

**THE U.S. FEDERAL RESERVE LEAVES INTEREST RATES UNTOUCHED,  
BUT IT DOES NOT STOP THE ROUT:  
EQUITY MARKETS BUCKLE UNDER THE WEIGHT OF SELLERS**

**And The Red Ink Flows**

American Home Mortgage Investment Corporation filed for Chapter 11 of The Bankruptcy Laws of the United States, last Monday.

This follows the sacking of some 7,000 of its workers, the previous Friday (August 3, 2007), and the company's announcement that it would be closing down a number of divisions of the company.

Please see:

**TARGET Intelligence Report, Volume IX, Number 146,**

Published on Monday, August 6, 2007, Headlined:

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

American Home Mortgage Investment Corporation became the second, major victim of the US, subprime mortgage-industry crisis, the first victim, being New Century Financial Corporation which had, earlier this year, declared itself hopelessly insolvent.

American Home Mortgage Investment Corporation had been the tenth-largest, US retail mortgage lender, with loans, outstanding, of about \$US59 billion.

But there is, still, the matter of Accredited Home Lenders Holding Company which, the previous Thursday (August 2, 2007) announced that it, too, was considering the possibility of filing for protection from its creditors, going the route of American Home Mortgage Investment Corporation and New Century Financial Corporation.

'*The bigger they come, the harder they fall*', as Bob Fitzsimmons (1862 - 1917), a British-born, New Zealand boxer, used to say when he was the toast of the boxing world.

However, on Wall Street, last Monday, key indices of the world's largest equity markets jumped as investors started to bet the that US Government, one way or another, would come to the rescue of investors.

*'Hope springs eternal in the human breast;  
Man never Is, but always To be blest.  
The soul, uneasy, and confin'd from home,  
Rests and expatiates in a life to come.'*

On The New York Stock Exchange, the Dow Jones Industrial Average rose 286.87 points, equivalent to about 2.18 percent, ending the trading session at 13,468.78 points.

Over on The NASDAQ, its Composite Index advanced 36.08 points, or about 1.44 percent, coming to rest at 2,547.33 points by the close of the day.

The ratio of gaining counters to losing ones on both The New York Stock Exchange and The NASDAQ was close, at about 1.20:One and 1.14:One, respectively.

This is suggestive, if anything, of last Monday's market, being but a flash in the silly old pan.

It was not as though anything had changed between the previous Friday (August 3, 2007) and last Monday, it was, simply put, that investors were praying for a miracle in the genre that the Government of Germany had come to the aid of IKB Deutsche Industriebank AG. (Please see **TARGET** Intelligence Report, Volume IX, Number 146, Page10)

Last Tuesday, the US Federal Reserve was scheduled to convene another of its Open Market Committee Meetings, at which time, the de facto, US Central Bank would signal the direction of interest rates for the next month or so.

Many US investors were hoping that the Chairman of The Fed, Dr Ben Bernanke, would make some placating remarks in order to soothe the concerns of the world with regard to (a) the US housing market crisis and (b) the crisis at subprime mortgage-lending industry.

Helping Wall Street investors was knowledge of a very material fall in the price of crude oil on international commodity exchanges.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in September was \$US72.06, down about 4.53 percent, compared with the closing level of Friday, August 3, 2007.

As for delivery in October, the last settlement for a barrel of light sweet crude oil came in at \$US71.97, off about 4.51 percent on the previous Friday's last settlement.

The general theory of investors/speculators on commodity markets, last Monday, was that the crises in the US would mean a lesser demand for crude oil in the coming months.

**TARGET** () does not hold with this view.

In Europe, it was another story, again.

Investors in this part of the world disregarded the religious incantations of US investors and fretted that the US crises would dribble even further into the European Union(EU).

Share prices were dragged lower as investors recalled that the Chairman of The Fed had made mention, in his last public address to the US Congress, that the US subprime, mortgage chaos was likely to cost between \$US50 billion and \$US100 billion before things were righted, once again.

In addition, the fall in the price of crude oil took its toll of energy counters on the most-important bourses of Europe as the following **TARGET** list illustrates:

Amsterdam's AEX Index	Minus 1.05 percent
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France's CAC 40 Index	Minus 1.15 percent
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Germany's Frankfurt XETRA DAX Index	Plus 0.11 percent
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Great Britain's FTSE 100 Index	Minus 0.56 percent
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Italy's MIBTEL Index	Minus 0.95 percent
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Switzerland's Swiss Market Index     Minus 0.36 percent

And, in Asia, it was yet another story, again.

In this part of the world, investors took their cue from the close of Wall Street on Friday, August 3, 2007, when The Dow had lost about 2.09 percent of its value and The Composite Index of The NASDAQ had given up about 2.51 percent of its former glory.

With the exception of the major equity markets of the People's Republic of China (PRC), excluding the Hongkong Special Administrative Region (HKSAR) of the PRC, every key index of every major equity markets fell to selling pressure.

In the HKSAR, the territory's 2 stock markets lost considerable ground.

The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, shed 601.71 points, equivalent to 2.67 percent, exactly, ending the trading day at 21,936.73 points.

The Total Turnover was about \$HK78.23 billion.

Losing counters outpaced gaining ones by the ratio of about 6.78:One.

