

**DR BEN BERNANKE SPILLS THE BEANS:
THE U.S. ECONOMY IS IN TROUBLE (Just In Case You Did Not Know)**

Losing counters on the world's 2 largest and most-important equity markets outnumbered gaining ones by the ratio of about 2:One, last Monday, as US investors, once again, pondered the problems, facing the subprime mortgage market.

Against this, however, with the reporting season in full force, so to speak, many investors went back into select blue chips, such as United Technologies Corporation and The Boeing Company, in anticipation of forthcoming, company profits' announcements.

Fear and greed move markets and that will, always, be so, and last Monday, this was very evident.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 43.73 points, equivalent to about 0.31 percent, ending the trading day at 13,950.98 points.

The Composite Index of The NASDAQ, however, fell 9.67 points, or about 0.36 percent, dropping back to 2,697.33 points.

The situation on European equity markets was similar to that which had transpired on Wall Street with the added fillip that there was considerable excitement over the saga of ABN AMRO – The Royal Bank of Scotland, the latter-named bank, having returned to the takeover arena with another – and higher – bid for the Dutch, banking conglomerate.

As a result, banking counters turned out to be the flavour of the day on major European bourses.

Most of the gains, however, were small fractions.

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

Amsterdam's AEX Index	Plus	0.17 percent
France's CAC 40 Index	Plus	0.12 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.15 percent
Great Britain's FTSE 100 Index	Minus	0.28 percent
Italy's MIBTEL Index	Plus	0.08 percent
Switzerland's Swiss Market Index	Plus	0.41 percent

On the world's commodity exchanges, the price of crude oil rose, smartly, and, then, settled back, resulting

in small gains, being recorded at the end of the trading day.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in August rose about 0.30 percent to \$US74.15, compared with the last settlement of Friday, July 13, 2007.

Earlier in the day, the price threatened to top the record high of \$US78.65.

As for September delivery, the last settlement for a barrel of light sweet crude oil came in at \$US74.23, representing a gain of about 0.13 percent on the previous Friday's closing level.

In Asia, only red ink was used to pen in the closing figures of the territory's major equity markets.

The Japanese stock markets were closed, last Monday, for a national holiday.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the volume of activity on the premier equity market was relatively light as the key index moved, fractionally, to lower 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, ended the day at 22,953.94 points, down about 0.63 percent, compared with the closing level of the previous Friday.

The Total Turnover was about \$HK75.85 billion.

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

The Ten Most Active counters were:

Fosun International Ltd (Code: 656)	\$HK10.34 per share*
China Life Insurance Company Ltd (Code: 2628)	Down 0.81 percent to \$HK30.75 per share
China Mobile Ltd (Code: 941)	Down 0.82 percent to \$HK91.20 per share
HSBC Holdings plc (Code: 5)	Up 0.35 percent to \$HK144.90 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 2.22 percent to \$HK8.79 per share
China Communications Construction Company Ltd (Code: 1800)	Up 5.17 percent to \$HK17.48 per share
Bank of China Ltd (Code: 3988)	Down 2.14 percent to \$HK4.11 per share
China Coal Energy Company Ltd (Code: 1898)	Up 2.74 percent to \$HK14.98 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 1.88 percent to \$HK4.69 per share
China CITIC Bank Corporation Ltd (Code: 998)	Up 1.61 percent to \$HK6.30 per share

* First Day of Trading

As for the Main Board's double-digit movers of the day, there was a total of 43 counters that qualified for this honour, with the share prices of 36 counters, rising 10 percent or more, while the managements of the remaining 7 counters witnessed their market capitalisations fall by 10 percent or more.

Sino Technology Investments Company Ltd (Code: 1217) was the biggest gainer of the day as investors pushed up its share price by 73.17 percent to 71 cents.

Takson Holdings Ltd (Code: 918) had the distinction of being the biggest loser of the day, dropping back 22.73 percent to 68 cents.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index rose about 0.30 percent to close the day at 1,721.01 points.

The Total Turnover was about \$HK1.62 billion, with the ratio of declining counters to advancing ones, being about 1.06:One.

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

MP Logistics International Holdings Ltd (Code: 8239)	Up 14.60 percent to \$HK1.57 per share
Trasy Gold Ex Ltd (Code: 8063)	Up 1.14 percent to \$HK0.445 per share
DeTeam Company Ltd (Code: 8112)	Up 9.89 percent to \$HK3.00 per share
Value Convergence Holdings Ltd (Code: 8101)	Up 24.51 percent to \$HK6.96 per share
Inno-Tech Holdings Ltd (Code: 8202)	Up 8.57 percent to \$HK1.14 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
DIGITALHONGKONG.COM	8007	65.56		1.49
Golding Soft Ltd	8190	18.28		0.22
iMerchants Ltd	8009	14.66		1.33
Inno-Tech Holdings Ltd	8378	19.57		1.10
International Entertainment Corporation	8118	10.71		6.20
Long Success International (Holdings) Ltd	8017	20.00		1.08
MP Logistics International Holdings Ltd	8239	14.60		1.57

Sau San Tong Holdings Ltd	8200	26.76		0.27
Value Convergence Holdings Ltd	8101	24.51		6.96
Vodatel Networks Holdings Ltd	8033	10.00		0.33
Xteam Software International Ltd	8178	10.29		0.75

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

The HKSAR	Hang Seng Index Minus 0.63 percent to 22,953.94 The Growth Enterprise Index Plus 0.30 percent to 1,721.01
Indonesia	Minus 0.67 percent to 2,286.22
Japan	TOPIX Index Closed Nikkei-225 Stock Average Closed
Malaysia	Minus 0.23 percent to 1,381.51
The Philippines	Minus 0.87 percent to 3,753.26
The PRC	Shanghai Composite Index Minus 2.36 percent to 3,821.92 Shenzhen Composite Index Minus 3.02 percent to 1,057.07
Singapore	Minus 0.04 percent to 3,653.23
South Korea	Minus 0.68 percent to 1,949.51
Taiwan	Minus 0.57 percent to 9,417.32

Tuesday

Just prior to the opening of Wall Street, last Tuesday, The Bureau of Labour Statistics released its findings in respect of industrial production and capacity utilisation for the month of June as well as producer price indices for the month of June.

Depending on how one viewed The Labour Department's statistics, one could say that it was good news, considering that it suggested that inflation in the US was in check, to some extent, at least.

One may interpret just about anything – or nothing – when analysing statistics, of course, but in **TARGET's**

view, it appeared that, all things being equal, the US Federal Reserve Board has been given a little bit more ammunition to mull over at its August 7, 2007, Open Market Committee Meeting.

