

**THE DOW JONES INDUSTRIAL AVERAGE GOES THROUGH THE ROOF**

There, certainly, was no shortage of news, last Monday:

- The European Union (EU) imposed its own sanctions on Iran;
- The Vice Chairman of General Motors Corporation announced that motor-vehicle sales in the month of April are falling due, mainly, to the problems in the US housing and mortgage-lending markets;
- Barclays plc seals a \$US91-billion deal to merge with ABN-Ambro (of the Netherlands; and,
- Crude-oil prices rise, smartly, due to the Nigerian (sham) elections.

Wall Street responded: The prices of stocks and shares started to slide.

**The EU**

The EU announced that it would implement its own sanctions on Iran for that country's refusal to halt uranium enrichment.

The sanctions go much further than those sanctions, already in place, determined by the United Nations.

The EU will impose a total arms embargo on Iran and impose a ban on all Iranians, travelling to the EU, those people, being on the EU's list of unwanted people.

In addition, there will be a freezing of all assets of people on the EU's banned list of Iranians.

**General Motors Corporation**

The Vice Chairman of General Motors Corporation, Mr Bob Lutz, announced that, when the tally of April's sales of motor vehicles is announced in early May, one will see the extent of an industry-wide drop due, in large part, to the US housing market's crunch and mortgage-lending industry's chronic problems.

He said, inter alia:

*'The (motor-vehicle) market, as a whole, has been a little weakish ... That has come as a result of the housing market problems and the mortgage industry meltdown ... A lot of people are finding themselves in a position of reduced affordability and that has had an impact, not just on us (General Motors), but across the industry ... '.*

The Statements Of This High-Priced, Senior  
Executive Of General Motors Appear To Dovetail  
This Medium's Prognostications Of April 4, 2007,  
Contained In

**TARGET Intelligence Report, Volume IX, Number  
65,**

Headlined:

**'TARGET PREDICTS THAT THE U.S. FED WILL  
LOWER INTEREST RATES ...  
The U.S. Economy Faces Tough Times.'**

### **Barclays Bank + ABN Ambro**

After weeks of negotiations, Barclays Bank, a division of publicly listed Barclays plc, has agreed to terms with the Netherlands-based bank, ABN Ambro.

The deal is worth about £45 billion (about \$US91 billion; \$HK710 billion), the price, being satisfied in shares.

The deal will create one of the biggest banks in the world, valued at about £94 billion (\$US190.09 billion; \$HK1,483 billion).

Some 12,800 jobs will be lost, however, in the merger and a further 10,800 jobs will be outsourced to low-cost countries, such as India.

### **Crude-Oil Prices**

Nigeria held its elections over the weekend of April 22, 2007, and there were widespread reports that the Presidential Elections were badly flawed with corruption and ballot-box stuffing.

It is expected that the exports of oil from this country, which is the eighth-largest, crude-oil exporter in the world, will be disrupted, thus causing a worldwide fuel shortage.

It has been confirmed that there has been violent clashes in the country, especially in the troubled Delta Region, which is a major source of crude oil in the country.

At least, 200 people had been killed during the elections, it has been confirmed.

### **Wall Street**

On Wall Street, last Monday, there was widespread gloom and doom, following the statements of the Vice Chairman of General Motors.

It was not that people did not know, or perceive, of the problems with regard to the US housing and mortgage-lending markets, but here was a top US corporate executive, who confirmed that investors' worst fears were being realised.

On The New York Stock Exchange, the Dow Jones Industrial Average gave up 42.58 points, equivalent to about one third of a percentage point, ending the trading day at 12,919.40 points.

Over on The NASDAQ, its Composite Index shed 2.72 points, or about 0.11 percent, falling back to 2,523.67 points.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in June was \$US65.89, representing an increase of about 2.78 percent, compared with the previous Friday's last settlement of \$US64.11.

As for delivery in July, the last settlement for a barrel of light sweet crude oil came in at \$US67.11, equivalent to an increase of about 2.46 percent, stacked up against the final quote of Friday, April 20, 2007.

European investors were worried.

The Barclays plc merger news with ABN Ambro was exciting, no doubt, but it was largely pooped by the

negative news that permeated trading floors in Europe.

As a result, the key indices of the major bourses lost ground, the only exception, being the Swiss Market Index:

Amsterdam's AEX Index	Minus 0.16 percent
France's CAC 40 Index	Minus 0.36 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.09 percent
Great Britain's FTSE 100 Index	Minus 0.10 percent
Italy's MIBTEL Index	Minus 0.09 percent
Switzerland's Swiss Market Index	Plus 0.40 percent

The key indices of Asian equity markets were generally stronger, however.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key index of the premier equity market lost a little ground, but the speculative equity market, known as The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, saw its lone index scoot to much higher levels.

The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, shed 10.02 points, or about 0.05 percent, ending the day at 20,556.57 points.

