

**THE FEDERAL RESERVE BOARD LEAVES WELL-ENOUGH ALONE,
BUT IS THAT ENOUGH ?**

Confirmation that Barclays (Bank) plc, listed on The London Stock Exchange, and banking giant, ABN AMRO (of The Netherlands), the shares of which are listed on The New York Stock Exchange, were in merger talks lit a fire under the world's largest equity markets, last Monday.

If the deal comes to fruition, it is valued at about \$US65 billion, it would be the largest such merger in the history of Europe.

The share price of ABN AMRO rose 14.10 percent to end the trading day at \$US41.36, after hitting an historic high of \$US41.56.

The Dow Jones Industrial Average, the key index of The New York Stock Exchange, rose 115.76 points, or about 0.96 percent, as investors pushed it to 12,226.17 points.

The NASDAQ's Composite Index ended trading for the day at 2,394.41 points, a one-day improvement of 21.75 points, equivalent to about 0.92 percent.

Trading, however, was not particularly heavy and that suggested that, perhaps, what appeared to be a broadly based rally, would not hold for very long.

There was, still, the matter of the US housing market and statistics from various US Government and private sources were due to be announced later in the week.

Also, the US Federal Reserve was scheduled to hold its Open Market Committee Meeting on Tuesday and Wednesday (March 20 and 21, Washington time) and there is, always, some apprehension, prior to this interest-setting meeting of The Fed.

One other factor that was affecting the world's largest equity markets, last Monday, was the price of crude oil on international markets: It was in full retreat.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in April was \$US56.59, representing a fall of about 0.91 percent, compared with the previous Friday's last settlement of \$US57.11.

As for delivery in May, the last settlement for a barrel of light sweet crude oil came in at \$US59.70, down about 0.20 percent on the final quote of Friday, March 16, 2006.

In Europe, the idea of a bank, with a net worth of more than \$US160 billion – the merger of Barclays with ABN AMRO – was sufficient to cause investors to disregard all negative news and concentrate on getting stuck into banking counters.

Even the fact that energy counters were being hit due to the falls in the price of crude oil on international commodity exchanges did not faze investors.

Every key index of every major European bourse made very material gains as the following **TARGET()** list indicates:

Amsterdam's AEX Index

Plus 2.13 percent

France's CAC 40 Index	Plus 1.42 percent
Germany's Frankfurt XETRA DAX Index	Plus 1.39 percent
Great Britain's FTSE 100 Index	Plus 0.91 percent
Italy's MIBTEL Index	Plus 1.45 percent
Switzerland's Swiss Market Index	Plus 1.42 percent

In Asia, despite the fact that, over the weekend, the Government of the People's Republic of China (PRC) had raised interest rates by 0.27 percent, for the most part, the key indices of the most-important equity markets rose materially.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, both stock markets witnessed the return of speculative buyers, pushing up key indices, once again.

The Main Board's Hang Seng Index was ahead by about 1.65 percent by the close of the trading day at 19,266.74 points.

The Total Turnover, however, was only about \$HK38.00 billion, a figure which did not suggest the return of a raging bull market.

Gaining counters outran losing ones by the ratio of about 2.03:One.

The Ten Most Active counters were:

China Mobile Ltd (Code: 941)	Up 3.37 percent to \$HK72.15 per share
China Life Insurance Company Ltd (Code: 2628)	Up 4.05 percent to \$HK21.85 per share
Bank of China Ltd (Code: 3988)	Up 1.86 percent to \$HK3.84 per share
HSBC Holdings plc (Code: 5)	Up 0.75 percent to \$HK134.70 per share
China Construction Bank Corporation (Code: 939)	Up 0.92 percent to \$HK4.39 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 1.18 percent to \$HK4.29 per share
China Petroleum and Chemical Corporation (Code: 386)	Unchanged at \$HK5.89 per share
Hongkong Health Check and Laboratory Holdings Company Ltd (Code: 397)	Up 20.19 percent to \$HK0.25 per share

PetroChina Company Ltd (Code: 857)

Up 0.81 percent to \$HK8.73 per share

Hongkong Exchanges and Clearing
Ltd (Code: 388)

Up 2.44 percent to \$HK75.55 per share

There was a total of 37, double-digit movers on the Main Board, last Monday, with 11 of their number, seeing investors push down their share prices by 10 percent or more.

The biggest gainer of the day was Zhong Hua International Holdings Ltd (Code: 1064), the share price of which rose 113.02 percent to 36 cents.

The biggest loser of the day was China Treasure (Greater China) Investments Ltd (Code: 810), its share price, being forced to fall back by about 20 percent to \$HK4.80.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, investors forced up The Growth Enterprise Index by about 0.73 percent to 1,305.90 points on a Total Turnover of about \$HK425.59 million.

However, on this speculative marketplace, losing counters outnumbered gaining ones by the ratio of about 1.09:One.

