

IT'S OFFICIAL FOLKS: THE U.S. ECONOMY SUCKS !

Bargain-hunting was said to have been the main reason behind the mild buying rally on Wall Street, last Monday.

The White House brought out a report, suggesting that the growth of the largest and most-important economy of the world would expand by about 2.70 percent in 2008 – despite suggestions to the contrary.

While the People's Republic of China (PRC) was on holiday, celebrating the arrival of the Year of the Rat (Thursday February 7, 2008), according to the Lunar calendar, on Capitol Hill, both the Senate and the House of Representatives approved a \$US167-billion, economic stimulus package.

The aim of this emergency measure is to try to stave off a recession by giving tax rebates and encouragement to US industry to buy more equipment and make investments in The Land of The Free and The Home of The Brave.

On The New York Stock Exchange, last Monday, how many people paid very much attention to the White House economic report – one has heard many grand and glorious things in the past year about the US economy from President George W. Bush – is unknown, but it is fact that key indices rose fractionally.

The Dow Jones Industrial Average rose 57.88 points, equivalent to about 0.48 percent, ending the first day of trading, last week, at 12,240.01 points.

On The NASDAQ, its Composite Index gained 15.21 points, or about 0.66 percent, as investors nudged it to 2,320.06 points.

But trading was light and suggestions abounded that, come later on in the week, the key indices of Wall Street could start to turn decidedly south, once again.

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

For delivery in March, the last settlement for a barrel of light sweet crude oil was \$US93.59, up about 1.98 percent on the final quote of Friday, February 8, 2008.

As for delivery in April, the last settlement came in at \$US93.61, representing an increase of exactly 2 percent, compared with the previous Friday's last settlement.

In Europe, it was very apparent that investors in this part of the world were paying scant attention to the statements about the US economy, pouring out of the White House.

Every key index of every major bourse lost ground, some losses, being quite material:

Amsterdam's AEX Index	Minus 1.00 percent
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France's CAC 40 Index	Minus 0.57 percent
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Germany's Frankfurt XETRA DAX Index	Minus 0.35 percent
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Great Britain's FTSE 100 Index Minus 1.31 percent

Italy's MIBTEL Index Minus 0.92 percent

Switzerland's Swiss Market Index Minus 1.33 percent

What was affecting investors in Europe, to some extent, was, inter alia, the fact that the previous week (Thursday, February 7, 2008), The Bank of England had lowered interest rates by one quarter of a percentage point to 5.25 percent.

The United Kingdom (UK) had, in the past, been reluctant to suggest lowering interest rates for fear that it could drive inflation to higher levels.

The fact that The Bank of England had made something of an oblique turn, which could lead to a full about-turn, was suggestive of fears by the powers that be at the Central Bank of the UK that things could get sticky in the months to come.

In addition, European investors continued to be concerned about the tight, international credit market.

In Asia, the equity markets of the PRC, proper, being distinct from the Hongkong Special Administrative Region (HKSAR) of the PRC, and Taiwan were closed for the Lunar New Year holidays and Japan, also, was enjoying one of its national holidays.

All of those equity markets that were open for business suffered very material losses, led by a fall in the key index of the premier equity market of the HKSAR.

On The Stock Exchange of Hongkong Ltd, The Hang Seng Index, which is the key gauge of trading on the Main Board, shed about 3.64 percent, ending the first day of trading since Wednesday, February 6, 2007 (Lunar New Year's Eve), at 22,616.11 points.

The Total Turnover was relatively low at about \$HK76.43 billion.

The low volume of activity could well be indicative of investors, being forced to sell stocks and shares due to force-majeure situations of one kind or another.

The ratio of losing counters to gaining ones was about 3.98:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 4.04 percent to \$HK109.30 per share
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China Mobile Ltd (Code: 941)	Down 3.51 percent to \$HK112.70 per share
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PetroChina Company Ltd (Code: 857)	Down 4.49 percent to \$HK10.64 per share
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China Life Insurance Company Ltd (Code: 2628)	Down 4.08 percent to \$HK28.20 per share
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Hongkong Exchanges and Clearing Ltd (Code: 388)	Down 4.22 percent to \$HK158.90 per share
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China Construction Bank Corporation (Code: 939)	Down 5.47 percent to \$HK5.36 per share
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CNOOC Ltd (Code: 883)

Down 6.45 percent to \$HK11.02 per share

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

Down 3.08 percent to \$HK4.72 per share

Sun Hung Kai Properties Ltd (Code: 16)

Down 3.80 percent to \$HK134.20 per share

China Merchants Bank Company Ltd (Code:
3968)

Down 6.71 percent to \$HK27.10 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
APT Satellite Holdings Ltd	1045		12.57	1.53
Asia Resources Holdings Ltd	899	12.24		0.55
Fintronics Holdings Company Ltd	706		14.29	0.12
Grandtop International Holdings Ltd	2309		15.68	0.156
HKC International Holdings Ltd	248	11.67		0.335
Hua Yi Copper Holdings Ltd	559		14.29	0.54
Mandarin Entertainment (Holdings) Ltd	9		12.00	0.66
New Smart Energy Group Ltd	91	17.30		0.217
Ngai Hing Hong Company Ltd	1047		10.00	0.72
PacMOS Technologies Holdings Ltd	1010	11.32		0.59
Regent Manner International Holdings Ltd	1997	14.75		1.40
Sino Katalytics Investment Corporation	2324	13.64		0.10
Sun Man Tai Holdings Company Ltd	433	11.54		0.058
Tonic Industries Holdings Ltd	978		11.54	0.345
United Metals Holdings Ltd	2302	16.28		1.00

Universe International Holdings Ltd	1046	10.47		0.095
Wang Sing International Holdings Group Ltd	2389		11.39	0.70

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shed about 0.67 percent to 1,009.27 points.

