

**EQUITY MARKETS OF THE WORLD BOUNCE BACK,  
BUT WILL THEY BE ABLE TO HANG ONTO THEIR GAINS ?**

It was only in the final hour of trading on the world's largest equity markets, last Monday, that the downward trend was halted, resulting in key indices, starting to rise, once again.

By the close of the trading day, however, the gains of these indices were only of small fractions.

On The New York Stock Exchange, the Dow Jones Industrial Average ended the day at 13,121.35 points, representing an increase over the previous Friday's closing level of 42.27 points, or about 0.32 percent.

Over on The NASDAQ, its Composite Index gained 3.56 points, equivalent to about 0.14 percent, limping up to 2,508.59 points.

**TARGET ()** reiterates: A market that cannot rise, must, eventually fall.

It appeared only too apparent, last Monday, that the move by the US Federal Reserve of the previous Friday, when the US Central Bank approved a 50, basis-point reduction in the Discount Rate, which was pegged down from 6.25 percent to 5.75 percent, that this move was not considered sufficient to stem the tide of bad debts, festering in the largest economy of the world.

In effect, therefore, the consensus was that a further and, perhaps, even wider financial crisis was well on the cards unless something dramatic was done – and quickly, too.

**For More About This Subject, Please Refer To Last  
Friday's  
[TARGET Intelligence Report, Volume IX, Number  
160: 'The Betty Letters'](#)**

What The Fed appeared to have done, in the opinion of many people, including this medium, is to apply a band-aid to a gash when there is a dire requirement for an immediate surgical operation in order to try to close the financial laceration.

The next scheduled Open Market Committee Meeting of The Fed is Tuesday, September 18, 2007, but questions were being raised, last Monday, as to whether or not the US Central Bank would wait for that meeting before making another move to try to calm US investors' fears.

News Wise

- **Capital One Financial Corporation**, known mostly for its aggressive selling of its credit cards, announced that it would be sacking about 2,000 of its Establishment Level. The company, also, plans to shut down its GreenPoint Financial Corporation, a division of North Fork Bancorp Incorporated. It purchased GreenPoint Financial Corporation when it acquired North Fork Bancorp Incorporated for which it paid about \$US13.20 billion in December 2006. The latest move will see 31 GreenPoint

offices close in 19 US States.

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 \$US71.12, representing a fall of about 1.19 percent, compared with the last settlement of Friday, August 17, 2007.

As for delivery in October, the last settlement for a barrel of light sweet crude oil was \$US70.96, a drop of about 1.20 percent on the final quote of the previous Friday.

Europe, also, was not overly convinced that The Fed had done sufficient to turn the tide of events that brought about the bear run on US equity markets, during the week, ended August 17, 2007.

As a result, while the key indices of major European bourses did rise, the gains were merely of small fractions, in the main:

Amsterdam's AEX Index	Plus	1.11 percent
France's CAC 40 Index	Plus	0.66 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.39 percent
Great Britain's FTSE 100 Index	Plus	0.23 percent
Italy's MIBTEL Index	Plus	0.68 percent
Switzerland's Swiss Market Index	Plus	0.60 percent

The real and apparent fears in Europe were that the worst with regard to what ails the US economy was not, yet, historical fact, as some analysts had predicted, because the full force of the subprime, mortgage-lending crisis is yet to be felt in its entirety.

In short, a credit crunch was, very much, still on the cards in spite of The Fed's move.

In Asia, however, it was another, entirely different situation on all of the equity markets of the region.

Every key index of every major equity market made very substantial gains as investors piled back into stocks and shares as though there were no tomorrow.

In The Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key indices of the territory's 2 equity markets made very material gains.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose 1,208.50 points, equivalent to about 5.93 percent, ending the very hectic trading day at 21,595.63 points.

The Total Turnover was about \$HK105.33 billion.

The ratio of gaining counters to losing counters was about 5.74:One.

The Ten Most Active counters were:

China Life Insurance Company Ltd (Code: 2628)	Up 9.42 percent to \$HK30.20 per share
China Mobile Ltd (Code: 941)	Up 8.46 percent to \$HK87.85 per share

HSBC Holdings plc (Code: 5)	Up 3.02 percent to \$HK139.90 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 9.62 percent to \$HK4.67 per share
China Construction Bank Corporation (Code: 939)	Up 11.68 percent to \$HK5.45 per share
Bank of China Ltd (Code: 3988)	Up 10.88 percent to \$HK3.77 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 9.22 percent to \$HK116.10 per share
PetroChina Company Ltd (Code: 857)	Up 6.61 percent to \$HK10.48 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 5.23 percent to \$HK92.60 per share
CNOOC Ltd (Code: 883)	Up 8.10 percent to \$HK8.14 per share

As for the Main Board's biggest movers of the day, there was a total of 215 counters that qualified for that honour, with the managements of only 3 of their number, seeing their share prices fall.

biggest loser of the day was Star Cruises Ltd (Code: 678) as investors pulled down its share price by 11.30 percent to \$HK3.06.