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

Global Digital Creations Holdings Ltd (Code:
8271)

Up 62.50 percent to \$HK1.04 per share

Town Health International Holdings Company
Ltd (Code: 8138)

Up 12.07 percent to \$HK0.65 per share

Kanstar Environmental Paper
Products Holdings Ltd (Code: 8011)

Up 9.86 percent to \$HK0.39 per share

Core Healthcare Investment Holdings
Ltd (Code: 8250)

Down 13.74 percent to \$HK0.157 per share

TOM Online Incorporated (Code: 8282)

Down 0.69 percent to \$HK1.44 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Advanced Card Systems Holdings Ltd	8210	17.02		0.275
Asian Capital Resources (Holdings) Ltd	8025	17.12		0.13
Armitage Technologies Holding Ltd	8213		14.74	0.081
Cardlink Technology Group Ltd	8066	20.00		0.15

China Chief Cable TV Group Ltd	8153	15.38		0.30
Shanxi Changcheng Microlight Equipment Company Ltd	8286	22.73		0.405
China Leason Investment Group Company Ltd	8270	20.37		0.325
Core Healthcare Investment Holdings Ltd	8250		13.74	0.157
DIGITALHONGKONG.COM	8007		12.31	1.14
Era Information and Entertainment Ltd	8043		12.22	0.079
EVI Education Asia Ltd	8090	38.33		0.166
Global Digital Creations Holdings Ltd	8271	62.50		1.04
Global Link Communications Holdings Ltd	8060	13.79		0.099
Glory Future Group Ltd	8071		11.11	0.40
GreaterChina Technology Group Ltd	8032	25.00		0.075
Jessica Publications Ltd	8137		19.05	0.068
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049		11.89	0.215
Long Success International (Holdings) Ltd	8017	31.03		0.57
Maxitech International Holdings Ltd	8136		17.59	0.445
Medical China Ltd	8186		13.95	0.111
Sino Haijing Holdings Ltd	8065	17.05		0.103
SJTU Sunway Software Industry Ltd	8148		17.78	0.37
TeleEye Holdings Ltd	8051		17.04	0.112
Tiger Tech Holdings Ltd	8046		10.20	0.132
Town Health International Holdings Company Ltd	8138	12.07		0.65

In Japan, weakness of the yen vis-à-vis the US dollar was an added fillip for investors, locked into stocks and shares on the country's 3 equity markets.

A weaker yen tends to promote the exports of Japan's products and services, especially to the US marketplace, which is, still, Japan's most-important, single customer.

On The Tokyo Stock Exchange, its TOPIX Index rose 17.02 points, equivalent to about 1.01 percent, coming to rest at 1,694.08 points by the close of the day.

The ratio of advancing counters to declining ones was about 1.74:One.

The Nikkei-225 Stock Average, which is not an index of The Tokyo Stock Exchange, by the way, but is, still, watched by some investors, gained 265.40 yen, or about 1.59 percent, rushing up to 17,009.55 yen.

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

The HKSAR	Hang Seng Index Plus 1.65 percent to 19,266.74 The Growth Enterprise Index Plus 0.73 percent to 1,305.90
Indonesia	Closed
Japan	TOPIX Index Plus 1.01 percent to 1,694.08 Nikkei-225 Stock Average Plus 1.59 percent to 17,009.55
Malaysia	Plus 0.85 percent to 1,192.22
The Philippines	Minus 0.68 percent to 3,041.38
Singapore	Plus 1.45 percent to 3,113.39
South Korea	Plus 1.09 percent to 1,443.39
Taiwan	Plus 0.23 percent to 7,737.46
Thailand	Minus 0.28 percent to 669.14

Tuesday

In spite of the scheduled Open Market Committee Meeting of the US Federal Reserve Board, being just 24 hours away, investors on Wall Street continued to buy into some of the old-time '*darlings*' on the premise that The Fed would leave well-enough alone.

All things considered, that was a fairly safe bet.

Merger and acquisition news dominated trading on the world's largest equity markets, last Tuesday, for the most part, with strong suggestions that a couple of '*hot properties*' were about to be gobbled up for billions of US dollars.

Also, it was announced that Accredited Home Lenders Holdings Company, one of the many subprime mortgage lenders, which is known to have been having more than its share of financial problems, announced that it had secured bridge financing.

For the time being, at any rate, the situation had been stabilised at this company.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 61.93 points, equivalent to about 0.51 percent, ending the day at 12,288.10 points.

On The NASDAQ, its Composite Index gained 13.80 points, or about 0.58 percent, running up to 2,408.21 points.

Again, however, the volume of activity was relatively low, which is very suggestive of an unsure market.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in April was \$US56.73, an increase of about one quarter of a percentage point, compared with the final quote of Monday.

Last Tuesday was the final day of trading in April future contracts.

As for delivery in May, the last settlement for a barrel of light sweet crude oil was \$US59.25, up about 0.75 percent on Monday's last settlement.

In Europe, noting the comparative strength of Wall Street and investors, in this part of the world, still being somewhat excited about the prospects of a successful merger of Barclays and ABN AMRO (Please see Monday's report), determined that, if it were good enough for Wall Street, it was certainly good enough for them.

Also, Europe concurred with Wall Street view that The Fed would not raise interest rates at its Open Market Committee Meeting.

This was how the situation looked on the most-important European bourses, last Tuesday:

Amsterdam's AEX Index	Plus	1.18 percent
France's CAC 40 Index	Plus	0.81 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.43 percent
Great Britain's FTSE 100 Index	Plus	0.54 percent
Italy's MIBTEL Index	Plus	0.08 percent
Switzerland's Swiss Market Index	Plus	0.46 percent

Asian equity markets, generally, displayed some strength, but key indices of the most-important markets only managed to squeeze out fractional gains.

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

On the Main Board of The Stock Exchange of Hongkong Ltd, its Hang Seng Index rose about 0.47 percent to 19,356.90 points on a Total Turnover of about \$HK39.61 billion.