The following are The Labour Department's releases of last Tuesday:

'INDUSTRIAL PRODUCTION AND CAPACITY UTILIZATION

'Industrial production rose 0.5 percent in June after a decrease of 0.1 percent in May. At 113.4 percent of its 2002 average in June, total industrial production was 1.4 percent above its year-earlier level. Manufacturing output moved up 0.6 percent in June; excluding motor vehicles and parts, factory output increased 0.4 percent after having been unchanged in May. In June, the output indexes for mining and utilities registered gains of 0.5 percent and 0.3 percent respectively. For the second quarter as a whole, total industrial production advanced at an annual rate of 2.9 percent after an increase of 1.1 percent in the first quarter. Capacity utilization for total industry moved up to 81.7 percent in June; the rate was 0.6 percentage point below its level in June 2006 but 0.7 percentage point above its 1972–2006 average.

'Market Groups

'The production of consumer goods rose 0.7 percent in June and increased at an annual rate of 1.7 percent for the second quarter as a whole. In June, an increase of 1.6 percent in the production of durable consumer goods was due mainly to a jump in the production of consumer automotive products, which moved up 2.8 percent after a decrease of 0.9 percent in May. After little change in the first quarter, the production of automotive products surged at an annual rate of 20.7 percent in the second quarter. The output of home electronics recovered 2.6 percent in June after a decline of the same amount in May. The index for appliances, furniture, and carpeting fell 0.5 percent in June; production increased at an annual rate of 0.8 percent in the second quarter after declines in each of the preceding six quarters. The index for miscellaneous durable goods moved up in June for a fourth consecutive month. The production of nondurable consumer goods rose 0.4 percent last month. Among non-energy nondurable consumer goods, a sharp decline in clothing in June was more than offset by increases in foods and tobacco, chemical products, and paper products. An increase in the output of automotive gasoline boosted consumer energy output. In the second quarter, the output of non-energy nondurable consumer goods increased at an annual rate of 0.4 percent, whereas the output of consumer energy products fell at an annual rate of 6.6 percent.

'The index for business equipment was unchanged in June for a second consecutive month, but it advanced at an annual rate of 3.6 percent in the second quarter. Higher output of motor vehicles and civilian aircraft contributed to a June gain of 1.0 percent for transit equipment, and the output of information processing equipment moved up 0.4 percent. The index for industrial and other equipment slipped 0.6 percent; farm machinery and construction machinery registered large declines. The production of defense and space equipment rose 0.7 percent.

'The index for construction supplies increased 1.0 percent in June; it was up at an annual rate of 3.6 percent in the second quarter, its first quarterly increase since the second quarter of 2006. In June, the index for business supplies rose 0.2 percent; non-energy business supplies moved up 0.4 percent, but commercial energy supplies fell 0.4 percent.

'The production of materials advanced 0.6 percent in June. Within non-energy materials, the output of durable materials rose 0.9 percent in June and moved up at an annual rate of 7.2 percent in the second quarter. All major categories within durable materials posted gains in June. Among nondurable materials, a decline in the output of textiles was more than offset by increases in the production of paper and of chemicals. The output of energy materials edged up 0.1 percent.

'Industry Groups

'Manufacturing output rose 0.6 percent in June, and the factory operating rate advanced 0.4 percentage point, to 80.3 percent. For the second quarter as a whole, output increased at an annual rate of 3.4 percent. In June, the production of durable goods rose 0.8 percent, an increase led by a gain of 2.5 percent in the output of motor vehicles and parts. In the second

quarter, the output of motor vehicles and parts advanced at an annual rate of 13.3 percent after decreases in each of the previous three quarters. Among the other major categories within durable goods, increases were generally widespread in June. The production of nondurable goods rose 0.3 percent in June; in the second quarter, it edged up at an annual rate of 0.3 percent. Advances in June occurred in food, beverage, and tobacco products; paper; chemicals; and plastics and rubber products. However, textile and product mills, apparel and leather, printing, and petroleum and coal products all declined. The output of the non-NAICS manufacturing industries (logging and publishing) rose 0.5 percent.

'The output of utilities edged up 0.3 percent in June; electricity generation inched down 0.1 percent, but the output of natural gas utilities increased 2.4 percent. The operating rate at utilities rose to 85.6 percent, a rate about 1 percentage point below its 1972–2006 average. In June, the output of mines increased 0.5 percent, and the capacity utilization rate for mining rose 0.5 percentage point, to 90.7 percent, a rate 3.3 percentage points above its long-run average.

'In June, capacity utilization for industries in the crude stage moved up 0.4 percentage point, to 89.5 percent. For industries in the primary and semifinished stages, capacity utilization rose 0.4 percentage point, to 82.4 percent; for industries in the finished stage, capacity utilization increased 0.2 percentage point, to 78.3 percent. The utilization rates for the three stages of processing were all above their long-run averages.'

'Producer Price Indexes – June 2007

'The Producer Price Index for Finished Goods decreased 0.2 percent in June, seasonally adjusted, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. This decline followed advances of 0.9 percent in May and 0.7 percent in April. At the earlier stages of processing, prices received by producers of intermediate goods rose 0.5 percent in June after increasing 1.1 percent in the prior month, and the crude goods index moved up 0.3 percent following a 2.0-percent advance in May ...

'Among prices for finished goods, the index for energy goods fell 1.1 percent in June after rising 4.1 percent in May. Prices for consumer foods decreased 0.8 percent following a 0.2-percent decline in the previous month. By contrast, slightly counteracting the downturn in finished goods prices, the index for finished goods other than foods and energy increased 0.3 percent in June compared with a 0.2-percent rise in May.

'During the first 6 months of 2007, the finished goods index rose at a 6.4-percent seasonally adjusted annual rate (SAAR) after no change during the latter half of 2006. Prices for finished energy goods climbed at an 18.4-percent SAAR from December 2006 to June 2007 after declining at an 8.2-percent SAAR for the 6 months ended December 2006. The index for finished consumer foods moved up at a 7.8-percent SAAR during the first half of 2007 after increasing at a 4.9-percent SAAR during the second half of 2006. Prices for finished goods other than foods and energy advanced at a 2.3-percent SAAR for the 6 months ended June 2007 after rising at a 1.3-percent SAAR during the prior 6-month period. At the earlier stages of processing, the intermediate goods index increased at an 8.0-percent SAAR from December 2006 to June 2007 after falling at a 1.0-percent SAAR during the latter half of 2006, and prices for crude goods advanced at an 18.6-percent SAAR for the 6 months ended in June after moving up at an 11.3-percent SAAR for the 6 months ended in December ...

