

**TOP U.S. LEADERS URGE IMMEDIATE ACTION
TO STOP THE FINANCIAL ROT:
DO SOMETHING, QUICKLY! THE FED SAYS**

President George W. Bush To The Rescue

The third trading week of January 2008 got off to a cracking start on the world's largest equity markets as US investors jumped in, picking up what they deemed to be cheapies.

As the US dollar continued to weaken against other '*hard*' currencies, the key indices of Wall Street shot up for no apparent reason other than short-covering and speculative purchases by day traders.

Nothing of any note had changed between the previous Friday and last Monday, but who was taking stock?

On The New York Stock Exchange, last Monday, the Dow Jones Industrial Average gained 171.85 points, equivalent to about 1.36 percent, ending the moderately active trading day at 12,778.15 points.

Over on The NASDAQ, its Composite Index rose 38.36 points, or about 1.57 percent, as investors pushed it to 2,478.30 points.

The ratio of gaining counters to losing ones was about 2:One on The New York Stock Exchange and about 1.50:One on The NASDAQ.

In view of the fact that the volume of trading was below that of the daily average of the previous year, it seemed likely that a correction could well be on the cards as the week wound down.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in February was \$US94.20, representing an increase of about 1.63 percent, compared with the final quote of Friday, January 11, 2008.

As for delivery in March, the last settlement for a barrel of light sweet crude oil was \$US93.87, an increase of about 1.86 percent on the previous Friday's last settlement.

On major European bourses, investors seemed to follow the lead of Wall Street, resulting in all of the key indices, making useful gains:

Amsterdam's AEX Index	Plus	0.59 percent
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France's CAC 40 Index	Plus	0.59 percent
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Germany's Frankfurt XETRA DAX Index	Plus	0.18 percent
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Great Britain's FTSE 100 Index	Plus	0.22 percent
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Italy's MIBTEL Index	Plus	0.65 percent
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Switzerland's Swiss Market Index Plus 0.41 percent

Banking counters were in favour, last Monday, as most people were banking (excuse the pun) on an interest-rate cut from the US Federal Reserve at the end of the month.

In Asia, the equity markets of Japan were closed, which was just as well because, generally, Asia was bearish.

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

The Hang Seng Index, which is considered the benchmark of the Main Board of The Stock Exchange of Hongkong Ltd, lost about 1.49 percent, falling back to 26,468.13 points.

The Total Turnover was about \$HK109.67 billion.

The ratio of losing counters to gaining ones was about 3.49:One.

The Ten Most Active counters were:

Hongkong Exchanges and Clearing Ltd (Code:
388)

Down 6.07 percent to \$HK191.80 per share

China Mobile Ltd (Code: 941)

Down 2.76 percent to \$HK130.20 per share

China Petroleum and Chemical
Corporation (Code: 386)

Down 4.77 percent to \$HK9.98 per share

China Life Insurance Company Ltd (Code: 2628)

Down 2.22 percent to \$HK37.40 per share

China Telecom Corporation Ltd (Code: 728)

Up 1.36 percent to \$HK6.73 per share

HSBC Holdings plc (Code: 5)

Down 0.16 percent to \$HK123.40 per share

PetroChina Company Ltd (Code: 857)

Down 3.07 percent to \$HK13.26 per share

Sun Hung Kai Properties Ltd (Code: 16)

Up 0.06 percent to \$HK166.50 per share

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

Down 1.50 percent to \$HK5.24 per share

China Construction Bank Corporation (Code:
939)

Down 2.79 percent to \$HK6.27 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
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A-Max Holdings Ltd	959		10.00	0.099
Asia Resources Holdings Ltd	899		10.17	0.53
C Y Foundation Group Ltd	1182		10.45	0.60
China Rise International Holdings Ltd	723	14.29		0.40
Dore Holdings Ltd	628		24.53	1.20
Far East Holdings International Ltd	36		14.12	3.04
Fujikon Industrial Holdings Ltd	927		10.47	2.65
The Hongkong Parkview Group Ltd	207	62.73		1.79
IDT International Ltd	167		12.20	0.36
Karl Thomson Holdings Ltd	7	11.96		2.34
Lee and Man Paper Manufacturing Ltd	2314		10.68	26.35
Ming Fung Jewellery Group Ltd	860	10.87		1.02
Mitsumaru East Kit (Holdings) Ltd	2358		10.91	0.98
New Times Group Holdings Ltd	166	18.10		1.37
Pacific Online Ltd	543		10.90	2.37
PME Group Ltd	379		10.14	0.62
Poly Investments Holdings Ltd	263		12.95	1.21
Prosperity Real Estate Investment Trust	808	10.26		1.72
Regent Manner International Holdings Ltd	1997		22.13	0.95
Rising Development Holdings Ltd	1004		12.00	0.33
Suga International Holdings Ltd	912		11.25	0.71
Tomorrow International Holdings Ltd	760		13.04	0.40
Wonson International Holdings Ltd	651	25.55		0.172

Xiamen International Port Company Ltd	3378	16.20		2.51
Y.T. Realty Group Ltd	75		11.41	1.63
Zhejiang Glass Company Ltd	739	17.09		6.85
Zhongtian International Ltd	2379		13.33	0.325

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shed about 2.30 percent, falling back to 1,249.81 points.

The Total Turnover on this speculative market was about \$HK389.32 million.

Declining counters outpaced advancing ones by the ratio of about 1.85:One.

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

Midland IC and I Ltd (Code: 8090)

Up 11.22 percent to \$HK0.119 per share

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

Down 7.54 percent to \$HK14.22 per share

China Railway Logistics Ltd (Code: 8089)

Up 2.38 percent to \$HK2.58 per share

China LotSynergy Holdings Ltd (Code: 8161)

Down 6.10 percent to \$HK0.77 per share

Golden Meditech Company Ltd (Code: 8180)

Down 6.81 percent to \$HK3.01 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	33.33		0.40
Asian Capital Resources (Holdings) Ltd	8025	13.46		0.295
BIG Media Group Ltd	8167		26.76	2.60
Dahe Media Company Ltd	8243	10.94		0.71
EVOC Intelligent Technology Company Ltd	8285		11.29	1.65
Global Digital Creations Holdings Ltd	8271		12.84	1.29
Global Solution Engineering Ltd	8192		10.00	0.243

Intelli-Media Group (Holdings) Ltd	8173		22.41	0.09
Midland IC and I Ltd	8090	11.22		0.119
Northeast Tiger Pharmaceutical Company Ltd	8197	24.26		0.21
Shaanxi Northwest New Technology Industry Company Ltd	8258	10.09		0.24
Prosten Technology Holdings Ltd	8026		10.53	0.51
Sungreen International Holdings Ltd	8306		16.00	4.20

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

The HKSAR	Hang Seng Index Minus 1.49 percent to 26,468.13 The Growth Enterprise Index Minus 2.30 percent to 1,249.81
Indonesia	Minus 0.70 percent to 2,810.37
Japan	TOPIX Index Closed Nikkei-225 Stock Average Closed
Malaysia	Minus 0.61 percent to 1,507.04
The Philippines	Minus 0.61 percent to 3,482.28
The PRC	Shanghai Composite Index Plus 0.24 percent to 5,497.90 Shenzhen Composite Index Plus 1.05 percent to 1,570.40
Singapore	Minus 2.11 percent to 3,218.14
South Korea	Minus 0.92 percent to 1,765.88
Taiwan	Plus 1.79 percent to 8,173.41
Thailand	Minus 0.67 percent to 791.15

Tuesday

It was a bloodbath on nearly every equity market, around the world, last Tuesday.

It appeared that the gods of good fortune had forsaken investors, from one side of the world to the other.

On Wall Street, key indices on US equity markets shed more than 2 percent, each.

The reasons:

1. December's consumer sales have been confirmed to have been the worst in the past 5 years;
2. Citigroup Incorporated announced a massive loss for the final quarter of 2007 and slashed its dividend payout to shareholders;
3. The translation value of the US dollar hit a 30-month low against the Japanese yen; and,
4. There was talk that the US Federal Reserve was considering holding an emergency meeting in order to make a determination as to what action to take in view of the worsening situation on the money markets.

On The New York Stock Exchange, the Dow Jones Industrial Average fell 277.04 points, equivalent to about 2.17 percent, dropping back to 1,2501.11 points.