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

The Ten Most Active counters were:

China Mobile Ltd (Code: 941)	Up 0.90 percent to \$HK72.80 per share
Intime Department Store (Group) Company Ltd (Code: 1833)	\$HK6.44 per share*
China Life Insurance Company Ltd (Code: 2628)	Up 0.23 percent to \$HK21.90 per share
HSBC Holdings plc (Code: 5)	Up 0.22 percent to \$HK135.00 per share
PetroChina Company Ltd (Code: 857)	Down 1.37 percent to \$HK8.61 per share
Jiangxi Copper Company Ltd (Code: 358)	Up 19.77 percent to \$HK9.27 per share
Bank of China Ltd (Code: 3988)	Up 0.52 percent to \$HK3.86 per share
China Construction Bank Corporation (Code: 939)	Up 0.23 percent to \$HK4.40 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 1.02 percent to \$HK5.95 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 0.23 percent to \$HK4.30 per share

* First Day of Trading

The Main Board's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CEC International Holdings Ltd	759	11.70		0.21
China Best Group Holding Ltd	370	24.44		0.112
China Elegance (Holdings) Ltd	476	10.17		0.13
China Motion Telecom International Ltd	989	13.24		0.385
China Treasure (Greater China) Investments Ltd	810		12.50	4.20

e-Kong Group Ltd	524	11.76		1.14
EPI (Holdings) Ltd	689	20.31		0.385
Extrawell Pharmaceutical Holdings Ltd	858	12.05		0.465
G-Prop (Holdings) Ltd	286		19.28	1.34
Greater China Holdings Ltd	431		12.36	0.39
I.T Ltd	999	10.14		1.52
Jiangxi Copper Company Ltd	358	19.77		9.27
Jiwa Bio-Pharm Holdings Ltd	2327	10.91		0.305
MAE Holdings Ltd	851		18.26	0.94
Pyxis Group Ltd	516		13.56	0.255
See Corporation Ltd	491		11.39	0.70
Shang Hua Holdings Ltd	371		20.83	0.38
Shougang Concord Technology Holdings Ltd	521	14.93		0.77
Shun Cheong Holdings Ltd	650	15.29		0.98
Sino Katalytics Investment Corporation	2324	15.63		0.37
UBA Investments Ltd	768		12.00	0.22
United Metals Holdings Ltd	2302		11.11	0.40
Unity Investments Holdings Ltd	913		11.63	0.76
Wah Yuen Holdings Ltd	2349		15.22	0.195
Wang On Group Ltd	1222	14.71		5.85
Willie International Holdings Ltd	273	23.08		0.144
Yau Lee Holdings Ltd	406	10.42		0.53
Yunnan Enterprises Holdings Ltd	455	12.09		0.51

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index gained about 1.03 percent, rising to 1,319.38 points on a Total Turnover of about \$HK402.66 million.

Although the lone index of this speculative market was in the black by the close of trading, last Tuesday, losing counters outnumbered gaining ones by the ratio of about 1.56:One.

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

Town Health International Holdings Company Ltd
(Code: 8138)

Up 15.38 percent to \$HK0.75 per share

Shandong Weigao Group Medical
Polymer Company Ltd (Code: 8199)

Down 1.08 percent to \$HK12.82 per share

Century Sunshine Ecological Technology Holdings
Ltd (Code: 8276)

Up 8.43 percent to \$HK1.80 per share

Kanstar Environmental Paper Products Holdings
Ltd (Code: 8011)

Unchanged at \$HK0.39 per share

Core Healthcare Investment Holdings Ltd (Code:
8250)

Down 3.18 percent to \$HK0.152 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Leason Investment Group Company Ltd	8270	49.23		0.485
DeTeam Company Ltd	8112	11.43		0.78
DIGITALHONGKONG.COM	8007	10.53		1.26
EVI Education Asia Ltd	8090	28.92		0.214
Excel Technology International Holdings Ltd	8048	63.64		0.18
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231		10.26	0.35
Global Link Communications Holdings Ltd	8060	11.11		0.11
International Financial Network Holdings Ltd	8123	36.99		0.10
Jessica Publications Ltd	8137	69.12		0.115

T S Telecom Technologies Ltd	8003	28.32		0.29
Thiz Technology Group Ltd	8119		15.71	0.059
Town Health International Holdings Company Ltd	8138	15.38		0.75

In Japan, it was another good day for investors as the country's 3 stock markets logged in very material gains.

On The Tokyo Stock Exchange, its TOPIX Index put on 14.21 points, equivalent to a gain of about 0.84 percent as investors pushed it to 1,708.29 points.

Gaining counters outnumbered losing ones by the ratio of about 2.80:One.

The Nikkei-225 Stock Average rose 153.65 yen, or about 0.90 percent, ending the day at 17,163.20 yen.

News Wise

- **Fujitsu Ltd** announced that it would incur a Loss Attributable to Shareholders of about 270 billion yen for the Financial Year, ending March 31, 2007. Previously, the electronics and electrical machinery company had said that it would be able to record a Profit Attributable to Shareholders of about 55 billion yen for the Year.

