

**THE PENNY DROPS:\_**  
**INVESTORS, SUDDENLY, REALISE THAT THE WORST IS YET TO COME**

Investors and speculators received a bit of a shock, last Monday, when the price of light sweet crude oil hit an intra-day, record-high level of \$US139.89 per barrel on The New York Mercantile Exchange (NYMEX), which is the world's largest commodity exchange.

But the price could not hold at this level as one sell order after another brought down the price of the black ooze.

By the close of the trading day, the last settlement for a barrel of light sweet crude oil for delivery in July came in at \$US134.61, off about 0.19 percent, compared with the previous Friday's close.

As for delivery in August, the last settlement for a barrel of light sweet crude oil was \$US135.34, down about one tenth of a percentage point on the final quote of Friday, June 13, 2008.

The gyrations in the price of this strategic commodity were in spite of Saudi Arabia, agreeing, over the previous weekend, to increase its output by about 500,000 barrels of crude oil per day.

On Wall Street, it appeared that investors were uncertain as to which way the investment winds were blowing.

On The New York Stock Exchange, the Dow Jones Industrial Average lost 38.27 points, equivalent to about 0.31 percent, ending the session at 12,269.08 points.

Over on The NASDAQ, however, it was a completely different story.

The Composite Index of The NASDAQ rose 20.28 points, or about 0.83 percent, running up to 2,474.78 points.

The volume of activity was light, however, suggesting that Tuesday's trading day might well see a different picture emerging.

The ratio of gainers to losers was about 1.50:One on The New York Stock Exchange and about 1.33:One on The NASDAQ.

News Wise

- **Lehman Brothers Holdings Incorporated**, the fourth-largest financial house in the US, announced that it had suffered a loss about \$US2.80 billion in its second quarter. Since the start of 2008, the share price of Lehman Brothers Holdings Incorporated has lost about 60 percent.

In Europe, investors had the jitters, probably partially caused by the rapid increase and,

then, the equally rapid decrease in the price of crude oil, and this resulted in every key index of every major bourse to lose traction:

Amsterdam's AEX Index

Minus 0.27 percent

France's CAC 40 Index                      Minus 0.52 percent

Germany's Frankfurt XETRA DAX IndexMinus 0.52 percent

Great Britain's FTSE 100 Index      Minus 0.14 percent

Italy's MIBTEL Index	Minus 0.18 percent
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Switzerland's Swiss Market Index      Minus 0.31 percent

Banking counters were the hardest hit, especially, banks, domiciled in the United Kingdom, as speculation mounted that this bank or that bank would be raising money in order to cover losses, caused by exposures to the US subprime mortgage crisis.

## News Wise

- **Inflation** in Eurozone is running at the record-high level of about 3.70 percent per annum, according to the Eurostat Statistical Office. Higher food and energy prices are said to have been the main reasons for the high level of inflation in the 15 state zone.

In Asia, a bullish mood appeared, for a change.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets made gains, but, by far, the larger gains were recorded on the Main Board of The Stock Exchange of Hongkong Ltd.

On the Main Board, The Hang Seng Index rose about 1.94 percent to 23,029.69 points, but the Total Turnover was on the low side, at about \$HK\$56.68 billion.

The ratio of advancing counters to declining ones was 2.27:One, exactly.

The Ten Most Active counters, all of which were gainers, by the way, were:

China Mobile Ltd (Code: 941) Up 2.38 percent to \$HK107.50 per share

HSBC Holdings plc (Code: 5) Up 1.21 percent to \$HK125.80 per share

China Life Insurance Company Ltd (Code: 2628) Up 2.88 percent to \$HK28.60 per share

China Petroleum and Chemical Corporation (Code:  
386) Up 3.44 percent to \$HK7.51 per share

PetroChina Company Ltd (Code: 857) Up 2.71 percent to \$HK10.24 per share

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

Up 2.23 percent to \$HK5.50 per share

China Construction Bank Corporation (Code: 939) Up 2.36 percent to \$HK6.51 per share

CNOOC Ltd (Code: 883)

Up 1.71 percent to \$HK13.10 per share

Hongkong Exchanges and Clearing Ltd (Code: 388)

Up 2.36 percent to \$HK125.90 per share

China Merchants Bank Company Ltd (Code: 3968)

Up 3.64 percent to \$HK25.65 per share

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

<b>Name of Company</b>	<b>Code</b>	<b>Increase (%)</b>	<b>Decrease (%)</b>	<b>Closing Price (\$HK)</b>
China Best Group Holding Ltd	370	10.48		0.116
China Financial Leasing Group Ltd	2312		11.21	0.103
China Investments Holdings Ltd	132	10.00		0.275
Ching Hing (Holdings) Ltd	692	16.33		0.57
Grand Field Group Holdings Ltd	115		10.71	0.25
Henry Group Holdings Ltd	859	10.00		0.99
Innovo Leisure Recreation Holdings Ltd	703		15.38	0.33
Kingsoft Corporation Ltd	3888	10.96		4.05
Lo's Enviro-Pro Holdings Ltd	309		11.11	0.32
Magician Industries (Holdings) Ltd	526	14.63		0.47
Mascotte Holdings Ltd	136		11.11	0.28
Morning Star Resources Ltd	542	10.71		0.062
Nam Fong International Holdings Ltd	1176	10.94		0.355
OP Financial Investments Ltd	1140	12.50		1.35
Peace Mark (Holdings) Ltd	304	13.87		7.06
Synergis Holdings Ltd	2340	11.01		1.21
Tiande Chemical Holdings Ltd	609	10.53		0.42

