

**CHINA INSTILLS THE WILLIES INTO INVESTORS,
LOCKED INTO INTERNATIONAL EQUITY MARKETS**

... But The Fears Last Just One Day

For the most part, equity markets, internationally, boomed, last Monday, as investors charged in, in the belief that Christmas had arrived early, this year.

On Wall Street, the gains of the previous Friday continued apace, last Monday.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 108.33 points, or about 0.86 percent, ending the first day of trading of the week at 12,720.46 points.

Over on The NASDAQ, its Composite Index gained 26.39 points, equivalent to a gain of about 1.06 percent, rising to 2,518.33 points.

Forgotten, it appeared, were all of the prospective, imagined (and real) problems that plagued the largest equity markets of the world, during the week, ended April 13, 2007.

Investors completely disregarded the US housing crises and the US mortgage-lending problems, putting those crises down to a passing blimp, only.

Europe went along with Wall Street, with every key index of every major European bourse, rising sharply as the following **TARGET** () list indicates:

Amsterdam's AEX Index Plus 1.60 percent

France's CAC 40 Index Plus 1.25 percent

Germany's Frankfurt XETRA DAX Index Plus 1.74 percent

Great Britain's FTSE 100 Index Plus 0.83 percent

Italy's MIBTEL Index Plus 0.91 percent

Switzerland's Swiss Market Index Plus 1.00 percent

From The **O**rganisation of **P**etroleum **E**xporting **C**ountries (OPEC), Mohammed al-Hamli, its President, placated the world's thirsty consumers of crude oil by stating, inter alia: *'We (OPEC) are ready to supply more (crude oil) if the market needs more.'*

OPEC supplies about 40 percent of the world's crude-oil needs.

On The **N**ew **Y**ork **M**ercantile **E**xchange (NYMEX), the price of crude oil responded positively to the remarks of the President of OPEC.

For delivery in May, the last settlement for a barrel of light sweet crude oil was \$US63.61, down about 0.03 percent, compared with the final quote of Friday, April 13, 2007.

As for June delivery, the last settlement for a barrel of light sweet crude oil came in at \$US65.67, representing a fall of about 1.02 percent on the last settlement of the previous Friday.

In Asia, only the key index of the Taiwan equity market did not make very material gains.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets made gains, but it was the premier stock market which captured the imagination of investors of the territory.

The stock market of the HKSAR was experiencing a knee-jerk reaction, mainly, to the rapid gains on Monday on The Shanghai Stock Exchange and The Shenzhen Stock Exchange.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index, which is the key index of this market, rose 416.56 points, equivalent to about 2.05 percent, ending the trading day at 20,757.53 points.

The Total Turnover was a very respectable \$HK64.38 billion.

The ratio of gaining counters to losing ones was about 2.27:One.

The Ten Most Active counters (all of which were material gainers) were:

HSBC Holdings plc (Code: 5)	Up 1.56 percent to \$HK142.90 per share
China Mobile Ltd (Code: 941)	Up 5.69 percent to \$HK75.20 per share
China Mengniu Dairy Company Ltd (Code: 2319)	Up 4.23 percent to \$HK25.90 per share
China Life Insurance Company Ltd (Code: 2628)	Up 1.58 percent to \$HK25.70 per share
China Construction Bank Corporation (Code: 939)	Up 1.51 percent to \$HK4.71 per share
Bank of China Ltd (Code: 3988)	Up 2.03 percent to \$HK4.02 per share
China Communications Construction Company Ltd (Code: 1800)	Up 4.30 percent to \$HK10.18 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 0.99 percent to \$HK7.17 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 0.70 percent to \$HK4.32 per share
China Merchants Bank Company Ltd (Code: 3968)	Up 4.71 percent to \$HK19.10 per share

There was a total of 42, double-digit movers on the Main Board, last Monday, with 8 of their number, losing 10 percent or more of their respective market capitalisations.

Managements of the other 34 counters witnessed their respective share prices rise by 10 percent or more.

The biggest gainer of the day was PME Group Ltd (Code: 379) as investors pushed up its share price to 47.50 cents, an increase of about 39.71 percent, compared with the closing price of Friday, April 13, 2007.

As for the biggest loser of the day, it was China Special Steel Holdings Company Ltd (Code: 2889) with its share price, falling 15.19 percent to \$HK2.29.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index tacked on 2.88 points, or about 0.21 percent, rising to 1,362.61 points.

The Total Turnover on this market was about \$HK676.54 million, while the ratio of gainers to losers was about 1.21:One.

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

Proactive Technology Holdings Ltd (Code: 8089)

Up 22.22 percent to \$HK11.22 per share

B M Intelligence International Ltd (Code: 8158)

Up 75.00 percent to \$HK1.40 per share

Union Bridge Holdings Ltd (Code: 8047)

Up 3.57 percent to \$HK0.58 per share

Xteam Software International Ltd (Code: 8178)

Up 2.82 percent to \$HK0.365 per share

Century Sunshine Ecological
Technology Holdings Ltd (Code: 8276)

Down 4.95 percent to \$HK1.73 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd	8095	13.70		0.83
B M Intelligence International Ltd	8158	75.00		1.40
EMER International Group Ltd	8149	18.33		2.84
Era Information and Entertainment Ltd	8043	13.45		0.135
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231	14.00		0.57
Inno-Tech Holdings Ltd	8202	17.57		0.87
Linefan Technology Holdings Ltd	8166		20.00	0.148

Proactive Technology Holdings Ltd	8089	22.22		11.22
ProSticks International Holdings Ltd	8055	35.98		0.325
Sau San Tong Holdings Ltd	8200	11.59		0.26
SYSCAN Technology Holdings Ltd	8083	41.18		0.36
Tianjin TEDA Biomedical Engineering Company Ltd	8189	12.90		0.245
Thiz Technology Group Ltd	8119	29.87		0.10
Wafer Systems Ltd	8198	11.90		0.235

In Japan, investors were only too happy to join the throng of winners on other Asian markets, with the country's 3 equity markets, scoring among the biggest gainers of Asia.

