

**INTERNATIONAL CREDIT STARTS TO WANE ...
AND INVESTORS TRY TO RUN FOR COVER**

All Key Indices Of All Major Equity Markets Fall

The translation value of the US dollar vis-à-vis sterling and the euro continued to be eroded, last Monday, causing more consternation among the 12-member cartel of the **Organisation of Petroleum Exporting Countries (OPEC)**.

As the US dollar's translation value continues to fall against the other '*hard*' currencies of the world, so the buying power of the US dollar, which is, still, the international medium of most, international settlement payments for goods and services, purchases less and less.

OPEC's members realise this and, as a result, members of this large oil monopoly are reluctant to increase crude-oil production and/or to assist in a reduction of crude-oil prices on the world stage.

This, in itself, is a self-defeating economic policy, long term, in **TARGET**'s opinion.

Last Monday, the price of crude oil on international commodity markets declined, materially.

On The **New York Mercantile Exchange (NYMEX)**, the last settlement for a barrel of light sweet crude oil for delivery for the new, near month of September fell by about 1.19 percent, compared with the closing level of Friday, July 20, 2007, to \$US74.89.

As for delivery in October, the last settlement for a barrel of light sweet crude oil was \$US74.78.

On foreign-exchange markets, the US dollar fell to a record low against the euro of about \$US1.3844.

Against sterling, the translation value of a US dollar was at the 26-year low of \$US2.06.

And it appeared that there would be even more falls in the translation value of the US dollar against most other '*hard*' currencies of the world, also.

On Wall Street, the key indices of the largest and most-important equity markets of the world rose, fractionally.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 92.34 points, or about 0.67 percent, ending the trading session at 13,943.42 points.

The Composite Index of The NASDAQ rose only 2.98 points, however, equivalent to about 0.11 percent, limping to 2,690.58 points.

However, on both equity markets, the ratio of declining counters beat off advancing ones.

On The New York Stock Exchange, losers outpaced gainers by the ratio of about 1.06:One, and, on The NASDAQ, the ratio of losers to gainers was about 1.14:One.

In Europe, the key indices of the most-important bourses rose, smartly, due to excitement in the banking sector as China Development Bank () announced that it would be investing, initially, about €2.20 billion (about \$HK23.78 billion) in order to acquire a 3.10-percent stake in Great Britain's third-largest lender: Barclays Bank plc.

Barclays Bank plc is making a bid for control of ABN AMRO, the Netherlands-based lender, and the added cash from China Development Bank, it was being speculated, could well turn the tide in favour of Barclays Bank plc against other banks in the running for the Dutch prize.

In the event that Barclays Bank plc is successful in taking control of ABN AMRO, China Development Bank would raise its interest in the British-based bank to more than 7 percent with another cash injection of about €7.60 billion (about \$HK82.16 billion).

But the competitor to Barclays Bank plc is The Royal Bank of Scotland plc, which could hardly be considered a piker.

This was how the key indices of Europe's most-important bourses ended their respective trading days, last Monday:

Amsterdam's AEX Index	Plus 0.70 percent
France's CAC 40 Index	Plus 0.87 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.88 percent
Great Britain's FTSE 100 Index	Plus 0.59 percent
Italy's MIBTEL Index	Plus 0.52 percent
Switzerland's Swiss Market Index	Plus 0.13 percent

In Asia, the news about the move by China Development Bank set many a key index of the biggest equity markets of the region, rushing to new highs.

The 2, major equity markets of the People's Republic of China (PRC) both shot up, very materially. (Please see table below)

In the Hongkong Special Administrative Region (HKSAR) of the PRC, however, things were relatively quiet on the territory's 2 equity markets, compared with some of the other markets of the region.

The Hang Seng Index, which is the key gauge to trading in blue chips, listed on the Main Board of The Stock Exchange of Hongkong Ltd, gained 73.66 points, equivalent to about 0.32 percent, ending the day at 23,365.56 points.

The Total Turnover was about \$HK84.65 billion.

Advancing counters outpaced declining ones by the ratio of about 1.95:One.

The Ten Most Active counters were:

China Life Insurance Company Ltd (Code: 2628)	Up 1.13 percent to \$HK31.40 per share
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China Mobile Ltd (Code: 941)	Up 0.38 percent to \$HK93.55 per share
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HSBC China Dragon Fund (Code: 820)	Up 41.50 percent to \$HK16.98 per share
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HSBC Holdings plc (Code: 5)

Down 0.34 percent to \$HK144.80 per share

Fosun International Ltd (Code: 656)

Up 5.56 percent to \$HK11.78 per share

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

Up 2.24 percent to \$HK5.03 per share

PICC Property and Casualty Company Ltd (Code: 2328)

Up 13.58 percent to \$HK8.03 per share

China Petroleum and Chemical Corporation (Code: 386)

Up 0.72 percent to \$HK8.35 per share

China Construction Bank Corporation (Code: 939)

Up 0.83 percent to \$HK6.04 per share

PetroChina Company Ltd (Code: 857)

Up 0.49 percent to \$HK12.32 per share

As for the Main Board's biggest movers of the day, there was a total of 58 counters, the share prices of which rose or fell by 10 percent or more.