Vedan International (Holdings) Ltd	2317	10.00		0.55
Vongroup Ltd	318	12.00		0.28
V.S. International Group Ltd	1002	22.22		0.22
VXL Capital Ltd	727		14.63	1.05
Wah Nam International Holdings Ltd	159	12.50		0.72
Wai Chun Mining Industry Group Company Ltd	660		11.58	2.29

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index moved up about 0.08 percent to 838.03 points on a Total Turnover of about \$HK162.31 million.

The ratio of gainers to losers on this speculative market was about 1.37:One.

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

Intcera High Tech Group Ltd (Code: 8041)

Down 0.83 percent to \$HK0.119 per share

Espco Technology Holdings Ltd (Code: 8299)

Up 1.61 percent to \$HK0.315 per share

Info Communication Holdings Ltd (Code: 8082)

Up 9.38 percent to \$HK0.35 per share

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

Down 3.58 percent to \$HK12.40 per share

Tiger Tech Holdings Ltd (Code: 8046)

Unchanged at \$HK1.01 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Capital Resources (Holdings) Ltd	8025		11.11	0.184
China Medical and Bio Science Ltd	8120		13.57	0.121
Emcom International Ltd	8220	13.95		0.049
Era Information and Entertainment Ltd	8043		10.14	0.31
Goldmond Holdings Ltd	8190	10.53		0.105

Golife Concepts Holdings Ltd	8172	15.63		0.037
M Dream Inworld Ltd	8100	24.64		0.43
Netel Technology (Holdings) Ltd	8256	11.11		0.12
Tai Shing International (Holdings) Ltd	8103		22.22	0.35
Vertex Group Ltd	8228	10.56		0.199
Vodatel Networks Holdings Ltd	8033		10.71	0.125
Zhejiang Prospect Company Ltd	8273		15.36	2.26

In Japan, the key indices on the country's 3 equity markets all made healthy gains.

On The Tokyo Stock Exchange, its TOPIX Index gained 30.12 points, equivalent to about 2.20 percent, rising to 1,401.69 points.

Advancing counters outran declining ones by the ratio of about 4.13:One.

The Nikkei-225 Stock Average, which is a much-narrower gauge of trading in select blue chips, listed on The First Section of The Tokyo Stock Exchange, than the official TOPIX index, rose 380.64 yen, or about 2.72 percent, to end the day at 14,354.37 yen.

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

The HKSAR	Hang Seng Index Plus 1.94 percent to 23,029.69 The Growth Enterprise Index Plus 0.08 percent to 838.03
Indonesia	Minus 0.02 percent to 2,398.04
Japan	TOPIX Index Plus 2.20 percent to 1,401.69 Nikkei-225 Stock Average Plus 2.72 percent to 14,354.37
Malaysia	Plus 0.71 percent to 1,238.06
The Philippines	Plus 2.58 percent to 2,620.76
The PRC	Shanghai Composite Index Plus 0.18 percent to 2,874.10 Shenzhen Composite Index Minus 1.84 percent to 840.05
Singapore	Plus 1.93 percent to 3,036.92

South Korea	Plus 0.77 percent to 1,760.82
Taiwan	Plus 0.79 percent to 8,169.77
Thailand	Plus 0.63 percent to 787.59

## Tuesday

As expected by this medium (Please see Monday's report), share prices retreated on Wall Street, last Tuesday.

On The New York Stock Exchange, the Dow Jones Industrial Average fell about 0.89 percent to 12,160.30 points.

Over on The NASDAQ, its Composite Index gave up about 0.69 percent, dropping back to 2,457.73 points.

The volume of activity on the world's largest and most-influential equity markets continued to be light, relative to the average daily volume of activity in 2007.

Losing counters outnumbered gaining ones by the ratio of about 1.40:One on The New York Stock Exchange and by about 1.75:One on The NASDAQ.

Banking counters came under intense pressure, last Tuesday, after Goldman Sachs Group Incorporated drew attention to the immense problems, facing quite a number of US and European banks. (Please see News Wise, below)

Also hurting investors' confidence in taking new, long positions in the equity markets of the US was a report from the US Government to the effect that housing starts in the US in the month of May fell to their lowest level since March of 1991.

