

**THE EQUITY MARKETS OF THE WORLD:
YOU SHOULD HAVE STAYED IN BED**

Following 2 trading days of dramatic falls in the prices of stocks and shares on the world's largest equity markets, US investors returned to the fray on both The New York Stock Exchange and The NASDAQ, pushing the key indices of these 2 equity markets back into positive territory, once again.

But, to **TARGET**'s way of thinking, the gains were far from being convincing because, throughout the trading day, the indices undulated between negative territory and positive territory before settling with a fractional improvement, compared with the closing level of the previous Friday (July 27, 2007).

On The New York Stock Exchange, the Dow Jones Industrial Average ended the day at 13,358.31 points, representing a gain of 92.84 points, or about 0.70 percent on the previous Friday's closing level.

On The NASDAQ, its Composite Index rose 21.04 points, equivalent to about 0.82 percent, rising to 2,583.28 points.

The ratio of gainers to losers was about 1.75:One on The New York Stock Exchange and about 1.21:One on the Composite Index of The NASDAQ.

The gains of last Monday on The New York Stock Exchange compared poorly with the losses of the previous Thursday and Friday (July 26 and July 27) when investors saw The Dow lose 2.26 percent on Thursday and, then, another 1.54-percent fall on Friday.

On The NASDAQ, its Composite Index shed 1.84 percent on the previous Thursday and added to its losses on Friday with another fall of about 1.43 percent.

Investors in Europe, however, were far from being happy campers, last Monday, with the key indices of the most-important, equity markets, vacillating for all of the trading day.

Risk aversion was the thing on European bourses, last Monday, as concerns were being expressed that a credit crunch was, very much, on the cards.

For a change, Wall Street was not much of an influence on European equity markets.

By the close of the day, the key indices of major bourses only just held onto tiny gains or suffered small fractional falls:

Amsterdam's AEX Index	Minus 0.17 percent
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France's CAC 40 Index	Plus 0.04 percent
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Germany's Frankfurt XETRA DAX Index	Plus 0.06 percent
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Great Britain's FTSE 100 Index	Minus 0.14 percent
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Italy's MIBTEL Index Minus 0.02 percent

Switzerland's Swiss Market Index Unchanged

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in September was \$US76.83, down about one quarter of a percentage point, compared with the closing level of Friday, July 27, 2007.

As for delivery in October, the last settlement for a barrel of light sweet crude oil came in at \$US76.21, representing a fall of about 0.13 percent, compared with the last settlement on the previous Friday.

In Asia, last Monday, the key indices of the most-important equity markets managed to stage somewhat of a recovery, following the losses of the previous week.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key index of the premier stock market rose while the lone index of the speculative equity market sagged, once again.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index rose about 0.75 percent, ending the tame trading day at 22,739.90 points.

The Total Turnover, however, fell back to about \$HK80.73 billion.

The ratio of advancing counters to declining ones was about 1.45:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)

Up 0.14 percent to \$HK141.30 per share

PetroChina Company Ltd (Code: 857)

Down 3.23 percent to \$HK11.38 per share

China Life Insurance Company Ltd (Code: 2628)

Up 3.28 percent to \$HK33.10 per share

China Mobile Ltd (Code: 941)

Up 1.01 percent to \$HK90.25 per share

Fosun International Ltd (Code: 656)

Up 6.69 percent to \$HK14.36 per share

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

Up 1.29 percent to \$HK4.72 per share

China Construction Bank Corporation (Code:
939)

Up 0.71 percent to \$HK5.70 per share

Bank of China Ltd (Code: 3988)

Up 0.75 percent to \$HK4.05 per share

China Petroleum and Chemical
Corporation (Code: 386)

Down 0.36 percent to \$HK8.21 per share

Hongkong Exchanges and Clearing Ltd (Code:
388)

Up 0.08 percent to \$HK128.60 per share

There was a total of 34, double-digit movers on the Main Board, last Monday, with 8 of their number, losing 10 percent or more of their respective market capitalisations, while the managements of the remaining 26 counters witnessed the market value of their respective scrip gain at least 10 percent, compared with the previous Friday's closing levels.

The biggest mover of the day was Earnest Investments Holdings Ltd (Code: 339) as investors pushed up its share price by about 61.32 percent to \$HK1.71.

The biggest loser of the day was Vital BioTech Holdings Ltd (Code: 1164) as investors drove down its share price by about 21.54 percent to 51 cents.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shed about 0.30 percent of its value, dropping back to 1,750.49 points.

The Total Turnover on this speculative equity market was about \$HK1.39 billion.

The ratio of gainers to losers was about 1.61:One.

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

Maxitech International Holdings Ltd (Code:
8136)

Down 21.43 percent to \$HK0.66 per share

Town Health International Holdings Company
Ltd (Code: 8138)

Up 5.49 percent to \$HK0.25 per share

MP Logistics International Holdings Ltd (Code:
8239)

Up 6.99 percent to \$HK1.53 per share

Yantai North Andre Juice Company Ltd (Code:
8259)

Up 15.11 percent to \$HK1.60 per share

Trasy Gold Ex Ltd (Code: 8063)

Unchanged at \$HK0.415 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	35.00		0.54
Advanced Card Systems Holdings Ltd	8210	28.57		0.36
Yantai North Andre Juice Company Ltd	8259	15.11		1.60
B.A.L. Holdings Ltd	8079	12.12		0.37
Byford International Ltd	8272	384.85		4.80