All 30 constituent stocks that comprise The Dow lost ground, without exception.

Over on The NASDAQ, its Composite Index gave up 60.71 points, representing a one-day fall of about 2.45 percent, as investors drove it down to 2,417.59 points.

The ratio of losing counters to gaining ones was about 3:One on both equity markets.

During the trading session, Citigroup Incorporated announced that it had written off about \$US18.10 billion due to its exposure to the US subprime, mortgage-lending industry.

It, also, announced a Net Loss Attributable to Shareholders of about \$US9.30 billion for the quarter, ended December 31, 2007.

The share price of the largest US bank by assets under its control fell by about 7 percent on the news.

Citigroup Incorporated, also, stated that it would be sacking 4,200 of its employees and raising \$US14.50 billion in order to strengthen its balance sheet.

From the US Commerce Department, it was reported that US retail sales, during the December shopping season, fell by about 0.40 percent, Year-On-Year.

For the entire 12 months of 2007, US retail sales rose by about 4.20 percent, which was a fall of about 29 percentile points, Year-On-Year.

Retail sales in the US account for about 66 percent of the economy.

On foreign exchange markets, the US dollar continued to lose ground against most other 'hard' currencies.

Against the Japanese yen, the US dollar fell to a 30-month low of ¥106.75.

Just prior to the business day, commencing in the US, last Wednesday, The Bureau of Labour Statistics produced its findings with regard to the Producer Price Indices for December 2007.

The Producer Price Index for finished goods was down about one tenth of a percentage point, seasonally adjusted.

The decrease followed a 3.20-percent rise in November 2007, The Bureau pointed out.

The following is the full text of the release from The Bureau, minus the tables:

'Producer Price Indexes – December 2007

'The Producer Price Index for Finished Goods declined 0.1 percent in December, seasonally adjusted, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. This decrease followed a 3.2-percent rise in November and a 0.1-percent advance in October. At the earlier stages of processing, prices received by producers of intermediate goods fell 0.2 percent in December after increasing 3.7 percent in the prior month, and the crude goods index moved up 1.0 percent following an 8.7-percent jump in November ...

'The downturn in prices for finished goods was led by the index for energy goods, which dropped 1.9 percent in December after climbing 14.1 percent in November. Prices for finished goods other than foods and energy rose 0.2 percent in December compared with a 0.4-percent advance in the preceding month. By contrast, partially offsetting the downturn in the finished goods index, prices for finished consumer foods increased 1.3 percent following no change in November.

'Before seasonal adjustment, the Producer Price Index for Finished Goods declined 0.4 percent in December to 170.6 (1982 = 100). In 2007, finished goods prices moved up 6.3 percent compared with a 1.1-percent advance in 2006. This faster rate of increase in 2007 is attributable to food and energy prices. The index for finished energy goods surged 18.4 percent in 2007 after falling 2.0 percent a year earlier, and prices for finished consumer foods jumped 7.4 percent following a 1.7-percent rise in 2006. Alternatively, the index for finished goods other than foods and energy advanced 2.0 percent in 2007, the same as in the preceding year. At the earlier stages of processing, prices received by manufacturers of intermediate goods climbed 6.8 percent in 2007 after moving up 2.8 percent in the prior year, while the crude goods index jumped 20.6 percent following a 4.7-percent decrease in 2006 ...

'Finished goods

'The index for finished energy goods fell 1.9 percent in December after rising 14.1 percent in November. Leading this downturn, gasoline prices declined 4.8 percent in December following a 34.8-percent surge a month earlier. The indexes for home heating oil, diesel fuel, liquefied petroleum gas, asphalt, and kerosene also decreased after advancing in November. Prices for residential electric power moved up less in December than in the previous month. By contrast, partially counteracting the downturn in the index for finished energy goods, prices for residential natural gas fell 0.1 percent compared with a 5.2-percent drop in November ...

'The index for finished goods other than foods and energy increased 0.2 percent in December following a 0.4-percent rise in November. In December, higher prices for pharmaceutical preparations, cosmetics and other toilet preparations, civilian aircraft, commercial furniture, cigarettes, pet food, and floor coverings outweighed lower prices for passenger cars, light motor trucks, household furniture, and for x-ray and electromedical equipment.

'The index for finished consumer foods climbed 1.3 percent in December after no change in November. Prices for fresh and dry vegetables jumped 13.4 percent in December compared with a 13.2-percent drop in the preceding month. The indexes for beef and veal and for processed fruits and vegetables also turned up in December. Prices for fresh fruits and melons and for eggs for fresh use increased more than they had in November. By contrast, the index for processed turkeys fell 9.4 percent in December following an 8.7-percent rise in the prior month. Prices for pork and roasted coffee also decreased after advancing in November. The indexes for bakery products, finfish and shellfish, and processed young chickens increased at slower rates in December than they had a month earlier.

'Intermediate goods

'The Producer Price Index for Intermediate Materials, Supplies, and Components decreased 0.2 percent in December following a 3.7-percent advance in November. Leading this downturn, prices for intermediate energy goods and materials for durable manufacturing declined after rising a month earlier. The index for materials for nondurable manufacturing rose less than it had in the preceding month. By contrast, partially offsetting the downturn in

intermediate goods prices, the index for intermediate foods and feeds advanced more than it had a month earlier, and prices for materials and components for construction turned up in November. The index for intermediate goods less foods and energy was unchanged in December following a 1.0-percent decrease in the prior month ...

'The index for intermediate energy goods declined 1.4 percent in December subsequent to a 13.3-percent advance in November. Diesel fuel prices moved down 3.0 percent after surging 35.8 percent in the preceding month. The indexes for gasoline, home heating oil, both commercial and industrial electric power, and liquefied petroleum gas also turned down in December. Prices for jet fuels rose less than they had a month earlier, and the index for natural gas to electric utilities fell more than it had in November. By contrast, prices for commercial natural gas increased 0.6 percent following a 6.0-percent decline in the previous month. The index for industrial natural gas also turned up in December ... From December 2006 to December 2007, prices for intermediate energy goods advanced 18.6 percent after decreasing 3.3 percent a year earlier.

'Prices for materials for nondurable manufacturing edged up 0.1 percent in December subsequent to a 3.6-percent rise in November. The index for processed yarns and threads moved up 0.2 percent following a 1.0-percent gain in the preceding month. Prices for basic organic chemicals, plastic resins and materials, and for paint materials declined after increasing in the prior month. By contrast, the rate of increase for the inedible fats and oils index quickened from 4.4 percent in November to 9.5 percent in December. Prices for fertilizer materials and basic inorganic chemicals also advanced more than they had a month earlier. The paperboard index inched up subsequent to a decline in the previous month. The index for materials for nondurable manufacturing advanced 13.0 percent in 2007 compared with a 1.2-percent rise in 2006.

'Prices for materials for durable manufacturing decreased 1.0 percent in December following a 1.1-percent advance in November. The primary nonferrous metals index fell 8.5 percent after rising 2.5 percent in the prior month. Prices for thermoplastic resins, building paper and board, and aluminum mill shapes also turned down in December. The indexes for both cold and hot rolled steel sheet and strip rose less than in the preceding month. By contrast, prices for softwood lumber moved down 0.6 percent compared with a 3.8-percent decrease a month earlier. The index for copper and brass mill shapes also declined less than it had in the previous month, and prices for titanium mill shapes turned up in December. In 2007, the index for materials for durable manufacturing moved up 1.6 percent subsequent to a 12.5-percent jump in 2006.

'The advance in the intermediate foods and feeds index accelerated from 1.2 percent in November to 2.2 percent in December. Prices for beef and veal moved up 3.2 percent compared with a 5.0-percent decline a month earlier. The indexes for flour and for refined sugar and byproducts also turned up in December. Prices for shortening and cooking oils advanced more than in the preceding month, while the index for dry milk products fell less than it had in November. By contrast, prices for prepared animal feeds increased 1.7 percent in December following a 3.7-percent advance in the prior month. Similarly, prices for processed young chickens also rose less than they had in November. The pork index turned down in December, and prices for fluid milk products declined more than they had in the previous month. From December 2006 to December 2007, the index for intermediate foods and feeds climbed 17.5 percent subsequent to a 4.7-percent increase a year earlier.