In all, managements of 9 of those double-digit counters witnessed their respective market capitalisations fall by at least 10 percent, while the managements of the remaining 49 counters saw their respective share prices rise smartly by at least 10 percent.

The biggest gainer of the day was Yau Lee Holdings Ltd (Code: 406), the share price of which rose 72.53 percent, running up to \$HK1.57.

Lee Kee Holdings Ltd (Code: 637) turned out to be the biggest loser of the day, its share price, giving up 18.63 percent to \$HK2.62.

Over on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index gave up about 0.04 percent of its former value, dropping back to 1,766.23 points.

The Total Turnover was about \$HK988.17 million.

The ratio of declining counters to advancing ones was close, at about 1.02:One.

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

Town Health International Holdings Company Ltd (Code: 8138)

Up 5.56 percent to \$HK0.285 per share

Trasy Gold Ex Ltd (Code: 8063)

Up 2.38 percent to \$HK0.43 per share

DeTeam Company Ltd (Code: 8112)

Up 4.44 percent to \$HK3.06 per share

Proactive Technology Holdings Ltd (Code: 8089)

Up 3.13 percent to \$HK16.50 per share

MP Logistics International Holdings Ltd (Code: 8239)

Down 2.55 percent to \$HK1.53 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131	15.79		0.33
BIG Media Group Ltd	8167	16.67		0.70
DIGITALHONGKONG.COM	8007		12.67	1.31
ePRO Ltd	8086	12.96		0.61
First Mobile Group Holdings Ltd	8110	21.67		0.365
iMerchants Ltd	8009		10.34	1.30
International Entertainment Corporation	8118	28.70		7.31
Ko Yo Ecological Agrotech (Group) Ltd	8042	13.79		0.66
Powerleader Science and Technology Company Ltd	8236		13.46	0.45
Nanjing Sample Technology Company Ltd	8287	14.71		15.60
Universal Technologies Holdings Ltd	8091	19.61		0.305
WLS Holdings Ltd	8021	13.40		0.55
Yusei Holdings Ltd	8319	12.00		2.52
Yuxing InfoTech Holdings Ltd	8005	10.71		1.24
Zhejiang Prospect Company Ltd	8273	29.31		3.75

In Japan, the country's equity markets received a bit of a hiding, mainly due to the strength of the Japanese yen vis-à-vis the US dollar.

As the yen's translation value rises against the US dollar (last Monday, it was about \$US1.00:121.329 yen), so the goods and services, created in The Land of The Rising Sun, become less competitive on the world's marketplaces.

On The Tokyo Stock Exchange, its TOPIX Index fell about 18.88 points, equivalent to about 1.06 percent, ending the trading day at 1,757.29 points.

Declining counters outbid advancing ones by the ratio of about 6.14:One.

The Nikkei-225 Stock Average, which is a much-narrower gauge to trading in blue chips, listed on The First Section of The Tokyo Stock Exchange, than The TOPIX Index, shed 194.29 yen, or about 1.07 percent, falling back to 17,963.64 yen.

And this was how things came to a close on other Asian equity markets, last Monday night:

The HKSAR	Hang Seng Index Plus 0.32 percent to 23,365.56 The Growth Enterprise Index Minus 0.04 percent to 1,766.23
Indonesia	Plus 0.58 percent to 2,380.21
Japan	TOPIX Index Minus 1.06 percent to 1,757.29 Nikkei-225 Stock Average Minus 1.07 percent to 17,963.64
Malaysia	Minus 0.06 percent to 1,381.53
The Philippines	Minus 0.01 percent to 3,737.79
The PRC	Shanghai Composite Index Plus 3.81 percent to 4,213.36 Shenzhen Composite Index Plus 5.06 percent to 1,181.45
Singapore	Minus 0.44 percent to 3,635.35
South Korea	Plus 0.48 percent to 1,993.05
Taiwan	Plus 0.37 percent to 9,621.57
Thailand	Plus 1.42 percent to 862.62

Tuesday

US investors appeared to have lost heart, last Tuesday, as, once again, it became only too apparent that the housing slump in the country was being felt, far and wide.

On The New York Stock Exchange, the Dow Jones Industrial Average lost 226.47 points, equivalent to about 1.62 percent, ending the hectic trading day at 13,716.95 points.

It was the largest, single-day's fall in the previous 4 months.

The ratio of losing counters to gaining ones was about 10:One.

Over on The NASDAQ, its Composite Index shed 50.72 points, or about 1.89 percent, dropping back to 2,639.86 points.

What shocked US investors, to a great extent, was an official report from publicly listed Countrywide Financial Corporation to the effect that the largest lender of mortgages in the country had posted a fall in its

quarterly profits – and Management had cut, deeply, its full-Year's financial results.

The share price of Countrywide Financial fell nearly 11 percent on the announcement.

On The New York Mercantile Exchange (NYMEX), there was widespread selling of crude-oil contracts for delivery in September and October.

The last settlement for a barrel of light sweet crude oil for September delivery came in at \$US73.56, down about 1.78 percent, compared with Monday's closing level.

As for October delivery, the last settlement for a barrel of light sweet crude oil was \$HK73.39, representing a one-day fall of about 1.86 percent.

As one has grown to expect, the key indices of major European bourses fell in line with Wall Street's sentiment: Down, sharply.

