

**DR ALAN GREENSPAN WARNS ABOUT THE CHINA EQUITY BUBBLE ...  
AND WALL STREET LISTENS**

Nigeria, the eighth-largest exporter of crude oil in the world, had about one third of its crude-oil output halted, last Monday, following an attack by Nigerian militants on a French-operated, oil installation in the country.

While no injuries were reported, the incident contributed to pushing up the price of crude oil on international commodity exchanges.

In addition to the worsening, insurgency situation in Nigeria, in the US, it was reported that an increasing number of oil refineries have curtailed production of distillates, for one reason or another.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil came in at \$US66.27, an increase of about 2.05 percent, compared with the final quote of Friday, May 18, 2007.

As for delivery in July, the last settlement for a barrel of light sweet crude oil was \$US66.85, equivalent to an increase of about 1.32 percent on the previous Friday's last settlement.

Investors on Wall Street appeared to be, if anything, quite nonchalant over the rapid increase in the price of crude oil, internationally, but US consumers, at the pumps, felt the heat as the price for a (US) gallon of petrol rose to about \$US3.22 – which was a record high.

On The New York Stock Exchange, the Dow Jones Industrial Average lost 13.65 points, equivalent to a fall of about one tenth of a percentage point, ending the trading day at 13,542.88 points.

On The NASDAQ, its Composite Index went in the opposite direction to The Dow, putting on 20.34 points, or about 0.80 percent, running up to 2,578.79 points.

In Europe, investors were a little more wary than their counterparts on Wall Street, with only 2 of the key indices of the most-important, European bourses, managing to score plus figures by the close of the day.

The following are the closing figures of **TARGET**'s list of the key indices of the major European bourses:

Amsterdam's AEX Index	Plus 0.31 percent
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France's CAC 40 Index	Minus 0.18 percent
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Germany's Frankfurt XETRA DAX Index	Plus 0.15 percent
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Great Britain's FTSE 100 Index	Minus 0.06 percent
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Italy's MIBTEL Index	Minus 1.27 percent
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Switzerland's Swiss Market Index	Minus 0.20 percent
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In Asia, despite the Government of the People's Republic of China (PRC), putting the screws on investors by raising interest rates and permitting greater flexibility in respect of the daily translation rate of the renminbi vis-à-vis the US dollar, equity markets remained somewhat bullish.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, both equity markets made gains, but the premier stock market only limped to a higher level.

The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, rose 22.91 points, equivalent to 0.11 percent, exactly, ending the day at 20,927.75 points.

The Total Turnover was about \$HK55.59 billion, while the ratio of advancing counters to losing ones was about 1.10:One.

The Ten Most Active counters were:

China Mobile Ltd (Code: 941)	Up 0.27 percent to \$HK74.65 per share
China Life Insurance Company Ltd (Code: 2628)	Up 0.78 percent to \$HK25.95 per share
CNOOC Ltd (Code: 883)	Up 2.24 percent to \$HK7.31 per share
Bank of China Ltd (Code: 3988)	Down 1.26 percent to \$HK3.93 per share
China Construction Bank Corporation (Code: 939)	Down 1.03 percent to \$HK4.81 per share
PetroChina Company Ltd (Code: 857)	Down 0.39 percent to \$HK10.18 per share
HSBC Holdings plc (Code: 5)	Unchanged at \$HK145.00 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 1.17 percent to \$HK4.22 per share
Bank of Communications Company Ltd (Code: 3328)	Up 0.47 percent to \$HK8.61 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 1.37 percent to \$HK8.15 per share

As for the Main Board's double-digit movers of the day, there was a total of 46 counters that qualified for the honours, with managements of 5 of their number, seeing their share prices fall by 10 percent or more.

Honesty Treasure International Holdings Ltd (Code: 600) was the biggest gainer of the day as investors pushed up its share price by 45.54 percent to 31 cents.

MAE Holdings Ltd (Code: 851) turned out to be the biggest loser of the day, dropping back by about 15.25 percent to \$HK1.00 per share.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index put on about 1.39 percent, rising to 1,540.22 points on a Total Turnover of about \$HK735.73 million.

The ratio of gaining counters to losing ones was about 1.89:One.

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

Xteam Software International Ltd (Code: 8178)

Down 3.03 percent to \$HK0.64 per share

Phoenix Satellite Television Holdings Ltd (Code:  
8002)

Up 6.43 percent to \$HK1.49 per share

Town Health International Holdings Company Ltd  
(Code: 8138)

Down 5.68 percent to \$HK0.83 per share

China LotSynergy Holdings Ltd (Code: 8161)

Up 2.49 percent to \$HK3.29 per share

China Primary Resources Holdings Ltd (Code:  
8117)