Cardlink Technology Group Ltd	8066	14.75		0.70
Core Healthcare Investment Holdings Ltd	8250	12.73		0.31
EMER International Group Ltd	8149		11.81	5.90
Enviro Energy International Holdings Ltd	8182	10.57		3.87
Everpride Biopharmaceutical Company Ltd	8019		12.50	0.385
Galileo Capital Group Ltd	8029	13.10		0.475
IIN International Ltd	8128	11.90		0.47
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049	17.57		0.435
Lee's Pharmaceutical Holdings Ltd	8221	10.00		0.44
Linefan Technology Holdings Ltd	8166	19.05		0.375
Maxitech International Holdings Ltd	8136		21.43	0.66
Shenzhen Mingwah Aohan High Technology Corporation Ltd	8301	23.33		0.37
Prosten Technology Holdings Ltd	8026	24.62		1.62
Sino Haijing Holdings Ltd	8065		11.30	1.02
Ultra Group Holdings Ltd	8203	10.29		0.375
Universal Technologies Holdings Ltd	8091	31.08		0.485
Zhejiang Yonglong Enterprises Company Ltd	8211	18.18		0.91

In Japan, there was an election for control of the Upper House of The Diet: The ruling political party of Prime Minister Shinzo Abe received a bit of a thumping.

That appeared to put a damper on proceedings on Asia's largest equity market.

On The Tokyo Stock Exchange, its TOPIX Index gained just 6 points, or about 0.35 percent, ending the

trading day at 1,705.71 points.

Advancing counters outnumbered declining counters by the ratio of about 2.14:One.

With regard to The Nikkei-225 Stock Average, it rose 5.49 yen, equivalent to about 0.03 percent, ending the day at 17,289.30 yen.

News Wise

- **Sanyo Electric Company** announced that its Net Profit Attributable to Shareholders for the 3 months, ended June 30, 2007, was about 2.57 billion yen. That result compared with the like period in 2006 when the company reported a Loss Attributable to Shareholders of about 9.67 billion yen;
- **Industrial production** in Japan, seasonally adjusted, rose by about 1.20 percent in June, compared with May, The Ministry of Economy, Trade and Industry reported. It was the first increase in industrial production since March; and,
- **Mitsubishi Motors Corporation** reported that its Loss Attributable to Shareholders for the quarter, ended June 30, 2007, was 8.23 billion yen, compared with the like period in 2006 when the Loss Attributable to Shareholders was about 15.11 billion yen.

And, on other Asian equity markets, this was how the situation looked in respect of their key indices, last Monday night:

The HKSAR	Hang Seng Index Plus 0.75 percent to 22,739.90 The Growth Enterprise Index Minus 0.30 percent to 1,750.49
Indonesia	Plus 0.14 percent to 2,301.55
Japan	TOPIX Index Plus 0.35 percent to 1,705.71 Nikkei-225 Stock Average Plus 0.03 percent to 17,289.30
Malaysia	Minus 0.22 percent to 1,352.41
The Philippines	Minus 1.46 percent to 3,467.46
The PRC	Shanghai Composite Index Plus 2.20 percent to 4,440.77 Shenzhen Composite Index Plus 2.28 percent to 1,274.93
Singapore	Plus 0.96 percent to 3,526.29
South Korea	Plus 1.25 percent to 1,906.71
Taiwan	Minus 0.98 percent to 9,072.57

Thailand	Closed
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Tuesday

Share prices retreated on a wide front on the world's largest equity markets, last Tuesday.

There was not one reason for the investor sell-off, but multiple reasons which included:

1. The price of crude oil hit a near-record high;
2. Another victim of the chaos in the mortgage-lending industry emerged; and,
3. Investor confidence in equities continued to wane.

On The New York Stock Exchange, the Dow Jones Industrial Average shed 146.32 points, equivalent to about 1.10 percent, ending the trading day at 13,211.99 points.

The Composite Index of The NASDAQ gave up 37.01 points, or about 1.43 percent, collapsing to 2,546.27 points.

The ratio of losing counters to gaining ones was about 1.36:One on The New York Stock Exchange and about 1.50:One on The NASDAQ.

It was after the share price of American Home Mortgage Investment Corporation, a material provider of home-mortgage finance, shed about \$US9.43, equivalent to about 90.07 percent of its previous close of about \$US10.47, that investors woke up to the reality of the situation.

American Home Mortgage Investment Corporation announced that its lenders had cut off all funding to the company and, as such, it was unable to finance about \$US300-million worth of loans, loans that it had committed in writing to fund.

The company, now, has 2 ways to go:

1. Sell assets, if it can find buyers; and/or,
2. Seek protection from its many creditors by filing a Petition with the Court in accordance with The Bankruptcy Laws of the US in order to try to buy time to restructure itself – if that is possible.

Whatever this company does, as far as investors are concerned, it boils down to mean that there are grave concerns about important sectors of the economy of the US and, especially, the financial sector.

It stands to reason that there must be other US financial organisations, facing similar (if not worse than) positions to American Home Mortgage Investment Corporation.

For More On This Subject, Please Refer To:
TARGET Intelligence Report, Volume IX, Number
143,

Published Last Wednesday, Headlined:
'THE MAKINGS OF A PERFECT (FINANCIAL)
STORM'

Unnerving investor confidence even more was the situation on commodity markets of the world, especially with regard to sales of crude oil.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in September hit the near-record level of \$US78.21, up about 1.80 percent on Monday's final quote.

That price was just 0.24 percent off the all-time high of \$US78.40 per barrel.

As for delivery in October, the last settlement for a barrel of light sweet crude oil was \$US77.60, representing a gain of about 1.82 percent on the closing level of Monday.

The reasons for the increase in the price of the black ooze included perceived, future supply disruptions – from Nigeria and the North Sea – and the prospects that, even without the perception of supply problems, production by the end of the year is likely to be unable to cope with increasing demand.

So, here comes \$US80 per barrel oil!

In Europe, investors appeared to be oblivious of the situation on Wall Street, last Tuesday.