'Before seasonal adjustment, the Producer Price Index for Finished Goods fell 0.4 percent in June to 167.1 (1982 = 100). From June 2006 to June 2007, prices for finished goods increased 3.3 percent. Over the same period, the index for finished consumer foods rose 6.5 percent, prices for finished energy goods climbed 4.7 percent, and the index for finished goods other than foods and energy advanced 1.8 percent. For the 12 months ended June 2007, prices received by intermediate goods producers moved up 3.7 percent, and the crude goods index increased 14.8 percent.

'Finished goods

'Prices for finished energy goods declined 1.1 percent in June after increasing 4.1 percent in May. The gasoline index fell 3.9 percent following a 10.2-percent jump in the previous month. Prices for liquefied petroleum gas, residential electric power, home heating oil, and finished lubricants also turned down after rising in May. By contrast, slightly counteracting

the downturn in the finished energy goods index, residential natural gas prices advanced 2.6 percent in June following a 0.9-percent increase a month earlier. The index for diesel fuel turned up after decreasing in May ...

'Prices for finished consumer foods fell 0.8 percent in June following a 0.2-percent decrease in May. The index for fresh fruits and melons declined 14.9 percent after climbing 12.1 percent in the preceding month. Prices for eggs for fresh use, beef and veal, pork, processed fruits and vegetables, and soft drinks also turned down following increases in May. The index for processed young chickens decreased more in June than it had in the prior month. By contrast, prices for fresh and dry vegetables rose 0.2 percent following a 35.0-percent drop a month earlier. The index for dairy products advanced more in June than it had in May ...

'Intermediate goods

'The Producer Price Index for Intermediate Materials, Supplies, and Components rose 0.5 percent in June following a 1.1-percent advance in the prior month. Prices for intermediate energy goods and materials for nondurable manufacturing increased less than they had in May. Conversely, partially offsetting the deceleration in intermediate goods prices, the indexes for intermediate foods and feeds, materials and components for construction, and materials for durable manufacturing rose more than in the previous month. Prices for intermediate goods other than foods and energy moved up 0.4 percent for the second consecutive month ...

'The index for intermediate energy goods rose 0.3 percent in June after jumping 4.2 percent in May. The index for residual fuel increased 0.6 percent in June after climbing 7.8 percent a month earlier. Prices for gasoline, industrial electric power, jet fuels, and liquefied petroleum gas turned down after advancing in May. By contrast, the rise in the index for natural gas to electric utilities accelerated to 7.8 percent from 1.4 percent in the previous month. Prices for commercial natural gas also increased more in June, and the index for diesel fuel turned up after declining in May ... From December 2006 to June 2007, the index for intermediate energy goods advanced at a 19.8-percent SAAR after dropping at a 9.4-percent SAAR in the previous 6-month period.

'The index for materials for nondurable manufacturing moved up 1.8 percent in June after advancing 2.9 percent in the prior month. The increase in the index for primary basic organic chemicals slowed to 2.7 percent from 4.6 percent in May. Prices for plastic resins and materials and for intermediate basic organic chemicals also rose less than in the preceding month. Conversely, the increase in the fertilizer materials index accelerated to 4.8 percent in June from 0.5 percent a month earlier. Prices for basic inorganic chemicals also increased more than in the preceding month. The indexes for paper, processed yarns and threads, and synthetic rubber turned up after falling in May. The index for materials for nondurable manufacturing rose at a 15.4-percent SAAR during the first half of 2007 after declining at a 5.9-percent SAAR in the second half of 2006.

'Prices for intermediate foods and feeds moved up 1.6 percent in June after increasing 0.1 percent in the prior month. The index for prepared animal feeds turned up 2.2 percent after dropping 3.1 percent in May. Prices for flour, fluid milk products, and for natural, processed, and imitation cheese rose more than in the previous month. By contrast, the index for beef and veal turned down 3.3 percent after advancing 1.0 percent in the prior month. Prices for pork also decreased after rising in May. The index for shortening and cooking oils increased less in June, and prices for processed young chickens fell more than in May. During the first half of 2007, the index for intermediate foods and feeds rose at a 20.3-percent SAAR after advancing at a 10.6-percent SAAR in the second half of 2006.

'The index for materials and components for construction moved up 0.4 percent in June after advancing 0.3 percent a month earlier. Price increases for nonferrous wire and cable, plywood, asphalt felts and coatings, wiring devices, softwood lumber, treated wood, and concrete products outweighed price decreases for plastic construction products. From December 2006 to June 2007, prices for materials and components for construction moved up at a 3.5-percent SAAR after advancing at a 1.0-percent SAAR from June to December 2006.

'The index for materials for durable manufacturing increased 0.3 percent in June after moving up 0.2 percent in the prior month. Rising prices for copper and brass mill shapes,

cold rolled steel sheet and strip, semifinished steel mill products, plywood, softwood lumber, and secondary aluminum more than offset falling prices for aluminum mill shapes and cold finished steel bars. The index for materials for durable manufacturing climbed at an 11.1-percent SAAR in the first half of 2007 after rising at a 2.0-percent SAAR in the prior 6-month period.

'Crude goods

'The Producer Price Index for Crude Materials for Further Processing moved up 0.3 percent in June following a 2.0-percent increase in May. Prices for crude energy materials and for crude foodstuffs and feedstuffs rose less than they had in May. The index for basic industrial materials turned down after edging up in the prior month ...

'Prices for crude energy materials moved up 0.6 percent in June subsequent to a 4.3-percent increase a month earlier. In June, rising prices for crude petroleum and coal outweighed falling prices for natural gas ... During the first half of 2007, the crude energy materials index advanced at a 3.5-percent SAAR after rising at a 13.7-percent SAAR in the previous 6-month period.

'The crude foodstuffs and feedstuffs index advanced 0.5 percent following a 1.1-percent increase in May. In June, higher prices for fluid milk, corn, wheat, soybeans, slaughter hogs, and slaughter turkeys outweighed lower prices for slaughter cattle, slaughter broilers and fryers, fresh fruit and melons, and unprocessed finfish. The index for crude foodstuffs and feedstuffs increased at a 33.9-percent SAAR in the first half of 2007 subsequent to rising at a 20.7-percent SAAR in the second half of 2006.