This was how the situation looked, last Tuesday night, on major bourses of this region of the world:

Amsterdam's AEX Index	Plus	0.70 percent
France's CAC 40 Index	Plus	0.87 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.88 percent
Great Britain's FTSE 100 Index	Plus	0.59 percent
Italy's MIBTEL Index	Plus	0.52 percent
Switzerland's Swiss Market Index	Plus	0.13 percent

It appeared to be only too clear that the US housing slump plus the chaos in the US subprime, mortgage-lending industry would have, before the year was out, a wide-sweeping, detrimental effect on the largest and most-important economy of the world.

And, what affects the US, affects Europe – in spades.

In Asia, the general mood continued to be mildly bullish, but it very apparent that the shine on the apple had become a little dulled.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the 2 equity markets of the territory looked to be more than a little tired.

The suggestion was clear: The markets were ready for a fall.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index shed about 0.46 percent, falling back to 23,472.88 points.

The Total Turnover was about \$HK96.57 billion.

The ratio of gainers to losers was about 1.22:One.

The Ten Most Actives were:

China Life Insurance Company Ltd (Code: 2628)

Up 3.34 percent to \$HK32.45 per share

China Mobile Ltd (Code: 941)	Down 0.21 percent to \$HK93.35 per share
HSBC Holdings plc (Code: 5)	Up 0.35 percent to \$HK145.30 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 0.80 percent to \$HK4.99 per share
Fosun International Ltd (Code: 656)	Up 4.58 percent to \$HK12.32 per share
Angang Steel Company Ltd (Code:347)	Up 20.32 percent to \$HK21.85 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 4.18 percent to \$HK104.70 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.26 percent to \$HK115.00 per share
China Construction Bank Corporation (Code: 939)	Down 0.99 percent to \$HK5.98 per share
Ping An Insurance (Group) Company of China Ltd (Code: 2318)	Up 3.96 percent to \$HK65.70 per share
There was a total of 61, Main Board, double-digit movers, last Tuesday, with 10 of their number, losing 10 percent or more of their respective market capitalisations, while the managements of the other 51 counters noted that their respective share prices had risen by 10 percent or more.	
Sun Innovation Holdings Ltd (Code: 547) was the biggest gainer of the day as its share price rose about 58.33 percent to \$HK2.85.	
Upbest Group Ltd (Code: 335) turned out to be the biggest loser of the day as investors marked down its share price to \$HK1.70, down about 22.02 percent.	
On The G rowth E nterprise M arket (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index shed about 0.03 percent, ending the trading day at 1,765.75 points.	
The Total Turnover on this speculative marketplace was about \$HK1.14 billion.	
The ratio of advancing counters to losing ones was about 1.09:One.	
The 5, most-active counters in terms of their respective turnovers, only, were:	
Town Health International Holdings Company Ltd (Code: 8138)	Down 3.51 percent to \$HK0.275 per share
Trasy Gold Ex Ltd (Code: 8063)	Up 1.16 percent to \$HK0.435 per share
Xteam Software International Ltd (Code: 8178)	Up 18.57 percent to \$HK0.83 per share
MP Logistics International Holdings Ltd (Code: 8239)	Down 4.58 percent to \$HK1.46 per share

Inno-Tech Holdings Ltd (Code: 8202)

Up 4.90 percent to \$HK1.07 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Armitage Technologies Holding Ltd	8213	10.30		0.182
BIG Media Group Ltd	8167	17.14		0.82
Global Digital Creations Holdings Ltd	8271	11.11		3.30
Global Solution Engineering Ltd	8192	10.37		1.81
Shenzhen Mingwah Aohan High Technology Corporation Ltd	8301	11.76		0.285
North Asia Strategic Holdings Ltd	8080	24.00		2.17
Netel Technology (Holdings) Ltd	8256	17.54		0.67
Nanjing Sample Technology Company Ltd	8287	16.35		6.05
Shanghai Fudan Microelectronics Company Ltd	8102	11.96		1.03
Xteam Software International Ltd	8178	18.57		0.83

On The Tokyo Stock Exchange, its TOPIX Index rose exactly one half of a percentage point to end the trading day at 1,765.99 points.

The ratio of advancing counters to declining ones was about 1.67:One.

The Nikkei-225 Stock Average, on the other hand, only managed a gain of about 0.21 percent, rising to 18,002.03 yen.

News Wise

- **Nissan Motor Company** announced that its Net Profit Attributable to Shareholders for the Financial Quarter, ended June 30, 2007, came in at 92.30 billion yen, down about 16.20 percent, Year-On-Year.

This was how the key indices of the other major Asian equity markets fared, last Tuesday:

The HKSAR	Hang Seng Index Plus 0.46 percent to 23,472.88 The Growth Enterprise Index Minus 0.03 percent to 1,765.75
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Indonesia	Plus 0.88 percent to 2,401.14
Japan	TOPIX Index Plus 0.50 percent to 1,765.99 Nikkei-225 Stock Average Plus 0.21 percent to 18,002.03
Malaysia	Plus 0.77 percent to 1,392.18
The Philippines	Minus 0.84 percent to 3,706.24
The PRC	Shanghai Composite Index Minus 0.07 percent to 4,210.33 Shenzhen Composite Index Plus 0.27 percent to 1,184.62
Singapore	Plus 0.82 percent to 3,665.13
South Korea	Minus 0.04 percent to 1,992.26
Taiwan	Plus 1.27 percent to 9,744.06
Thailand	Plus 2.12 percent to 880.95

Wednesday

Had it not been for the crush to purchase shares in select energy counters, last Wednesday, without question, there would have been more losses, recorded on the key indices of the world's largest and most-important equity markets.