Up 4.84 percent to \$HK0.325 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>
A and K Educational Software Holdings Ltd	8053	11.26		1.68
AcrossAsia Ltd	8061	13.04		0.26
AGTech Holdings Ltd	8279	16.86		2.01
Cardlink Technology Group Ltd	8066	10.87		0.255
China Chief Cable TV Group Ltd	8153	51.28		0.59
ePRO Ltd	8086	65.35		0.21
Shenzhen EVOC Intelligent Technology Company Ltd	8285	10.81		3.28
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231	10.26		0.86
Golding Soft Ltd	8190	21.62		0.18
HC International Incorporated	8292	23.71		1.20

International Financial Network Holdings Ltd	8123	15.13		0.137
IIN International Ltd	8128	15.28		0.166
Linefan Technology Holdings Ltd	8166	13.64		0.375
Longlife Group Holdings Ltd	8037	25.53		0.295
PINE Technology Holdings Ltd	8013	11.54		0.29
Rojam Entertainment Holdings Ltd	8075	10.63		0.177
Sing Lee Software (Group) Ltd	8076	257.66		0.49
South China Land Ltd	8155	18.42		0.45
ThinSoft (Holdings) Incorporated	8096		11.83	0.41
Thiz Technology Group Ltd	8119	10.55		0.22
Tradeeasy Holdings Ltd	8163	11.59		0.183
Venturepharm Laboratories Ltd	8225		10.14	0.62
Zhejiang Yonglong Enterprises Company Ltd	8211	11.76		0.285
Zheda Lande Scitech Ltd	8106		10.87	0.41

In Japan, the key indices of the country's 3 equity markets made useful gains.

On The Tokyo Stock Exchange, which is the premier stock market, its TOPIX Index gained 14.98 points, or about 0.88 percent, ending the trading day at 1,710.67 points.

The ratio of gainers to losers was about 1.82:One.

The Nikkei-225 Stock Average followed The TOPIX with a gain of 157.29 yen, equivalent to about 0.90 percent, completing the day at 17,556.87 yen.

#### News Wise

- **The Sumitomo Mitsui Financial Group Incorporated**, one of the country's 3 biggest banks, reported that its Group Net Profit Attributable to Shareholders was 441.40 billion yen for Fiscal 2006, down about 35.70 percent, Year-On-Year; and,
- **NEC Corporation** announced that, for its Financial Year, ended March 31, 2007, it turned in a Net

Profit Attributable to Shareholders of about 9.20 billion yen. In the 2006-Year, the company reported a Loss Attributable to Shareholders of about 10 billion yen.

On other Asian equity markets, their respective key indices fared as follows:

The HKSAR	Hang Seng Index Plus 0.11 percent to 20,927.75 The Growth Enterprise Index Plus 1.39 percent to 1,540.22
Indonesia	Plus 0.36 percent to 2,071.27
Japan	TOPIX Index Plus 0.88 percent to 1,710.67 Nikkei-225 Stock Average P lus 0.90 percent to 17,556.87
Malaysia	Minus 0.71 percent to 1,347.17
The Philippines	Plus 0.50 percent to 3,466.34
Singapore	Plus 0.06 percent to 3,514.49
South Korea	Plus 0.99 percent to 1,628.20
Taiwan	Plus 1.34 percent to 8,141.59
Thailand	Minus 0.07 percent to 728.22

## Tuesday

Whereas, on Monday, there was evidence of growing concern over crude-oil supplies from Nigeria (Please see Monday's report), last Tuesday, those fears appeared to have vanished, for the most part.

Which proves the old adage: For every 100 potential crises, perceived on the horizon, 99 of those crises are unlikely to materialise, ever.

On The New York Mercantile Exchange (NYMEX), last Tuesday, the last settlement for a barrel of light sweet crude oil for delivery in June was \$US64.97, representing a one-day fall of about 1.96 percent.

As for July delivery, the last settlement came in at \$US65.51 per barrel of light sweet crude oil, representing a drop of about 2.03 percent, compared with the final quote on Monday.

While the Nigerian situation had not gone away and could, again, erupt at any time, the view about supplies of petrol and other distillates in the US had changed, somewhat, overnight, with the general view, being held, that US-based, oil refineries would jack up operations in the coming weeks in order to meet expected increased demands, during the driving season.

Be that as it may, the pull-back in the price of crude oil on international commodity exchanges was a drag on key indices on US equity markets, last Tuesday, as investors piled out of energy stocks and shares.

On The New York Stock Exchange, the Dow Jones Industrial Average fell about 0.02 percent to 13,539.95 points.

The Composite Index of The NASDAQ gained about 0.36 percent, rising to a 72-month high of 2,588.02 points.

In Europe, the key indices of the major bourses ended last Tuesday's trading sessions almost unchanged from Monday's closing levels:

Amsterdam's AEX Index	Plus	0.40 percent
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France's CAC 40 Index	Unchanged
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Germany's Frankfurt XETRA DAX Index	Plus	0.52 percent
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Great Britain's FTSE 100 Index	Minus	0.45 percent
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Italy's MIBTEL Index	Minus	0.34 percent
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Switzerland's Swiss Market Index	Minus	0.46 percent
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For European investors, there was little to promote trading in stocks and shares and, with Wall Street, being flat, it appeared that the predominant disposition of many investors was one of keeping their powder dry.

