

**CRUDE-OIL PRICES RETREAT –
WALL STREET GOES ON A BUYING SPREE –
BUT ASIAN EQUITY MARKETS CONTINUE TO LOSE TRACTION**

The price of crude oil fell on international commodity exchanges, last Monday, as it became only too apparent that, as the world's economies slowed, the requirement for energy would wane, accordingly.

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 \$US121.41, representing a fall of about 2.95 percent, compared with the final quote of Friday, August 1, 2008.

As for October delivery, the last settlement for a barrel of light sweet crude oil was \$US121.69, a drop of about 3.04 percent on the previous Friday's last settlement.

On Wall Street, the Interim Report of HSBC Holdings plc (Code: 5, Main Board, The Stock Exchange of Hongkong Ltd), Europe's largest bank, set the tone for the share prices of financials on The New York Stock Exchange and The NASDAQ: Down.

HSBC Holdings plc announced a 28-percent fall in its Net Profit Attributable to Shareholders for the 6-month period, ended June 30, 2008.

The 2008 Interim figure came in at about \$US7.72 billion, down from about \$US10.90 billion for the like, 6-month period of 2007.

The bank had been forced to write off about \$US14 billion in bad debts in respect of loans to would-be, US home-owners.

The Dow Jones Industrial Average, the key index of the world's largest and most-respected equity market, gave up 42.17 points, equivalent to about 0.37 percent, ending the trading day at 11,284.15 points.

As for The NASDAQ, its Composite Index shed 25.40 points, or about 1.10 percent, falling back to 2,285.56 points.

The ratio of losing counters to gaining ones was about 2:One on both equity markets.

The volume of trading was light.

News Wise

- **US Consumer spending** slowed in June, according to the latest statistics, coming from The US Government's Commerce Department. Adjusted for inflation, spending by consumers in the month of June was off by about 0.20 percent, Year-On-Year.

In Europe, every key index of every major bourse lost traction:

Amsterdam's AEX Index	Minus 0.51 percent
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France's CAC 40 Index	Minus 0.78 percent
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Germany's Frankfurt XETRA DAX Index Minus 0.72 percent

Great Britain's FTSE 100 Index Minus 0.64 percent

Italy's MIBTEL Index Minus 1.00 percent

Switzerland's Swiss Market Index Minus 0.88 percent

In this part of the world, falls in the prices of select commodities, especially crude oil, caused investors to scurry round, looking for a safe haven from the falling prices of equities.

The announcement by HSBC Holding plc did not help matters, at all, since it was taken to mean that all banks in every part of the world were highly suspect as equity investments.

Also, the US Federal Reserve was due to hold its Open Market Committee Meeting, the following day (last Tuesday, August 5, 2008), at which meeting, interest-rate determinations were due to be the main topic of consideration.

In Asia, every key index of every equity market lost ground, with one exception.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both of the key indices of the 2 equity markets lost ground, with the key index of the premier equity market, losing big time.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index fell by about 1.52 percent to 22,514.92 points.

The Total Turnover was about \$HK49.07 billion, down about 19 percent, compared with the previous Friday's volume of activity.

The ratio of losing counters to gaining ones was about 3.64:One.

The Ten Most Active counters were:

China Mobile Ltd (Code: 941)	Down 1.23 percent to \$HK104.50 per share
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HSBC Holdings plc (Code: 5)	Unchanged at \$HK129.40 per share
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China Life Insurance Company Ltd (Code: 2628) Down 1.66 percent to \$HK29.65 per share

Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 1.53 percent to \$HK5.81 per share
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China Mengniu Dairy Company Ltd (Code: 2319)	Down 3.39 percent to \$HK22.80 per share
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China Construction Bank Corporation (Code: 939)	Down 2.58 percent to \$HK6.80 per share
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PetroChina Company Ltd (Code: 857)	Down 0.95 percent to \$HK10.42 per share
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CNOOC Ltd (Code: 883)

Down 1.03 percent to \$HK11.52 per share

Ping An Insurance (Group) Company of China
Ltd (Code: 2318)

Down 2.59 percent to \$HK52.65 per share

Sun Hung Kai Properties Ltd (Code: 16)