As it turned out, the key indices of The New York Stock Exchange on The NASDAQ managed to hobble up to higher levels, but only by fractions.

The big excitement, however, was not on the equity markets of the world, but on the world's commodity exchanges, and, in particularly, the world's largest such market: The **New York Mercantile Exchange** (NYMEX).

The last settlement for a barrel of light sweet crude oil for delivery in September on the NYMEX was \$US75.88, representing an increase of about 3.15 percent on the last settlement of Tuesday.

As for delivery in October, the last settlement for a barrel of light sweet crude oil was \$US75.46, an increase of exactly 2.82 percent on Tuesday's final quote.

The reason for the fast run-up in the price of crude oil, really, did not make too much sense, but there was a report to the effect that there could well be a shortage of distillates in the near future due to the inability of refineries, worldwide, to keep up with growing demand.

Be that as it may, investors started chasing crude-oil futures contracts ... and that was all she wrote.

On The New York Stock Exchange, the Dow Jones Industrial Average recovered some of Tuesday's losses, but the gains were unconvincing.

The Dow ended the trading day at 13,785.07 points, a one-day improvement of about one half of a percentage point.

On The NASDAQ, its Composite Index put on about 0.31 percent, limping up to 2,648.17 points.

Despite The Dow and The NASDAQ's Composite Index, being in the black by the close of the day, the ratio of losers to gainers was 1.46:One and 1.23:One, respectively.

The gains on the world's largest equity markets, also, did not make too much sense, actually, because:

- (a) There was ample evidence to suggest that venture capital had dried up, considerably; and,
- (b) A report about the 'sick' US housing market continued to dog the market.

Turning, firstly, to the matter of a paucity in obtaining venture capital, Chrysler Corporation, which, legally, is owned by Cerberus Capital Management, reported that it had postponed, trying to obtain a \$US12-billion, bridging loan in order to finance the cost of purchasing the Chrysler marque from DaimlerChrysler A.G. of Germany.

Similar problems appeared to be facing Alliance Boots plc which was trying to obtain a \$US10.40-billion, syndicated loan.

Turning, now, to the situation in the US housing industry for the month of June, The National Association of Realtors (of the US) announced that sales of existing homes had dropped for the fourth consecutive month.

June's statistics indicated the lowest levels of home sales for any one month, during the past 5 years.

In Europe, investors were not enamoured by the economic situation, internationally, and adopted a defensive posture, generally.

Every key index of every major bourse lost ground as the following **TARGET** () list indicates:

Amsterdam's AEX Index	Minus 0.85 percent
France's CAC 40 Index	Minus 1.19 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.46 percent
Great Britain's FTSE 100 Index	Minus 0.68 percent
Italy's MIBTEL Index	Minus 1.25 percent
Switzerland's Swiss Market Index	Minus 1.38 percent

In this part of the world, the US housing situation, the clear lack of large-scale, venture funding plus the obvious weakness in the US economy, making itself known, all contributed to the bearishness on equity markets.

Asian equity markets turned in a weak performance, in the main, also, last Wednesday.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the premier equity market's key index posted a fractional loss, while, on the speculative equity market, investors

chased after select favourites, pushing up the lone index of this market, quite materially.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index shed about 0.47 percent of its value, dropping back to 23,362.18 points.

The Total Turnover was about \$HK100.50 billion.

The ratio of losing counters to gaining ones was about 1.76:One.

The Ten Most Actives were:

China Life Insurance Company Ltd (Code: 2628)	Up 0.92 percent to \$HK32.75 per share
HSBC Holdings plc (Code: 5)	Down 1.03 percent to \$HK143.80 per share
C C Land Holdings Ltd (Code: 1224)	Up 5.41 percent to \$HK9.15 per share
China Mobile Ltd (Code: 941)	Down 0.11 percent to \$HK93.25 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 1.80 percent to \$HK4.90 per share
PetroChina Company Ltd (Code: 857)	Down 1.63 percent to \$HK12.10 per share
Air China Ltd (Code: 753)	Up 17.64 percent to \$HK7.27 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 0.24 percent to \$HK8.32 per share
China Construction Bank Corporation (Code: 939)	Down 1.51 percent to \$HK5.89 per share
Fosun International Ltd (Code: 656)	Up 4.22 percent to \$HK12.84 per share

The Main Board's biggest movers of the day numbered 42 counters, in all, with 6 of those counters, losing 10 percent or more of their respective market capitalisations, while the managements of the remaining 36 counters saw their share prices rise by 10 percent or more.

Northern International Holdings Ltd (Code: 736) was the biggest gainer of the day as investors pushed up its share price by 47.89 percent to \$HK1.05.