Pearl River Tyre (Holdings) Ltd (Code: 1187) was the biggest winner of the day, its share price, rising 43.33 percent to \$HK2.15.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its lone index, The Growth Enterprise Index, put on 4.91 percent, rising to 1,413.53 points.

Total Turnover on this market remained on the low side, however, at about \$HK590.81 million.

Advancing counters outpaced declining ones by the ratio of about 8.18:One.

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

Town Health International Holdings Company Ltd (Code: 8138)	Up 29.85 percent to \$HK0.174 per share
China LotSynergy Holdings Ltd (Code: 8379)	Down 2.20 percent to \$HK0.89 per share
China Railway Logistics Ltd (Code: 8089)	Down 2.38 percent to \$HK10.66 per share
MP Logistics International Holdings Ltd (Code: 8239)	Up 6.54 percent to \$HK1.14 per share
Shandong Weigao Group Medical Polymer Company Ltd (Code: 8199)	Down 4.30 percent to \$HK14.70 per share

On The GEM, there was a total of 67 counters whose share prices moved by 10 percent or more.

Of that number, only one counter's share price lost ground.

The lone loser of the day was Thiz Technology Group Ltd (Code: 8119), the share price of which shed 11.76 percent, falling back to 15 cents.

The biggest gainer of the day was QUASAR Communication Technology Holdings Ltd (Code: 8171) as investors pushed up its share price to 40 cents, equivalent to a one-day increase of about 37.93 percent.

In Japan, the country's 3 equity markets saw investors pile in, picking up favourites in something of a wild, buying frenzy.

On The Tokyo Stock Exchange, its TOPIX Index rose 43.18 points, or about 2.92 percent, ending the trading day at 1,523.57 points.

The ratio of gaining counters to losing ones was about 3.79:One.

The Nikkei-225 Stock Average rose 458.80 yen, exactly 3 percent, to 15,732.48 yen.

And this was how the situation looked on other Asian equity markets, last Monday night:

The HKSAR	Hang Seng Index Plus 5.93 percent to 21,595.63 The Growth Enterprise Index Plus 4.91 percent to 1,413.53
Indonesia	Plus 6.97 percent to 2,041.58
Japan	TOPIX Index Plus 2.92 percent to 1,523.57 Nikkei-225 Stock Average Plus 3.00 percent to 15,732.48
Malaysia	Plus 4.35 percent to 1,243.39
The Philippines	Closed
The PRC	Shanghai Composite Index Plus 5.33 percent to 4,904.86 Shenzhen Composite Index Plus 4.53 percent to 1,356.02
Singapore	Plus 6.12 percent to 3,322.38
South Korea	Plus 5.69 percent to 1,731.27
Taiwan	Plus 5.26 percent to 8,515.60

Thailand	Plus 4.43 percent to 792.02
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## **Tuesday**

The worst fears in respect of the US housing market were realised, last Tuesday, when it was confirmed as to the extent on the carnage in this industry, an industry which is extremely important to the US economy, in general.

According to official, US Government statistics, the number of repossessions of homes by banks and other financial institutions in the US rose about 93 percent, during the month of July, compared with the like month in 2006.

Compared with June's statistics, the July figures of repossessions indicated an increase of about 9 percent.

The statistics revealed, inter alia, that, in the month of July, there had been 179,599 repossessions (also known as foreclosures or Powers of Sale), involving some 693 households, or not less than 2,000 people, in all.

Half of the repossessions was in the States of California, Florida, Ohio, Michigan and Georgia, the statistics revealed.

The people who were hit the hardest were, as expected, those who had taken out subprime mortgage loans.

Wall Street did not appreciate this news.

On The New York Stock Exchange, the Dow Jones Industrial Average dropped back about 0.23 percent to end the day at 13,090.86 points.

The NASDAQ's key indices, however, went in the opposite direction to The Dow as its Composite Index gained about 0.51 percent to hit 2,521.30 points by the close of the trading day.

The ratio of gainers to losers was close, at about 1.50:One on The New York Stock Exchange, and by about 1.07:One on The NASDAQ.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in September (last Tuesday was the last day of trading in this month's future contracts) came in at \$US69.47, down 2.32 percent, exactly, compared with the closing quote of Monday.

As for delivery in October, the last settlement for a barrel of light sweet crude oil was \$US69.57, equivalent to a drop of about 1.96 percent on Monday's last settlement.

Europe did not appear to be very comfortable on studying the US Government's statistical release with regard to the US housing market and, as such, that intelligence probably helped to put a damper on proceedings on major equity markets of the region:

Amsterdam's AEX Index                      Plus    0.20 percent

France's CAC 40 Index                      Plus    0.35 percent

Germany's Frankfurt XETRA DAX Index Plus    0.23 percent

Great Britain's FTSE 100 Index           Plus    0.12 percent

Italy's MIBTEL Index                      Plus    0.07 percent

Switzerland's Swiss Market Index     Plus     0.10 percent

In Europe, also, there was a growing tide of disquiet among investors and consumers, mainly due to the problems – and the potential for even more problems – in respect of the US economy, with the housing market and the subprime, mortgage-lending industry, being uppermost in the minds of most investors in this part of the world.