'The index for materials and components for construction inched up 0.1 percent in December compared with a 0.1-percent decline in November. Prices for asphalt felts and coatings advanced 2.1 percent following a 2.6-percent decrease in the previous month. The indexes for nonferrous wire and cable and for softwood lumber fell less than they had a month earlier. Prices for fabricated structural metal products rose more than in November. By contrast, the index for steel mill products moved up 0.8 percent after increasing 2.3 percent in November. Prices for building paper and board, millwork, and treated wood turned down in December. During 2007, prices for materials and components for construction advanced 1.8 percent after rising 4.3 percent in the previous year.

'Crude goods

'The Producer Price Index for Crude Materials for Further Processing rose 1.0 percent in December after advancing 8.7 percent in November. Rising prices for foodstuffs and

feedstuffs outweighed price decreases for energy materials, while the index for basic industrial materials was unchanged in December ...

'Prices for crude foodstuffs and feedstuffs climbed 4.3 percent after increasing 2.0 percent in the preceding month. The slaughter hogs index rose 9.5 percent following a 7.9-percent decline in November. Prices for wheat; fresh vegetables, except potatoes; and slaughter cattle also turned up in December. By contrast, slightly counteracting the acceleration in prices for crude foodstuffs and feedstuffs, the index for slaughter broilers and fryers fell 5.1 percent after moving down 0.8 percent in November. Prices for Irish potatoes for processing and for soybeans rose less than they had in the prior month. The fluid milk index turned down in December ... In 2007, crude foodstuffs and feedstuffs prices jumped 25.2 percent following a 2.8-percent increase in 2006.

'The index for crude energy materials fell 0.7 percent in December after climbing 17.0 percent a month earlier. Crude petroleum prices turned down 2.4 percent following a 15.5-percent gain in November. Price advances for natural gas slowed to 0.9 percent in December after jumping 21.6 percent in the previous month. Conversely, the coal index increased 1.4 percent after moving up 0.5 percent in the prior month. In 2007, prices for crude energy materials advanced 17.2 percent following a 15.7-percent drop in 2006.

'The basic industrial materials index was unchanged in December after decreasing 0.5 percent a month earlier. Iron and steel scrap prices turned up 5.7 percent following a 7.6 percent decrease in November. The index for copper base scrap fell less than in November. Prices for raw cotton and phosphates rose more than they had a month earlier. The index for softwood logs, bolts, and timber was unchanged after falling in the prior month. By contrast, prices for aluminum base scrap declined 3.2 percent in December following a 1.5-percent advance a month earlier. The index for wastepaper also turned down after rising in November. Prices for gold ores increased less than they had in the preceding month. The basic industrial materials index climbed 16.8 percent in 2007, slightly less than the 17.0-percent rise in 2006.

'Net output price indexes

'Mining, Utilities, and Manufacturing Industries. The Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries turned down 0.6 percent in December after rising 1.9 percent in November. (Net output price indexes are not seasonally adjusted.) The index for the petroleum and coal products industry group declined 6.0 percent following a 14.1-percent jump a month earlier. Prices received by the industries for oil and gas extraction, transportation equipment, and natural gas distribution also fell after moving up in November. The index for the chemical manufacturing industry group increased less than in the prior month. By contrast, partially offsetting the downturn in the total mining, utilities, and manufacturing industries index, prices received by electric power generators turned up 1.1 percent in December after falling 2.3 percent in the preceding month. The index for the food manufacturing industry group increased more in December than in the previous month, and prices received by the computer and electronic products industry group were unchanged after falling in November.

'Trade Industries. The Producer Price Index for the Net Output of Total Trade Industries turned up 1.5 percent in December after decreasing 0.7 percent in November. (Trade indexes measure changes in margins received by wholesalers and retailers.) The margin index for gasoline stations jumped 41.1 percent in December following a 9.0-percent decrease a month earlier. Margins received by merchant wholesalers of durable goods, building materials and supplies dealers, and fuel dealers also turned up after falling in November. By contrast, the margin index for merchant wholesalers of nondurable goods dropped 5.6 percent in December following a 0.7-percent decline in the preceding month. Margins received by clothing stores, electronic shopping and mail order houses, and automobile dealers turned down after rising in November.

'Transportation and Warehousing Industries. The increase in the Producer Price Index for the Net Output of Total Transportation and Warehousing Industries slowed to 0.1 percent in December from 0.6 percent in the previous month. The index for the general freight trucking industry group rose 0.5 percent after advancing 1.2 percent in November. Prices received by the industries for freight transportation arrangement and for long-distance, specialized-freight trucking also rose less than in the preceding month. The industry index for scheduled

passenger air transportation fell more in December than in the prior month, and prices received by the industry for local, specialized-freight trucking turned down after increasing in November. By contrast, the advance in the industry index for couriers accelerated to 2.0 percent in December from 1.0 percent in the previous month. Prices received for inland water freight transportation turned up in December, and the industry index for general warehousing and storage rose after no change in November.

***‘Traditional Service Industries.** The Producer Price Index for the Net Output of Total Traditional Service Industries turned down 0.9 percent in December after increasing 0.6 percent in November. The index for commercial banking dropped 8.4 percent in December following a 5.0-percent advance in the prior month. Prices received by general medical and surgical hospitals, portfolio managers, casino hotels, and offices of lawyers also turned down after rising in November. Conversely, the index for investment banking and securities dealing moved up 3.4 percent in December following a 0.2-percent decrease in the prior month. Prices received by wired telecommunication carriers also turned up after declining in November. The index for lessors of nonresidential buildings increased more than in the preceding month.’*

On The New York Mercantile Exchange (NYMEX), the price of crude oil came off the boil, last Tuesday.

For delivery in February, the last settlement for a barrel of light sweet crude oil came in at \$US91.90, down about 2.44 percent, compared with Monday’s closing level.

As for March delivery for a barrel of light sweet crude oil, the last settlement was \$US91.73, down about 2.28 percent on the day.

European investors followed the lead of Wall Street, resulting in the key indices of the most-important bourses, falling dramatically:

Amsterdam’s AEX Index	Minus 2.92 percent
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France’s CAC 40 Index	Minus 2.82 percent
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Germany’s Frankfurt XETRA DAX Index	Minus 2.14 percent
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Great Britain’s FTSE 100 Index	Minus 3.05 percent
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Italy’s MIBTEL Index	Minus 2.31 percent
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Switzerland’s Swiss Market Index	Minus 2.67 percent
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For many counters, last Tuesday’s closing quotes on European bourses stood at their lowest levels in more than 18 months.

Banks were the targets of sales by many investors, following the statements of Citigroup Incorporated.

In Asia, there was a plethora of red ink, used to record the closing figures 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), both equity markets lost more than 2 percent, each.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index gave up about 2.38 percent, falling back to 25,837.78 points.

The Total Turnover on this, the premier equity market of the territory, was about \$HK121.07 billion.

The ratio of losing counters to gaining ones was about 4.67:One.

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

China Mobile Ltd (Code: 941)	Down 4.15 percent to \$HK124.80 per share
HSBC Holdings plc (Code: 5)	Down 2.11 percent to \$HK120.80 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Down 3.60 percent to \$HK184.90 per share
China Life Insurance Company Ltd (Code: 2628)	Down 3.21 percent to \$HK36.20 per share
China Telecom Corporation Ltd (Code: 728)	Down 8.32 percent to \$HK6.17 per share
PetroChina Company Ltd (Code: 857)	Down 4.22 percent to \$HK12.70 per share
China Construction Bank Corporation (Code: 939)	Down 2.23 percent to \$HK6.13 per share
China Railway Group Ltd (Code: 390)	Down 6.36 percent to \$HK10.02 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 3.91 percent to \$HK9.59 per share
China Shenhua Energy Company Ltd (Code: 1088)	Down 1.44 percent to \$HK47.85 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Buildmore International Ltd	108	17.94		6.31
CASIL Telecommunications Holdings Ltd	1185		15.46	0.82
China Agri-Products Exchange Ltd	149		12.00	1.32
China Pipe Group Ltd	380		10.00	0.063
China Sci-Tech Holdings Ltd	985		11.48	0.27
Dore Holdings Ltd	628	10.83		1.33

Dream International Ltd	1126		14.06	0.275
Far East Holdings International Ltd	36		11.18	2.70
The Hongkong Parkview Group Ltd	207	54.19		2.76
Interchina Holdings Company Ltd	202		12.90	0.081
Pearl River Tyre (Holdings) Ltd	1187		20.00	1.52
PME Group Ltd	379		14.52	0.53
QPL International Holdings Ltd	243		10.53	0.34
Regent Manner International Holdings Ltd	1997		13.68	0.82
Rising Development Holdings Ltd	2996		10.77	0.29
Sewco International Holdings Ltd	209		13.51	0.32
Sino-Tech International Holdings Ltd	724		11.96	0.405
Suga International Holdings Ltd	912		16.90	0.59
Yun Sky Chemical (International) Holdings Ltd	663		12.50	0.28
Unity Investments Holdings Ltd	913		10.71	0.05
Wing Hing International (Holdings) Ltd	621		11.34	2.11
Wing Shan International Ltd	570		10.42	0.43
Xin Corporation Ltd	1141		12.00	0.242
Zhongtian International Ltd	2379	21.54		0.395

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shed about 2.84 percent of its value, dropping to 1,214.33 points.

