banks, with operations in Continental America, US-based finance houses and US home builders, operating in The Land of The Free and The Home of The Brave are all, it seems, feeling the heat as home prices continue to fall.

Share prices dropped heavily on Wall Street, especially for companies, involved in home building and mortgage lending.

HSBC Holdings plc (Code: 5, Main Board, The Stock Exchange of Hongkong Ltd) made an announcement in New York and on other equity markets where its shares are traded that it was making a Provision of about \$US1.76 billion for bad and doubtful debts.

New Century Financial Corporation, a California-based lender to home-owners, announced that it was forecasting a fourth-quarter loss.

HSBC Holdings and New Century Financial are 2 of the biggest entities, involved in the US in the category of loans, known as subprime mortgage lending.

From Toll Brothers Incorporated, another large, US homebuilder, it announced that its revenues would fall significantly in the coming quarters.

On The New York Stock Exchange, the share price of New Century Financial tumbled about 36.20 percent to \$US10.92.

For this lender, it was its largest loss in a single day's trading in the past decade.

The Dow Jones Industrial Average slipped 29.24 points, or about 0.23 percent, ending the trading session at 12,637.63 points.

On The NASDAQ, its Composite Index lost 1.83 points, equivalent to about 0.07 percent, inching back to 2,488.67 points.

### News Wise

- **The Kodak Company** will slash another 3,000 jobs, it was announced. In the past few years, the company has sacked between 28,000 workers and 30,000 workers, worldwide.

The situation on Wall Street was bad enough, and, then, from international commodity markets came news that the price of crude oil was shooting ever higher – once again.

On The **New York Mercantile Exchange** (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in March was \$US59.71, up \$US2 per barrel, exactly, equivalent to a rise of about 3.47 percent on Wednesday's closing level.

The last settlement was the highest point of the day.

As for April delivery, the last settlement for a barrel of light sweet crude oil came in at \$US60.43, representing an increase of about 3.56 percent on Wednesday's last settlement.

In Europe, the announcement from HSBC Holdings caused its share price to fall to its lowest level of the past 9 months.

Clearly, this bank, one of the largest in the world, must not be the only bank to be suffering due to the

bursting of the housing bubble in the US, it was reasoned.

The key indices of every major European bourse fell, smartly, last Thursday, as the following **TARGET** table indicates:

Amsterdam's AEX Index	Minus 0.84 percent
France's CAC 40 Index	Minus 0.66 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.56 percent
Great Britain's FTSE 100 Index	Minus 0.36 percent
Italy's MIBTEL Index	Minus 0.79 percent
Switzerland's Swiss Market Index	Minus 0.63 percent

#### News Wise

**The European Central Bank (ECB)** put out the following announcement, last Thursday:

*'At today's meeting, the Governing Council of the ECB decided that the minimum bid rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 3.50%, 4.50% and 2.50% respectively.'*

**The Bank of England** made the following announcement, last Thursday:

*'The Bank of England's Monetary Policy Committee today voted to maintain the official Bank Rate paid on commercial bank reserves at 5.25%.'*

*'The Committee's latest inflation and output projections will appear in the Inflation Report to be published on Wednesday 14 February.'*

In Asia, the key indices of only 3 of the 9 major equity markets were written in black ink.

The announcement by HSBC Holdings shocked investors since it was the first time that such an announcement had ever been made by this huge bank.

Clearly, the situation at this bank had to be grave, it was rightly reasoned.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the territory's 2 equity markets managed to record gains, but the gains were of tiny fractions, only.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index ended the spirited trading session at 20,735.05 points, representing an increase of about 0.27 percent on the closing level of Wednesday.