On The Tokyo Stock Exchange, its TOPIX Index rose 20.10 points, equivalent to about 1.18 percent, ending the trading day at 1,725.60 points.

Advancing counters outpaced declining ones by the ratio of about 2.65:One.

The Nikkei-225 Stock Average, which is a much-narrower gauge of trading in blue chips, listed on The First Section of The Tokyo Stock Exchange, than The TOPIX Index, rose 264.35 yen, or about 1.52 percent, closing out the day at 17,628.30 yen.

News Wise

- Britain's **Barclays plc** has agreed to sell its Japanese asset custody business, held by Barclays Global Investors, to **Sumitomo Trust and Banking Company**, which is Japan's fifth-largest bank. The price that has been agreed is 4.90 billion yen, equivalent to about \$US41 million); and,
- **McDonald's Holdings Company Japan**, which operates 3,828 restaurants in The Land of The Rising Sun, announced that sales had hit 43.05 billion yen, during the month of March. In McDonald's 36-year history, nowhere in the world have sales hit such a level, the company said.

In other parts of Asia, this was how the key indices of those equity markets fared, last Monday:

The HKSAR	Hang Seng Index Plus 2.05 percent to 20,757.53 The Growth Enterprise Index Plus 0.20 percent to 1,362.61
Indonesia	Plus 1.17 percent to 1,963.82
Japan	TOPIX Index Plus 1.18 percent to 1,725.60 Nikkei-225 Stock Average Plus 1.52 percent to 17,628.30

Malaysia	Plus 1.12 percent to 1,322.91
The Philippines	Plus 1.58 percent to 3,267.86
Singapore	Plus 1.20 percent to 3,414.15
South Korea	Plus 0.74 percent to 1,532.04
Taiwan	Minus 0.02 percent to 8,043.54
Thailand	Closed

Tuesday

Prior to Wall Street, opening its doors for business, last Tuesday, The Bureau of Labour Statistics, an important division of The US Government's Department of Labour, brought out its findings with regard to the Consumer Price Index for March 2007 and Real Earnings for the month of March.

In both statistical releases, it appeared that inflation was well contained in March.

To some extent, the releases allayed the fears of many investors that the US Federal Reserve would raise interest rates at its Open Market Committee Meeting, scheduled for May 9, 2007.

The following are the full texts of the releases of The Bureau, minus statistical tables and some extraneous information:

'CONSUMER PRICE INDEX: MARCH 2007

'The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.9 percent in March, before seasonal adjustment, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. The March level of 205.352 (1982-84=100) was 2.8 percent higher than in March 2006.

'The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) increased 1.0 percent in March, prior to seasonal adjustment. The March level of 200.612 (1982-84=100) was 2.7 percent higher than in March 2006.

'The Chained Consumer Price Index for All Urban Consumers (C-CPI-U) increased 0.8 percent in March on a not seasonally adjusted basis. The March level of 118.953 (December 1999=100) was 2.5 percent higher than in March 2006.

'CPI for All Urban Consumers (CPI-U)

'On a seasonally adjusted basis, the CPI-U advanced 0.6 percent in March, following a 0.4 percent increase in February. Overall energy costs increased 5.9 percent in March, with the index for petroleum-based energy up 10.1 percent and the index for natural gas and electricity up 1.3 percent. The food index rose 0.3 percent in March, following larger increases earlier this year. Grocery store foods also rose less in March, largely reflecting a downturn in the index for fruits and vegetables. The index for all items less food and energy advanced 0.1 percent in March, following a 0.2 percent rise in February; the index for shelter rose 0.1 percent after advancing 0.3 percent in February, resulting from a 2.3 percent decline in the index for lodging away from home ...

'For the first three months of 2007, consumer prices increased at a seasonally adjusted annual rate (SAAR) of 4.7 percent. This compares with an increase of 2.5 percent for all of 2006. The index for energy, which rose 2.9 percent in all of 2006, advanced at a 22.9 percent SAAR in the first quarter of 2007 and accounted for about 41 percent of the first quarter advance in the overall CPI-U. Petroleum-based energy costs and charges for natural gas and electricity contributed about 29 and 12 percent, respectively. The food index rose at a 7.3 percent SAAR in the first quarter of 2007, accounting for 21 percent of the first quarter advance in the overall CPI-U. The index for grocery store food prices increased at a 10.0 percent annual rate, reflecting acceleration over the last year in each of the six major groups. These increases ranged from annual rates of 4.7 percent in the index for cereal and bakery products to 19.3 percent in the index for fruits and vegetables.

'Excluding food and energy, the CPI-U advanced at a 2.3 percent SAAR in the first quarter, following a 2.6 percent rise in all of 2006. The deceleration in the first quarter of 2007 compared with all of 2006 reflects a slower rate of advance in the index for shelter – up at a 2.7 percent SAAR in the first quarter after increasing 4.2 percent in all of 2006 – and downturn in the apparel index. The annual rates for selected groups for the last seven and one-quarter years are shown below ...