'Prices for crude nonfood materials less energy inched down 0.2 percent in June after edging up 0.1 percent in the preceding month. The copper base scrap index declined 6.6 percent following a 10.3-percent gain in May. Similarly, prices for wastepaper and pulpwood also turned down in June. The indexes for aluminum base scrap and for construction sand, gravel, and crushed stone were unchanged after increasing in the previous month. Prices for gold ores fell more than they had a month earlier. By contrast, partially offsetting the downturn in the basic industrial materials index, prices for iron and steel scrap advanced 1.4 percent in June subsequent to an 8.3-percent decrease in the prior month. The indexes for phosphates and for hardwood logs, bolts, and timber also turned up in June. Prices for raw cotton declined less than they had in May. From December 2006 to June 2007, the index for basic industrial materials increased at a 26.5-percent SAAR after decreasing at a 4.2-percent SAAR in the prior 6-month period.

'Net output price indexes

'Mining, Utilities, and Manufacturing Industries. The Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries advanced 0.2 percent in June following a 1.2-percent rise in May. (Net output price indexes are not seasonally adjusted.) In June, prices received by electric power distributors increased 3.3 percent. The industry indexes for electric power generation; natural gas distribution; mining support activities; as well as, food, chemical, and electrical equipment and appliance manufacturing also moved up in June. By contrast, prices received by petroleum and coal products manufacturers fell 3.1 percent in June. The industry indexes for printing and related support activities and for beverage and tobacco manufacturing also declined in June.

'Trade Industries. The Producer Price Index for the Net Output of Total Trade Industries decreased 1.2 percent in June after climbing 2.0 percent in May. (Trade indexes measure changes in margins received by wholesalers and retailers.) Margins received by gasoline stations dropped 8.4 percent in June compared with a 43.3-percent jump in the prior month. The margin indexes for merchant wholesalers of both durable and nondurable goods, grocery stores, health and personal care stores, and florists also turned down following advances in May. Margins received by building materials and supplies dealers rose less in June than they had a month earlier. By contrast, partially counteracting the downturn in the trade industries index, margins received by shoe stores increased 18.6 percent following a 15.2-percent decline in May. The margin indexes for department stores, wholesale trade agents and brokers, and recreational vehicle dealers also moved up in June after falling in the previous month.

‘Transportation and Warehousing Industries. *The Producer Price Index for the Net Output of Total Transportation and Warehousing Industries advanced 0.8 percent in June after inching down 0.1 percent in May. Prices received by the industry for scheduled passenger air transportation rose 4.5 percent in June following an 8.4-percent decrease in the preceding month. Prices received by the industries for line-haul railroad transportation, inland water freight transportation, and courier services increased more in June than they had a month earlier. The index for long-distance general freight trucking (by the truckload) was unchanged following a decline in May. Conversely, prices received by the United States Postal Service were unchanged in June after rising 6.5 percent in the prior month. The indexes for scheduled freight air transportation, long distance general freight trucking (less than truckload), and local general freight trucking turned down after advancing in May.*

‘Traditional Service Industries. *The Producer Price Index for the Net Output of Total Traditional Service Industries climbed 0.7 percent in June following a 0.3-percent decline in May. Prices received by the commercial banking industry jumped 4.7 percent in June after falling 3.8 percent a month earlier. The indexes for savings institutions, lessors of nonresidential buildings (except miniwarehouses), offices of real estate agents and brokers, and passenger car rental also turned up following decreases in May. Prices received by non-casino hotels and motels moved up more in June than they had in the previous month. The indexes for wired telecommunications carriers and general medical and surgical hospitals rose after no change in May. By contrast, prices received by cellular and other wireless carriers declined 2.2 percent in June after increasing 3.0 percent in the preceding month. The indexes for management consulting services and offices of lawyers also turned down following advances in May.’*

Wall Street, certainly, appeared to warm to the releases from The Labour Department, resulting in key indices of equity markets, rising to multi-year highs.

On The New York Stock Exchange, the Dow Jones Industrial Average hit a record level by the close of the day, at 13,971.55 points.

While the final figure was only an increase of about 0.15 percent on Monday’s close, during the trading day, The Dow broke through the 14,000-level.

Over on The NASDAQ, its Composite Index rose about 0.55 percent to 2,712.29 points.

The Composite Index’s close, last Tuesday, represented an 80-month high.

Helping things along a bit, the price of crude oil on international commodity exchanges dropped back slightly.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in August came in at \$US74.02, down about 0.18 percent on Monday’s closing level.

As for September delivery, the last settlement for a barrel of light sweet crude oil was \$US74.11, a drop of about 0.16 percent on Monday’s last settlement.

In Europe, it was a slightly different story to the one, being told on Wall Street.

European investors continued to worry about the US, subprime mortgage situation and its probable effects on the financial institutions of the European banking system.

Those worries dragged down the key indices on the most-important bourses in the region:

Amsterdam’s AEX Index	Minus 0.19 percent
France’s CAC 40 Index	Minus 0.43 percent
Germany’s Frankfurt XETRA DAX Index	Minus 0.83 percent

Great Britain's FTSE 100 Index	Minus 0.57 percent
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Italy's MIBTEL Index	Minus 0.57 percent
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Switzerland's Swiss Market Index	Minus 0.86 percent
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In Asia, it was a mixed bag, with about half of the key indices of the most-important equity markets, falling back.

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

The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, rose 0.45 percent, exactly, ending the trading day at 23,057.30 points.

The Total Turnover was about \$HK78.03 billion, while the ratio of advancing counters to declining ones was about 1.30:One.

The Ten Most Active counters were:

Shanghai Industrial Holdings Ltd (Code: 363)	Up 3.85 percent to \$HK33.75 per share
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China Life Insurance Company Ltd (Code: 2628)	Up 0.49 percent to \$HK30.90 per share
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China Mobile Ltd (Code: 941)	Up 0.22 percent to \$HK91.40 per share
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HSBC Holdings plc (Code: 5)	Up 0.48 percent to \$HK145.60 per share
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Fosun International Ltd (Code: 656)	Up 3.09 percent to \$HK10.66 per share
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Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 2.13 percent to \$HK4.79 per share
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Bank of China Ltd (Code: 3988)	Up 0.73 percent to \$HK4.14 per share
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CNOOC Ltd (Code: 883)	Up 2.98 percent to \$HK9.67 per share
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China Communications Construction Company Ltd (Code: 1800)	Up 1.83 percent to \$HK17.80 per share
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PetroChina Company Ltd (Code: 857)	Up 0.65 percent to \$HK12.34 per share
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As for the Main Board's double-digit movers of the day, there was a total of 47 counters whose share prices either rose or fell by 10 percent or more.