The Ten Most Active counters, all losers, by the way, were:

HSBC Holdings plc (Code: 5)	Down 1.46 percent to \$HK142.00 per share
China Life Insurance Company Ltd (Code: 2628)	Down 4.35 percent to \$HK30.80 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 4.43 percent to \$HK4.53 per share
PetroChina Company Ltd (Code: 857)	Down 3.42 percent to \$HK10.72 per share
China Mobile Ltd (Code: 941)	Down 2.93 percent to \$HK86.00 per share
Bank of China Ltd (Code: 3988)	Down 3.83 percent to \$HK3.77 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Down 4.47 percent to \$HK119.70 per share
China Construction Bank Corporation (Code: 939)	Down 3.83 percent to \$HK5.52 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 3.24 percent to \$HK7.76 per share
China Communications Construction Company Ltd (Code: 1800)	Down 5.89 percent to \$HK14.70 per share

As for the biggest movers of the Main Board, last Monday, there was a total of 100 such counters that

qualified for this dubious honour.

Of that number, only 5 counters were able to buck the downward trend as investors pushed up their share prices by 10 percent or more.

As for the remaining 95 counters, the managements of these counters witnessed their market capitalisations whittled down by 10 percent or more.

Radford Capital Investment Ltd (Code: 2950) was the biggest gainer of the day on the Main Board, its share price, rising 17.89 percent to 56 cents.

PME Group Ltd (Code: 379) turned out to be the biggest loser of the day, its share price, dropping back to \$HK1.67, off 33.99 percent on the day.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index, which is the lone index of this speculative equity market, gave up about 4.59 percent of its value, dropping back to 1,613.19 points.

The Total Turnover on this market was about \$HK747.90 million.

The ratio of losing counters to gaining ones was about 11.67:One.

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

MP Logistics International Holdings Ltd (Code:  
8239)

Down 23.48 percent to \$HK1.01 per share

China Railway Logistics Ltd (Code: 8089)

Down 11.38 percent to \$HK12.30 per share

Kanstar Environmental Paper  
Products Holdings Ltd (Code: 8011)

Down 7.45 percent to \$HK0.435 per share

Enviro Energy International Holdings  
Ltd (Code: 8182)

Down 0.71 percent to \$HK4.20 per share

Medical China Ltd (Code: 8186)

Down 6.10 percent to \$HK0.77 per share

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

<b>Name of Company</b>	<b>Code</b>	<b>Increase (%)</b>	<b>Decrease (%)</b>	<b>Closing Price (\$HK)</b>
Bio Cassava Technology Holdings Ltd	8129		12.59	0.118
B M Intelligence International Ltd	8158		17.02	1.17
China Photar Electronics Group Ltd	8220		19.15	0.38
China Railway Logistics Ltd	8089		11.38	12.30

Computech Holdings Ltd	8081	30.77		0.85
Core Healthcare Investment Holdings Ltd	8250	12.33		0.41
DeTeam Company Ltd	8112		11.76	2.10
Galileo Holdings Ltd	8029		33.04	0.375
International Financial Network Holdings Ltd	8123		13.73	0.22
Inno-Tech Holdings Ltd	8202		13.48	0.77
International Entertainment Corporation	8118		19.57	1.85
ITE (Holdings) Ltd	8092		11.11	0.16
Jian ePayment Systems Ltd	8165		20.87	0.91
Maxitech International Holdings Ltd	8136		11.61	0.495
Midland IC and I Ltd	8090		14.19	0.133
Shenzhen Mingwah Aohan High Technology Corporation Ltd	8301		12.50	0.315
MP Logistics International Holdings Ltd	8239		23.48	1.01
Northeast Tiger Pharmaceutical Company Ltd	8197		10.00	0.27
ProSticks International Holdings Ltd	8055		15.63	0.54
Rojam Entertainment Holdings Ltd	8075		11.67	0.159
T S Telecom Technologies Ltd	8003		17.35	0.405
ThinSoft (Holdings) Incorporated	8096		11.43	0.31
Thiz Technology Group Ltd	8119		18.46	0.265
Tiger Tech Holdings Ltd	8046		16.67	1.10

Trasy Gold Ex Ltd	8063		12.28	0.25
Union Bridge Holdings Ltd	8047		10.00	0.54
Value Convergence Holdings Ltd	8101		13.68	4.10
Xteam Software International Ltd	8178		10.71	0.75
Ningbo Yidong Electronic Company Ltd	8249		11.84	0.335

In Japan, the situation was considerably less volatile than anywhere else in Asia and, in fact, the losses on the country's 3 largest equity markets were the smallest in the region.

On The Tokyo Stock Exchange, its TOPIX Index shed 4.50 points, equivalent to about 0.27 percent, ending the day at 1,668.04 points.

The ratio of declining stocks to advancing ones was about 1.09:One.

On The Nikkei-225 Stock Average, it lost 65.40 yen, or about 0.39 percent, falling back to 16,914.46 yen.

#### News Wise

- **Japan Airlines Corporation (JAL)** announced that it had recorded a Loss Attributable to Shareholders of about 4.20 billion yen for the quarter, ended June 30, 2007.

This was the way that things looked on other Asian equity markets, last Monday night:

The HKSAR	Hang Seng Index Minus 2.67 percent to 21,936.73 The Growth Enterprise Index Minus 4.59 percent to 1,613.19
Indonesia	Minus 3.55 percent to 2,189.11
Japan	TOPIX Index Minus 0.27 percent to 1,668.04 Nikkei-225 Stock Average Minus 0.39 percent to 16,914.46
Malaysia	Minus 3.33 percent to 1,290.90
The Philippines	Minus 2.84 percent to 3,256.99
The PRC	Shanghai Composite Index Plus 1.48 percent to 4,628.11 Shenzhen Composite Index Plus 2.04 percent to 1,350.37
Singapore	Minus 3.70 percent to 3,308.99

South Korea	Minus 1.16 percent to 1,855.05
Taiwan	Minus 1.28 percent to 8,941.73
Thailand	Minus 2.61 percent to 815.87

## Tuesday

The US Federal Reserve left interest rates unchanged at 5.25 percent, last Tuesday, despite clear acknowledgement that things were far from being A-OK with regard to the economy of the country.