In Asia, only the key index of the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) suffered losses.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index shed about 0.40 percent, edging back to 20,843.92 points.

The Total Turnover was about \$HK53.98 billion.

Declining counters outpaced advancing ones by the ratio of about 1.84:One.

The Ten Most Active counters were:

China Life Insurance Company Ltd (Code: 2628)
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Down 0.96 percent to \$HK25.70 per share
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CNOOC Ltd (Code: 883)
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Up 3.01 percent to \$HK7.53 per share
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China Mobile Ltd (Code: 941)
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Down 0.67 percent to \$HK74.15 per share
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Industrial and Commercial Bank of China Ltd (Code: 1398)
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Down 0.71 percent to \$HK4.19 per share
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PetroChina Company Ltd (Code: 857)
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Up 0.39 percent to \$HK10.22 per share
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HSBC Holdings plc (Code: 5)

Down 0.28 percent to \$HK144.60 per share

Bank of China Ltd (Code: 3988)

Down 1.02 percent to \$HK3.89 per share

China Construction Bank Corporation (Code:  
939)

Down 0.42 percent to \$HK4.79 per share

China Overseas Land and Investment  
Ltd (Code: 688)

Down 0.75 percent to \$HK10.60 per share

China Petroleum and Chemical Corporation  
(Code: 386)

Down 0.49 percent to \$HK8.11 per share

There were 45, double-digit movers on the Main Board, last Tuesday, with only one of their number, losing material ground.

That loser was Sino Prosper Holdings Ltd (Code: 766) whose share price fell 10.19 percent to 48.50 cents.

The biggest gainer of the day was Theme International Holdings Ltd (Code: 990), the share price of which rose 49.09 percent to 24.60 cents.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, the situation was almost the reverse of that which had transpired on the Main Board.

The Growth Enterprise Index rose about 0.37 percent to 1,545.91 points on a Total Turnover of about \$HK693.44 million.

Losers and gainers were, exactly, even, at One:One.

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

Xteam Software International Ltd (Code: 8178)

Up 3.13 percent to \$HK0.66 per share

Phoenix Satellite Television Holdings Ltd (Code:  
8002)

Unchanged at \$HK1.49 per share

Zhengzhou Gas Company Ltd (Code: 8099)

Up 5.71 percent to \$HK1.48 per share

Town Health International Holdings Company Ltd  
(Code: 8138)

Up 2.41 percent to \$HK0.85 per share

Proactive Technology Holdings Ltd (Code: 8089)

Up 6.47 percent to \$HK10.86 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
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AcrossAsia Ltd	8061	11.54		0.29
AKM Industrial Company Ltd	8298	11.11		0.30
Armitage Technologies Holding Ltd	8213	23.23		0.191
CCID Consulting Company Ltd	8235	10.42		0.265
China Medical and Bio Science Ltd	8120	14.61		0.51
Eco-Tek Holdings Ltd	8169	31.25		0.315
ePRO Ltd	8086	114.29		0.45
Shenzhen EVOC Intelligent Technology Company Ltd	8285	14.33		3.75
GreaterChina Technology Group Ltd	8032	13.28		0.145
International Entertainment Corporation	8118		12.73	4.80
New Chinese Medicine Holdings Ltd	8085	11.76		0.76
PINE Technology Holdings Ltd	8013	24.14		0.36
Nanjing Sample Technology Company Ltd	8287		15.06	12.30
SYSCAN Technology Holdings Ltd	8083		11.11	0.40
Tianjin TEDA Biomedical Engineering Company Ltd	8189		10.38	0.475
TeleEye Holdings Ltd	8051	18.00		0.295
Tradeeasy Holdings Ltd	8163	16.39		0.213
Vodatel Networks Holdings Ltd	8033	10.20		0.27
Zheda Lande Scitech Ltd	8106	17.07		0.48

Japan's equity markets continued to make gains, following on from Monday's bullish situation.



On The Tokyo Stock Exchange, its TOPIX Index rose about 1.22 percent to 1,731.54 points.

The ratio of gaining counters to losing counters was about 3.21:One.

The Nikkei-225 Stock Average managed a gain of about 0.70 percent, ending the day at 17,680.05 yen.

#### News Wise

- Year-On-Year, **supermarket sales** in Japan dipped by about one percent in the month of April, according to The Japan Chain Stores Association; and,
- **Mizuho Financial Group Incorporated** announced that its Net Profit Attributable to Shareholders was about 621 billion yen for the Financial Year, ended March 31, 2007. That result represented a drop of about 4.40 percent, Year-On-Year.

