

**CRUDE-OIL PRICES HIT RECORD LEVELS –  
MORE MORTGAGE LENDERS ADMIT INSOLVENCY –  
EQUITY MARKETS' KEY INDICES RETREAT –  
INVESTORS FEAR FOR THE WORST**

The US dollar fell to its lowest level against the Japanese yen, a well-known, mortgage lender is in serious financial trouble and may have to file for protection from its creditors, HSBC Holdings plc () (Code: 5, Main Board, The Stock Exchange of Hongkong Ltd) admits to massive, unexpected provisions against losses in the US housing markets, and the United Nations (UN) imposes further sanctions on Iran.

And all this took place, last Monday.

Starting off with the translation value of the US dollar, last Monday, it fell to a 2005-year low against the Japanese yen at ¥102.68 by about 5 pm, Tokyo time.

Predictions were rife that the US-dollar translation value could fall to below the ¥100-level in short order.

Last summer, the US dollar fetched ¥115 so that, in a period of about 7 months, the US dollar vis-à-vis the Japanese yen has fallen by about 11 percent.

The realisation sent shock waves throughout Asia.

HSBC Holdings plc, one of the world's largest banks, announced that it had made Provisions for bad and doubtful debts, incurred in the 2007 Financial Year, ended December 31, of about \$US17.20 billion.

That was an increase in required Provisions against bad and doubtful debts, Year-On-Year, of about 63 percent.

The bank, also, set aside a further Provision of about \$US10 billion in order to cover likely losses in its mortgage, credit card and motor-vehicle loans divisions.

On the political front, the UN's Security Council announced that it was imposing further sanctions on the Government of Iran for refusing to suspend its nuclear enrichment programme.

The UN maintains that Iran wants to produce weapons of mass destruction; Iran claims that it wants only to produce energy, using nuclear technology.

The political situation is, literally, explosive (excuse the pun).

The new UN sanctions include financial travel restraints on 5 Iranian officials, freezing foreign assets of 13 Iranian companies and their 13 officials, urging governments of the world to cease financial backing for the Iran Government, and threatening even further sanctions in due course in the event that Iran does not come to heel.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in April rose about 0.60 percent to \$US102.45, compared with the final quote of Friday, February 29, 2008.

At the height of the trading session on the world's largest commodity exchange, the price of the black ooze rose to the record-setting level of \$US103.95 per barrel.

For delivery in May, the final price of a barrel of light sweet crude oil came in at \$US102.01, representing a gain of about 0.58 percent, compared with the last settlement of the previous Friday.

On The New York Stock Exchange, the Dow Jones Industrial Average slipped only by 7.49 points, equivalent to about 0.06 percent, ending the trading session at 12,258.90 points.

The Composite Index of The NASDAQ fell 12.88 points, or about 0.57 percent, dropping back to 2,258.60 points.

Financial counters were battered, however, as Thornburg Mortgage Incorporated, known in the industry as being a high-profile player in the industry that lends, mainly to single-family residents, announced that it was in serious financial trouble, unable to meet its debts as they fell due.

This is, also, known as being insolvent.

The share price of Thornburg Mortgage Incorporated shed about 51.46 percent to \$US4.32.

The chances appeared to be very high that Thornburg Mortgage Incorporated would seek protection from its creditors by filing Chapter XI of the US bankruptcy laws.

#### News Wise

- **Sales** of US-manufactured motor vehicles dropped, dramatically, during the month of February (adjusted for the extra day), compared with the like month in 2007:

General Motors Corporation    Minus 16 percent

Chrysler LLC                      Minus 17 percent

Ford Motor Company            Minus 10 percent

In Europe, the news from the US was considered so negative that investors in this part of the world could hardly be expected to consider, making fresh financial commitments on equity markets.

As expected, banks and financial institutions were hit very hard, forcing down the key indices of the most-important equity markets as the following **TARGET** () list illustrates:

Amsterdam's AEX Index            Minus 1.13 percent

France's CAC 40 Index            Minus 1.00 percent

Germany's Frankfurt XETRA DAX Index Minus 0.86 percent

Great Britain's FTSE 100 Index    Minus 1.11 percent

Italy's MIBTEL Index            Minus 1.19 percent

Switzerland's Swiss Market Index    Minus 1.72 percent

In Asia, Japan led the long list of losers of equity markets.

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

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index shed about 3.07 percent, falling back to 23,584.97 points.

The Total Turnover was about \$HK81.12 billion.

The ratio of losing counters to gaining ones was about 4.04:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)

Down 1.16 percent to \$HK119.30 per share

China Life Insurance Company Ltd (Code: 2628)

Down 4.29 percent to \$HK30.10 per share

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

Down 3.97 percent to \$HK5.32 per share

PetroChina Company Ltd (Code: 857)

Down 4.90 percent to \$HK11.26 per share

China Mobile Ltd (Code: 941)

Down 3.25 percent to \$HK116.10 per share

China Construction Bank Corporation (Code:  
939)

Down 3.80 percent to \$HK5.82 per share

Sun Hung Kai Properties Ltd (Code: 16)

Down 3.88 percent to \$HK133.60 per share

CNOOC Ltd (Code: 883)

Down 5.51 percent to \$HK12.68 per share

Hongkong Exchanges and Clearing Ltd (Code:  
388)

Down 3.76 percent to \$HK145.70 per share

China Petroleum and Chemical  
Corporation (Code: 386)