The Total Turnover was about \$HK376.41 million.

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Down 7.56 percent to \$HK0.11 per share

China LotSynergy Holdings Ltd (Code: 8161)

Down 16.88 percent to \$HK0.64 per share

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

Up 1.27 percent to \$HK14.40 per share

Golden Meditech Company Ltd (Code: 8180)

Down 0.33 percent to \$HK3.00 per share

Espco Technology Holdings Ltd (Code: 8299)

Down 6.15 percent to \$HK0.61 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Railway Logistics Ltd	8089		12.40	2.26
Cardlink Technology Group Ltd	8066		20.48	1.32
China LotSynergy Holdings Ltd	8161		16.88	0.64
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231		12.79	0.75
ITE (Holdings) Ltd	8092	12.00		0.112
Long Success International (Holdings) Ltd	8017		15.38	0.11
North Asia Strategic Holdings Ltd	8080		10.00	0.90
New Chinese Medicine Holdings Ltd	8085	18.81		1.20
Shenzhen Neptunus Interlong Bio-technique Company Ltd	8329		15.38	1.10
Northeast Tiger Pharmaceutical Company Ltd	8197		17.62	0.173
ProSticks International Holdings Ltd	8055	11.11		0.50
Richfield Group Holdings Ltd	8136		11.11	0.208
Rojam Entertainment Holdings Ltd	8075		10.71	0.10
Sing Lee Software (Group) Ltd	8076	16.67		0.21
Trasy Gold Ex Ltd	8063	11.67		0.067

Value Convergence Holdings Ltd	8101		13.64	1.90
Vodatel Networks Holdings Ltd	8033		17.84	0.152

In Japan, all of the key indices of the country's 3 equity markets lost substantial ground, also.

On the premier equity market, The Tokyo Stock Exchange, its TOPIX Index lost 27.38 points, or about 1.99 percent, ending the choppy trading session at 1,350.20 points.

The ratio of losers to gainers was about 11.65:One.

As for The Nikkei-225 Stock Average, its lost 138.16 yen, equivalent to about 0.98 percent, as investors pulled it back to 13,972.63 yen.

News Wise

- Merrill Lynch and Company announced that it had reached an agreement with **Mizuho Corporate Bank**, The Korean Investment Corporation (of South Korea) and Kuwait Investment Authority to raise about \$US6.60 billion in cash. In exchange of the money, Merrill Lynch and Company will issue Mandatory Convertible Preferred Stock with a 9-percent coupon attached. This scrip must be converted into Common Stock of Merrill Lynch and Company in 33 months.

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

The HKSAR	Hang Seng Index Minus 2.38 percent to 25,837.78 The Growth Enterprise Index Minus 2.84 percent to 1,214.33
Indonesia	Minus 2.86 percent to 2,730.03
Japan	TOPIX Index Minus 1.99 percent to 1,350.20 Nikkei-225 Stock Average Minus 0.98 percent to 13,972.63
Malaysia	Minus 0.09 percent to 1,505.71
The Philippines	Minus 1.00 percent to 3,447.29
The PRC	Shanghai Composite Index Minus 0.98 percent to 5,443.79 Shenzhen Composite Index Plus 0.39 percent to 1,576.50
Singapore	Minus 1.98 percent to 3,154.58
South Korea	Minus 1.07 percent to 1,746.95

Taiwan	Plus 3.13 percent to 8,428.84
Thailand	Minus 1.44 percent to 779.79

Wednesday

Share prices were zonked around the world, last Wednesday, as more and more US banks joined the write-off 'party', announcing materially lower profits along with their financial problems.

The latest fatality was JPMorgan Chase and Company, the third-largest bank in the US, whose management announced that, for the final quarter of 2007, ended December 31, Net Income was about \$US2.97 billion, down about 34 percent, Year-On-Year.

Then, from the West Coast of the US, the biggest bank in this part of the country reported a 38-percent decline in Net Income for its quarter, ended December 31, 2007, compared with the like quarter of 2006.

On The New York Stock Exchange, investors were treated to an announcement from the world's largest chip maker.

Intel Corporation announced that, for the current quarter, ending March 31, 2008, the company sees considerable weakness on the retail front.

The Dow Jones Industrial Average responded, reversing the day's earlier direction and ending down about 0.28 percent to 12,466.16 points by the time it was to call it quits.

Over on The NASDAQ, however, Intel's announcement caused consternation as investors started to offload hi-tech counters as soon as buyers could be located.

As a result, the key index of this market, the Composite Index, shed about 0.95 percent, falling to 2,394.59 points.

Advancing counters and declining ones were nearly neck-and-neck on both The New York Stock Exchange and The NASDAQ.

That was not all for US equity markets, however, because, from The Labour Department of the US Government, it brought out its findings with regard to the Consumer Price Index for December 2007.

The following is the full text of the release of this department, minus the tables, disseminated just before Wall Street opened its doors for business:

'CONSUMER PRICE INDEX: DECEMBER 2007

'The Consumer Price Index for All Urban Consumers (CPI-U) decreased 0.1 percent in December before seasonal adjustment, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. The December level of 210.036 (1982-84=100) was 4.1 percent higher than in December 2006.

'The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) decreased 0.1 percent in December prior to seasonal adjustment. The December level of 205.777 (1982-84=100) was 4.3 percent higher than in December 2006.

'The Chained Consumer Price Index for All Urban Consumers (C-CPI-U) decreased 0.1 percent in December on a not seasonally adjusted basis. The December level of 121.088 (December 1999=100) was 3.4 percent higher than December 2006. Please note that the indexes for the post-2005 period subject to revision.

'CPI for All Urban Consumers (CPI-U)

'On a seasonally adjusted basis, the CPI-U increased 0.3 percent in December, following a

0.8 percent rise in November. The index for energy advanced 0.9 percent and accounted for about one-third of the overall CPI increase in December. The index for petroleum-based energy rose 1.2 and the index for energy services, 0.5 percent. The food index rose 0.1 percent in December. The index for food at home was virtually, while the index for food away from home increased 0.2 percent. The index for all items less food and energy advanced 0.2 percent in December, following a 0.3 percent increase in November. Smaller increases in the indexes for apparel, for medical care, for recreation, and for new vehicles were responsible for the more moderate increase in December ...

‘Consumer prices advanced at a seasonally adjusted annual rate (SAAR) of 5.6 percent in the fourth quarter of 2007. This followed increases in the first three quarters at annual rates of 4.7, 5.2, and 1.0 percent, respectively. For the 12 month period ended in December, the CPI-U rose 4.1 percent. This compares with an increase of 2.5 percent in 2006. The index for energy, which advanced at annual rates of 22.9 and 32.9 percent in the first two quarters, declined at a 14.8 percent rate in the third quarter, turned back up in the fourth quarter, advancing a 37.1 percent annual rate. Overall energy costs rose 17.4 percent in 2007 with the index for petroleum-based energy costs (energy commodities) up 29.4 percent and charges for energy services (gas and electricity) up 3.4 percent. The food index, which rose 2.1 percent in all of 2006, advanced 4.9 percent in 2007, its largest increase since a 5.3 percent rise in 1990. Grocery store food prices increased 5.6 percent in 2007, reflecting acceleration over the last year in each of the six major groups. These increases ranged from 3.2 percent in the index for other food at home to 13.4 percent in the index for dairy products.