Down 2.29 percent to \$HK115.30 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
A-Max Holdings Ltd	959	12.67		0.325
Advanced Semiconductor Manufacturing Corporation Ltd	3355	11.22		0.228
China Outdoor Media Group Ltd	254		12.66	0.345
Climax International Company Ltd	439	11.25		0.178
Coastal Greenland Ltd	1124		12.82	0.68
Grandtop International Holdings Ltd	2309		11.11	0.12
ITC Properties Group Ltd	199		18.18	0.063
Kenford Group Holdings Ltd	464	18.87		0.315
TCC International Holdings Ltd	1136		10.26	3.50
Temujin International Investments Ltd	204		11.40	1.01
Tidetime Sun (Group) Ltd	307		21.13	0.112
UDL Holdings Ltd	620		10.26	0.035
Vitop Bioenergy Holdings Ltd	1178		12.12	0.145
Yardway Group Ltd	646		10.94	0.285

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, its lone index, The Growth Enterprise Index, shed about 0.71 percent, falling back to 761.26 points.

The ratio of losers to gainers was about 1.94:One.

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

Global Solution Engineering Ltd (Code: 8192) Up 3.08 percent to \$HK0.67 per share

Intelli-Media Group (Holdings) Ltd (Code: 8173) Down 6.93 percent to \$HK0.94 per share

Town Health International Holdings Company Ltd
(Code: 8138) Up 6.73 percent to \$HK0.111 per share

Inspur International Ltd (Code: 8141) Unchanged at \$HK1.01 per share

China LotSynergy Holdings Ltd (Code: 8161) Up 9.09 percent to \$HK0.42 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		30.23	0.60
Era Information and Entertainment Ltd	8043	19.05		0.375
Golife Concepts Holdings Ltd	8172	26.83		0.052
Long Success International (Holdings) Ltd	8017	15.63		0.074
Prosten Technology Holdings Ltd	8026		14.67	0.64
Thiz Technology Group Ltd	8119		25.00	0.066
Trasy Gold Ex Ltd	8063		10.00	0.018
Value Convergence Holdings Ltd	8101		12.50	0.98
Vodatel Networks Holdings Ltd	8033		20.00	0.108

In Japan, the key indices of the country's 3 equity markets gave up substantial ground.

On The Tokyo Stock Exchange, which is the premier equity market of the country, its TOPIX Index surrendered 24.68 points, or about 1.94 percent, ending the trading day at 1,248.25 points.

Declining counters outnumbered advancing ones by the ratio of about 4.88:One.

The Nikkei-225 Stock Average, which is a much-narrower gauge of trading than The TOPIX Index, lost 161.41 yen, equivalent to about 1.23 percent, falling to 12,933.18 yen.

News Wise

- **Isuzu Motors Ltd** announced that its Net Profit Attributable to Shareholders for the quarter, ended June 30, 2008, came in at ¥17.70 billion, down about 16.51 percent, Year-On-Year; and,
- **Kirin Holdings Company** announced that its Net Profit Attributable to Shareholders for the first half of its 2008 Fiscal Year was ¥81.12 billion.

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

The HKSAR	Hang Seng Index Minus 1.52 percent to 22,514.92 The Growth Enterprise Index Minus 0.71 percent to 761.26
Indonesia	Minus 0.94 percent to 2,227.68
Japan	TOPIX Index Minus 1.94 percent to 1,248.25 Nikkei-225 Stock Average Minus 1.23 percent to 12,933.18
Malaysia	Minus 0.90 percent to 1,148.68
The Philippines	Plus 0.61 percent to 2,599.99
The PRC	Shanghai Composite Index Minus 2.14 percent to 2,741.74 Shenzhen Composite Index Minus 2.38 percent to 815.81
Singapore	Minus 1.03 percent to 2,876.08
South Korea	Minus 1.95 percent to 1,543.05
Taiwan	Minus 0.36 percent to 6,977.36
Thailand	Minus 0.59 percent to 674.67

Tuesday

The US Federal Reserve left interest rates unchanged at 2 percent, the price of crude oil on international commodity exchanges fell by nearly 2 percent – and up went the key indices on the world's largest equity markets.