European investors appeared to be ready for another major fall on international equity markets.

This could be measured by the fact that consumer sentiment in Europe's biggest single economy, that of Germany's, is waning, quickly, official statistics indicate.

In Asia, Monday's stock-market euphoria petered out.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key index of the premier equity market made a fractional gain while the lone index of the speculative, secondary market booked a fractional loss.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about 0.62 percent to 21,729.35 points on a Total Turnover of about \$HK116.80 billion.

Advancing counters outpaced declining ones by the ratio of 2.71:One, exactly.

The Ten Most Active counters were:

China Life Insurance Company Ltd (Code: 2628)	Up 2.98 percent to \$HK31.10 per share
China Mobile Ltd (Code: 941)	Up 0.63 percent to \$HK88.40 per share
Bank of China Ltd (Code: 3988)	Up 3.45 percent to \$HK3.90 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 2.36 percent to \$HK4.78 per share
HSBC Holdings plc (Code: 5)	Down 1.29 percent to \$HK138.10 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 6.20 percent to \$HK123.30 per share
China Construction Bank Corporation (Code: 939)	Up 2.20 percent to \$HK5.57 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 2.87 percent to \$HK7.52 per share
Ping An Insurance (Group) Company of China Ltd (Code: 2318)	Up 2.45 percent to \$HK64.90 per share
PetroChina Company Ltd (Code: 857)	Up 1.91 percent to \$HK10.68 per share

Of the 36, double-digit movers of the Main Board, the share prices of 26 counters rose while the share prices of 10 counters fell.

The biggest gainers of the day had to be shared between 2 counters, the share prices of both, rising 37.50 percent, each.

Those counters were China Agrotech Holdings Ltd (Code: 1073) and Frankie Dominion International Ltd (Code: 704).

share price of China Agrotech Holdings Ltd rose to \$HK1.32 and the share price of Frankie Dominion International Ltd ended the day at 55 cents.

biggest, Main Board loser, last Tuesday, was National Investments Fund Ltd (Code: 1227) whose share price fell back to 53 cents, down 20.90 percent on the day.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its lone index, The Growth Enterprise Index, shed about 0.70 percent, falling back to 1,403.58 points.

Total Turnover on this speculative market was about \$HK728.40 million.

ratio of gainers to losers, however, was close, at about 1.03:One.

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

Galileo Holdings Ltd (Code: 8029)

Up 21.43 percent to \$HK0.34 per share

Town Health International Holdings Company  
Ltd (Code: 8138)

Up 2.30 percent to \$HK0.178 per share

Global Digital Creations Holdings Ltd (Code:  
8271)

Up 1.54 percent to \$HK2.64 per share

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

Down 1.50 percent to \$HK14.48 per share

Kanstar Environmental Paper Products Holdings  
Ltd (Code: 8011)

Up 11.35 percent to \$HK0.255 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>
abc Multiactive Ltd	8131	10.77		0.36
Armitage Technologies Holding Ltd	8213		12.59	0.118
B.A.L. Holdings Ltd	8382		10.11	0.08
Beijing Beida Jade Bird Universal Sci-	8095		15.38	0.55

Tech Company Ltd				
Bio Cassava Technology Holdings Ltd	8129		10.53	0.085
Shanxi Changcheng Microlight Equipment Company Ltd	8286	15.79		1.10
Changmao Biochemical Engineering Company Ltd	8208	12.50		3.60
China Medical and Bio Science Ltd	8120	11.11		0.40
DIGITALHONGKONG.COM	8007		12.00	0.88
ePRO Ltd	8086	10.87		0.51
Excel Technology International Holdings Ltd	8048		12.50	0.21
Galileo Holdings Ltd	8029	21.43		0.34
Global Link Communications Holdings Ltd	8060	11.67		0.335
Xi'an Haitian Antenna Technologies Company Ltd	8227		18.75	0.325
Jilin Province Huinan Changlong Bio- pharmacy Company Ltd	8049	11.67		0.335
Kanstar Environmental Paper Products Holdings Ltd	8011	11.35		0.255
Netel Technology (Holdings) Ltd	8256	10.00		0.33
Qianlong Technology International Holdings Ltd	8015		12.33	0.64
TeleEye Holdings Ltd	8051	11.48		0.34
Thiz Technology Group Ltd	8119	32.00		0.198
Tianjin Tianlian Public Utilities Company Ltd	8290	11.68		2.20



Sanmenxia Tianyuan Aluminum Company Ltd	8253	16.67		1.05
Tiger Tech Holdings Ltd	8046		11.11	0.88
Timeless Software Ltd	8028	11.61		0.173

### News Wise

- The People's Bank of China, which is The Central Bank of the PRC, announced that, effective, Wednesday, August 23, 2007, the **interest rate** would be raised from 6.84 percent to 7.02 percent and **deposit rate** would rise from 3.33 percent to 3.60 percent. This is the fourth time, this year, that the bank has raised interest rates; and,
- **Inflation** in the PRC hit a decade high in July, at 5.60 percent, according to an official release by the PRC Government.

In The Land of The Rising Sun, the key index of The Tokyo Stock Exchange, known as The TOPIX Index, rose by 1.73 percent to 1,549.88 points.