Down 3.95 percent to \$HK8.50 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)
AV Concept Holdings Ltd	595	23.60		0.55
BEP International Holdings Ltd	2326	17.14		0.41
China Best Group Holding Ltd	370	15.97		0.167

China Innovation Investment Ltd	1217	10.39		0.17
China Resources Logic Ltd	1193	14.85		1.16
Cosmopolitan International Holdings Ltd	120		10.53	0.425
Dongyue Group Ltd	189	410.71		1.43
eForce Holdings Ltd	943	14.29		0.40
Fintronics Holdings Company Ltd	706	22.50		0.196
Hantec Investment Holdings Ltd	111	24.72		1.11
LeRoi Holdings Ltd	221		14.29	0.30
Ming Hing Waterworks Holdings Ltd	402		10.58	0.465
Omnicorp Ltd	94	24.17		1.49
Sino Prosper Holdings Ltd	766	11.93		0.197
TCL Communication Technology Holdings Ltd	2618	13.79		0.33
Anhui Tianda Oil Pipe Company Ltd	839		15.78	3.31
Tidetime Sun (Group) Ltd	307	23.46		0.20
Vitop Bioenergy Holdings Ltd	1178	30.00		0.325
Yun Sky Chemical (International) Holdings Ltd	663		11.11	0.32

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shed about 1.98 percent, falling back to 1,039.52 points on a Total Turnover of about \$HK455.93 million.

Declining counters outpaced advancing ones by the ratio of about 1.93:One.

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

China Railway Logistics Ltd (Code: 8089)

Down 14.29 percent to \$HK2.76 per share

Golden Meditech Company Ltd (Code: 8180)

Unchanged at \$HK2.82 per share

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

Up 18.18 percent to \$HK0.52 per share

Global Solution Engineering Ltd (Code: 8192)

Down 5.13 percent to \$HK0.37 per share

China LotSynergy Holdings Ltd (Code: 8161)

Down 4.04 percent to \$HK0.475 per share

The GEM's biggest movers of the day included:

<b>Name of Company</b>	<b>Code</b>	<b>Increase (%)</b>	<b>Decrease (%)</b>	<b>Closing Price (\$HK)</b>
China Railway Logistics Ltd	8089		14.29	2.76
DIGITALHONGKONG.COM	8007	14.29		0.80
Espco Technology Holdings Ltd	8299		13.89	0.31
First Mobile Group Holdings Ltd	8110		10.63	0.143
Global Link Communications Holdings Ltd	8060	12.31		0.219
Goldmond Holdings Ltd	8190		10.76	0.141
Intelli-Media Group (Holdings) Ltd	8173	18.18		0.52
Prosten Technology Holdings Ltd	8026	31.11		0.59
ProSticks International Holdings Ltd	8055		10.10	0.89
QUASAR Communication Technology Holdings Ltd	8171	16.67		0.49

On Japanese equity markets, there were only losers, losers ... and more losers.

On The Tokyo Stock Exchange, its TOPIX Index gave up 53.13 points, equivalent to about 4.01 percent, dropping to 1,271.15 points.

The ratio of losing counters to gaining ones was about 17.75:One.

The Nikkei-225 Stock Average, which is a much-narrower gauge of trading on select blue chips, listed on the First Section of The Tokyo Stock Exchange, than is The TOPIX Index, lost 610.84 yen, equivalent to exactly 4.49 percent, ending the trading day at 12,992.18 yen.

The major reason for the large falls in the key indices of Japanese equity markets was the rapid decline of the US dollar vis-à-vis the yen.

Last Monday's trades saw the yen harden from about ¥104.33 to about ¥102.68.

That was a one-day fall for the greenback against the yen of about 1.58 percent.

Profit margins for many a Japanese exporter vanished in the proverbial twinkling of an eye.

If the yen continues to strengthen in the coming weeks, further problems are in store for the world's second-largest economy.

#### News Wise

- **Takefuji Corporation** announced that it may well have to lose about ¥30 billion due to transactions in derivatives, arranged by **Merrill Lynch and Company**.

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

The HKSAR	Hang Seng Index Minus 3.07 percent to 23,584.97 The Growth Enterprise Index Minus 1.98 percent to 1,039.52
Indonesia	Minus 2.56 percent to 2,652.31
Japan	TOPIX Index Minus 4.01 percent to 1,271.15 Nikkei-225 Stock Average Minus 4.49 percent to 12,992.18
Malaysia	Minus 1.97 percent to 1,330.61
The Philippines	Minus 1.60 percent to 3,079.99
The PRC	Shanghai Composite Index Plus 2.06 percent to 4,438.27 Shenzhen Composite Index Plus 2.67 percent to 1,410.58
Singapore	Minus 3.30 percent to 2,926.55
South Korea	Minus 2.33 percent to 1,671.73
Taiwan	Minus 1.78 percent to 8,262.87
Thailand	Minus 0.34 percent to 842.92

#### Tuesday

Crude-oil prices retreated on international commodity exchanges, last Tuesday, for no apparent reason other than, perhaps, speculators were taking their profits to the bank.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in April was \$US99.52, down about 2.86 percent on Monday's closing level.

As for delivery in May, the last settlement for a barrel of light sweet crude oil came in at \$US98.97,

representing a one-day fall of about 2.98 percent.

On international, foreign-exchange markets, the translation value of the US dollar vis-à-vis other '*hard*' currencies waned, compared with Monday's values, the declines of the previous day, having been halted, at least, temporarily.