'The food and beverages index rose 0.3 percent in March. The index for food at home, which increased 1.1 percent in February, rose 0.4 percent in March. Downturns in the indexes for fruits and vegetables and for cereal and bakery products were partially offset by larger increases in the indexes for meats, poultry, fish, and eggs, for dairy products, and for nonalcoholic beverages. The index for fruits and vegetables, which rose sharply in January and February, reflecting the effects of adverse weather on supplies, declined 1.4 percent in March. The indexes for fresh fruits and for fresh vegetables declined 2.3 and 1.2 percent, respectively, while the index for processed fruits and vegetables was virtually unchanged. The index for cereal and bakery products declined 0.3 percent after increasing 1.1 percent in February. Conversely, the index for meats, poultry, fish, and eggs, which increased 0.4 in February, advanced 1.1 percent in March. Prices for beef, for pork, for poultry and for other meats all registered increases ranging between 1.0 and 2.0 percent. The index for dairy products rose 1.3 percent, reflecting large increases in prices for cheese and ice cream. The index for nonalcoholic beverages rose 1.7 percent, largely as a result of a 2.8 percent increase in the index for carbonated drinks. The index for other food at home increased 0.2 percent. The other two components of the food and beverages index – food away from home and alcoholic beverages--increased 0.1 and 0.6 percent, respectively.

'The index for housing rose 0.2 percent in March, following a 0.4 percent increase in February. The index for shelter increased 0.1 percent in March, following increases of 0.3 percent in each of the preceding three months. Within shelter, the indexes for rent and owners' equivalent rent each increased 0.3 percent, while the index for lodging away from home declined 2.3 percent. (Prior to seasonal adjustment, the index for lodging away from home increased 2.2 percent.) The index for fuels and utilities increased 1.2 percent in March, the same as in February. The index for fuel oil rose 3.8 percent in March. The index for natural gas advanced sharply for the second consecutive month – up 3.0 percent in March. Charges for electricity increased 0.5 percent in March. The index for household furnishings and operations rose 0.2 percent in March, the same as in February.

'The transportation index rose 2.8 percent in March, reflecting a 10.6 percent increase in the index for motor fuels. (Prior to seasonal adjustment, gasoline prices rose 13.0 percent in March and were 7.2 percent higher than a year ago, but 13.8 percent lower than their peak level recorded in July 2006.) The index for new vehicles rose 0.3 percent in March, its first advance since a 0.1 percent rise in July last year. (Prior to seasonal adjustment, new vehicle prices declined 0.1 percent in March and were 1.1 percent lower than in March 2006.) The index for used cars and trucks decreased 0.2 percent in March. The index for public transportation rose 0.1 percent in March, as a 0.3 percent increase in the index for airline fares more than offset a 1.1 percent decline in the index for other intercity transportation. (Prior to seasonal adjustment, airline fares rose 1.5 percent.)

'The index for apparel declined 1.0 percent in March, following a 0.5 percent increase in February. (Prior to seasonal adjustment, apparel prices rose 3.0 percent, reflecting the continued introduction of spring-summer wear. Prices for women's and girls' apparel registered the largest advance – up 5.4 percent.)

'Medical care costs rose 0.1 percent in March and are 4.0 percent higher than a year ago. The index for medical care commodities – prescription drugs, nonprescription drugs, and medical supplies – decreased 0.3 percent. The index for medical care services advanced 0.2 percent. The indexes for professional services and for hospital and related services increased 0.1 and 0.4 percent, respectively.'

'The index for recreation was virtually unchanged in March. Increases in the indexes for admissions to movies, theaters, concerts, and sporting events, for fees for lessons and instructions, and for sporting goods – up 0.6, 0.8 and 0.4 percent, respectively – offset declines in the indexes for video and audio, for photography, and for toys.'

'The index for education and communication increased 0.5 percent in March. Educational costs rose 0.6 percent, reflecting a 1.7 percent increase in educational books and supplies. The index for communication costs rose 0.3 percent. Within the communication group, the index for telephone services rose 0.4 percent. Land-line local and long distance charges increased 0.5 and 0.9 percent respectively, while wireless telephone service charges were unchanged. The indexes for personal computers and peripheral equipment and for internet services and electronic information providers turned up in March, each advancing 0.2 percent, while the index for computer software and accessories declined 0.5 percent.'

'The index for other goods and services increased 0.2 percent in March. The index for tobacco and smoking products rose 0.2 percent, following large increases in each of the preceding three months. The index for personal care increased 0.1 percent.'

'CPI for Urban Wage Earners and Clerical Workers (CPI-W)

'On a seasonally adjusted basis, the CPI for Urban Wage Earners and Clerical Workers increased 0.8 percent in March ...'.

'REAL EARNINGS IN MARCH 2007

'Real average weekly earnings fell by 0.1 percent from February to March after seasonal adjustment, according to preliminary data released today by the Bureau of Labor Statistics of the U.S. Department of Labor. A 0.3 percent rise in both average weekly hours and average hourly earnings was more than offset by a 0.8 percent increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).'

'Data on average weekly earnings are collected from the payroll reports of private nonfarm establishments. Earnings of both full-time and part-time workers holding production or nonsupervisory jobs are included. Real average weekly earnings are calculated by adjusting earnings in current dollars for changes in the CPI-W.'

'Average weekly earnings rose by 4.4 percent, seasonally adjusted, from March 2006 to March 2007. After deflation by the CPI-W, average weekly earnings increased by 1.6 percent. Before adjustment for seasonal change and inflation, average weekly earnings were \$580.31 in March 2007, compared with \$556.42 a year earlier.'

Wall Street seemed to warm to the 2 releases of The Bureau, resulting in shares prices, continuing to rise, albeit, fractionally for the most part.

On The New York Stock Exchange, the Dow Jones Industrial Average gained about 0.41 percent to end the trading day at 12,773.04 points.

On The NASDAQ, its Composite Index slipped back about 0.05 percent to 2,516.95 points.

