

FINANCIAL STOCKS TAKE A POUNDING ON INTERNATIONAL EQUITY MARKETS

Tropical Storm Dolly entered The Gulf of Mexico, the home of about 25 percent of all of the oil refining in the US and about 15 percent of all of the natural gas output in the US.

And the price of crude oil rose materially on international commodity markets.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in August came in at \$US131.04, up about 1.68 percent, compared with the final quote of Friday, July 18, 2008.

As for delivery in September, the last settlement for a barrel of light sweet crude oil was \$US131.82, representing an increase of about 1.82 percent on the last settlement of the previous Friday.

The fears of investors were that Tropical Storm Dolly could strengthen and become a fully fledged hurricane – wind speed of 74 miles per hour and more.

The US National Hurricane Centre had warned of the likelihood of this transpiring by Tuesday and, if that forecast is anywhere near the mark, this US Government Department stated, there was the probability that output of some coastal oil refineries could be affected before the week was out.

The increase in the price of crude oil took its toll of investor confidence on the world's largest equity markets, but it was a slew of negative corporate results that did the most damage.

Even so, the key indices on both The New York Stock Exchange and The NASDAQ were only off by fractions by the close of the day.

Investors were, clearly, wary of making any new financial commitments, preferring to wait it out in order to plot the course of the first, major tropical storm of the season.

On The New York Stock Exchange, the Dow Jones Industrial Average fell 29.33 points, equivalent to about one quarter of a percentage point, ending the trading day at 11,467.34 points.

The Composite Index of The NASDAQ slid back to 2,279.53 points, representing a fall of just 3.25 points, or about 0.14 percent.

The ratio of advancing counters to declining ones was about 2:One on The New York Stock Exchange and about 1.33:One on The NASDAQ.

News Wise

- Bank of America Corporation reported its fourth, consecutive quarterly decline in profits. The largest retail bank in the US reported a second-quarter Loss Attributable to Shareholders of about \$US3.41 billion, down about 41 percent, Year-On-Year; and,
- **American Express Company**, the fourth-largest, credit-card issuer in the US, reported second-quarter Profit Attributable to Shareholders of about \$US653 million, equivalent to a fall of about 38 percent, Year-On-Year.

In Europe, all of the key indices of the major bourses of the region made gains, albeit, for the most part, fractional gains.

There appeared to be little logic behind the mild buying spree on equity markets in this part of the world, but investors were said, in the main, to be of the opinion that things were on a path to settle down: The worst was over.

(One could, almost, hear the daily incantations.)

This was how the key indices of the most-important equity markets of the region fared, last Monday:

Amsterdam's AEX Index	Plus	1.11 percent
France's CAC 40 Index	Plus	0.64 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.66 percent
Great Britain's FTSE 100 Index	Plus	0.51 percent
Italy's MIBTEL Index	Plus	0.65 percent
Switzerland's Swiss Market Index	Plus	0.45 percent

In Asia, there were only gainers – with one exception – as the key indices of the most-important equity markets of the most-populous part of the world rose, substantially.

Japan was closed for a holiday.

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

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index gained about 3.01 percent, rising to 22,532.90 points on a Total Turnover of about \$HK69.64 billion.

The ratio of advancing counters to declining ones was about 2.74:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 4.08 percent to \$HK124.90 per share
China Life Insurance Company Ltd (Code: 2628)	Up 5.35 percent to \$HK29.55 per share
China Mobile Ltd (Code: 941)	Up 2.21 percent to \$HK106.50 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 2.34 percent to \$HK5.68 per share
China Construction Bank Corporation (Code: 939)	Up 2.62 percent to \$HK6.65 per share

PetroChina Company Ltd (Code: 857)

Up 2.19 percent to \$HK10.26 per share

Bank of China Ltd (Code: 3988)

Up 1.77 percent to \$HK3.45 per share

CNOOC Ltd (Code: 883)

Up 0.67 percent to \$HK11.96 per share

Sun Hung Kai Properties Ltd (Code: 16)

Up 5.90 percent to \$HK118.40 per share

China Petroleum and Chemical Corporation (Code:
386)

Up 3.34 percent to \$HK7.74 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
APT Satellite Holdings Ltd	1045	10.40		1.38
Bio-Dynamic Group Ltd	39		11.27	0.63
C Y Foundation Group Ltd	1182	11.67		0.335
China HealthCare Holdings Ltd	673	12.20		0.46
China Metal International Holdings Incorporated	319	21.79		1.90
CNT Group Ltd	701	13.92		0.18
Co-Prosperity Holdings Ltd	707	10.71		0.31
Dynamic Global Holdings Ltd	231		16.88	0.064
Fulbond Holdings Ltd	1041	10.53		0.042
Galaxy Semi-Conductor Holdings Ltd	527		14.29	0.48
Kin Yat Holdings Ltd	638	10.76		1.75
Lo's Enviro-Pro Holdings Ltd	309	28.26		0.295
Mandarin Entertainment (Holdings) Ltd	9	17.86		0.33
Pak Tak International Ltd	2668	25.00		0.35
Peace Mark (Holdings) Ltd	304	15.18		4.40

Sino-Tech International Holdings Ltd	724	17.65		0.20
Sun Innovation Holdings Ltd	547	15.00		0.115
Tanrich Financial Holdings Ltd	812	11.11		0.50
Uni-Bio Science Group Ltd	690	16.42		0.234
Xin Corporation Ltd	1141	13.55		0.243
Yun Sky Chemical (International) Holdings Ltd	663		11.29	0.11

Over on The **Growth Enterprise Market (The GEM)** of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index rose about 1.78 percent to 764.10 points.

