

**U.S. CONSUMER SPENDING SUCKS, BUT WHO IS PAYING ATTENTION ?****Major International Equity Markets Ride The Waves**

Looking for a leaf onto which to cling, investors, selectively, picked up stocks and shares on major US equity markets, last Monday, but the mild buying spree failed to move key indices very far.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 38.29 points, equivalent to about 0.28 percent, rising to 13,649.97 points.

Over on The NASDAQ, its Composite Index managed a gain of 3.51 points, which was an increase of about 0.13 percent, compared with the closing level of Friday, July 6, 2007, as investors nudged it to 2,670.02 points.

Trading was described as being moderate on both of the world's largest equity markets, with gainers and losers, being almost One:One.

One was reminded of the adage that a market which cannot rise must fall.

On The New York Mercantile Exchange (NYMEX), the price of crude oil started to slip, contrary to the expectations of many people.

For delivery in August, the last settlement for a barrel of light sweet crude oil came in at \$US72.19, representing a fall of about 0.85 percent, compared with the final quote of Friday, July 6, 2007.

As for September delivery, the last settlement for a barrel of light sweet crude oil was \$US72.61, equivalent to a fall of about 0.74 percent on the last settlement of the previous Friday.

In Europe, last Monday, it was winners, all the way, but the gains were, as with US equity markets, of a fractional nature, only.

Oil was the '*thing*' on major European bourses, as everybody and the house cat were betting on the price of crude oil, rising to \$US80 per barrel and more.

This was how the key indices of the major European bourses ended their respective trading days, last Monday:

Amsterdam's AEX Index	Plus	0.43 percent
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France's CAC 40 Index	Plus	0.03 percent
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Germany's Frankfurt XETRA DAX Index	Plus	0.36 percent
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Great Britain's FTSE 100 Index	Plus	0.33 percent
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Italy's MIBTEL Index	Plus	0.59 percent
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Switzerland's Swiss Market Index    Plus    0.35 percent

### News Wise

- Higher interest rates are taking their toll of house prices in the **United Kingdom (UK)**, it seems. **Bovis Homes**, a major UK builder of homes, reported that fewer prospective buyers had been visiting their show homes and making reservations to view the company's wares. The share price of Bovis fell about 6 percent, last Monday.

On Asian equity markets, with the lone exception of the stock market of The Philippines, all of the equity markets made healthy gains.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the territory's 2 equity markets managed to record material improvements in the value of their key indices in the wake of a continued rebound in the key indices of The Shanghai Stock Exchange and The Shenzhen Stock Exchange. (Please see list below).

The Main Board of The Stock Exchange of Hongkong Ltd recorded a Total Turnover of about \$HK102.71 billion.

The key index of this market, known as The Hang Seng Index, rose about 1.27 percent to 22,817.43 points.

The ratio of advancing counters to declining ones was about 3.89:One.

The Ten Most Active counters, all of which were gainers, by the way, were:

China Life Insurance Company Ltd (Code: 2628)	Up 6.26 percent to \$HK30.55 per share
Hutchison Whampoa Ltd (Code: 13)	Up 4.10 percent to \$HK86.40 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 2.60 percent to \$HK4.73 per share
China Mobile Ltd (Code: 941)	Up 0.64 percent to \$HK87.00 per share
Bank of China Ltd (Code: 3988)	Up 2.50 percent to \$HK4.10 per share
HSBC Holdings plc (Code: 5)	Up 0.35 percent to \$HK145.00 per share
China Construction Bank Corporation (Code: 939)	Up 0.68 percent to \$HK5.89 per share
PetroChina Company Ltd (Code: 857)	Up 1.97 percent to \$HK12.44 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 7.18 percent to \$HK135.90 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.91 percent to \$HK111.20 per share

As for the Main Board's biggest movers of the day, there was a total of 46 counters whose share prices moved 10 percent or more.

Of that number, the share price of 39 counters rose while the share prices of the remaining 7 counters fell.

Graneagle Holdings Ltd (Code: 147) was the biggest gainer of the day as investors pushed up its share price by 51.28 percent to \$HK1.18.

Fufeng Group Ltd (Code: 546) turned out to be the biggest loser of the day, with its share price, falling 19.79 percent to \$HK1.50.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index rose about 0.47 percent to 1,709.04 points.

The Total Turnover on this market was about \$HK1.25 billion.

The ratio of gaining counters to losing ones was about 1.30:One.

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

Trasy Gold Ex Ltd (Code: 8063)

Up 15.79 percent to \$HK0.33 per share

Proactive Technology Holdings Ltd (Code:  
8089)

Up 3.75 percent to \$HK16.60 per share

B M Intelligence International Ltd (Code: 8158)

Up 20.47 percent to \$HK2.06 per share

Kanstar Environmental Paper Products Holdings  
Ltd (Code: 8011)

Down 2.11 percent to \$HK0.465 per share

Medical China Ltd (Code: 8186)

Up 17.14 percent to \$HK0.82 per share

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

<b>Name of Company</b>	<b>Code</b>	<b>Increase (%)</b>	<b>Decrease (%)</b>	<b>Closing Price (\$HK)</b>
BIG Media Group Ltd	8167	21.74		0.42
B M Intelligence International Ltd	8158	20.47		2.06
China Chief Cable TV Group Ltd	8153	31.76		2.24
China Leason Investment Group Company Ltd	8270	14.50		1.50
Shenzhen Dongjiang Environmental Company Ltd	8230	14.58		5.50
Enviro Energy International Holdings Ltd	8182	13.33		3.40