Crude-oil prices continued to fall on commodity exchanges, worldwide, following the encouraging statements of the President of The Organisation of Petroleum Exporting Countries. (Please see Monday's report)

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in May was \$US63.10, down about 0.80 percent, compared with Monday's closing level.

As for delivery in June, the last settlement for a barrel of light sweet crude oil was \$US64.46, equivalent to a fall of about 1.84 percent, compared with Monday's last settlement.

In Europe, there was a bit of profit-taking, resulting in the key indices of the major bourses, losing some traction as the following **TARGET** list indicates:

Amsterdam's AEX Index	Plus 0.11 percent
France's CAC 40 Index	Minus 0.06 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.14 percent
Great Britain's FTSE 100 Index	Minus 0.28 percent
Italy's MIBTEL Index	Minus 0.03 percent
Switzerland's Swiss Market Index	Minus 0.45 percent

What Europe did like, however, were the US Government's statistical releases of The Bureau since these releases tended to suggest, strongly, that there would be no further increases in US interest rates in the short term.

This is unlike the United Kingdom where it is fully expected that interest rates would be increased in order to contain the inflationary pressures in that country.

In Asia, things quietened down, considerably, compared with Monday's boom.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key index of the premier equity market rose a small fraction while the lone index of the very speculative equity market lost a small fraction.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose 0.15 percent, exactly, ending the trading day at 20,788.61 points.

The Total Turnover was about \$HK63.25 billion.

The ratio of advancing counters to declining ones was about 1.17:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 0.35 percent to \$HK143.40 per share
China Life Insurance Company Ltd (Code: 2628)	Down 2.14 percent to \$HK25.15 per share
China Construction Bank Corporation (Code: 939)	Up 2.76 percent to \$HK4.84 per share
China Mobile Ltd (Code: 941)	Up 0.66 percent to \$HK75.70 per share

Nine Dragons Paper (Holdings) Ltd (Code:
2689)

Down 2.62 percent to \$HK16.34 per share

Bank of China Ltd (Code: 3988)

Up 0.50 percent to \$HK4.04 per share

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

Up 0.23 percent to \$HK4.33 per share

China Merchants Bank Company Ltd (Code:
3968)

Up 3.04 percent to \$HK19.68 per share

China Communications Construction Company
Ltd (Code: 1800)

Up 1.57 percent to \$HK10.34 per share

Asian Union New Media (Group) Ltd (Code:
419)

Up 28.79 percent to \$HK0.255 per share

There was a total of 39, double-digit movers on the Main Board, last Tuesday, with investors, pushing down the share price of 6 of their number by 10 percent or more.

Managements of the other 33, double-digit movers witnessed their companies' respective market capitalisations rise by 10 percent or more.

Rontex International Holdings Ltd (Code: 1142) was the biggest gainer, last Tuesday, as investors drove up its share price by 75 percent to 21 cents.

Garron International Ltd (Code: 1226) turned out to be the biggest loser of the day as investors pulled down its share price by 13.95 percent to 37 cents.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index gave up about 0.16 percent of its value, ending the session at 1,360.48 points.

The Total Turnover on this speculative market was about \$HK858.36 million.

The ratio of gaining counters to losing ones was about 1.05:One.

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

Proactive Technology Holdings Ltd (Code: 8089)

Up 3.21 percent to \$HK11.58 per share

B M Intelligence International Ltd (Code: 8158)

Up 37.86 percent to \$HK1.93 per share

Xteam Software International Ltd (Code: 8178)

Up 9.59 percent to \$HK0.40 per share

Anhui Tianda Oil Pipe Company Ltd (Code: 8241)

Up 0.34 percent to \$HK5.98 per share

Town Health International Holdings Company Ltd
(Code: 8138)

Up 1.54 percent to \$HK0.66 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Capital Resources (Holdings) Ltd	8025	33.62		0.155
B M Intelligence International Ltd	8158	37.86		1.93
Cardlink Technology Group Ltd	8066	11.76		0.19
China Chief Cable TV Group Ltd	8153		18.18	0.45
CCID Consulting Company Ltd	8235	26.98		0.16
China Leason Investment Group Company Ltd	8270	15.38		0.60
DeTeam Company Ltd	8112	11.27		0.79
Essex Bio-Technology Ltd	8151		10.19	0.141
Excel Technology International Holdings Ltd	8048		11.11	0.16
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231	40.35		0.80
Glory Future Group Ltd	8071	55.74		0.95
IIN International Ltd	8128	17.58		0.107
MP Logistics International Holdings Ltd	8239		15.91	0.37
ProSticks International Holdings Ltd	8055	10.77		0.36
QUASAR Communication Technology Holdings Ltd	8171	18.18		0.39
Soluteck Holdings Ltd	8111	11.24		0.099
Sys Solutions Holdings Ltd	8182	10.63		2.29
SYSCAN Technology Holdings Ltd	8083	63.89		0.59

Tiger Tech Holdings Ltd	8046	30.72		0.217
Ningbo Yidong Electronic Company Ltd	8249		13.79	0.25
Zheda Lande Scitech Ltd	8106		14.75	0.26

In Japan, the key indices of the country's 3 equity markets retreated, slightly.

On The Tokyo Stock Exchange, The TOPIX Index gave up about 0.55 percent to end the day's proceedings at 1,716.11 points.

Losing counters outnumbered gaining ones by the ratio of about 3.28:One.

The Nikkei-225 Stock Average lost about 0.57 percent of its value, dropping back to 17,527.45 yen.