EganaGoldpfeil (Holdings) Ltd (Code: 48) had the distinction of being the biggest loser of the day as the management of this company noted that its share price had been pushed down by 17.13 percent to \$HK5.37.

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

The Growth Enterprise Index rose about 1.46 percent to 1,791.55 points on a Total Turnover of about \$HK1.14 billion.

Advancing counters led declining ones by the ratio of about 1.23:One.

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

Xteam Software International Ltd (Code: 8178)

Up 8.43 percent to \$HK0.90 per share

Town Health International Holdings Company Ltd (Code: 8138)

Down 1.82 percent to \$HK0.27 per share

MP Logistics International Holdings Ltd (Code: 8239)

Up 1.37 percent to \$HK1.48 per share

Trasy Gold Ex Ltd (Code: 8063)

Down 4.60 percent to \$HK0.415 per share

Shandong Weigao Group Medical Polymer Company Ltd
(Code: 8199)

Up 6.31 percent to \$HK20.05 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
BIG Media Group Ltd	8167	14.63		0.94
CCID Consulting Company Ltd	8235	24.59		0.38
Changmao Biochemical Engineering Company Ltd	8208	10.95		3.75
China Leason Investment Group Company Ltd	8270		10.00	1.62
Computech Holdings Ltd	8081	17.89		0.56
Excel Technology International Holdings Ltd	8048	12.73		0.248
FlexSystem Holdings Ltd	8050	10.00		0.33
Global Solution Engineering Ltd	8192	16.02		2.10
Xi'an Haitian Antenna Technologies Company Ltd	8227	15.66		0.48
International Entertainment Corporation	8118	23.74		8.60
Long Success International (Holdings) Ltd	8017	38.46		1.44
Mobile Telecom Network (Holdings) Ltd	8266	14.29		0.24
Netel Technology (Holdings) Ltd	8256		16.42	0.56

Shaanxi Northwest New Technology Industry Company Ltd	8258	11.63		0.48
Prosten Technology Holdings Ltd	8026	213.58		1.27
Qianlong Technology International Holdings Ltd	8015	10.96		0.81
Ultra Group Holdings Ltd	8203	24.19		0.385
Zhejiang Yonglong Enterprises Company Ltd	8211	13.33		0.68
Zheda Lande Scitech Ltd	8106	18.18		0.52

On the premier equity market of The Land of The Rising Sun, there were only losses on the key indices of this market.

The TOPIX Index, which is the key index of The Tokyo Stock Exchange, ended the trading day at 1,754.03 points, a fall of about 0.68 percent on Tuesday's closing level.

The ratio of losing counters to gaining ones was about 3.20:One.

The Nikkei-225 Stock Average shed about 0.80 percent, ending the trading day at 17,858.42 yen.

One of the main reasons for the sell-off of stocks and shares on the most-important equity market of Asia was a report, suggesting that the fall-out from the US subprime, mortgage-lending chaos could cost Japanese-domiciled banks as much as \$US8.30 billion at the end of the day.

News Wise

- **Nintendo Company** announced that its Net Profit Attributable to Shareholders for the quarter, ended June 30, 2007, was about 80.25 billion yen, an increase, Year-On-Year, of about 396 percent.

And, on other Asian equity markets, this was how their respective key indices closed the day:

The HKSAR	Hang Seng Index Minus 0.47 percent to 23,362.18 The Growth Enterprise Index Plus 1.46 percent to 1,791.55
Indonesia	Minus 0.27 percent to 2,394.57
Japan	TOPIX Index Minus 0.68 percent to 1,754.03 Nikkei-225 Stock Average Minus 0.80 percent to 17,858.42
Malaysia	Minus 0.89 percent to 1,379.73
The Philippines	Minus 1.64 percent to 3,645.51

The PRC	Shanghai Composite Index Plus 2.70 percent to 4,323.97 Shenzhen Composite Index Plus 2.41 percent to 1,213.19
Singapore	Minus 0.86 percent to 3,633.54
South Korea	Plus 0.60 percent to 2,004.22
Taiwan	Minus 0.04 percent to 9,740.13
Thailand	Plus 0.31 percent to 883.65

Thursday

Fears of an international credit squeeze, being in the offing in the near future, knocked off hundreds of billions of US dollars from the market capitalisations of publicly listed companies, from Wall Street to Thread Needle Street (of London, England) and over to Eitai-Dori Street (of Tokyo, Japan).

**Please See TARGET Intelligence Report, Volume IX, Number 140,
Pages 16-17, For More On The Topic Of [A Credit Crunch](#)**

On The New York Stock Exchange, the Dow Jones Industrial Average shed 311.50 points, equivalent to about 2.26 percent, dropping back to 13,473.57 points.

On The (tech-laden) NASDAQ, its Composite Index shed 48.83 points, or about 1.84 percent, ending the hectic trading session at 2,559.34 points.

Heavy sell order flooded trading floors from the opening bells on both markets; some stockbrokers recalled '*Black Monday*' of October 1987.

On The New York Stock Exchange, the ratio of losing counters to gaining ones was about 10:One and, on The NASDAQ, declining counters outran advancing ones by the ratio of about 5:One.

Investors came to the very worrying realisation that many international investment banks had been forced to eat tens of billions of US dollars' worth of high-yield debts, those debts, originally destined for the portfolios of investors, not the banks.