The Total Turnover rose to about \$HK337.54 million, while the ratio of gainers to losers was about 1.42:One.

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

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

Up 12.17 percent to \$HK1.29 per share

Global Solution Engineering Ltd (Code: 8192)

Up 44.58 percent to \$HK0.60 per share

B M Intelligence International Ltd (Code: 8158)

Unchanged at \$HK0.31 per share

BIG Media Group Ltd (Code: 8167)

Down 3.33 percent to \$HK0.435 per share

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

Down 1.00 percent to \$HK9.90 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Leason Investment Group Company Ltd	8270		10.14	0.62
Emcom International Ltd	8220		17.95	0.032
Enviro Energy International Holdings Ltd	8182	10.61		0.365
Espco Technology Holdings Ltd	8299		11.45	0.116
Excel Technology International Holdings Ltd	8048		11.39	0.07

Goldmond Holdings Ltd	8190	11.11		0.08
Global Solution Engineering Ltd	8192	44.58		0.60
Intelli-Media Group (Holdings) Ltd	8173	12.17		1.29
Launch Tech Company Ltd	8196	11.11		0.60
Lee's Pharmaceutical Holdings Ltd	8221	20.00		0.42
Linefan Technology Holdings Ltd	8166	13.51		0.84
Long Success International (Holdings) Ltd	8017	13.95		0.049
M Dream Inworld Ltd	8100		10.00	0.405
Shenzhen Neptunus Interlong Bio-technique Company Ltd	8329		11.50	1.00
ThinSoft (Holdings) Incorporated	8096	24.00		1.24
Vodatel Networks Holdings Ltd	8033		13.24	0.118

Although the equity markets of Japan were closed for a public holiday, last Monday, the following financial news was released:

- Property developer **Zephr Company** has filed for bankruptcy protection in the Tokyo District Court with debts of about ¥97.90 billion;
- Sumitomo Mitsui Financial Group Incorporated** has spent about £500 million in purchasing 169 million shares in the Issued and Fully Paid-Up Share Capital of **Barclays plc**, the fourth-largest bank in the United Kingdom; and,
- Sales at **Japan's departmental stores** fell by about 2.80 percent, during the 6 months, ended June 30, 2008, on a Year-To-Year basis, according to The Japan Department Stores Association.

This was how the key indices of other Asian equity markets ended, last Monday night:

The HKSAR	Hang Seng Index Plus 3.01 percent to 22,532.90 The Growth Enterprise Index Plus 1.78 percent to 764.10
Indonesia	Plus 2.52 percent to 2,195.07
Japan	TOPIX Index Closed Nikkei-225 Stock Average Closed

Malaysia	Minus 0.14 percent to 1,103.48
The Philippines	Plus 1.13 percent to 2,416.62
The PRC	Shanghai Composite Index Plus 2.99 percent to 2,861.42 Shenzhen Composite Index Plus 3.41 percent to 852.77
Singapore	Plus 2.51 percent to 2,919.21
South Korea	Plus 3.51 percent to 1,562.92
Taiwan	Plus 3.97 percent to 7,085.67
Thailand	Plus 3.43 percent to 687.30

Tuesday

Tropical Storm Dolly intensified into a Category One Hurricane, last Tuesday, as had been predicted by The National Hurricane Centre.

It had established itself in The Gulf of Mexico and appeared to be moving toward the US-Mexican border.

While the track of Hurricane Dolly was on a near-collision course with some of the oil refineries in Texas, it was not considered very likely that this storm would affect any oil refining, materially.

With this threat, seemingly, no longer an imminent danger to oil refining in The Gulf, the price of crude oil on international commodity exchanges fell back.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in August was \$US127.95, down about 2.36 percent, compared with Monday's closing level.

As for delivery in September, the last settlement for a barrel of light sweet crude oil came in at \$US128.42, down about 2.58 percent on Monday's close.

On Wall Street, while there was no shortage of negative news from corporations, listed on the world's largest equity markets, in the parlance of the oil barons of the deep sound of the US, it was no nevermind.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 135.16 points, or about 1.18 percent, ending the trading day at 11,602.50 points.

Over on The NASDAQ, its Composite Index put on 24.43 points, equivalent to about 1.07 percent, running up to 2,303.96 points.

Gainers ran ahead of losers by the ratio of about 2:One on both markets.

During the height of the trading day on The New York Stock Exchange, there were some very material downward movements in the share prices of certain counters, such as American Express Company whose share price dropped 7.10 percent.

American Express Company is a constituent stock of The Dow.

(Please see Monday's report for more about American Express Company)

For many investors, such a huge, downward movement was worrying.

News Wise

- **SemGroup LP** , formerly the twelfth-largest, private company in the US, declared itself to be insolvent, following a \$US3.20-billion, oil-trading loss;
- **Wachovia Corporation** has reported an \$US8.86-billion Loss Attributable to Shareholders in respect of its second quarter for the 2008 Financial Year. Wachovia Corporation is the fourth-largest bank in the US;
- **Washington Mutual Incorporated** announced a \$US3.30-billion Loss Attributable to Shareholders in respect of the second quarter of its 2008-Year;
- **UAL Corporation** , the parent company of United Airlines, reported a \$US2.70-billion Loss Attributable to Shareholders in respect of the second quarter of its 2008-Year; and,
- **US Airways Group Incorporated** announced that it has suffered a Loss Attributable to Shareholders of about \$US567 million for its second quarter of 2008.

In Europe, the key indices of the most-important bourses moved only by fractions in the main.

Banking counters came in for a bit of drubbing, following poor financial results from US banks, such as Wachovia Corporation, American Express, et al.