Of that number, 7 counters fell and 40 counters rose.

Samson Paper Holdings Ltd (Code: 731) was the biggest gainer of the day as investors drove up its share

price by 70 percent to \$HK1.53.

Daisho Microline Holdings Ltd (Code: 567) turned out to be the biggest loser of the day, its share price, dropping back 24.80 percent to \$HK1.88.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gained about 1.35 percent, rising to 1,744.23 points.

The Total Turnover on this market was about \$HK1.26 billion.

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

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

MP Logistics International Holdings Ltd (Code: 8239)	Up 5.10 percent to \$HK1.65 per share
Proactive Technology Holdings Ltd (Code: 8089)	Down 4.65 percent to \$HK16.40 per share
Trasy Gold Ex Ltd (Code: 8063)	Down 2.25 percent to \$HK0.435 per share
Shandong Weigao Group Medical Polymer Company Ltd (Code: 8199)	Up 0.42 percent to \$HK19.10 per share
Value Convergence Holdings Ltd (Code: 8101)	Down 10.92 percent to \$HK6.20 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131	12.50		0.27
Advanced Card Systems Holdings Ltd	8210	18.00		0.295
BIG Media Group Ltd	8167		10.94	0.57
China Chief Cable TV Group Ltd	8153	10.55		2.41
China LotSynergy Holdings Ltd	8161	11.11		5.00
DIGITALHONGKONG.COM	8007	11.41		1.66
EMER International Group Ltd	8149	22.92		5.90
Golding Soft Ltd	8190	38.64		0.305
Golife Concepts Holdings Ltd	8172	15.02		0.245

ITE (Holdings) Ltd	8092	22.44		0.191
Shanghai Jiaoda Withub Information Industrial Company Ltd	8205	11.63		0.48
Long Success International (Holdings) Ltd	8017		10.19	0.97
Sonavox International Holdings Ltd	8226		12.00	0.44
South China Land Ltd	8155	10.00		0.44
SYSCAN Technology Holdings Ltd	8083	21.62		0.45
T S Telecom Technologies Ltd	8003	15.38		0.375
Tianjin TEDA Biomedical Engineering Company Ltd	8189	10.00		0.385
Tianjin Tianlian Public Utilities Company Ltd	8290	13.89		2.05
Tiger Tech Holdings Ltd	8046	10.13		2.50
Value Convergence Holdings Ltd	8101		10.92	6.20
Venturepharm Laboratories Ltd	8225		13.41	0.71
Wafer Systems Ltd	8198	25.71		0.44

In Japan, trading was light on the first day of trading of the week (Monday was a national holiday), with key indices, moving sideways, for the most part.

On The Tokyo Stock Exchange, its TOPIX Index lost 5.09 points, about 0.29 percent, dropping back to 1,778.11 points.

Losing counters outnumbered gaining ones by the ratio of about 1.65:One.

The Nikkei-225 Stock Average shed 21.68 yen, or about 0.12 percent, ending the day at 18,217.27 yen.

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

The HKSAR	Hang Seng Index Plus 0.45 percent to 23,057.30 The Growth Enterprise Index Plus 1.35 percent to 1,744.23
Indonesia	Plus 0.66 percent to 2,301.34
Japan	TOPIX Index Minus 0.29 percent to 1,778.11 Nikkei-225 Stock Average

	Minus 0.12 percent to 18,217.27
Malaysia	Minus 0.29 percent to 1,377.48
The Philippines	Minus 0.63 percent to 3,729.68
The PRC	Shanghai Composite Index Plus 1.94 percent to 3,896.19 Shenzhen Composite Index Plus 2.20 percent to 1,080.31
Singapore	Minus 0.06 percent to 3,651.05
South Korea	Closed
Taiwan	Plus 0.98 percent to 9,509.73
Thailand	Minus 0.02 percent to 856.91

Wednesday

Dr Ben Bernanke, the Chairman of the US Federal Reserve Board, put the skids under equity markets, around the world, last Wednesday, as he gave his testimony before The Committee on Financial Services of The US House of Representatives.

His Semi-Annual Monetary Policy Report to Congress painted a picture of the largest and most-important economy of the world in potential trouble, with the situation, well expected to exacerbate as the year wore on.

Blaming the situation on the US housing market, the root of the current problem, Dr Ben Bernanke cut the US economic growth rates for the remainder of this year to between 2.25 percent and 2.50 percent.

Prior to last Wednesday's forecast, The Fed had put the growth of the US economy for Calendar 2007 to between 2.50 percent and 3.00 percent.

He, also, stated that many US banks could suffer due to the chaos in the subprime mortgage lending market.

Mortgage defaults and delinquencies are rising fast, one was told.

This medium had published, just last Wednesday, similar statements to those of Dr Ben Bernanke, but with a little more '*meat*' than the Good Doctor had presented to Congress.

That Report – Volume IX, Number 133 – headlined, '[**THE U.S. ECONOMY: DON'T BE LED, BLINDLY, DOWN THAT GARDEN PATH**](#)', followed an earlier report, published in **TARGET** Intelligence Report, Volume IX, Number 97.

It appears, according to Dr Ben Bernanke, that the housing market in the US has yet to find its nadir: More trouble will be forthcoming in due course, one was told.

Wall Street was not amused by the testimony of the head of the US Central Bank.

On The New York Stock Exchange, the Dow Jones Industrial Average lost about 0.38 percent of its value, dropping back to 13,918.22 points.

On The NASDAQ, its Composite Index shed about 0.47 percent, ending the trading day at 2,699.49 points.

Banking counters took it in the neck as investors determined that they could get hurt due to the subprime, mortgage-lending fallout in the near future.

The only question: Which bank would admit to its problems?

One bank that did admit to its problems was JP Morgan Chase and Company, the Chief Financial Officer, stating, openly, that he had tripled provisions for bad and doubtful debts due to mortgage defaults and delinquencies.

Compounding the situation, as far as the US economy was concerned, was another sharp rise in the price of crude oil on international commodity markets.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in August was \$US75.05, up about 1.39 percent on Tuesday's closing level.

As for September delivery, the last settlement for a barrel of light sweet crude oil was \$US75.30, representing an increase of about 1.61 percent on the day.