Era Information and Entertainment Ltd	8043		12.28	0.50
Espco Technology Holdings Ltd	8299	10.96		0.81
FAVA International Holdings Ltd	8108	17.79		2.45
Glory Future Group Ltd	8071	14.92		2.85
Golife Concepts Holdings Ltd	8172	13.14		0.198
Inspur International Ltd	8141	10.61		0.73
Jessica Publications Ltd	8137	20.00		0.60
Medical China Ltd	8186	17.14		0.82
Netel Technology (Holdings) Ltd	8256	10.53		0.42
Shaanxi Northwest New Technology Industry Company Ltd	8258	15.00		0.46
TeleEye Holdings Ltd	8051	13.11		0.345
Trasy Gold Ex Ltd	8063	15.79		0.33
Union Bridge Holdings Ltd	8047	11.32		0.59
Venturepharm Laboratories Ltd	8225	18.06		0.85

In Japan, all of the country's 3 equity markets managed to make reasonable gains, also.

On The Tokyo Stock Exchange, which is the premier equity market of the country, its TOPIX Index rose 12.65 points, equivalent to about 0.71 percent, coming to rest at 1,792.23 points.

The ratio of gaining counters to losing ones was about 2.44:One.

As for The Nikkei-225 Stock Average, which is a narrow gauge of trading on select blue chips, listed on the First Section of The Tokyo Stock Exchange, it gained 121.04 yen, or about 0.67 percent, ending the trading day at 18,261.98 yen.

For The Nikkei-225 Stock Average, last Monday's closing level represented a 7-year high.

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

The HKSAR	Hang Seng Index Plus 1.28 percent to 22,817.38 The Growth Enterprise Index
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	Plus 0.47 percent to 1,709.04
Indonesia	Plus 1.99 percent to 2,271.34
Japan	TOPIX Index Plus 0.71 percent to 1,792.23 Nikkei-225 Stock Average Plus 0.67 percent to 18,261.98
Malaysia	Plus 0.35 percent to 1,378.69
The Philippines	Minus 0.39 percent to 3,744.05
The PRC	Shanghai Composite Index Plus 2.69 percent to 3,883.22 Shenzhen Composite Index Plus 3.23 percent to 1,100.61
Singapore	Plus 1.82 percent to 3,626.72
South Korea	Plus 1.21 percent to 1,883.59
Taiwan	Plus 1.98 percent to 9,369.84
Thailand	Plus 1.42 percent to 844.19

## **Tuesday**

Share prices tumbled on US equity markets, last Tuesday, as it became very apparent that the housing market is biting, deeply, into the world's largest economy.

On The New York Stock Exchange, the Dow Jones Industrial Average tumbled 148.27 points, equivalent to about 1.09 percent, ending the hectic trading day at 13,501.70 points.

Over on The (tech-laden) NASDAQ, its Composite Index shed 30.86 points, or about 1.16 percent, falling back to 2,639.16 points.

What undermined confidence in trading in stocks and shares in the US, last Tuesday, was multiple reports, indicating, definitively, that the problems at the US housing market are escalating and are affecting all manner of industries, from plywood producers to banks.

Also, it was reported that mortgage defaults and delinquencies in the subprime, mortgage-lending industry are rising, smartly.

One survey company announced that, as far as it was concerned, it was thinking of cutting its rating on about \$US12 billion-worth of subprime-related debts.

As one could expect, the share prices of banks and financial companies dropped smartly as soon as the news was made known.

The Dow Jones US Home Construction Index shed about 3.10 percent of its value to hit its lowest level since October 2003.

The ratio of losing counters to gaining ones was about 3.25:One on The New York Stock Exchange and about 2.75:One on The NASDAQ.

### News Wise

- One of the largest retailers in the US of home-improvement goods and materials, **Home Depot Incorporated**, announced that it had cut its earnings outlook for 2007 to between 15 percent and 18 percent, compared with its results for the 2006 Financial Year. It blamed the lower, revised earning's forecast on the weak housing industry.

With Wall Street in full retreat, major bourses in Europe followed suit as the following **TARGET** () list of the most-important bourses illustrates:

Amsterdam's AEX Index	Minus 0.44 percent
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France's CAC 40 Index	Minus 1.39 percent
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Germany's Frankfurt XETRA DAX Index	Minus 1.39 percent
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Great Britain's FTSE 100 Index	Minus 1.21 percent
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Italy's MIBTEL Index	Minus 1.04 percent
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Switzerland's Swiss Market Index	Minus 0.51 percent
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The US marketplace is, still, Europe's biggest customer for many of its goods and services so that, if the US is in trouble, so is Europe.

Sales of high-end products, manufactured in this part of the world, it was speculated, could well suffer along with every other manufacturer from wherever, which relies on the buying power of the US consumer.

On The **New York Mercantile Exchange** (NYMEX), the price of crude oil recovered most of the losses of Monday.