Lowers oil prices, internationally, which to most investors should have been considered positive news, did not turn out that way due to confirmation that one of the biggest oil traders in the US, SemGroup LP, was on the balls of its proverbial arse, having declared itself insolvent.

This was how the key indices of the biggest and most-influential bourses fared, last Tuesday:

Amsterdam's AEX Index	Minus 0.03 percent
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France's CAC 40 Index	Unchanged
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Germany's Frankfurt XETRA DAX Index	Plus 0.27 percent
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Great Britain's FTSE 100 Index	Minus 0.74 percent
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Italy's MIBTEL Index	Plus 0.07 percent
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Switzerland's Swiss Market Index	Plus 0.93 percent
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On Asian equity markets, their key indices were marked by fractional changes, only, with the exception of the 3 equity markets of Japan, whose doors were opened for the first time, last Tuesday, Monday, having been a national holiday.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key indices of the territory's 2 equity markets were flat, compared with Monday's closing level, by the end of the trading day.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index shed about 0.02 percent, ending the day at 22,527.48 points on a Total Turnover of about \$HK51.93 billion.

The ratio of declining counters to advancing ones was about 1.18:One.

The Ten Most Active counters were:

China Life Insurance Company Ltd (Code: 2628)	Down 0.17 percent to \$HK29.50 per share
HSBC Holdings plc (Code: 5)	Down 0.08 percent to \$HK124.80 per share
China Mobile Ltd (Code: 941)	Up 0.38 percent to \$HK106.90 per share
China Construction Bank Corporation (Code: 939)	Up 0.60 percent to \$HK6.69 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 0.35 percent to \$HK5.70 per share
PetroChina Company Ltd (Code: 857)	Up 0.19 percent to \$HK10.28 per share
CNOOC Ltd (Code: 883)	Up 0.67 percent to \$HK12.04 per share
China Petroleum and Chemical Corporation (Code: 386)	Unchanged at \$HK7.74 per share
Lenovo Group Ltd (Code: 992)	Down 5.02 percent to \$HK5.30 per share
Bank of China Ltd (Code: 3988)	Up 0.58 percent to \$HK3.47 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		10.87	1.23
China Metal International Holdings Incorporated	319		15.79	1.60
Culturecom Holdings Ltd	343	12.20		0.092
Galaxy Semi-Conductor Holdings Ltd	527	18.75		0.57
Hopefluent Group Holdings Ltd	733	12.78		3.00

Jiahua Stores Holdings Ltd	602	11.54		0.58
Jolimark Holdings Ltd	2028		11.86	0.26
Kantone Holdings Ltd	1059	11.86		0.66
MAE Holdings Ltd	851	17.53		0.57
Magician Industries (Holdings) Ltd	526	13.64		0.375
Mandarin Entertainment (Holdings) Ltd	9		12.12	0.29
MAXX Bioscience Holdings Ltd	512	13.64		0.25
Peace Mark (Holdings) Ltd	304	13.18		4.98
Polytec Asset Holdings Ltd	208		11.92	1.33
Premium Land Ltd	164		14.81	0.46
RBI Holdings Ltd	566		11.86	0.52
Recruit Holdings Ltd	550		10.42	0.86
REXCAPITAL Financial Holdings Ltd	555		16.95	0.49
Same Time Holdings Ltd	451		17.91	2.20
Sino Gold Mining Ltd	1862	12.20		46.00
Sino Union Petroleum and Chemical International Ltd	346		11.94	1.18
Semiconductor Manufacturing International Corporation	981	10.98		0.455
South China (China) Ltd	413	11.63		0.48
Sun Innovation Holdings Ltd	547		13.04	0.10
Tidetime Sun (Group) Ltd	307	13.64		0.125
Uni-Bio Science Group Ltd	690	15.38		0.27
Wang On Group Ltd	1222	11.67		0.067

Zhongtian International Ltd	2379		10.53	0.255
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On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Market ended the day at 764.11 points, a gain of about 0.001, compared with Monday's close.

The Total Turnover was about \$HK533.49 million.

The ratio of losing counters to gaining ones was about 1.30:One.

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

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

Down 20.93 percent to \$HK1.02 per share

BIG Media Group Ltd (Code: 8167)

Up 14.94 percent to \$HK0.50 per share

Global Solution Engineering Ltd (Code: 8192)

Up 5.00 percent to \$HK0.63 per share

Inspur International Ltd (Code: 8141)

Up 1.01 percent to \$HK1.00 per share

Town Health International Holdings Company Ltd
(Code: 8138)

Down 2.59 percent to \$HK0.113 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
BIG Media Group Ltd	8167	14.94		0.50
Bio Cassava Technology Holdings Ltd	8129	12.90		0.07
First Mobile Group Holdings Ltd	8110		10.83	0.107
HC International Incorporated	8292		11.76	0.60
iMerchants Ltd	8009	10.98		0.455
International Elite Ltd	8313	17.02		0.55
Intelli-Media Group (Holdings) Ltd	8173		20.93	1.02
Long Success International (Holdings) Ltd	8017	12.24		0.055
Sau San Tong Holdings Ltd	8200	17.89		0.112
Sonavox International Holdings Ltd	8226		10.00	0.18

ThinSoft (Holdings) Incorporated	8096		12.90	1.08
Thiz Technology Group Ltd	8119		10.00	0.063
Trasy Gold Ex Ltd	8063	25.00		0.02

On The Tokyo Stock Exchange, the first day of trading of the week got off to a wave of buyers, pushing up the key indices of this, the largest equity market of Asia.

The TOPIX Index rose 35.31 points, equivalent to about 2.82 percent, rushing up to 1,287.74 points.

Advancing counters outnumbered declining ones by the ratio of about 5.43: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 The TOPIX Index, gained 381.26 yen, or about 2.98 percent, ending the day at 13,184.96 yen.