For More On This Subject, Please Refer To:  
**TARGET Intelligence Report, Volume X, Number 113,**

Published on Wednesday, June 18, 2008, Headlined:  
**'THE U.S. ECONOMY: THERE'S MUCH MORE BAD NEWS COMING'**

## News Wise

- **Goldman Sachs Group Incorporated**, a US investment banking group, announced that, in its opinion, US banks may well need to raise another \$US65 billion in addition to the \$US120 billion that has, already, been raised. Mounting losses in the international credit markets were given by Goldman Sachs as the reason for its determination. Loan losses at US banks may see them make Provisions for up to \$US86 billion, Goldman Sachs said. Also, Goldman Sachs maintained that the present precarious situation, globally, would last right into the middle of 2009; and,
- The US Department of Labour announced that **Producer prices** rose about 1.40 percent in May, the biggest single month's gain since November 2007.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in July was \$US134.01, down about 0.45 percent on Monday's closing level.

As for delivery in August, the last settlement for a barrel of light sweet crude oil came in at \$US134.53, off

about 0.60 percent, compared with Monday's final quote.

In Europe, there was a bit of a turnabout situation on major bourses, but the gains were of a fractional nature, for the most part.

It appeared that the prognostications of Goldman Sachs had little effect on investors in this part of the world.

That might well change as the week winds down, however.

This was how things looked on the most-important equity markets of Europe, last Tuesday night:

Amsterdam's AEX Index	Plus	0.24 percent
France's CAC 40 Index	Plus	0.61 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.98 percent
Great Britain's FTSE 100 Index	Plus	1.16 percent
Italy's MIBTEL Index	Plus	0.59 percent
Switzerland's Swiss Market Index	Plus	0.18 percent

In Asia, things did not look very positive for the majority of investors as the key indices of some of the biggest equity markets came under investors' fire, with the key indices of the 2 stock markets of the People's Republic of China (PRC), falling very quickly. (Please see the list at the end of this report)

In the Hongkong Special Administrative Region (HKSAR) of the PRC, the key indices of the territory's 2 equity markets moved only by very tiny fractions.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index finished the day at 23,057.99 points, representing a one-day gain of about 0.12 percent.

The Total Turnover fell back to about \$HK48.27 billion, while the ratio of declining counters to gaining ones was about 1.32:One.

The Ten Most Actives were:

China Mobile Ltd (Code: 941)	Up 0.09 percent to \$HK107.60 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 2.80 percent to \$HK7.72 per share
China Life Insurance Company Ltd (Code: 2628)	Up 0.17 percent to \$HK28.65 per share
HSBC Holdings plc (Code: 5)	Up 0.24 percent to \$HK126.10 per share
PetroChina Company Ltd (Code: 857)	Up 0.59 percent to \$HK10.30 per share

CNOOC Ltd (Code: 883)

Up 0.61 percent to \$HK13.18 per share

Sun Hung Kai Properties Ltd (Code: 16)

Down 0.61 percent to \$HK114.30 per share

China Construction Bank Corporation (Code:  
939)

Down 0.09 percent to \$HK6.43 per share

Hongkong Exchanges and Clearing Ltd (Code:  
388)

Down 0.48 percent to \$HK125.30 per share

China Shenhua Energy Company Ltd (Code:  
1088)

Unchanged at \$HK32.80 per share

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

<b>Name of Company</b>	<b>Code</b>	<b>Increase (%)</b>	<b>Decrease (%)</b>	<b>Closing Price (\$HK)</b>
Beiren Printing Machinery Holdings Ltd	187		11.11	1.44
BEP International Holdings Ltd	2326		10.77	0.232
China Sci-Tech Holdings Ltd	985		13.95	0.074
e-Kong Group Ltd	524	11.67		0.67
Eagle Nice (International) Holdings Ltd	2368	11.18		1.69
First Sign International Holdings Ltd	933	12.56		2.42
Garron International Ltd	1226	10.00		0.66
Hi Sun Technology (China) Ltd	818	11.11		1.20
Imagi International Holdings Ltd	585	12.07		0.65
Innovo Leisure Recreation Holdings Ltd	703	18.18		0.39
Jade Dynasty Group Ltd	970	23.26		0.53
Kingway Brewery Holdings Ltd	124		10.34	1.04
Lo's Enviro-Pro Holdings Ltd	309		12.50	0.28
New World Mobile Holdings Ltd	862	11.48		9.81



Smart Union Group (Holdings) Ltd	2700	10.26		0.43
United Pacific Industries Ltd	176	23.19		0.425
World Houseware (Holdings) Ltd	713	10.00		0.22
Zhongda International Holdings Ltd	909		13.64	0.38

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, it was a similar situation to that that existed on the Main Board ... but in reverse.

The Growth Enterprise Index, which is the lone index of this speculative market, lost about 0.19 percent to end the quiet trading day at 836.44 points on a Total Turnover of about \$HK156.62 million.

Declining counters outdistanced advancing ones by the ratio of about 1.47:One.