And, in other parts of Asia, this was how the key indices of their respective equity markets closed, last Tuesday:

The HKSAR	Hang Seng Index Plus 0.47 percent to 19,356.90 The Growth Enterprise Index Plus 1.03 percent to 1,319.38
Indonesia	Minus 0.14 percent to 1,775.42
Japan	TOPIX Index Plus 0.84 percent to 1,708.29 Nikkei-225 Stock Average Plus 0.90 percent to 17,163.20
Malaysia	Plus 1.10 percent to 1,205.28
The Philippines	Minus 0.07 percent to 3,039.31
Singapore	Plus 0.11 percent to 3,116.88
South Korea	Plus 0.05 percent to 1,444.17
Taiwan	Minus 0.02 percent to 7,736.20

Thailand	Plus 0.39 percent to 671.76
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Wednesday

The Open Market Committee Meeting of the US Federal Reserve determined to leave interest rates unchanged at 5.25 percent.

And Wall Street, which had been expecting this decision, went wild with excitement that the prognostications of the gurus had come to pass.

The following is the exact wording of The Fed's determination, last Wednesday:

'The Federal Open Market Committee decided today to keep its target for the federal funds rate at 5-1/4 percent.'

'Recent indicators have been mixed and the adjustment in the housing sector is ongoing. Nevertheless, the economy seems likely to continue to expand at a moderate pace over coming quarters.'

'Recent readings on core inflation have been somewhat elevated. Although inflation pressures seem likely to moderate over time, the high level of resource utilization has the potential to sustain those pressures.'

'In these circumstances, the Committee's predominant policy concern remains the risk that inflation will fail to moderate as expected. Future policy adjustments will depend on the evolution of the outlook for both inflation and economic growth, as implied by incoming information.'

Suggestions, last Wednesday, were that, perhaps, interest rates will be sliced back a rasher or so at the next Open Market Committee Meeting of The Fed, scheduled for May 9, 2007.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 159.42 points, equivalent to about 1.30 percent, ending trading for the day at 12,447.52 points.

On The NASDAQ, its Composite Index did even better than The Dow with a gain of 1.98 percent, rushing up to 2,455.92 points.

Generally, the counters that benefitted most from the day's bullish run were financials.

But the volume of activity continued to be muted.

News Wise

- **Motorola Incorporated** announced that it would post a loss for the first quarter of its Financial Year due to poor telephone, handset sales. The share price of Motorola fell by about 5.80 percent in electronic trading on The New York Stock Exchange.

On The **New York Mercantile Exchange (NYMEX)**, the last settlement for a barrel of light sweet crude oil for delivery in the new, near month of May was \$US59.61, up about 0.61 percent on the last settlement on Tuesday.

The last settlement for delivery in June for a barrel of light sweet crude oil was \$US61.11.

On European equity markets, investors were only too happy to go along with Wall Street's lead, forgetting, so it seemed, the problems that continued to fester under the surface of the US economy, problems, such as had been only too evident in the previous week.

Most of the key indices of major European bourses put on useful gains, but nothing approaching the advances on Wall Street.

The following is **TARGET**'s list of the most-important European bourses and how their respective key indices ended the trading day:

Amsterdam's AEX Index	Plus 0.52 percent
France's CAC 40 Index	Minus 0.01 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.17 percent
Great Britain's FTSE 100 Index	Plus 0.58 percent
Italy's MIBTEL Index	Plus 0.55 percent
Switzerland's Swiss Market Index	Plus 0.67 percent

In Asia, Japan was enjoying a national holiday so that the largest and most-important equity market of the region was not a factor in trading, last Wednesday.

Generally, however, investors were moderately bullish about the near-term direction of key indices in the most-populous part of the world: Up.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both stock markets made useful and very similar, percentage gains.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about 0.82 percent to 19,516.41 points on a Total Turnover of about \$HK46.82 billion.

The ratio of gainers to losers was about 2.45:One.

The Ten Most Actives were:

China Agri-Industries Holdings Ltd (Code:
606)

\$HK5.53 per share*

HSBC Holdings plc (Code: 5)

Up 1.52 percent to \$HK134.20 per share

China Mobile Ltd (Code: 941)

Up 1.17 percent to \$HK73.65 per share

Hutchison Whampoa Ltd (Code: 13)

Up 3.07 percent to \$HK75.45 per share

China Life Insurance Company Ltd (Code:
2628)

Up 0.68 percent to \$HK22.05 per share

PetroChina Company Ltd (Code: 857)

Down 0.46 percent to \$HK8.57 per share

Industrial and Commercial Bank of
China Ltd (Code: 1398)

Up 0.93 percent to \$HK4.34 per share

China Petroleum and Chemical
Corporation (Code: 386)

Up 2.02 percent to \$HK6.07 per share

China Construction Bank
Corporation (Code: 939)

Up 1.14 percent to \$HK4.45 per share

Bank of China Ltd (Code: 3988)

Up 0.52 percent to \$HK3.88 per share

* First Day of Trading

As for the Main Board's double-digit movers of the day, they included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Artfield Group Ltd	1229	28.69		1.57
Asian Union New Media (Group) Ltd	419	11.49		0.097
AviChina Industry and Technology Company Ltd	2357	10.57		1.36
Buildmore International Ltd	108	27.69		0.83
China Fair Land Holdings Ltd	169	33.85		0.435
China Financial Industry Investment Fund Ltd	1227	11.29		0.345
China Velocity Group Ltd	149	25.00		0.90
Compass Pacific Holdings Ltd	1188		10.34	0.13
Fortune Sun (China) Holdings Ltd	352		36.84	0.60
GFT Holdings Ltd	1003	11.43		0.156
Golden Dragon Group (Holdings) Ltd	329		15.43	1.37
Guo Xin Group Ltd	1215	24.19		0.231
K.P.I. Company Ltd	605		11.43	0.155
LifeTec Group Ltd	1180		12.79	0.191
MAE Holdings Ltd	851	15.96		1.09