‘Excluding food and energy, the CPI-U advanced at a 2.7 percent SAAR in the fourth quarter, following increases at rates of 2.3, 2.3, and 2.5 percent in the first three quarters of 2007. The 2.4 percent advance for all of 2007 compares with a 2.6 percent rise in 2006. The deceleration reflects a smaller increase in the index for shelter, in particular the index for owners' equivalent rent, and a small decrease in the index for apparel. Shelter costs, which rose 4.2 percent in all of 2006, increased 3.1 percent in 2007. The index for owners' equivalent rent rose 2.8 percent in 2007 after a 4.3 percent increase in 2006. The index for apparel, which last year registered its first annual increase since 1997 – up 0.9 percent – declined 0.3 percent in 2007. The annual rates for selected groups for the last eight years ...

‘The food and beverages index was virtually unchanged in December. The index for food at home also was virtually unchanged. Increases in the indexes for cereal and bakery products, and for other food at home – up 0.6 and 0.2 percent, respectively – offset declines in the indexes for meats, poultry, fish, and eggs, for dairy products, for fruits and vegetables, and for nonalcoholic beverages. Despite a downturn in December, the index for dairy products registered the largest increase of the six major grocery store food groups in the last 12 months – up 13.4 percent. During the last 12 months, milk and cheese prices increased 19.3 and 13.0 percent, respectively. The index for fruits and vegetables, which declined 0.4 percent in December, increased 5.9 percent in the last 12 months, reflecting increases in prices for fresh vegetables, for fresh fruits, and for processed fruits and vegetables. The index for meats, poultry, fish, and eggs decreased 0.1 percent in December, but advanced 5.4 percent since December 2006. During the latter period, beef prices rose 5.0 percent, pork prices, 1.4 percent, and poultry prices, 6.3 percent. During the 12 months ended in December, the index for cereal and bakery products increased 5.4 percent with bread prices increasing 10.5 percent. The indexes for nonalcoholic beverages and for other food at home increased 3.5 and 3.2 percent, respectively, in all of 2007. The other two components of the food and beverages index – food away from home and alcoholic beverages – increased 0.2 and declined 0.2 percent, respectively, in December and rose 4.0 and 3.8 percent in all of 2007.

‘The index for housing increased 0.3 percent in December, following a 0.4 percent rise in November. The index for shelter increased 0.3 percent in December, the same as in November. Within shelter, the indexes for rent and for owners' equivalent rent increased 0.4 and 0.3 percent, respectively, and the index for lodging away from home rose 0.2 percent. During the 12 months ended in December, the indexes for rent and for owners' equivalent rent increased 4.0 and 2.8 percent, respectively, following increases of 4.3 percent in 2006. The index for lodging away from home rose 4.6 percent in 2007. The index for fuels and utilities rose 0.6 percent in December. The index for fuel oil increased 2.4 percent in December and 32.5 percent during the last 12 months. The index for natural gas rose 2.3

percent, while the index for electricity declined 0.2 percent. During the 12 months ended in December, charges for electricity rose 5.2 percent, while charges for natural gas declined 0.4 percent. The index for household furnishings and operations was virtually unchanged in December and 0.7 percent lower than in December 2006.

'The transportation index increased 0.5 percent in December. The index for gasoline rose 1.1 percent, accounting for about two-thirds of the overall transportation increase. (Prior to seasonal adjustment, gasoline prices fell 1.6 percent to a level that was 3.0 percent lower than their peak level recorded in May.) During the 12 months ended in December gasoline prices increased 29.6 percent, their largest annual advance since a 30.1 percent rise in 1999. The index for new vehicles was virtually unchanged in December. (As of December, about 63 percent of the new car sample consisted of 2008 models. The 2008 models will continue to be phased in, with adjustments for quality change, over the next several months as they replace old models at dealerships. For a report on quality changes for the 2008 vehicles represented in the Producer Price Index sample, see news release USDL-07-1787 dated November 14, 2007.) The index for used cars and trucks rose 0.2 percent. During the last 12 months, new vehicle prices have declined 0.3 percent, while prices for used cars and trucks rose 0.5 percent. The index for public transportation increased 1.2 percent in December, largely reflecting a 1.6 percent increase in the index for airline fares. (Prior to seasonal adjustment, airline fares declined 0.9 percent in December, but advanced 10.6 percent in the last 12 months.)

'The index for apparel increased 0.2 percent in December. (Prior to seasonal adjustment, apparel prices declined 2.4 percent, largely as a result of pre-holiday discounting.) During the 12 month period ended in December, apparel prices declined 0.3 percent. Declines in prices for men's and boys' apparel and women's and girls' apparel – down 1.0 and 0.7 percent, respectively – were partially offset by a 5.0 percent increase in prices for jewelry.

'Medical care costs rose 0.3 percent in December. The index for medical care commodities – prescription drugs, nonprescription drugs, and medical supplies – rose 0.3 percent. The index for medical care services also rose 0.3 percent. The indexes for professional services and for hospital and related services each advanced 0.4 percent. For the 12 months ended in December, the medical care index rose 5.2 percent, its largest annual advance since a 5.4 percent increase in 1993. Charges for hospital and related services increased 8.1 percent in the 12 months ended in December, following a 6.1 percent rise in 2006.

'The index for recreation was virtually unchanged in December. Decreases in the indexes for sporting goods, for photography, for toys, and for admissions to movies, theaters, concerts, and sporting events were offset by increases in the indexes for video and audio and for pets, pet products and services. During the 12 months ended in December, the index for recreation rose 0.8 percent as increases in the indexes for pets, pet products and services and for recreational services – up 5.5 and 2.4 percent, respectively – more than offset declines in the indexes for video and audio, for sporting goods, for photography, and for toys.

'The index for education and communication increased 0.3 percent in December. Educational costs increased 0.5 percent while communication costs were virtually unchanged. During the 12 months ended in December, educational costs rose 5.6 percent, reflecting increases of 6.1 and 9.0 percent in the indexes for college tuition and for college textbooks, respectively. The index for communication rose 0.2 percent during the last 12 months. Increases in the indexes for telephone services and postal services – up 2.1 and 4.4 percent, respectively – offset declines in prices for personal computers and peripheral equipment, for computer software and accessories, and for internet services and electronic information providers – down 13.2, 6.4, and 5.2 percent, respectively.

'The index for other goods and services increased 0.3 percent in December to a level 3.3 percent higher than in December 2006. The index for tobacco and smoking products rose 0.8 percent in December and 7.5 percent during the last 12 months, accounting for about 70 percent of the monthly increase and 45 percent of the annual change in this major group.

'CPI for Urban Wage Earners and Clerical Workers (CPI-W)

'On a seasonally adjusted basis, the CPI for Urban Wage Earners and Clerical Workers increased 0.3 percent in December.'

What is very apparent on studying the statistics is that inflation in the US, throughout 2007, was running at its highest level of the past 17 years.

The increased cost of energy as well as higher food prices were the culprits: Energy prices, up 17.40 percent; food prices, up 4.90 percent.

The above statistics would appear to pose somewhat of a quandary for the US Federal Reserve because it may be reluctant to be too aggressive with any interest-rate reductions at its 2-day, Open Market Committee Meeting, scheduled for January 29-30.

On a brighter note, the fall-off in the prices of stocks and shares and the likelihood that the US is about to enter a recessionary period, caused crude oil prices to continue to fall 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 February came in at \$US90.84, down about 1.15 percent on the day.

As for delivery in March, the last settlement for a barrel of light sweet crude oil was about \$US90.36, representing a fall of about 1.49 percent, compared with Tuesday's closing level.

According to the International Energy Agency of the US Government, crude oil prices could well fall further because a confirmed US recession would result in lower demand, internationally, for the black ooze.

On foreign-exchange markets, the US dollar continued to weaken against the currency of the second-largest economy of the world, falling to ¥105.97, its lowest level since May 2005.

In Europe, investors followed the lead of Wall Street as investors sought cash rather than holding onto scrip.

The news, flooding out of the largest and most-important economy of the world, was just too much for most European investors.