Stock and share prices rebounded, following 5 consecutive days of falls when tens of billions of euros were shaved off the market capitalisations of most of the European *'darlings'*.

This is how that situation looked on the major European bourses, last Tuesday night:

Amsterdam's AEX Index	Plus	1.56 percent
France's CAC 40 Index	Plus	1.85 percent
Germany's Frankfurt XETRA DAX Index	Plus	1.71 percent
Great Britain's FTSE 100 Index	Plus	2.48 percent
Italy's MIBTEL Index	Plus	1.47 percent
Switzerland's Swiss Market Index	Plus	2.06 percent

In Asia, the Wall Street *'penny'* had not dropped and so investors, in this part of the world, were shooting with blanks.

With the lone exception of the Thai stock market, all of the key indices of the other markets made gains.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets made very material gains.

The Hang Seng Index, which is the key gauge to trading on the Main Board of The Stock Exchange of Hongkong Ltd, rose about 1.96 percent to 23,184.94 points.

The Total Turnover was about \$HK86.19 billion.

Gaining counters outraced losing ones by the ratio of about 4.39:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 2.12 percent to \$HK144.30 per share
China Life Insurance Company Ltd (Code: 2628)	Up 2.27 percent to \$HK33.85 per share
Hang Seng Bank Ltd (Code: 11)	Up 9.83 percent to \$HK124.00 per share
China Mobile Ltd (Code: 941)	Up 1.00 percent to \$HK91.15 per share
PetroChina Company Ltd (Code: 857)	Up 2.46 percent to \$HK11.66 per share
PICC Property and Casualty Company Ltd (Code: 2328)	Up 13.48 percent to \$HK10.10 per share
Bank of China Ltd (Code: 3988)	Up 2.72 percent to \$HK4.16 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 2.54 percent to \$HK4.84 per share
China Construction Bank Corporation (Code: 939)	Up 3.51 percent to \$HK5.90 per share
Fosun International Ltd (Code: 656)	Up 1.25 percent to \$HK14.54 per share

There was a total of 54, double-digit movers on the Main Board, last Tuesday, with the managements of 8 of their number, seeing their respective share prices fall by 10 percent or more, while the managements of the remaining 46 counters noted that their respective market capitalisations had risen by 10 percent or more.

Rising Development Holdings Ltd (Code: 1004) was the biggest gainer of the day as investors pushed up its share price by about 51.33 percent to \$HK1.71.

China Strategic Holdings Ltd (Code: 235) turned out to be the biggest loser of the day, its share price, dropping about 17.76 percent as investors pushed it down to 88 cents.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, it was a rerun of the situation on the Main Board.

The Growth Enterprise Index rose about 2.41 percent, hitting 1,792.72 points by the close of the trading day.

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

Gainers outnumbered losers by the ratio of about 3.31:One.

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

Enviro Energy International Holdings Ltd (Code: 8182)	Up 18.86 percent to \$HK4.60 per share
Kanstar Environmental Paper Products Holdings Ltd (Code: 8011)	Up 5.43 percent to \$HK0.485 per share

Galileo Capital Group Ltd (Code: 8029)

Up 17.89 percent to \$HK0.56 per share

Town Health International Holdings Company Ltd
(Code: 8138)

Up 2.00 percent to \$HK0.255 per share

B.A.L. Holdings Ltd (Code: 8079)

Up 8.11 percent to \$HK0.40 per share

As for The GEM's double-digit movers of the day, they included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Advanced Card Systems Holdings Ltd	8210	11.11		0.40
China Vanguard Group Ltd	8156	10.77		0.72
Computech Holdings Ltd	8081	15.56		0.52
Enviro Energy International Holdings Ltd	8182	18.86		4.60
FlexSystem Holdings Ltd	8050	15.15		0.38
Galileo Capital Group Ltd	8029	17.89		0.56
Golden Meditech Company Ltd	8180	13.07		3.98
Golife Concepts Holdings Ltd	8172	11.74		0.238
International Financial Network Holdings Ltd	8123	51.04		0.29
Intelli-Media Group (Holdings) Ltd	8173	12.73		0.248
Jessica Publications Ltd	8137	33.33		1.00
JF Household Furnishings Ltd	8310	17.92		1.25
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049		11.49	0.385
Linefan Technology Holdings Ltd	8166	30.67		0.49

Milkyway Image Holdings Ltd	8130	18.64		0.35
Shenzhen Mingwah Aohan High Technology Corporation Ltd	8301	17.57		0.435
Shaanxi Northwest New Technology Industry Company Ltd	8258	10.00		0.495
ProSticks International Holdings Ltd	8055	15.87		0.73
SYSCAN Technology Holdings Ltd	8083	16.22		0.43
T S Telecom Technologies Ltd	8003	27.27		0.49
TeleEye Holdings Ltd	8051	15.58		0.445
Thiz Technology Group Ltd	8119	45.95		0.27
Anhui Tianda Oil Pipe Company Ltd	8241	11.42		7.90
Union Bridge Holdings Ltd	8047	13.21		0.60
Wafer Systems Ltd	8198	18.18		0.91

In The Land of The Rising Sun, investors continued to be concerned about the management of the country under the guidance of Prime Minister Shinzo Abe. (Please see Monday's report)

On The Tokyo Stock Exchange, its TOPIX Index rose about 0.03 percent to end the day at 1,706.18 points.

Gainers outnumbered losers by the ratio of about 1.77:One. The Nikkei-225 Stock Average, which is a much-narrower gauge to trading in select blue chips, listed on The First Section of The Tokyo Stock Exchange, shed 40.41 yen, equivalent to about 0.23 percent, as investors pulled it back to 17,248.89 yen.