The ratio of declining counters to advancing ones was about 1.36:One.

The Total Turnover on this market was about \$HK118.29 million.

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

Global Solution Engineering Ltd (Code: 8192)

Up 5.48 percent to \$HK0.231 per share

Inspur International Ltd (Code: 8141)

Down 2.65 percent to \$HK1.47 per share

Town Health International Holdings Company Ltd
(Code: 8138)

Up 4.76 percent to \$HK0.11 per share

Tong Ren Tang Technologies Company
Ltd (Code: 8069)

Down 3.74 percent to \$HK10.30 per share

Wumart Stores Incorporated (Code: 8277)

Up 5.00 percent to \$HK5.04 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Asean Resources Ltd	8186	16.43		0.241
China Primary Resources Holdings Ltd	8117		10.33	0.165
Finet Group Ltd	8317	10.00		0.385
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231	21.43		0.85
HC International Incorporated	8292	17.91		0.79
M Dream Inworld Ltd	8100		20.00	0.30
Netel Technology (Holdings) Ltd	8256		10.31	0.20
New Universe International Group Ltd	8068		12.82	0.17

PINE Technology Holdings Ltd	8013		16.00	0.42
Prosperity International Holdings (Hongkong) Ltd	8139		10.91	0.245
Sau San Tong Holdings Ltd	8200		11.11	0.12
Sing Lee Software (Group) Ltd	8076	14.81		0.31
Timeless Software Ltd	8028	16.30		0.107

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

The HKSAR	Hang Seng Index Minus 3.64 percent to 22,616.11 The Growth Enterprise Index Minus 0.67 percent to 1,009.27
Indonesia	Minus 1.88 percent to 2,589.38
Japan	TOPIX Index Closed Nikkei-225 Stock Average Closed
Malaysia	Minus 0.60 percent to 1,407.38
The Philippines	Minus 1.90 percent to 3,179.48
The PRC	Shanghai Composite Index Closed Shenzhen Composite Index Closed
Singapore	Minus 2.17 percent to 2,868.29
South Korea	Minus 3.29 percent to 1,640.67
Taiwan	Closed
Thailand	Minus 0.28 percent to 804.15

Tuesday

Mr Warren Buffet, Chairman of Berkshire Hathaway Incorporated, announced, last Tuesday, that he had

made an offer to reinsure about \$US800-billion worth of municipal bonds.

The announcement, made on US national television, had an immediate impact on Wall Street: Up went the key indices of The New York Stock Exchange with investors, driving up the Dow Jones Industrial Average to 12,373.41 points, a one-day gain of about 1.09 percent.

However, on The NASDAQ, investors were having none of it: Down slid its Composite Index, coming to rest at 2,320.04 points by the close of the trading day, that close, representing a fall of about 0.0009 percent, compared with the closing level of Monday.

News Wise

- **General Motors Corporation** announced that, for the entire 2007 Financial Year, it logged in a Loss Attributable to Shareholders of about \$US39 billion [2006: (\$US2.00 billion); 2005: (\$US10.40 billion)]. The company is offering to buy out all of its existing labour force, numbering 74,000 workers. This would allow the company to employ non-United Auto Workers at lower wage levels.

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

For delivery in March, the last settlement for a barrel of light sweet crude oil came in at \$US92.78, down about 0.87 percent, compared with Monday's last settlement.

As for April delivery, the last settlement for a barrel of light sweet crude oil was \$US92.86, representing a fall of about 0.80 percent on Monday's close.

In Europe, the Warren Buffet offer was said to have been the catalyst to spur investors to charge in and to push up the key indices of the most-important bourses to materially higher levels as the following **TARGET** () list of the 6 key equity markets illustrates:

Amsterdam's AEX Index	Plus	3.77 percent
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France's CAC 40 Index	Plus	3.37 percent
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Germany's Frankfurt XETRA DAX Index	Plus	3.32 percent
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Great Britain's FTSE 100 Index	Plus	3.54 percent
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Italy's MIBTEL Index	Plus	2.88 percent
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Switzerland's Swiss Market Index	Plus	2.71 percent
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Banks were the recipients of the lion's share of the gains on European equity markets because, if the Warren Buffet offer comes to pass, it is seen as being a psychological boost to investor confidence – if little else.

In Asia, the key indices of most of the equity markets bounced back after Monday's trouncing.

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

But the volume of activity was considerably lower.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index closed the day at 22,921.67 points, up about 1.35 percent, compared with Monday's closing level.

The Total Turnover was about \$HK67.22 billion.