One Media Group Ltd	426		12.07	0.51
Oriental Investment Corporation Ltd	735	10.39		0.85
Prosperity Investment Holdings Ltd	310	17.65		0.30
South China Industries Ltd	413		12.73	0.96
Tonic Industries Holdings Ltd	978	14.92		0.285
United Metals Holdings Ltd	2302	20.00		0.48
V.S. International Group Ltd	1002	13.56		0.335
Wo Kee Hong (Holdings) Ltd	720	10.71		0.465
Vodone Ltd	82	16.06		2.24
Sinopec Yizheng Chemical Fibre Company Ltd	1033	13.46		2.36
Yugang International Ltd	613	15.60		0.163
Zhong Hua International Holdings Ltd	1064		11.43	0.31

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index added about 0.89 percent, running up to 1,331.06 points.

The Total Turnover on this speculative market was about \$HK396.73 million.

Advancing counters outran declining ones by the ratio of 1.50:One, exactly.

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

Xteam Software International Ltd (Code:
8178)

Up 17.65 percent to \$HK0.22 per share

Town Health International
Holdings Company Ltd (Code: 8138)

Up 1.33 percent to \$HK0.76 per share

Hua Xia Healthcare Holdings Ltd (Code:
8143)

Up 20.00 percent to \$HK0.51 per share

Phoenix Satellite Television Holdings
Ltd (Code: 8002)

Unchanged at \$HK1.45 per share

TOM Online Incorporated (Code: 8282)

Down 0.69 percent to \$HK1.43 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Armitage Technologies Holding Ltd	8213	17.28		0.095
China Chief Cable TV Group Ltd	8153	26.67		0.38
China Leason Investment Group Company Ltd	8270	44.33		0.70
Core Healthcare Investment Holdings Ltd	8250		17.74	0.125
DIGITALHONGKONG.COM	8007		12.70	1.10
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231	14.29		0.40
HC International Incorporated	8292	12.05		0.93
Hua Xia Healthcare Holdings Ltd	8143	20.00		0.51
International Financial Network Holdings Ltd	8123	21.00		0.121
Linefan Technology Holdings Ltd	8166	12.16		0.083
Long Success International (Holdings) Ltd	8017		13.56	0.51
Prosten Technology Holdings Ltd	8026	16.67		0.28
Q9 Technology Holdings Ltd	8129		23.33	0.23
Qianlong Technology International Holdings Ltd	8015		11.43	0.31
Sing Lee Software (Group) Ltd	8076		15.07	0.062
SJTU Sunway Software Industry Ltd	8148		13.89	0.31
Sys Solutions Holdings Ltd	8182	10.00		0.495
T S Telecom Technologies Ltd	8003		12.07	0.255
TeleEye Holdings Ltd	8051	16.22		0.129
Vodatel Networks Holdings Ltd	8033	33.33		0.20

Xteam Software International Ltd	8178	17.65		0.22
Ningbo Yidong Electronic Company Ltd	8249	11.67		0.335

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

The HKSAR	Hang Seng Index Plus 0.82 percent to 19,516.41 The Growth Enterprise Index Plus 0.89 percent to 1,331.06
Indonesia	Plus 0.21 percent to 1,779.24
Japan	TOPIX Index Closed Nikkei-225 Stock Average Closed
Malaysia	Plus 0.34 percent to 1,209.34
The Philippines	Plus 1.68 percent to 3,090.47
Singapore	Plus 1.25 percent to 3,155.69
South Korea	Minus 0.09 percent to 1,442.85
Taiwan	Plus 0.27 percent to 7,757.03
Thailand	Minus 0.33 percent to 669.56

Thursday

After the sunshine came the rain – first some drizzle, then the torrents.

On the world's largest equity markets, last Thursday, investors sat back, pondered and listened to one sad corporate story after another, then, they wondered as to the reason that the key indices had shot up on Wednesday, at all.

On The New York Stock Exchange, the Dow Jones Industrial Average ended the trading day at 12,461.14 points, a one-day gain of about 0.11 percent.

On The NASDAQ, however, its key gauge to trading, the Composite Index, shed about 0.17 percent to fall back to 2,448.93 points.

The share price of Motorola Incorporated fell about 6.60 percent to \$US17.50, following the company's announcement on Wednesday night, during electronic trading.

For investors in this giant conglomerate, last Thursday's price was at its lowest level in more than 2 years.

The company had announced that it expected to incur a loss in the first quarter of its Financial Year and, for the rest of the Year, it would be difficult, too. (Please see Wednesday's report).

The problems in the so-called subprime mortgage lenders of the US reared up again as Countrywide Financial Corporation announced that subprime defaults appeared to be more widespread than had, formerly, been feared.

For More On This Topic, Please Refer To:

TARGET Intelligence Report, Volume IX, Number 55,

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**'U.S. STORM CLOUDS HAVE GATHERED:
THEY WILL NOT GO AWAY IN A HURRY'**

In Europe, investors continued to power key indices to higher levels on the most-important bourses as the following **TARGET** list illustrates:

Amsterdam's AEX Index	Plus	1.62 percent
France's CAC 40 Index	Plus	1.74 percent
Germany's Frankfurt XETRA DAX Index	Plus	2.15 percent
Great Britain's FTSE 100 Index	Plus	0.97 percent
Italy's MIBTEL Index	Plus	1.55 percent
Switzerland's Swiss Market Index	Plus	1.47 percent

It was the fourth consecutive day of very useful gains for European investors, most of whom were relieved that the US Federal Reserve had not raised interest rates at its Open Market Committee Meeting.