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

The HKSAR	Hang Seng Index Plus 0.15 percent to 20,788.61 The Growth Enterprise Index Minus 0.16 percent to 1,360.48
Indonesia	Plus 0.08 percent to 1,965.44
Japan	TOPIX Index Minus 0.55 percent to 1,716.11 Nikkei-225 Stock Average Minus 0.57 percent to 17,527.45
Malaysia	Plus 0.56 percent to 1,330.26
The Philippines	Plus 1.54 percent to 3,318.17
Singapore	Plus 0.03 percent to 3,415.32
South Korea	Minus 0.22 percent to 1,528.66
Taiwan	Minus 1.05 percent to 7,959.29
Thailand	Plus 0.37 percent to 695.03

Wednesday

While the Dow Jones Industrial Average, which is the key index of The New York Stock Exchange, hit a record high, last Wednesday, it could not be considered very meaningful because (a) losing counters on the

world's largest equity market outnumbered gaining ones by the ratio of about 1.29:One and (b) the rest of the world was, certainly, not going along with the gains, recorded on Wall Street, with the managements of the biggest equity markets, outside Continental United States, seeing their key indices drop to lower levels.

The Dow ended last Wednesday's trading session with a 0.24-percent improvement at 12,803.84 points, which, without question, is a record high, while, on The NASDAQ, its Composite Index shed about 0.26 percent to 2,510.50 points, which is not a record high.

What lit a fire under some investors on The New York Stock Exchange was said to have been a report from JP Morgan Chase and Company, which announced that its quarterly profits had risen by about 55 percent, Year-On-Year.

JP Morgan Chase and Company is the third-largest bank in the US.

In Europe, however, investors were not as pleased with their lot as, clearly, were US investors.

The following **TARGET** list of the key indices of major bourses indicates how Europe weighed the situation, generally, last Wednesday:

Amsterdam's AEX Index	Minus 0.27 percent
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France's CAC 40 Index	Minus 0.37 percent
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Germany's Frankfurt XETRA DAX Index	Minus 0.90 percent
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Great Britain's FTSE 100 Index	Minus 0.74 percent
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Italy's MIBTEL Index	Minus 0.38 percent
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Switzerland's Swiss Market Index	Plus 0.54 percent
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There was little action in crude-oil trading on major commodity markets, last Wednesday.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in May was \$US63.13, up about 0.05 percent on the day.

As for delivery in June, the last settlement for a barrel of light sweet crude oil was \$US64.38, representing a decrease of about 0.12 percent on Tuesday's last settlement.

In Asia, about 66 percent of the key indices of the 9 equity markets of the region fell, for one reason or another.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), relatively quiet trading conditions prevailed for the entire day on the territory's 2 stock markets.

The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, fell back by about 0.06 percent to end the trading day at 20,777.09 points on a Total Turnover of about \$HK59.81 billion.

The ratio of losing counters to gaining ones was about 1.06:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)

Up 0.42 percent to \$HK144.00 per share

China Construction Bank Corporation (Code:
939)

Up 2.48 percent to \$HK4.96 per share

China Life Insurance Company Ltd (Code:
2628)

Unchanged at \$HK25.15 per share

China Mobile Ltd (Code: 941)

Down 0.13 percent to \$HK75.60 per share

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

Up 1.85 percent to \$HK4.41 per share

China Petroleum and Chemical
Corporation (Code: 386)

Down 1.67 percent to \$HK7.05 per share

Bank of China Ltd (Code: 3988)

Up 0.99 percent to \$HK4.08 per share

Neo-Neon Holdings Ltd (Code: 1868)

Down 6.37 percent to \$HK12.94 per share

China Merchants Bank Company Ltd (Code:
3968)

Up 0.81 percent to \$HK19.84 per share

PetroChina Company Ltd (Code: 857)

Down 0.33 percent to \$HK9.07 per share

There was a total of 48 Main Board, double-digit movers of the day, with one quarter of their number, seeing their respective market capitalisations fall by 10 percent or more.

For the other 36, double-digit movers, managements of these companies noted their respective share prices rise by 10 percent or more.

BEP International Holdings Ltd (Code: 2326) was the biggest gainer of the Main Board as investors pushed up its share price by 76.47 percent to 60 cents.

China Financial Industry Investment Fund Ltd (Code: 1227) turned out to be the biggest loser of the day as investors pulled down its share price by 35.06 percent to 25 cents.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index crept up by about 0.04 percent, ending the trading day at 1,361.02 points.

The Total Turnover on this market was about \$HK713.34 million, while the ratio of declining counters to gaining ones was about 1.10:One.

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

Proactive Technology Holdings Ltd (Code:
8089)

Down 5.01 percent to \$HK11.00 per share

B M Intelligence International Ltd (Code: 8158)

Down 27.98 percent to \$HK1.39 per share

Xteam Software International Ltd (Code: 8178)

Down 8.75 percent to \$HK0.365 per share

Town Health International Holdings Company
Ltd (Code: 8138)

Down 1.52 percent to \$HK0.65 per share

IIN International Ltd (Code: 8128)

Down 6.54 percent to \$HK0.10 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131	47.14		0.206
B M Intelligence International Ltd	8158		27.98	1.39
Computech Holdings Ltd	8081	60.00		0.40
Essex Bio-Technology Ltd	8151	13.48		0.16
Global Link Communications Holdings Ltd	8060	16.15		0.151
Glory Future Group Ltd	8071	36.84		1.30
Medical China Ltd	8186	11.11		0.13
Shenzhen Mingwah Aohan High Technology Corporation Ltd	8301	13.33		0.17
New Universe International Group Ltd	8068	31.22		0.248
Qianlong Technology International Holdings Ltd	8015	11.43		0.39
Sys Solutions Holdings Ltd	8373	10.92		1.27
SYSCAN Technology Holdings Ltd	8083		23.73	0.45
Thiz Technology Group Ltd	8119	18.75		0.152
Tradeeasy Holdings Ltd	8163	53.33		0.138
Ningbo Yidong Electronic Company Ltd	8249	10.00		0.275

Zheda Lande Scitech Ltd	8106	13.46		0.295
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On Japan's 3 stock markets, the situation was considerably better than that which had transpired on the 2 stock markets of the HKSAR and, in fact, the key indices of Japan's equity markets led the gainers in Asia.