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

Inspur International Ltd (Code: 8141)

Up 1.90 percent to \$HK1.07 per share

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

Up 2.86 percent to \$HK0.72 per share

Sungreen International Holdings Ltd (Code: 8306)

Up 0.53 percent to \$HK1.88 per share

Tiger Tech Holdings Ltd (Code: 8046)

Unchanged at \$HK1.01 per share

Info Communication Holdings Ltd (Code: 8082)

Up 4.29 percent to \$HK0.365 per share

There were only 4 double-digit movers on The GEM, last Tuesday. They included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Era Information and Entertainment Ltd	8043	11.29		0.345
Golife Concepts Holdings Ltd	8172	13.51		0.042
Vertex Group Ltd	8228		11.06	0.177
Zhejiang Yonglong Enterprises Company Ltd	8211	13.13		0.56

Trading on Japan's 3 equity markets was exceedingly dull, last Tuesday.

On The Tokyo Stock Exchange, its TOPIX Index rose 0.29 points, equivalent to about 0.02 percent, to 1,401.98 points.

The ratio of advancing counters to declining ones was about 1.27:One.

The Nikkei-225 Stock Average lost 6 yen, or about 0.04 percent, ending the trading day at 14,348.37 yen.

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

The HKSAR	Hang Seng Index Plus 0.12 percent to 23,057.99 The Growth Enterprise Index Minus 0.19 percent to 836.44
Indonesia	Minus 0.84 percent to 2,377.98
Japan	TOPIX Index Plus 0.02 percent to 1,401.98 Nikkei-225 Stock Average Minus 0.04 percent to 14,348.37
Malaysia	Minus 0.83 percent to 1,227.76
The Philippines	Plus 0.63 percent to 2,637.26
The PRC	Shanghai Composite Index Minus 2.76 percent to 2,794.75 Shenzhen Composite Index Minus 4.53 percent to 801.97
Singapore	Minus 0.29 percent to 3,028.24
South Korea	Minus 0.57 percent to 1,750.71
Taiwan	Plus 0.39 percent to 8,201.79
Thailand	Minus 1.32 percent to 777.17

### **Wednesday**

Wall Street fell out of bed, again, and the price of crude oil threatened to reach for new, historic highs on the world's commodity exchanges.

To say that last Wednesday was a day like no other would have been an extravagant exaggeration, however, it was a rough ride for investors in equities and commodities.

On The New York Stock Exchange, the Dow Jones Industrial Average gave up 131.24 points, equivalent to about 1.08 percent, dropping to 12,029.06 points.

During the hectic trading session, however, The Dow's intra-day low was 11,993.64 points, down 166.66 points, compared with Tuesday's closing level, equivalent to a fall of about 1.37 percent on the day.

On The NASDAQ, its Composite Index shed 28.02 points, or about 1.14 percent, ending the trading day at

2,429.71 points.

For The Dow, it was its lowest close since the middle of March.

Of the 30 Constituent Stocks, comprising The Dow, only 4 counters finished in the black.

The ratio of losing counters to gaining ones was about 2.50:One.

The reasons for the sell-off on the world's largest equity markets included:

- a. Investors' concerns about the weak US economy;
- b. Reports that a bank in the US Midwest was having financial problems;
- c. The rapid increase in the price of crude oil; and,
- d. The second-largest, US investment bank, having announced a 57-percent fall in profits.

As the price of crude oil continues to rise, or even maintains the present price levels, it is fanning inflationary flames in the US; and, it appears obvious that the US Federal Reserve will have to consider, seriously, raising interest rates when it convenes its Open Market Committee Meeting, scheduled for next Tuesday and Wednesday, June 24-25.

From Fifth Third Bancorp of Cincinnati, Ohio, a diversified bank in the Midwest of the US, came an official announcement that it would be cutting its dividend and trying to raise about \$US2 billion.

The share price of Fifth Third Bancorp sank 27 percent to \$US9.26 on the announcement.

Investors speculated that this bank, also, was having its fair share of credit problems.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in July came in at \$US136.68, up about 1.99 percent, compared with Tuesday's closing level.

As for delivery in August, the last settlement for a barrel of light sweet crude oil was \$US137.17, representing a one-day gain of about 1.96 percent.

As the price of fossil fuels continues its rise, so it cuts into the bottom lines of many industries, not just in the US, but around the world.

In the motor-vehicle sector of The New York Stock Exchange, there was widespread selling of shares in the (once?) Big Three.

The biggest losers in this sector of the market were:

General Motors Corporation Down 5.90 percent to \$US14.89

Ford Motor Company Down 5.80 percent to \$US6.22

Morgan Stanley, the second-largest investment bank in the US, reported a 57-percent fall in its second-quarter profits, compared with the like period in the previous Financial Year.

This announcement, also, helped to rattle investors on Wall Street, last Wednesday, as its share price slipped about 5.7 percent.

In Europe, only red ink was used to record the final figures of the key indices of the most-important bourses in the region:

Amsterdam's AEX Index	Minus 2.01 percent
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France's CAC 40 Index	Minus 1.44 percent
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Germany's Frankfurt XETRA DAX Index Minus 0.98 percent

Great Britain's FTSE 100 Index Minus 1.79 percent

Italy's MIBTEL Index Minus 1.75 percent

Switzerland's Swiss Market Index Minus 0.94 percent

In this part of the world, the banking counters got a shellacking from investors.

The news from Morgan Stanley and Fifth Third Bancorp set the tone for the entire day, it seemed.