The Total Turnover was about \$HK64.81 billion, with advancing counters, outrunning losing ones by the ratio of about 1.68:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 2.02 percent to \$HK140.60 per share
China Construction Bank Corporation (Code: 939)	Up 1.45 percent to \$HK4.89 per share
China Mobile Ltd (Code: 941)	Up 2.12 percent to \$HK77.05 per share
China Life Insurance Company Ltd (Code: 2628)	Up 1.69 percent to \$HK24.10 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 0.64 percent to \$HK4.70 per share
Bank of China Ltd (Code: 3988)	Up 1.02 percent to \$HK3.96 per share
PetroChina Company Ltd (Code: 857)	Down 0.62 percent to \$HK9.67 per share
Esprit Holdings Ltd (Code: 330)	Up 7.35 percent to \$HK89.10 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.87 percent to \$HK80.10 per share
Fufeng Group Ltd (Code: 546)	\$HK3.06 per share*

\* First day of trading

Of the 42, Main Board, double-digit movers of the day, only 4 of their number lost ground.

The biggest gainer of the day was New World CyberBase Ltd (Code: 276) whose share price rose 155.56 percent to 69 cents.

Henry Group Holdings Ltd (Code: 859) had the honour of being the biggest loser of the day as its share price was pulled down by 18.99 percent to 64 cents.

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

The Growth Enterprise Index tacked on a gain of about 0.15 percent, nudging it to 1,323.38 points on a Total Turnover of about \$HK301.47 million.

The ratio of gainers to losers was about 1.21:One.

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

Yantai North Andre Juice Company Ltd (Code: 8259)	Up 10.75 percent to \$HK1.03 per share
Century Sunshine Ecological Technology Holdings Ltd (Code: 8276)	Up 3.98 percent to \$HK2.09 per share
Golden Meditech Company Ltd (Code: 8180)	Down 1.49 percent to \$HK3.30 per share



Kanstar Environmental Paper Products Holdings Ltd  
(Code: 8011)

Down 2.53 percent to \$HK0.385 per share

China LotSynergy Holdings Ltd (Code: 8161)

Up 6.41 percent to \$HK2.49 per share

The GEM's biggest movers of the day included:

<b>Name of Company</b>	<b>Code</b>	<b>Increase (%)</b>	<b>Decrease (%)</b>	<b>Closing Price (\$HK)</b>
Yantai North Andre Juice Company Ltd	8259	10.75		1.03
BIG Media Group Ltd	8167	59.24		0.25
Capinfo Company Ltd	8157	11.31		0.187
China Medical Science Ltd	8120	31.31		0.65
Essex Bio-Technology Ltd	8151	15.08		0.145
Golding Soft Ltd	8190	11.36		0.049
Golife Concepts Holdings Ltd	8172	19.23		0.062
International Financial Network Holdings Ltd	8123	10.00		0.055
Inno-Tech Holdings Ltd	8202	26.67		0.19
ITE (Holdings) Ltd	8092		10.71	0.05
Jiangsu Nandasoft Company Ltd	8045	11.11		0.20
MP Logistics International Holdings Ltd	8239	26.19		0.265
New Universe International Group Ltd	8068	20.72		0.134
Panorama International Holdings Ltd	8173	11.83		0.104
Shanghai Fudan Microelectronics Company Ltd	8102	21.79		0.95
Soluteck Holdings Ltd	8111	16.95		0.069
Thiz Technology Group Ltd	8119	21.05		0.092
Timeless Software Ltd	8028	10.81		0.123

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

On The Tokyo Stock Exchange, The TOPIX Index lost about 0.47 percent of its value, ending the trading day at 1,720.18 points.

Declining counters outpaced advancing ones by the ratio of about 2.39:One.

As for The Nikkei-225 Stock Average, it managed a gain of 0.16 of a yen, equivalent to about 0.0009 percent, ending the day at 17,292.48 yen.