On The Tokyo Stock Exchange, its TOPIX Index rose 0.85 percent to end the trading day at 1,730.71 points.

Advancing counters outpaced declining ones by the ratio of about 3.64:One.

As for The Nikkei-225 Stock Average, it rose about 0.80 percent to 17,667.33 yen.

News Wise

- **Japan Tobacco Incorporated**, the third-largest producer of cigarettes in the world, has paid \$US15 billion for Great Britain's **Gallaher Group plc**. Gallaher Group produces, among other things, Benson and Hedges and Silk Cut cigarettes.

In other parts of Asia, this was how the key indices of those equity markets fared, last Wednesday:

The HKSAR	Hang Seng Index Minus 0.06 percent to 20,777.09 The Growth Enterprise Index Plus 0.04 percent to 1,361.02
Indonesia	Minus 0.29 percent to 1,959.68
Japan	TOPIX Index Plus 0.85 percent to 1,730.71 Nikkei-225 Stock Average Plus 0.80 percent to 17,667.33
Malaysia	Minus 0.12 percent to 1,328.63
The Philippines	Minus 0.69 percent to 3,295.28
Singapore	Minus 0.44 percent to 3,400.10
South Korea	Plus 0.39 percent to 1,534.58
Taiwan	Plus 0.55 percent to 8,003.31
Thailand	Minus 0.40 percent to 692.27

Thursday

Share prices retreated, internationally, last Thursday, after statistics were released in respect of the growth of

the economy of the People's Republic of China (PRC), during the first quarter of 2007.

The annual rate of growth is 11.10 percent, it was, officially, announced.

In the month of March, the annual inflation rate was put at about 3.30 percent.

The PRC's equity markets went into a nosedive on hearing the news.

The fears, today, are that the Government of the PRC will seek to contain the rate of growth of the economy by increasing interest rates and introduce further measures, such as requiring PRC banks and other financial institutions to maintain higher liquidity ratio levels.

In the past year, the PRC Government has increased interest rates 3 times.

On The Shanghai Stock Exchange, last Thursday, its Composite Index dropped by about 4.50 percent to 3,499.02 points.

On Wall Street, investors started to fret: Another massive selloff in the making, perhaps?

On The New York Stock Exchange, the Dow Jones Industrial Average rose 0.04 percent to 12,808.63 points, which happened to be another record.

However, the ratio of losing counters to gaining ones was about 2:One.

On The NASDAQ, its Composite Index fell back about 0.21 percent to 2,505.35 points, with losing counters, also, outpacing gaining ones by the ratio of about 2:One.

In Europe, every key index of every major bourse shifted into reverse gear as **TARGET**'s list illustrates:

Amsterdam's AEX Index	Minus 0.27 percent
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France's CAC 40 Index	Minus 0.37 percent
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Germany's Frankfurt XETRA DAX Index	Minus 0.90 percent
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Great Britain's FTSE 100 Index	Minus 0.74 percent
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Italy's MIBTEL Index	Minus 0.38 percent
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Switzerland's Swiss Market Index	Plus 0.54 percent
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The 'word' in Europe was 'China', often uttered by investors and bankers with some trepidation and anxiety.

The one, nagging question was: What actions would the Government of PRC take in order to rein in its red-hot economy?

On The New York Mercantile Exchange (NYMEX), there was nothing but good news for consumers, however.

For the month of May, the last settlement was \$US61.83 for a barrel of light sweet crude oil; that price represented a fall of about 2.06 percent, compared with the last settlement on Wednesday.

As for June delivery, the last settlement came in at \$HK63.32 per barrel of light sweet crude oil, a fall of about 1.65 percent on Wednesday's closing level.

In Asia, all indices on all of the equity markets were written in red ink, with Singapore's equity market, topping the list as being the largest loser.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets lost very material amounts of the value of their key indices.

The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, gave up about 2.30 percent of its value, dropping back to 20,299.71 points.

The Total Turnover was about \$HK62.99 billion.

Losing counters outran gaining ones by the ratio of about 4.08:One.

The Ten Most Active counters, all of which were substantial losers, were:

China Life Insurance Company Ltd (Code:
2628)

Down 3.38 percent to \$HK24.30 per share

HSBC Holdings plc (Code: 5)

Down 0.56 percent to \$HK143.20 per share

China Mobile Ltd (Code: 941)

Down 4.10 percent to \$HK72.50 per share

China Construction Bank Corporation (Code:
939)

Down 3.63 percent to \$HK4.78 per share

China Petroleum and Chemical
Corporation (Code: 386)

Down 4.96 percent to \$HK6.70 per share

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

Down 1.81 percent to \$HK4.33 per share

Bank of China Ltd (Code: 3988)

Down 2.94 percent to \$HK3.96 per share

China Communications Construction Company
Ltd (Code: 1800)

Down 1.36 percent to \$HK10.16 per share

PetroChina Company Ltd (Code: 857)

Down 1.87 percent to \$HK8.90 per share

China Merchants Bank Company Ltd (Code:
3968)

Down 4.84 percent to \$HK18.88 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)
139 Holdings Ltd	139	17.51		0.255