The ratio of gainers to losers was about 4.75:One.

The Nikkei-225 Stock Average, on the other hand, gained only about 1.07 percent, ending the day at 15,901.34 yen.

Trading was active on this, the largest and most-important equity market of Asia.

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

The HKSAR	Hang Seng Index Plus 0.62 percent to 21,729.35 The Growth Enterprise Index Minus 0.70 percent to 1,403.58
Indonesia	Minus 2.38 percent to 1,993.01
Japan	TOPIX Index Plus 1.73 percent to 1,549.88 Nikkei-225 Stock Average Plus 1.07 percent to 15,901.34
Malaysia	Minus 0.96 percent to 1,231.48
The Philippines	Plus 9.82 percent to 3,167.52
The PRC	Shanghai Composite Index Plus 1.03 percent to 4,955.21 Shenzhen Composite Index Plus 1.42 percent to 1,375.28
Singapore	Minus 2.82 percent to 3,228.66

South Korea	Plus 0.28 percent to 1,736.18
Taiwan	Minus 0.43 percent to 8,479.08
Thailand	Minus 3.49 percent to 764.40

### **Wednesday**

The news was bad, last Wednesday, as it became obvious that the crisis in the US subprime, mortgage-lending industry had spread, with about 5,200 jobs, being sliced from some of the biggest banks in the world.

Among the financial institutions to announce substantial job cuts included HSBC Holdings plc, First Magnus Financial Corporation, First National Bank of Scottsdale, Arizona, Capital One Financial Corporation, Lehman Brothers Holdings Incorporated and Accredited Home Lenders Holding Company.

HSBC Holdings plc will sack 600 of its workers from the bank's Indiana offices, Lehman Brothers Holdings Incorporated will offload some 1,200 of its workers and shut down its offices at BNC Mortgage LLC, located in California, First Magnus Financial Corporation will unload about 6,000 of its workers, Accredited Home Lenders Holding Company announced that it would be culling its workforce by about 1,600 workers and closing down its retail and wholesale operations by September 5, 2007, and First National Bank of Scottsdale, Arizona will be giving pink slips to about 541 of its staff.

In just one week, up to last Wednesday, the total number of reported job losses in the US, due, entirely, to the fallout from the crisis at the US subprime, mortgage-lending industry totalled not less than 12,300 workers.

From Toll Brothers Incorporated, the US, luxury home-builder, it was reported that its third-quarter results had fallen by about 85 percent, Year-On-Year.

The company said that the rate of construction cancellations had been higher than any of the past quarters, going back 21 years.

The Net Profit Attributable to Shareholders for Toll Brothers Incorporated for the 3 months, ended July 31, 2007, was \$US26.50 million, compared with \$US174.60 million for the like period in 2006.

Investors on Wall Street, however, paid scant attention to the news in respect of the job losses in the mortgage-lending industry and the report from Toll Brothers Incorporated, with most of them, going on their merry way, betting that The Federal Reserve would reduce interest rates at its next Open Market Committee Meeting, scheduled for September 18, 2007 – if not sooner.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 145.27 points, equivalent to about 1.11 percent, coming to rest at 12,236.13 points when the hammer came down, signifying the end of the day's proceedings on the world's largest equity market.

The volume of activity, however, did not indicate that this market was anywhere near a bullish trend and, if anything, it looked set for another fall.

Over on The NASDAQ, its Composite Index followed the lead of The Dow, gaining 31.50 points, or about 1.25 percent, as investors drove it to 2,552.80 points.

There was good news from the energy markets, last Wednesday, as the price for crude oil dropped.

For delivery in October (which was the new, near month), the last settlement for a barrel of light sweet crude oil was \$US69.26, representing a fall of about 0.45 percent on Tuesday's closing level.

The last settlement per barrel of light sweet crude oil for delivery in November was \$US69.03.

Positive corporate news was the fillip, responsible for the fourth-consecutive day of gains on major European bourses, last Wednesday.

Investors in this part of the world shared similar opinions to those, expressed by their US counterparts: That The Fed would shave down interest rates within the next month, or even earlier.

This was how the key indices of the most-important, equity markets in this part of the world fared, last Wednesday:

Amsterdam's AEX Index	Plus	1.71 percent
France's CAC 40 Index	Plus	1.83 percent
Germany's Frankfurt XETRA DAX Index	Plus	1.01 percent
Great Britain's FTSE 100 Index	Plus	1.80 percent
Italy's MIBTEL Index	Plus	1.74 percent
Switzerland's Swiss Market Index	Plus	1.29 percent

For the most part, Asia was bullish about equities and equity trading despite the Government of the People's Republic of China (PRC), raising interest rates for the fourth time this year. (Please see Tuesday's report)

In the Hongkong Special Administrative Region (HKSAR) of the PRC, both equity markets made substantial gains.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index put on about 2.84 percent, rising to 22,346.88 points.

The Total Turnover, however, was very much subdued at about \$HK80.07 billion, down about \$HK36.73 billion, or about 31 percent, compared with Tuesday's volume of activity.