In other parts of Asia, this was how the situation looked at the close of trading on those equity markets:

The HKSAR	Hang Seng Index Minus 0.40 percent to 20,843.92 The Growth Enterprise Index Plus 0.37 percent to 1,545.91
Indonesia	Plus 0.36 percent to 2,078.75
Japan	TOPIX Index Plus 1.22 percent to 1,731.54 Nikkei-225 Stock Average Plus 0.70 percent to 17,680.05
Malaysia	Plus 1.51 percent to 1,367.51
The Philippines	Plus 1.12 percent to 3,505.03
Singapore	Plus 0.72 percent to 3,539.82
South Korea	Plus 0.90 percent to 1,642.88
Taiwan	Plus 0.58 percent to 8,188.63
Thailand	Plus 0.62 percent to 732.77

#### Wednesday

The US intends to draft an outline of a proposed set of new sanctions to be imposed on Iran for that country's defiance in respect of its nuclear-enrichment programme.

The new proposals follow the release of a report by the United Nations's **International Atomic Energy Agency (IAEA)**.

This Report stated that Iran is pressing, full-speed ahead with its nuclear-enrichment programme and that the Government of Iran has been hindering inspections by authorised members of the IAEA.

The US is concerned – as are many other Western countries – that Iran is planning to build up an arsenal of nuclear weaponry, including nuclear bombs.

For its part, the Government of Iran claims that it has an inalienable right to nuclear technology and that it only wants the nuclear capabilities for peaceful purposes, such as the creation of electricity, etc.

On The New York Mercantile Exchange (NYMEX), however, the threats against Iran by the US appeared to have very little impact on the price of crude oil.

The new near month of July (trading in June, crude-oil futures contracts expired, last Wednesday) saw the price of a barrel of light sweet crude oil rise another 0.40 percent to \$US65.77.

For delivery in August, the last settlement for a barrel of light sweet crude oil came in at \$US67.02.

Just after equity trading had begun on Wall Street, last Wednesday, The Labour Department, a division of the US Government, released its findings with regard to mass layoffs for the month of April.

On a seasonally adjusted basis, the number of people, involved in mass layoffs in April, totalled 126,047, a decrease of 33 workers, compared with the March statistics.

The following is a précis of that Report:

#### **'MASS LAYOFFS IN APRIL 2007**

*'In April, employers took 1,243 mass layoff actions, seasonally adjusted, as measured by new filings for unemployment insurance benefits during the month, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Each action involved at least 50 persons from a single establishment; the number of workers involved totaled 126,047, on a seasonally adjusted basis. The number of mass layoff events decreased by 33 from the prior month, and the number of associated initial claims fell by 4,640. During April, 383 mass layoff events were reported in the manufacturing sector, seasonally adjusted, resulting in 43,753 initial claims. Compared with March, mass layoff activity in manufacturing decreased by 37 events and by 10,688 initial claims. (See table 1.)*

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*'The national unemployment rate was 4.5 percent in April, essentially unchanged from 4.4 percent the prior month and down from 4.7 percent a year earlier. Total nonfarm payroll employment increased by 88,000 over the month and by 1.9 million over the year.*

#### **'Industry Distribution (Not Seasonally Adjusted)**

*'The 10 industries reporting the highest numbers of mass layoff initial claims, not seasonally adjusted, accounted for 42 percent of the total initial claims in April. The industry with the highest number of initial claims was school and employee bus transportation with 17,135, followed by motion picture and video production with 7,647, and temporary help services with 7,330. Together, these three industries accounted for 25 percent of all initial claims due to mass layoffs during the month. (See table A.)*

#### **'Table A. Industries with the largest number of mass layoff initial claims in April 2007**

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*'The manufacturing sector accounted for 25 percent of all mass layoff events and 28 percent of all related initial claims filed in April; a year earlier, manufacturing made up 26 percent of events and 33 percent of initial claims. In April 2007, the number of manufacturing claimants was highest in transportation equipment manufacturing (11,466, largely heavy duty truck manufacturing), followed by food manufacturing (5,925), and machinery manufacturing (2,392). (See table 3.)*

*‘Transportation and warehousing accounted for 13 percent of mass layoff events and 15 percent of initial claims in April, primarily from school and employee bus transportation. Administrative and waste services comprised 12 percent of events and 9 percent of initial claims filed during the month, with the majority of layoffs in temporary help services. Three percent of all mass layoff events and 7 percent of related initial claims filed were from information, primarily from motion picture and video production. Accommodation and food services made up 6 percent of events and initial claims, largely from the food service contractors industry.*

*‘On a not seasonally adjusted basis, the number of mass layoff events in April, at 1,224, was up by 84 from a year earlier, and the number of associated initial claims increased by 5,685 to 127,274. (See table 2.) The largest over-the-year increases in initial claims were reported in motion picture and sound recording industries (+4,620), credit intermediation and related activities (+2,543), and hospitals (+1,360). The largest over-the-year decreases in mass layoff initial claims were reported in transportation equipment manufacturing (-2,693) and food manufacturing (-2,267).*