Asian Union New Media (Group) Ltd	419		11.89	0.20
Benefun International Holdings Ltd	1130	14.41		0.135
BEP International Holdings Ltd	2326	23.33		0.74
China Fair Land Holdings Ltd	169	17.31		0.61
China Financial Industry Investment Fund Ltd	1227	58.00		0.395
China Glass Holdings Ltd	3300	15.27		3.85
China Investment Fund Company Ltd	612		10.39	0.345
China Motion Telecom International Ltd	989	26.09		0.58
EVA Precision Industrial Holdings Ltd	838		12.79	2.59
Goldbond Group Holdings Ltd	172	13.10		0.95
Henry Group Holdings Ltd	859	11.11		0.90
Honesty Treasure International Holdings Ltd	600		10.22	0.202
Junefield Department Store Group Ltd	758	21.40		0.295
Luks Industrial (Group) Ltd	366	10.68		8.81
Multifield International Holdings Ltd	898		12.78	0.157
Nan Hai Corporation Ltd	680		11.11	0.096
New Capital International Investment Ltd	1062	16.47		0.29
Pacific Plywood Holdings Ltd	767	14.92		0.285
Peaktop International Holdings Ltd	925	16.67		0.175
PME Group Ltd	379		10.61	0.59

Rontex International Holdings Ltd	1142	27.01		0.221
South Sea Petroleum Holdings Ltd	76	11.54		0.29
Swank International Manufacturing Company Ltd	663	12.20		0.23
The Sun's Group Ltd	988	12.00		1.40
UDL Holdings Ltd	620	19.43		0.295
Vitop Bioenergy Holdings Ltd	1178	14.09		0.17
Wealthmark International (Holdings) Ltd	39	25.97		0.97
Yu Ming Investments Ltd	666	14.29		0.48
Zhejiang Glass Company Ltd	739	54.61		4.70
Zhong Hua International Holdings Ltd	1064		16.95	0.245

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index gave up about 0.72 percent of its value, ending the trading day at 1,351.16 points.

The ratio of declining stocks and advancing ones was about 1.73:One.

The Total Turnover on this very speculative market was about \$HK617.93 million.

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

Maxitech International Holdings Ltd (Code:
8136)

Up 27.78 percent to \$HK0.69 per share

Proactive Technology Holdings Ltd (Code: 8089)

Up 0.73 percent to \$HK11.08 per share

IIN International Ltd (Code: 8128)

Up 33.00 percent to \$HK0.133 per share

Global Digital Creations Holdings Ltd (Code:
8271)

Up 4.83 percent to \$HK1.52 per share

Town Health International Holdings Company
Ltd (Code: 8138)

Down 1.54 percent to \$HK0.64 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		13.04	0.20
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231	17.50		0.94
Galileo Capital Group Ltd	8029	14.29		0.44
IIN International Ltd	8128	33.00		0.133
Launch Tech Company Ltd	8196	10.00		2.20
Linefan Technology Holdings Ltd	8166		10.00	0.135
Long Success International (Holdings) Ltd	8017		12.77	0.41
Maxitech International Holdings Ltd	8136	27.78		0.69
Q9 Technology Holdings Ltd	8129	12.07		0.325
Venturepharm Laboratories Ltd	8225		10.77	0.58

In The Land of The Rising Sun, investors got a very rude awakening because, on the one hand, the translation value of the yen vis-à-vis the US dollar continued to rise to 118.636 yen, while, on the other hand, the sell-offs of stocks and shares in the PRC, proper, as opposed to the HKSAR of the PRC, and in other parts of Asia put the willies into Japanese investors.

On The Tokyo Stock Exchange, which is the premier equity market of Japan, its TOPIX Index shed 23.78 points, equivalent to about 1.37 percent, ending the hectic trading day at 1,706.93 points.

The ratio of losing counters to gaining ones was about 7.14:One.

The Nikkei-225 Stock Average gave up about 1.67 percent of its value, falling back to 17,371.97 yen.

News Wise

- Great Britain's **Tesco plc** announced that it would open its first convenience store – Tesco Express – in Japan, later this month. Tokyo was chosen for the location of the first store. The company is planning to open 25 such stores across the country by the end of this year. Tesco is the world's third-largest retailer.

In other parts of Asia, this was the look of the carnage on the 9 major equity markets:

The HKSAR	Hang Seng Index Minus 2.30 percent to 20,299.71 The Growth Enterprise Index Minus 0.72 percent to 1,351.16
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Indonesia	Minus 2.11 percent to 1,918.35
Japan	TOPIX Index Minus 1.37 percent to 1,706.93 Nikkei-225 Stock Average Minus 1.67 percent to 17,371.97
Malaysia	Minus 1.68 percent to 1,306.36
The Philippines	Minus 1.74 percent to 3,238.06
Singapore	Minus 3.21 percent to 3,291.28
South Korea	Minus 1.36 percent to 1,513.66
Taiwan	Minus 1.43 percent to 7,888.63
Thailand	Minus 0.73 percent to 687.23

Friday

The prices of stocks and shares rebounded round the world, last Friday, with the world's largest equity markets, seeing its key indices at record highs – again.

It appeared that the perceived fears of the Government of the PRC, planning draconian actions to rein in its economy were all but forgotten. (Please see Thursday's report)

On The **New York Mercantile Exchange** (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in June (June became the near month, last Friday) was \$US64.11, representing an increase of about 1.25 percent, compared with the last quote on Thursday.

As for delivery in July, the last settlement for a barrel of light sweet crude oil came in at \$US65.50.

In Europe, every key index of every major bourse made very material gains: It was a return to bullishness with a vengeance.

Merger-and-acquisition news dominated most of the plays on bourses of the region; and, the gains on Wall Street became merely icing on the European '*cake*'.