Against the euro, the US dollar was being quoted at about \$US1.522 in late afternoon trades, down from the record-setting level of \$US1.528 on Monday.

On Wall Street, the rot continued, however.

On The New York Stock Exchange, the Dow Jones Industrial Average fell about 0.37 percent to 12,213.80 points.

Over on The NASDAQ, its Composite Index gained about 0.07 percent, ending the trading day at 2,260.28 points.

In Europe, for the fifth, consecutive trading day, share prices fell on the most-important bourses of the region as the following **TARGET** list indicates:

Amsterdam's AEX Index	Minus 1.17 percent
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France's CAC 40 Index	Minus 1.40 percent
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Germany's Frankfurt XETRA DAX Index	Minus 2.16 percent
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Great Britain's FTSE 100 Index	Minus 0.87 percent
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Italy's MIBTEL Index	Minus 1.54 percent
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Switzerland's Swiss Market Index	Minus 1.72 percent
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Reports that the US economy was continuing to weaken, and, with one US bank, after another, reporting write-downs and provisions for losses in the subprime, mortgage industry, it had taken the wind completely out of the sails of many an investor.

The fall in the price of crude oil on international commodity exchanges, ironically, assisted in the falls in the key indices of European bourses because many oil companies have their shares listed in this part of the world.

#### News Wise

- The prices of **houses** in Europe fell sharply in the second half of 2007, according to The Royal Institute of Chartered Surveyors. The reason for the falls in house prices was not due to the international credit crunch, but the fact that home-owners found it increasing difficult to meet mortgage payments as interest rates rose to higher levels.

In Asia, red ink predominated on equity markets.

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

The Hang Seng Index, which is the key gauge of trading on the Main Board of The Stock Exchange of Hongkong Ltd, shed a further 1.97 percent, falling back to 23,119.87 points.

The Total Turnover was about \$HK84.12 billion.

Losing counters outdistanced gaining ones by the ratio of about 4.03:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 0.92 percent to \$HK120.40 per share
China Life Insurance Company Ltd (Code: 2628)	Down 3.65 percent to \$HK29.00 per share
China Mobile Ltd (Code: 941)	Down 1.98 percent to \$HK113.80 per share
PetroChina Company Ltd (Code: 857)	Down 3.91 percent to \$HK10.82 per share
China Construction Bank Corporation (Code: 939)	Down 2.58 percent to \$HK5.67 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 2.26 percent to \$HK5.20 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Down 2.81 percent to \$HK141.60 per share
CNOOC Ltd (Code: 883)	Down 4.42 percent to \$HK12.12 per share
Hang Seng Bank Ltd (Code: 11)	Down 3.26 percent to \$HK142.30 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 5.29 percent to \$HK8.05 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Best Group Holding Ltd	370		11.98	0.147
China Sci-Tech Holdings Ltd	985		10.86	0.197
Daiwa Associate Holdings Ltd	1037		10.71	0.50
Dore Holdings Ltd	628		11.54	1.15
First Sign International Holdings Ltd	933	18.99		0.94



Fountain Set (Holdings) Ltd	420		10.07	1.34
LeRoi Holdings Ltd	221	20.00		0.36
Sam Woo Holdings Ltd	2322	16.13		0.36
Shougang Concord Technology Holdings Ltd	521	13.10		0.95
Shun Cheong Holdings Ltd	650	10.34		1.60
Sino Prosper Holdings Ltd	766		12.18	0.173
Yunnan Enterprises Holdings Ltd	455		10.71	0.75

On The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index lost 2.09 percent, exactly, coming to rest at 1,017.79 points by dinner time.

The Total Turnover on this market was about \$HK597.56 million, while the ratio of losers to gainers was about 1.81:One.

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

China Railway Logistics Ltd (Code: 8089)

Up 5.43 percent to \$HK2.91 per share

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

Up 15.38 percent to \$HK0.60 per share

ProSticks International Holdings Ltd (Code: 8055)

Up 7.87 percent to \$HK0.96 per share

Ko Yo Ecological Agrotech (Group) Ltd (Code:  
8042)

Up 9.20 percent to \$HK0.19 per share

Global Solution Engineering Ltd (Code: 8192)

Up 2.70 percent to \$HK0.38 per share

The GEM's biggest movers of the day included:

<b>Name of Company</b>	<b>Code</b>	<b>Increase (%)</b>	<b>Decrease (%)</b>	<b>Closing Price (\$HK)</b>
abc Multiactive Ltd	8131		10.00	0.27
Global Digital Creations Holdings Ltd	8271		10.26	0.70
Intelli-Media Group (Holdings) Ltd	8173	15.38		0.60
New Universe International Group Ltd	8068	10.47		0.19

Techpacific Capital Ltd	8088		10.00	0.171
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In Japan, trading was somewhat muted on the country's equity markets, last Tuesday.

On The Tokyo Stock Exchange, its TOPIX Index fell back by about 0.43 percent to 1,265.66 points.

The ratio of losing counters to gaining ones was about 2.13:One.

The Nikkei-225 Stock Average was off by one tenth of a yen to 12,992.28 yen.