News Wise

- **Chugai Pharmaceutical Company** announced that its Net Profit Attributable to Shareholders in respect of the first half of its Financial Year fell by about 10 percent, Year-On-Year. The company, which is owned and controlled by **Roche Holding AG**, said that its Net Profit had come in at about ¥18.90 billion, down from about ¥21.10 billion for the like period in 2007; and,
- The Government of Japan has lowered its **economic forecast** for the year for the second-largest economy of the world. The Cabinet Office announced that it sees real economic growth for Fiscal 2008 at about 1.30 percent, down from the previous forecast of about 2 percent.

In other Asian equity markets, this was how their respective key indices ended, last Tuesday:

The HKSAR	Hang Seng Index Minus 0.02 percent to 22,527.48 The Growth Enterprise Index Plus 0.001 percent to 764.11
Indonesia	Plus 0.81 percent to 2,212.75
Japan	TOPIX Index Plus 2.82 percent to 1,287.74 Nikkei-225 Stock Average Plus 2.98 percent to 13,184.96
Malaysia	Plus 0.55 percent to 1,109.57
The Philippines	Minus 0.27 percent to 2,409.98
The PRC	Shanghai Composite Index Minus 0.53 percent to 2,846.12 Shenzhen Composite Index Plus 0.24 percent to 854.83
Singapore	Minus 0.98 percent to 2,890.66

South Korea	Minus 0.11 percent to 1,561.23
Taiwan	Minus 0.28 percent to 7,065.65
Thailand	Minus 0.75 percent to 682.15

Wednesday

Hurricane Dolly was upgraded from a Category One storm to a Category Two Storm, then, it struck the Mexico-Texas coast, causing power cuts and flooding.

And, then, it was downgraded to a Category One storm and, then ... the danger passed: The storm did not disrupt refineries' operations in its path, after all.

And, then, the price of crude oil on international commodity exchanges fell back.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in September – the new, near month – was \$US124.44, down about 3.10 percent on Tuesday's closing level.

(Last Tuesday was the last day in trading in oil-futures' contracts for the month of August.)

For delivery in October, the last settlement for a barrel of light sweet crude oil was \$US125.04.

In addition to the removal (by natural causes) of the approach of Hurricane Dolly in the Texas-Mexico border region, another factor that helped to bring down the price of crude oil on international commodity exchanges was a report from the US Government's Energy Department.

It showed that stockpiles of petrol grew by about 2.90 million barrels for the week, ended July 18, 2008.

People in the US, clearly, are not using their vehicles as much as before, probably due to the increase in the price of petrol at the pumps.

On Wall Street, the key indices rose, but not very spectacularly.

On The New York Stock Exchange, the Dow Jones Industrial Average recorded a gain of about 0.26 percent as investors nudged it up to 11,632.38 points.

Over on The NASDAQ, its Composite Index put on about 0.95 percent to end the trading day at 2,325.88 points.

The ratio of advancing counters to declining ones was about 1.66:One on The New York Stock Exchange and about 1.33:One on The NASDAQ.

Wall Street investors received a bit of fillip, last Wednesday, when the US House of Representatives passed a housing rescue Bill, permitting the US Government to assist homeowners in dire straits with cheap money.

The Bill still has to be passed by the US Senate, however.

In Europe, noting that which had taken place on Wall Street, investors in this part of the world took heart: Up went the key indices on the most-important bourses of the region:

Amsterdam's AEX Index Plus 1.29 percent

France's CAC 40 Index	Plus	1.88 percent
Germany's Frankfurt XETRA DAX Index	Plus	1.44 percent
Great Britain's FTSE 100 Index	Plus	1.59 percent
Italy's MIBTEL Index	Plus	1.89 percent
Switzerland's Swiss Market Index	Plus	1.96 percent

As can be seen from **TARGET** () list of the major bourses, the gains in the key indices of the largest equity markets were quite material, unlike the situation that existed on The New York Stock Exchange.

In Asia, with the exception of the key indices of the equity markets of the People's Republic of China (PRC), it was a very happy state of affairs for equity investors who were long on stocks and shares.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, both stock markets registered gains, but it was the Main Board of The Stock Exchange of Hongkong Ltd that the real improvements were recorded.

The Hang Seng Index, which is the key index of the Main Board, rose about 2.70 percent to 23,134.55 points on a Total Turnover of about \$HK75.79 billion.

The ratio of advancing counters to declining ones was about 2.29:One.

The Ten Most Active counters were:

China Mobile Ltd (Code: 941)	Up 2.90 percent to \$HK110.00 per share
HSBC Holdings plc (Code: 5)	Up 2.96 percent to \$HK128.50 per share
China Life Insurance Company Ltd (Code: 2628)	Up 3.05 percent to \$HK30.40 per share
PetroChina Company Ltd (Code: 857)	Up 3.70 percent to \$HK10.66 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 5.30 percent to \$HK8.15 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 2.98 percent to \$HK5.87 per share
China Construction Bank Corporation (Code: 939)	Up 3.44 percent to \$HK6.92 per share
CNOOC Ltd (Code: 883)	Down 1.00 percent to \$HK11.92 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 3.80 percent to \$HK120.20 per share

China Merchants Bank Company Ltd (Code:
3968)