The Federal Reserve announced that the Federal Funds Rate would remain at 2 percent.

The Fed, also, made rather damning and worrying remarks about the US economy.

The following is a verbatim transcript of The Fed's statement of last Tuesday:

'The Federal Open Market Committee decided today to keep its target for the federal funds rate at 2 percent.

'Economic activity expanded in the second quarter, partly reflecting growth in consumer spending and exports. However, labor markets have softened further and financial markets remain under considerable stress. Tight credit conditions, the ongoing housing contraction, and elevated energy prices are likely to weigh on economic growth over the next few quarters. Over time, the substantial easing of monetary policy, combined with ongoing measures to foster market liquidity, should help to promote moderate economic growth.

'Inflation has been high, spurred by the earlier increases in the prices of energy and some other commodities, and some indicators of inflation expectations have been elevated. The Committee expects inflation to moderate later this year and next year, but the inflation outlook remains highly uncertain.

'Although downside risks to growth remain, the upside risks to inflation are also of significant concern to the Committee. The Committee will continue to monitor economic and financial developments and will act as needed to promote sustainable economic growth and price stability.

'Voting for the FOMC monetary policy action were: Ben S. Bernanke, Chairman; Timothy F. Geithner, Vice Chairman; Elizabeth A. Duke; Donald L. Kohn; Randall S. Kroszner; Frederic S. Mishkin; Sandra Pianalto; Charles I. Plosser; Gary H. Stern; and Kevin M. Warsh. Voting against was Richard W. Fisher, who preferred an increase in the target for the federal funds rate at this meeting.'

While it is, now, history that The Fed seems content to leave interest rates on hold, for the time being, at least, it is equally clear that The Fed is quite likely to increase interest rates in the near future.

But any determination by The Fed to increase interest rates will depend on events between now and The Fed's next Open Market Committee Meeting, scheduled for Tuesday, September 16, 2008.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 331.31 points, equivalent to about 2.94 percent, ending the moderately active trading day at 11,615.36 points.

The Composite Index of The NASDAQ gained 64.27 points, or about 2.81 percent, ending the session at 2,349.83 points.

Advancing counters outpaced declining ones by about 3:One on The New York Stock Exchange and by about 2:One on The NASDAQ.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in September shed about 1.84 percent to \$US119.17.

As for delivery in October, the last settlement for a barrel of light sweet crude oil came in at \$US119.22, off about 2.03 percent, compared with Monday's closing level.

The price of crude oil has fallen off its highs of June due to expectations that energy consumption is quite likely to drop in line with the expected, continuing economic slowdowns, globally.

On European equity markets, all of the key indices of all of the major equity markets rose, following the line, drawn by Wall Street, and investor relief that The Fed had left interest rates unchanged.

The following is **TARGET**'s list of the closing levels of the key indices of the major bourses of Europe of last Tuesday:

Amsterdam's AEX Index Plus 2.79 percent

France's CAC 40 Index	Plus	2.46 percent
Germany's Frankfurt XETRA DAX Index	Plus	2.65 percent
Great Britain's FTSE 100 Index	Plus	2.52 percent
Italy's MIBTEL Index	Plus	2.72 percent
Switzerland's Swiss Market Index	Plus	1.59 percent

The very material gains, recorded in the key indices of the major, European equity markets of last Tuesday, were the first gains of any description of the previous 3 trading days, it was noted.

As expected, due to the fall-off in the price of crude oil on international commodity exchanges, the scrip of airlines was in some demand in the hope that the drop in the price of fossil fuels would continue, saving the bacon of airlines, so to speak.

Energy counters, of course, were shunned for obvious reasons.

But '*One swallowe proueth not that summer is neare*', in the words of John Northbrooke (1567 - ?).

In Asia, the key indices of all but one of the equity markets in this region of the world came off with a crash.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) a severe tropical storm was threatening the territory, causing many investors to be a little cautious.

Against this, there was the matter of the Beijing Olympic Games, which was due to commence in 3 days (that is, last Friday, August 8, 2008) and excitement was running high, the fires of the Olympics, being fanned by the HKSAR Government's propaganda '*machine*'.