News Wise

- **Tokyo Electric Power Company** announced that its Group Net Profit Attributable to Shareholders for its Financial Year, ended March 31, 2007, was 65 billion yen, down about 79 percent, Year-On-Year; and,
- The Internal Affairs and Communications Ministry of the Japanese Government announced that **unemployment** in the country had fallen by about 0.01 percent in June to 3.70 percent. Unemployment, now, stands at its lowest level since February of 1998.

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

The HKSAR	Hang Seng Index Plus 1.96 percent to 23,184.94 The Growth Enterprise Index
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	Plus 2.41 percent to 1,792.72
Indonesia	Plus 2.05 percent to 2,348.67
Japan	TOPIX Index Plus 0.03 percent to 1,706.18 Nikkei-225 Stock Average Minus 0.23 percent to 17,248.89
Malaysia	Plus 1.57 percent to 1,373.71
The Philippines	Plus 0.97 percent to 3,501.20
The PRC	Shanghai Composite Index Plus 0.68 percent to 4,471.03 Shenzhen Composite Index Plus 1.29 percent to 1,291.31
Singapore	Plus 0.61 percent to 3,547.66
South Korea	Plus 1.39 percent to 1,933.27
Taiwan	Plus 2.37 percent to 9,287.25
Thailand	Minus 0.44 percent to 859.76

Wednesday

It was only in the closing minutes of trading on The New York Stock Exchange, last Wednesday, that investors pushed up the key indices from the red, back into the black.

Throughout the trading day, the key indices vacillated between plus and the minus as investors, clearly, were unsure as to what action to take, if any.

There was a great deal of short-covering, throughout the day, and it was reported that some fund managers were trying to load up on select stocks and shares in anticipation of a return of the bull.

Whether that is bull, or bulls...t, only time will tell.

The key index of The New York Stock Exchange, known as the Dow Jones Industrial Average, ended the day with a gain of about 1.14 percent as investors pushed it back to 13,362.37 points.

Over on The NASDAQ, its Composite Index only managed a gain of about 0.30 percent as this key index limped to 2,553.87 points.

Even so, the ratio of declining counters to advancing ones was about 1.36:One on The New York Stock Exchange and about 1.50:One on The NASDAQ.

Also, the Dow Jones Home Builder Index was off by about 0.80 percent.

Frightening the knickers off many investors was a confirmed report that Bear Stearns and Company Incorporated had stopped all redemptions in a hedge fund.

In July, 2 funds, both managed by this bank, had collapsed due in large part to the meltdown in the subprime, mortgage-lending industry of the US.

Trading on the world's largest equity markets, last Wednesday, was, certainly, not for the squeamish.

In Europe, there was no, last-minute respite on major bourses of this region of the world.

All of the key indices of all of the major European bourses lost heavily as the following **TARGET** () list indicates:

Amsterdam's AEX Index	Minus 1.78 percent
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France's CAC 40 Index	Minus 1.68 percent
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Germany's Frankfurt XETRA DAX Index	Minus 1.45 percent
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Great Britain's FTSE 100 Index	Minus 1.72 percent
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Italy's MIBTEL Index	Minus 1.92 percent
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Switzerland's Swiss Market Index	Closed
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Hurting investor confidence in Europe was confirmation that IKB Deutsche Industriebank AG had had to be bailed out by the Government of Germany!

IKB, as it is more commonly called, announced earlier that it had experienced a major fall in earnings due to its exposure to subprime mortgage-lending.

A bailout plan had been agreed by the German Government, one that will cost taxpayers about \$US10.93 billion.

Other German banks have come to the rescue of IKB, at least to the extent of about 30 percent of the bailout package, sponsored by the German Government.

News Wise

- **British Airways plc** has been fined by the US Department of Justice after it admitted that it had colluded in fixing fuel-price surcharges. The airline was fined £148 million (about \$US300 million). The door is, now, open for customers, present and past, of British Airways to seek legal redress.

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

For delivery in September, the last settlement for a barrel of light sweet crude oil dropped about 2.15 percent to \$US76.53.

The price of a barrel of light sweet crude oil for delivery in October shed about 1.81 percent, ending the day

at \$US76.21.

In Asia, it was only red ink that was used to write in the closing figures of all of the key indices of the equity markets of the most-populous part of the world.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the territory's 2 equity markets lost substantially as investors, noting that which was taking place in other parts of the world, ran for cover.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index shed 729.58 points, equivalent to about 3.15 percent, as investors drove it back to 22,455.36 points.

The Total Turnover was about \$HK121.06 billion.

The ratio of losing counters to gaining ones was about 6.42:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 1.46 percent to \$HK142.20 per share
China Life Insurance Company Ltd (Code: 2628)	Down 4.28 percent to \$HK32.40 per share
China Mobile Ltd (Code: 941)	Down 4.00 percent to \$HK87.50 per share
PICC Property and Casualty Company Ltd (Code: 2328)	Up 6.34 percent to \$HK10.74 per share
China Construction Bank Corporation (Code: 939)	Down 4.58 percent to \$HK5.63 per share
PetroChina Company Ltd (Code: 857)	Down 3.43 percent to \$HK11.26 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 4.34 percent to \$HK4.63 per share
China Communications Construction Company Ltd (Code: 1800)	Down 5.26 percent to \$HK16.94 per share
Bank of China Ltd (Code: 3988)	Down 3.61 percent to \$HK4.01 per share
Fosun International Ltd (Code: 656)	Down 4.13 percent to \$HK13.94 per share

As for the Main Board's double-digit movers of the day, there was a total of 37 counters that qualified for this honour.

Of that number, the managements of 9 counters saw their respective market capitalisations rise by 10 percent or more, while the managements of the remaining 28, double-digit movers noted their respective

share prices had fallen by at least 10 percent.

Greater China Holdings Ltd (Code: 431) turned out to be the biggest gainer of the day as its share price rose 44 percent to \$HK1.08.