Multiple force majeure situations have come to mean that these banks may well, in the fullness of time, have to make material provisions for these debts.

That was not all, however, because the US housing situation was another drag on investor sentiment, following a report from the US Government's Commerce Department.

New, single-family home sales for the month of June fell by about 6.60 percent, Month-On-Month, exacerbating the already bloated, US inventory levels of unsold homes.

At the pace of current sales, it will take between 7 months and 8 months just to clear this stock, it was estimated.

The potential, knock-on affect of the 'sick' US housing market on the overall US economy was being pooh-poohed by certain Wall Street gurus, last Thursday, but tell that to the marines as the share prices of property developers fell, fast and furiously.

D.R. Horton Incorporated and Beazer Homes, 2 of the largest home builders in the US, both posted quarterly losses, last Thursday.

The share price of D.R. Horton Incorporated fell about 1.80 percent to \$US17.16 while the share price of Beazer Homes gave up about 8.70 percent of its market capitalisation, dropping back to \$US15.56.

In Europe, blood flowed on the trading floors of major bourses, throughout last Thursday's trading day.

For many a bourse, the losses of its key indices were the largest in the previous 5 months.

This was how the key indices of the most-important, European equity markets fared, last Thursday:

Amsterdam's AEX Index	Minus 2.53 percent
France's CAC 40 Index	Minus 2.77 percent
Germany's Frankfurt XETRA DAX Index	Minus 2.38 percent
Great Britain's FTSE 100 Index	Minus 3.14 percent
Italy's MIBTEL Index	Minus 2.01 percent
Switzerland's Swiss Market Index	Minus 2.42 percent

On The New York Mercantile Exchange (NYMEX), there was a bit of a respite as the price of crude oil fell back more than one percent.

For delivery in September, the last settlement for a barrel of light sweet crude oil came in at \$US74.95, down about 1.23 percent on Wednesday's closing level.

As for October delivery for a barrel of light sweet crude oil, the last settlement was \$US74.47, representing a one-day fall of about 1.31 percent.

In Asia, it was a similar situation to that of the rest of the world, but not the same extent – and least, not yet.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), trading was brisk on the territory's 2 equity markets, but the general feeling was one of despondency because of fears of the potential of a squeeze on margin trading with regard to high-leveraged positions.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index was forced to surrender about 0.64 percent of its value, dropping to 23,211.69 points.

The Total Turnover was about \$HK102.31 billion, while the ratio of losing counters to gaining ones was about 1.92:One.

The Ten Most Active counters were:

China Life Insurance Company Ltd (Code: 2628)

Up 1.37 percent to \$HK33.20 per share

HSBC Holdings plc (Code: 5)	Down 0.42 percent to \$HK143.20 per share
China Mobile Ltd (Code: 941)	Down 1.66 percent to \$HK91.70 per share
Shougang Concord International Enterprises Company Ltd (Code: 697)	Up 7.72 percent to \$HK2.65 per share
PetroChina Company Ltd (Code: 857)	Up 0.33 percent to \$HK12.14 per share
Fosun International Ltd (Code: 656)	Up 3.27 percent to \$HK13.26 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 0.82 percent to \$HK4.86 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 0.96 percent to \$HK8.40 per share
Shenzhen Investment Ltd (Code: 604)	Down 2.50 percent to \$HK6.63 per share
China Construction Bank Corporation (Code: 939)	Down 0.68 percent to \$HK5.85 per share

Despite the overall market, being decidedly bearish, the number of double-digit movers of the day suggested otherwise.

Of the 36, biggest movers of the day, management of only 6 of their number saw their respective share prices fall by 10 percent or more while the managements of the remaining 30 counters noted that their respective companies' market capitalisations gained 10 percent or more.

Same Time Holdings Ltd (Code: 451) was the biggest winner of the day as investors pushed up its share price to \$HK6.13, a one-day gain of about 86.89 percent.

Sun Innovation Holdings Ltd (Code: 547) turned out to be the biggest loser of the day as selling pressure pushed down its share price by 17.07 percent to \$HK2.77.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index rose by about 0.13 percent, ending the day at 1,793.85 points.

The Total Turnover was about \$HK1.72 billion.

Winners and losers were, exactly, equal at One:One.

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

EMER International Group Ltd (Code: 8149)	Up 1.47 percent to \$HK6.90 per share
DeTeam Company Ltd (Code: 8112)	Down 8.17 percent to \$HK2.81 per share
Town Health International Holdings Company Ltd (Code: 8138)	Down 5.56 percent to \$HK0.255 per share
Xteam Software International Ltd (Code: 8178)	Up 1.11 percent to \$HK0.91 per share

Kanstar Environmental Paper Products Holdings Ltd
(Code: 8011)

Unchanged at \$HK0.475 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131	32.84		0.445
Capinfo Company Ltd	8157	20.37		0.65
Cardlink Technology Group Ltd	8066	24.73		0.58
Everpride Biopharmaceutical Company Ltd	8019	11.29		0.345
Long Success International (Holdings) Ltd	8017		16.67	1.20
T S Telecom Technologies Ltd	8003	11.43		0.39
TeleEye Holdings Ltd	8051		22.08	0.30
Wafer Systems Ltd	8198	10.53		0.63

In The Land of The Rising Sun, it was losers, all round, on the country's 3, major equity markets.