In Asia, investors did not know that which would transpire in the US and Europe, after they had gone to bed, and, as a result of this ignorance, for the most part, the general feeling of investors was one of mild bullishness.

That could well change on Thursday.

A partial recovery of share prices on the 2 equity markets of the People's Republic of China (PRC) helped, enormously, also.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, the 2 equity markets of the territory recorded useful gains.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index rose about 1.16 percent to 23,325.80 points on a Total Turnover of about \$HK71.21 billion.

Advancing counters outnumbered declining ones by the ratio of about 2.27:One.

The Ten Most Active counters were:

China Petroleum and Chemical Corporation (Code: 386)	Up 7.77 percent to \$HK8.32 per share
PetroChina Company Ltd (Code: 857)	Up 3.50 percent to \$HK10.66 per share
China Mobile Ltd (Code: 941)	Up 0.93 percent to \$HK108.60 per share
China Life Insurance Company Ltd (Code: 2628)	Up 1.57 percent to \$HK29.10 per share
HSBC Holdings plc (Code: 5)	Down 0.16 percent to \$HK125.90 per share
CNOOC Ltd (Code: 883)	Up 1.21 percent to \$HK13.34 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 1.64 percent to \$HK5.58 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 3.59 percent to \$HK118.40 per share

China Construction Bank Corporation (Code:  
939)

Up 0.78 percent to \$HK6.48 per share

Bank of China Ltd (Code: 3988)

Up 1.05 percent to \$HK3.84 per share

The biggest, Main Board gainers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Power New Energy Development Company Ltd	735	13.79		0.99
Cosmopolitan International Holdings Ltd	120	12.77		0.53
Forefront Group Ltd	885	20.00		0.192
Green Global Resources Ltd	61		15.44	0.126
Henry Group Holdings Ltd	859		13.27	0.85
Mobicon Group Ltd	1213	20.00		0.72
Multifield International Holdings Ltd	898	10.81		0.205
Northeast Electric Development Company Ltd	42	14.14		1.13
Neptune Group Ltd	70	15.38		0.30
The Quaypoint Corporation Ltd	2330		14.12	0.73
Sewco International Holdings Ltd	209	16.50		0.24
Solargiga Energy Holdings Ltd	757	20.30		4.74
Zhongda International Holdings Ltd	909	13.16		0.43

Over on The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gained about 0.37 percent, ending the light trading day at 839.53 points.

The Total Turnover was about \$HK167.02 million.

The ratio of gaining counters to losing ones was about 1.06:One.

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

Tiger Tech Holdings Ltd (Code: 8046)

Up 2.97 percent to \$HK1.04 per share

China Chief Cable TV Group Ltd (Code: 8153)

Up 23.33 percent to \$HK0.74 per share

Info Communication Holdings Ltd (Code: 8082)

Up 4.11 percent to \$HK0.38 per share

Wumart Stores Incorporated (Code: 8277)

Up 4.57 percent to \$HK7.32 per share

Espco Technology Holdings Ltd (Code: 8229)

Down 5.26 percent to \$HK0.27 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Chief Cable TV Group Ltd	8153	23.33		0.74
Golife Concepts Holdings Ltd	8172	14.29		0.048
HC International Incorporated	8292		13.04	0.60
ITE (Holdings) Ltd	8092	17.24		0.102
Netel Technology (Holdings) Ltd	8256		10.83	0.107
ThinSoft (Holdings) Incorporated	8096	11.11		0.70
Timeless Software Ltd	8028	14.12		0.097

On The Tokyo Stock Exchange, its TOPIX Index gained about 0.55 percent, rising to 1,409.64 points.

Advancing counters outdistanced declining ones by the ratio of about 1.34:One.

The Nikkei-225 Stock Average rose about 0.73 percent to 14,452.82 yen.

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

The HKSAR	Hang Seng Index Plus 1.16 percent to 23,325.80 The Growth Enterprise Index Plus 0.37 percent to 839.53
Indonesia	Minus 0.56 percent to 2,364.58
Japan	TOPIX Index Plus 0.55 percent to 1,409.64 Nikkei-225 Stock Average Plus 0.73 percent to 14,452.82

Malaysia	Minus 1.24 percent to 1,212.59
The Philippines	Minus 0.34 percent to 2,628.20
The PRC	Shanghai Composite Index Plus 5.24 percent to 2,941.12 Shenzhen Composite Index Plus 5.14 percent to 843.19
Singapore	Plus 0.39 percent to 3,040.09
South Korea	Plus 1.34 percent to 1,774.13
Taiwan	Plus 0.19 percent to 8,217.58
Thailand	Minus 1.47 percent to 765.74

### **Thursday**

The price of crude oil fell by more than 3 percent on international commodity exchanges, last Thursday.

The sudden fall in the price of the black ooze followed an announcement by the Government of the People's Republic of China (PRC) that it had raised the prices of petrol and diesel by 18 percent.

In the first revamp of the PRC Government's cap on fuel, the PRC raised prices at the pumps by 1,000 renminbi per tonne.