Advancing counters outnumbered declining ones by the ratio of 1.66:One, exactly.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 0.91 percent to \$HK110.30 per share
China Mobile Ltd (Code: 941)	Up 1.77 percent to \$HK114.70 per share
PetroChina Company Ltd (Code: 857)	Up 2.82 percent to \$HK10.94 per share
China Life Insurance Company Ltd (Code: 2628)	Up 0.71 percent to \$HK28.40 per share
CNOOC Ltd (Code: 883)	Up 2.36 percent to \$HK11.28 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.82 percent to \$HK135.30 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 0.64 percent to \$HK4.75 per share
China Construction Bank Corporation (Code: 939)	Up 1.12 percent to \$HK5.42 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 0.88 percent to \$HK160.30 per share
Ping An Insurance (Group) Company of China Ltd (Code: 2318)	Down 0.28 percent to \$HK54.05 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)
APT Satellite Holdings Ltd	1045	14.38		1.75
Berjaya Holdings (Hongkong) Ltd	288	10.53		0.315
Chia Tai Enterprises International Ltd	121	10.00		0.165
China HealthCare Holdings Ltd	673		17.86	0.46
China Pipe Group Ltd	380	13.95		0.049
China Strategic Holdings Ltd	235	13.33		0.68
eForce Holdings Ltd	943		13.85	0.28

Hop Fung Group Holdings Ltd	2320		14.22	1.87
LERADO Group (Holding) Company Ltd	1225		10.26	0.70
LeRoi Holdings Ltd	221	10.00		0.275
Sam Woo Holdings Ltd	2322		14.05	0.159
Sewco International Holdings Ltd	209	17.65		0.30
Sun Man Tai Holdings Company Ltd	433	12.07		0.065
UBA Investments Ltd	768	11.48		0.136
United Power Investment Ltd	674	10.00		0.275
XPress Group Ltd	185	10.26		0.215
ZZNode Technologies Company Ltd	2371	12.33		0.82

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gained about 0.14 percent, ending the day at 1,010.63 points.

The Total Turnover on this (speculative) equity market was about \$HK125.95 million.

But declining counters outpaced advancing ones by the ratio of about 1.07:One.

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

China LotSynergy Holdings Ltd (Code: 8161)

Down 3.03 percent to \$HK0.48 per share

Wumart Stores Incorporated (Code: 8277)

Down 1.39 percent to \$HK4.97 per share

Sungreen International Holdings Ltd (Code: 8306)

Up 13.13 percent to \$HK9.39 per share

Global Solution Engineering Ltd (Code: 8192)

Up 0.43 percent to \$HK0.232 per share

Xteam Software International Ltd (Code: 8178)

Up 13.21 percent to \$HK0.60 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Armitage Technologies Holding Ltd	8213	12.50		0.09

HC International Incorporated	8292		18.99	0.64
Intelli-Media Group (Holdings) Ltd	8173	14.94		0.20
ITE (Holdings) Ltd	8092	29.67		0.118
Ming Kei Energy Holdings Ltd	8239	14.55		0.63
Northeast Tiger Pharmaceutical Company Ltd	8197	15.38		0.15
PINE Technology Holdings Ltd	8013	11.90		0.47
Sungreen International Holdings Ltd	8306	13.13		9.39
Xteam Software International Ltd	8178	13.21		0.60

In The Land of The Rising Sun, trading was very quiet on the country's 3 equity markets.

On the country's premier equity market, The Tokyo Stock Exchange, its TOPIX Index fell 1.04 points, equivalent to about 0.08 percent, as investors pushed it down to 1,286.10 points.

Losers outnumbered gainers by the ratio of about 2.44:One.

The Nikkei-225 Stock Average, a lower-grade gauge of trading in select blue chips, listed on The First Section of The Tokyo Stock Exchange, than The TOPIX Index, rose 4.72 yen, or about 0.04 percent, ending the trading day at 13,021.96 yen.

On other Asian equity markets, this was how their key indices ended up at supper time, last Tuesday:

The HKSAR	Hang Seng Index Plus 1.35 percent to 22,921.67 Growth Enterprise Index Plus 0.14 percent to 1,010.63
Indonesia	Plus 0.10 percent to 2,592.07
Japan	TOPIX Index Minus 0.08 percent to 1,286.10 Nikkei-225 Stock Average Plus 0.04 percent to 13,021.96
Malaysia	Plus 0.72 percent to 1,417.52
The Philippines	Plus 0.67 percent to 3,200.90
The PRC	Shangha Shenzhen Composite Index Closed

Singapore	Plus 2.02 percent to 2,926.23
South Korea	Plus 0.16 percent to 1,643.29
Taiwan	Minus 1.57 percent to 7,553.30
Thailand	Plus 1.66 percent to 817.49

Wednesday

Women are known to be fickle, especially toward men, but investors on equity markets, for sure, take the cake.

Last Wednesday, following months of suggestions and postulations that the US economy was, definitely, headed for a recession, investors did a 180-degree turn in their thinking, stating that a recession is unlikely, after all.

The about-turn followed a report from the US Commerce Department that suggested that retail sales in The Land of The Free and The Home of The Brave had risen by about 0.30 percent, during the month of January.

The report stated that sales of motor vehicles in January had risen by about 0.60 percent, Year-On-Year.

Some economists questioned the veracity of parts of the report since it was noted that departmental store sales had dropped by about 1.10 percent and sales of new furniture were off by about 0.50 percent.

But, as the saying goes, any leaf will do when one is falling down from a tall tree.

On Wall Street, there was a third consecutive day of gains as investors determined that, perhaps, they had been a little too pessimistic about the US economy.