For delivery in August, the last settlement for a barrel of light sweet crude oil was \$HK72.81, representing an improvement of about 0.86 percent, compared with Monday's closing quote.

As for September delivery, the last settlement for a barrel of light sweet crude oil came in at \$US73.19, an increase of about 0.80 percent on Monday's last settlement.

In Asia, sagging key indices of The Shanghai Composite Index and The Shenzhen Composite Index set the stage for more losses, throughout Asia. (Please see table below)

And it looked likely that there could be more falls in the key indices of the most-important equity markets of Asia before the week was out.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key index of the premier equity market managed a fractional gain, while, on the speculative equity market, its lone index lost ground.

The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, rose 0.30 percent, exactly, to end the trading day at 22,855.84 points.

The Total Turnover was about \$HK108.99 billion.

Advancing counters were ahead of declining ones by exactly 1.50:One.

The Ten Most Active counters were:

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

Up 5.07 percent to \$HK4.97 per share

Bank of China Ltd (Code: 3988)

Up 6.59 percent to \$HK4.37 per share

China Life Insurance Company Ltd (Code:  
2628)

Up 0.65 percent to \$HK30.75 per share

HSBC Holdings plc (Code: 5)

Up 0.21 percent to \$HK145.30 per share

ANTA Sports Products Ltd (Code: 2020)

\$HK7.50 per share\*

China Mobile Ltd (Code: 941)

Down 0.57 percent to \$HK86.50 per share

Bank of Communications Company Ltd (Code:  
3328)

Up 3.15 percent to \$HK8.84 per share

China Construction Bank Corporation (Code:  
939)

Up 1.87 percent to \$HK6.00 per share

Hutchison Whampoa Ltd (Code: 13)

Down 0.52 percent to \$HK85.95 per share

China Merchants Bank Company Ltd (Code:  
3968)

Up 7.21 percent to \$HK28.25 per share

\*First Day of Trading

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

<b>Name of Company</b>	<b>Code</b>	<b>Increase (%)</b>	<b>Decrease (%)</b>	<b>Closing Price (\$HK)</b>
BEP International Holdings Ltd	2326	13.92		2.21
Build King Holdings Ltd	240	10.91		0.61
Burwill Holdings Ltd	24		10.50	1.96

China Power New Energy Development Company Ltd	735	22.47		1.09
Chanco International Group Ltd	264		11.11	0.80
China Best Group Holding Ltd	370	14.29		0.216
China Elegance (Holdings) Ltd	476	73.74		0.86
Good Friend International Holdings Incorporated	2398	19.00		5.95
Guangdong Tannery Ltd	1058	12.59		1.61
Hongkong Pharmaceutical Holdings Ltd	182	16.67		0.98
HKC (Holdings) Ltd	190	10.47		2.85
Honesty Treasure International Holdings Ltd	600		27.27	0.56
Innovo Leisure Recreation Holdings Ltd	703		64.98	0.76
Jade Dynasty Group Ltd	970	11.43		0.78
Mayer Holdings Ltd	1116	18.18		0.78
Nanyang Holdings Ltd	212	10.09		24.00
PacMOS Technologies Holdings Ltd	1010	29.03		1.20
Peaktop International Holdings Ltd	925	33.33		0.48
Pearl River Tyre (Holdings) Ltd	1187		14.29	1.80
PME Group Ltd	379		13.28	3.20
Shandong Molong Petroleum Machinery Company Ltd	568	18.99		2.13
Sino Gas Group Ltd	260	11.32		0.59



Sino-Tech International Holdings Ltd	724	10.17		3.79
United Metals Holdings Ltd	2302	14.67		0.86
United Pacific Industries Ltd	176		11.76	0.60
Venture International Investment Holdings Ltd	61	11.11		0.70
Vital BioTech Holdings Ltd	1164	12.79		0.485
XPress Group Ltd	185	11.76		0.38

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, however, it was a vastly different story to that, being told on the Main Board.

The Growth Enterprise Index shed about 0.60 percent of its value, dropping back to 1,698.72 points.

The Total Turnover was about \$HK1.67 billion.

The ratio of losing counters to gaining ones was about 1.54:One.

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

MP Logistics International Holdings Ltd (Code: 8239)

Up 27.78 percent to \$HK1.61 per share

Trasy Gold Ex Ltd (Code: 8063)

Up 28.79 percent to \$HK0.425 per share

DeTeam Company Ltd (Code: 8112)

Up 7.66 percent to \$HK2.39 per share

Phoenix Satellite Television Holdings Ltd (Code: 8002)

Down 2.50 percent to \$HK1.95 per share

B M Intelligence International Ltd (Code: 8158)

Down 0.97 percent to \$HK2.04 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
A and K Educational Software Holdings Ltd	8053	10.00		2.75
abc Multiactive Ltd	8131		10.53	0.255

China Leason Investment Group Company Ltd	8270	10.00		1.65
Enviro Energy International Holdings Ltd	8182		11.76	3.00
Era Information and Entertainment Ltd	8043		10.00	0.45
Espco Technology Holdings Ltd	8299	23.46		1.00
Excel Technology International Holdings Ltd	8048		10.77	0.232
FAVA International Holdings Ltd	8108	10.20		2.70
G.A. Holdings Ltd	8126	10.96		0.405
MP Logistics International Holdings Ltd	8239	27.78		1.61
South China Land Ltd	8155		11.11	0.40
TeleEye Holdings Ltd	8051		14.49	0.295
Trasy Gold Ex Ltd	8063	28.79		0.425

Trading on Japan's equity markets was quiet, last Tuesday.