On The Stock Exchange of Hongkong Ltd, The Hang Seng Index shed 2.51 percent to 21,949.75 points on a Total Turnover of about \$HK63.99 billion.

The ratio of losing counters to gaining ones was about 4.24:One.

The Ten Most Active counters – all of which lost very material amounts of their market capitalisations – were:

China Mobile Ltd (Code: 941)	Down 2.11 percent to \$HK102.30 per share
HSBC Holdings plc (Code: 5)	Down 2.16 percent to \$HK126.60 per share
CNOOC Ltd (Code: 883)	Down 6.25 percent to \$HK10.80 per share
China Construction Bank Corporation (Code: 939)	Down 1.03 percent to \$HK6.73 per share
China Shenhua Energy Company Ltd (Code: 1088)	Down 8.94 percent to \$HK25.45 per share
PetroChina Company Ltd (Code: 857)	Down 2.50 percent to \$HK10.16 per share

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

Down 1.20 percent to \$HK5.74 per share

China Life Insurance Company Ltd (Code: 2628) Down 1.85 percent to \$HK29.10 per share

Hongkong Exchanges and Clearing Ltd (Code:
388)

Down 4.66 percent to \$HK108.50 per share

China Petroleum and Chemical
Corporation (Code: 386)

Down 0.37 percent to \$HK8.07 per share

The Main Board's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Ajisen (China) Holdings Ltd	538		10.22	6.06
Angang Steel Company Ltd	347		11.73	12.94
Aupu Group Holding Company Ltd	477		10.20	0.88
China Outdoor Media Group Ltd	254		17.39	0.285
Dickson Group Holdings Ltd	313	11.81		0.142
Dream International Ltd	1126	11.11		0.25
Fushan International Energy Group Ltd	639		10.56	5.08
Galaxy Semi-Conductor Holdings Ltd	527		14.66	0.495
Kenfair International (Holdings) Ltd	223		11.69	0.68
New Times Group Holdings Ltd	166		10.47	0.77
Radford Capital Investment Ltd	901		23.08	0.30
Shenzhen High-Tech Holdings Ltd	106		10.53	0.255
Shun Cheong Holdings Ltd	650	16.46		0.46
Smart Rich Energy Finance (Holdings) Ltd	1051		17.32	0.105
Smart Union Group (Holdings) Ltd	2700	12.68		0.40

Tai-I International Holdings Ltd	1808		10.29	0.61
VST Holdings Ltd	856		11.20	1.11
Zhaojin Mining Industry Company Ltd	1818		10.86	7.80
Zijin Mining Group Company Ltd	2899		11.30	5.34

On The **Growth Enterprise Market (The GEM)** of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index lost about 1.22 percent, falling back to 751.95 points.

The Total Turnover on this market was the lowest of the year at about \$HK116.36 million.

Declining counters outnumbered advancing ones by the ratio of about 2.19:One.

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

China Information Technology Development Ltd
(Code: 8178) Up 1.92 percent to \$HK0.159 per share

Town Health International Holdings Company Ltd
(Code: 8138) Unchanged at \$HK0.111 per share

Intelli-Media Group (Holdings) Ltd (Code: 8173) Down 1.06 percent to \$HK0.93 per share

Global Solution Engineering Ltd (Code: 8192) Down 5.97 percent to \$HK0.63 per share

Inspur International Ltd (Code: 8141) Unchanged at \$HK1.01 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Blu Spa Holdings Ltd	8176	16.67		0.70
Byford International Ltd	8272	41.94		0.88
Intcera High Tech Group Ltd	8041		13.70	0.063
Zheda Lande Scitech Ltd	8106		18.72	0.152

In Japan, trading was especially quiet on the country's 3 equity markets.

On The Tokyo Stock Exchange, The TOPIX Index, which is the official index of this equity market, fell back about 0.04 percent to 1,247.71 points.

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

The Nikkei-225 Stock Average dropped about 0.14 percent to 12,914.66 yen.