The Total Turnover was about \$HK50.55 billion, while the ratio of declining counters to advancing ones was, almost, neck-to-neck, at 1.005:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 0.28 percent to \$HK145.00 per share
China Mobile Ltd (Code: 941)	Down 2.80 percent to \$HK72.80 per share
China Communications Construction Company Ltd (Code: 1800)	Up 0.94 percent to \$HK10.70 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 0.23 percent to \$HK4.34 per share
Country Garden Holdings Company Ltd (Code: 2007)	Down 0.69 percent to \$HK7.22 per share
Bank of China Ltd (Code: 3988)	Down 0.25 percent to \$HK3.97 per share
China Construction Bank	Up 0.61 percent to \$HK4.91 per share

Corporation (Code: 939)

China Telecom Corporation Ltd (Code:  
728)

Down 2.05 percent to \$HK3.83 per share

PetroChina Company Ltd (Code: 857)

Down 0.33 percent to \$HK9.01 per share

China Petroleum and Chemical  
Corporation (Code: 386)

Unchanged at \$HK6.92 per share

There was a total of 45, Main Board, double-digit movers of the day, of which, only 7 of their number saw their respective share prices slip by 10 percent or more.

As for the remaining, 38 big movers, their managements witnessed the market capitalisations of their companies increase by 10 percent or more by the day's end.

Build King Holdings Ltd (Code: 240) was the biggest mover of the day as its share price gained about 190.63 percent, ending the day at 93 cents.

Peaktop International Holdings Ltd (Code: 925) had the distinction of being the biggest loser, last Monday, as investors pulled down its share price by about 15.87 percent to 17.50 cents.

It was a completely different story on The GEM, however, as its Growth Enterprise Index rose about 2.09 percent to 1,386.96 points.

The Total Turnover on this market was about \$HK784.62 million, but the ratio of gaining counters to losing ones was close, at 1.08:One, exactly.

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

Proactive Technology Holdings Ltd (Code:  
8089)

Up 0.70 percent to \$HK14.40 per share

IIN International Ltd (Code: 8128)

Up 37.21 percent to \$HK0.177 per share

B M Intelligence International Ltd (Code:  
8158)

Up 1.17 percent to \$HK1.73 per share

Intelli-Media Group (Holdings) Ltd (Code:  
8173)

Up 25.86 percent to \$HK0.365 per share

Century Sunshine Ecological  
Technology Holdings Ltd (Code: 8276)

Up 4.95 percent to \$HK1.91 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
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AcrossAsia Ltd	8061	20.00		0.186
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd	8095	12.31		0.73
DeTeam Company Ltd	8112		12.05	0.73
Excel Technology International Holdings Ltd	8048	11.61		0.173
IIN International Ltd	8128	37.21		0.177
Info Communication Holdings Ltd	8082	71.88		0.275
Inspur International Ltd	8141	11.11		0.90
Intelli-Media Group (Holdings) Ltd	8173	25.86		0.365
Linefan Technology Holdings Ltd	8166	28.57		0.18
ProSticks International Holdings Ltd	8055	26.32		0.48
Rojam Entertainment Holdings Ltd	8075	38.92		0.232
SYSCAN Technology Holdings Ltd	8083		10.42	0.43
Zheda Lande Scitech Ltd	8106		10.34	0.26
Zhongyu Gas Holdings Ltd	8070	25.71		0.88

On the 3 stock markets of Japan, trading was quiet.

On The Tokyo Stock Exchange, its TOPIX Index shed 4.44 points, equivalent to about 0.26 percent, coming to rest at 1,705.63 points.

Losing counters outnumbered gaining ones by the ratio of about 2.08:One.

The Nikkei-225 Stock Average ended the day at 17,455.37 yen, representing an increase of 2.75 yen over the previous Friday's close, equivalent to a one-day improvement of about 0.02 percent.

#### News Wise

- **Kao Corporation** announced that it fully expected poor financial results for its Financial Year, ending April 1, 2008. Management said that it appeared that the Bottom Line would be off by about 6 percent to 66 billion yen, Year-On-Year. Kao Corporation is Japan's second-largest producer of cosmetics;

- **Nissan Motor Company** said that it would cut out up to 1,500 workers in Japan; and,
- **Nikko Cordial Corporation** has issued legal proceedings in the Tokyo District Court, naming 3, former top executives, demanding 3.36 billion yen in damages for alleged involvement in accounting frauds. Nikko Cordial is Japan's third-largest stockbrokerage company.

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

The HKSAR	Hang Seng Index Minus 0.05 percent to 20,556.57 The Growth Enterprise Index Plus 2.09 percent to 1,386.96
Indonesia	Plus 0.91 percent to 1,986.73
Japan	TOPIX Index Minus 0.26 percent to 1,705.63 Nikkei-225 Stock Average Plus 0.02 percent to 17,455.37
Malaysia	Plus 0.46 percent to 1,321.36
The Philippines	Plus 1.97 percent to 3,319.01
Singapore	Plus 0.83 percent to 3,388.48
South Korea	Plus 0.74 percent to 1,544.35
Taiwan	Plus 0.85 percent to 8,010.46
Thailand	Minus 0.20 percent to 686.18

## **Tuesday**

The big story in the US, last Tuesday, was the sharp falls in the numbers of sales of pre-owned homes in the country.

According to The National Association of Realtors, pre-owned home sales, during the month of March, fell about 8.40 percent, Month-On-Month, the eighth, consecutive month of declines in pre-owned home sales and the most-severe, monthly sales' fall since 1989.

The numbers indicated that March represented the slowest sales' month in the previous 4 years.

The share prices of US home builders fell on the news on all US equity markets.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 34.54 points, equivalent to about 0.27 percent, ending the trading day at 12,953.94 points.

The NASDAQ's Composite Index gained 0.87 of a point, or about 0.03 percent, limping to 2,524.54 points.