On The Tokyo Stock Exchange, which is the premier equity market of the country, its TOPIX Index shed about 0.17 percent, slipping back to 1,789.20 points.

The Nikkei-225 Stock Average lost exactly 0.05 percent of its former value, ending the day at 18,252.67 yen.

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

The HKSAR	Hang Seng Index Plus 0.30 percent to 22,885.84 The Growth Enterprise Index Minus 0.60 percent to 1,698.72
Indonesia	Plus 0.49 percent to 2,282.38
Japan	TOPIX Index Minus 0.17 percent to 1,789.20 Nikkei-225 Stock Average Minus 0.05 percent to 18,252.67

Malaysia	Minus 0.53 percent to 1,371.45
The Philippines	Minus 0.62 percent to 3,720.96
The PRC	Shanghai Composite Index Minus 0.78 percent to 3,853.02 Shenzhen Composite Index Minus 2.23 percent to 1,076.10
Singapore	Minus 0.18 percent to 3,620.32
South Korea	Plus 0.58 percent to 1,894.53
Taiwan	Plus 0.16 percent to 9,384.73
Thailand	Plus 1.69 percent to 858.45

### Wednesday

Fears that the problems in the subprime mortgage market would escalate and, then, return to haunt the US economy for some time, spilling over into the High Street, in due course, frightened investors, locked into stocks and shares, listed on the world's largest equity markets.

Although the key indices of The New York Stock Exchange and The NASDAQ managed fractional gains, last Wednesday, the mild push was put down merely to the squaring of squaring books and covering shorts, in the main.

Some of Wall Street's largest debt agencies added another dimension to the subprime mortgage problems when it cut its ratings on tens of billions of US dollars of mortgages in the wake of higher-than-expected property delinquencies and foreclosures.

On The New York Stock Exchange, the Dow Jones Industrial Average rose about 0.56 percent to 13,577.87 points while, on The NASDAQ, its Composite Index managed a 0.48-percent gain, ending the trading day at 2,651.79 points.

The consensus, last Wednesday, was not when the subprime problems would spill over into stocks and shares, but to what degree those problems would erode the Bottom Lines of many a company, listed on equity markets of the US.

Certainly, the foreign-exchange markets were taking careful note of the situation with regard to the subprime mortgage market of the US, with the US dollar, continuing to sink against other 'hard' currency, hitting a 26-year low against sterling.

### News Wise

- **Motorola Incorporated**, the second-largest producer of mobile telephones in the world, has warned that its financial results for the second quarter would be a loss and that, for the remainder of the year, Management saw no chance of its mobile telephone business, being profitable.

In Europe, investors were jittery and, seeing what had happened on Wall Street on Tuesday, while noting what was taking place on international foreign-exchange markets with regard to the US dollar, they sold

stocks and shares on major bourses in the region:

Amsterdam's AEX Index                      Minus 0.25 percent

France's CAC 40 Index                      Minus 0.30 percent

Germany's Frankfurt XETRA DAX Index Minus 0.83 percent

Great Britain's FTSE 100 Index      Minus 0.23 percent

Italy's MIBTEL Index	Minus 0.45 percent
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Switzerland's Swiss Market Index Minus 0.36 percent

Once again, banking counters took the brunt of the selling pressure on major European bourses as investors pondered the probability of the woes in the US subprime, mortgage market, spilling over into Europe.

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

The last settlement for a barrel of light sweet crude oil for delivery in August was \$US72.56, down about 0.34 percent, compared the final quote of Tuesday.

For September delivery, the last settlement for a barrel of light sweet crude oil was \$US72.94, down 0.34 percent, also, on Tuesday's last settlement.

In Asia, most of the key indices of major equity markets ended in the red, last Wednesday.

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

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index gave up about 1.22 percent of its former value, falling back to 22,607.02 points.

The lion's share of the losses occurred in the 90-minute, afternoon trading session.

The Total Turnover was about \$HK100.90 billion.

The ratio of losing counters to gaining ones was about 2.72:One.

The Ten Most Active counters were:

Bank of China Ltd (Code: 3988)

Down 1.37 percent to \$HK4.31 per share

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

Down 2.01 percent to \$HK4.87 per share

HSBC Holdings plc (Code: 5)

Down 1.45 percent to \$HK143.20 per share

China Life Insurance Company Ltd (Code:  
2628)

Down 1.95 percent to \$HK30.15 per share

Bank of Communications Company Ltd (Code:  
3328)

Up 2.04 percent to \$HK9.02 per share

China Construction Bank Corporation (Code:  
939)

Down 2.50 percent to \$HK5.85 per share

Sinofert Holdings Ltd (Code: 297)

Down 6.23 percent to \$HK5.87 per share

China Mobile Ltd (Code: 941)

Down 0.69 percent to \$HK85.90 per share

PetroChina Company Ltd (Code: 857)

Down 1.61 percent to \$HK12.20 per share

Hongkong Exchanges and Clearing Ltd (Code:  
388)