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

The HKSAR	Hang Seng Index Plus 0.27 percent to 20,735.05 The Growth Enterprise Index Plus 0.15 percent to 1,323.38
Indonesia	Minus 0.77 percent to 1,751.32
Japan	TOPIX Index Minus 0.47 percent to 1,720.18 Nikkei-225 Stock Average Plus 0.0009 percent to 17,292.48
Malaysia	Plus 0.42 percent to 1,248.83
The Philippines	Minus 1.12 percent to 3,196.08
Singapore	Minus 0.58 percent to 3,217.76
South Korea	Minus 0.19 percent to 1,423.58
Taiwan	Minus 0.10 percent to 7,842.22
Thailand	Plus 2.36 percent to 691.28

## **Friday**

The prices of US stocks and shares continued to fall, last Friday, as more and more snow was piled on The Big Apple – more than 6 feet of the white stuff, in fact.

On The New York Stock Exchange, the Dow Jones Industrial Average fell about 0.45 percent to 12,580.83 points while, on The NASDAQ, its Composite Index shed about 1.16 percent, ending the trading day at 2,459.82 points.

- The reasons for the fall on the world's largest equity markets were a combination of a number of

things, which included:

- Continued increases in the price of crude oil on international commodity exchanges;
- Fears that more major, publicly listed companies were facing lean times; and, of course,
- Concerns about the US housing situation and how the fallout from the bursting housing bubble would affect corporate America (Please see Thursday's report).

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

The Dow Jones Industrial Average	Minus 0.57 percent
The NASDAQ 's Composite Index	Minus 0.65 percent

On The New York Mercantile Exchange (NYMEX), the price of crude oil cracked the \$US60 per-barrel level, again.

By the close of the day, the last settlement for a barrel of light sweet crude oil for delivery in March was standing at \$US59.89, representing an increase of about 0.30 percent on Thursday's final quote.

For delivery in April, the last settlement for a barrel of light sweet crude oil came in at \$US60.63, an increase of exactly one third of a percentage point, compared with Thursday's last settlement.

In Europe, the key indices of the major bourses rose, materially.

Unlike the US, things appeared to be falling into place for investors in this part of the world, with motor-vehicle companies, reporting better-than-expected profits.

This was how the key indices of the major bourses fared, last Friday:

Amsterdam's AEX Index	Plus 0.49 percent
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France's CAC 40 Index	Plus 0.48 percent
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Germany's Frankfurt XETRA DAX Index	Plus 0.49 percent
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Great Britain's FTSE 100 Index	Plus 0.57 percent
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Italy's MIBTEL Index	Plus 0.66 percent
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Switzerland's Swiss Market Index	Plus 0.48 percent
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In Asia, investors enjoyed a small rally on the last day of the trading week although some of the less-important equity markets saw their key indices come off, slightly.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the volumes of activity slowed, appreciably, on the territory's 2 stock markets.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gave up about 0.28 percent of its value, edging down to 20,677.66 points, a one-day fall of about 0.28 percent.

The Total Turnover was about \$HK48.90 billion, down about 24.55 percent, compared with the volume of activity on Thursday.

The ratio of declining counters to gaining ones was about 1.13:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.28 percent to \$HK140.20 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.83 percent to \$HK23.90 per share
China Mobile Ltd (Code: 941)	Down 0.84 percent to \$HK76.40 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.25 percent to \$HK81.10 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 0.43 percent to \$HK4.68 per share
China Construction Bank Corporation (Code: 939)	Unchanged at \$HK4.89 per share
Esprit Holdings Ltd (Code: 330)	Up 1.96 percent to \$HK90.85 per share
China Communications Construction Company Ltd (Code: 1800)	Up 2.45 percent to \$HK9.63 per share
PetroChina Company Ltd (Code: 857)	Up 0.21 percent to \$HK9.69 per share
CNOOC Ltd (Code: 883)	Down 0.76 percent to \$HK6.52 per share

There was a total of 50 double-digit movers on the Main Board, last Friday, of which number, 48 saw their share prices rise by 10 percent or more, while the remainder saw their share prices fall by 10 percent or more.

The biggest gainer of the day was China Financial Industry Investment Fund Ltd (Code: 1227), whose share price rose 84.38 percent to 59 cents per share.