While The Dow was only just in positive territory, it was noted that losing counters outnumbered gaining ones by the ratio of about 1.13:One, while, on The NASDAQ, declining counters outran advancing ones by the ratio of about 1.20:One.

European investors, on learning the facts with regard to the US housing market, fretted – and share prices fell along a broad front, as the following **TARGET** () list illustrates:

Amsterdam's AEX Index	Minus 0.54 percent
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France's CAC 40 Index	Minus 0.52 percent
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Germany's Frankfurt XETRA DAX Index	Minus 0.89 percent
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Great Britain's FTSE 100 Index	Minus 0.77 percent
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Italy's MIBTEL Index	Minus 0.54 percent
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Switzerland's Swiss Market Index	Minus 0.66 percent
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The worrying aspect of the US housing market was the potential for this '*fungus*' to spread to other areas of the already weak US economy. (For more about this and aligned subjects, please see Monday's report)

Also, confidence among US consumers is known to have slipped, materially, of late as shown in the US Government's report for the month of April.

Against the negative news, on international commodity exchanges, the price of crude oil retreated.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in the month of June was \$US64.58, equivalent to a fall of about 1.99 percent, compared with the last settlement of Monday.

As for July delivery, the price of a barrel of light sweet crude oil was \$US65.89, down about 1.82 percent, compared with Monday's final quote.

In Asia, in view of the many international uncertainties plus Wall Street's sluggishness, investors decided, by and large, to sit on their hands rather than take a flyer on equity markets.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the volumes of activity on the territory's 2 equity markets dried up, but key indices just managed to record small fractional improvements.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index rose about 0.08 percent to 20,572.80 points on a Total Turnover of about \$HK47.48 billion.

Losing counters outnumbered gaining ones by the ratio of about 1.34:One.

The Ten Most Active counters were:

China Life Insurance Company Ltd (Code:  
2628)

Up 1.00 percent to \$HK25.30 per share

HSBC Holdings plc (Code: 5)	Down 0.34 percent to \$HK144.50 per share
China Mobile Ltd (Code: 941)	Up 0.76 percent to \$HK73.35 per share
China Construction Bank Corporation (Code: 939)	Down 0.41 percent to \$HK4.89 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 0.23 percent to \$HK4.33 per share
Bank of China Ltd (Code: 3988)	Down 0.76 percent to \$HK3.94 per share
China Communications Construction Company Ltd (Code: 1800)	Down 0.19 percent to \$HK10.68 per share
Bank of Communications Company Ltd (Code: 3328)	Down 0.48 percent to \$HK8.35 per share
Country Garden Holdings Company Ltd (Code: 2007)	Down 0.69 percent to \$HK7.17 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.53 percent to \$HK76.30 per share

Of the 39, double-digit movers of the Main Board, last Tuesday, 9 of their number saw their respective share prices fall by 10 percent or more.

Managements of the other 30, double-digit movers witnessed their respective share price rise by 10 percent or more.

Yunnan Enterprises Holdings Ltd (Code: 455) was the biggest gainer of the day as its share price rose about 58.93 percent to 89 cents.

Prime Success International Group Ltd (Code: 210) turned out to be the largest loser of the day as its share price dropped back to \$HK6.74, a one-day fall of about 27.91 percent.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index rose about 0.06 percent to 1,387.84 points on a Total Turnover of about \$HK640.43 million.

As with the Main Board, although the key index was in positive territory, losing counters outpaced gaining counters by the ratio of about 1.12:One.

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

Proactive Technology Holdings Ltd (Code: 8089)	Down 7.64 percent to \$HK13.30 per share
Hua Xia Healthcare Holdings Ltd (Code: 8143)	Up 7.27 percent to \$HK0.59 per share
Neolink Cyber Technology (Holding)	Up 5.88 percent to \$HK0.72 per share



Ltd (Code: 8116)

Kanstar Environmental Paper Products Holdings  
Ltd (Code: 8011)

Up 8.33 percent to \$HK0.39 per share

Century Sunshine Ecological  
Technology Holdings Ltd (Code: 8276)

Up 3.68 percent to \$HK1.97 per share

The GEM's biggest movers of the day included:

<b>Name of Company</b>	<b>Code</b>	<b>Increase (%)</b>	<b>Decrease (%)</b>	<b>Closing Price (\$HK)</b>
Cardlink Technology Group Ltd	8066	11.11		0.20
China Fire Safety Enterprise Group Holdings Ltd	8201	10.17		0.65
Core Healthcare Investment Holdings Ltd	8250	18.75		0.171
Shanghai Fudan-Zhangjiang Bio- Pharmaceutical Company Ltd	8231		11.76	0.75
IIN International Ltd	8128		18.08	0.145
Info Communication Holdings Ltd	8082		16.36	0.23
Intelli-Media Group (Holdings) Ltd	8173	10.96		0.405
Linefan Technology Holdings Ltd	8166	50.00		0.27
ProSticks International Holdings Ltd	8055		21.88	0.375
Sau San Tong Holdings Ltd	8200		10.04	0.206
Sino Haijing Holdings Ltd	8371	11.29		0.69
South China Land Ltd	8155		21.05	0.30
Ultra Group Holdings Ltd	8203	12.42		0.172
Universal Technologies Holdings Ltd	8091		10.60	0.194

Zhongyu Gas Holdings Ltd	8070	15.91		1.02
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Trading on Japanese equity markets, last Tuesday, was a very dull affair.