Although the official statement from The Fed made it only too apparent that The Central Bank of the US was concerned about, inter alia, the US housing chaos and the subprime, mortgage-lending industry's crisis, it appeared that Dr Ben Bernanke and his colleagues determined to play the waiting game – at least, for the time being.

The following is the full statement of The Fed:

*'The Federal Open Market Committee decided today to keep its target for the federal funds rate at 5-1/4 percent.*

*'Economic growth was moderate during the first half of the year. Financial markets have been volatile in recent weeks, credit conditions have become tighter for some households and businesses, and the housing correction is ongoing. Nevertheless, the economy seems likely to continue to expand at a moderate pace over coming quarters, supported by solid growth in employment and incomes and a robust global economy.*

*'Readings on core inflation have improved modestly in recent months. However, a sustained moderation in inflation pressures has yet to be convincingly demonstrated.*

*'Moreover, the high level of resource utilization has the potential to sustain those pressures.*

*'Although the downside risks to growth have increased somewhat, the Committee's predominant policy concern remains the risk that inflation will fail to moderate as expected. Future policy adjustments will depend on the outlook for both inflation and economic growth, as implied by incoming information.'*

In **TARGET's** opinion, The Fed's waiting game is the wrong one to play at this juncture.

On Wall Street, after zigzagging for most of the trading day, the key indices of the biggest equity markets of the world, eventually, managed to post fractional gains by the close of the session.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 35.52 points, about 0.26 percent, ending the day at 13,504.30 points.

As for the Composite Index of The NASDAQ, it advanced 14.27 points, equivalent to about 0.56 percent, as investors nudged it to 2,561.60 points.

In the housing sector of The New York Stock Exchange, there were 2 more horrors that shook investors to their socks:

1. Luminent Mortgage Capital Incorporated announced that it had suspended payment of its quarterly dividend while it hunted for ways and means to boost liquidity; and,
2. CBRE Realty Finance Incorporated announced that it had been financially hurt by the foreclosure of 2 Maryland condominium properties. Its share price dropped about 32 percent on

the news.

Following on from the bullish stance of investors on Wall Street on Monday, European investors appeared to play the game of follow-the-leader even though, during the day's trading session in this part of the world, investors did not know of the determination of The Fed, which was announced at about 6:15 pm, Greenwich Mean Time (GMT).

All of the key indices of the major European bourses scored well as the following **TARGET** () list illustrates:

Amsterdam's AEX Index	Plus	1.04 percent
France's CAC 40 Index	Plus	1.57 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.92 percent
Great Britain's FTSE 100 Index	Plus	1.93 percent
Italy's MIBTEL Index	Plus	1.44 percent
Switzerland's Swiss Market Index	Plus	1.23 percent

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in September was \$US72.42, up about one half of a percentage point, compared with Monday's closing level.

As for delivery in October, the last settlement for a barrel of light sweet crude oil was \$US72.38, representing an increase of about 0.57 percent on Monday's last settlement.

In Asia, generally, the tenor of investors was negative.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets lost ground, but it was The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd that was the centre of investor discussion due to its lone index, suffering very substantial losses – the second such material losses in 2 trading days.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index shed only about 0.13 percent, ending the trading day at 21,907.99 points, but it was noted that, of the 167, double-digit movers of the day, only 2 of their number managed to record gains.

The management of the remaining 165, Main-Board counters witnessed their market capitalisations fall by 10 percent or more.

The Total Turnover was about \$HK76.71 billion.

The ratio of losing counters to gaining ones on this, the premier equity market of the HKSAR, was, also, wide, at about 3.31:One.

The Ten Most Actives were:

China Life Insurance Company Ltd (Code: 2628)	Down 2.60 percent to \$HK30.00 per share
HSBC Holdings plc (Code: 5)	Up 0.70 percent to \$HK143.00 per share



China Mobile Ltd (Code: 941)	Down 0.23 percent to \$HK85.80 per share
PetroChina Company Ltd (Code: 857)	Down 1.12 percent to \$HK10.60 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 1.10 percent to \$HK4.48 per share
China Communications Construction Company Ltd (Code: 1800)	Down 1.63 percent to \$HK14.46 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 0.25 percent to \$HK120.00 per share
China Construction Bank Corporation (Code: 939)	Down 1.27 percent to \$HK5.45 per share
PICC Property and Casualty Company Ltd (Code: 2328)	Up 2.63 percent to \$HK9.35 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 0.13 percent to \$HK7.75 per share

The biggest loser of the day was BEP International Holdings Ltd (Code: 2326), the share price of which shed 54.92 percent to \$HK2.70.

Hongkong Health Check and Laboratory Holdings Company Ltd (Code: 397) was the biggest gainer of the day, its share price, rising 11.48 percent to 34 cents.

On The GEM, it was another shocker for investors, locked into this speculative marketplace.

The Growth Enterprise Index gave up another 4.38 percent of its value, dropping back to 1,542.58 points.

The ratio of declining counters to advancing ones was very wide, at about 7.78:One.