On The New York Stock Exchange, the Dow Jones Industrial Average rose by about 1.45 percent as investors pushed it to 12,552.24 points.

Over on The NASDAQ, its Composite Index gained about 2.32 percent, ending the trading day at 2,373.93 points.

The volume of activity on the world's largest equity markets, however, remained very much on the low side.

News Wise

- **Morgan Stanley**, one of the world's largest investment banks, will cull its Establishment Level by about 1,000 bodies, the company stated. It will, also, close its mortgage unit in the United Kingdom.

On European bourses, investors were not quite as bullish as their US counterparts.

Having scanned the US Commerce Department's report about January's retail sales, it was the consensus among investors that one would be advised to hold one's position until a clearer picture of the US economy emerged: *'One swallowe proueth not that summer is neare.'*

The following is **TARGET**'s list as to how the key indices of the most-important bourses fared, last Wednesday:

Amsterdam's AEX Index Plus 0.06 percent

France's CAC 40 Index Plus 0.30 percent

Germany's Frankfurt XETRA DAX Index Plus 0.08 percent

Great Britain's FTSE 100 Index Minus 0.50 percent

Italy's MIBTEL Index Plus 0.67 percent

Switzerland's Swiss Market Index Minus 0.13 percent

On The **New York Mercantile Exchange** (NYMEX), the price of crude oil continued to rise.

For delivery in March, the last settlement for a barrel of light sweet crude oil came in at \$US93.27, representing an increase of about 0.53 percent on Tuesday's closing level.

As for April delivery for a barrel of light sweet crude oil, the last settlement was \$US93.41, an increase of about 0.59 percent on Tuesday's final quote.

In Asia, the 2 equity markets of the People's Republic of China (PRC) opened for business for the first time, last Wednesday, marking the end of the Chinese New Year holiday season.

Both markets witnessed widespread losses, however, in their key indices. (Please see list below)

In the Hongkong Special Administrative Region (HKSAR) of the PRC, the key index of the premier equity market rose a little more than one percent while the lone index of the speculative equity market, known as The **Growth Enterprise Market** (The GEM), shed about 1.50 percent.

The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, ended that day at 23,169.55 points, a one-day gain of about 1.08 percent.

The Total Turnover was about \$HK82.53 billion, while the ratio of advancing counters to declining ones was about 1.27:One.

The Ten Most Active counters were:

China Mobile Ltd (Code: 941) Up 1.05 percent to \$HK115.90 per share

HSBC Holdings plc (Code: 5) Up 1.90 percent to \$HK112.40 per share

China Life Insurance Company Ltd (Code: 2628) Up 1.58 percent to \$HK28.85 per share

PetroChina Company Ltd (Code: 857) Up 2.38 percent to \$HK11.20 per share

Industrial and Commercial Bank of China Ltd
(Code: 1398) Up 3.58 percent to \$HK4.92 per share

China Construction Bank Corporation (Code:
939) Up 2.58 percent to \$HK5.56 per share

Hongkong Exchanges and Clearing Ltd (Code: Down 1.12 percent to \$HK158.50 per share

Sun Hung Kai Properties Ltd (Code: 16)

Up 1.92 percent to \$HK137.90 per share

CNOOC Ltd (Code: 883)

Up 1.95 percent to \$HK11.50 per share

China Communications Construction Company
Ltd (Code: 1800)

Up 2.51 percent to \$HK20.05 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Resources Holdings Ltd	899		10.00	0.45
BEP International Holdings Ltd	2908	27.42		0.395
Century Legend (Holdings) Ltd	79	15.15		0.57
CITIC Resources Holdings Ltd	1205	10.67		3.32
Forefront Group Ltd	885	12.11		0.25
Huadian Power International Corporation Ltd	1071	14.40		2.94
Karce International Holdings Company Ltd	1159	28.77		0.47
Lo's Enviro-Pro Holdings Ltd	309	12.35		0.91
New Heritage Holdings Ltd	95	19.12		0.405
New Island Printing Holdings Ltd	377		10.71	0.75
New Media Group Holdings Ltd	708		23.61	1.10
Oriental Explorer Holdings Ltd	430	19.00		0.119
PacMOS Technologies Holdings Ltd	1010		20.63	0.50
Peaktop International Holdings Ltd	925		10.34	0.26
Sinocop Resources (Holdings) Ltd	476	11.54		0.87
Tidetime Sun (Group) Ltd	307	11.26		0.168

Wah Nam International Holdings Ltd	159	32.73		0.73
Wing Shan International Ltd	570	31.43		0.46
Y.T. Realty Group Ltd	75	10.34		1.60
ZZNode Technologies Company Ltd	2371	15.85		0.95

On The GEM, its Growth Enterprise Index gave up about 1.50 percent, ending the trading day at 995.46 points.

The Total Turnover on this speculative market was about \$HK141.27 million.

Declining counters outpaced advancing ones by the ratio of about 1.27:One.