#### *‘Geographic Distribution (Not Seasonally Adjusted)*

*‘Among the 4 census regions, the highest number of initial claims in April due to mass layoffs was in the West with 42,381. Motion picture and sound recording, administrative and support services, and agriculture and forestry support activities together accounted for 42 percent of all mass layoff initial claims in that region during the month. The Northeast had the second largest number of initial claims among the regions with 35,637, followed by the South with 26,211, and the Midwest with 23,045. (See table 5.)*

*‘The number of initial claimants in mass layoffs increased over the year in three of the four regions — the West (+8,184), the South (+7,928), and the Northeast (+1,022). The Midwest region experienced the only decrease (-11,449), primarily due to fewer initial claimants in transportation equipment manufacturing. Six of the 9 geographic divisions had over-the-year increases in the numbers of initial claims associated with mass layoffs, with the largest increases in the Pacific (+5,929), the South Atlantic (+3,035), and the East South Central (+2,705). The division with the largest over-the-year decrease in mass layoff initial claims was the East North Central (-10,144).*

*‘Among the states, California recorded the highest number of initial claims filed due to mass layoff events in April (28,883), followed by New York (15,254), Pennsylvania (10,997), Ohio (6,024), and New Jersey (4,749). These five states accounted for 53 percent of all mass layoff events and 52 percent of all initial claims for unemployment insurance. (See table 6.)*

*‘California had the largest over-the-year increase in the number of initial claims (+4,332). States having the next largest increases in initial claims were Pennsylvania (+2,295), South Carolina (+1,977), Arizona (+1,947), and New York (+1,868). The largest over the-year decreases in claims occurred in Ohio (-6,158) and Michigan (-3,402).’*

On Wall Street, last Wednesday, key indices headed south.

On The New York Stock Exchange, the Dow Jones Industrial Average fell about 0.11 percent to end the trading session at 13,525.65 points.

The Composite Index of The NASDAQ surrendered about 0.42 percent of its value, coming to rest at 2,577.02 points by supper time.

One factor that was of concern to some investors of Wall Street, last Wednesday, were statements by the former Chairman of the US Federal Reserve, Dr Alan Greenspan, who said that there was a real and very apparent worry that the equity bubble in the People’s Republic of China (PRC) could burst, soon, and that its effects might well be felt, far and wide.

In Europe, every key index of every major bourse was written in black ink:

Amsterdam’s AEX Index                      Plus      0.19 percent

France's CAC 40 Index	Plus	0.50 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.99 percent
Great Britain's FTSE 100 Index	Plus	0.14 percent
Italy's MIBTEL Index	Plus	0.65 percent
Switzerland's Swiss Market Index	Plus	0.83 percent

For many European share prices, they hit their highest levels of the past 7 years.

Once again, suggestions of material, merger-and-acquisition approaches by major companies gripped investors, locked into stocks and shares, listed on major European bourses, causing heavy speculative buying activity.

In Asia, it was something of a mixed bag on equity markets.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, the key index of the premier equity market lost a little more ground while the lone index of the speculative equity market continued to rise to higher levels.

The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, slipped back by about 0.22 percent to end the trading session at 20,798.97 points.

The Total Turnover was about \$HK59.11 billion.

Declining counters outran advancing ones by the ratio of about 1.15:One.

The Ten Most Actives were:

Belle International Holdings Ltd (Code: 1880)	\$HK8.14 per share*
HSBC Holdings plc (Code: 5)	Up 0.14 percent to \$HK144.80 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.39 percent to \$HK25.60 per share
China Mobile Ltd (Code: 941)	Down 0.81 percent to \$HK73.55 per share
PetroChina Company Ltd (Code: 857)	Unchanged at \$HK10.22 per share
CNOOC Ltd (Code: 883)	Down 1.33 percent to \$HK7.43 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 0.49 percent to \$HK8.07 per share
Century City International Holdings Ltd (Code: 355)	Unchanged at \$HK0.35 per share

Shenzhen International Holdings Ltd (Code: 152)

Up 11.84 percent to \$HK0.85 per share

China Construction Bank Corporation (Code:  
939)

Down 0.21 percent to \$HK4.78 per share

**\*First Day of Trading**

As for the Main Board's biggest movers of the day, a total of 60 counters qualified for this honour, with 6 of those counters, losing 10 percent or more of their respective market capitalisations.

The managements of the remaining 54, double-digit movers of the day saw their respective share prices rise by 10 percent or more.

MAXX Bioscience Holdings Ltd (Code: 512) was the biggest gainer of the day as investors pushed up its share price by about 41.46 percent to 29 cents.

Theme International Holdings Ltd (Code: 990) turned out to be the biggest loser of the day as investors marked down its share price by 22.76 percent to 19 cents.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index rose another 0.73 percent to 1,557,14 points.

The Total Turnover on this speculative equity market was about \$HK973.69 million.