On international commodity exchanges, the price of crude oil rose very smartly.

On The **New York Mercantile Exchange** (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in May was \$US61.71, representing an increase on the last settlement of Wednesday of about 3.52 percent.

There were communication problems with the US and Canada, last Thursday, so that it was not possible to obtain complete information.

In Asia, there were only winners on all of the region's equity markets.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets made gains, but they were held to fractions by the close of the day.

On the Main Board of The Stock Exchange of Hongkong Ltd, its Hang Seng Index rose about 0.89 percent to 19,690.25 points.

The Total Turnover improved to about \$HK57.71 billion.

Gaining counters outpaced losing ones by the ratio of about 2.39:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 1.71 percent to \$HK136.50 per share
China Mobile Ltd (Code: 941)	Down 1.83 percent to \$HK72.30 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.07 percent to \$HK75.40 per share
China Construction Bank Corporation (Code: 939)	Up 0.22 percent to \$HK4.46 per share
China Life Insurance Company Ltd (Code: 2628)	Up 0.68 percent to \$HK22.20 per share
Foundation Group Ltd (Code: 1182)	Down 50.40 percent to \$HK1.24 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 1.15 percent to \$HK4.39 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 3.46 percent to \$HK6.28 per share
Bank of China Ltd (Code: 3988)	Up 0.52 percent to \$HK3.90 per share
PetroChina Company Ltd (Code: 857)	Up 1.05 percent to \$HK8.66 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Artfield Group Ltd	1229		13.38	1.36
AV Concept Holdings Ltd	595	22.73		0.54
Buildmore International Ltd	108		20.48	0.66

Chinese People Gas Holdings Company Ltd	681	20.00		0.54
China Star Entertainment Ltd	326	21.13		0.43
CITIC 21CN Company Ltd	241	20.48		1.00
Fittec International Group Ltd	2662		11.40	1.01
Fortune Sun (China) Holdings Ltd	352	41.67		0.85
Foundation Group Ltd	1182		50.40	1.24
Hop Hing Holdings Ltd	47		11.11	0.32
Junefield Department Store Group Ltd	758		12.02	0.161
K and P International Holdings Ltd	675		10.71	0.25
Kwong Hing International Holdings (Bermuda) Ltd	1131	11.90		0.235
Linfair Holdings Ltd	462		18.56	1.58
MAE Holdings Ltd	851		22.02	0.85
Magician Industries (Holdings) Ltd	526	43.26		0.255
Pak Tak International Ltd	2668	10.00		0.385
See Corporation Ltd	491		11.11	0.64
Shanghai Real Estate Ltd	1207	14.29		2.16
Sinotronics Holdings Ltd	1195	10.20		1.08
South East Group Ltd	726	10.77		0.144
Sun Innovation Holdings Ltd	547		10.63	1.43
Vital BioTech Holdings Ltd	1164	16.48		0.212

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its lone index, known as The Growth Enterprise Index, rose about 0.23 percent to 1,334.10 points on a Total Turnover of about \$HK446.18 million.

Advancing counters were ahead of declining ones by the ratio of about 1.11:One.

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

Xteam Software International Ltd (Code: 8178)

Up 40.91 percent to \$HK0.31 per share

Town Health International Holdings Company Ltd
(Code: 8138)

Down 5.26 percent to \$HK0.72 per share

Century Sunshine Ecological Technology Holdings
Ltd (Code: 8276)

Down 1.63 percent to \$HK1.81 per share

FAVA International Holdings Ltd (Code: 8108)

Up 0.97 percent to \$HK1.04 per share

Shandong Weigao Group Medical
Polymer Company Ltd (Code: 8199)

Up 1.70 percent to \$HK13.18 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022		17.87	0.193
B M Intelligence International Ltd	8158		10.00	0.36
China Chief Cable TV Group Ltd	8153		15.79	0.32
China Leason Investment Group Company Ltd	8270		10.00	0.63
Era Information and Entertainment Ltd	8043	18.75		0.095
Everpride Biopharmaceutical Company Ltd	8019		13.98	0.08
First Mobile Group Holdings Ltd	8110	17.05		0.151
HC International Incorporated	8292	11.83		1.04
Intelli-Media Group (Holdings) Ltd	8173	37.39		0.305
Jiangsu Nandasoft Company Ltd	8045		10.71	0.25
KanHan Technologies Group Ltd	8175	10.00		0.275
New Universe International Group Ltd	8068	15.15		0.152

Q9 Technology Holdings Ltd	8129		10.43	0.206
Sino Haijing Holdings Ltd	8065		11.54	0.092
Sys Solutions Holdings Ltd	8182	13.13		0.56
TeleEye Holdings Ltd	8051		10.85	0.115
ThinSoft (Holdings) Incorporated	8096	13.85		0.148
Thiz Technology Group Ltd	8119	12.90		0.07
Vodatel Networks Holdings Ltd	8033	17.50		0.235
Xteam Software International Ltd	8178	40.91		0.31
Ningbo Yidong Electronic Company Ltd	8249		10.45	0.30

In Japan, where businesses had been closed for a public holiday on Wednesday, investors determined to make up for lost time: Up rose the key indices of The Tokyo Stock Exchange and the country's other 2 equity markets followed suit.