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

China Railway Logistics Ltd (Code: 8089)	Down 5.69 percent to \$HK11.60 per share
Enviro Energy International Holdings Ltd (Code: 8182)	Down 4.05 percent to \$HK4.03 per share
Sanmenxia Tianyuan Aluminum Company Ltd (Code: 8253)	Up 339.19 percent to \$HK0.65 per share
MP Logistics International Holdings Ltd (Code: 8239)	Down 17.82 percent to \$HK0.83 per share
Kanstar Environmental Paper Products Holdings Ltd (Code: 8011)	Down 14.94 percent to \$HK0.37 per share

There was a total of 65, double-digit movers on this market, with the management of only one of their number, managing to see its share price rise.

The biggest loser of the day was Byford International Ltd (Code: 8272), its share price, dropping to \$HK4.56 per share, down 46.29 percent, compared with Monday's closing level.

Sanmenxia Tianyuan Aluminum Company Ltd (Code: 8253) was the biggest winner of the day as investors pushed up its share price to 65 cents, a gain of about 339.19 percent on Monday's close.

In Japan, it was, definitely, a losing day for investors.

On The Tokyo Stock Exchange, its TOPIX Index shed 7.88 points, equivalent to about 0.47 percent, dropping back to 1,660.16 points.

The ratio of losing counters to gaining ones, however, told the better part of the entire story because it stood at about 2.69:One.

The Nikkei-225 Stock Average, which is a much-narrower gauge of trading in select blue chips, listed on The First Section of The Tokyo Stock Exchange, than The TOPIX Index, rose 7.31 yen, or about 0.04 percent, ending the trading day at 16,921.77 yen.

And, on other Asian equity markets, their respective key indices ended the second, trading day of the week as follows:

The HKSAR	Hang Seng Index Minus 0.13 percent to 21,907.99 The Growth Enterprise Index Minus 4.38 percent to 1,542.58
Indonesia	Minus 0.69 percent to 2,174.07
Japan	TOPIX Index Minus 0.47 percent to 1,660.16 Nikkei-225 Stock Average Plus 0.04 percent to 16,921.77
Malaysia	Minus 0.06 percent to 1,290.13
The Philippines	Plus 2.80 percent to 3,348.34
The PRC	Shanghai Composite Index Plus 0.50 percent to 4,651.23 Shenzhen Composite Index Plus 0.06 percent to 1,351.11
Singapore	Minus 0.21 percent to 3,302.01
South Korea	Plus 0.26 percent to 1,859.82
Taiwan	Minus 0.89 percent to 8,862.31

Thailand	Minus 0.18 percent to 814.40
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### Wednesday

In what was described as a gambler's market, share prices advanced on a wide front on the world's largest equity markets, last Wednesday, but throughout the trading day, the key indices vacillated widely between negative and positive.

By the close of the day, on The New York Stock Exchange, its Dow Jones Industrial Average stood at 13,657.86 points, a gain of about 1.14 percent on Tuesday's closing level.

As for The NASDAQ, its Composite Index rose about 2.01 percent to 2,612.98 points.

The volatility in these 2 markets was exemplified by the fact that, in the final hour of trading, The Dow and The NASDAQ's Composite Index both fell into negative territory ... but only briefly.

Clearly, these 2 stock markets are being controlled, to a very material extent, by day players/traders/speculators who are taking positions for very short periods of time and, then, trying to make a quick turn.

The ratio of gainers to losers on The New York Stock Exchange was about 2.67:One and, on The NASDAQ, the ratio was about 2:One.

In Europe, it appeared that investors in this part of the world had caught the Wall Street 'bug', with all of the key indices of the most-important bourses, rising smartly:

Amsterdam's AEX Index      Plus    1.83 percent

France's CAC 40 Index      Plus    2.29 percent

Germany's Frankfurt XETRA DAX Index Plus    1.22 percent

Great Britain's FTSE 100 Index      Plus    1.34 percent

Italy's MIBTEL Index      Plus    1.83 percent

Switzerland's Swiss Market Index      Plus    2.48 percent

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

For delivery in September, the last settlement for a barrel of light sweet crude oil was \$US72.15, representing a fall of about 0.37 percent on the last settlement of Tuesday.

For delivery in October, the last settlement for a barrel of light sweet crude oil came in at \$US71.94, equivalent to a one-day drop of about 0.61 percent.

Asian investors, also, followed Wall Street's lead, last Wednesday, resulting in all of the key indices of all of the major equity markets of the region rising, substantially.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key indices of both equity markets rose, sharply.

On the Main Board of The Stock Exchange of Hongkong Ltd, its Hang Seng Index gained 2.87 percent, exactly, recovering to 22,536.67 points.

However, the volume of activity was not in accord with the very material gains, at just \$HK76 billion.

Advancing counters led declining ones by the ratio of about 4.41:One.

The Ten Most Active counters, all being in the ring of the gainers, were:

HSBC Holdings plc (Code: 5)	Up 1.19 percent to \$HK144.70 per share
China Life Insurance Company Ltd (Code: 2628)	Up 4.67 percent to \$HK31.40 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 5.36 percent to \$HK4.72 per share
China Mobile Ltd (Code: 941)	Up 3.67 percent to \$HK88.95 per share
PetroChina Company Ltd (Code: 857)	Up 3.02 percent to \$HK10.92 per share
Bank of China Ltd (Code: 3988)	Up 3.44 percent to \$HK3.91 per share
China Construction Bank Corporation (Code: 939)	Up 4.40 percent to \$HK5.69 per share
China Communications Construction Company Ltd (Code: 1800)	Up 7.33 percent to \$HK15.52 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 4.50 percent to \$HK125.40 per share
CNOOC Ltd (Code: 883)	Up 5.51 percent to \$HK9.19 per share

There was a total of 67, double-digit movers of the day, with the managements of 56 of these counters, seeing their respective share prices, rising 10 percent or more, while the managements of the remaining large movers noted that their market capitalisations had declined by 10 percent or more.