In the past, the PRC Government had been subsidising industry and commuters by determining the price of energy costs, regardless of what was happening on the international oil markets.

The immediate effect of the move by the Government of the PRC will be to stoke the embers of inflation in the country, but it is unlikely to dissuade the use of this strategic commodity, which, in the past, had been rationed.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in July came in at \$US131.93, down about 3.47 percent on Wednesday's final quote.

As for delivery in August, the last settlement for a barrel of light sweet crude oil was \$US132.60, representing an increase over Wednesday's last settlement of about 3.33 percent.

On Wall Street, the news about the drop in the price of crude oil was greeted with mixed reaction: Was this just a flash in the pan?

On The New York Stock Exchange, the Dow Jones Industrial Average closed the day with a gain of about 0.28 percent to 12,063.09 points.

The Composite Index of The NASDAQ, on the other hand, gained about 1.33 percent, finishing off the trading day at 2,402.07 points.

Advancing counters and declining counters were, just about, neck-to-neck on The New York Stock Exchange while, on The NASDAQ, advancing counters outpaced declining ones by about 1.33:One.

In Europe, it was the fall in the price of crude oil that was responsible, in part, for the erosion in the key indices of the most-important bourses, ironically.

European bourses are inundated with energy and energy related corporate entities, most of which were hit hard as investors bailed out of these stocks and shares.

Also, European investors continued to reel over the situation, internationally, with regard to the continuing credit squeeze, which looks set to continue for another year – at least.

Banking counters were fair game for European short-sellers, last Thursday, with many of the favourites, falling under the weight of sell orders.

This was how the key indices of the most-important equity markets of Europe ended their respective trading days:

Amsterdam's AEX Index	Minus 0.86 percent
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France's CAC 40 Index	Minus 0.59 percent
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Germany's Frankfurt XETRA DAX Index	Minus 0.11 percent
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Great Britain's FTSE 100 Index	Minus 0.84 percent
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Italy's MIBTEL Index	Minus 0.27 percent
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Switzerland's Swiss Market Index	Minus 0.32 percent
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In Asia, losses on all of the key indices on all of the equity markets in this region of the world were the order of the day.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, the territory's 2 equity markets lost big time.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index gave up about 2.26 percent, falling back to 22,797.61 points.

The Total Turnover on this, the premier equity market, was about \$HK59.04 billion.

The ratio of declining counters to advancing ones was about 4.71:One.

The Ten Most Actives were:

China Mobile Ltd (Code: 941)	
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Down 1.47 percent to \$HK107.00 per share
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China Petroleum and Chemical Corporation (Code: 386)	
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Down 3.97 percent to \$HK7.99 per share
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HSBC Holdings plc (Code: 5)	
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Down 1.19 percent to \$HK124.40 per share
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PetroChina Company Ltd (Code: 857)	
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Down 3.38 percent to \$HK10.30 per share
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China Life Insurance Company Ltd (Code: 2628)

Down 2.75 percent to \$HK28.30 per share

China Construction Bank Corporation (Code:  
939)

Down 1.70 percent to \$HK6.37 per share

CNOOC Ltd (Code: 883)

Down 2.40 percent to \$HK13.02 per share

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

Down 2.33 percent to \$HK5.45 per share

Aluminum Corporation of China Ltd (Code:  
2600)

Down 5.86 percent to \$HK10.60 per share

Bank of China Ltd (Code: 3988)

Down 2.07 percent to \$HK3.65 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)
Chongqing Machinery and Electric Company Ltd	2722		11.11	0.88
Global Tech (Holdings) Ltd	143	11.90		0.047
Grand Field Group Holdings Ltd	115	13.73		0.29
Green Global Resources Ltd	61		10.32	0.113
MAE Holdings Ltd	851		11.76	0.60
Ruyan Group (Holdings) Ltd	329	12.07		0.65
Sewco International Holdings Ltd	209		22.92	0.185
Sinocop Resources (Holdings) Ltd	476		12.35	0.71
Zhongda International Holdings Ltd	909		23.26	0.33

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shed about 1.55 percent, dropping back to 826.53 points.

The Total Turnover on this market was about \$HK150.02 million.

Losers outraced gainers by the ratio of about 2.08:One.

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

BIG Media Group Ltd (Code: 8167)

Unchanged at \$HK0.50 per share

Global Solution Engineering Ltd (Code: 8192)

Up 2.23 percent to \$HK0.229 per share

China LotSynergy Holdings Ltd (Code: 8161)

Up 1.54 percent to \$HK0.33 per share

Golife Concepts Holdings Ltd (Code: 8172)

Up 31.25 percent to \$HK0.063 per share

Cardlink Technology Group Ltd (Code: 8066)

Up 0.48 percent to \$HK2.09 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
DIGITALHONGKONG.COM	8007	30.00		0.91
Excel Technology International Holdings Ltd	8048		21.57	0.08
FlexSystem Holdings Ltd	8050		11.67	0.265
Golife Concepts Holdings Ltd	8172	31.25		0.063
HC International Incorporated	8292	10.00		0.66
Mobile Telecom Network (Holdings) Ltd	8266		11.52	0.146
Sonavox International Holdings Ltd	8226		16.00	0.21
South China Land Ltd	8155		16.00	0.63

On The Tokyo Stock Exchange, its TOPIX Index surrendered about 2.41 percent of its value, ending the day at 1,375.60 points.