The TOPIX Index rose 23.51 points, or about 1.38 percent, rising to 1,731.80 points.

Gaining counters swamped losing ones by the ratio of about 7.05:One.

The Nikkei-225 Stock Average rose about 1.49 percent to 17,419.20 yen.

News Wise

- **NTT DoCoMo Incorporation** will cease offering a paging service at the end of March;
- **Hitachi Global Storage Technologies Incorporated** announced that it would be closing down its Mexico, hard-disk, drive-component plant by the middle of 2008. It will mean that some 4,500 Mexican workers will lose their jobs. The parent company of Hitachi Global Storage Technologies Incorporated is **Hitachi Ltd**;
- The Cabinet Office and The Finance Ministry of the Government of Japan, in a joint survey, has determined that **business confidence** in large companies – companies, capitalised at one billion yen and more – fell during the quarter, ended March 31, 2007; and,
- Japan's **trade surplus** for the month of February rose about 7.70 percent, Year-On-Year, to 979.60 billion yen, The Finance Ministry announced.

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

The HKSAR	Hang Seng Index Plus 0.89 percent to 19,690.25 The Growth Enterprise Index Plus 0.23 percent to 1,334.10
Indonesia	Plus 1.68 percent to 1,809.07

Japan	TOPIX Index Plus 1.38 percent to 1,731.80 Nikkei-225 Stock Average Plus 1.49 percent to 17,419.20
Malaysia	Plus 1.02 percent to 1,221.72
The Philippines	Plus 2.84 percent to 3,178.32
Singapore	Plus 2.02 percent to 3,219.51
South Korea	Plus 0.39 percent to 1,448.53
Taiwan	Plus 0.86 percent to 7,823.67
Thailand	Plus 0.79 percent to 674.84

Friday

Crude-oil prices jumped, last Friday, after 15 members of the British Royal Navy were abducted at gunpoint by Iranian armed forces.

The Royal Navy personnel were boarding a vessel that they suspected of running a smuggling operation.

The incident smacked of being explosive.

Crude-oil prices rose as a direct consequence of the unprovoked attack.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in May rose about 0.96 percent to \$US62.26.

As for June delivery, the last settlement for a barrel of light sweet crude oil came in at \$US63.52, up about 0.79 percent, compared with Thursday's closing level.

Investors on Wall Street continued to indicate hesitancy as many of them stayed on the sidelines, waiting to see what the weekend would bring.

On The New York Stock Exchange, the Dow Jones Industrial Average gained about 0.16 percent to end the week at 12,481.01 points.

On The (tech-laden) NASDAQ, its Composite Index went in the opposite direction to The Dow, giving up about 0.11 percent to finish off the week at 2,448.93 points.

Trading was comparatively light for most of the trading day.

For the week, the tally for the largest and most-important equity markets of the world was:

The Dow Jones Industrial Average	Plus 3.06 percent
The NASDAQ's Composite Index	Plus 3.21 percent

In Europe, it was another bullish day for investors, however.

Merger and acquisition excitement continued to dominate trading on the most-important bourses and the increase in the price of crude oil spurred into, once again, in energy counters.

Speculation was at near fever pitch that DaimlerChrysler A.G. was close to unloading its ailing Chrysler subsidiary, with Canadian investors, said to be in the running.

Then, there was, still, the Barclays (Bank) plc and ABN AMRO negotiations, which were known to be nearing an agreement for an \$US80 billion-plus merger.

With all this and more, going on in Europe, investors were spurred into action, pushing up the key indices of bourses to much higher levels:

Amsterdam's AEX Index	Plus 0.94 percent
France's CAC 40 Index	Plus 0.64 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.61 percent
Great Britain's FTSE 100 Index	Plus 0.33 percent
Italy's MIBTEL Index	Plus 0.62 percent
Switzerland's Swiss Market Index	Plus 0.17 percent

In Asia, things were a little quiet on the 9 major equity markets, last Friday.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets tacked on fractional gains.

On the Main Board of The Stock Exchange of Hongkong Ltd, its Hang Seng Index rose about 0.01 percent to 19,692.64 points on a Total Turnover of about \$HK43 billion.

The ratio of advancing counters to declining ones was 1.36:One, exactly.

The Ten Most Active counters were:

China Mobile Ltd (Code: 941)	Down 1.87 percent to \$HK70.95 per share
HSBC Holdings plc (Code: 5)	Up 0.51 percent to \$HK137.20 per share
PetroChina Company Ltd (Code: 857)	Up 1.39 percent to \$HK8.78 per share
China Life Insurance Company Ltd (Code: 2628)	Up 0.23 percent to \$HK22.25 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 3.18 percent to \$HK6.48 per share
Bank of China Ltd (Code: 3988)	Down 0.26 percent to \$HK3.89 per share

China Agri-Industries Holdings Ltd (Code:
606)

Up 5.51 percent to \$HK5.55 per share

China Construction Bank Corporation (Code:
939)

Up 0.45 percent to \$HK4.48 per share

Hutchison Whampoa Ltd (Code: 13)

Up 0.60 percent to \$HK75.85 per share

Sun Hung Kai Properties Ltd (Code: 16)