LeRoi Holdings Ltd (Code: 221) was the biggest gainer of the day as its share price rose by 55.93 percent to 46 cents.

EganaGoldpfeil (Holdings) Ltd (Code: 48) turned out to be the largest loser of the day as investors pushed down its share price by 44.29 percent to \$HK1.56.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, after 2 days of dramatic losses, the market turned on its ear.

The Growth Enterprise Index gained 2.84 percent, exactly, recovering to 1,586.39 points.

The Total Turnover, as with the Main Board, was far from being in keeping with the fast gains of The Growth Enterprise Index, at about \$HK861.24 million.

Gainers outnumbered losers by the ratio of about 2.61:One.

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

China Railway Logistics Ltd (Code: 8089)

Up 8.10 percent to \$HK12.54 per share

Town Health International Holdings Company Ltd  
(Code: 8138)

Up 4.59 percent to \$HK0.228per share

MP Logistics International Holdings Ltd (Code:  
8239)

Up 16.87 percent to \$HK0.97 per share

Kanstar Environmental Paper Products Holdings  
Ltd (Code: 8011)

Down 8.11 percent to \$HK0.34 per share

Enviro Energy International Holdings Ltd (Code:  
8182)

Up 0.50 percent to \$HK4.05 per share

The GEM's biggest movers of the day included:

<b>Name of Company</b>	<b>Code</b>	<b>Increase (%)</b>	<b>Decrease (%)</b>	<b>Closing Price (\$HK)</b>
Asian Capital Resources (Holdings) Ltd	8025	13.33		0.255
AcrossAsia Ltd	8061	26.09		0.29
B M Intelligence International Ltd	8158	38.16		1.05
Byford International Ltd	8272	63.38		7.45
China Chief Cable TV Group Ltd	8153	23.97		1.81
China Leason Investment Group Company Ltd	8270	12.24		1.10
Computech Holdings Ltd	8081		22.06	0.53
Espco Technology Holdings Ltd	8299	11.11		1.00
Essex Bio-Technology Ltd	8151	10.91		0.244
Excel Technology International Holdings Ltd	8048	11.29		0.345

Golding Soft Ltd	8190		10.64	0.21
Global Solution Engineering Ltd	8192		10.23	1.93
International Financial Network Holdings Ltd	8123	10.18		0.249
Info Communication Holdings Ltd	8082	12.11		0.213
International Entertainment Corporation	8118	17.90		1.91
Intelli-Media Group (Holdings) Ltd	8173	14.58		0.22
Long Success International (Holdings) Ltd	8017		15.12	0.365
Midland IC and I Ltd	8090	14.29		0.12
MP Logistics International Holdings Ltd	8239	16.87		0.97
Netel Technology (Holdings) Ltd	8256		10.81	0.33
Sanmenxia Tianyuan Aluminum Company Ltd	8253	15.38		0.75
Tiger Tech Holdings Ltd	8046	47.62		1.24
Trasy Gold Ex Ltd	8063	34.44		0.242
Ultra Group Holdings Ltd	8203	11.11		0.30
Value Convergence Holdings Ltd	8101	12.20		4.60

Trading on the 3 equity markets of Japan continued to be subdued, last Wednesday, although the key indices all made gains.

On The Tokyo Stock Exchange, its TOPIX Index rose about 0.53 percent to 1,669.04 points.

However, in spite of the TOPIX Index's advances, losing counters outnumbered gaining ones by the ratio of about 1.43:One.

The Nikkei-225 Stock Average put on about 0.64 percent, ending the trading day at 17,029.28 yen.

#### News Wise

- **Softbank Corporation** announced that its Net Profit Attributable to Shareholders for the quarter,

ended June 30, 2007, was about 25 billion yen, an increase of about 1,685.71 percent on the like period in 2006; and,

- **Bank lending** in the month of July was at its slowest pace in 16 months, The Bank of Japan reported. Companies, in the main, looked to sell bonds or used profits/reserves for whatever was required, rather than borrow money from banks, it seems.

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

The HKSAR	Hang Seng Index Plus 2.87 percent to 22,536.67 The Growth Enterprise Index Plus 2.84 percent to 1,586.39
Indonesia	Plus 4.07 percent to 2,262.64
Japan	TOPIX Index Plus 0.53 percent to 1,669.04 Nikkei-225 Stock Average Plus 0.64 percent to 17,029.28
Malaysia	Plus 1.32 percent to 1,307.17
The Philippines	Plus 0.82 percent to 3,375.91
The PRC	Shanghai Composite Index Plus 0.26 percent to 4,663.16 Shenzhen Composite Index Minus 1.65 percent to 1,328.83
Singapore	Plus 3.37 percent to 3,413.17
South Korea	Plus 2.43 percent to 1,903.41
Taiwan	Plus 2.68 percent to 9,099.46
Thailand	Plus 2.12 percent to 831.64

### **Thursday**

If investors of the world thought that they had nothing to fear but fear, itself, they had to reconsider that determination, once again, last Thursday.

Wall Street's stocks and shares came down with a thud, last Thursday, as it became only too apparent that a number of the problems, facing the economy of the United States of America, had been exported to other countries of the world.

In France and Canada, both governments, pumped billions of US dollars into their respective economies in

attempts to stave off a perceived partial collapse of their financial and equity markets.

In France, it was reported that the **E**uropean **C**entral **B**ank (ECB) had pumped €63 billion (about \$US130 billion) into the Eurozone banking system in order to allay fears with regard to the US subprime, mortgage-lending crisis.