On The Tokyo Stock Exchange, its TOPIX Index shed about 0.03 percent, ending the trading day at 1,706.16 points.

Advancing counters were ahead of declining ones by the ratio of about 1.82:One.

The Nikkei-225 Stock Average lost about 0.02 percent, falling back to 17,451.77 yen.

#### News Wise

- **Katokichi Company**, a producer of frozen foodstuffs, announced that its Group sales had been inflated by about 98.50 billion yen, during the 6-year period to March 2007; and,
- **Nikko Cordial Corporation** announced that its Group Net Profit Attributable to Shareholders for its Financial Year, ended March 31, 2007, fell to about 78.10 billion yen, down about 11.20 percent, Year-On-Year. (For more about this company, please see Monday's report)

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

The HKSAR	Hang Seng Index Plus 0.08 percent to 20,572.80 The Growth Enterprise Index Plus 0.06 percent to 1,387.84
Indonesia	Minus 0.26 percent to 1,981.57
Japan	TOPIX Index Plus 0.03 percent to 1,706.16 Nikkei-225 Stock Average Minus 0.02 percent to 17,451.77
Malaysia	Minus 0.29 percent to 1,317.50
The Philippines	Minus 0.82 percent to 3,291.93
Singapore	Minus 0.41 percent to 3,374.52
South Korea	Plus 0.80 percent to 1,556.71
Taiwan	Plus 0.43 percent to 8,045.01
Thailand	Minus 0.10 percent to 685.48

#### Wednesday

US and European equity markets boomed, last Wednesday, as one corporate *'darling'* after another reported better-than-expected financial results for the last quarter.

On The New York Stock Exchange, the world's largest and most-important equity market, its key index – The Dow Jones Industrial Average – hit a record high of 13,089.89 points, as investors pushed it up by about 1.05 percent, compared with the closing level of Tuesday.

Of the 30 constituent counters which comprise The Dow, only one counter did not see its share price rise, last Wednesday.

On The (tech-laden) NASDAQ, its Composite Index rose about 0.92 percent to 2,547.89 points.

The Dow, breaking a new record high, has, of course, no real meaning, but for many US investors, its psychological effect, right or wrong, is a bullish factor, nevertheless.

Europe rode the coat-tails of Wall Street as the following **TARGET** list indicates:

Amsterdam's AEX Index	Plus	0.52 percent
France's CAC 40 Index	Plus	1.04 percent
Germany's Frankfurt XETRA DAX Index	Plus	1.00 percent
Great Britain's FTSE 100 Index	Plus	0.50 percent
Italy's MIBTEL Index	Plus	1.08 percent
Switzerland's Swiss Market Index	Plus	0.34 percent

European investors continued to be excited about the prospects of the merger of Barclays plc with ABN Ambro, but there was an added twist to the deal, last Wednesday, when Royal Bank of Scotland led a consortium in order to enter the fray: It made a counter-offer of \$US98 billion (about \$HK764 billion) for control of ABN Ambro.

This offer was \$US7 billion (about \$HK55 billion) higher than the offer of Barclays plc.

Royal Bank of Scotland has teamed up with (Bank) Santander of Spain and the Dutch-Belgian Fortis Group in order to offer 39 euros per share in a cash and share swaps for control of ABN Ambro.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in June was \$US65.84, representing an increase of about 1.95 percent on the final quote of Tuesday.

July delivery of a barrel of light sweet crude oil was put at \$US67.20 at the last settlement, that price, being an increase over Tuesday's last settlement of about 1.99 percent.

In Asia, there was little bullishness on the 9 principal equity markets of the region.

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

The Hang Seng Index, which is the key gauge of trading in blue chips, listed on the Main Board of The Stock Exchange of Hongkong Ltd, shed about 0.18 percent of its value, falling back to 20,536.78 points.

The Total Turnover dropped to about \$HK44.39 billion.

Losing counters outnumbered gaining ones by the ratio of about 2.45:One.

The Ten Most Actives, all losers, by the way, were:

China Life Insurance Company Ltd (Code: 2628)	Down 0.20 percent to \$HK25.25 per share
HSBC Holdings plc (Code: 5)	Down 0.07 percent to \$HK144.40 per share
China Mobile Ltd (Code: 941)	Down 0.48 percent to \$HK73.00 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 0.46 percent to \$HK4.31 per share
China Construction Bank Corporation (Code: 939)	Down 0.41 percent to \$HK4.87 per share
Prime Success International Group Ltd (Code: 210)	Down 12.31 percent to \$HK5.91 per share
Bank of China Ltd (Code: 3988)	Down 0.51 percent to \$HK3.92 per share
China Merchants Bank Company Ltd (Code: 3968)	Down 1.13 percent to \$HK19.18 per share
China Communications Construction Company Ltd (Code: 1800)	Down 1.31 percent to \$HK10.54 per share
China Agri-Industries Holdings Ltd (Code: 606)	Down 3.95 percent to \$HK6.57 per share

Of the 52 Main Board, double-digit movers of the day, 33 counters lost 10 percent or more of their respective market capitalisations, while the remaining 19 counters saw their respective share prices rise by 10 percent or more.