The ratio of gainers to losers was about 1.48:One.

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

EVI Education Asia Ltd (Code: 8090)

Down 15.48 percent to \$HK0.202 per share

Xteam Software International Ltd (Code: 8178)

Up 9.09 percent to \$HK0.72 per share

Town Health International Holdings Company  
Ltd (Code: 8138)

Down 2.35 percent to \$HK0.83 per share

DeTeam Company Ltd (Code: 8112)

Up 18.54 percent to \$HK1.79 per share

China Primary Resources Holdings Ltd (Code:  
8117)

Up 4.69 percent to \$HK0.335 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>
A and K Educational Software Holdings Ltd	8053	12.50		1.80
Asian Capital Resources (Holdings) Ltd	8025	59.57		0.30

BIG Media Group Ltd	8167	43.48		0.33
Byford International Ltd	8272	21.43		0.51
China Chief Cable TV Group Ltd	8153		10.17	0.53
Computech Holdings Ltd	8081	10.45		0.37
DeTeam Company Ltd	8112	18.54		1.79
Era Information and Entertainment Ltd	8043	14.29		0.20
EVI Education Asia Ltd	8090		15.48	0.202
First Mobile Group Holdings Ltd	8110	15.91		0.255
ITE (Holdings) Ltd	8092	11.95		0.178
Longlife Group Holdings Ltd	8037		13.79	0.25
North Asia Strategic Holdings Ltd	8080	13.64		1.00
Netel Technology (Holdings) Ltd	8256		14.94	0.205
Powerleader Science and Technology Company Ltd	8236	10.00		0.495
Sing Lee Software (Group) Ltd	8076		16.67	0.40
SYSCAN Technology Holdings Ltd	8083	10.00		0.44
T S Telecom Technologies Ltd	8003	10.17		0.325
TeleEye Holdings Ltd	8051		11.86	0.26
Union Bridge Holdings Ltd	8047	12.36		0.50
Vodatel Networks Holdings Ltd	8033	37.04		0.37
WLS Holdings Ltd	8021	11.76		0.247

Yuxing InfoTech Holdings Ltd	8005	13.20		4.03
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Over in The Land of The Rising Sun, trading was relatively quiet on the country's 3 equity markets.

On The Tokyo Stock Exchange, The TOPIX Index gained about 0.49 percent, rising to 1,704.08 points.

Advancing counters were ahead of declining ones by the ratio of about 1.83:One.

The Nikkei-225 Stock Average ended the day at 17,705.12 yen, representing a gain of about 0.14 percent.

This was how the key indices of other Asian equity markets closed, last Wednesday:

The HKSAR	Hang Seng Index Minus 0.22 percent to 20,798.97 The Growth Enterprise Index Plus 0.73 percent to 1,557.14
Indonesia	Plus 1.23 percent to 2,104.25
Japan	TOPIX Index Plus 0.49 percent to 1,740.08 Nikkei-225 Stock Average Plus 0.14 percent to 17,705.12
Malaysia	Minus 0.92 percent to 1,354.98
The Philippines	Minus 1.10 percent to 3,466.56
Singapore	Plus 0.54 percent to 3,559.01
South Korea	Plus 0.23 percent to 1,646.59
Taiwan 8,221.78	Plus 0.40 percent to
Thailand	Minus 0.21 percent to 731.22

### **Thursday**

The remarks, made by the former Chairman of the US Federal Reserve, Dr Alan Greenspan, with regard the bubbling equity markets of the People's Republic of China (PRC), certainly had an impact on equity markets, around the world, last Thursday. (Please see Wednesday's report).

Dr Alan Greenspan is predicting, inter alia, '*a dramatic correction*' with regard to the key indices of the PRC's equity markets.

On Wall Street, last Thursday, sellers were out in force.

On The New York Stock Exchange, the Dow Jones Industrial Average lost about 0.97 percent of its value, ending the trading day at 13,441.13 points.

For The Dow, it was the fourth, consecutive day of losses.

Over on The NASDAQ, its Composite Index was forced to give up about 1.52 percent of its value, falling back to 2,537.92 points.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in July was \$US64.18, down about 2.42 percent on Wednesday's closing level.

As for August delivery, the last settlement for a barrel of light sweet crude oil came in at \$US65.63, off about 2.07 percent, compared with Wednesday's last settlement.

In Europe, as is its wont, every key index of every major bourse of the region fell to considerably lower levels, mostly in response to the utterances of Dr Alan Greenspan and investors, tracking the bearish trend of Wall Street:

Amsterdam's AEX Index	Minus 1.03 percent
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France's CAC 40 Index	Minus 1.17 percent
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Germany's Frankfurt XETRA DAX Index	Minus 0.49 percent
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Great Britain's FTSE 100 Index	Minus 0.77 percent
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Italy's MIBTEL Index	Minus 1.27 percent
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Switzerland's Swiss Market Index	Minus 0.86 percent
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Exciting acquisition-and-merger talks were still thought to be in the pipeline, but investors in Europe knew full well that they could come to a screeching halt in the event of a major equity market sell-off, internationally.