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

China LotSynergy Holdings Ltd (Code: 8161)

Up 1.04 percent to \$HK0.485 per share

Town Health International Holdings Company Ltd
(Code: 8138)

Up 2.65 percent to \$HK0.116 per share

Sungreen International Holdings Ltd (Code: 8306)

Up 6.50 percent to \$HK10.00 per share

Wumart Stores Incorporated (Code: 8277)

Up 26.76 percent to \$HK6.30 per share

Intelli-Media Group (Holdings) Ltd (Code: 8173)

Up 1.00 percent to \$HK0.202 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Cardlink Technology Group Ltd	8066		11.56	1.30
CCID Consulting Company Ltd	8235	17.39		0.27
EMER International Group Ltd	8149		16.67	3.20
Era Information and Entertainment Ltd	8043	10.00		0.55
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231		11.76	0.75
IIN International Ltd	8128		10.23	0.193
Neolink Cyber Technology (Holding) Ltd	8116	15.18		0.129

New Universe International Group Ltd	8068	24.20		0.195
Northeast Tiger Pharmaceutical Company Ltd	8197	20.00		0.18
Prosten Technology Holdings Ltd	8026		10.58	0.465
QUASAR Communication Technology Holdings Ltd	8171		14.86	0.315
Rojam Entertainment Holdings Ltd	8075		10.00	0.09
Wumart Stores Incorporated	8277	26.76		6.30

In Japan, the 3 equity markets of the country continued to be quiet.

On The Tokyo Stock Exchange, its TOPIX Index lost about 0.06 percent, ending the day at 1,285.35 points.

Losers outnumbered gainers by the ratio of about 1.13:One.

The Nikkei-225 Stock Average rose 0.36 percent to 13,068.30 yen.

News Wise

- **Consumer confidence**, during the month of January in The Land of The Rising Sun, dropped to a 4-year low, The Cabinet Office announced. The chief bugbears were higher oil prices and persistent declines in the market prices of stocks and shares; and,
- High oil prices, during the month of December 2007, pushed **Japan's wholesale inflation** to a 25-year high of about 3 percent and reduced the Current Account Surplus by about 4.70 percent, Year-On-Year.

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

The HKSAR	Hang Seng Index Plus 1.08 percent to 23,169.55 The Growth Enterprise Index Minus 1.50 percent to 995.46
Indonesia	Plus 0.72 percent to 2,610.78
Japan	TOPIX Index Minus 0.06 percent to 1,285.35 Nikkei-225 Stock Average Plus 0.36 percent to 13,068.30
Malaysia	Plus 0.40 percent to 1,423.15
The Philippines	Plus 0.70 percent to 3,223.35
The PRC	Shanghai Composite Index Minus 2.37 percent to 4,490.72

	Shenzhen Composite Index Minus 1.18 percent to 1,360.64
Singapore	Plus 0.80 percent to 2,949.54
South Korea	Minus 0.70 percent to 1,631.78
Taiwan	Minus 0.04 percent to 7,550.55
Thailand	Plus 1.46 percent to 829.41

Thursday

Testifying before the US Senate to the Committee on Banking, Housing and Urban Affairs, the Chairman of the US Federal Reserve, Dr Ben S. Bernanke, gave a bleak picture of the US economy.

Wall Street reacted in true form: Down came the key indices of major equity markets.

Dr Ben S. Bernanke told the Senators that the US economy had deteriorated, markedly.

He said, inter alia:

‘The outlook for the economy has worsened in recent months and the downside risks to growth have increased ... To date, the largest economic effects of the financial turmoil appear to have been on the housing market which, as you know, has deteriorated significantly over the past 2 years or so ...’.

He went on to state that The Fed stands ready *‘to act in a timely manner as needed to support growth and to provide adequate insurance against downside risks ...’.*

Translation: The Fed had not envisaged the rapid deterioration of the US economy, but it is willing, now, to lock the gate after the horses have bolted by cutting interest rates, once again, at its next Open Market Committee Meeting, scheduled for Tuesday, March 18, 2008.

But the good doctor will have his hands full in trying to obtain a consensus from The Fed’s Governors because inflation in the US is being fanned by higher prices for crude oil on international commodity markets.

As the US dollar weakens against other *‘hard’* currencies, so crude-oil prices continue to rise along with the price of foodstuffs and imports.

And, on The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in March came in at \$US95.46, up about 2.35 percent on Wednesday’s last settlement.

As for April delivery, the last settlement for a barrel of light sweet crude oil was \$US95.55, representing a one-day rise of 2.29 percent, exactly.

On The New York Stock Exchange, the Dow Jones Industrial Average finished the trading day at 12,377.15 points, down about 1.39 percent on Wednesday’s closing level.

On The NASDAQ, its Composite Index shed about 1.74 percent, falling back to 2,332.54 points.

In Europe, there were other factors, other, that is, than the testimony of Dr Ben S. Bernanke to the US Senate’s Committee on Banking, Housing and Urban Affairs.

UBS AG reported that it was having a very difficult time, having a known exposure to the US subprime, mortgage-lending industry of about \$US26.60 billion.

The bank, also, admitted that it was continuing to be vulnerable to the global credit crisis.

The share price of UBS AG fell back by about 8 percent on the admission.

Since the beginning of 2008, the share price of UBS AG has fallen by about 30 percent.