A total of 49 European banks and other financial institutions took up the ECB's offer of the loans.

The move by the ECB followed an announcement, made by BNP Parisbas SA, earlier in the day, that France's biggest bank had ordered a stop to all withdrawals from its 3 investment funds.

The shockwaves from these 2 moves were felt, internationally.

The US Federal Reserve determined, on Tuesday, to take no action with regard to the problems, facing the largest, single economy of world.

France and Canada, obviously, adopted a slightly different stance.

On The New York Stock Exchange, last Thursday, the Dow Jones Industrial Average dropped 387.18 points, equivalent to about 2.83 percent, falling back to 13,270.68 points.

On The NASDAQ, its Composite Index shed 56.49 points, or about 2.16 percent, ending the day at 2,556.49 points.

The ratio of losing counters to gaining ones was, for The New York Stock Exchange, about 4:One, and, for The NASDAQ, about 2:One.

Financial stocks were hammered among the hardest on US equity markets, while the soothing, thought-to-be placating sounds, uttered by certain Wall Street gurus on Wednesday, suddenly faded, perceptibly.

In Europe, the news of the determination of BNP Parisbas SA and the decision of the ECB to lend vast sums of money to the financial system of the country unnerved investors, with valid reason.

They ran for cover.

As a direct result, every key index of every major bourse in the region received a wallop, as the following **TARGET ()** list illustrates:

Amsterdam's AEX Index	Minus 2.47 percent
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France's CAC 40 Index	Minus 2.16 percent
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Germany's Frankfurt XETRA DAX Index	Minus 2.00 percent
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Great Britain's FTSE 100 Index	Minus 1.91percent
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Italy's MIBTEL Index	Minus 1.38 percent
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Switzerland's Swiss Market Index	Minus 1.77 percent
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On The **N**ew **Y**ork **M**ercantile **E**xchange (NYMEX), the price of crude oil continued its retreat, but that retreat appeared to be gathering momentum.

For delivery in September, the last settlement for a barrel of light sweet crude oil came in at \$US71.59, representing a fall of about 0.78 percent on Wednesday's closing level.



The cost of a barrel of light sweet crude oil for delivery in October was about \$US71.40, equivalent to a fall of about 0.75 percent on the Wednesday's last settlement.

In Asia, investors had not been apprised, during trading hours, of the crises in Europe, Canada and the US and, as such, equity markets in this part of the world went their separate ways.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key indices of the premier equity market wilted, while the speculative, secondary market, powered to higher levels.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index shed about 0.43 percent, dropping back to 22,439.36 points.

The Total Turnover, however, continued to be relatively low, at about \$HK85.16 billion.

The ratio of advancing counters to declining ones was about 1.12:One.

The Ten Most Actives were:

China Life Insurance Company Ltd (Code: 2628)	Down 0.32 percent to \$HK31.30 per share
HSBC Holdings plc (Code: 5)	Down 0.14 percent to \$HK144.50 per share
China Mobile Ltd (Code: 941)	Down 1.07 percent to \$HK88.00 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 0.85 percent to \$HK4.68 per share
China Communications Construction Company Ltd (Code: 1800)	Up 0.39 percent to \$HK15.58 per share
China Merchants Bank Company Ltd (Code: 3968)	Up 2.47 percent to \$HK29.05 per share
China Construction Bank Corporation (Code: 939)	Down 0.18 percent to \$HK5.68 per share
Bank of China Ltd (Code: 3988)	Down 0.51 percent to \$HK3.89 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 0.80 percent to \$HK126.40 per share
PetroChina Company Ltd (Code: 857)	Down 0.37 percent to \$HK10.88 per share

Of the 55, double-digit movers of the Main Board, the share prices of 49 of their number rose 10 percent or more while the managements of the remaining 6 counters watched their respective share prices shed 10 percent or more.

Mitsumaru East Kit (Holdings) Ltd (Code: 2358) was, for a change, the biggest gainer of the day as investors pushed up its share price by 68.67 percent to \$HK1.40.

Incutech Investments Ltd (Code: 356) was the biggest loser of the day as its share price was driven down by 23 percent to 77 cents.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index put on about 1.59 percent, rising to 1,611.67 points.

The Total Turnover on this (speculative) market rose to about \$HK1.05 billion, while the ratio of advancing counters to declining ones was about 2.12:One.

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

Medical China Ltd (Code: 8186)

Down 4.48 percent to \$HK0.64 per share

MP Logistics International Holdings Ltd (Code: 8239)

Up 15.46 percent to \$HK1.12 per share

Town Health International Holdings Company Ltd (Code: 8138)

Up 2.63 percent to \$HK0.234per share

Kanstar Environmental Paper Products Holdings Ltd (Code: 8011)

Down 4.41 percent to \$HK0.325 per share

China Railway Logistics Ltd (Code: 8089)

Up 5.26 percent to \$HK13.20 per share

The GEM's biggest movers of the day included:

<b>Name of Company</b>	<b>Code</b>	<b>Increase (%)</b>	<b>Decrease (%)</b>	<b>Closing Price (\$HK)</b>
abc Multiactive Ltd	8131	18.42		0.45
B M Intelligence International Ltd	8158	14.29		1.20
Capinfo Company Ltd	8157	10.00		0.55
CASH Financial Services Group Ltd	8122	13.64		0.75
Shanxi Changcheng Microlight Equipment Company Ltd	8286	13.45		1.35
China Photar Electronics Group Ltd	8220	22.41		0.355
CIG Yangtze Ports PLC	8233	14.93		0.77
Era Information and Entertainment Ltd	8043	10.00		0.66