All of the key indices of every major bourse in this part of the world fell as the following **TARGET** table illustrates:

Amsterdam's AEX Index	Minus 1.68 percent
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France's CAC 40 Index	Minus 0.48 percent
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Germany's Frankfurt XETRA DAX Index	Minus 1.25 percent
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Great Britain's FTSE 100 Index	Minus 1.37 percent
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Italy's MIBTEL Index	Minus 0.32 percent
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Switzerland's Swiss Market Index	Minus 1.58 percent
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And, in Asia, the red ink flowed freely as every key index of every equity market was marked down to considerably lower levels.

The key indices of the 2 equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) led the long list of losers.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index ended the trading session at 24,450.86 points, down 1,386.93 points, equivalent to about 5.37 percent.

For the second, most-important equity market of Asia, last Wednesday's losses represented the biggest, one-day fall since September 11, 2001: The day of the attack on the World Trade Center in New York.

The spectre on a global economic slowdown was only part of the reason for the drop in the key index of the HKSAR, however, because, from Beijing came the call to rein in increases in the prices of basic commodities and foodstuffs.

The People's Bank of China, the Central Bank of the country, announced that it would raise the reserve requirements for all PRC banks to 15 percent.

The 50, basis-point increase in banks' reserve requirements of last Wednesday was the eleventh time in the past 13 months that the PRC's Central bank had made such an order.

The effect of this move will play its part, no doubt, in taming inflation in the Middle Kingdom, in due course.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Total Turnover was \$HK145.15 billion, while the ratio of losing counters to gaining ones was about 6.66:One.

The Ten Most Active counters were:

China Mobile Ltd (Code: 941)	Down 5.05 percent to \$HK118.50 per share
HSBC Holdings plc (Code: 5)	Down 4.80 percent to \$HK115.00 per share
China Life Insurance Company Ltd (Code: 2628)	Down 7.60 percent to \$HK33.45 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Down 6.98 percent to \$HK172.00 per share
PetroChina Company Ltd (Code: 857)	Down 6.14 percent to \$HK11.92 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 5.47 percent to \$HK4.84 per share
China Construction Bank Corporation (Code: 939)	Down 4.57 percent to \$HK5.85 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 4.24 percent to \$HK155.70 per share
CNOOC Ltd (Code: 883)	Down 8.42 percent to \$HK12.18 per share
Bank of China Ltd (Code: 3988)	Down 5.43 percent to \$HK3.31 per share

There was a total of 81, double-digit movers on the Main Board, last Wednesday, with 76 losers and 5 gainers.

The biggest loser of the day was Zhongtian International Ltd (Code: 2379), its share price, falling to 30 cents, a one-day drop of about 24.05 percent.

MAXX Bioscience Holdings Ltd (Code: 512) was the biggest, Main Board gainer, last Wednesday, as

investors pushed it up to 35 cents, that price, representing an increase over Tuesday's closing level of about 16.67 percent.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index surrendered about 4.17 percent, ending the trading day at 1,163.70 points.

The Total Turnover on this market was about \$HK429.56 million.

Losers outnumbered gainers by the ratio of about 9.21:One.

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

EMER International Group Ltd (Code: 8149)

Down 3.83 percent to \$HK5.02 per share

NetDragon Websoft Incorporated (Code: 8288)

Down 12.33 percent to \$HK12.80 per share

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

Down 6.25 percent to \$HK13.50 per share

Midland IC and I Ltd (Code: 8090)

Down 5.45 percent to \$HK0.104 per share

China LotSynergy Holdings Ltd (Code: 8161)

Down 4.69 percent to \$HK0.61 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131		20.00	0.32
Byford International Ltd	8272		16.97	1.81
China Railway Logistics Ltd	8089		15.49	1.91
CCID Consulting Company Ltd	8235		13.33	0.26
Century Sunshine Ecological Technology Holdings Ltd	8276		13.64	0.38
CIG Yangtze Ports PLC	8233		14.86	0.63
Computech Holdings Ltd	8081		13.33	0.325
Core Healthcare Investment Holdings Ltd	8250		11.61	0.99
Era Information and Entertainment Ltd	8043		10.77	0.58

Everpride Biopharmaceutical Company Ltd	8019		15.38	0.33
Global Link Communications Holdings Ltd	8060		12.66	0.20
GreaterChina Technology Group Ltd	8032		12.23	0.122
Global Solution Engineering Ltd	8192		11.29	0.22
Intelli-Media Group (Holdings) Ltd	8173	10.00		0.099
Ming Kei Energy Holdings Ltd	8239		10.45	0.60
North Asia Strategic Holdings Ltd	8080		10.00	0.81
NetDragon Websoft Incorporated	8288		12.33	12.80
Netel Technology (Holdings) Ltd	8256		16.11	0.151
New Universe International Group Ltd	8068		20.00	0.152
ProSticks International Holdings Ltd	8055		13.00	0.435
Qianlong Technology International Holdings Ltd	8015		11.11	0.64
Nanjing Sample Technology Company Ltd	8287		12.50	3.50
Tai Shing International (Holdings) Ltd	8103		19.05	0.51
Tiger Tech Holdings Ltd	8046		15.56	0.38
Vertex Group Ltd	8228		10.20	0.22
Zhejiang Yonglong Enterprises Company Ltd	8211		11.33	1.33

On The Tokyo Stock Exchange, its TOPIX Index shed 47.83 points, equivalent to about 3.54 percent, dropping back to 1,302.37 points.

Losing counters outran gaining ones by the ratio of about 17.03:One.

The Nikkei-225 Stock Average lost 468.12 yen, or about 3.35 percent, sliding back to 13,504.51 yen.

News Wise

- Japanese companies are cutting back on **spending on plant and equipment**, according to The Cabinet Office. In the month of November 2007, orders for machinery and equipment declined by about 2.80 percent, compared with October's orders;
- **All Nippon Airways Company (ANA)** will increase domestic airfares by 9 percent, effective April 1, 2008;

- **Senba Kitcho K.K.**, which operates the ryotei restaurant chain, filed for court protection from creditors, last Wednesday; and,
- **Mitsubishi UFJ Financial Group Incorporated** announced that its losses for calendar 2007, due to its exposure to the US subprime, mortgage-lending industry, are estimated to be about ¥50 billion, not the previous ¥4-billion figure.

In other parts of Asia, this was the extent of the losses, incurred in the key indices of these equity markets:

The HKSAR	Hang Seng Index Minus 5.37 percent to 24,450.85 The Growth Enterprise Index Minus 4.17 percent to 1,163.70
Indonesia	Minus 5.04 percent to 2,592.31
Japan	TOPIX Index Minus 3.54 percent to 1,302.37 Nikkei-225 Stock Average Minus 3.35 percent to 13,504.51
Malaysia	Minus 3.46 percent to 1,453.66
The Philippines	Minus 2.77 percent to 3,351.66
The PRC	Shanghai Composite Index Minus 2.81 percent to 5,290.61 Shenzhen Composite Index Minus 2.42 percent to 1,538.36
Singapore	Minus 3.05 percent to 3,058.49
South Korea	Minus 2.40 percent to 1,704.97
Taiwan	Minus 2.96 percent to 8,179.54
Thailand	Minus 0.77 percent to 773.80

Thursday

The financial rot continued on the world's largest equity markets, last Thursday.

On the most-important stock markets – The New York Stock Exchange and The NASDAQ – losses in their respective key indices were very telling.

The Dow Jones Industrial Average, the benchmark of The New York Stock Exchange, lost 306.95 points, equivalent to about 2.46 percent, ending the trading day at 12,159.21 points.

The NASDAQ's Composite Index shed 47.69 points, or about 1.99 percent, falling back to 2,346.90 points.

The ratio of losing counters to gaining ones was about 5:One on The New York Stock Exchange and about 3:One on The NASDAQ.

The losses on the world's largest equity markets had been so pronounced, during last week's trading, that the Chairman of the US Federal Reserve, Dr Ben S. Bernanke, made special mention of the situation to the Committee of The Budget, US House of Representatives, in his testimony on the economic outlook for the country.

Dr Ben S. Bernanke said, among other things, that the introduction of emergency measures with the aim of bolstering the US economy would be very welcomed, at this juncture.

However, he warned that any emergency measure(s) should be introduced sooner, rather than later, and be only a temporary cure-all in order to try to avert an economic recession.

Dr Ben S. Bernanke warned, also, that any financial stimulus package, in the range of between \$US100 billion and \$US150 billion, should not jeopardise the long-term stability of the country.