HKC International Holdings Ltd (Code: 248) was the biggest gainer of the Main Board as its share price rose by 71.15 percent to 44.50 cents.

United Metals Holdings Ltd (Code: 2302) had the distinction of being the biggest loser of the day as investors drove down its share price to 63 cents, a one-day fall of about 21.25 percent.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index gave up about 0.49 percent of its value, ending the trading day at 1,380.98 points.

The Total Turnover on this highly speculative market was about \$HK615.99 million.

The ratio of losers to gainers was about 2.14:One.

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

Proactive Technology Holdings Ltd (Code:  
8089)

Down 7.37 percent to \$HK12.32 per share

Hua Xia Healthcare Holdings Ltd (Code: 8143)

Unchanged at \$HK0.59 per share

IIN International Ltd (Code: 8128)

Down 14.48 percent to \$HK0.124 per share

B M Intelligence International Ltd (Code:  
8158)

Down 13.45 percent to \$HK1.48 per share

Neolink Cyber Technology (Holding)  
Ltd (Code: 8116)

Down 9.72 percent to \$HK0.65 per share

The GEM's biggest movers of the day included:

<b>Name of Company</b>	<b>Code</b>	<b>Increase (%)</b>	<b>Decrease (%)</b>	<b>Closing Price (\$HK)</b>
abc Multiactive Ltd	8131		21.43	0.165
BIG Media Group Ltd	8167	12.00		0.28
B M Intelligence International Ltd	8158		13.45	1.48
Byford International Ltd	8272	11.11		0.40
China Chief Cable TV Group Ltd	8153		12.00	0.44
Shanxi Changcheng Microlight Equipment Company Ltd	8286		13.40	0.42
Shenzhen EVOC Intelligent Technology Company Ltd	8285	13.81		1.83
Global Digital Creations Holdings Ltd	8271	10.12		1.85
Global Solution Engineering Ltd	8192	47.62		0.31
IIN International Ltd	8128		14.48	0.124
Jinheng Automotive Safety Technology Holdings Ltd	8293	10.19		1.19

New Chinese Medicine Holdings Ltd	8085	34.00		0.67
Sys Solutions Holdings Ltd	8373		16.67	0.90
Value Convergence Holdings Ltd	8101		11.36	1.95
Venturepharm Laboratories Ltd	8225		15.79	0.48

The 3 equity markets of Japan saw their respective key indices become the biggest losers in Asia, last Wednesday.

On The Tokyo Stock Exchange, The TOPIX Index gave up about 1.10 percent, falling back to 1,687.34 points.

Losing counters outnumbered gaining ones by the ratio of about 2.79:One.

The Nikkei-225 Stock Average lost even more ground than The TOPIX Index as investors pushed it down to 17,236.16 yen, a one-day fall of about 1.24 percent.

#### News Wise

- **Honda Motor Company** announced a 20-percent fall in its Bottom Line for the quarter, ended March 31, 2007. The Net Profit Attributable to Shareholders was 176.20 billion yen, down from 219.50 billion yen for the like period in 2006; and,
- **Sharp Corporation** reported that its Net Income for the Financial Year, ended March 31, 2007, came in at 101.70 billion yen, representing an increase, Year-On-Year, of about 15 percent.

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

The HKSAR	Hang Seng Index Minus 0.18 percent to 20,536.78 The Growth Enterprise Index Minus 0.49 percent to 1,380.98
Indonesia	Plus 0.26 percent to 1,986.67
Japan	TOPIX Index Minus 1.10 percent to 1,687.34 Nikkei-225 Stock Average Minus 1.24 percent to 17,236.16
Malaysia	Minus 0.12 percent to 1,315.97
The Philippines	Plus 0.53 percent to 3,309.43
Singapore	Minus 0.35 percent to 3,362.68

South Korea	Minus 0.72 percent to 1,545.55
Taiwan	Minus 0.75 percent to 7,984.65
Thailand	Plus 0.70 percent to 690.30

## **Thursday**

Better-than-expected profits from favoured Wall Street entities propelled the chief index of The New York Stock Exchange to another record high, last Thursday.

The Dow Jones Industrial Average ended the trading day at 13,105.50 points, a one-day improvement of about 0.12 percent.

On The NASDAQ, its Composite Index followed the lead of The Dow with a gain of about 0.26 percent as investors pushed it up to 2,554.46 points.

The ratio of gaining counters to losing ones, however, was close on both The New York Stock Exchange and The NASDAQ: 1.17:One and 1.13:One, respectively.

One factor, which may have assisted the record-setting gain on the world's largest equity market, last Thursday, was a material fall in the price of crude oil on commodity markets, worldwide.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in June came in at \$US65.06, equivalent to a decrease of about 1.18 percent, compared with Wednesday's final quote.

As for delivery in July, the last settlement for a barrel of light sweet crude oil was \$US66.41, down about 1.18 percent on the last settlement of Wednesday.

In Europe, the majority of the key indices of the major bourses were in positive territory by the close of trading, last Thursday – but only by fractions:

Amsterdam's AEX Index                      Minus 0.24 percent

France's CAC 40 Index                      Minus 0.04 percent

Germany's Frankfurt XETRA DAX Index Plus 0.59 percent

Great Britain's FTSE 100 Index           Plus 0.11 percent

Italy's MIBTEL Index                      Plus 0.09 percent

Switzerland's Swiss Market Index       Plus 0.55 percent

For European investors, the ABN Ambro deal was the '*thing*' and, the longer that the agony was prolonged – which bank would win the coveted Netherlands's prize – the more apprehensive were investors. (Please see earlier reports on this matter)

## News Wise

- **PSA Peugeot Citroën** is planning to offload about 4,800 jobs in France in order to cut costs. In January, the group slashed some 2,300 jobs at its Coventry, England, plant.