News Wise

- **Mitsubishi UFJ Financial Group Incorporated** announced a Net Profit Attributable to Shareholders of about ¥51.20 billion for the quarter, ended June 30, 2008. That result was a fall, Year-On-Year, of about 66.16 percent; and,
- **Softbank Corporation** told its shareholders that the Net Profit Attributable to Shareholders for the quarter, ended June 30, 2008, came in at ¥19.37 billion, down about 22.90 percent, Year-On-Year.

On other equity markets in the most-populous part of the world, this was the situation, last Tuesday night:

The HKSAR	Hang Seng Index Minus 2.51 percent to 21,949.75 The Growth Enterprise Index Minus 1.22 percent to 751.95
Indonesia	Minus 1.89 percent to 2,185.62
Japan	TOPIX Index Minus 0.04 percent to 1,247.71 Nikkei-225 Stock Average Minus 0.14 percent to 12,914.66
Malaysia	Minus 1.73 percent to 1,128.86
The Philippines	Plus 0.09 percent to 2,602.38
The PRC	Shanghai Composite Index Minus 1.86 percent to 2,690.75 Shenzhen Composite Index Minus 3.08 percent to 790.71
Singapore	Minus 0.54 percent to 2,860.51
South Korea	Minus 0.49 percent to 1,535.54
Taiwan	Minus 2.35 percent to 6,813.40
Thailand	Minus 1.12 percent to 667.12

Wednesday

Trading was thin on the world's largest equity markets, last Wednesday, but still the key indices built on the gains of Tuesday.

On The New York Stock Exchange, the Dow Jones Industrial Average improved its position by about 0.35 percent, moving up to 11,656.07 in very light trading conditions.

Over on The NASDAQ, its Composite Index gained about 1.21 percent, rising to 2,378.37 points.

The ratio of gainers to losers was about 1.21:One on The New York Stock Exchange and about 1.33:One on The NASDAQ.

Investors appeared to have come to terms with the statement of the US Federal Reserve (Please see Tuesday's report) and were digesting the information in detail before making any fresh commitments on equity markets.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in September was \$US118.58, down about one half of a percentage point, compared with Tuesday's close.

As for delivery in October, the last settlement for a barrel of light sweet crude oil came in at \$US118.44, representing a fall of about 0.65 percent on the final quote of Tuesday.

On the major European equity markets, the key indices made very useful gains as the following **TARGET** () list illustrates:

Amsterdam's AEX Index	Plus	1.74 percent
France's CAC 40 Index	Plus	1.41 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.65 percent
Great Britain's FTSE 100 Index	Plus	0.57 percent
Italy's MIBTEL Index	Plus	0.97 percent
Switzerland's Swiss Market Index	Plus	0.25 percent

As with Wall Street, investors in this part of the world appeared to be digesting the remarks of Chairman Dr Ben S. Bernanke of the US Federal Reserve.

A severe tropical storm lashed the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), putting the entire population out of action for the entire day.

The other equity markets of the region, however, for the most part, enjoyed somewhat bullish trading sessions.

In Japan, especially, the key indices of the 3 equity markets made very material upward movements.

On The Tokyo Stock Exchange, its TOPIX Index rose about 2.37 percent to 1,277.27 points.

Advancing counters swamped declining counters by the ratio of about 7.32:One.

The Nikkei-225 Stock Average managed a gain of about 2.63 percent, rising to 13,254.89 yen.

This was how the key indices of other Asian equity markets ended their respective trading days, last Wednesday:

The HKSAR	Hang Seng Index Closed The Growth Enterprise Index Closed
Indonesia	Plus 0.07 percent to 2,187.20
Japan	TOPIX Index Plus 2.37 percent to 1,277.27 Nikkei-225 Stock Average Plus 2.63 percent to 13,254.89
Malaysia	Plus 0.42 percent to 1,133.59
The Philippines	Plus 3.64 percent to 2,697.21
The PRC	Shanghai Composite Index Plus 1.06 percent to 2,719.37 Shenzhen Composite Index Minus 0.01 percent to 790.65
Singapore	Plus 0.92 percent to 2,886.78
South Korea	Plus 2.81 percent to 1,578.71
Taiwan	Plus 3.12 percent to 7,026.24
Thailand	Plus 1.38 percent to 676.35

Thursday

The icing fell off the early Christmas Cake, last Thursday, as investors pulled down the key indices on both The New York Stock Exchange and The NASDAQ.