In Europe, the losses on the key indices of the major bourses were substantial as investors in this part of the world congratulated themselves on their economic perspicacity:

Amsterdam's AEX Index	Minus 0.92 percent
France's CAC 40 Index	Minus 1.69 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.79 percent
Great Britain's FTSE 100 Index	Minus 1.38 percent
Italy's MIBTEL Index	Minus 0.76 percent
Switzerland's Swiss Market Index	Minus 1.57 percent

In Asia, there were, mostly, losers on the 10 equity markets of the region, which is the most-populous part of the world.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key index of the premier equity market of the territory lost ground while the speculative equity market ended the day, almost completely flat.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index shed about 0.93 percent of its value, dropping back to 22,841.92 points.

The Total Turnover was about \$HK84.07 billion.

Declining counters outpaced advancing ones by the ratio of about 2.99:One.

The Ten Most Active counters were:

Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 0.42 percent to \$HK4.81 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 3.80 percent to \$HK8.35 per share
China Life Insurance Company Ltd (Code: 2628)	Down 1.13 percent to \$HK30.55 per share
HSBC Holdings plc (Code: 5)	Up 0.07 percent to \$HK145.70 per share
China Mobile Ltd (Code: 941)	Down 1.31 percent to \$HK90.20 per share
PetroChina Company Ltd (Code: 857)	Down 3.08 percent to \$HK11.96 per share
China Construction Bank Corporation (Code: 939)	Down 2.40 percent to \$HK5.70 per share
Bank of China Ltd (Code: 3988)	Down 1.93 percent to \$HK4.06 per share
CNOOC Ltd (Code: 883)	Down 1.55 percent to \$HK9.52 per share
China Communications Construction Company Ltd (Code: 1800)	Down 3.15 percent to \$HK17.24 per share

There was a total of 41, Main Board, double-digit movers of the day, with the share prices of 30 counters, moving up, while the share prices of the remaining 11 counters headed decidedly south.

Mascotte Holdings Ltd (Code: 136) was the biggest gainer of the day as its share price rose 52 percent, exactly, to 76 cents.

Easyknit Enterprises Holdings Ltd (Code: 616) was the biggest loser of the day as investors pushed down its share price to \$HK1.50, a fall of about 46.43 percent on the day.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index gained about 0.01 percent as it struggled to end the trading day at 1,744.42 points.

The Total Turnover on this speculative equity market was about \$HK1.18 billion.

Losing counters outran gaining ones by the ratio of about 1.48:One.

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

MP Logistics International Holdings Ltd (Code: 8239)	Down 6.06 percent to \$HK1.55 per share
Trasy Gold Ex Ltd (Code: 8063)	Down 6.90 percent to \$HK0.405 per share
Medical China Ltd (Code: 8186)	Up 11.69 percent to \$HK0.86 per share
Proactive Technology Holdings Ltd (Code: 8089)	Down 4.27 percent to \$HK15.70 per share

Town Health International Holdings Company Ltd (Code:
8138)

Down 7.04 percent to \$HK0.66 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Chief Cable TV Group Ltd	8153		10.79	2.15
DIGITALHONGKONG.COM	8007		21.69	1.30
EMER International Group Ltd	8149	16.78		6.89
ePRO Ltd	8086		11.67	0.53
G.A. Holdings Ltd	8126	10.26		0.43
Golding Soft Ltd	8190	16.39		0.355
GreaterChina Technology Group Ltd	8032	23.40		0.174
Global Solution Engineering Ltd	8192	10.06		1.75
Medical China Ltd	8186	11.69		0.86
SYSCAN Technology Holdings Ltd	8083		10.00	0.405
Tiger Tech Holdings Ltd	8046		10.80	2.23
Wafer Systems Ltd	8198	15.91		0.51

In The Land of The Rising Sun, the key indices of the country's 3 equity markets lost ground.

On The Tokyo Stock Exchange, its TOPIX Index surrendered about 1.09 percent of its value, dropping back to 1,758.65 points.

The ratio of declining counters to gaining ones was about 4.96:One.

The Nikkei-225 Stock Average shed about 1.11 percent, falling back to 18,015.58 yen.

News Wise

- **Meat Hope Company** filed for bankruptcy in the Sapporo District Court. The company was the subject of a scandalous report, which broke on June 20, 2007, when it was discovered that the meat processor had mixed pork with ground beef and falsified expiration dates on meat products.

This was how things looked on other Asian equity markets, last Wednesday night:

The HKSAR	Hang Seng Index Minus 0.93 percent to 22,841.92 The Growth Enterprise Index Plus 0.01 percent to 1,744.42
Indonesia	Minus 0.29 percent to 2,294.59
Japan	TOPIX Index Minus 1.09 percent to 1,758.65 Nikkei-225 Stock Average Minus 1.11 percent to 18,015.58
Malaysia	Minus 0.60 percent to 1,369.23
The Philippines	Plus 0.14 percent to 3,734.80
The PRC	Shanghai Composite Index Plus 0.87 percent to 3,930.06 Shenzhen Composite Index Minus 0.03 percent to 1,079.95
Singapore	Minus 1.84 percent to 3,583.97
South Korea	Minus 0.96 percent to 1,930.70
Taiwan	Minus 0.26 percent to 9,485.35
Thailand	Minus 0.86 percent to 849.56

Thursday

The next time that one hears about investors, having short memories, it will be recalled the sentiment of last Wednesday versus last Thursday.

On Wednesday, Dr Ben Bernanke, the Chairman of the US Federal Reserve, put the skids under equity markets by telling Congress about the US economy. (Please see Wednesday's report)

On Thursday, however, the testimony of Dr Ben Bernanke was almost forgotten as investors on the world's largest equity markets determined that they would prefer to listen to Wall Street gurus and watch the financial ups and downs of the *'darlings'* of the day.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 82.19 points, equivalent to about 0.59 percent, as investors pushed it to 14,000.41 points.

On The NASDAQ, its Composite Index gained 20.55 points, or about 0.76 percent, ending the trading day at 2,724.74 points.

A handful of companies presented investors with better-than-expected financial results for the previous quarter – and that was enough to soothe the jitters of investors for the time being, or it seemed.

Meanwhile, the rot continued apace in the subprime, mortgage-lending industry and the price of homes continued to be eroded.

And the smart money was standing on the sidelines, waiting to see what the future would bring.

Some of Wall Street's gains, however, could be put down to investors continuing to chase after energy counters.

This was due to the fact that the price of crude oil rose again.

Last Thursday, on The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in August was \$US75.92, representing a one-day increase of about 1.16 percent.

For delivery in September, the last settlement for a barrel of light sweet crude oil was \$US76.07, equivalent to an increase of about 1.02 percent, compared with Wednesday's last settlement.