On The Tokyo Stock Exchange, The TOPIX Index surrendered about 0.96 percent, dropping back to 1,737.18 points.

Declining counters outran advancing ones by the ratio of about 5:One.

The Nikkei-225 Stock Average lost about 0.88 percent of its former glory, ending the trading day at 17,702.09 yen.

News Wise

- **Sharp Corporation** announced that its first quarter Net Profit Attributable to Shareholders, ended June 30, 2007, rose by about 1.40 percent, Year-On-Year, to 24.20 billion yen. Sharp is Japan's largest manufacturer of liquid crystal displays; and,
- **Matsushita Electric Industrial Company** announced that its Net Profit Attributable to Shareholders for the like period of Sharp Corporation rose about 9.70 percent to about 39.31 billion yen.

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

The HKSAR	Hang Seng Index Minus 0.64 percent to 23,211.69 The Growth Enterprise Index
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	Plus 0.13 percent to 1,793.85
Indonesia	Minus 1.22 percent to 2,365.26
Japan	TOPIX Index Minus 0.96 percent to 1,737.18 Nikkei-225 Stock Average Minus 0.88 percent to 17,702.09
Malaysia	Plus 0.13 percent to 1,381.50
The Philippines	Plus 0.39 percent to 3,659.68
The PRC	Shanghai Composite Index Plus 0.52 percent to 4,346.46 Shenzhen Composite Index Plus 1.52 percent to 1,231.65
Singapore	Minus 1.48 percent to 3,579.73
South Korea	Minus 2.03 percent to 1,963.54
Taiwan	Minus 1.78 percent to 9,566.42
Thailand	Plus 0.06 percent to 884.16

Friday

It was a bloodbath on equity markets across the globe, last Friday: No market was spared.

The penny had dropped; investors were running scared.

On the world's largest equity markets, those on Wall Street, it was estimated that more than \$US300 billion had been wiped off the value of the Standards and Poor's 500 in the period of one trading day.

Investors' fears included:

1. The continuing, US housing meltdown;
2. The subprime, mortgage-lending chaos; and,
3. The likely hefty provisions that finance houses, worldwide, would be forced to make for force majeure situations.

On The New York Stock Exchange, the Dow Jones Industrial Average lost another 208.10 points, equivalent to about 1.54 percent, ending the week at 13,265.47 points, adding to The Dow's 2.26-percent loss of Thursday.

Over on The NASDAQ, its Composite Index shed 37.10 points, or about 1.43 percent, dropping back to

2,562.24 points.

In 2 trading days, the key index of this, tech-laden market had dropped about 3.27 percent.

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

The Dow Jones Industrial Average	Minus 4.23 percent
The Composite Index of The NASDAQ	Minus 4.66 percent

Adding insult to injury, the price of crude oil on international commodity exchanges continued to rise, smartly, causing even more consternation for investors.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in September came in at \$US77.02, representing an increase of about 2.76 percent on Thursday's final quote.

As for delivery in October, the last settlement for a barrel of light sweet crude oil was \$US76.31, an increase of about 2.47 percent, compared with Thursday's closing level.

It seemed likely that the price of crude oil would eclipse the previous record high of \$US78.40 per barrel.

Corporate America was about to have more problems with which to contend.

In Europe, it was a similar situation to that which investors had suffered on Wall Street.

Every key index of every major equity market came under fire as investors drove down their levels to previously considered improbable lows in such a short period of time.

This was how things looked in Europe, last Friday night:

Amsterdam's AEX Index	Minus 1.19 percent
France's CAC 40 Index	Minus 0.54 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.76 percent
Great Britain's FTSE 100 Index	Minus 0.57 percent
Italy's MIBTEL Index	Minus 0.30 percent
Switzerland's Swiss Market Index	Unchanged

In Asia, the situation mirrored that of the rest of the world.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets' key indices were forced to surrender more than 2 percent, each, of their former, respective values.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index gave up about 2.76 percent, falling back to 22,570.41 points.

The Total Turnover was about \$HK112.52 billion.

Losing counters outpaced advancing ones by the ratio of about 6.84:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 1.47 percent to \$HK141.10 per share
China Life Insurance Company Ltd (Code: 2628)	Down 3.46 percent to \$HK32.05 per share
China Mobile Ltd (Code: 941)	Down 2.56 percent to \$HK89.35 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 4.12 percent to \$HK4.66 per share
China Construction Bank Corporation (Code: 939)	Down 3.25 percent to \$HK5.66 per share
PetroChina Company Ltd (Code: 857)	Down 3.13 percent to \$HK11.76 per share
Bank of China Ltd (Code: 3988)	Down 3.13 percent to \$HK4.02 per share
Fosun International Ltd (Code: 656)	Up 1.51 percent to \$HK13.46 per share
Ping An Insurance (Group) Company of China Ltd (Code: 2318)	Down 4.37 percent to \$HK63.40 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Down 2.50 percent to \$HK128.50 per share