In Asia, every key index of every major equity market rose as investors climbed aboard the Wall Street 'bus'.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets wrote the closing levels of their key indices in black ink, but the gains were only fractions.

On the Main Board of The Stock Exchange of Hongkong Ltd, its Hang Seng Index rose about 0.64 percent to 20,667.29 points on a Total Turnover of about \$HK51.80 billion.

The ratio of advancing counters to declining ones was about 1.89:One.

The Ten Most Active counters were:

China Molybdenum Company Ltd (Code: 3993)

\$HK10.82 per share\*

HSBC Holdings plc (Code: 5)

Up 0.48 percent to \$HK145.10 per share

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

Up 1.16 percent to \$HK4.36 per share

China Mobile Ltd (Code: 941)

Down 0.07 percent to \$HK72.95 per share

China Construction Bank Corporation (Code:  
939)

Up 1.03 percent to \$HK4.92 per share

China Life Insurance Company Ltd (Code:  
2628)

Up 0.40 percent to \$HK25.35 per share

PetroChina Company Ltd (Code: 857)

Up 1.11 percent to \$HK9.08 per share

China Petroleum and Chemical  
Corporation (Code: 386)

Up 1.74 percent to \$HK7.03 per share

Sinopec Yizheng Chemical Fibre Company Ltd  
(Code: 1033)

Up 15.42 percent to \$HK2.77 per share

GOME Electrical Appliances Holding  
Ltd (Code: 493)

Down 1.60 percent to \$HK12.30 per share

\* First Day of Trading

There were 41, double-digit movers on the Main Board, last Thursday, with managements of 27 counters, seeing their respective share prices rise by 10 percent or more, while managements of 14 counters witnessed their respective share prices fall by 10 percent or more.



The Sun's Group Ltd (Code: 988) was the biggest gainer of the day as its share price rose by 38.16 percent to \$HK2.10.

Unity Investments Holdings Ltd (Code: 913) was the biggest loser of the day as investors pulled down its share price by about 25 percent to 27 cents.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index rose about 0.56 percent to 1,388.68 points.

The Total Turnover was about \$HK353.89 million, while the ratio of gainers to losers was about 1.38:One.

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

Proactive Technology Holdings Ltd (Code: 8089)

Unchanged at \$HK12.32 per share

Xteam Software International Ltd (Code: 8178)

Up 2.70 percent to \$HK0.38 per share

TOM Online Incorporated (Code: 8282)

Up 3.55 percent to \$HK1.46 per share

Town Health International Holdings Company Ltd  
(Code: 8138)

Up 1.56 percent to \$HK0.65 per share

Tong Ren Tang Technologies Company  
Ltd (Code: 8069)

Up 3.99 percent to \$HK15.10 per share

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

<b>Name of Company</b>	<b>Code</b>	<b>Increase (%)</b>	<b>Decrease (%)</b>	<b>Closing Price (\$HK)</b>
Asian Capital Resources (Holdings) Ltd	8025	35.14		0.20
BIG Media Group Ltd	8167		17.86	0.23
Everpride Biopharmaceutical Company Ltd	8019	12.24		0.165
Shenzhen EVOC Intelligent Technology Company Ltd	8285	16.39		2.13
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231		11.25	0.71
Jiangsu Nandasoft Company Ltd	8045	20.10		0.239
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049	15.24		0.242

Sau San Tong Holdings Ltd	8200	17.37		0.223
Sino Haijing Holdings Ltd	8371		10.14	0.62
South China Land Ltd	8155	10.71		0.31
Sys Solutions Holdings Ltd	8373	17.78		1.06
Venturepharm Laboratories Ltd	8225	29.17		0.62

On The Tokyo Stock Exchange, its TOPIX Index managed a gain of about 0.95 percent to end the trading day at 1,703.41 points.

The ratio of gaining counters to losing ones was about 3.80:One.

The Nikkei-225 Stock Average rose about 1.12 percent to 17,429.17 yen.

#### News Wise

- US stockbrokerage company, **Merrill Lynch and Company**, will invest 350 billion yen in **Resona Holdings Incorporated**;
- For its Financial Year, ended March 31, 2007, the Net Profit Attributable to Shareholders of **Nintendo Company** was 174.30 billion yen, the company announced. That represented a 77-percent increase, Year-On-Year. Nintendo is the world's largest producer of handheld computer games; and,
- **Nissan Motor Company** announced that its Net Profit Attributable to Shareholders was about 460.70 billion yen, down about 11.10 percent, Year-On-Year.