China Investment Fund Company Ltd (Code: 612) was the biggest loser of the day, its share price, falling about 15 percent to 51 cents.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shed about 3.23 percent, dropping back to 1,734.80 points.

The Total Turnover on this speculative equity market was about \$HK1.31 billion.

Declining counters outnumbered advancing ones by the ratio of about 4.19:One.

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

Trasy Gold Ex Ltd (Code: 8063)
Down 5.00 percent to \$HK0.38 per share

Medical China Ltd (Code: 8186)
Down 2.33 percent to \$HK0.84 per share

Kanstar Environmental Paper Products Holdings
Ltd (Code: 8011)
Down 3.09 percent to \$HK0.47 per share

Jinheng Automotive Safety Technology Holdings
Ltd (Code: 8293)
Down 4.76 percent to \$HK1.80 per share

Enviro Energy International Holdings Ltd (Code:
8182)
Down 4.35 percent to \$HK4.40 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Advanced Card Systems Holdings Ltd	8210		11.25	0.355
B.A.L. Holdings Ltd	8079		13.75	0.345
BIG Media Group Ltd	8167		17.31	0.86
Byford International Ltd	8272	14.85		5.80
Shanxi Changcheng Microlight Equipment Company Ltd	8286	34.88		1.16
China Leason Investment Group	8270		16.08	1.20

Company Ltd				
Computech Holdings Ltd	8081		11.54	0.46
Core Healthcare Investment Holdings Ltd	8250	26.67		0.38
Era Information and Entertainment Ltd	8043	19.30		0.68
Essex Bio-Technology Ltd	8151	11.54		0.29
Everpride Biopharmaceutical Company Ltd	8019		10.00	0.36
Excel Technology International Holdings Ltd	8048	14.29		0.28
Global Link Communications Holdings Ltd	8060	21.31		0.37
Jessica Publications Ltd	8137		10.00	0.90
Long Success International (Holdings) Ltd	8017		10.34	0.52
Midland IC and I Ltd	8090		10.00	0.162
South China Land Ltd	8155		12.94	0.37
Tianjin TEDA Biomedical Engineering Company Ltd	8189	40.00		0.63
TeleEye Holdings Ltd	8051		11.24	0.395
Tiger Tech Holdings Ltd	8046		16.36	1.38

In Japan, it was a similar situation to the events that had unfolded on other Asian equity markets.

On The Tokyo Stock Exchange, its TOPIX Index gave up about 2.19 percent of its value, falling back to 1,668.85 points.

The ratio of losers to gainers was about 7.83:One.

The Nikkei-225 Stock Average shed 377.91 yen, equivalent to a loss of about 2.19 percent, ending the trading day at 16,870.98 yen.

In other Asian equity markets, this was how the situation looked, last Wednesday night:

The HKSAR	Hang Seng Index Minus 3.15 percent to 22,455.36 The Growth Enterprise Index Minus 3.23 percent to 1,734.80
Indonesia	Minus 3.93 percent to 2,256.31
Japan	TOPIX Index Minus 2.19 percent to 1,668.85 Nikkei-225 Stock Average Minus 2.19 percent to 16,870.98
Malaysia	Minus 2.49 percent to 1,339.49
The Philippines	Minus 2.13 percent to 3,426.45
The PRC	Shanghai Composite Index Minus 3.81 percent to 4,300.56 Shenzhen Composite Index Minus 3.82 percent to 1,241.95
Singapore	Minus 3.27 percent to 3,431.71
South Korea	Minus 3.97 percent to 1,856.45
Taiwan	Minus 4.26 percent to 8,891.88
Thailand	Minus 3.06 percent to 833.47

Thursday

The Government of the United States of America put a slightly new slant on the problem of the sustained, higher prices for crude oil, with Mr Sam Bodman, Energy Secretary, warning of the dire consequences should the price of crude oil stay close to, or higher than, \$US80 per barrel.

He said:

'I am concerned that where we are operating, in the ranges that we're talking about now ... I am concerned for each uptick (in the price of a barrel of crude oil).'

Mr Bodman called on The **Organisation of Petroleum Exporting Countries (OPEC)** *'to look carefully at the facts.'*

Mr Bodman, also, commented that, never in the history of the US, had the country had to face *'an extended period'* of record-setting (imported) oil prices.

With petrol prices at the US pumps at \$US3 and more, and with many US industries, having to try to pass on the additional cost of energy to consumers, the situation is quite likely to dent consumer spending, materially, in the country, Mr Bodman opined.

And, on The New York Mercantile Exchange (NYMEX), last Thursday, the price of crude oil crept up, once again.

For delivery in September, the last settlement for a barrel of light sweet crude oil was \$US76.86, up about 0.43 percent on Wednesday's last quote.

As for October delivery, the last settlement for a barrel of light sweet crude oil came in at \$US76.55, representing an increase of about 0.45 percent on Wednesday's last settlement.

As for Wall Street, last Thursday, it was almost a repeat performance of Wednesday's erratic share-price movements on both The New York Stock Exchange and The NASDAQ.

On The New York Stock Exchange, in the final hour of trading, the key indices shot up like a rocket.

Between 3 pm and 3:30 pm, the Dow Jones Industrial Average rose about 1.05 percent as investors determined to climb back into stocks and shares.

However, in the next 30 minutes of trading, the gains were trimmed, moderately.

By the close of the trading session, The Dow was standing at 13,463.33 points, representing a one-day increase of about 0.76 percent, compared with Wednesday's close.

On The NASDAQ, its Composite Index rose about 0.89 percent to 2,575.98 points.

The gurus of Wall Street put down the gains to earnings' results, in the main.

News Wise

- **Accredited Home Lenders Holding Company** announced that bankruptcy was a distinct possibility, now. Its share price fell 35.30 percent on the announcement. Accredited Home Lenders Holding Company is a subprime mortgage-lender, which, in June, agreed to be taken over after its coffers dried up.