This was how things looked on other Asian stock markets, last Tuesday:

The HKSAR	Hang Seng Index Minus 1.97 percent to 23,119.87 The Growth Enterprise Index Minus .09 percent to 1,017.79
Indonesia	Minus 0.66 percent to 2,634.75
Japan	TOPIX Index Minus 0.43 percent to 1,265.66 Nikkei-225 Stock Average Unchanged at 12,992.28
Malaysia	Minus 1.25 percent to 1,314.02
The Philippines	Plus 0.93 percent to 3,108.72
The PRC	Shanghai Composite Index Minus 2.32 percent to 4,335.45 Shenzhen Composite Index Minus 1.57 percent to 1,388.46
Singapore	Minus 0.23 percent to 2,919.68
South Korea	Minus 0.27 percent to 1,676.18
Taiwan	Minus 2.51 percent to 8,470.11
Thailand	Minus 1.37 percent to 831.41

### Wednesday

The price of crude oil hit another record high, last Wednesday, following the determination of The Organisation of Petroleum Exporting Countries (OPEC) to maintain production levels, unchanged.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil

for delivery in April was \$US104.52, up about 5.02 percent, compared with Tuesday's final quote.

The highest price, paid for a barrel of light sweet crude oil, last Wednesday, however, was another record high of \$US104.95.

As for delivery in May, the last settlement for a barrel of light sweet crude oil was \$US103.69, representing an increase of about 4.77 percent on Tuesday's last settlement.

At its 148th Meeting in Vienna, Austria, last Wednesday, OPEC Ministers determined that there was no need, at this juncture, to increase crude-oil exports.

In explaining its logic, OPEC put out an official announcement, which stated, inter alia:

*'In reviewing the prospects for the oil market, the Conference highlighted the economic slowdown in the USA, which, together with the deepening credit crisis in financial markets, is increasing the downside risks for world economic growth and, consequently, demand for crude oil.'*

*'The Conference observed that the market is well-supplied, with current commercial oil stocks standing above their five-year average. The Conference further noted, with concern, that the current price environment does not reflect market fundamentals, as crude oil prices are being strongly influenced by the weakness in the US dollar, rising inflation and significant flow of funds into the commodities market.'*

*'In spite of the seasonally low demand in the second quarter, the Conference decided to maintain OPEC production levels, emphasized that increased uncertainty and volatility call for continued market vigilance and reiterated the commitment of Member Countries to market stability and ensuring adequate supplies ...'.*

On foreign-exchange markets, the translation value of the US dollar vis-à-vis the euro continued to slide, hitting a record low of \$US1.53.

On Wall Street, share prices advanced, fractionally, buoyed by the rather rapid increase in the price of crude oil as investors charged into energy and energy related counters.

On The New York Stock Exchange, the Dow Jones Industrial Average rose about 0.34 percent to 12,254.99 points while, on The NASDAQ, its Composite Index put on about 0.55 percent, ending the trading day at 2,272.81 points.

Losers and gainers were tight, however, at about 1.50:One on The New York Stock Exchange and by about 1.07:One on The NASDAQ.

In Europe, the key indices of the most-important bourses made very material gains, breaking the mould of 5, consecutive days of losses.

Higher crude-oil prices as well as increased demand for other commodities, driving those prices to higher levels, also, were put down as the main reasons for the increases in key indices:

Amsterdam's AEX Index	Plus	1.85 percent
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France's CAC 40 Index	Plus	1.72 percent
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Germany's Frankfurt XETRA DAX Index	Plus	2.11 percent
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Great Britain's FTSE 100 Index	Plus	1.48 percent
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Italy's MIBTEL Index	Plus	2.31 percent
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Switzerland's Swiss Market Index    Plus    0.86 percent

Share prices were generally lower in Asia, last Wednesday.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key indices of both equity markets lost ground, but it was on The (speculative) **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd that the biggest damage was done.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index shed about 0.02 percent, ending the trading day at 23,114.34 points on a Total Turnover of about \$HK79.77 billion.

The ratio of declining counters to advancing ones was about 2.89:One.

The Ten Most Actives were:

China Life Insurance Company Ltd (Code: 2628)

Down 1.21 percent to \$HK28.65 per share

China Mobile Ltd (Code: 941)

Up 0.53 percent to \$HK114.40 per share

HSBC Holdings plc (Code: 5)

Up 0.25 percent to \$HK120.70 per share

CNOOC Ltd (Code: 883)

Down 2.15 percent to \$HK11.86 per share

PetroChina Company Ltd (Code: 857)

Down 0.37 percent to \$HK10.78 per share

China Construction Bank Corporation (Code:  
939)

Down 0.71 percent to \$HK5.63 per share

Hongkong Exchanges and Clearing Ltd (Code:  
388)

Down 0.42 percent to \$HK141.00 per share

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

Unchanged at \$HK5.20 per share

China Shenhua Energy Company Ltd (Code:  
1088)

Down 2.60 percent to \$HK37.40 per share

China Petroleum and Chemical  
Corporation (Code: 386)

Unchanged at \$HK8.05 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price(\$HK)
Apex Capital Ltd	905		16.67	0.30

Aurora Global Investment Holdings Ltd	353		11.07	0.249
China Best Group Holding Ltd	370	12.24		0.165
China Innovation Investment Ltd	1217	11.80		0.18
China Motion Telecom International Ltd	989	12.99		0.435
Chinese People Holdings Company Ltd	681		10.77	0.29
e-Kong Group Ltd	524		11.11	0.64
Garron International Ltd	1226		10.77	0.58
Hongkong Aircraft Engineering Company Ltd	44		11.08	150.90
HKC International Holdings Ltd	248	20.00		0.33
J.I.C. Technology Company Ltd	987	55.42		1.29
MAE Holdings Ltd	851	16.67		0.70
Mayer Holdings Ltd	1116	13.79		0.66
New Capital International Investment Ltd	1062	10.88		0.265
Pyxis Group Ltd	516	21.67		0.219
Shougang Concord Grand (Group) Ltd	730	15.87		0.73
SunCorp Technologies Ltd	1063		25.26	0.142
Sunway International Holdings Ltd	58		12.33	0.32
Wing Hing International (Holdings) Ltd	621	13.16		2.15
Zhongda International Holdings Ltd	909		12.79	0.75

On The GEM, its Growth Enterprise Index surrendered another 1.18 percent of its value, dropping back to 1,005.79 points.