With the key indices of US equity markets, hitting one new high after another, investors in Europe determined to go along for the ride.

A healthy financial report from Vodafone helped matters along in this part of the world and the increase in the price of crude oil meant more profits for oil and energy companies.

As with Wall Street, the subprime, mortgage-lending industry was put on the back burner ... at least, for the time being.

This was how the key indices of the major European bourses fared, last Thursday:

Amsterdam's AEX Index	Plus	0.83 percent
France's CAC 40 Index	Plus	1.15 percent
Germany's Frankfurt XETRA DAX Index	Plus	1.23 percent
Great Britain's FTSE 100 Index	Plus	1.11 percent
Italy's MIBTEL Index	Plus	0.86 percent
Switzerland's Swiss Market Index	Plus	1.26 percent

In Asia, it appeared that investors were not exactly sure what action should be taken because, on Day One, there was near panic about this and that and, then, on Day Two, there were new reasons for the reversal of considerations of Day One.

As with a number of women, fickleness on equity markets is common.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the Hang Seng Index, which is the key gauge to trading on the Main Board of The Stock Exchange of Hongkong Ltd, rose about 0.76 percent, ending the trading day at 23,016.20 points.

The Total Turnover was about \$HK70.82 billion.

Gaining counters outnumbered losing ones by the ratio of about 1.45:One.

The Ten Most Actives were:

China Life Insurance Company Ltd (Code: 2628)	Down 0.98 percent to \$HK30.25 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 2.29 percent to \$HK4.92 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 0.96 percent to \$HK8.27 per share
Bank of China Ltd (Code: 3988)	Up 3.94 percent to \$HK4.22 per share
HSBC Holdings plc (Code: 5)	Up 0.07 percent to \$HK145.80 per share
Hutchison Whampoa Ltd (Code: 13)	Up 4.07 percent to \$HK86.95 per share
PetroChina Company Ltd (Code: 857)	Up 0.50 percent to \$HK12.02 per share
China Mobile Ltd (Code: 941)	Up 0.83 percent to \$HK90.95 per share
China Construction Bank Corporation (Code: 939)	Up 2.28 percent to \$HK5.83 per share
Fosun International Ltd (Code: 656)	Up 4.33 percent to \$HK11.08 per share

The Main Board's biggest movers of the day numbered 36 counters in all.

The share prices of exactly one third of those counters lost 10 percent or more of their respective market capitalisations, while the share prices of the remaining two thirds of the double-digit movers rose 10 percent or more.

Rising Development Holdings Ltd (Code: 1004) was the biggest gainer of the day as its share price put on 28.41 percent, rising to \$HK1.13.

Easyknit Enterprises Holdings Ltd (Code: 616) turned out to be the biggest loser of the day as investors pulled down its share price by 36 percent to 96 cents.

In 2 trading days, the price of the shares of Easyknit Enterprises Holdings Ltd has fallen by almost half.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index rose about 1.14 percent to 1,764.35 points.

The Total Turnover was about \$HK1.07 billion, while the ratio of advancing counters to declining ones was about 1.31:One.

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

B.A.L. Holdings Ltd (Code: 8079)	Unchanged at \$HK0.265 per share
MP Logistics International Holdings Ltd (Code: 8239)	Up 2.58 percent to \$HK1.59 per share
China LotSynergy Holdings Ltd (Code: 8161)	Down 4.90 percent to \$HK4.66 per share

China Primary Resources Holdings Ltd (Code: 8117)

Up 7.37 percent to \$HK0.51 per share

Trasy Gold Ex Ltd (Code: 8063)

Up 3.70 percent to \$HK0.42 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Capital Resources (Holdings) Ltd	8025		19.67	0.241
Cardlink Technology Group Ltd	8066	19.74		0.455
DIGITALHONGKONG.COM	8007	13.85		1.48
Espco Technology Holdings Ltd	8299		18.03	1.00
FlexSystem Holdings Ltd	8050	12.73		0.31
Midland IC and I Ltd	8090	10.05		0.208
Powerleader Science and Technology Company Ltd	8236	17.78		0.53
ProSticks International Holdings Ltd	8055	43.18		0.63
Soluteck Holdings Ltd	8111	16.36		0.32
Tianjin Tianlian Public Utilities Company Ltd	8290	26.53		2.48
Wafer Systems Ltd	8198	17.65		0.60

In Japan, the 3 equity markets of the country struggled to make any meaningful advances.

On The Tokyo Stock Exchange, its TOPIX Index rose about 0.53 percent, ending the trading day at 1,768.00, exactly.

Advancing counters outpaced declining ones by the ratio of about 2.11:One.

The Nikkei-225 Stock Average just outdid The TOPIX Index with a gain of 0.56 percent, exactly, closing the day at 18,116.57 yen.

And, on other Asian equity markets, this was how their respective key indices ended last Thursday night:

The HKSAR	Hang Seng Index Plus 0.76 percent to 23,016.20 The Growth Enterprise Index Plus 1.14 percent to 1,764.35
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Indonesia	Plus 1.70 percent to 2,333.68
Japan	TOPIX Index Plus 0.53 percent to 1,768.00 Nikkei-225 Stock Average Plus 0.56 percent to 18,116.57
Malaysia	Plus 0.52 percent to 1,376.40
The Philippines	Minus 0.85 percent to 3,702.91
The PRC	Shanghai Composite Index Minus 0.44 percent to 3,912.94 Shenzhen Composite Index Plus 0.23 percent to 1,082.43
Singapore	Plus 0.58 percent to 3,604.62
South Korea	Plus 0.37 percent to 1,937.90
Taiwan	Minus 0.13 percent to 9,473.31
Thailand	Minus 0.27 percent to 847.26

Friday

The key indices of the world's biggest equity markets tumbled, last Friday, as investors reasoned that the problems, associated with the US housing market and the detrimental effects with regard to the subprime, mortgage-lending industry, could well seriously hurt the largest and most-important economy of the world.

On The New York Stock Exchange, the Dow Jones Industrial Average shed 149.33 points, equivalent to about 1.07 percent, dropping back to 13,851.08 points.

As for the NASDAQ, its Composite Index shed 32.44 points, or about 1.19 percent, ending the week at 2,687.60 points.

Investors appeared to have been suffering from delayed reaction to the testimony of the Chairman of the US Federal Reserve, the gains of Thursday, being completely erased. (Please see Thursday's report)

The Dow Jones US Home Construction Index shed about 2.40 percent of its value as US investors bailed out of anything to do with the housing industry.