Up 4.56 percent to \$HK28.65 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Addchance Holdings Ltd	3344		11.43	0.93
Anhui Conch Cement Company Ltd	914	10.21		47.50
Art Textile Technology International Company Ltd	565	12.50		0.36
Asia Commercial Holdings Ltd	104	13.33		0.85
Century Legend (Holdings) Ltd	79		17.50	0.33
China Eastern Airlines Corporation Ltd	670	11.81		2.65
China Oil Resources Holdings Ltd	850	12.96		0.305
Fujian Holdings Ltd	181	11.32		0.59
Grandtop International Holdings Ltd	2309	14.04		0.325
HyComm Wireless Ltd	499		29.03	0.022
Jiahua Stores Holdings Ltd	602		13.79	0.50
Kwong Hing International Holdings (Bermuda) Ltd	1131	11.11		0.60
Lifestyle International Holdings Ltd	1212	12.97		11.50
Magnesium Resources Corporation of China Ltd	723	14.49		0.158
Mandarin Entertainment (Holdings) Ltd	9		13.79	0.25
Maoye International Holdings Ltd	848	11.76		2.09
Nam Hing Holdings Ltd	986	15.00		0.69
Peace Mark (Holdings) Ltd	304	10.04		5.48
REXCAPITAL Financial Holdings Ltd	555	16.33		0.57

South China (China) Ltd	413		12.50	0.42
Starlight International Holdings Ltd	485		13.73	0.44
Stone Group Holdings Ltd	409		12.50	0.455
Sunny Global Holdings Ltd	1094	12.70		0.71
Tidetime Sun (Group) Ltd	307	15.20		0.144
United Metals Holdings Ltd	2302	12.87		5.70
Wing On Travel (Holdings) Ltd	1189	16.30		0.157
Wo Kee Hong (Holdings) Ltd	720	16.00		0.58
World Houseware (Holdings) Ltd	713	10.30		0.182

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index put on about 0.46 percent, rising to 767.61 points.

The Total Turnover on this market was about \$HK258.03 million.

Gaining counters and losing counters were exactly even at One:One.

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

Intelli-Media Group (Holdings) Ltd (Code: 8173) Up 15.69 percent to \$HK1.18 per share

Golden Meditech Company Ltd (Code: 8180) Up 2.34 percent to \$HK2.19 per share

Town Health International Holdings Company Ltd
(Code: 8138) Up 2.65 percent to \$HK0.116 per share

Global Solution Engineering Ltd (Code: 8192) Up 3.17 percent to \$HK0.65 per share

B M Intelligence International Ltd (Code: 8158) Unchanged at \$HK0.295 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Blu Spa Holdings Ltd	8176	541.67		0.77

China Medical and Bio Science Ltd	8120		13.85	0.056
CIG Yangtze Ports PLC	8233	11.63		0.48
DIGITALHONGKONG.COM	8007		16.00	0.42
Espco Technology Holdings Ltd	8299		10.81	0.099
Essex Bio-Technology Ltd	8151	10.42		0.265
Everpride Biopharmaceutical Company Ltd	8019		19.84	0.101
Info Communication Holdings Ltd	8082		12.98	0.248
Intelli-Media Group (Holdings) Ltd	8173	15.69		1.18
Powerleader Science and Technology Company Ltd	8236		15.87	0.175
Prosten Technology Holdings Ltd	8026	12.07		0.65
Rojam Entertainment Holdings Ltd	8075	10.00		0.066
Shanghai Fudan Microelectronics Company Ltd	8102	17.19		0.75

On The Tokyo Stock Exchange, its TOPIX Index rose about 1.21 percent to 1,303.35 points.

Gainers outpaced losers by the ratio of about 3.28:One.

The Nikkei-225 Stock Average advanced about 0.97 percent to 13,312.93 yen.

News Wise

- **Aflac Incorporated**, the largest retailer of supplemental health insurance in the world, announced that its second-quarter, Net Profit Attributable to Shareholders was \$US483 million, up about 16.39 percent, Year-On-Year. Two factors, assisting in the improvement of the company's Bottom Line for the second quarter, were: (a) A stronger yen vis-à-vis the US dollar; and, (b) A material boost in sales of policies via the cooperation of Japanese banks, the company said.

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

The HKSAR	Hang Seng Index Plus 2.70 percent to 23,134.55 The Growth Enterprise Index Plus 0.46 percent to 767.61
Indonesia	Plus 0.59 percent to 2,225.84
Japan	TOPIX Index Plus 1.21 percent to 1,303.35 Nikkei-225 Stock Average

	Plus 0.97 percent to 13,312.93
Malaysia	Plus 2.69 percent to 1,139.41
The Philippines	Plus 2.20 percent to 2,462.94
The PRC	Shanghai Composite Index Minus 0.29 percent to 2,837.85 Shenzhen Composite Index Minus 1.02 percent to 846.10
Singapore	Plus 3.06 percent to 2,978.98
South Korea	Plus 1.96 percent to 1,591.76
Taiwan	Plus 3.46 percent to 7,309.83
Thailand	Plus 1.76 percent to 694.14

Thursday

A raft of dramatic – and very negative – news rocked investors, locked into the largest equity markets of the world, last Thursday:

- a. Ford Motor Company announced an \$US8.70-billion, Loss Attributable to Shareholders in respect of its second quarter;
- b. Sales of US homes plunged by about 15.50 percent in June, compared with the like month in 2007;
- c. Claims for Unemployment Insurance by workers, pounding the streets of the US, looking for jobs, rose to the seasonally adjusted figure of 406,000 Claims; and,
- d. The price of crude oil began to rise again on international commodity exchanges.

On Wall Street, the negative news was too much for many investors: Down came the key indices of the world's largest equity markets.

On The New York Stock Exchange, the Dow Jones Industrial Average lost about 2.43 percent, dropping back to 11,349.28 points.

On The NASDAQ, its Composite Index shed about 1.97 percent as investors pulled it down to 2,280.11 points.

The ratio of losing counters to gaining ones was about 4:One on The New York Stock Exchange and about 2:One on The NASDAQ.