In other Asian equity markets, this was how the key indices of those markets looked, last Thursday night:

The HKSAR	Hang Seng Index Plus 0.64 percent to 20,667.29 The Growth Enterprise Index Plus 0.56 percent to 1,388.68
Indonesia	Plus 1.48 percent to 2,016.03
Japan	TOPIX Index Plus 0.95 percent to 1,703.41 Nikkei-225 Stock Average Plus 1.12 percent to 17,429.17
Malaysia	Closed
The Philippines	Plus 1.24 percent to 3,350.34
Singapore	Plus 1.31 percent to 3,406.89

South Korea	Plus 0.49 percent to 1,553.13
Taiwan	Plus 0.19 percent to 8,000.04
Thailand	Plus 0.07 percent to 690.79

## **Friday**

Share prices continued to make gains, last Friday, on the world's largest equity markets, brought about by sustained bullish earnings of popular, publicly listed US companies.

While investor euphoria was, clearly, in evidence, due to a succession of better-than-expected earnings from certain Wall Street 'darlings', there were definite warning signs, too.

It was noted that losing counters outnumbered gaining ones on both The New York Stock Exchange as well as on The NASDAQ, last Friday.

On The New York Stock Exchange, the Dow Jones Industrial Average finished the week with a gain of about 0.12 percent to 13,120.94 points.

It was another, record high for The Dow.

On The NASDAQ, its Composite Index ended the day with a 0.11-percent improvement, coming to rest at 2,557.21 points.

Weighing on US equity markets, to some extent, was concern that, after the corporate reporting season ended, what else would be left to drive key indices to higher levels on Wall Street.

Further, just before Wall Street opened for business, last Friday, The Bureau of Economic Analysis released its findings in respect of the US Gross Domestic Product for the first quarter of 2007.

In a nutshell, The Bureau's findings suggested, strongly, that the US economy is, in fact, slowing, noticeably.

The following is a précis of The Bureau's release of last Friday:

*'Real gross domestic product (GDP) increased 1.3 percent in the first quarter of 2007 after increasing 2.5 percent in the fourth quarter of 2006, according to estimates released today by the Bureau of Economic Analysis.'*

*'The deceleration in real GDP growth reflected the following:*

- *Exports turned down, mainly because of downturns in capital goods and in industrial supplies and materials.*
- *Imports turned up, led by petroleum and related products. (Imports are subtracted when calculating GDP.)*
- *Federal government spending turned down.*
- *Consumer spending slowed, reflecting a slowdown in spending on food.*

*'In contrast, an upturn in nonresidential business investment added to real GDP growth in the first quarter. Investment in information processing equipment and software turned up, and investment in commercial structures accelerated.'*

***'Prices***

*Inflation, as measured by prices for domestic purchases, increased 3.6 percent in the first quarter after increasing 0.2 percent in the previous quarter. Energy prices turned up, after dropping sharply in the fourth quarter of 2006. Excluding food and energy, prices increased 2.8 percent, following an increase of 2.4 percent.*

***'Personal income***

*Real disposable personal income increased 4.5 percent, following an increase of 5.3 percent.'*

The tally for the week for the world's largest and most-important equity markets was:

The Dow Jones Industrial Average Plus 1.23 percent

The NASDAQ's Composite Index Plus 1.22 percent

In Europe, the key indices of the most-important bourses fell, some quite markedly.

Europe, on studying The Bureau's statistics, determined, rightly so, that the US economy is slowing at an alarming rate and, sooner rather than later, it would impact on other economies of the world.

The ABN Ambro takeover battle continued apace, but this titanic struggle was overshadowed by macroeconomic considerations.

This was how the key indices of major bourses ended the week of April 27, 2007:

Amsterdam's AEX Index Minus 0.66 percent

France's CAC 40 Index Minus 0.22 percent

Germany's Frankfurt XETRA DAX Index Minus 0.12 percent

Great Britain's FTSE 100 Index Minus 0.78 percent

Italy's MIBTEL Index Minus 0.34 percent

Switzerland's Swiss Market Index Minus 0.64 percent

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

The last settlement for delivery in June for a barrel of light sweet crude oil was up about 2.15 percent to \$US66.40.

As for July delivery, the last settlement for a barrel of light sweet crude oil was \$US67.84, equivalent to a gain of about 2.15 percent, compared with Thursday's closing level.

In Asia, generally, things were mildly bearish on major equity markets of the region.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the premier equity market of the territory floated slowly lower.

By the close of the trading day, The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, was standing at 20,526.50 points, representing a fall of about 0.68 percent, compared with Thursday's closing level.

The Total Turnover was about \$HK64.17 billion, while the ratio of declining counters to advancing ones was about 2.57:One.

The Ten Most Active counters were:

China CITIC Bank Corporation Ltd (Code: 998)	\$HK6.68 per share*
China Molybdenum Company Ltd (Code: 3993)	Up 9.98 percent to \$HK11.90 per share
China Mobile Ltd (Code: 941)	Down 1.03 percent to \$HK72.20 per share
HSBC Holdings plc (Code: 5)	Down 0.41 percent to \$HK144.50 per share
China Life Insurance Company Ltd (Code: 2628)	Down 1.78 percent to \$HK24.90 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 0.46 percent to \$HK4.34 per share
China Construction Bank Corporation (Code: 939)	Down 1.63 percent to \$HK4.84 per share
Bank of China Ltd (Code: 3988)	Down 1.01 percent to \$HK3.91 per share
GOME Electrical Appliances Holding Ltd (Code: 493)	Up 1.95 percent to \$HK12.54 per share
PetroChina Company Ltd (Code: 857)	Down 1.10 percent to \$HK8.98 per share