Other European banks took their cues from UBS AG and their share prices dropped, too:

Commerzbank AG	Down 6.60 percent
The Royal Bank of Scotland plc	Down 2.20 percent
Deutsche Bank AG	Down 1.30 percent

While energy counters were revived, somewhat, due to the higher price of crude oil on international commodity markets, investors continued to be apprehensive about making any new commitments on European equity markets, resulting in the key indices of the major bourses, moving sideways, for the most part:

Amsterdam's AEX Index	Minus 0.37 percent
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France's CAC 40 Index	Plus 0.06 percent
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Germany's Frankfurt XETRA DAX Index	Minus 0.16 percent
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Great Britain's FTSE 100 Index	Minus 0.01 percent
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Italy's MIBTEL Index	Plus 0.18 percent
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Switzerland's Swiss Market Index	Minus 0.45 percent
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Due to the time differential between Asia and the US/Europe, last Thursday, investors in the most-populous part of the world had no definitive knowledge of that which Dr Ben S. Bernanke would testify to the US Senate, or of the admissions from UBS AG.

As such, Asian investors took note of the relative strength of Wall Street, during the first 3 trading days of the week, resulting in material gains, being recorded on key indices as investors thought that there was no tomorrow.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), for investors in stocks and shares, it was Christmas, all over again.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index rose about 3.68 percent to 24,021.68 points.

But the Total Turnover continued to be on the low side, at about \$HK94.31 billion.

This is not an indication of a bullish market.

The ratio of advancing counters to declining ones was about 3.53:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)

Up 3.38 percent to \$HK116.20 per share

China Mobile Ltd (Code: 941)

Up 3.54 percent to \$HK120.00 per share

China Life Insurance Company Ltd (Code: 2628)

Up 4.33 percent to \$HK30.10 per share

PetroChina Company Ltd (Code: 857)

Up 4.64 percent to \$HK11.72 per share

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

Up 5.69 percent to \$HK5.20 per share

Hongkong Exchanges and Clearing Ltd (Code: 388)

Up 4.42 percent to \$HK165.50 per share

China Construction Bank Corporation (Code: 939)

Up 4.86 percent to \$HK5.83 per share

China Petroleum and Chemical Corporation (Code:
386)

Up 5.09 percent to \$HK9.09 per share

CNOOC Ltd (Code: 883)

Up 4.35 percent to \$HK12.00 per share

Bank of China Ltd (Code: 3988)

Up 1.63 percent to \$HK3.12 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)
Angang Steel Company Ltd	347	10.84		16.56
Bestway International Holdings Ltd	718		14.49	0.295
C Y Foundation Group Ltd	1182	13.04		0.52
Celestial Asia Securities Holdings Ltd	1049	11.43		0.78
Century Legend (Holdings) Ltd	79		15.79	0.48
China Grand Forestry Resources Group Ltd	910	24.77		1.36
China COSCO Holdings Company Ltd	1919	10.05		23.00
China Motion Telecom International Ltd	989	12.31		0.365
China Oil Resources Holdings Ltd	850	30.19		0.69

China National Building Material Company Ltd	3323	10.62		22.40
Compass Pacific Holdings Ltd	1188	14.04		0.13
Guangdong Tannery Ltd	1058	10.00		0.66
Ngai Hing Hong Company Ltd	1047	19.44		0.86
One Media Group Ltd	426	10.00		0.66
Pacific Century Premium Developments Ltd	432	25.22		2.83
Peking Apparel International Group Ltd	761	10.17		1.30
Regent Pacific Group Ltd	575	12.99		0.87
Samson Holding Ltd	531	15.66		1.92
Sunway International Holdings Ltd	58	10.00		0.33
United Pacific Industries Ltd	176	10.00		0.44
Water Oasis Group Ltd	1161	10.87		1.53
Yunnan Enterprises Holdings Ltd	455	11.29		0.69
Zhejiang Glass Company Ltd	739	10.22		5.07
ZZNode Technologies Company Ltd	2371	66.32		1.58

On The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gained about 0.60 percent, ending the trading day at 1,001.47 points.

The Total Turnover on this market was about \$HK270.79 million, while the ratio of gainers to losers was about 1.29:One.

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

China LotSynergy Holdings Ltd (Code: 8161)
Down 14.43 percent to \$HK0.415 per share

NetDragon Websoft Incorporated (Code: 8288)
Up 1.60 percent to \$HK12.70 per share

Tiger Tech Holdings Ltd (Code: 8046)
Up 49.25 percent to \$HK0.50 per share

Town Health International Holdings Company
Ltd (Code: 8138)
Up 1.72 percent to \$HK0.118 per share

Inspur International Ltd (Code: 8141)

Up 0.67 percent to \$HK1.50 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Changmao Biochemical Engineering Company Ltd	8208		11.11	2.00
China LotSynergy Holdings Ltd	8161		14.43	0.415
Excel Technology International Holdings Ltd	8048	10.78		0.113
Ming Kei Energy Holdings Ltd	8239	11.29		0.69
Rojam Entertainment Holdings Ltd	8075	21.11		0.109
Sing Lee Software (Group) Ltd	8076		16.13	0.26
Tiger Tech Holdings Ltd	8046	49.25		0.50

On The Tokyo Stock Exchange, which is the premier equity market of Japan, its TOPIX Index put on about 3.66 percent, ending the hectic trading day at 1,332.44 points.

Gainers outdistanced losers by the ratio of about 15.10:One.

The Nikkei-225 Stock Average rose about 4.27 percent to 13,626.45 yen.