The ratio of gaining counters to losing ones was about 3.56:One.

The Ten Most Active counters were:

China Mobile Ltd (Code: 941)	Up 3.90 percent to \$HK91.85 per share
China Life Insurance Company Ltd (Code: 2628)	Up 4.18 percent to \$HK32.40 per share
HSBC Holdings plc (Code: 5)	Up 1.38 percent to \$HK140.00 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 1.88 percent to \$HK4.87 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 4.14 percent to \$HK128.40 per share

Bank of China Ltd (Code: 3988)

Up 2.31 percent to \$HK3.99 per share

PetroChina Company Ltd (Code: 857)

Up 0.75 percent to \$HK10.76 per share

China Construction Bank Corporation (Code: 939)

Up 2.87 percent to \$HK5.73 per share

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

Up 6.24 percent to \$HK68.95 per share

China Petroleum and Chemical Corporation (Code:  
386)

Up 3.06 percent to \$HK7.75 per share

The Main Board's double-digit movers of the day numbered 57 counters in all, with 6 of their number, losing 10 percent or more of their respective market capitalisations.

The managements of the other 51 counters noted that their respective share prices had risen by 10 percent or more.

biggest gainer of the day was Mascotte Holdings Ltd (Code: 136) as investors pushed up its share price by 44.68 percent to 68 cents.

Wonson International Holdings Ltd (Code: 651) was the biggest loser of the day, its share price, falling to 12 cents, representing a one-day fall of about 18.92 percent.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index gained about 1.58 percent, rising to 1,425.72 points on a Total Turnover of about \$HK437.37 million.

Last Wednesday's volume of activity on The GEM was a reduction, compared with Tuesday's volume, of about 40 percent.

ratio of gainers to losers was about 1.57:One.

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

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

Up 5.66 percent to \$HK15.30 per share

Town Health International Holdings Company Ltd  
(Code: 8138)

Up 2.25 percent to \$HK0.182 per share

Galileo Holdings Ltd (Code: 8029)

Up 23.53 percent to \$HK0.42 per share

Xteam Software International Ltd (Code: 8178)

Up 4.00 percent to \$HK0.78 per share

Tiger Tech Holdings Ltd (Code: 8046)

Up 13.64 percent to \$HK1.00 per share

The biggest GEM movers of last Wednesday included:

Name of Company	Code	Increase	Decrease	Closing Price
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		(%)	(%)	(\$HK)
abc Multiactive Ltd	8131	23.61		0.445
Armitage Technologies Holding Ltd	8213	10.17		0.13
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd	8095	38.18		0.76
Core Healthcare Investment Holdings Ltd	8250	12.70		0.355
EMER International Group Ltd	8149	23.33		3.70
Galileo Holdings Ltd	8029	23.53		0.42
Glory Future Group Ltd	8071	11.26		4.05
Golding Soft Ltd	8190	25.00		0.225
Global Solution Engineering Ltd	8192		10.10	1.78
Jiangsu Nandasoft Company Ltd	8045	10.34		0.32
New Chinese Medicine Holdings Ltd	8085	17.78		1.06
Neolink Cyber Technology (Holding) Ltd	8116	18.75		0.38
Shaanxi Northwest New Technology Industry Company Ltd	8258	22.73		0.405
South China Land Ltd	8155	13.51		0.42
Tianjin TEDA Biomedical Engineering Company Ltd	8189	14.71		0.39
Thiz Technology Group Ltd	8119	10.10		0.218
Tiger Tech Holdings Ltd	8046	13.64		1.00
Zhejiang Shibao Company Ltd	8331	10.53		1.05

Japan's equity markets and those of The Philippines were the only Asian losers of last Wednesday.

On The Tokyo Stock Exchange, The TOPIX Index shed about 0.32 percent, dropping back to 1,544.89 points.

Declining counters outpaced advancing ones by the ratio of about 1.38:One.

The Nikkei-225 Stock Average fell about 0.004 percent to 15,900.64 yen.

Investors in this part of the world were concerned that the festering problems in respect of the US economy would come to visit The Land of The Rising Sun before the year was out.

To **TARGET**'s way of thinking, this is a valid concern.

#### News Wise

- **Supermarket sales** in Japan dipped by about 2.80 percent, during the month of July, compared with the like month in 2006, according to The Japan Chain Stores Association; and,
- Japan's **trade surplus** shrank in July for the first time since December 2006, The Finance Ministry announced. Year-On-Year, the trade surplus fell by about 21.10 percent to ¥671.20 billion.

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

The HKSAR	Hang Seng Index Plus 2.84 percent to 22,346.88 The Growth Enterprise Index Plus 1.58 percent to 1,425.72
Indonesia	Plus 3.51 percent to 2,062.99
Japan	TOPIX Index Minus 0.32 percent to 1,544.89 Nikkei-225 Stock Average Unchanged at 15,900.64
Malaysia	Plus 1.94 percent to 1,255.39
The Philippines	Minus 0.89 percent to 3,139.46
The PRC	Shanghai Composite Index Plus 0.50 percent to 4,980.08 Shenzhen Composite Index Plus 1.68 percent to 1,398.37
Singapore	Plus 2.88 percent to 3,321.50
South Korea	Plus 1.34 percent to 1,759.50
Taiwan	Plus 0.17 percent to 8,493.46

Thailand	Plus 2.62 percent to 784.43
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## Thursday

The Chairman of the corporate colossus, Countrywide Financial Corporation, speaking during a television interview, came out, openly, stating that the US housing crisis may well push the US economy into another recession.