Down 1.87 percent to \$HK131.10 per share

As for the Main Board'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>
ABC Communications (Holdings) Ltd	30	20.90		0.81
China Financial Industry Investment Fund Ltd	1227	32.28		2.50
Chun Wo Holdings Ltd	711	13.99		2.20
Concepta Investments Ltd	1140		12.16	0.65
Earnest Investments Holdings Ltd	339		13.00	0.87
Forefront International Holdings Ltd	885	37.93		0.80
Garron International Ltd	1226	19.57		1.65
Gay Giano International Group Ltd	686	30.48		2.74
Good Friend International Holdings Incorporated	2398	12.61		6.70
Grand Field Group Holdings Ltd	115	111.54		0.275
Greenfield Chemical Holdings Ltd	582		13.21	2.43

Honesty Treasure International Holdings Ltd	600		14.29	0.48
Innovo Leisure Recreation Holdings Ltd	2936		66.39	0.80
K and P International Holdings Ltd	675	12.50		0.45
National Electronics Holdings Ltd	213	12.28		0.64
Poly (Hongkong) Investments Ltd	119	16.48		5.16
Regent Manner International Holdings Ltd	1997	11.83		1.89
The Sincere Company Ltd	244	12.70		0.71
Skyworth Digital Holdings Ltd	751		22.66	0.99
Wang On Group Ltd	1222	12.64		0.49
Wang Sing International Holdings Group Ltd	2389	13.21		0.60
Water Oasis Group Ltd	1161	21.84		1.06
Winfoong International Ltd	63	10.17		0.65
Wonson International Holdings Ltd	2939	15.63		0.222
Xin Corporation Ltd	1141	17.65		1.20
Y.T. Realty Group Ltd	75	10.42		2.65

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shed about 0.14 percent, coming to rest at 1,696.33 points by the close of the day.

The Total Turnover on this speculative market was about \$HK1.64 billion.

Losing counters outpaced gaining ones by the ratio of about 1.28:One.

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

Trasy Gold Ex Ltd (Code: 8063)

Down 7.06 percent to \$HK0.395 per share

MP Logistics International Holdings Ltd (Code:  
8239)

Down 20.50 percent to \$HK1.28 per share

Value Convergence Holdings Ltd (Code: 8101)

Up 51.91 percent to \$HK3.57 per share

IIN International Ltd (Code: 8128)

Up 21.95 percent to \$HK0.50 per share

Kanstar Environmental Paper Products Holdings  
Ltd (Code: 8011)

Up 1.09 percent to \$HK0.465 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>
AKM Industrial Company Ltd	8298	18.97		0.345
Cardlink Technology Group Ltd	8066	12.50		0.36
EMER International Group Ltd	8149	12.65		3.83
Excel Technology International Holdings Ltd	8048	12.07		0.26
FAVA International Holdings Ltd	8108	12.59		3.04
Glory Future Group Ltd	8071	14.05		3.41
IIN International Ltd	8128	21.95		0.50
Jessica Publications Ltd	8137	12.31		0.73
Medical China Ltd	8186		10.13	0.71
MP Logistics International Holdings Ltd	8239		20.50	1.28
Prosperity International Holdings (Hongkong) Ltd	8139	18.81		1.20
Sonavox International Holdings Ltd	8226		10.00	0.45
TeleEye Holdings Ltd	8051	42.37		0.42

Value Convergence Holdings Ltd	8101	51.91		3.57
Venturepharm Laboratories Ltd	8225	11.90		0.94

In Japan, the key indices of the country's equity markets suffered a similar fate to most other stock markets of the region.

On The Tokyo Stock Exchange, its TOPIX Index gave up exactly 1.20 percent of its value, dropping back to 1,767.72 points.

The ratio of declining counters to advancing ones was about 5.26:One.

The Nikkei-225 Stock Average shed about 1.11 percent as investors pushed it down to 18,049.51 yen.

As with so many other exporters of the world, in Japan, as the US dollar weakens against the yen, so the cost to the country's exporters grows proportionately because, de facto, Japanese products become more expensive in terms of the greenback.

#### News Wise

- Japan's **Current Account Surplus** for the month of May widened 31.10 percent, Year-On-Year, The Finance Ministry announced;
- **Wholesale inflation** rose in June due to higher prices of oil and other commodities, The Bank of Japan released. Food and packaging companies, caught in the squeeze of higher, raw-material prices, have passed on the increased costs to customers;
- **Consumer confidence** in Japan fell, during the month of June, compared with May, hitting a 30-year low, according to The Cabinet Office; and,
- Year-On-Year, corporate **bankruptcies** in Japan rose by about 32.40 percent in June. It was the 9<sup>th</sup> consecutive month on increases in corporate failures.