Financial counters took a beating as the following **TARGET** list illustrates:

Fannie Mae	Down 20 percent
Freddie Mac	Down 18.40 percent
Citigroup Incorporated	Down 9.80 percent

The Goldman Sachs Group Incorporated	Down 4.10 percent
Washington Mutual Incorporated	Down 13.30 percent
Merrill Lynch and Company Incorporated	Down 14 percent
Lehman Brothers Holdings Incorporated	Down 12 percent
JPMorgan Chase and Company	Down 5.90 percent

Ford Motor Company announced to its shareholders that its second-quarter losses were more than had been anticipated by Management and investors responded to the announcement – by selling Ford scrip in huge quantities, bringing the share price of the second-largest, motor-vehicle manufacturer in the US to \$US5.11, off about 15.30 percent on the day.

The company reported a second quarter Loss Attributable to Shareholders of about \$US8.70 billion, which compared with the like period in 2007 when there was a Net Profit Attributable to Shareholders of about \$US750 million.

From the US National Association of Realtors (NAR) came a report that indicated, clearly, that the US housing problems persisted, with no suggestion of a bottom in sight.

Further, the NAR said that forced sales of homes – repossessions, in the main – accounted for about one third of all home sales, during the month of June.

The NAR pointed out that there was a dire shortage of first-time buyers of homes.

It was a 10-year low for home sales for any month in the world's largest economy.

From the US Labour Department, it was reported that, for the week, ended July 19, 2008, Unemployment Insurance Claims rose to 406,000 Claims, up from the revised figure of about 372,000 Claims in the week, ended July 12, 2008.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in September came in at \$US125.49, representing an increase of about 0.84 percent on Wednesday's close.

As for delivery in October, the last settlement for a barrel of light sweet crude oil was \$US125.97, an increase of about 0.74 percent on the day.

In Europe, the key indices of the most-important bourses fell – and fell with a thud:

Amsterdam's AEX Index	Minus 2.15 percent
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France's CAC 40 Index	Minus 1.37 percent
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Germany's Frankfurt XETRA DAX Index	Minus 1.45 percent
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Great Britain's FTSE 100 Index	Minus 1.60 percent
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Italy's MIBTEL Index	Minus 1.06 percent
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Switzerland's Swiss Market Index	Minus 0.01 percent
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In this part of the world, the drubbing was for motor-vehicle manufacturers.

This followed multiple announcements that things were not very promising for this industry for the remainder of the year.

Renault S.A., the sixth-largest producer of motor vehicles in Europe, announced that it was scaling back production, following weak sales in Spain, Italy and the United Kingdom.

The manufacturer, also, said that it would be sacking about 5,000 of its workforce.

The share price of Renault dropped about 3.40 percent on the news.

Other motors followed Renault's lead with material losses in their share prices.

In Asia, nobody had told equity investors what was about to transpire on Wall Street and on European bourses when they started trading and so investors of the most-populous part of the world went their merry way, completely disregarding the warning signals with regard to the poor economic situation in The Land of The Free and The Home of The Brave.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), trading was relatively quiet with the key indices of the 2 equity markets of the territory, slipping fractionally.

On The Stock Exchange of Hongkong Ltd, The Hang Seng Index, which is a key gauge of trading in blue chips, listed on the Main Board, shed about 0.20 percent to 23,087.72 points on a Total Turnover of about \$HK77.25 billion.

The ratio of losing counters to gaining ones was about 1.04:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 0.86 percent to \$HK129.60 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 0.34 percent to \$HK5.85 per share
China Mobile Ltd (Code: 941)	Down 0.18 percent to \$HK109.80 per share
China Life Insurance Company Ltd (Code: 2628)	Unchanged at \$HK30.40 per share
China Construction Bank Corporation (Code: 939)	Unchanged at \$HK6.92 per share
CNOOC Ltd (Code: 883)	Down 2.18 percent to \$HK11.66 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 3.58 percent to \$HK124.50 per share
China Merchants Bank Company Ltd (Code: 3968)	Up 0.70 percent to \$HK28.85 per share
PetroChina Company Ltd (Code: 857)	Down 1.50 percent to \$HK10.50 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 0.86 percent to \$HK8.08 per share

The biggest, Main Board movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Addchance Holdings Ltd	3344	12.90		1.05
AV Concept Holdings Ltd	595		13.04	0.40
Buildmore International Ltd	108		13.33	2.60
First Tractor Company Ltd	38	14.81		1.86
Grandtop International Holdings Ltd	2309		10.77	0.29
Galaxy Semi-Conductor Holdings Ltd	527		12.28	0.50
Jolimark Holdings Ltd	2028	48.15		0.40
Luk Fook Holdings (International) Ltd	590	11.62		4.42
Pacific Plywood Holdings Ltd	767		17.57	0.061
Rising Development Holdings Ltd	1004	15.19		0.182
Sino-Tech International Holdings Ltd	724		11.28	0.173
Smart Union Group (Holdings) Ltd	2700	20.00		0.33
Unity Investments Holdings Ltd	913	14.00		0.057
Veeko International Holdings Ltd	1173	14.76		0.241
Willie International Holdings Ltd	273	29.03		0.08
Wing On Travel (Holdings) Ltd	1189		20.38	0.125
Wo Kee Hong (Holdings) Ltd	720		10.34	0.52

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gave up about 0.47 percent, ending the trading day at 764.00 points, exactly.

Declining counters outdistanced advancing ones by the ratio of about 1.30:One.