Up 0.89 percent to \$HK91.05 per share

The Main Board's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AMVIG Holdings Ltd	2300	13.66		5.99
Aurora Global Investment Holdings Ltd	353	10.17		0.65
Capital Estate Ltd	193	14.49		0.079
China Investments Holdings Ltd	132		11.76	0.30
China Treasure (Greater China) Investments Ltd	810		10.53	3.40
Climax International Company Ltd	439	34.81		0.213
Extrawell Pharmaceutical Holdings Ltd	858	22.11		0.58
Fortune Sun (China) Holdings Ltd	352	10.59		0.94
Golden 21 Investment Holdings Ltd	2312	10.38		1.17
Golden Dragon Group (Holdings) Ltd	329		11.54	1.15
Guo Xin Group Ltd	1215	14.00		0.285
Hanny Holdings Ltd	275	10.32		3.85
Hop Hing Holdings Ltd	47	12.50		0.36
Huali Holdings (Group) Ltd	3366	15.13		3.50
HyComm Wireless Ltd	499	32.86		0.093

Junefield Department Store Group Ltd	758	30.43		0.21
Multifield International Holdings Ltd	898		13.75	0.138
New Smart Energy Group Ltd	91	11.94		0.375
New World CyberBase Ltd	276	13.29		3.24
Parkson Retail Group Ltd	3368	11.53		53.20
Peking Apparel International Group Ltd	761	67.14		1.17
Seapower Resources International Ltd	269	10.78		0.185
Shang Hua Holdings Ltd	371	21.05		0.46
Sino Technology Investments Company Ltd	1217	18.45		0.199
South China Industries Ltd	413	15.79		1.10
South East Group Ltd	726		11.11	0.128
Sun Innovation Holdings Ltd	547	22.38		1.75
Titan Petrochemicals Group Ltd	1192	10.53		0.63
Wealthmark International (Holdings) Ltd	39	29.51		0.395
Wonson International Holdings Ltd	651	223.53		0.55

Over on The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, the volume of activity rose to about \$HK1.05 billion, an increase of about 133 percent over Thursday's volume.

The Growth Enterprise Index put on about 0.84 percent, ending the week at 1,345.36 points.

The ratio of gainers to losers was about 1.15:One.

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

Proactive Technology Holdings Ltd (Code:
8089)

Up 8.30 percent to \$HK7.31 per share

Xteam Software International Ltd (Code: 8178)

Up 8.06 percent to \$HK0.335 per share

Town Health International Holdings Company
Ltd (Code: 8138)

Down 4.17 percent to \$HK0.69 per share

Xinjiang Tianye Water Saving
Irrigation System Company Ltd (Code: 8280)

Up 10.16 percent to \$HK2.82 per share

China LotSynergy Holdings Ltd (Code: 8161)

Up 5.41 percent to \$HK2.34 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Capital Resources (Holdings) Ltd	8025		13.95	0.111
Argos Enterprise (Holdings) Ltd	8022	19.17		0.23
B.A.L. Holdings Ltd	8079	11.32		0.59
Capital Publications Ltd	8155	10.00		0.22
China Leason Investment Group Company Ltd	8270		12.70	0.55
China Vanguard Group Ltd	8156	10.77		0.36
Computech Holdings Ltd	8081		14.09	0.189
FAVA International Holdings Ltd	8108	10.58		1.15
First Mobile Group Holdings Ltd	8110	33.11		0.201
Glory Future Group Ltd	8071		11.59	0.305
Longlife Group Holdings Ltd	8037		18.18	0.135
Maxitech International Holdings Ltd	8136	15.91		0.51
Medical China Ltd	8186	11.30		0.128
North Asia Strategic Holdings Ltd	8080	23.08		0.80
T S Telecom Technologies Ltd	8003		18.52	0.22
ThinSoft (Holdings) Incorporated	8096	28.38		0.19
Xinjiang Tianye Water Saving Irrigation System Company Ltd	8280	10.16		2.82

Tiger Tech Holdings Ltd	8046	19.33		0.142
Vodatel Networks Holdings Ltd	8033		10.64	0.21

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

The Hang Seng Index	Plus	3.90 percent
The Growth Enterprise Index	Plus	3.78 percent

On The Tokyo Stock Exchange, its TOPIX Index rose about 0.59 percent to 1,741.94 points.

Gaining counters eased out declining ones by the slim ratio of about 1.19:One.

As for The Nikkei-225 Stock Average, it ended the week at 17,480.61 yen, a one-day improvement of about 0.35 percent.

The tally for Asia's biggest and most-important equity market was (4 trading days, only):

The TOPIX Index	Plus	3.87 percent
The Nikkei-225 Stock Average	Plus	4.40 percent

And, on other Asian equity markets, this was how their respective key indices ended the week of March 23, 2007:

The HKSAR	Hang Seng Index Plus 0.01 percent to 19,692.64 The Growth Enterprise Index Plus 0.84 percent to 1,345.36
Indonesia	Minus 0.17 percent to 1,805.96
Japan	TOPIX Index Plus 0.59 percent to 1,741.94 Nikkei-225 Stock Average Plus 0.35 percent to 17,480.61
Malaysia	Plus 1.14 percent to 1,235.65
The Philippines	Minus 0.26 percent to 3,170.05
Singapore	Minus 0.43 percent to 3,205.82
South Korea	Minus 0.08 percent to 1,447.38
Taiwan	Plus 0.46 percent to 7,859.32
Thailand	Plus 0.44 percent to 677.79

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

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