The Total Turnover on this market was about \$HK384.05 million.

Losing counters outpaced gaining ones by the ratio of about 2.14:One.

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

China Railway Logistics Ltd (Code: 8089)

Down 8.93 percent to \$HK2.65 per share

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

Down 3.33 percent to \$HK0.58 per share

Town Health International Holdings Company Ltd  
(Code: 8138)

Unchanged at \$HK0.131 per share

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

Down 8.68 percent to \$HK9.79 per share

Global Solution Engineering Ltd (Code: 8192)

Up 1.32 percent to \$HK0.385 per share

There were only 4, double-digit movers on The GEM, last Wednesday:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Medical and Bio Science Ltd	8120		14.04	0.153
DIGITALHONGKONG.COM	8007	11.76		0.95
Era Information and Entertainment Ltd	8043		16.67	0.375
Prosperity International Holdings (Hongkong) Ltd	8139	24.00		0.31

Trading on Japan's 3 equity markets was comparatively quiet, last Wednesday.

On the premier equity market, The Tokyo Stock Exchange, its TOPIX Index gave up about 0.14 percent to 1,263.91 points.

Losing counters outnumbered gaining ones by the ratio of about 1.96:One.

The Nikkei-225 Stock Average shed about 0.16 percent, ending the day at 12,972.06 yen.

#### News Wise

- **Capital spending** by Japanese corporate entities shrank by about 7.70 percent in the final quarter of 2007, compared with the like period in 2006, The Finance Ministry reported. It was the third, consecutive quarter of corporate Japan, pulling back on spending.

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

The HKSAR	Hang Seng Index Minus 0.02 percent to 23,114.34 The Growth Enterprise Index Minus 1.18 percent to 1,005.79
Indonesia	Plus 0.19 percent to 2,639.65

Japan	TOPIX Index Minus 0.14 percent to 1,263.91 Nikkei-225 Stock Average Minus 0.16 percent to 12,972.06
Malaysia	Minus 2.57 percent to 1,280.23
The Philippines	Minus 0.52 percent to 3,092.65
The PRC	Shanghai Composite Index Minus 0.99 percent to 4,292.65 Shenzhen Composite Index Minus 0.55 percent to 1,380.89
Singapore	Minus 0.31 percent to 2,910.77
South Korea	Plus 0.05 percent to 1,677.10
Taiwan	Plus 0.16 percent to 8,483.95
Thailand	Minus 0.77 percent to 824.98

### **Thursday**

The price of crude oil on international commodity exchanges hit another new high, last Thursday, following a further weakening of the US dollar vis-à-vis other *'hard'* currencies and more depressing news about the US economy in general.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in April rose to \$US105.47, representing an increase of about 0.91 percent on Wednesday's closing level.

During the trading session, the price of the black ooze hit a high of \$US105.97 per barrel.

For delivery in May, the last settlement for a barrel of light sweet crude oil was quoted at \$US104.67, an increase of about 0.95 percent, compared with Wednesday's final quote.

The rapid increase in the price of crude oil was due in large part to the continued weakness of the US dollar against other *'hard'* currencies.

Against the euro, the US dollar fell to \$US1.5349 before falling back, somewhat, from that record high level.

Against other currencies, it was a similar story, with speculators, selling the greenback in favour of the Japanese yen, sterling, etc, etc, etc.

On Wall Street, only red ink was used to write in the final figures with regard to the key indices.

On The New York Stock Exchange, the Dow Jones Industrial Average ended the trading day at 12,040.39 points, a one-day fall of about 1.75 percent.

Over on The NASDAQ, its Composite Index shed about 2.30 percent, dropping back to 2,220.50 points.

The ratio of losing counters to gaining ones was about 7:One on The New York Stock Exchange and about 4:One on The NASDAQ.

US Government agencies and private survey companies brought out fresh reports, indicating that the US economy continues to bleed.

From Thornburg Mortgage Incorporated, it was reported that the mortgage lender was facing more and more calls for its cash from creditors. (Please see Monday's report)

Its share price fell to \$US1.65, down about 51 percent, compared with Wednesday's closing level.

Banking counters received the brunt of investors' disenchantment, led by the share price of Citibank Incorporated, which fell back by about 4.40 percent.

Management of JPMorgan Chase and Company, the third-largest bank in the US, noted that its share price was felled to the extent of about 3.40 percent while the second-largest bank in the country, Bank of America Corporation, had its share price shaved by about 2.70 percent.

And so it went on.

From the US housing market, there was more gloom and doom as it was reported that foreclosures had reached new record highs in the final quarter of 2007.

The delinquency rate was about 5.82 percent, The Mortgage Bankers Association reported.

#### News Wise

- **Carlyle Capital Corporation**, a fund manager, has admitted that it is in financial trouble and has been unable to meet creditor demands when called upon so to do.