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

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

Unchanged at \$HK1.18 per share

Town Health International Holdings Company
Ltd (Code: 8138)

Unchanged at \$HK0.116 per share

Golden Meditech Company Ltd (Code: 8180)

Up 3.20 percent to \$HK2.26 per share

China Information Technology Development Ltd
(Code: 8178)

Down 13.36 percent to \$HK0.214 per share

Global Solution Engineering Ltd (Code: 8192)

Down 7.69 percent to \$HK0.60 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CCID Consulting Company Ltd	8235	12.58		0.17
China Information Technology Development Ltd	8178		13.36	0.214
Emcom International Ltd	8220	12.90		0.035
Espco Technology Holdings Ltd	8299	14.14		0.113
FlexSystem Holdings Ltd	8050		10.74	0.241
ITE (Holdings) Ltd	8092		13.75	0.069
North Asia Strategic Holdings Ltd	8080	11.11		0.80
Palmpay China (Holdings) Ltd	8047	12.86		0.395
Qianlong Technology International Holdings Ltd	8015	11.11		0.60
Shanghai Fudan Microelectronics Company Ltd	8102		12.00	0.66
Tai Shing International (Holdings) Ltd	8103	11.67		0.335
Tianjin TEDA Biomedical Engineering Company Ltd	8189		10.00	0.18
ThinSoft (Holdings) Incorporated	8096		11.00	0.89

On The Tokyo Stock Exchange, its TOPIX Index rose about 2.24 percent to 1,332.57 points.

Gainers outpaced losers by the ratio of about 11.25:One.

The Nikkei-225 Stock Average rose about 2.18 percent to 13,603.31 yen.

News Wise

- The **Finance Ministry** of the Government of Japan announced that **exports** fell in June, for the first time in the previous 55 months. Demand for Japanese-produced motor vehicles and electronics waned, appreciably, one was told. In short, the economy of the second-largest economy of the world is in rapid decline. The Finance Ministry said that the June decline was about 1.70 percent, compared with the like period in 2007; and,
- **Canon Incorporated** announced a Net Profit Attributable to Shareholders with regard to the company's second quarter. The figure amounted to a drop of about 13 percent, Year-On-Year. The Bottom Line for the 3 months, ended June 30, 2008, came in at ¥107.84 billion.

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

The HKSAR	Hang Seng Index Minus 0.20 percent to 23,087.72 The Growth Enterprise Index Minus 0.47 percent to 764.00
Indonesia	Plus 1.40 percent to 2,257.05
Japan	TOPIX Index Plus 2.24 percent to 1,332.57 Nikkei-225 Stock Average Plus 2.18 percent to 13,603.31
Malaysia	Plus 0.19 percent to 1,141.59
The Philippines	Plus 2.96 percent to 2,535.91
The PRC	Shanghai Composite Index Plus 2.55 percent to 2,910.29 Shenzhen Composite Index Plus 2.43 percent to 866.64
Singapore	Minus 0.04 percent to 2,977.91
South Korea	Plus 2.16 percent to 1,626.14
Taiwan	Plus 0.80 percent to 7,368.08
Thailand	Minus 0.38 percent to 691.48

Friday

The price of crude oil on international commodity exchanges fell back, once again, last Friday.

Investors expressed a collective sigh of relief, no doubt, because just about every airline, shipping company, cruise line, and land-transportation company in the world has rang the bell of lower earnings.

For some airlines, they have stopped flying, completely.

The price of this strategic commodity has been a drag on equities for many long months and the fact that it has come off its record-setting high appeared, for some investors, to be cause for re-evaluation of the economies of some countries and certain publicly listed companies, in addition to airlines.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in September came in at \$US123.26, down about 1.78 percent on Thursday's close.

As for delivery in October, the last settlement for a barrel of light sweet crude oil was \$US123.82, representing a one-day fall of about 1.71 percent.

On Wall Street, things appeared to look a little better, following Thursday's plunging share and stock prices.

On The New York Stock Exchange, the Dow Jones Industrial Average rose about 0.19 percent to 11,370.69 points.

The Composite Index of The NASDAQ gained about 1.33 percent, ending the trading day at 2,310.53 points.

However, financial counters continued to take a bit of a pounding, nevertheless: Wachovia Corporation lost about 7.60 percent; Bank of America Corporation was forced to give up about 3.50 percent of its market capitalisation; and, Citigroup Incorporated shed 1.10 percent.

The share prices of Fannie Mae and Freddie Mac, the 2 biggest, mortgage-lending entities in the world, continued to fall even though the US Government had agreed to bankroll the duo.

Fannie Mae's share price lost about 3.90 percent and Freddie Mac's share price gave up about 6.10 percent.

News Wise

- The number of US homes in **foreclosure** more than doubled for the quarter, ended June 30, 2008, compared with the like quarter in 2007. According to statistics, one in every 171 US households is in the process of losing their prized possession: The roof over their head. This is an increase, Year-On-Year, of about 121 percent.

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

The Dow Jones Industrial Average Minus 1.10 percent
The Composite Index of The NASDAQPlus 1.22 percent

In Europe, it was something of a mixed bag for investors, locked into the biggest and most-important bourses of the region.

Finance houses, such as UBS AG, continued to be hit as investors appeared to have lost faith in a great number of them.

The share price of USB AG, for instance, was off by about 6.10 percent.

This followed a report that Switzerland's Number One bank was facing a lawsuit from the State of New York for what boils down to fraud.

This was how the situation looked at the end of last Friday's trading day on the largest equity markets of Europe:

Amsterdam's AEX Index Minus 0.22 percent

France's CAC 40 Index Plus 0.67 percent

Germany's Frankfurt XETRA DAX IndexMinus 0.06 percent

Great Britain's FTSE 100 Index Minus 0.18 percent

Italy's MIBTEL Index Plus 0.23 percent

Switzerland's Swiss Market Index Minus 0.59 percent

Asia's biggest equity markets were marked with steep losses, last Friday.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the premier equity market – the Main Board of The Stock Exchange of Hongkong Ltd – saw its Hang Seng Index take a bit of a dive, while the speculative equity market – The **Growth Enterprise Market (The GEM)** of The Stock Exchange of Hongkong Ltd – managed to chalk up a small fractional gain.