\* First Day of Trading

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Carico Holdings Ltd	729	16.94		0.29
Century City International Holdings Ltd	355	13.33		0.34
China Chengtong Development Group Ltd	217	11.00		1.11
Compass Pacific Holdings Ltd	1188		11.18	0.135
Concepta Investments Ltd	1140		14.10	0.335

C.P. Pokphand Company Ltd	43		13.85	0.28
DBA Telecommunication (Asia) Holdings Ltd	3335	12.31		1.46
Dream International Ltd	1126	10.71		0.31
Fintronics Holdings Company Ltd	706	17.65		0.60
Fortune Telecom Holdings Ltd	110	36.59		1.12
Hongkong Pharmaceutical Holdings Ltd	182	21.43		0.68
Junefield Department Store Group Ltd	758	13.56		0.335
K and P International Holdings Ltd	675	12.96		0.305
K.P.I. Company Ltd	605	69.57		0.39
Nanjing Panda Electronics Company Ltd	553	24.07		2.99
Pak Tak International Ltd	2668	18.75		0.38
Peaktop International Holdings Ltd	925		10.23	0.158
Rontex International Holdings Ltd	1142	10.74		0.165
Shang Hua Holdings Ltd	371	11.25		0.89
Shell Electric Manufacturing (Holdings) Company Ltd	81	10.05		4.05
Signal Media and Communications Holdings Ltd	2362	15.61		0.237
Sino Union Petroleum and Chemical International Ltd	346	14.44		2.06
Skyfame Realty (Holdings) Ltd	59	12.14		1.94
Taifook Securities Group Ltd	665	17.29		2.51

TCC International Holdings Ltd	1136	25.82		2.29
The Sun's Group Ltd	988	31.90		2.77
Vitop Bioenergy Holdings Ltd	1178		14.81	0.23
World Trade Bun Kee Ltd	380	19.77		5.15
Yardway Group Ltd	646	15.38		0.60

On The **Growth Enterprise Market (The GEM)** of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index rose about 0.28 percent to 1,392.63 points on a Total Turnover of about \$HK578.24 million.

Losing counters, however, outnumbered gaining ones by the ratio of about 1.05:One.

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

Xteam Software International Ltd (Code: 8178)

Up 15.79 percent to \$HK0.44 per share

Proactive Technology Holdings Ltd (Code:  
8089)

Down 15.91 percent to \$HK10.36 per share

Town Health International Holdings Company  
Ltd (Code: 8138)

Up 1.54 percent to \$HK0.66 per share

China LotSynergy Holdings Ltd (Code: 8161)

Down 1.79 percent to \$HK2.75 per share

Neolink Cyber Technology (Holding)  
Ltd (Code: 8116)

Up 5.80 percent to \$HK0.73 per share

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

<b>Name of Company</b>	<b>Code</b>	<b>Increase (%)</b>	<b>Decrease (%)</b>	<b>Closing Price (\$HK)</b>
abc Multiactive Ltd	8131		14.12	0.146
China Primary Resources Holdings Ltd	8117		10.34	0.26
Shenzhen EVOC Intelligent Technology Company Ltd	8285	10.33		2.35
Finet Group Ltd	8317	12.90		0.70

Global Digital Creations Holdings Ltd	8271	10.50		2.00
International Financial Network Holdings Ltd	8123	12.61		0.125
Jinheng Automotive Safety Technology Holdings Ltd	8293	10.83		1.33
Proactive Technology Holdings Ltd	8089		15.91	10.36
Prosten Technology Holdings Ltd	8026	53.85		0.40
Sino Haijing Holdings Ltd	8371	12.90		0.70
SYSCAN Technology Holdings Ltd	8083		14.77	0.375
Thiz Technology Group Ltd	8119		14.41	0.101
Xteam Software International Ltd	8178	15.79		0.44

For the week for the second, most-important equity market of Asia, the tally was:

The Hang Seng Index     Minus   0.19 percent  
The Growth Enterprise Index Plus     2.51 percent

Trading continued to be muted on Japan's 3 equity markets, last Friday.

On The Tokyo Stock Exchange, which is the premier equity market of The Land of The Rising Sun, its TOPIX Index ended the week at 1,701.00 points, exactly, representing a fall of about 0.14 percent on Thursday's closing figure.

Losing counters outnumbered gaining ones by the ratio of about 1.40:One.

The Nikkei-225 Stock Average finished the week with a fall of about 0.17 percent, dropping back to 17,400.41 yen.

The tally for the week for the largest stock market of Asia was:

The TOPIX Index             Minus   0.53 percent  
The Nikkei-225 Stock Average Minus   0.30 percent

And, as for other Asian equity markets, this was how their respective key indices ended up, last Friday night:

The HKSAR	Hang Seng Index Minus 0.68 percent to 20,526.50 The Growth Enterprise Index Plus    0.28 percent to 1,392.63
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Indonesia	Plus 0.18 percent to 2,019.68
Japan	TOPIX Index Minus 0.14 percent to 1,701.00 Nikkei-225 Stock Average Minus 0.17 percent to 17,400.41
Malaysia	Plus 0.67 percent to 1,324.77
The Philippines	Minus 0.95 percent to 3,318.38
Singapore	Minus 0.24 percent to 3,398.60
South Korea	Minus 0.68 percent to 1,542.52
Taiwan	Minus 0.63 percent to 7,949.42
Thailand	Plus 0.63 percent to 695.11

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