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

The HKSAR	Hang Seng Index Minus 1.22 percent to 22,607.02 The Growth Enterprise Index Minus 0.14 percent to 1,696.33
Indonesia	Minus 0.39 percent to 2,273.42
Japan	TOPIX Index Minus 1.20 percent to 1,767.72 Nikkei-225 Stock Average Minus 1.11 percent to 18,049.51
Malaysia	Minus 0.89 percent to 1,359.27
The Philippines	Minus 0.45 percent to 3,704.22
The PRC	Shanghai Composite Index Plus 0.33 percent to 3,865.72 Shenzhen Composite Index



	Plus 0.94 percent to 1,086.24
Singapore	Minus 0.70 percent to 3,594.94
South Korea	Minus 0.24 percent to 1,889.96
Taiwan	Minus 1.00 percent to 9,290.95
Thailand	Minus 1.42 percent to 846.28

### **Thursday**

The problems of yesterday appeared to have been completely forgotten, last Friday, as investors, locked into the world's largest equity markets, returned in waves.

Naturally, the gurus of Wall Street gave all kinds of reasons for the booming stock markets of the US, but, in reality, the problems, made only too apparent, earlier in the week, had not gone away: The subprime mortgage meltdown persisted; the housing slump was continuing to escalate; and, the US dollar was continuing to be under pressure, internationally.

On The New York Stock Exchange, last Thursday, the Dow Jones Industrial Average rose 283.86 points, equivalent to about 2.09 percent, rising to 13,861.73 points.

The Composite Index of The NASDAQ rose 49.94 points, or about 1.88 percent, ending the trading day at 2,701.73 points.

What a difference a day makes!

On the foreign-exchange markets of the world, the value of the US dollar against other '*hard*' currencies continued to be eroded.

Against the euro, the US dollar's translation value fell to \$US1.3782; against the British pound, it fell to \$US2.0297.

On European equity markets, investors quickly jumped aboard the fast-moving, Wall Street '*bus*', pushing up the key indices of the most-important bourses, very materially, as the following **TARGET** table illustrates:

Amsterdam's AEX Index	Plus	1.18 percent
France's CAC 40 Index	Plus	1.69 percent
Germany's Frankfurt XETRA DAX Index	Plus	1.96 percent
Great Britain's FTSE 100 Index	Plus	1.24 percent
Italy's MIBTEL Index	Plus	0.84 percent
Switzerland's Swiss Market Index	Plus	0.37 percent

As with Wall Street, the concerns of yesterday still remained, but memories are short when there is money to be earned – even one-day profits are not to be sneered at.

On The New York Mercantile Exchange (NYMEX), the price of crude oil barely moved, during the entire trading day.

The last settlement for a barrel of light sweet crude oil for delivery in August was \$US72.50, down about 0.08 percent on Wednesday's closing level.

As for delivery in September, the last settlement for a barrel of light sweet crude oil was \$US72.87, representing a fall of about one tenth of a percentage point, compared with the last settlement of Wednesday.

In Asia, the general trend was bullish, but there were a few laggards, also.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors continued to be somewhat cautious when it came to trading in stocks and shares.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index rose about 0.89 percent to 22,809.02 points on a Total Turnover of about \$HK91.41 billion.

The ratio of gainers to losers was about 1.08:One.

The Ten Most Actives were:

China Mobile Ltd (Code: 941)	Up 3.67 percent to \$HK89.05 per share
China Life Insurance Company Ltd (Code: 2628)	Up 1.00 percent to \$HK30.45 per share
Bank of China Ltd (Code: 3988)	Down 2.32 percent to \$HK4.21 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 2.46 percent to \$HK4.75 per share
HSBC Holdings plc (Code: 5)	Up 0.35 percent to \$HK143.70 per share
Bank of Communications Company Ltd (Code: 3328)	Up 1.00 percent to \$HK9.11 per share
New World Department Store China Ltd (Code: 825)	\$HK5.95 per share*
China Construction Bank Corporation (Code: 939)	Down 0.85 percent to \$HK5.80 per share
China Communications Construction Company Ltd (Code: 1800)	Down 3.96 percent to \$HK16.48 per share
PetroChina Company Ltd (Code: 857)	Up 0.66 percent to \$HK12.28 per share

**\*First Day of Trading**

The biggest movers of the Main Board numbered 35 counters, in all.

Only 6 of those counters lost ground while the managements of the remaining 29, double-digit movers of the day saw their respective share prices rise by 10 percent or more.

The biggest mover of the day was Applied Development Holdings Ltd (Code: 519) as investors drove up its share price by 75.44 percent to \$HK1.00.

The biggest loser of the day was Innovo Leisure Recreation Holdings Ltd (Code: 703), the share price of which fell 27.85 percent to 57 cents.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, it was a slightly different story to that, being told on the Main Board.

The Growth Enterprise Index shed about 0.27 percent of its value, slipping back to 1,691.71 points.

The Total Turnover was about \$HK1.77 billion, while the ratio of advancing counters to declining ones was about 1.07:One.

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

Enviro Energy International Holdings Ltd (Code:  
8182)

Up 1.67 percent to \$HK3.05 per share

MP Logistics International Holdings Ltd (Code:  
8239)

Up 6.25 percent to \$HK1.36 per share

Trasy Gold Ex Ltd (Code: 8063)

Down 2.53 percent to \$HK0.385 per share

Tiger Tech Holdings Ltd (Code: 8046)

Up 28.98 percent to \$HK2.27 per share

Value Convergence Holdings Ltd (Code: 8101)

Up 31.09 percent to \$HK4.68 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>
BIG Media Group Ltd	8167	21.28		0.57
Byford International Ltd	8272	12.00		0.56
Espco Technology Holdings Ltd	8299	15.24		1.21
Glory Future Group Ltd	8071	10.56		3.77

Linefan Technology Holdings Ltd	8166		11.76	0.30
Netel Technology (Holdings) Ltd	8256		11.11	0.40
Prosperity International Holdings (Hongkong) Ltd	8139	18.33		1.42
Recruit Holdings Ltd	8073	16.00		2.61
TeleEye Holdings Ltd	8051		10.71	0.375
Tiger Tech Holdings Ltd	8046	28.98		2.27
Value Convergence Holdings Ltd	8101	31.09		4.68

The equity markets of The Land of The Rising Sun were among the laggards of Asia, last Thursday.