He called on The US Federal Reserve to cut interest rates, post-haste.

Countrywide Financial Corporation is the largest, US mortgage lender.

Bank of America, last Wednesday, invested \$US2 billion in the company.

Mr Angelo Mozillo said that falling home prices in the US are cutting the hearts out of consumers and the knock-on effect will be felt in the High Street of every city, town and hamlet.

He said:

*'I've seen this movie before and the ending of the movie always ends up in some form of recession. I can see the economy slowing down, substantially enough to give the regulators, The Fed, some pause in what's going to happen.'*

(**TARGET** had stated almost the exact same things as far back as the middle of 2006)

The remarks by this hard-nosed businessman, who has been in the US financial services business for the past 50 years, put investors to flight on US equity markets, last Thursday.

On The New York Stock Exchange, the Dow Jones Industrial Average shed about one quarter of a percentage point, dropping back to 13,235.88 points.

The Composite Index of The NASDAQ, one the other hand, shed about 0.43 percent, slipping back to 2,541.70 points.

On The **New York Mercantile Exchange** (NYMEX), crude-oil prices started to rise, once again.

For delivery in October, the last settlement for a barrel of light sweet crude oil was \$US69.83, representing an increase of about 0.82 percent on Wednesday's closing quote.

As for November delivery, the last settlement for a barrel of light sweet crude oil was \$US69.56, equivalent to an increase of about 0.77 percent on the last settlement of Wednesday.

In Europe, where the key indices of the most-important bourses normally track Wall Street, very closely, there was a bit of an anomaly, last Thursday – because investors appeared to be disregarding the sage warnings of the head of Countrywide Financial Corporation.

Perhaps investors had not been watching US television or, perhaps, investors in this part of the world were more interested in parochial considerations, but whatever may have been the reasons, all of the key indices of the largest equity markets of Europe made small, fractional gains:

Amsterdam's AEX Index                      Plus    0.08 percent

France's CAC 40 Index                      Plus    0.09 percent

Germany's Frankfurt XETRA DAX Index Plus    0.15 percent

Great Britain's FTSE 100 Index      Plus    0.01 percent

Italy's MIBTEL Index                  Plus    0.29 percent

Switzerland's Swiss Market Index   Plus    0.27 percent

In Asia, investors, definitely, had not been tuned into US television and, armed by hot cash, much of it, originating from the People's Republic of China (PRC), every key index of every major equity market of the region made substantial gains.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, the 2 equity markets of the territory both put on more than 2 percent, each.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index gained 2.78 percent, rising to 22,966.97 points.

The Total Turnover remained very respectable, at about \$HK114.53 billion.

The ratio of gaining counters to losing ones was about 4.89:One.

The Ten Most Actives were:

China Mobile Ltd (Code: 941)

Up 4.41 percent to \$HK95.90 per share

China Life Insurance Company Ltd (Code: 2628)

Up 1.85 percent to \$HK33.00 per share

HSBC Holdings plc (Code: 5)

Up 0.86 percent to \$HK141.20 per share

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

Up 0.62 percent to \$HK4.90 per share

Bank of China Ltd (Code: 3988)

Up 2.51 percent to \$HK4.09 per share

Hongkong Exchanges and Clearing Ltd (Code:  
388)

Up 3.50 percent to \$HK132.90 per share

China Construction Bank Corporation (Code: 939)

Up 2.27 percent to \$HK5.86 per share

China Petroleum and Chemical  
Corporation (Code: 386)

Up 4.52 percent to \$HK8.10 per share

PetroChina Company Ltd (Code: 857)

Up 2.60 percent to \$HK11.04 per share

Sun Hung Kai Properties Ltd (Code: 16)

Up 4.95 percent to \$HK102.80 per share

There was a total of 76, double-digit movers on the Main Board, last Thursday, with only 4 of their number, losing steam.



biggest gainer of the day was Sino-i Technology Ltd (Code: 250) as investors pushed up its share price by 59.48 percent to 18.50 cents.

National Investments Fund Ltd (Code: 1227) was the largest loser of last Thursday as investors pulled down its share price to 39 cents, equivalent to a one-day fall of about 23.53 percent.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index shot up another 2.25 percent to hit 1,457.77 points by the close of the day.

Total Turnover on this speculative market was about \$HK605.15 million.

ratio of advancing counters to declining ones was 2.13:One, exactly.