The gauge to trading in blue chips, listed on the Main Board of The Stock Exchange of Hongkong Ltd, known as The Hang Seng Index, ended last Friday's trading session at 22,740.71 points.

That was a fall of about 1.50 percent, compared with Thursday's close.

The Total Turnover was about \$HK61.39 billion, while the ratio of losers to gainers was about 3.34:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5) Down 1.00 percent to \$HK128.30 per share

China Mobile Ltd (Code: 941) Down 2.28 percent to \$HK107.30 per share

China Life Insurance Company Ltd (Code: 2628) Down 2.14 percent to \$HK29.75 per share

CNOOC Ltd (Code: 883) Down 3.60 percent to \$HK11.24 per share

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

Down 1.20 percent to \$HK5.78 per share

China Construction Bank Corporation (Code: 939) Down 1.01 percent to \$HK6.85 per share

China Shenhua Energy Company Ltd (Code: 1088) Down 6.73 percent to \$HK29.10 per share

PetroChina Company Ltd (Code: 857) Down 3.05 percent to \$HK10.18 per share

Hongkong Exchanges and Clearing Ltd (Code: 388) Down 3.21 percent to \$HK120.50 per share

China Petroleum and Chemical Corporation
(Code: 386)

Down 1.36 percent to \$HK7.97 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Beijing Media Corporation Ltd	1000	11.47		3.79
Buildmore International Ltd	108	11.54		2.90
China Golden Development Holdings Ltd	162	13.04		0.39
Dore Holdings Ltd	628	10.42		0.265
eSun Holdings Ltd	571		10.56	1.61
Henry Group Holdings Ltd	859	11.39		0.88
HyComm Wireless Ltd	499		10.00	0.018
Jolimark Holdings Ltd	2028	10.00		0.44
MAXX Bioscience Holdings Ltd	512	11.54		0.29
Melco International Development Ltd	200		10.00	5.13
Radford Capital Investment Ltd	901	16.67		0.49
Tai-I International Holdings Ltd	1808		11.59	0.61
UBA Investments Ltd	768	13.33		0.085
Unity Investments Holdings Ltd	913	15.79		0.066
Wing On Travel (Holdings) Ltd	1189		13.60	0.108

On The GEM, its Growth Enterprise Index rose about one tenth of a percentage point, ending the day at 764.76 points.

The Total Turnover on this speculative equity market was about \$HK228.25 million.

Declining counters outnumbered advancing ones by the ratio of about 2.30:One.

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

China LotSynergy Holdings Ltd (Code: 8161) Up 14.75 percent to \$HK0.35 per share

Intelli-Media Group (Holdings) Ltd (Code: 8173) Down 5.08 percent to \$HK1.12 per share

BIG Media Group Ltd (Code: 8167) Up 2.13 percent to \$HK0.48 per share

China Railway Logistics Ltd (Code: 8089) Up 11.57 percent to \$HK1.35 per share

Blu Spa Holdings Ltd (Code: 8176) Down 1.39 percent to \$HK0.71 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CCID Consulting Company Ltd	8235	10.59		0.188
China LotSynergy Holdings Ltd	8161	14.75		0.35
China Railway Logistics Ltd	8089	11.57		1.35
Dahe Media Company Ltd	8243		10.17	0.53
FlexSystem Holdings Ltd	8050	12.03		0.27
Golife Concepts Holdings Ltd	8172	17.65		0.04
ITE (Holdings) Ltd	8092	14.49		0.079
Netel Technology (Holdings) Ltd	8256		14.00	0.086
New Chinese Medicine Holdings Ltd	8085		16.44	0.61
Shanghai Jiaoda Withub Information Industrial Company Ltd	8205		13.46	0.45
Tianjin TEDA Biomedical Engineering Company Ltd	8189		11.11	0.16
Zheda Lande Scitech Ltd	8106		10.27	0.166

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

The Hang Seng Index Plus 3.96 percent
The Growth Enterprise Index Plus 1.87 percent

On The Tokyo Stock Exchange, its TOPIX Index shed about 2.57 percent to 1,298.28 points.

The ratio of losers to gainers was about 5.36:One.

The Nikkei-225 Stock Average lost about 1.97 percent of its value, ending the week at 13,334.76 yen.

For the week, the tally for Asian's largest and most-important equity market in respect of its 4-day trading week was:

The TOPIX Index Plus 3.84 percent
The Nikkei-225 Stock Average Plus 4.15 percent

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

The HKSAR	Hang Seng Index Minus 1.50 percent to 22,740.71 The Growth Enterprise Index Plus 0.10 percent to 764.76
Indonesia	Minus 0.52 percent to 2,245.34
Japan	TOPIX Index Minus 2.57 percent to 1,298.28 Nikkei-225 Stock Average Minus 1.97 percent to 13,334.76
Malaysia	Plus 0.01 percent to 1,141.75
The Philippines	Minus 0.91 percent to 2,512.72
The PRC	Shanghai Composite Index Minus 1.55 percent to 2,865.10 Shenzhen Composite Index Minus 0.69 percent to 860.69
Singapore	Minus 1.85 percent to 2,922.91
South Korea	Minus 1.73 percent to 1,597.93
Taiwan	Minus 1.82 percent to 7,233.62
Thailand	Minus 0.87 percent to 685.47

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