In Europe, both the European Central Bank and The Bank of England announced that the central banks would leave well-enough alone: Interest rates would be unchanged at 4 percent and 5.25 percent, respectively.

On major bourses in this region of the world, as with Wall Street, the red ink flowed freely.

Every key index of every major bourse lost material ground:

Amsterdam's AEX Index	Minus 1.60 percent
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France's CAC 40 Index	Minus 1.64 percent
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Germany's Frankfurt XETRA DAX Index	Minus 1.38 percent
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Great Britain's FTSE 100 Index	Minus 1.48 percent
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Italy's MIBTEL Index	Minus 1.65 percent
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Switzerland's Swiss Market Index	Minus 0.93 percent
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And, as with US equity markets, banking counters suffered among the worst:



HSBC Holdings plc Down 2.70 percent

Barclays Bank plc Down 4.70 percent

UBS AG Down 4.70 percent

In Asia, the key indices of every major equity market made useful gains, mostly driven by parochial, microeconomic considerations.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, rose about 0.99 percent to 23,342.73 points.

The Total Turnover was about \$HK69.55 billion.

Advancing counters outran declining ones by the ratio of about 1.57:One.

The Ten Most Active counters were:

China Life Insurance Company Ltd (Code: 2628)  
Up 2.09 percent to \$HK29.25 per share

China Mobile Ltd (Code: 941)  
Up 0.44 percent to \$HK114.90 per share

PetroChina Company Ltd (Code: 857)  
Up 2.41 percent to \$HK11.04 per share

HSBC Holdings plc (Code: 5)  
Up 0.66 percent to \$HK121.50 per share

Hongkong Exchanges and Clearing Ltd (Code: 388)  
Up 1.49 percent to \$HK143.10 per share

China Construction Bank Corporation (Code: 939)  
Up 1.07 percent to \$HK5.69 per share

Ping An Insurance (Group) Company of China Ltd  
(Code: 2318)  
Up 4.61 percent to \$HK59.00 per share

Industrial and Commercial Bank of China Ltd  
(Code: 1398)  
Up 0.58 percent to \$HK5.23 per share

CNOOC Ltd (Code: 883)  
Up 3.20 percent to \$HK12.24 per share

China Petroleum and Chemical Corporation (Code:  
386)  
Up 1.74 percent to \$HK8.19 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
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abc Multiactive Ltd	8131	12.96		0.305
BIG Media Group Ltd	8167	11.43		5.85
Challenger Group Holdings Ltd	8203	20.69		0.70
Intelli-Media Group (Holdings) Ltd	8173	18.97		0.69
Shanghai Jiada Withub Information Industrial Company Ltd	8205	17.24		0.34
Jinheng Automotive Safety Technology Holdings Ltd	8293	13.76		1.24
Ko Yo Ecological Agrotech (Group) Ltd	8042	34.24		0.247
Polyard Petroleum International Group Ltd	8011	16.67		0.147

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shed about 0.14 percent, dropping back to 1,004.43 points.

The Total Turnover on this market was about \$HK513.09 million.

The ratio of gainers to losers was about 1.11:One.

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

China Railway Logistics Ltd (Code: 8089)

Down 8.93 percent to \$HK2.65 per share

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

Down 3.33 percent to \$HK0.58 per share

Town Health International Holdings Company Ltd  
(Code: 8138)

Unchanged at \$HK0.131 per share

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

Down 8.68 percent to \$HK9.79 per share

Global Solution Engineering Ltd (Code: 8192)

Up 1.32 percent to \$HK0.385 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Bestway International Holdings Ltd	718	10.00		0.33
Capital Estate Ltd	193		10.08	0.107

CCT Tech International Ltd	261	10.53		0.021
Century Legend (Holdings) Ltd	79	12.00		0.56
China Agri-Products Exchange Ltd	149	10.48		1.16
China Resources Microelectronics Ltd	597		23.33	0.46
Hantec Investment Holdings Ltd	111	10.10		1.09
J.I.C. Technology Company Ltd	987	65.89		2.14
Kwang Sung Electronics Hongkong Company Ltd	2310		20.69	2.30
LeRoi Holdings Ltd	221	23.29		0.45
National Investments Fund Ltd	1227	10.26		0.215
Pyxis Group Ltd	516	21.00		0.265
Jilin Qifeng Chemical Fiber Company Ltd	549		10.00	0.45
Smart Rich Energy Finance (Holdings) Ltd	1051	14.29		0.232
SunCorp Technologies Ltd	1063		14.08	0.122
Tonic Industries Holdings Ltd	978	72.60		0.63

On The Tokyo Stock Exchange, its TOPIX Index rose by about 1.87 percent to 1,287.55 points.

Advancing counters outraced declining ones by the ratio of about 8.39:One.

The Nikkei-225 Stock Average gained about 1.88 percent, rising to 13,215.42 yen.

#### News Wise

- The Government of Japan has stated that **the economy** will continue to slow. Consumer confidence, today, is standing at a 4-year low and investment in businesses fell at the fastest pace of the past 5 years.