He said:

'To be useful, a fiscal stimulus package should be implemented quickly and structured so that its effects on aggregate spending are felt as much as possible within the next 12 months or so. Stimulus that comes too late will not help support economic activity in the near term and it could be actively destabilising if it comes at a time when growth is already improving ...'.

Dr Ben S. Bernanke said that The Fed would cut interest rates at least once more – if necessary.

It was, also, announced, last Thursday, that US President George W. Bush would outline a programme, aimed at boosting the US economy from its current doldrums, according to a White House Spokesman.

Meanwhile, on the financial front, there was more bad news:

- **Merrill Lynch and Company** reported about \$US16 billion in mortgage-related provisions and a Net Loss Attributable to Shareholders for the 2007 Financial Year, ended December 31, of about \$US7.80 billion. In the final quarter of 2007, Merrill Lynch and Company reported a \$US9.30-billion Loss Attributable to Shareholders;
- **Washington Mutual Incorporated**, the largest savings and loan bank in the US, suffered a Loss Attributable to Shareholders of about \$US1.87 billion for its fourth quarter, ended December 31, 2007. It was the bank's first quarterly loss since 1997; and,
- **Lehman Brothers Holdings Incorporated**, a diversified financial services company, founded in 1850, announced that it would be culling its workforce by about 1,300 workers. It will be scaling back its mortgage-lending activities, the company said. In 2007, the company slashed its workforce by about 2,500 bodies.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in February was \$US90.13, down about 0.78 percent, compared with Wednesday's last settlement.

As for delivery in March, the last settlement for a barrel of light sweet crude oil came in at \$US89.57, representing a fall of another 0.87 percent.

In Europe, as with the situation that existed on Wednesday, losses to the key indices continued on the most-important bourses of the region:

Amsterdam's AEX Index	Minus 0.51 percent
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France's CAC 40 Index	Minus 1.30 percent
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Germany's Frankfurt XETRA DAX Index Minus 0.77 percent

Great Britain's FTSE 100 Index Minus 0.68 percent

Italy's MIBTEL Index Minus 0.88 percent

Switzerland's Swiss Market Index Minus 0.75 percent

In the past 7 trading sessions, the key indices of the most-important European bourses have fallen in 6 sessions.

News Wise

- **Deutsche Bank AG** announced that it would be sacking 300 of its workers, worldwide, with emphasis on cutting back its workforce in the Sales and Trading Division.

In Asia, it was noted that a number of the key indices of the largest equity markets in the region bounced back, erasing some of Wednesday's losses, somewhat, but the key indices of The Shanghai Stock Exchange and The Shenzhen Stock Exchange continued to give up substantial ground.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets made gains, but it was the Main Board of The Stock Exchange of Hongkong Ltd that made the larger improvement.

The Hang Seng Index moved up about 2.72 percent to 25,114.98 points on a Total Turnover of about \$HK138.29 billion.

Advancing counters outnumbered declining counters by the ratio of about 2.16:One.

The Ten Most Actives were:

China Mobile Ltd (Code: 941)	Up 3.38 percent to \$HK122.50 per share
China Life Insurance Company Ltd (Code: 2628)	Up 6.13 percent to \$HK35.50 per share
HSBC Holdings plc (Code: 5)	Up 3.48 percent to \$HK119.00 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 4.36 percent to \$HK179.50 per share
China Construction Bank Corporation (Code: 939)	Up 3.25 percent to \$HK6.04 per share
PetroChina Company Ltd (Code: 857)	Up 3.86 percent to \$HK12.38 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.35 percent to \$HK157.80 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 3.31 percent to \$HK5.00 per share

CNOOC Ltd (Code: 883)

Down 0.16 percent to \$HK12.16 per share

China Telecom Corporation Ltd (Code: 728)

Up 4.26 percent to \$HK6.37 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Anton Oilfield Services Group	3337	16.45		1.77
China Elegance (Holdings) Ltd	476	13.85		1.48
Chuang's Consortium International Ltd	367	10.24		1.40
Computime Group Ltd	320	19.13		1.37
Concepta Investments Ltd	1140		10.00	1.44
E. Bon Holdings Ltd	599		12.04	0.95
First Sign International Holdings Ltd	933	46.67		0.88
GFT Holdings Ltd	1003	13.51		0.042
Hi Sun Technology (China) Ltd	818	12.11		2.50
The Hongkong Building and Loan Agency Ltd	145		19.35	2.50
Karce International Holdings Company Ltd	1159	11.76		0.38
Kwong Hing International Holdings (Bermuda) Ltd	1131	21.05		0.69
MAE Holdings Ltd	851		10.71	0.50
Ngai Hing Hong Company Ltd	1047	19.83		1.39
One Media Group Ltd	426	11.11		0.60
Oriental Ginza Holdings Ltd	996		12.50	0.28
Pioneer Global Group Ltd	224	16.88		0.90
Regent Manner International Holdings Ltd	1997	28.09		1.14

Sino-Tech International Holdings Ltd	2995	10.26		0.43
Sun Innovation Holdings Ltd	547	11.54		0.145
Tonic Industries Holdings Ltd	978	36.73		0.335
Uni-President China Holdings Ltd	220		12.20	4.82
Water Oasis Group Ltd	1161	14.00		1.14
Wing Hing International (Holdings) Ltd	621	11.11		2.10
Yunnan Enterprises Holdings Ltd	455	10.39		0.85

On The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index moved up by about 0.38 percent to 1,168.07 points on a Total Turnover of about \$HK312.66 million.

Gaining counters outran losing ones by the ratio of about 1.06:One.

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

NetDragon Websoft Incorporated (Code: 8288)

Up 0.78 percent to \$HK12.90 per share

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

Down 1.19 percent to \$HK13.34 per share

Inspur International Ltd (Code: 8141)

Up 0.63 percent to \$HK1.60 per share

China LotSynergy Holdings Ltd (Code: 8161)

Unchanged at \$HK0.61 per share

Midland IC and I Ltd (Code: 8090)

Up 4.81 percent to \$HK0.109 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		12.62	0.09
Brilliant Arts Multi-Media Holding Ltd	8130	24.73		0.116
CCID Consulting Company Ltd	8235	13.46		0.295
Century Sunshine Ecological Technology Holdings Ltd	8276	10.53		0.42

China Medical and Bio Science Ltd	8120	10.00		0.33
Computech Holdings Ltd	8081	10.77		0.36
Core Healthcare Investment Holdings Ltd	8250	26.26		1.25
Everpride Biopharmaceutical Company Ltd	8019	15.15		0.38
Excel Technology International Holdings Ltd	8048		13.77	0.119
Finet Group Ltd	8317	10.45		0.37
Intelli-Media Group (Holdings) Ltd	8173	33.33		0.132
Long Success International (Holdings) Ltd	8017	16.98		0.124
New Chinese Medicine Holdings Ltd	8085		11.02	1.05
New Universe International Group Ltd	8068	31.58		0.20
Northeast Tiger Pharmaceutical Company Ltd	8197	13.87		0.197
Qianlong Technology International Holdings Ltd	8015	14.06		0.73
Tai Shing International (Holdings) Ltd	8103	25.49		0.64
Zheda Lande Scitech Ltd	8106		12.86	0.305

In The Land of The Rising Sun, the key indices of the country's 3 equity markets made a decided comeback from Wednesday's drubbing.

On The Tokyo Stock Exchange, its TOPIX Index rose 28.07 points, or about 2.16 percent, ending the trading day at 1,330.44 points.

Advancing counters beat off declining ones by the ratio of about 5.30:One.

The Nikkei-225 Stock Average rose 278.94 yen, equivalent to about 2.07 percent, running up to 13,783.45 yen.

News Wise

- The amount of money, left in the wake of **Japan's bankrupt companies**, during 2007, amounted to about ¥5.73 trillion, it has been estimated. That amount of money was an increase of about 4.10 percent, compared with the unpaid debts of bankrupt companies, recorded in the 2006 fiscal year.