In Asia, the key indices of the most-important equity markets lost material amounts of their respective values.

The 2 stock markets of the Hongkong Special Administrative Region (HKSAR) of the PRC were closed in order to commemorate the birth of Buddha.

On The Tokyo Stock Exchange, the key index of this market, which is the largest and most-important in Asia, lost about 0.11 percent of its former glory as The TOPIX Index ended the trading day at 1,738.11 points.

The ratio of losing counters to gaining ones was about 1.79:One.

The Nikkei-225 Stock Average shed about 0.05 percent of its value, falling back to 17,696.97 yen.

#### News Wise

- **Japan's trade surplus** for April was about 926.70 billion yen, The Finance Ministry announced. That figure represented a 51.80-percent increase, Year-On-Year;
- **Fujiya Company** suffered a Loss Attributable to Shareholders of about 8 billion yen for its Financial Year, ended March 31, 2007. In the 2006-Year, the company suffered a Loss Attributable to



Shareholders of about 1.80 billion yen; and,

- **Japan Airlines Corporation** is reported to have asked its creditor banks to purchase about 400-billion-yen worth of its Preferred Shares in order to bolster the airline's capital base, according to usually reliable sources in Tokyo. In short, Japan's leading airline is desirous of instituting a debt-equity swap.

And this was the way that things looked on other Asian equity markets, last Thursday:

The HKSAR	Hang Seng Index Closed The Growth Enterprise Index Closed
Indonesia	Minus 1.22 percent to 2,078.61
Japan	TOPIX Index Minus 0.11 percent to 1,738.11 Nikkei-225 Stock Average Minus 0.05 percent to 17,696.97
Malaysia	Minus 1.03 percent to 1,340.98
The Philippines	Plus 0.12 percent to 3,470.77
Singapore	Minus 0.81 percent to 3,530.26
South Korea	Closed
Taiwan	Minus 0.07 percent to 8,216.41
Thailand	Minus 1.44 percent to 720.72

### **Friday**

Most equity markets, throughout the world, sagged, last Friday, following on from the scale of the sell-off on Wall Street on Thursday.

But, in The Land of The Free and The Home of The Brave, on the eve of the long, Memorial Day weekend – Memorial Day commemorates those Americans who lost their lives in past wars – things picked up a mite on Wall Street.

The Dow Jones Industrial Average, the key index of The New York Stock Exchange, rose about 0.49 percent, ending the week's trading at 13,507.28 points.

As for The NASDAQ, it rose about 0.76 percent to 2,557.19 points.

Trading was relatively light on the world's largest equity markets.

Things had not changed appreciably between Thursday and Friday, but investors in the US, probably, took the view that Thursday's sell-off had been a little overdone.

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

The Dow Jones Industrial Average Minus 0.36 percent

The NASDAQ's Composite Index Minus 0.05 percent

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in July was \$HK65.20, representing an increase of about 1.59 percent on the closing figure of Thursday.

As for delivery in August, the last settlement was \$US66.52 per barrel of light sweet crude oil, down about 1.36 percent on Thursday's last settlement.

In Europe, investors continued to ponder the statements of the former Chairman of the US Federal Reserve, Dr Alan Greenspan (Please see the reports of Wednesday and Thursday) in respect of the bubble on the equity markets of the People's Republic of China (PRC), plus continuing to smart from the drubbing, received on Thursday on all of Europe's equity markets.

Major European equity markets vacillated, for the most part, last Friday, but ended the day in the red.

The following is **TARGET**'s list of the closing levels of the key indices of the major European bourses, last Friday night:

Amsterdam's AEX Index Minus 0.09 percent

France's CAC 40 Index Plus 0.15 percent

Germany's Frankfurt XETRA DAX Index Plus 0.54 percent

Great Britain's FTSE 100 Index Plus 0.07 percent

Italy's MIBTEL Index Plus 0.05 percent

Switzerland's Swiss Market Index Plus 0.25 percent

In Asia, it was losers, all the way, on the most-important equity markets.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, the territory's 2 equity markets suffered losses to their key indices, with the premier market, suffering the most.

The Hang Seng Index, which is the key gauge to trading in blue chips, listed on the Main Board of The Stock Exchange of Hongkong Ltd, gave up about 1.34 percent of its value, ending the trading day at 20,520.66 points.

The Total Turnover was about \$HK67.98 billion.

The ratio of losing counters to gaining ones was about 2.86:One.