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

The HKSAR	Hang Seng Index Plus 0.99 percent to 23,342.73 The Growth Enterprise Index Minus 0.14 percent to 1,004.43
Indonesia	Plus 0.64 percent to 2,656.46

Japan	TOPIX Index Plus 1.87 percent to 1,287.55 Nikkei-225 Stock Average Plus 1.88 percent to 13,215.42
Malaysia	Plus 1.52 percent to 1,299.69
The Philippines	Plus 0.78 percent to 3,116.84
The PRC	Shanghai Composite Index Plus 1.59 percent to 4,360.99 Shenzhen Composite Index Plus 0.52 percent to 1,388.10
Singapore	Plus 0.25 percent to 2,917.92
South Korea	Plus 1.21 percent to 1,697.44
Taiwan	Plus 2.06 percent to 8,658.64
Thailand	Plus 0.33 percent to 827.71

## **Friday**

It was a thump that was heard from one part of the world to another: Employment in the private sector of The Land of The Free and The Home of The Brave declined by 101,000 jobs in February.

Just before Wall Street opened its doors for business, last Friday, The Bureau of Labour Statistics released the bad news.

Mr Keith Hall, Commissioner of The Bureau of Labour Statistics, delivered the news to The Joint Economic Committee of The United States Congress.

The following is the full text of Mr Hall's testimony:

*'Nonfarm payroll employment edged down in February (-63,000), and the unemployment rate was essentially unchanged at 4.8 percent. Private-sector employment declined by 101,000. Job losses occurred in manufacturing, construction, and retail trade. Employment growth continued in health care and in food services.*

*'Manufacturing employment fell by 52,000 over the month. Over the past 12 months, this industry has shed 299,000 jobs. In February, employment declined in motor vehicles, printing, and semiconductors, as well as in wood products and furniture—two housing-sensitive industries. Factory hours and overtime were unchanged.*

*'Elsewhere in the goods-producing sector, construction lost 39,000 jobs over the month. Construction employment has fallen by 331,000 since peaking in September 2006. Over this period, job losses were concentrated in residential building and in residential specialty trades; employment in the nonresidential components of construction changed little on net.*

*'In the service-providing sector, retail employment was down by 34,000 in February. Job*

losses occurred in department stores, auto dealers, and building and garden supply stores. Over the past 12 months, retail employment has shown no net growth. Within professional and business services, employment in the temporary help industry fell by 28,000 over the month and by 117,000 since the most recent peak in December 2006.

'Health care employment continued to expand in February, rising by 36,000. Employment in food services continued to trend up, although growth in this industry has slowed in the past 4 months. Most other private service-providing industries showed little employment change in February.

'Average hourly earnings for production and nonsupervisory workers in the private sector rose by 5 cents over the month and have increased by 3.7 percent over the past 12 months.

'Turning now to the labor market data from the survey of households, the unemployment rate was essentially unchanged over the month at 4.8 percent. A year earlier, the jobless rate was 4.5 percent. Over the year, the number of unemployed persons rose by 544,000 to 7.4 million.

'The increase in unemployment over the past 12 months was concentrated among persons who lost jobs and had no expectation of being recalled. Since February 2007, the number of these job losers increased by 450,000 to 2.9 million; their share of total unemployment rose from 35.4 to 39.0 percent. The number of persons unemployed for other reasons, such as voluntarily leaving a job or entering the labor market, showed little change over this period.

'In terms of unemployment duration, 35.6 percent of the unemployed had been searching for work for less than 5 weeks in February, while 17.5 percent were still searching after 27 or more weeks. These proportions were little changed from a year earlier.

'The number of individuals in the labor force fell by 450,000 in February to 153.4 million, and labor force participation declined to 65.9 percent of the population. The labor force participation rate has been at or near 66.0 percent since last spring.

'The employment-to-population ratio was 62.7 percent in February. This measure remains well below its recent peak of 63.4 percent in December 2006. Among the employed, the number of persons working part time who would prefer to be working full time has been growing. In February, there were 4.9 million such workers, an increase of about 637,000 from a year earlier.

'Among persons not in the labor force, about 1.6 million were marginally attached to the labor force. The marginally attached are individuals who are not currently looking for work, but want and are available for work and have searched for a job sometime in the prior 12 months. The number of discouraged workers, a subset of the marginally attached who believe no jobs are available for them, was 396,000 in February, little changed from a year earlier.

'In summary, nonfarm payroll employment edged down in February, with job losses in manufacturing, construction, and retail trade. The unemployment rate was essentially unchanged at 4.8 percent.'

Investors on Wall Street reacted, predictably: Down came the key indices of equity markets.

On The New York Stock Exchange, the Dow Jones Industrial Average gave up about 1.22 percent, ending the trading day at 11,893.69 points.

Over on The NASDAQ, its Composite Index shed about 0.36 percent, falling back to 2,212.49 points.

For The Dow, last Friday's closing figure was the lowest of the previous 19 months.

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

The Dow Jones Industrial Average    Minus 2.71 percent  
The Composite Index of The NASDAQ    Minus 2.60 percent

In Europe, it was a similar story to that, being told on Wall Street.

All of the key indices of every major European bourse tumbled to much lower levels as the following **TARGET** list illustrates:

Amsterdam's AEX Index	Minus 0.49 percent
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France's CAC 40 Index	Minus 1.26 percent
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Germany's Frankfurt XETRA DAX Index	Minus 1.17 percent
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Great Britain's FTSE 100 Index	Minus 1.15 percent
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Italy's MIBTEL Index	Minus 1.89 percent
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Switzerland's Swiss Market Index	Minus 1.31 percent
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Crude oil price softened, slightly, last Friday, but only by tiny fractions.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in April came in at \$US105.15, representing a slip of about 0.30 percent, compared with Thursday's close.