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

Town Health International Holdings Company  
Ltd (Code: 8138)

Up 2.20 percent to \$HK0.186 per share

Galileo Holdings Ltd (Code: 8029)

Up 17.86 percent to \$HK0.495 per share

Xteam Software International Ltd (Code: 8178)

Down 3.85 percent to \$HK0.75 per share

China Railway Logistics Ltd (Code: 8089)

Down 0.19 percent to \$HK10.74 per share

EMER International Group Ltd (Code: 8149)

Up 6.49 percent to \$HK3.94 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>
Armitage Technologies Holding Ltd	8213	42.31		0.185
BIG Media Group Ltd	8167		16.67	0.50
Bio Cassava Technology Holdings Ltd	8129	13.33		0.102
CIG Yangtze Ports PLC	8233	10.00		0.77
DeTeam Company Ltd	8112	14.53		1.97
ePRO Ltd	8086	10.87		0.51
Galileo Holdings Ltd	8029	17.86		0.495
Glory Future Group Ltd	8383	18.72		0.241

Info Communication Holdings Ltd	8082	12.73		0.186
Kanstar Environmental Paper Products Holdings Ltd	8011	11.76		0.285
Maxitech International Holdings Ltd	8136	22.22		0.44
Prosten Technology Holdings Ltd	8026	13.86		1.15
Qianlong Technology International Holdings Ltd	8015	26.15		0.82
Sing Lee Software (Group) Ltd	8076		16.25	0.335
Soluteck Holdings Ltd	8111	11.54		0.29
Trasy Gold Ex Ltd	8063	12.82		0.22
Ningbo Yidong Electronic Company Ltd	8249	10.00		0.33

Japan's key indices were the leaders of all of the equity market gainers of Asia, last Thursday.

Investors were relieved to learn that The Bank of Japan, The Central Bank of the country, determined to leave interest rates at 0.50 percent.

On The Tokyo Stock Exchange, its TOPIX Index gained about 3.04 percent, rising to 1,591.81 points.

Advancing counters led declining ones by the ratio of about 9.58:One.

The Nikkei-225 Stock Average put on about 2.61 percent, rising to 16,316.32 yen.

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

The HKSAR	Hang Seng Index Plus 2.78 percent to 22,996.97 The Growth Enterprise Index Plus 2.25 percent to 1,457.77
Indonesia	Plus 2.65 percent to 2,117.66
Japan	TOPIX Index Plus 3.04 percent to 1,591.81 Nikkei-225 Stock Average Plus 2.61 percent to 16,316.32
Malaysia	Plus 2.25 percent to 1,283.62

The Philippines	Plus 2.86 percent to 3,229.15
The PRC	Shanghai Composite Index Plus 1.05 percent to 5,032.49 Shenzhen Composite Index Plus 1.20 percent to 1,415.18
Singapore	Plus 1.49 percent to 3,370.91
South Korea	Plus 2.29 percent to 1,799.72
Taiwan	Plus 2.82 percent to 8,732.84
Thailand	Plus 0.90 percent to 791.50

### **Friday**

Strong suggestions, backed by 2, US Government reports, that the US economy is showing considerable strength, once again, reversed investors' sentiment, causing key indices on the world's largest equity markets to surge.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 1.08 percent to end the week at 13,387.87 points.

Over on The NASDAQ, its Composite Index gained 1.38 percent, rising to 2,576.69 points.

At the opening of trading on US equity markets, last Friday, key indices fell, sharply, but a report from the US Government's Commerce Department reversed the opening trend as the markets turned on the proverbial dime.

The Commerce Department reported that sales of new, single-family homes had risen by 2.80 percent in July, Month-On-Month, to 870,000 units.

Also, the Commerce Department reported that orders for durable goods rose about 5.90 percent in July, Year-On-Year.

The Commerce Department's reports were enough and investors, looking for anything on which to cling, went right back into buying up Wall Street *'darlings'*.

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

The Dow Jones Industrial Average Plus 2.29 percent  
The NASDAQ's Composite Index Plus 2.86 percent

In Europe, investors warmed to the idea that things were not quite as bad as they had seemed, just one week prior.

Up went the key indices on the most-important, European bourses; forgotten were the fears of just 24 hours, previously:

Amsterdam's AEX Index Plus 0.65 percent

France's CAC 40 Index                      Plus    0.83 percent

Germany's Frankfurt XETRA DAX Index Minus 0.06 percent

Great Britain's FTSE 100 Index           Plus    0.37 percent

Italy's MIBTEL Index                      Plus    0.62 percent

Switzerland's Swiss Market Index       Plus    0.24 percent

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil rose.

For delivery in October, the last settlement for a barrel of light sweet crude oil came in at \$US71.09, an increase of about 1.80 percent, compared with Thursday's closing level.

As for delivery in November, the last settlement for a barrel of light sweet crude oil was \$US70.69, representing an increase over Thursday's last settlement of about 1.62 percent.

In Asia, there was decided weakness on equity markets as investors continued to fret about the state of the US economy and, especially, about the problems, associated with mortgage lending in The Land of The Free and The Home of The Brave.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the volume of activity waned, appreciably.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index shed about 0.20 percent of its value, dropping back to 22,921.89 points.

The Total Turnover was about \$HK83.29 billion, down about 27 percent, compared with Thursday's volume of activity.

Advancing counters outpaced declining ones by the ratio of about 1.25:One.