Declining counters outnumbered advancing ones by the ratio of 9.06:One, exactly.

The Nikkei-225 Stock Average gave up about 2.23 percent of its former value as investors pulled it down to 14,130.17 yen.

#### News Wise

- **The Tokyo Stock Exchange** announced that foreign ownership of Japanese, publicly quoted scrip had fallen in Fiscal 2007, ended March 31, 2008. This is the first time that such a phenomenon had occurred, compared with the previous 5 Years. As at the 2007 Fiscal Year's end, foreign ownership of Japanese equities, by value, was about 27.60 percent, down about 1.43 percentile points, Year-On-Year; and,
- **The Japan Department Stores Association** said that sales at departmental stores had fallen by about 2.70 percent in May, compared with the like month in 2007.

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

The HKSAR	Hang Seng Index Minus 2.26 percent to 22,797.61 The Growth Enterprise Index Minus 1.55 percent to 826.53
Indonesia	Minus 0.36 percent to 2,373.06
Japan	TOPIX Index Minus 2.41 percent to 1,375.60 Nikkei-225 Stock Average Minus 2.23 percent to 14,130.17
Malaysia	Minus 1.34 percent to 1,196.39
The Philippines	Minus 1.35 percent to 2,592.59
The PRC	Shanghai Composite Index Minus 6.54 percent to 2,748.87 Shenzhen Composite Index Minus 7.43 percent to 780.56
Singapore	Minus 1.56 percent to 2,992.66
South Korea	Minus 1.88 percent to 1,740.72
Taiwan	Minus 2.07 percent to 8,047.74
Thailand	Minus 3.04 percent to 742.46

### **Friday**

The penny dropped on most international equity markets, last Friday: Investors, suddenly, realised that the worst is yet to come.

For More On This Subject, Please Refer To:  
**TARGET Intelligence Report, Volume X, Number 115,**

Published On Friday, June 20, 2008, Headlined:  
**'O.K., TIMES ARE TOUGH: SO, WHERE DO YOU GO FOR MONEY'**

On Wall Street, it was a veritable sea of red as investors filled in the blanks of the losers: Gainers were few and far between.

On The New York Stock Exchange, the Dow Jones Industrial Average surrendered about 1.83 percent of its value, dropping back to 11,842.69 points.

Of the 30 constituent stocks that comprised The Dow, there was only one winner – and its fractional gain was nothing to write home to mom.

The Composite Index of The NASDAQ gave up about 2.27 percent, ending the week at 2,406.09 points.

The tally for the largest and most-influential equity markets of the world was:

The Dow Jones Industrial Average   Minus 3.78 percent

The Composite Index of The NASDAQ   Minus 1.97 percent

Some of the principal reasons for the losses on Wall Street, last Friday, included:

- a. Another substantial increase in the price of crude oil on international commodity exchanges;
- b. News that more US and European banks are taking write-downs and making provisions for losses in the subprime, mortgage-lending chaos; and,
- c. Detroit is confirming investors' worst fears that much-lower, motor-vehicle sales are very worrying and could exacerbate the financial woes of The Big Three.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in July rose to \$US134.62, up about 2.04 percent on Thursday's close.

For delivery in August, the last settlement for a barrel of light sweet crude oil was \$US135.36, representing an increase of about 2.08 percent on Thursday's final quote.

<b>Last Friday, July crude-oil futures contracts were closed out.</b>
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In Europe, investors watched as the key indices of all of the major equity markets of the region fell – for the third consecutive day.

Nobody was spared.

As with Wall Street, European investors were gravely concerned about the health of banks.

UBS AG, Switzerland's largest bank (at least, it was), is expected to impress investors in its next public announcement, with more write-off and the need for more provisions with regard to its results (or the lack of them) for the second quarter of this Fiscal Year.

Citigroup was another target for investors as they dumped the stock in the almost certain knowledge that more bad news was on the way from this loser.

This was how the situation looked on European bourses at the close of business, last Friday:

Amsterdam's AEX Index                   Minus 2.09 percent

France's CAC 40 Index                   Minus 1.78 percent

Germany's Frankfurt XETRA DAX Index   Minus 2.12 percent

Great Britain's FTSE 100 Index      Minus 1.53 percent

Italy's MIBTEL Index              Minus 1.75 percent

Switzerland's Swiss Market Index      Minus 1.25 percent

In Asia, investors took a very cautious approach to equity trading, especially with the scheduled Open Market Committee Meeting of The (US) Federal Reserve set for Tuesday and Wednesday – June 24-25.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), trading on the territory's 2 equity markets was depressed.

The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, shed about 0.23 percent, ending the trading day at 22,745.60 points.

The Total Turnover was about \$HK72.69 billion, while the ratio of declining counters to advancing ones was about 2.32:One.