As for the Main Board's double-digit movers of the day, they included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Artfield Group Ltd	1229	11.36		1.96
AV Concept Holdings Ltd	595	11.76		0.57
Berjaya Holdings (Hongkong) Ltd	288	44.58		0.60
Bestway International Holdings Ltd	718		13.33	0.52
China Elegance (Holdings) Ltd	476	56.25		2.25
China HealthCare Holdings Ltd	673		10.00	1.35
Concepta Investments Ltd	1140	11.96		1.03
EganaGoldpfeil (Holdings) Ltd	48		48.30	2.74

Fujian Holdings Ltd	181	11.76		0.76
Global Green Tech Group Ltd	274	46.06		3.52
Golden 21 Investment Holdings Ltd	2312	15.66		4.80
Great China Holdings Ltd	141		10.94	1.14
Junefield Department Store Group Ltd	758	12.77		0.53
K and P International Holdings Ltd	675		21.69	0.40
Karce International Holdings Company Ltd	1159		10.61	0.59
KTP Holdings Ltd	645	21.09		1.01
LeRoi Holdings Ltd	221		15.71	0.295
L.K. Technology Holdings Ltd	558	10.78		1.13
Ngai Hing Hong Company Ltd	1047		10.00	0.495
Pearl River Tyre (Holdings) Ltd	1187	47.65		2.51
Prosperity Investment Holdings Ltd	310		12.33	0.32
Radford Capital Investment Ltd	901		10.17	0.106
REXCAPITAL Financial Holdings Ltd	555		11.11	1.12
Southeast Asia Properties and Finance Ltd	252		12.71	2.54
Sino Katalytics Investment Corporation	2324	24.53		0.33
Tonic Industries Holdings Ltd	978		10.00	0.315
United Pacific Industries Ltd	176	22.58		0.76
Upbest Group Ltd	335		17.61	1.45
Wang Sing International Holdings Group Ltd	2389		15.94	1.16
Wing Hong (Holdings) Ltd	745		15.15	1.12
Xin Corporation Ltd	1141		13.53	1.15

Yau Lee Holdings Ltd	406	16.67		1.40
Zhejiang Glass Company Ltd	739	11.39		6.55

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

The Growth Enterprise Index shed about 2.13 percent of its value as investors pushed it down to 1,755.72 points.

The Total Turnover was about \$HK987.51 million.

The ratio of declining counters to advancing ones was about 2.26:One.

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

Trasy Gold Ex Ltd (Code: 8063)

Up 2.47 percent to \$HK0.415 per share

Xteam Software International Ltd (Code: 8178)

Unchanged at \$HK0.91 per share

Town Health International Holdings Company Ltd (Code:
8138)

Down 7.06 percent to \$HK0.237 per share

China Photar Electronics Group Ltd (Code: 8220)

Up 11.34 percent to \$HK0.54 per share

MP Logistics International Holdings Ltd (Code: 8239)

Down 4.03 percent to \$HK1.43 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131		10.11	0.40
B.A.L. Holdings Ltd	8079	10.00		0.33
B M Intelligence International Ltd	8158		10.45	1.80
China Photar Electronics Group Ltd	8220	11.34		0.54
Computech Holdings Ltd	8081		15.18	0.475
Everpride Biopharmaceutical Company Ltd	8019	27.54		0.44
Long Success International (Holdings) Ltd	8017	24.15		0.55
Shandong Luoxin Pharmacy Stock Company Ltd	8058	11.51		3.10
Tianjin TEDA Biomedical Engineering Company Ltd	8189	11.11		0.40

TeleEye Holdings Ltd	8051	41.67		0.425
Wafer Systems Ltd	8198	14.29		0.72
Zhejiang Yonglong Enterprises Company Ltd	8211	10.00		0.77

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

The Hang Seng Index	Minus 3.10 percent
The Growth Enterprise Index	Minus 0.63 percent

Japanese investors looked for succor, but there was no place to hide, actually: The key indices of the equity markets of The Land of The Rising Sun were shaved down, considerably.

On The Tokyo Stock Exchange, its TOPIX Index was pulled down by about 2.16 percent, ending the week at 1,699.71 points.

Losing counters outpaced gaining ones by the ratio of about 11.51:One.

The Nikkei-225 Stock Average was whittled down by about 2.36 percent to 17,283.81 yen.

On Asia's biggest and most-important equity market, the tally for the week was:

The TOPIX Index	Minus 4.30 percent
The Nikkei-225 Stock Average	Minus 4.81 percent

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

The HKSAR	Hang Seng Index Minus 2.76 percent to 22,570.41 The Growth Enterprise Index Minus 2.13 percent to 1,755.72
Indonesia	Minus 2.83 percent to 2,298.41
Japan	TOPIX Index Minus 2.16 percent to 1,699.71 Nikkei-225 Stock Average Minus 2.36 percent to 17,283.81
Malaysia	Minus 1.89 percent to 1,355.38
The Philippines	Minus 3.85 percent to 3,518.76
The PRC	Shanghai Composite Index Minus 0.03 percent to 4,345.36 Shenzhen Composite Index Plus 1.20 percent to 1,246.44
Singapore	Minus 2.43 percent to 3,492.70

South Korea	Minus 4.09 percent to 1,883.22
Taiwan	Minus 4.22 percent to 9,162.28
Thailand	Minus 2.33 percent to 863.58

-- **END** --

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