The Ten Most Actives were:

Bank of China Ltd (Code: 3988)

Down 5.38 percent to \$HK3.87 per share

China Life Insurance Company Ltd (Code:  
2628)

Up 1.97 percent to \$HK33.65 per share

China Mobile Ltd (Code: 941)

Up 0.73 percent to \$HK96.60 per share

China Construction Bank Corporation (Code:  
939)

Down 0.17 percent to \$HK5.85 per share

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

Up 0.20 percent to \$HK4.91 per share

HSBC Holdings plc (Code: 5)

Down 0.50 percent to \$HK140.50 per share

China Petroleum and Chemical  
Corporation (Code: 386)

Up 0.74 percent to \$HK8.16 per share

Datang International Power  
Generation Company Ltd (Code: 991)

Up 5.72 percent to \$HK7.95 per share

PetroChina Company Ltd (Code: 857)

Up 0.36 percent to \$HK11.08 per share

Hongkong Exchanges and Clearing Ltd (Code:  
388)

Down 0.38 percent to \$HK132.40 per share

On the Main Board of The Stock Exchange of Hongkong Ltd, there were 46 counters whose share prices rose by 10 percent or more and 4 counters whose market capitalisations shed 10 percent or more.

The biggest loser of the day was Radford Capital Investment Ltd (Code: 2950), its share price, falling 39.13 percent to 96 cents.

Yardway Group Ltd (Code: 646) was the biggest winner of the day, its share price, gaining 16.18 percent to 28.50 cents.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gained about 0.70 percent, rising to 1,467.95 points.

The Total Turnover on this market was about \$HK458.48 million, down about 24 percent, compared with Thursday's volume of activity.

The ratio of gaining counters to losing ones was about 1.12:One.

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

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

Down 3.49 percent to \$HK16.02 per share

China Railway Logistics Ltd (Code: 8089)

Down 1.68 percent to \$HK10.56 per share

Kanstar Environmental Paper Products Holdings  
Ltd (Code: 8011)

Up 8.77 percent to \$HK0.31 per share

Galileo Holdings Ltd (Code: 8029)

Down 1.01 percent to \$HK0.49 per share

China LotSynergy Holdings Ltd (Code: 8161)

Down 3.30 percent to \$HK0.88 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131		10.11	0.40

Beijing Beida Jade Bird Universal Sci-Tech Company Ltd	8095		10.81	0.66
BIG Media Group Ltd	8167	10.00		0.55
B M Intelligence International Ltd	8158	10.00		1.21
Dahe Media Company Ltd	8243	11.76		0.95
Era Information and Entertainment Ltd	8043	18.00		0.59
IIN International Ltd	8128	11.54		0.29
Maxitech International Holdings Ltd	8136	20.45		0.53
Neolink Cyber Technology (Holding) Ltd	8116	13.16		0.43
Netel Technology (Holdings) Ltd	8256		11.11	0.32
Qianlong Technology International Holdings Ltd	8015	21.95		1.00
SYSCAN Technology Holdings Ltd	8083	13.51		0.42
T S Telecom Technologies Ltd	8003	12.50		0.45
ThinSoft (Holdings) Incorporated	8096	23.08		0.32
Xinjiang Tianye Water Saving Irrigation System Company Ltd	8280	13.07		3.20
Vertex Group Ltd	8228	20.00		0.36
Wafer Systems Ltd	8198	13.89		0.82

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

The Hang Seng Index      Plus    12.43 percent  
The Growth Enterprise Index   Plus    8.95 percent

The key indices on Japan's equity markets reversed direction, compared with Thursday's bullishness, and all of them suffered fractional declines.

On The Tokyo Stock Exchange, its TOPIX Index shed about 0.37 percent, ending the trading day at

1,585.85 points.

Losing counters outran gaining counters by the ratio of about 1.37:One.

The Nikkei-225 Stock Average lost about 0.41 percent of its former value, dropping back to 16,248.97 yen.

For the week, ended August 24, 2007, the tally for Asia's biggest equity market was:

The TOPIX Index	Plus	7.12 percent
The Nikkei-225 Stock Average	Plus	6.39 percent

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

The HKSAR	Hang Seng Index Minus 0.20 percent to 22,921.89 The Growth Enterprise Index Plus 0.70 percent to 1,467.95
Indonesia	Plus 1.20 percent to 2,143.11
Japan	TOPIX Index Minus 0.37 percent to 1,585.85 Nikkei-225 Stock Average Minus 0.41 percent to 16,248.97
Malaysia	Minus 0.79 percent to 1,273.52
The Philippines	Minus 0.69 percent to 3,206.94
The PRC	Shanghai Composite Index Plus 1.49 percent to 5,107.67 Shenzhen Composite Index Plus 1.14 percent to 1,431.28
Singapore	Minus 0.04 percent to 3,369.45
South Korea	Minus 0.47 percent to 1,791.33
Taiwan	Minus 0.49 percent to 8,690.09
Thailand	Minus 0.10 percent to 790.72

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*While **TARGET** makes every attempt to ensure accuracy of all data published, **TARGET** cannot be held responsible for any errors and/or omissions.*

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