The Ten Most Actives were:

China Life Insurance Company Ltd (Code:  
2628)

Down 2.93 percent to \$HK24.85 per share

China Mobile Ltd (Code: 941)	Down 1.90 percent to \$HK72.15 per share
Belle International Holdings Ltd (Code: 1880)	Down 2.70 percent to \$HK7.92 per share
HSBC Holdings plc (Code: 5)	Down 0.35 percent to \$HK144.30 per share
PetroChina Company Ltd (Code: 857)	Down 1.96 percent to \$HK10.02 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 1.91 percent to \$HK4.11 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 1.49 percent to \$HK7.95 per share
China Construction Bank Corporation (Code: 939)	Down 1.46 percent to \$HK4.71 per share
CNOOC Ltd (Code: 883)	Down 2.29 percent to \$HK7.26 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.92 percent to \$HK75.45 per share

There were 62, double-digit movers on the Main Board, last Friday, with only 2 of their number, losing material ground.

Hongkong Pharmaceutical Holdings Ltd (Code: 182) turned out to be the biggest loser of the day, dropping back by about 10.47 percent to 77 cents per share.

The biggest gainer of the day was Wonson International Holdings Ltd (Code: 651), the share price of which rose 46.08 percent to \$HK1.49.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index shed about 0.27 percent, coming to rest at 1,552.99 points by the close of the day.

The Total Turnover on this speculative market was about \$HK1.19 billion.

Declining counters outnumbered advancing ones by the ratio of about 1.22:One.

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

Xteam Software International Ltd (Code: 8178)	Up 18.06 percent to \$HK0.85 per share
Trasy Gold Ex Ltd (Code: 8063)	Up 1030.00 percent to \$HK0.147 per share
Proactive Technology Holdings Ltd (Code: 8089)	Up 7.66 percent to \$HK11.80 per share
DeTeam Company Ltd (Code: 8112)	Up 20.11 percent to \$HK2.15 per share

China Primary Resources Holdings Ltd (Code:  
8117)

Up 7.46 percent to \$HK0.36 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>
Asian Capital Resources (Holdings) Ltd	8025	41.67		0.425
Advanced Card Systems Holdings Ltd	8210	25.49		0.32
Armitage Technologies Holding Ltd	8213	18.92		0.22
Capinfo Company Ltd	8157	15.00		0.46
Shanxi Changcheng Microlight Equipment Company Ltd	8286	21.13		0.86
China Vanguard Group Ltd	8156	11.11		0.50
DeTeam Company Ltd	8112	20.11		2.15
Glory Mark Hi-Tech (Holdings) Ltd	8159		10.81	0.33
IIN International Ltd	8128	13.33		0.187
Shenzhen Mingwah Aohan High Technology Corporation Ltd	8301	13.79		0.33
North Asia Strategic Holdings Ltd	8080	22.00		1.22
Netel Technology (Holdings) Ltd	8256	24.39		0.255
Powerleader Science and Technology Company Ltd	8236	11.11		0.55
Shanghai Donghua Petrochemical Company Ltd	8251	13.19		0.163
South China Land Ltd	8155		11.83	0.41
Tianjin TEDA Biomedical Engineering	8189		13.54	0.415

Company Ltd				
Tiger Tech Holdings Ltd	8046	54.90		0.79
Trasy Gold Ex Ltd	8063	1030.00		0.147
Vodatel Networks Holdings Ltd	8033		10.81	0.33
WLS Holdings Ltd	8021	11.34		0.275
Xteam Software International Ltd	8178	18.06		0.85
Yuxing InfoTech Holdings Ltd	8005	10.92		4.47
Zhejiang Prospect Company Ltd	8273	10.64		1.04

The tally for the 4-day trading week for the second-largest equity market of Asia was:

The Hang Seng Index Minus 1.84 percent  
The Growth Enterprise Index Plus 2.23 percent

The sell-off on the equity markets of Japan, last Friday, was pronounced – and brutal.

On The Tokyo Stock Exchange, its TOPIX Index gave up about 1.30 percent, ending the week at 1,715.54 points.

But the ratio of gainers to losers was telling, at about 5.86:One.

The Nikkei-225 Stock Average ended the week at 17,481.21 yen, a fall of about 1.22 percent on Thursday's close.

The tally for Asia's largest and most-important equity market was:

The TOPIX Index Plus 1.17 percent  
The Nikkei-225 Stock Average Plus 0.47 percent

And, on other Asian equity markets, this was how their respective key indices fared on the last day of trading for the week, ended May 25, 2007:

The HKSAR	Hang Seng Index Minus 1.34 percent to 20,520.66 The Growth Enterprise Index Minus 0.27 percent to 1,552.99
Indonesia	Minus 0.87 percent to 2,060.43
Japan	TOPIX Index Minus 1.30 percent to 1,715.54 Nikkei-225 Stock Average Minus 1.22 percent to 17,481.21

Malaysia	Minus 0.14 percent to 1,339.08
The Philippines	Minus 0.84 percent to 3,441.76
Singapore	Minus 1.24 percent to 3,486.63
South Korea	Minus 0.12 percent to 1,644.56
Taiwan	Minus 0.69 percent to 8,159.97
Thailand	Minus 0.22 percent to 719.14

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