As for delivery in May, the last settlement for a barrel of light sweet crude oil was \$HK104.28, down about 0.37 percent on the day.

Heavy losses were the norm throughout Asia, last Friday.

Few investors were spared.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), losses were widespread on both of the territory's equity markets.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index surrendered about 3.61 percent, falling back to 22,501.33 points.

The Total Turnover was about \$HK83.02 billion, while the ratio of losing counters to gaining ones was exactly 4.80:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 3.37 percent to \$HK117.40 per share
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China Mobile Ltd (Code: 941)	Down 4.18 percent to \$HK110.10 per share
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PetroChina Company Ltd (Code: 857)	Down 4.71 percent to \$HK10.52 per share
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China Construction Bank Corporation (Code: 939)	Down 2.28 percent to \$HK5.56 per share
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China Life Insurance Company Ltd (Code: 2628)

Down 3.08 percent to \$HK28.35 per share

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

Down 2.49 percent to \$HK5.10 per share

Hongkong Exchanges and Clearing Ltd (Code:  
388)

Down 4.47 percent to \$HK136.70 per share

China Petroleum and Chemical  
Corporation (Code: 386)

Down 7.69 percent to \$HK7.56 per share

Sun Hung Kai Properties Ltd (Code: 16)

Down 5.05 percent to \$HK126.00 per share

CNOOC Ltd (Code: 883)

Down 0.33 percent to \$HK12.20 per share

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

<b>Name of Company</b>	<b>Code</b>	<b>Increase (%)</b>	<b>Decrease (%)</b>	<b>Closing Price (\$HK)</b>
China National Building Material Company Ltd	3323		12.13	20.65
China Resources Microelectronics Ltd	597		18.48	0.375
EPI (Holdings) Ltd	689		11.11	0.36
Forefront Group Ltd	885		14.86	0.315
Global Tech (Holdings) Ltd	143		12.20	0.072
Hantec Investment Holdings Ltd	111	13.76		1.24
Henry Group Holdings Ltd	859	14.00		1.14
J.I.C. Technology Company Ltd	987		20.56	1.70
Macau Investment Holdings Ltd	2362	12.26		1.74
Mobicon Group Ltd	1213		11.43	0.62
Prime Investments Holdings Ltd	721	24.46		0.29
Riche Multi-Media Holdings Ltd	764		10.42	0.129
Tonic Industries Holdings Ltd	978		24.60	0.475

Venture International Investment Holdings Ltd	61		12.90	0.27
Yunnan Enterprises Holdings Ltd	455	23.94		0.88
ZZNode Technologies Company Ltd	2371	84.92		3.68

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gave up about 2.28 percent of its former value, ending the day at 981.51 points.

The Total Turnover on this market was about \$HK497.44 million.

Declining counters outpaced advancing ones by the ratio of about 2.58:One.

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

Sungreen International Holdings Ltd (Code:  
8306)

Down 16.39 percent to \$HK10.00 per share

China Railway Logistics Ltd (Code: 8089)

Down 11.29 percent to \$HK2.20 per share

Town Health International Holdings Company  
Ltd (Code: 8138)

Up 0.76 percent to \$HK0.133 per share

Global Digital Creations Holdings Ltd (Code:  
8271)

Down 9.52 percent to \$HK0.57 per share

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

Down 4.39 percent to \$HK9.37 per share

The GEM's biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Railway Logistics Ltd	8089		11.29	2.20
CCID Consulting Company Ltd	8235	10.71		0.31
Ko Yo Ecological Agrotech (Group) Ltd	8042		15.38	0.209
Qianlong Technology International Holdings Ltd	8015		21.79	0.61
Sungreen International Holdings Ltd	8306		16.39	10.00
Tai Shing International (Holdings) Ltd	8103	20.41		0.59



ThinSoft (Holdings) Incorporated	8096		12.73	0.24
Universal Technologies Holdings Ltd	8091		11.29	0.22

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

The Hang Seng Index Minus 7.52 percent  
The Growth Enterprise Index Minus 7.45 percent

In Japan, the key indices of the country's 3 equity markets took a beating.

The key gauge of trading on The Tokyo Stock Exchange, known as The TOPIX Index, shed about 3.09 percent, dropping to 1,247.77 points.

The ratio of losers to gainers was about 8.28:One.

The Nikkei-225 Stock Average gave up about 3.27 percent, ending the week at 12,782.80 yen.

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

The TOPIX Index Minus 5.78 percent  
The Nikkei-225 Stock Average Minus 6.03 percent

And, on other Asian equity markets, this was how they fared on the last day of trading for the week, ended March 7, 2008:

The HKSAR	Hang Seng Index Minus 3.61 percent to 22,501.33 The Growth Enterprise Index Minus 2.28 percent to 981.51
Indonesia	Closed
Japan	TOPIX Index Minus 3.09 percent to 1,247.77 Nikkei-225 Stock Average Minus 3.27 percent to 12,782.80
Malaysia	Minus 0.26 percent to 1,296.33
The Philippines	Minus 2.83 percent to 3,028.73
The PRC	Shanghai Composite Index Minus 1.39 percent to 4,300.52 Shenzhen Composite Index Minus 1.32 percent to 1,369.84
Singapore	Minus 1.77 percent to 2,866.28
South Korea	Minus 1.97 percent to 1,663.97

Taiwan	Minus 1.47 percent to 8,531.38
Thailand	Minus 0.74 percent to 821.57

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