In Europe, for the most part, there was a bit of a bounce back, but only a bit, mind you.

The European Central Bank (ECB) left interest rates unchanged at 4 percent for the second, consecutive month, but the President of the ECB, Mr Jean-Claude Trichet, made the comment that '*strong vigilance*' was needed in order to control inflationary tendencies in the region.

The Bank of England, also, left interest rates unchanged.

The official announcement stated:

'The Bank of England's Monetary Policy Committee today voted to maintain the official Bank Rate paid on commercial bank reserves at 5.75%.

'The Committee's latest inflation and output projections will appear in the Inflation Report to be published on Wednesday 8 August.'

In Germany, the share price of IKB Deutsche Industriebank AG shed about 29 percent in spite of the German Government's determination not to allow the bank to sink beneath its debts, caused by its exposure to the US subprime, mortgage industry. (Please see Wednesday's report)

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

Amsterdam's AEX Index Plus 0.63 percent

France's CAC 40 Index	Plus	0.49 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.80 percent
Great Britain's FTSE 100 Index	Plus	0.79 percent
Italy's MIBTEL Index	Plus	0.52 percent
Switzerland's Swiss Market Index	Minus	1.23 percent

News Wise

- **Unilever plc**, a consumer goods company, will cull its workforce by about 20,000 workers over the next 4 years, the company announced.

In Asia, the key indices of half of the most-important equity markets posted gains while the remaining half lost ground.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the territory's 2 equity markets continued to record losses.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index lost about 0.05 percent, slipping back to 22,443.25 points.

The Total Turnover, also, slipped, dropping to about \$HK97.65 billion.

The ratio of declining counters to advancing ones was about 2.65:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 1.05 percent to \$HK143.70 per share
PICC Property and Casualty Company Ltd (Code: 2328)	Down 8.85 percent to \$HK9.79 per share
China Life Insurance Company Ltd (Code: 2628)	Down 1.23 percent to \$HK32.00 per share
China Mobile Ltd (Code: 941)	Down 0.06 percent to \$HK87.45 per share
China Communications Construction Company Ltd (Code: 1800)	Down 6.49 percent to \$HK15.84 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 1.08 percent to \$HK4.68 per share
PetroChina Company Ltd (Code: 857)	Down 0.89 percent to \$HK11.16 per share
Bank of China Ltd (Code: 3988)	Down 1.00 percent to \$HK3.97 per share

HKC (Holdings) Ltd (Code: 190)

Down 13.10 percent to \$HK2.72 per share

China Construction Bank Corporation (Code:
939)

Up 0.53 percent to \$HK5.66 per share

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

<u>Name of Company</u>	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Benefun International Holdings Ltd	1130	38.89		0.25
Berjaya Holdings (Hongkong) Ltd	288		10.53	0.425
Buildmore International Ltd	108		18.18	6.48
China Financial Industry Investment Fund Ltd	1227		11.11	1.36
Cosmopolitan International Holdings Ltd	120		10.00	0.63
Dynamic Global Holdings Ltd	231	29.09		0.355
Easyknit Enterprises Holdings Ltd	616		13.51	0.64
Extrawell Pharmaceutical Holdings Ltd	858		14.47	2.60
Global Green Tech Group Ltd	274		17.80	3.14
HKC (Holdings) Ltd	190		13.10	2.72
Kam Hing International Holdings Ltd	2307	34.62		1.75
Kenfair International (Holdings) Ltd	223		10.42	2.15
Magician Industries (Holdings) Ltd	526	15.69		0.295
Mandarin Entertainment (Holdings) Ltd	9		11.11	0.80
Midas International Holdings Ltd	1172		12.15	0.94
Ming Hing Holdings Ltd	402		12.80	1.43

Mitsumaru East Kit (Holdings) Ltd	2358		10.75	0.83
New Century Group Hongkong Ltd	234		11.69	0.34
Oriental Explorer Holdings Ltd	430		18.33	0.245
Pearl River Tyre (Holdings) Ltd	1187	19.52		2.51
PME Group Ltd	379		20.90	2.46
Prosperity Investment Holdings Ltd	310		11.11	0.32
Shang Hua Holdings Ltd	371	31.58		2.00
Sinolink Worldwide Holdings Ltd	1168	13.30		2.47
Sun Man Tai Holdings Company Ltd	433	101.69		0.238
Sunny Global Holdings Ltd	1094		10.81	0.33
Tack Fat Group International Ltd	928		33.33	1.00
Termbray Industries International (Holdings) Ltd	93		13.98	0.80
Wah Yuen Holdings Ltd	2349		10.81	1.32
Yardway Group Ltd	646		12.39	0.99
Zhejiang Glass Company Ltd	739	16.06		7.95

Over on The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, the situation was considerably worse than that of the Main Board.

The Growth Enterprise Index shed about 2.26 percent of its value, dropping to one knee at 1,695.53 points.

The Total Turnover was about \$HK1.14 billion, while the ratio of losing counters to gaining ones was about 2.92:One.