News Wise

- **Japan's economy** grew by about 3.70 percent in the final quarter of 2007, The Cabinet Office announced; and,
- **Seiyu Ltd**, a departmental-store operator in Japan, announced that it has posted a Consolidated Net Loss Attributable to Shareholders of about ¥20.93 billion in respect of the 2007 Financial Year, ended December 31. Those results represented the sixth consecutive Financial Year of losses.

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

The HKSAR	Hang Seng Index Plus 3.68 percent to 24,021.68 The Growth Enterprise Index Plus 0.60 percent to 1,001.47
Indonesia	Plus 2.48 percent to 2,675.65
Japan	TOPIX Index Plus 3.66 percent to 1,332.44 Nikkei-225 Stock Average Plus 4.27 percent to 13,626.45

Malaysia	Plus 0.91 percent to 1,436.10
The Philippines	Minus 0.36 percent to 3,211.60
The PRC	Shanghai Composite Index Plus 1.37 percent to 4,552.32 Shenzhen Composite Index Plus 1.51 percent to 1,381.12
Singapore	Plus 3.26 percent to 3,045.59
South Korea	Plus 4.02 percent to 1,697.45
Taiwan	Plus 4.17 percent to 7,865.28
Thailand	Plus 0.33 percent to 832.11

Friday

There, certainly, was no shortage of financial news, last Friday, as Citigroup Incorporated, formerly known to have been the largest bank in the US, was reported to have put a complete halt to investors, trying to pull out their money from one of its hedge funds.

Redemptions at CSO Partners, a hedge fund, said to be specialising in corporate debt, have been suspended, indefinitely, the reports suggest, strongly.

Citigroup Incorporated injected about \$US100 million into the hedge fund in order to try to stabilise the situation, but investors wanted out and had tried to pull the plug on about \$US500 million from it.

Then, from Countrywide Financial Corporation, which is the largest mortgage lender in the US, came news that home loans had fallen off by about 41 percent in January, Year-On-Year.

In December 2007, mortgage lending totalled about \$US21.90 billion, a figure which compared poorly with the like month in 2006 when the lender's business topped \$US37.10 billion.

Meanwhile, foreclosures had been running at a record level in January – up about 100 percent to about 1.48 percent of customers.

Countrywide Financial Corporation was acquired by Bank of America Corporation in January at the price of about \$US4 billion in what was generally considered a force-majeure situation.

Bank of America Corporation is the largest commercial bank in the US, today.

And, if that was not sufficient, it was reported that US consumer confidence had fallen to a 16-year low, according to The University of Michigan Index.

Only in previous recessions had the Index been standing at the level of 69.60 points.

On Wall Street, investors were not in a happy mood.

On The New York Stock Exchange, the Dow Jones Industrial Average lost about 0.23 percent of its value,

dropping back to 12,348.21 points.

As for the Composite Index of The NASDAQ, it lost about 0.46 percent, ending the week at 2,321.80 points.

For the week, the tally for the world's largest equity markets saw their key indices struggle to stay above the water line:

The Dow Jones Industrial Average	Plus	1.36 percent
The Composite Index of The NASDAQ	Plus	0.73 percent

On The New York Mercantile Exchange (NYMEX), the price of crude oil continued to rise, albeit only by very tiny fractions.

The last settlement for a barrel of light sweet crude oil for delivery in March was \$US95.50, up about 0.04 percent on the final quote of Thursday.

As for delivery in April, the last settlement for a barrel of light sweet crude oil came in at \$US95.45, up about one tenth of the percentage point, compared with Thursday's last trade.

On European equity markets, all of the key indices were written in red ink by the closing of the day.

The sharply lower levels of the key indices of the most-important bourses reflected growing concern about the health of the US economy, following on from the testimony of the Chairman of the US Federal Reserve on Thursday.

Banks were among the biggest losers, with UBS AG, standing out among the crowd as its share price was chopped down by another 3.80 percent – which put the aggregate amount of the falls in its share price to about 12 percent for the 5 working days.

This was how the situation looked on European equity markets, last Friday night:

Amsterdam's AEX Index	Minus	1.74 percent
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France's CAC 40 Index	Minus	1.78 percent
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Germany's Frankfurt XETRA DAX Index	Minus	1.86 percent
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Great Britain's FTSE 100 Index	Minus	1.55 percent
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Italy's MIBTEL Index	Minus	1.42 percent
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Switzerland's Swiss Market Index	Minus	1.98 percent
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In Asia, it was a completely different story to that, being told in the US and Europe.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets made gains, but it was on the speculative stock market, known as The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, that the larger gain was recorded.

On the Main Board of The Stock Exchange of Hongkong Ltd, its Hang Seng Index rose about 0.53 percent to 24,148.43 points on a Total Turnover of about \$HK82.97 billion.

The ratio of gaining counters to losing ones was about 1.85:One.