The biggest loser of the day was Wing Hong (Holdings) Ltd (Code: 745), as investors pulled down its share price to 5.20 cents per share.

Over on The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, the situation was the reverse of the Main Board as The Growth Enterprise Index rose about 0.51 percent, ending the trading week at 1,330.10 points.

The Total Turnover was about \$HK251.94 million, while the ratio of advancing counters to declining ones was about 1.48:One.

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

China LotSynergy Holdings Ltd (Code: 8161)	Up 4.82 percent to \$HK2.61 per share
Kanstar Environmental Paper Products Holdings Ltd (Code: 8011)	Unchanged at \$HK0.385 per share

Yantai North Andre Juice Company Ltd (Code: 8259) Up 3.88 percent to \$HK1.07 per share

Ko Yo Ecological Agrotech (Group) Ltd (Code: 8042) Up 12.90 percent to \$HK0.70 per share

Golife Concepts Holdings Ltd (Code: 8172) Up 37.10 percent to \$HK0.085 per share

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

<b>Name of Company</b>	<b>Code</b>	<b>Increase (%)</b>	<b>Decrease (%)</b>	<b>Closing Price (\$HK)</b>
BIG Media Group Ltd	8167	14.00		0.285
B M Intelligence International Ltd	8158		15.00	0.34
Byford International Ltd	8272	20.00		0.36
China Leason Investment Group Company Ltd	8270	17.80		0.225
China Photar Electronics Group Ltd	8220		21.61	0.156
DeTeam Company Ltd	8112		10.26	0.70
ePRO Ltd	8086	25.00		0.10
FlexSystem Holdings Ltd	8050	14.29		0.08
Galileo Capital Group Ltd	8029	22.92		0.295
Glory Future Group Ltd	8071		13.75	0.69
Golife Concepts Holdings Ltd	8172	37.10		0.085
ITE (Holdings) Ltd	8092	16.00		0.058
Shanghai Jiaoda Withub Information Industrial Company Ltd	8205	16.00		0.145
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049	11.76		0.19
Ko Yo Ecological Agrotech (Group) Ltd	8042	12.90		0.70
North Asia Strategic Holdings Ltd	8080		11.00	0.445

New Universe International Group Ltd	8068	15.67		0.155
Prosten Technology Holdings Ltd	8026		16.67	0.30
Qianlong Technology International Holdings Ltd	8015	12.90		0.35
Tradeeasy Holdings Ltd	8163	11.76		0.076

The tally for the second-largest stock market of Asia for the week, ended February 9, 2007, was:

The Hang Seng Index	Plus	0.55 percent
The Growth Enterprise Index	Plus	3.32 percent

In Japan, there was renewed optimism over the near-term performance of the second-largest economy of the world, causing investors to rush back into stocks and shares.

On The Tokyo Stock Exchange, its TOPIX Index rose about 1.45 percent to 1,745.09 points.

The ratio of gainers to losers was about 3.73:One.

The Nikkei-225 Stock Average ended the day with a gain of about 1.22 percent as investors pushed it to 17,504.33 yen.

The tally for the largest equity market of Asia was:

The TOPIX Index	Plus	0.15 percent
The Nikkei-225 Stock Average	Minus	0.24 percent

And this was how the situation looked in other parts of Asia, last Friday night:

The HKSAR	Hang Seng Index Minus 0.28 percent to 20,677.66 The Growth Enterprise Index Plus 0.51 percent to 1,330.10
Indonesia	Minus 0.63 percent to 1,740.32
Japan	TOPIX Index Plus 1.45 percent to 1,745.09 Nikkei-225 Stock Average Plus 1.23 percent to 17,504.33
Malaysia	Minus 0.64 percent to 1,240.87
The Philippines	Plus 1.56 percent to 3,245.81
Singapore	Plus 0.10 percent to 3,220.89
South Korea	Plus 2.29 percent to 1,427.68

Taiwan	Plus 0.22 percent to 7,859.53
Thailand	Plus 0.58 percent to 695.27

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