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

China Railway Logistics Ltd (Code: 8089)

Down 9.81 percent to \$HK13.98 per share

Enviro Energy International Holdings Ltd (Code:

Unchanged at \$HK4.40 per share

8182)

Medical China Ltd (Code: 8186)

Down 2.38 percent to \$HK0.82 per share

Town Health International Holdings Company
Ltd (Code: 8138)

Down 4.12 percent to \$HK0.233 per share

Trasy Gold Ex Ltd (Code: 8063)

Down 13.16 percent to \$HK0.33 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B.A.L. Holdings Ltd	8079		11.59	0.305
B M Intelligence International Ltd	8158		21.59	1.38
Byford International Ltd	8272	33.79		7.76
Capinfo Company Ltd	8157		10.77	0.58
Shanxi Changcheng Microlight Equipment Company Ltd	8286	10.34		1.28
ePRO Ltd	8086		11.48	0.54
Excel Technology International Holdings Ltd	8048	10.71		0.31
Inno-Tech Holdings Ltd	8202		10.10	0.89
Jian ePayment Systems Ltd	8165	54.17		1.85
Shenzhen Mingwah Aohan High Technology Corporation Ltd	8301		11.11	0.36
Sonavox International Holdings Ltd	8226	13.16		0.43
Tianjin TEDA Biomedical Engineering Company Ltd	8189		26.98	0.46
Thiz Technology Group Ltd	8119	14.00		0.285

Trasy Gold Ex Ltd	8063		13.16	0.33
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On The Tokyo Stock Exchange, The TOPIX Index rose about 0.03 percent to 1,669.33 points while The Nikkei-225 Stock Average gained 0.67 percent, exactly, rising to 16,984.11 yen.

Gaining counters outnumbered losing ones by the ratio of about 1.20:One.

News Wise

- **Sumitomo Realty and Development Company**, the third-largest property developer in Japan, announced that its Net Income was 29.90 billion yen for the first quarter, ended June 30, 2007; and,
- **McDonald's Holdings Company (Japan)** reported that its Net Profit Attributable to Shareholders for the first half of its Financial Year, ended June 30, 2007, was 3.16 billion yen. In the like period in 2006, the restaurant company recorded a Loss Attributable to Shareholders of about 545 million yen.

This was how the situation looked on other Asian equity markets, last Thursday night:

The HKSAR	Hang Seng Index Minus 0.05 percent to 22,443.25 The Growth Enterprise Index Minus 2.26 percent to 1,695.53
Indonesia	Plus 0.64 percent to 2,270.85
Japan	TOPIX Index Plus 0.03 percent to 1,669.33 Nikkei-225 Stock Average Plus 0.67 percent to 16,984.11
Malaysia	Minus 0.46 percent to 1,333.28
The Philippines	Minus 1.97 percent to 3,359.02
The PRC	Shanghai Composite Index Plus 2.49 percent to 4,407.73 Shenzhen Composite Index Plus 4.12 percent to 1,293.14
Singapore	Plus 0.11 percent to 3,435.46
South Korea	Minus 0.18 percent to 1,853.07
Taiwan	Plus 0.66 percent to 8,950.57
Thailand	Minus 0.38 percent to 830.29

Friday

Share prices dropped like stones in a well on the world's largest equity markets, last Friday, after a number of factors was made known – and confirmed.

On The New York Stock Exchange, the Dow Jones Industrial Average shed 281.42 points, equivalent to about 2.09 percent, ending the day's trading session at 13,181.91 points.

All of the Dow constituent stocks ended up in the red.

On The (tech-laden) NASDAQ, its Composite Index gave up 64.73 points, or about 2.51 percent, as investors drove it down to 2,511.25 points.

The ratio of losing counters to gaining ones was about 5:One on The New York Stock Exchange and about 4:One on The NASDAQ.

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

The Dow Jones Industrial Average Minus 0.63 percent

The NASDAQ's Composite Index Minus 1.99 percent

That which popped the balloons of many a Wall Street guru was a report from the prestigious bank, Bear Stearns and Company Incorporated.

Bear Stearns's Chief Financial Officer, Mr Sam Molinaro, made statements to the effect that the problems in the US bond market might well be one of the worst dilemmas to face the US since the 1987 stock-market crash and the collapse of the US Internet bubble in 2000.

Bear Stearns is among the largest underwriters of mortgage bonds in the world and its hedge funds have been hurting of late.

That was not all of the bad news, last Friday, however, because the US Labour Department announced that unemployment in The Land of The Free and The Home of The Brave had risen to 4.60 percent, the highest level since January 2007.

In the month of July, The Labour Department said, about 92,000 jobs were created.

In perspective, this means that the number of people, entering the US workforce, is considerably greater than the number of new jobs, being created.

News Wise

- **American Home Mortgage Investment Corporation** announced that it would be sacking 7,000 workers. The company intends to close down some more of its operations.

In Europe, investors followed Wall Street, driving the key indices of the most-important bourses down ... down ... down:

Amsterdam's AEX Index Minus 1.18 percent

France's CAC 40 Index Minus 1.48 percent

Germany's Frankfurt XETRA DAX Index Minus 1.30 percent

Great Britain's FTSE 100 Index Minus 1.20 percent

Minus 0.75 percent

Minus 1.18 percent

The announcement by the US Labour Department with regard to the creation (or the lack, thereof) of new jobs for the month of July caused fears in Europe where investors recalled days of yore, along with soup kitchens and workers, walking the streets of capital cities, looking for work ... any kind of work.

Also, the chaos in the US subprime, mortgage-lending industry continued to rattle the chains of many investors in this part of the world.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in September was \$US75.48, representing a fall of about 1.80 percent, compared with the last settlement of Thursday.

As for delivery in October, the last settlement for a barrel of light sweet crude oil came in at \$US75.37, equivalent to a one-day, price fall of about 1.54 percent.

In Asia, of course, investors had not been made privy to the Bear Stearns's official's statements or the lack of new jobs, having been created in the US, during the month of July, and, as such, investors took flyers, by and large, resulting in wide fluctuations of the key indices of the most-important equity markets.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the volumes of activity on both of the territory's 2 equity markets fell, markedly.

The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, rose about 0.42 percent to 22,538.44 points on a Total Turnover of about \$HK74.35 billion.