The tally for the most-important equity market of the world for the week was:

The Dow Jones Industrial Average	Minus 0.40 percent
The NASDAQ's Composite Index	Minus 0.72 percent

Last Friday, also, the translation value of the US dollar fell to a record low against the euro as the talk was, once again, about the probable effects of the US, subprime mortgage-lending industry on the Eurozone

banking industry.

Deutsche Bank, which is the biggest creditor bank of Basis Capital, an Australian hedge fund, appeared to have its hands full because it was reported that this hedge fund was in deep financial trouble.

The share price of Deutsche Bank fell back about 2.20 percent.

Every key indices of every major bourse in the region fell:

Amsterdam's AEX Index	Minus 0.93 percent
France's CAC 40 Index	Minus 1.78 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.45 percent
Great Britain's FTSE 100 Index	Minus 0.82 percent
Italy's MIBTEL Index	Minus 1.30 percent
Switzerland's Swiss Market Index	Minus 0.91 percent

Adding to the woes of Europeans were some earnings' results of select investor favourite counters: The results were not considered very appetising.

As far as many investors were concerned, the results were very disappointing and did not bode well for the rest of the year.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in August was \$US75.57, representing a fall of about 0.46 percent on the closing level of Thursday.

As for delivery in September, the last settlement for a barrel of light sweet crude oil was \$US75.79, a 0.37-percent fall, compared with Thursday's last settlement.

In Asia, equity markets were hit with the Government of the People's Republic of China (PRC), determining to raise interest rates in yet another attempt to cool down the country's fast-moving economy.

The People's Bank of China, which is The Central Bank of the PRC, increased interest rates by 0.27 percent, effective July 21, 2007.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, the move by the PRC's Central Bank appeared to have little immediate effect mainly because the interest-rate increase was perceived to have been far too little.

On The Stock Exchange of Hongkong Ltd, The Hang Seng Index put on another 1.20 percent, rising to 23,291.90 points on a Total Turnover of about \$HK83.44 billion.

The ratio of advancing counters to declining counters was about 2.49:One.

The Ten Most Active counters were:

China Life Insurance Company Ltd (Code: 2628)	Up 2.64 percent to \$HK31.05 per share
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Industrial and Commercial Bank of China Ltd (Code:
1398)

Unchanged at \$HK4.92 per share

China Coal Energy Company Ltd (Code: 1898)

Up 3.26 percent to \$HK15.22 per share

China Mobile Ltd (Code: 941)

Up 2.47 percent to \$HK93.20 per share

HSBC China Dragon Fund (Code: 820)

\$HK12.00 per share*

China Construction Bank Corporation (Code: 939)

Up 2.74 percent to \$HK5.99 per share

Hutchison Whampoa Ltd (Code: 13)

Up 0.92 percent to \$HK87.75 per share

PetroChina Company Ltd (Code: 857)

Up 2.00 percent to \$HK12.26 per share

Bank of China Ltd (Code: 3988)

Down 1.18 percent to \$HK4.17 per share

HSBC Holdings plc (Code: 5)

Down 0.34 percent to \$HK145.30 per share

* First Day of Trading

As for the Main Board's double-digit movers of the day, there was a total of 37 counters that qualified for this honour, with the share prices of 34 counters, rising 10 percent or more, while the managements of the remaining 3 counters witnessed their market capitalisations fall by 10 percent or more.

Mirabell International Holdings Ltd (Code: 1179) was the biggest gainer of the day as investors pushed up its share price by 44.78 percent to \$HK4.31.

Kwang Sung Electronics Hongkong Company Ltd (Code: 2310) had the distinction of being the biggest loser of the day, dropping back 12.17 percent to \$HK2.02 per share.

Over on The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index improved by another 0.15 percent as investors pushed it up to 1,766.92 points.

The Total Turnover on this market was about \$HK965.10 million.

The ratio of gainers to losers on this speculative market was about 1.23:One.

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

Town Health International Holdings Company Ltd (Code:
8138)

Up 5.88 percent to \$HK0.27 per share

MP Logistics International Holdings Ltd (Code: 8239)

Down 1.26 percent to \$HK1.57 per share

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

Up 23.14 percent to \$HK4.31 per share

China Primary Resources Holdings Ltd (Code: 8117)

Down 4.90 percent to \$HK0.485 per share

Trasy Gold Ex Ltd (Code: 8063)

Unchanged at \$HK0.42 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Capital Resources (Holdings) Ltd	8025	14.11		0.275
Shanxi Changcheng Microlight Equipment Company Ltd	8286	10.45		0.74
Eco-Tek Holdings Ltd	8169	19.74		0.455
Espco Technology Holdings Ltd	8299	11.45		1.11
iMerchants Ltd	8009	16.00		1.45
Sing Lee Software (Group) Ltd	8076		10.39	0.345
SYSCAN Technology Holdings Ltd	8083		10.26	0.35
Xinjiang Tianye Water Saving Irrigation System Company Ltd	8280	23.14		4.31

For the week, ended July 20, 2007, the tally for the second-largest equity market of Asia was:

The Hang Seng Index	Plus 0.83 percent
The Growth Enterprise Index	Plus 2.97 percent

On The Tokyo Stock Exchange, which is the premier equity market of Japan, its TOPIX Index rose about 0.46 percent to 1,776.17 points.

The ratio of losing counters to gaining ones was about 1.40:One.

As for The Nikkei-225 Stock Average, it gained about 0.23 percent, ending the day at 18,157.93 yen.

For Asia's largest and most-important equity market, the tally for the 4-day trading week was:

The TOPIX Index	Minus 0.39 percent
The Nikkei-225 Stock Average	Minus 0.44 percent

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

The HKSAR	Hang Seng Index Plus 1.20 percent to 23,291.90 The Growth Enterprise Index Plus 0.15 percent to 1,766.92
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Indonesia	Plus 1.40 percent to 2,366.40
Japan	TOPIX Index Plus 0.46 percent to 1,776.17 Nikkei-225 Stock Average Plus 0.23 percent to 18,157.93
Malaysia	Plus 0.43 percent to 1,382.36
The Philippines	Plus 0.96 percent to 3,738.28
The PRC	Shanghai Composite Index Plus 3.73 percent to 4,058.85 Shenzhen Composite Index Plus 3.89 percent to 1,124.58
Singapore	Plus 1.30 percent to 3,651.38
South Korea	Plus 2.36 percent to 1,983.54
Taiwan	Plus 1.19 percent to 9,585.90
Thailand	Plus 0.39 percent to 850.54

-- E N D --

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