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

The HKSAR	Hang Seng Index Plus 2.72 percent to 25,114.98 The Growth Enterprise Index
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	Plus 0.38 percent to 1,168.07
Indonesia	Plus 2.20 percent to 2,649.28
Japan	TOPIX Index Plus 2.16 percent to 1,330.44 Nikkei-225 Stock Average Plus 2.07 percent to 13,783.45
Malaysia	Plus 0.48 percent to 1,460.71
The Philippines	Minus 3.07 percent to 3,248.89
The PRC	Shanghai Composite Index Minus 2.63 percent to 5,151.63 Shenzhen Composite Index Minus 2.41 percent to 1,501.35
Singapore	Plus 2.66 percent to 3,139.88
South Korea	Plus 1.09 percent to 1,723.55
Taiwan	Minus 0.95 percent to 8,101.63
Thailand	Plus 2.26 percent to 791.25

Friday

US President George W. Bush asked Congress to give the ailing US economy what he called a '*shot in the arm*'.

That '*shot*' is worth about \$US150 billion.

Tax incentives and tax rebates figured high on the list of suggestions to restart the US economy.

The White House said that the President's plan would create about 500,000 new jobs in the US.

But the President's plan did little to allay the fears of US investors and share prices on equity markets fell for the fourth consecutive day.

The consensus was that the plan of the US Administration may have come too late to stem the onslaught of the dry rot, already endemic in the largest economy of the world.

On The New York Stock Exchange, the Dow Jones Industrial Average dropped back by about 0.49 percent to end the week at 12,099.30 points.

Over on The NASDAQ, its Composite Index gave up about 0.29 percent, falling to 2,340.02 points.

The ratio of losing counters to gaining ones was about 2:One on both The New York Stock Exchange and

The NASDAQ.

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

The Dow Jones Industrial Average Minus 4.01 percent

The NASDAQ's Composite Index Minus 4.10 percent

In Europe, investors, also, did not look kindly upon the US President's plan.

Banks and insurance companies took a beating on fears that the financial problems in the US would continue to infect other economies of the world and that help was not at hand to prevent the infection from spreading.

All of the key indices of major European bourses fell, last Friday:

Amsterdam's AEX Index Minus 2.20 percent

France's CAC 40 Index Minus 1.25 percent

Germany's Frankfurt XETRA DAX Index Minus 1.34 percent

Great Britain's FTSE 100 Index Minus 0.01 percent

Italy's MIBTEL Index Minus 1.14 percent

Switzerland's Swiss Market Index Minus 1.23 percent

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in February came in at \$US90.57, up about 0.49 percent on the final quote of Thursday.

As for March delivery, the last settlement for a barrel of light sweet crude oil was \$US89.92, representing a gain of about 0.39 percent, compared with Thursday's last settlement.

Asia was generally in a recovery mode, last Friday, but the gains were relatively small as investors waited to learn of the US President's plan for the economy of 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), gains were recorded on the Main Board of The Stock Exchange of Hongkong Ltd, but losses continued to blot the copybook of The Growth Enterprise Market (The GEM).

The Hang Seng Index, which is a key index of the Main Board, rose about 0.35 percent to 25,201.87 points on a Total Turnover of about \$HK127.36 billion.

The ratio of gaining counters to losing ones was about 1.32:One.

The Ten Most Active counters were:

China Mobile Ltd (Code: 941)

Up 0.41 percent to \$HK123.00 per share

China Life Insurance Company Ltd (Code: 2628)

Up 2.25 percent to \$HK36.30 per share

HSBC Holdings plc (Code: 5)

Down 0.50 percent to \$HK118.40 per share

Hongkong Exchanges and Clearing Ltd (Code:
388)

Up 2.67 percent to \$HK184.30 per share

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

Up 5.40 percent to \$HK5.27 per share

China Construction Bank Corporation (Code:
939)

Up 1.49 percent to \$HK6.13 per share

PetroChina Company Ltd (Code: 857)

Down 0.32 percent to \$HK12.34 per share

Sun Hung Kai Properties Ltd (Code: 16)

Up 1.01 percent to \$HK159.40 per share

China Telecom Corporation Ltd (Code: 728)

Up 2.83 percent to \$HK6.55 per share

CNOOC Ltd (Code: 883)

Down 2.80 percent to \$HK11.82 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Chi Cheung Investment Company Ltd	112		12.16	1.95
China Golden Development Holdings Ltd	162		10.34	0.78
China Timber Resources Group Ltd	269	10.83		0.133
Ching Hing (Holdings) Ltd	692	20.00		0.78
Chung Tai Printing Holdings Ltd	55	10.49		0.158
Earnest Investments Holdings Ltd	339		14.29	0.66
eCyberChina Holdings Ltd	254		10.98	0.73
EPI (Holdings) Ltd	689	17.46		0.37
eSun Holdings Ltd	571		13.90	3.78
Global Tech (Holdings) Ltd	143	13.95		0.098
The Hongkong Parkview Group Ltd	207		17.08	1.99
Kwong Hing International Holdings (Bermuda) Ltd	1131		13.04	0.60

MAXX Bioscience Holdings Ltd	512	13.16		0.43
Pacific Online Ltd	543	10.11		1.96
Peaktop International Holdings Ltd	925	15.15		0.38
The Quaypoint Corporation Ltd	2330		11.54	0.92
China National Materials Company Ltd	1893	15.36		8.86
Techtronic Industries Company Ltd	669	12.69		8.79
Tonic Industries Holdings Ltd	978	35.82		0.455
Vodone Ltd	82		10.22	1.23
Yunnan Enterprises Holdings Ltd	455		18.82	0.69

On The GEM, it was a different story, however, as its Growth Enterprise Index shed about 0.61 percent, falling back to 1,160.93 points on a Total Turnover of about \$HK229.28 million.

Advancing counters beat off declining ones by the ratio of about 1.09:One.

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

NetDragon Websoft Incorporated (Code: 8288)	Up 5.27 percent to \$HK13.58 per share
China Vanguard Group Ltd (Code: 8156)	Up 1.22 percent to \$HK0.83 per share
Wumart Stores Incorporated (Code: 8277)	Up 1.45 percent to \$HK5.60 per share
Xteam Software International Ltd (Code: 8178)	Up 3.23 percent to \$HK0.64 per share
Midland IC and I Ltd (Code: 8090)	Unchanged at \$HK0.109 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131	25.00		0.40
B.A.L. Holdings Ltd	8079	10.00		0.099
B M Intelligence International Ltd	8158	18.93		0.245

Finet Group Ltd	8317	12.16		0.415
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231		10.39	0.69
Intelli-Media Group (Holdings) Ltd	8173	18.94		0.157
North Asia Strategic Holdings Ltd	8080	22.89		1.02
Shenzhen Neptunus Interlong Bio-technique Company Ltd	8329	18.18		1.30
ProSticks International Holdings Ltd	8055	10.34		0.48
Rojam Entertainment Holdings Ltd	8075	10.19		0.119
Zheda Lande Scitech Ltd	8106	11.48		0.34

The tally for the week for the second-largest equity market of Asia was:

The Hang Seng Index Minus 6.20 percent
The Growth Enterprise Index Minus 9.25 percent

On The Tokyo Stock Exchange, its TOPIX Index rose about 0.83 percent to 1,341.50 points.

Gainers outnumbered losers by the ratio of about 3.35:One.

The Nikkei-225 Stock Average rose in line with The TOPIX Index, putting on about 0.56 percent to end the day at 13,861.29 yen.

The tally for Asia's largest and most-important equity market for the 4-day, trading week, ended January 18, 2008, was:

The TOPIX Index Minus 2.62 percent
The Nikkei-225 Stock Average Minus 1.77 percent

As for the rest of Asia, this was how the key indices of those stock markets ended, last Friday:

The HKSAR	Hang Seng Index Plus 0.35 percent to 25,201.87 The Growth Enterprise Index Minus 0.611 percent to 1,160.93
Indonesia	Minus 1.44 percent to 2,611.13
Japan	TOPIX Index Plus 0.83 percent to 1,341.50 Nikkei-225 Stock Average Plus 0.56 percent to 13,861.29
Malaysia	Minus 1.45 percent to 1,439.49

The Philippines	Minus 2.48 percent to 3,168.30
The PRC	Shanghai Composite Index Minus 0.94 percent to 5,103.27 Shenzhen Composite Index Plus 1.13 percent to 1,518.27
Singapore	Minus 1.13 percent to 3,104.25
South Korea	Plus 0.65 percent to 1,734.72
Taiwan	Plus 1.02 percent to 8,184.65
Thailand	Minus 0.20 percent to 789.67

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