The ratio of losing counters to gaining ones was about 1.07:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)

Up 0.28 percent to \$HK144.10 per share

China Mobile Ltd (Code: 941)

Up 1.32 percent to \$HK88.60 per share

China Life Insurance Company Ltd (Code: 2628)

Up 0.63 percent to \$HK32.20 per share

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

Up 1.28 percent to \$HK4.74 per share

PICC Property and Casualty Company
Ltd (Code: 2328)

Down 6.03 percent to \$HK9.20 per share

China Communications Construction Company
Ltd (Code: 1800)

Down 1.39 percent to \$HK15.62 per share

China Construction Bank Corporation (Code: 939)

Up 1.41 percent to \$HK5.74 per share

Bank of China Ltd (Code: 3988)

Down 1.26 percent to \$HK3.92 per share

China Merchants Bank Company Ltd (Code:
3968)

Up 5.49 percent to \$HK28.80 per share

PetroChina Company Ltd (Code: 857)

Down 0.54 percent to \$HK11.10 per share

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

<u>Name of Company</u>	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Benefun International Holdings Ltd	1130		20.80	0.198
Dynamic Global Holdings Ltd	231		12.68	0.31
Easyknit Enterprises Holdings Ltd	616		14.06	0.55
Global Green Tech Group Ltd	274	11.15		3.49
Grandtop International Holdings Ltd	2309		14.44	1.54
The Hongkong Parkview Group Ltd	207		10.85	1.15
Junefield Department Store Group Ltd	758	15.56		0.52
Kam Hing International Holdings Ltd	2307		17.14	1.45
Kenfair International (Holdings) Ltd	223		21.40	1.69
K.P.I. Company Ltd	605	40.82		0.69
Midas International Holdings Ltd	1172	84.04		1.73
New Capital International Investment Ltd	1062	10.96		0.405
Omnicorp Ltd	94		14.84	3.50
Sing Tao News Corporation Ltd	1105	17.78		1.59
Sino Katalytics Investment Corporation	2324		10.61	0.295
South China Holdings Ltd	265		11.54	1.15

South China Industries Ltd	413		14.09	4.39
Sun Innovation Holdings Ltd	547	33.48		2.95
Sun Man Tai Holdings Company Ltd	433		10.08	0.214
Tack Fat Group International Ltd	928	23.00		1.23
Takson Holdings Ltd	918		14.94	0.74
Theme International Holdings Ltd	990	10.09		0.12
Tidetime Sun (Group) Ltd	307	13.21		0.30
UBA Investments Ltd	768		10.17	0.265
Zhejiang Glass Company Ltd	739	10.06		8.75

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index gave up about 0.28 percent, falling back to 1,690.71 points on a Total Turnover of about \$HK760.42 million.

The ratio of gainers to losers on this market was exactly even at One:One.

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

Trasy Gold Ex Ltd (Code: 8063)

Down 13.64 percent to \$HK0.285 per share

Town Health International Holdings Company
Ltd (Code: 8138)

Unchanged at \$HK0.233 per share

Kanstar Environmental Paper
Products Holdings Ltd (Code: 8011)

Unchanged at \$HK0.47 per share

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

Up 1.53 percent to \$HK18.58 per share

China Railway Logistics Ltd (Code: 8089)

Down 0.72 percent to \$HK13.88 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
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Advanced Card Systems Holdings Ltd	8210	11.76		0.38
Byford International Ltd	8272	14.18		8.86
Shanxi Changcheng Microlight Equipment Company Ltd	8286		13.28	1.11
Computech Holdings Ltd	8081	41.30		0.65
Era Information and Entertainment Ltd	8043		10.96	0.65
Everpride Biopharmaceutical Company Ltd	8019	15.28		0.415
Excel Technology International Holdings Ltd	8048	11.29		0.345
Global Solution Engineering Ltd	8192	16.16		2.30
Jian ePayment Systems Ltd	8165		37.84	1.15
Jinheng Automotive Safety Technology Holdings Ltd	8293	21.11		2.18
Lee's Pharmaceutical Holdings Ltd	8221	13.95		0.49
Thiz Technology Group Ltd	8119	14.04		0.325
Trasy Gold Ex Ltd	8063		13.64	0.285
Wafer Systems Ltd	8198	15.85		0.95

The tally for the week in respect of Asia's second, most-important equity markets was:

The Hang Seng Index Minus 0.14 percent
The Growth Enterprise Index Minus 3.70 percent

In The Land of The Rising Sun, relatively quiet trading conditions persisted on the country's equity markets.

On The Tokyo Stock Exchange, its TOPIX Index rose about 0.19 percent to 1,672.54 points.

However, losing counters outnumbered gaining ones by the ratio of about 1.34:One.

As for The Nikkei-225 Stock Average, it lost about 0.03 percent, ending the week at 16,979.86 yen.

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

The TOPIX Index Minus 1.60 percent

The Nikkei-225 Stock Average Minus 1.76 percent

On other Asian stock markets, this was how their respective key indices fared, last Friday:

The HKSAR	Hang Seng Index Plus 0.42 percent to 22,538.44 The Growth Enterprise Index Minus 0.28 percent to 1,690.71
Indonesia	Minus 0.05 percent to 2,269.79
Japan	TOPIX Index Plus 0.19 percent to 1,672.54 Nikkei-225 Stock Average Minus 0.03 percent to 16,979.86
Malaysia	Plus 0.16 percent to 1,335.42
The Philippines	Minus 0.20 percent to 3,352.24
The PRC	Shanghai Composite Index Plus 3.47 percent to 4,560.77 Shenzhen Composite Index Plus 2.34 percent to 1,323.40
Singapore	Plus 0.02 percent to 3,436.04
South Korea	Plus 1.28 percent to 1,876.80
Taiwan	Plus 1.20 percent to 9,057.82
Thailand	Plus 0.90 percent to 837.73

-- E N D --

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