On The Tokyo Stock Exchange, its TOPIX Index fell back by about 0.26 percent to 1,763.06 points.

The ratio of losing counters to gaining ones was about 1.60:One.

The Nikkei-225 Stock Average shed about 0.36 percent, ending the day at 17,984.14 yen.

As for the other equity markets of Asia, this was how their respective key indices closed, last Thursday night:

The HKSAR	Hang Seng Index Plus 0.89 percent to 22,809.02 The Growth Enterprise Index Minus 0.27 percent to 1,691.71
Indonesia	Plus 0.51 percent to 2,284.92
Japan	TOPIX Index Minus 0.26 percent to 1,763.06 Nikkei-225 Stock Average Minus 0.36 percent to 17,984.14
Malaysia	Plus 0.50 percent to 1,366.02
The Philippines	Plus 1.63 percent to 3,756.75
The PRC	Shanghai Composite Index Plus 1.30 percent to 3,915.99 Shenzhen Composite Index Plus 0.47 percent to 1,091.37

Singapore	Plus 0.82 percent to 3,624.56
South Korea	Plus 1.05 percent to 1,909.75
Taiwan	Plus 0.68 percent to 9,354.41
Thailand	Minus 0.28 percent to 843.87

### **Friday**

June's retail sales in the US experienced their biggest drop in about 2 years, according to the US Government's Commerce Department.

The continued fall-off in sales of homes in the US plus the increase in crude-oil prices were put down as the major reasons for rapidly declining consumer spending.

But Wall Street appeared to be blasé about the latest US Government statistics – it is said that, when the bulls are running, nothing stands in their way.

On The New York Stock Exchange, last Friday, the Dow Jones Industrial Average gained another one third of a percentage point, ending the week at 13,907.25 points.

The Composite Index of The NASDAQ did not fare as well as The Dow, rising only 0.20 percent to 2,707.00 points, exactly.

One factor that helped Wall Street, last Friday, was a very material increase in the price of crude oil.

For the week, the tally for the world's largest equity markets was:

The Dow Jones Industrial Average	Plus	2.17 percent
The Composite Index of The NASDAQ	Plus	1.52 percent

### **News Wise**

- **General Electric Company**, the world's largest company in terms of its market capitalisation, has decided to sell its interest in WMC Mortgage Incorporated, a California-based, subprime lender. General Electric bought into WMC Mortgage in 2004. WMC Mortgage, recently, sacked about 1,200 of its staff in order to cut costs.

In Europe, investors continued to stay aboard the Wall Street '*bus*' and, with the price of crude oil, continuing to rise, smartly, energy counters became the flavour of the day.

All of the key indices of the most-important bourses of the region recorded gains, albeit not as hefty as those of Thursday:

Amsterdam's AEX Index	Plus	0.14 percent
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France's CAC 40 Index	Plus	0.24 percent
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Germany's Frankfurt XETRA DAX Index	Plus	0.48 percent
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Great Britain's FTSE 100 Index      Plus    0.28 percent

Italy's MIBTEL Index                  Plus    0.24 percent

Switzerland's Swiss Market Index    Plus    0.14 percent

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in August was \$US73.93, up about 1.97 percent, compared with Thursday's closing level.

For delivery in September, the last settlement for a barrel of light sweet crude oil was \$US74.13, representing an increase of about 1.73 percent on the day.

In Asia, investors tended, by and large, to follow the lead of Wall Street's booming trading session of Thursday.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets benefitted from the bullish trend, internationally.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index gained another 1.27 percent, ending the week at 23,099.29 points.

The Total Turnover, however, slipped back to about \$HK80.44 billion.

The ratio of gainers to losers was about 1.79:One.

The Ten Most Active counters were:

China Mobile Ltd (Code: 941)

Up 3.26 percent to \$HK91.95 per share

China Life Insurance Company Ltd (Code: 2628)

Up 1.81 percent to \$HK31.00 per share

Bank of China Ltd (Code: 3988)

Down 0.24 percent to \$HK4.20 per share

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

Up 0.63 percent to \$HK4.78 per share

HSBC Holdings plc (Code: 5)

Up 0.49 percent to \$HK144.40 per share

PetroChina Company Ltd (Code: 857)

Up 0.98 percent to \$HK12.40 per share

China Construction Bank Corporation (Code: 939)

Up 1.38 percent to \$HK5.88 per share

China Communications Construction Company  
Ltd (Code: 1800)

Up 0.85 percent to \$HK16.62 per share

Hongkong Exchanges and Clearing Ltd (Code:  
388)