FAVA International Holdings Ltd	8108	10.00		3.30
Global Digital Creations Holdings Ltd	8271		12.34	2.77
Golding Soft Ltd	8190	11.90		0.235
International Financial Network Holdings Ltd	8123	12.45		0.28
Inno-Tech Holdings Ltd	8202	12.50		0.81
Maxitech International Holdings Ltd	8136	14.93		0.385
Midland IC and I Ltd	8090	10.00		0.132
MP Logistics International Holdings Ltd	8239	15.46		1.12
New Chinese Medicine Holdings Ltd	8085	22.22		1.10
Prosten Technology Holdings Ltd	8026	10.00		1.21
Sau San Tong Holdings Ltd	8200		10.00	0.18
Tai Shing International (Holdings) Ltd	8103		11.43	0.62
Sanmenxia Tianyuan Aluminum Company Ltd	8253	58.67		1.19
Value Convergence Holdings Ltd	8101	12.61		5.18
Venturepharm Laboratories Ltd	8225	68.83		1.30
Xteam Software International Ltd	8178	10.00		0.77
Ningbo Yidong Electronic Company Ltd	8249	13.79		0.33

In The Land of The Rising Sun, there were only gainers on the country's 3 major equity markets.

On The Tokyo Stock Exchange, its TOPIX Index gained 14.77 points, equivalent to about 0.88 percent, ending the trading day at 1,683.81 points.

Advancing counters led declining ones by the ratio of 1.13:One, exactly.

The Nikkei-225 Stock Average, on the other hand, gained about 0.83 percent to end the day at 17,170.60

yen.

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

The HKSAR	Hang Seng Index Minus 0.43 percent to 22,439.36 The Growth Enterprise Index Plus 1.59 percent to 1,611.67
Indonesia	Minus 0.94 percent to 2,241.40
Japan	TOPIX Index Plus 0.88 percent to 1,683.81 Nikkei-225 Stock Average Plus 0.83 percent to 17,170.60
Malaysia	Plus 0.48 percent to 1,313.39
The Philippines	Plus 0.28 percent to 3,385.20
The PRC	Shanghai Composite Index Plus 1.95 percent to 4,754.10 Shenzhen Composite Index Plus 1.51 percent to 1,348.88
Singapore	Closed
South Korea	Plus 0.28 percent to 1,908.68
Taiwan	Plus 0.91 percent to 9,182.60
Thailand	Minus 2.38 percent to 811.83

### **Friday**

The equity markets of the world were in absolute chaos, last Friday.

Nobody was spared as the key indices of stock markets, from New Zealand to Japan, took it on their proverbial noses.

In a rare move of support, the US Federal Reserve put out this announcement, last Friday, obviously concerned about the rout on US equity markets, a rout that had spread to other major equity markets:

*'The Federal Reserve is providing liquidity to facilitate the orderly functioning of financial markets.'*

*'The Federal Reserve will provide reserves as necessary through open market operations to promote trading in the federal funds market at rates close to the Federal Open Market Committee's target rate of 5-1/4 percent. In current circumstances, depository institutions may experience unusual funding needs because of dislocations in money and credit markets. As always, the discount window is available as a source of funding.'*

The Fed is known to have intervened twice on the money markets of the US, last Friday, injecting not less than \$US38 billion into the banking system.

The Fed's fears – rightly so, too, in **TARGET**'s opinion – included the probability that the US housing problems, coupled with the crisis at the US subprime, mortgage-lending industry could cause there to be a worldwide credit crunch.

Throughout the world, last Friday, hundreds of billions of US dollars were wiped off the market capitalisations of companies, listed on stock markets around the globe as investors bailed out of stocks and shares at the first opportunity.

The leaders of the world stood up to be counted, promising this and that.

To no appreciable avail.

The European Central Bank, for the second, consecutive day, pumped money into the economies of the European Union. It was estimated to be at least €61.05 billion (about \$US84.20 billion).

The Bank of Tokyo, which is The Central Bank of Japan, bolstered the Japanese financial system with an injection of about one trillion yen (about \$US8.50 billion).

And so it went on.

What was only too apparent was that there was a universal lack of investor confidence, a situation which had been brought about by a number of factors, nearly all of which had their roots in the economy of the United States of America.

These included, inter alia: The abject weakness in the US housing market, which has been festering for more than 2 years; and, the crisis in the mortgage-lending industry, in general.

On Wall Street, last Friday, it was a wild ride as the key indices of the world's largest and most-important equity markets zigzagged, first into, then out of positive territory in rather dramatic fashion.

By the close of the trading day, on The New York Stock Exchange, the Dow Jones Industrial Average stood at 13,239.54 points, representing a fall of about 0.23 percent on the close of Thursday.

On The NASDAQ, its Composite Index shed about 0.45 percent, ending the week at 2,544.89 points.

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

The Dow Jones Industrial Average	Plus 0.44 percent
The NASDAQ's Composite Index	Plus 1.34 percent

In Europe, there was no quarter asked, and, definitely, no quarter was given: Every key index of every major European bourse took it on the nose ... and the blood flowed.

The following is the carnage of Europe, last Friday:

Amsterdam's AEX Index	Minus 3.05 percent
France's CAC 40 Index	Minus 3.13 percent

Germany's Frankfurt XETRA DAX Index Minus 1.48 percent

Great Britain's FTSE 100 Index Minus 3.71 percent

Italy's MIBTEL Index Minus 2.48 percent

Switzerland's Swiss Market Index Minus 2.72 percent

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 \$US71.47, representing a 0.17-percent fall on Thursday's last settlement.