The Ten Most Active counters were:

China Mobile Ltd (Code: 941)	Up 0.42 percent to \$HK120.50 per share
China Life Insurance Company Ltd (Code: 2628)	Up 2.16 percent to \$HK30.75 per share
HSBC Holdings plc (Code: 5)	Down 1.20 percent to \$HK114.80 per share
PetroChina Company Ltd (Code: 857)	Up 1.54 percent to \$HK11.90 per share
China Telecom Corporation Ltd (Code: 728)	Up 3.16 percent to \$HK6.20 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 1.15 percent to \$HK5.26 per share
CNOOC Ltd (Code: 883)	Up 2.67 percent to \$HK12.32 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Down 0.48 percent to \$HK164.70 per share
China Construction Bank Corporation (Code: 939)	Up 1.20 percent to \$HK5.90 per share
China COSCO Holdings Company Ltd (Code: 1919)	Up 4.13 percent to \$HK23.95 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Resources Holdings Ltd	899	11.11		0.50
BEP International Holdings Ltd	2908		23.08	0.30
Berjaya Holdings (Hongkong) Ltd	288	11.86		0.33
China Mining Resources Group Ltd	340	12.50		0.81
China Star Entertainment Ltd	326	10.47		0.095
China Shipping Container Lines Company Ltd	2866	13.46		3.71
CSMC Technologies Corporation	597	25.53		0.59

Global Tech (Holdings) Ltd	143	16.44		0.085
Golden Resources Development International Ltd	677	11.11		0.60
Grandtop International Holdings Ltd	2309	14.12		0.194
Great Eagle Holdings Ltd	41	12.19		27.15
Kam Hing International Holdings Ltd	2307		15.58	1.68
Karce International Holdings Company Ltd	1159		11.11	0.40
Lippo China Resources Ltd	156	12.57		0.206
Nam Fong International Holdings Ltd	1176	15.81		0.249
Ngai Hing Hong Company Ltd	1047	16.28		1.00
PME Group Ltd	379	21.79		0.475
Poly Investments Holdings Ltd	263	10.13		0.435
Prime Investments Holdings Ltd	721	10.27		0.204
Sewco International Holdings Ltd	209	11.48		0.34
Sino Katalytics Investment Corporation	2324	33.00		0.133
Vitop Bioenergy Holdings Ltd	1178	13.33		0.119
Water Oasis Group Ltd	1161	11.11		1.70
ZZNode Technologies Company Ltd	2371	20.25		1.90

On The GEM, its Growth Enterprise Index put on about 2.46 percent, ending the week at 1,026.10 points.

The Total Turnover on this market was about \$HK378.36 million.

Gainers outpaced losers by the ratio of about 1.74:One.

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

Town Health International Holdings Company Ltd
(Code: 8138)

Up 5.93 percent to \$HK0.125 per share

Inspur International Ltd (Code: 8141)

Up 8.00 percent to \$HK1.62 per share

Tiger Tech Holdings Ltd (Code: 8046)

Up 88.00 percent to \$HK0.94 per share

Ming Kei Energy Holdings Ltd (Code: 8239)

Up 15.94 percent to \$HK0.80 per share

China LotSynergy Holdings Ltd (Code: 8161)

Up 2.41 percent to \$HK0.425 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131	20.00		0.30
AcrossAsia Ltd	8061	20.83		0.29
Yantai North Andre Juice Company Ltd	8259	12.28		0.64
Capinfo Company Ltd	8157	10.00		0.385
CCID Consulting Company Ltd	8235		10.53	0.255
Changmao Biochemical Engineering Company Ltd	8208	13.00		2.26
Dahe Media Company Ltd	8243		13.64	0.76
Enviro Energy International Holdings Ltd	8182	10.47		0.95
First Mobile Group Holdings Ltd	8110	11.43		0.156
Ming Kei Energy Holdings Ltd	8239	15.94		0.80
North Asia Strategic Holdings Ltd	8080		11.22	0.95
Northeast Tiger Pharmaceutical Company Ltd	8197		16.11	0.151
Palmpay China (Holdings) Ltd	8047	15.56		0.52
QUASAR Communication Technology Holdings Ltd	8171	12.90		0.35
Sing Lee Software (Group) Ltd	8076	11.54		0.29
Tiger Tech Holdings Ltd	8046	88.00		0.94

Venturepharm Laboratories Ltd	8225	10.81		2.05
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For the week, the tally for the second, most-important equity market of Asia was:

The Hang Seng Index Plus 2.89 percent
The Growth Enterprise Index Plus 0.98 percent

Trading on Japan's 3 equity markets was very subdued, last Friday.

On The Tokyo Stock Exchange, its TOPIX Index rose about 0.18 percent to 1,334.89 points.

Gaining counters were ahead of losing ones by the ratio of about 1.23:One.

The Nikkei-225 Stock Average, on the other hand, lost about 0.03 percent of its value, ending the 4-day trading week at 13,622.56 yen.

The tally for Asia's largest and most-important equity market was:

The TOPIX Index Plus 3.71 percent
The Nikkei-225 Stock Average Plus 4.65 percent

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

The HKSAR	Hang Seng Index Plus 0.53 percent to 24,148.43 The Growth Enterprise Index Plus 2.46 percent to 1,026.10
Indonesia	Plus 0.47 percent to 2,688.19
Japan	TOPIX Index Plus 0.18 percent to 1,334.89 Nikkei-225 Stock Average Minus 0.03 percent to 13,622.56
Malaysia	Minus 0.62 percent to 1,427.19
The Philippines	Minus 0.90 percent to 3,182.85
The PRC	Shanghai Composite Index Minus 1.21 percent to 4,497.13 Shenzhen Composite Index Minus 0.73 percent to 1,371.01
Singapore	Plus 1.41 percent to 3,088.68
South Korea	Minus 0.16 percent to 1,694.77
Taiwan	Plus 0.14 percent to 7,876.37

Thailand	Minus 0.66 percent to 826.65
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