The Ten Most Active counters were:

China Petroleum and Chemical Corporation  
(Code: 386)

Up 1.13 percent to \$HK8.08 per share

PetroChina Company Ltd (Code: 857)

Up 1.55 percent to \$HK10.46 per share

HSBC Holdings plc (Code: 5)

Unchanged at \$HK124.40 per share

China Mobile Ltd (Code: 941)

Down 0.47 percent to \$HK106.50 per share

CNOOC Ltd (Code: 883)

Down 3.07 percent to \$HK12.62 per share

China Life Insurance Company Ltd (Code: 2628)

Unchanged at \$HK28.30 per share

China Construction Bank Corporation (Code:  
939)

Down 0.78 percent to \$HK6.32 per share

China Shenhua Energy Company Ltd (Code:  
1088)

Down 4.31 percent to \$HK31.10 per share

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

Down 0.37 percent to \$HK5.43 per share

Yanzhou Coal Mining Company Ltd (Code:  
1171)

Down 7.51 percent to \$HK13.80 per share

The Main Board'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>
Asia Resources Holdings Ltd	899		11.70	0.415
China Seven Star Shopping Ltd	245		17.46	0.104
Earnest Investments Holdings Ltd	339	16.00		0.58
Gay Giano International Group Ltd	686	10.81		1.64
Haier Electronics Group Company Ltd	1169	10.34		1.60
Hantec Investment Holdings Ltd	111		15.08	1.07
Hung Hing Printing Group Ltd	450	10.95		2.23
L.K. Technology Holdings Ltd	558		15.00	0.85
Quam Ltd	952		11.76	0.75
Ruyan Group (Holdings) Ltd	329		15.38	0.55
Sewco International Holdings Ltd	209	16.22		0.215
The Sincere Company Ltd	244		13.83	0.405
Sinocop Resources (Holdings) Ltd	476	12.68		0.80
Unity Investments Holdings Ltd	913		19.72	0.057
Universe International Holdings Ltd	1046	39.47		0.159
Willie International Holdings Ltd	273		32.53	0.056
Zhongda International Holdings Ltd	909		12.12	0.29

On The **G**rowth **E**nterprise **M**arket (GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gained about 0.19 percent, coming to rest at 828.08 points.

The Total Turnover on this (speculative) market was about \$HK188.60 million, while the ratio of gainers and losers was, exactly, even, at One:One.

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

BIG Media Group Ltd (Code: 8167)

Down 1.00 percent to \$HK0.495 per share

Town Health International Holdings Company Ltd  
(Code: 8138)

Down 4.03 percent to \$HK0.119 per share

Challenger Group Holdings Ltd (Code: 8203)

Up 22.58 percent to \$HK0.76 per share

Enviro Energy International Holdings Ltd (Code:  
8182)

Up 15.22 percent to \$HK0.265 per share

China Chief Cable TV Group Ltd (Code: 8153)

Up 4.48 percent to \$HK0.70 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Challenger Group Holdings Ltd	8203	22.58		0.76
DIGITALHONGKONG.COM	8007		31.87	0.62
Enviro Energy International Holdings Ltd	8182	15.22		0.265
Era Information and Entertainment Ltd	8043	34.38		0.43
G.A. Holdings Ltd	8126	23.33		0.37
GreaterChina Technology Group Ltd	8032	12.64		0.098
Global Solution Engineering Ltd	8192		10.48	0.205
HC International Incorporated	8292		16.67	0.55
Jian ePayment Systems Ltd	8165	15.56		0.26
Netel Technology (Holdings) Ltd	8256	13.21		0.12

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

The Hang Seng Index Plus 0.68 percent  
The Growth Enterprise Index Minus 1.11 percent

In Japan, it was another day of losses for investors, locked into the country's 3 equity markets.

On The Tokyo Stock Exchange, which is the premier equity market of the country, its TOPIX Index shed about 1.37 percent, dropping back to 1,356.74 points.

Declining counters outran advancing ones by the ratio of about 3.50:One.

The Nikkei-225 Stock Average lost about 1.33 percent, ending the week at 13,942.08 yen.

The tally for the week for The Tokyo Stock Exchange was:

The TOPIX Index          Minus 1.08 percent  
The Nikkei-225 Stock Average Minus 0.23 percent

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

The HKSAR	Hang Seng Index Minus 0.23 percent to 22,745.60 The Growth Enterprise Index Plus 0.19 percent to 828.08
Indonesia	Minus 0.05 percent to 2,371.78
Japan	TOPIX Index Minus 1.37 percent to 1,356.74 Nikkei-225 Stock Average Minus 1.33 percent to 13,942.08
Malaysia	Plus 0.86 percent to 1,206.67
The Philippines	Minus 0.54 percent to 2,578.57
The PRC	Shanghai Composite Index Plus 3.01 percent to 2,831.74 Shenzhen Composite Index Plus 1.82 percent to 794.75
Singapore	Plus 0.31 percent to 3,001.81
South Korea	Minus 0.56 percent to 1,731.00
Taiwan	Minus 1.81 percent to 7,902.44
Thailand	Plus 3.56 percent to 768.90

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