The following is **TARGET**'s table of the closings of the key indices of the major European bourses, last Friday:

Amsterdam's AEX Index Plus 1.45 percent

France's CAC 40 Index Plus 1.88 percent

Germany's Frankfurt XETRA DAX Index Plus 1.37 percent

Great Britain's FTSE 100 Index Plus 0.71 percent

Italy's MIBTEL Index Plus 1.16 percent

Switzerland's Swiss Market Index Plus 1.54 percent

In Asia, the key indices of major stock markets made partial or total recoveries of their losses of Thursday.

The Shanghai Composite Index, which had fallen by about 4.50 percent on Thursday, bounced back with a 3.90-percent gain on Friday as investors pushed it back to 3,584.20 points.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets made partial recoveries.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about 1.32 percent to 20,566.59 points.

The Total Turnover was about \$HK63.09 billion.

The ratio of gaining counters to losing ones was about 2.15:One.

The Ten Most Active counters were:

Country Garden Holdings Company Ltd (Code:
2007)

\$HK7.27 per share*

HSBC Holdings plc (Code: 5)

Up 0.98 percent to \$HK144.60 per share

China Mobile Ltd (Code: 941)

Up 3.31 percent to \$HK74.90 per share

China Communications Construction Company
Ltd (Code: 1800)

Up 4.33 percent to \$HK10.60 per share

China Life Insurance Company Ltd (Code: 2628)

Up 2.26 percent to \$HK24.85 per share

Bank of China Ltd (Code: 3988)

Up 0.51 percent to \$HK3.98 per share

China Construction Bank Corporation (Code: 939)

Up 2.09 percent to \$HK4.88 per share

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

Unchanged at \$HK4.33 per share

PetroChina Company Ltd (Code: 857)

Up 1.57 percent to \$HK9.04 per share

China Petroleum and Chemical
Corporation (Code: 386)

Up 3.28 percent to \$HK6.92 per share

* First Day of Trading

There was a total of 51, double-digit movers on the Main Board, last Friday, with investors, pushing down the share price of 2 of their number by 10 percent or more.

Managements of the other 49, double-digit movers witnessed their companies' respective market capitalisations rise by 10 percent or more.

World Trade Bun Kee Ltd (Code: 380) was the biggest gainer, last Friday, as investors drove up its share price by 78.41 percent to \$HK5.62.

Nam Hing Holdings Ltd (Code: 986) turned out to be the biggest loser of the day as investors pulled down its share price by 10.80 percent to 22.30 cents.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index rose about 0.54 percent to end the trading session at 1,358.51 points.

The Total Turnover was about \$HK748.59 million.

Advancing counters outnumbered declining ones by the ratio of about 1.27:One.

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

Proactive Technology Holdings Ltd (Code: 8089)
Up 29.06 percent to \$HK14.30 per share

Chinasoft International Ltd (Code: 8216)
Up 3.33 percent to \$HK1.86 per share

B M Intelligence International Ltd (Code: 8158)
Up 14.77 percent to \$HK1.71 per share

Neolink Cyber Technology (Holding) Ltd (Code: 8116)
Up 21.05 percent to \$HK0.69 per share

Maxitech International Holdings Ltd (Code: 8136)
Up 10.14 percent to \$HK0.76 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		11.95	0.14
Advanced Card Systems Holdings Ltd	8210	19.50		0.239
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd	8095		17.72	0.65
B M Intelligence International Ltd	8158	14.77		1.71

Shanxi Changcheng Microlight Equipment Company Ltd	8286	13.33		0.51
DIGITALHONGKONG.COM	8007		10.13	0.71
Glory Future Group Ltd	8071	48.80		1.86
Info Communication Holdings Ltd	8082	12.68		0.16
Maxitech International Holdings Ltd	8136	10.14		0.76
Neolink Cyber Technology (Holding) Ltd	8116	21.05		0.69
Proactive Technology Holdings Ltd	8089	29.06		14.30
QUASAR Communication Technology Holdings Ltd	8171		12.82	0.34
Tianjin Tianlian Public Utilities Company Ltd	8290	25.45		1.38
Tradeeasy Holdings Ltd	8163	12.00		0.14
Value Convergence Holdings Ltd	8101	15.46		2.24

The tally for Asia's second-largest equity markets was:

The Hang Seng Index Plus 1.11 percent
The Growth Enterprise Index Minus 0.09 percent

In Japan, the gains of the key indices on the country's 3 equity markets were relatively small, compared with the gains, recorded on many of the other key indices of other Asian stock markets.

On The Tokyo Stock Exchange, The TOPIX Index put on about 0.18 percent to 1,710.07 points.

Losing counters were ahead of gaining ones by the ratio of about 1.35:One.

As for The Nikkei-225 Stock Average, it managed a gain of about 0.46 percent, limping to 17,452.62 yen.

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

The TOPIX Index Plus 0.27 percent
The Nikkei-225 Stock Average Plus 0.51 percent

And, in other parts of Asia, this was how the key indices of those equity markets closed the week of April 20, 2007:

The HKSAR	Hang Seng Index Plus 1.32 percent to 20,566.59 The Growth Enterprise Index Plus 0.54 percent to 1,358.51
Indonesia	Plus 2.63 percent to 1,968.73
Japan	TOPIX Index Plus 0.18 percent to 1,710.07 Nikkei-225 Stock Average Plus 0.46 percent to 17,452.62
Malaysia	Plus 0.69 percent to 1,315.37
The Philippines	Plus 0.52 percent to 3,254.76
Singapore	Plus 2.11 percent to 3,360.67
South Korea	Plus 1.28 percent to 1,533.08
Taiwan	Plus 0.69 percent to 7,942.67
Thailand	Plus 0.04 percent to 687.53

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