Up 0.68 percent to \$HK133.40 per share

CNOOC Ltd (Code: 883)

Up 1.52 percent to \$HK9.35 per share

As for the Main Board's double-digit 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>
Applied Development Holdings Ltd	519		18.00	0.82
China Financial Industry Investment Fund Ltd	1227	393.00		1.50
China Investment Fund Company Ltd	612	18.42		0.45
China Rich Holdings Ltd	1191	14.63		0.47
China Strategic Holdings Ltd	235	17.39		0.81
Ching Hing (Holdings) Ltd	692	42.50		0.57
Freeman Corporation Ltd	279	13.11		0.233
Gay Giano International Group Ltd	686	16.20		3.73
Herald Holdings Ltd	114	16.67		1.19
The Hongkong Parkview Group Ltd	207		15.04	1.13
Hongkong Pharmaceutical Holdings Ltd	182	20.00		1.14
Incutech Investments Ltd	356	17.65		1.60
Junefield Department Store Group Ltd	758	29.03		0.40
K and P International Holdings Ltd	675		14.44	0.385
Kenfair International (Holdings) Ltd	223	14.56		1.18
Kenford Group Holdings Ltd	464	12.73		0.62
Kwong Hing International Holdings (Bermuda) Ltd	1131	13.98		1.06
National Electronics Holdings Ltd	213	17.46		0.74

PacMOS Technologies Holdings Ltd	1010		20.00	1.00
Pak Tak International Ltd	2668		14.81	0.46
Regent Manner International Holdings Ltd	1997	13.45		2.70
Shun Cheong Holdings Ltd	650	19.75		0.97
Sino Technology Investments Company Ltd	1217	30.16		0.41
SPG Land (Holdings) Ltd	337	18.26		6.80
Wah Nam International Holdings Ltd	159	17.11		0.89
Wang Sing International Holdings Group Ltd	2389		11.86	0.52
Wonderful World Holdings Ltd	109	10.57		1.36
Yardway Group Ltd	646	10.61		0.73

On The **G**rowth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index rose about 1.43 percent to 1,715.88 points.

The Total Turnover on this speculative market was about \$HK1.60 billion.

The ratio of advancing counters to declining ones was about 1.37:One.

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

Trasy Gold Ex Ltd (Code: 8063)

Up 14.29 percent to \$HK0.44 per share

Proactive Technology Holdings Ltd (Code: 8089)

Up 3.88 percent to \$HK17.66 per share

MP Logistics International Holdings Ltd (Code:  
8239)

Up 0.47 percent to \$HK1.37 per share

Inno-Tech Holdings Ltd (Code: 8202)

Up 23.53 percent to \$HK1.05 per share

Xteam Software International Ltd (Code: 8178)

Up 9.68 percent to \$HK0.68 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>
BIG Media Group Ltd	8167	10.53		0.63
Changan Minsheng APLL Logistics Company Ltd	8217	24.49		5.54
DIGITALHONGKONG.COM	8007		10.89	0.90
Emperor Entertainment Group Ltd	8078	12.00		1.12
ePRO Ltd	8086	56.82		0.69
Inno-Tech Holdings Ltd	8202	23.53		1.05
Jessica Publications Ltd	8137	10.45		0.74
Long Success International (Holdings) Ltd	8017	23.29		0.90
New Universe International Group Ltd	8068		10.40	0.224
Sonavox International Holdings Ltd	8226	11.11		0.50
Tai Shing International (Holdings) Ltd	8103	10.67		0.83
TeleEye Holdings Ltd	8051	12.00		0.42
Trasy Gold Ex Ltd	8063	14.29		0.44
Value Convergence Holdings Ltd	8101	19.44		5.59
Venturepharm Laboratories Ltd	8225		14.89	0.80
WLS Holdings Ltd	8021	12.35		0.455

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

The Hang Seng Index      Plus      2.52 percent  
The Growth Enterprise Index Plus      0.87 percent

On The Tokyo Stock Exchange, for a change, its key indices made rapid gains.

The TOPIX Index rose about 1.14 percent to 1,783.20 points.

The ratio of gainers to losers was about 1.84:One.

The Nikkei-225 Stock Average advanced about 1.42 percent to 18,238.95 yen.

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

The TOPIX Index	Plus	0.20 percent
The Nikkei-225 Stock Average	Plus	0.54 percent

And this was how other Asian equity markets ended the week of July 13, 2007:

The HKSAR	Hang Seng Index Plus 1.27 percent to 23,099.29 The Growth Enterprise Index Plus 1.43 percent to 1,715.88
Indonesia	Plus 0.73 percent to 2,301.60
Japan	TOPIX Index Plus 1.14 percent to 1,783.20 Nikkei-225 Stock Average Plus 1.42 percent to 18,238.95
Malaysia	Plus 1.37 percent to 1,384.72
The Philippines	Plus 0.78 percent to 3,786.02
The PRC	Shanghai Composite Index Minus 0.04 percent to 3,914.40 Shenzhen Composite Index Minus 0.13 percent to 1,090.00
Singapore	Plus 0.83 percent to 3,654.61
South Korea	Plus 2.78 percent to 1,962.93
Taiwan	Plus 1.25 percent to 9,471.30
Thailand	Plus 1.81 percent to 859.14

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