As for delivery in October, the last settlement was \$US71.25 per barrel of light sweet crude oil, equivalent to a 0.21-percent fall, compared with the final quote of Thursday.

In Asia, nobody was spared – and all of the key indices was written in red ink.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the territory's 2 equity markets were forced to close early in the afternoon due to the approach a strong tropical cyclone.

All of the 2 stock markets closed their doors at 2:45 pm.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index ended the abbreviated trading day at 21,792.71 points, a fall of about 2.88 percent on Thursday's close, on a Total Turnover of about \$HK65.46 billion.

The ratio of losing counters to gaining ones was about 6.18:One.

There was a total of 43 big movers on the Main Board of the Stock Exchange of Hongkong Ltd, last Friday.

Of that number, 5 counters rose and 38 counters fell.

The biggest gainer of the day was 139 Holdings Ltd (Code: 139), its share price, rising 32.73 percent to 36.50 cents.

Peaktop International Holdings Ltd (Code: 925) was the biggest loser of the day as its share price fell to 75 cents, a fall of 20.21 percent on Thursday's closing level.

The biggest movers of the day included:

HSBC Holdings plc (Code: 5)

Down 1.66 percent to \$HK142.10 per share

China Life Insurance Company Ltd (Code:  
2628)

Down 4.15 percent to \$HK30.00 per share

China Mobile Ltd (Code: 941)

Down 3.81 percent to \$HK84.65 per share

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

Down 1.71 percent to \$HK4.60 per share

China Petroleum and Chemical  
Corporation (Code: 386)

Down 4.33 percent to \$HK7.51 per share

China Construction Bank Corporation (Code:  
939)

Down 2.64 percent to \$HK5.53 per share

PetroChina Company Ltd (Code: 857)

Down 3.31 percent to \$HK10.52 per share

Bank of China Ltd (Code: 3988)

Down 2.31 percent to \$HK3.80 per share

Ping An Insurance (Group) Company of China  
Ltd (Code: 2318)

Down 4.30 percent to \$HK61.25 per share

Hongkong Exchanges and Clearing Ltd (Code:  
388)

Down 3.09 percent to \$HK122.50 per share

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shed about 3.30 percent of its value, dropping back to 1,588.56 points.

The volume of activity on this market was about \$HK479.49 million.

Declining counters outran advancing ones by the ratio of about 4.44:One.

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

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

Down 2.98 percent to \$HK17.60 per share

Sanmenxia Tianyuan Aluminum Company Ltd  
(Code: 8253)

Up 0.84 percent to \$HK1.20 per share

MP Logistics International Holdings Ltd (Code:  
8239)

Down 3.57 percent to \$HK1.08 per share

China Railway Logistics Ltd (Code: 8089)

Down 1.52 percent to \$HK13.00 per share

Xteam Software International Ltd (Code: 8178)

Up 2.60 percent to \$HK0.79 per share

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

<b>Name of Company</b>	<b>Code</b>	<b>Increase (%)</b>	<b>Decrease (%)</b>	<b>Closing Price (\$HK)</b>
A-S China Plumbing Products Ltd	8262	26.03		4.60
Asian Capital Resources (Holdings) Ltd	8025	13.73		0.29
B.A.L. Holdings Ltd	8382		15.54	0.125

Shanxi Changcheng Microlight Equipment Company Ltd	8286		11.11	1.20
China LotSynergy Holdings Ltd	8379		10.71	1.00
Core Healthcare Investment Holdings Ltd	8250	12.00		0.42
EMER International Group Ltd	8149		17.05	3.65
ITE (Holdings) Ltd	8092		16.03	0.131
Jiangsu Nandasoft Company Ltd	8045		10.29	0.305
Linefan Technology Holdings Ltd	8166		10.47	0.385
Neolink Cyber Technology (Holding) Ltd	8116		11.76	0.60
ProSticks International Holdings Ltd	8055		14.58	0.41
South China Land Ltd	8155		15.38	0.33
Tiger Tech Holdings Ltd	8046	15.25		1.36
Vertex Group Ltd	8228		10.53	0.34

The tally for the 4.50-day trading week for the second, most-important equity market of Asia was:

The Hang Seng Index Minus 3.31 percent  
The Growth Enterprise Index Minus 7.82 percent

On The Tokyo Stock Exchange, The TOPIX Index lost 2.96 percent of its value as investors drove it down to 1,633.93 points.

Losing counters outran advancing ones by the ratio of about 6.15:One.

The Nikkei-225 Stock Average followed The TOPIX Index, giving up about 2.37 percent of its value, ending the day at 16,764.09 yen.

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

The TOPIX Index Minus 2.31 percent  
The Nikkei-225 Stock Average Minus 1.27 percent

And, this was how things looked at the close of the week on other Asian equity markets, last Friday:

The HKSAR	Hang Seng Index Minus 2.88 percent to 21,792.71 The Growth Enterprise Index
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	Minus 3.30 percent to 1,558.56
Indonesia	Minus 1.52 percent to 2,207.40
Japan	TOPIX Index Minus 2.96 percent to 1,633.93 Nikkei-225 Stock Average Minus 2.37 percent to 16,764.09
Malaysia	Minus 1.96 percent to 1,287.70
The Philippines	Minus 3.05 percent to 3,281.96
The PRC	Shanghai Composite Index Minus 0.10 percent to 4,749.37 Shenzhen Composite Index Minus 2.17 percent to 1,319.55
Singapore	Minus 1.58 percent to 3,359.18
South Korea	Minus 4.20 percent to 1,828.49
Taiwan	Minus 2.74 percent to 8,931.31
Thailand	Minus 0.86 percent to 804.84

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