The Dow Jones Industrial Average, the key index of The New York Stock Exchange, dropped about 1.93 percent to 11,431.43 points while The Composite Index of The NASDAQ shed about 0.95 percent to end the trading day at 2,355.73 points.

Declining counters led advancing ones by about 3:One on The New York Stock Exchange and by about

2:One on The NASDAQ.

The reason for the sell-off on the world's largest equity markets were manifold and included:

1. **American International Group Incorporated (AIG)**, the world's largest insurance company, announced a Net Loss Attributable to Shareholders for the second quarter of 2008, ended June 30, 2008, of \$US5.36 billion. That result compared with the like quarter of 2007 when AIG reported a Net Profit Attributable to Shareholders of about \$US4.28 billion. For the first half of the 2008-Year, AIG has lost about \$US13.16 billion, against the 2007-Year's position of a Net Profit Attributable to Shareholders of about \$US8.41 billion;
2. Citigroup Incorporated announced that it had agreed to repurchase more than \$US7-billion worth of illiquid, auction-related securities in order to settle allegations that it misled investors about the risk, associated with the purchases of the securities; and,
3. An official US Government announcement stated that the number of unemployed people, seeking initial unemployment insurance benefits had jumped to the highest levels of the past 6 years.

The share price of AIG fell by about 18.10 percent to \$US23.84 while the share price of Citigroup dropped back to \$US18.47, down about 6.20 percent on the day.

In addition to the above, Wal-Mart Stores Incorporated, the world's largest retailer, reported what it considered disappointing sales in the US for the month of July: Same-store sales rose about 3 percent, Year-On-Year.

What was becoming very apparent was that the \$US100 billion, given to the US public by the Government in tax rebates, had been spent – but it had done little to rekindle much of a spark in the largest and most-important, single economy of the world.

The share price of Wal-Mart Stores Incorporated lost about 6.30 percent to \$US56.96.

Meanwhile, on The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in September was \$US120.02, up about 1.21 percent on the closing level of Wednesday.

As for delivery in October, the last settlement for a barrel of light sweet crude oil came in at \$US119.78, representing a one-day increase of about 1.13 percent.

In Europe, both The Bank of England and The European Central Bank (ECB) announced that their respective interest rates would remain unchanged at 5 percent and 4.25 percent, respectively.

Mr Jean-Claude Trichet, the President of the ECB, rang the bell of warning, stating that economic growth within the European Community had been '*particularly weak*' for the first half of the 2008 Fiscal Year.

Mr Jean-Claude Trichet, also, stated that inflation was on the move and stood at about 4 percent, 2 percent higher than the ECB's target of 2 percent.

He went on to state that inflation was quite likely to continue to rise.

The remarks of the President of the ECB, coupled with that which was taking place on Wall Street, caused bejagers in the hearts and minds of investors in this part of the world.

This was how the investing public of Eurozone reacted to the above:

Amsterdam's AEX Index	Minus 1.17 percent
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France's CAC 40 Index	Plus 0.20 percent
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Germany's Frankfurt XETRA DAX Index	Minus 0.27 percent
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Great Britain's FTSE 100 Index Minus 0.15 percent

Italy's MIBTEL Index Plus 0.45 percent

Switzerland's Swiss Market Index Minus 0.37 percent

In Asia, the key indices of 7 equity markets headed south while the key indices of 3 equity markets struggled to keep their respective footings on positive ground.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key index of Main Board of The Stock Exchange of Hongkong Ltd rose while, on The Growth Enterprise Market (The **GEM**) of The Stock Exchange of Hongkong Ltd, its lone index fell.

The Hang Seng Index, which is the key index of the Main Board, gained about 0.70 percent, rising to 22,104.20 points.

The Total Turnover was about \$HK75.90 billion, while the ratio of declining counters to advancing ones was about 1.26:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5) Up 1.82 percent to \$HK128.90 per share

China Mobile Ltd (Code: 941) Down 0.39 percent to \$HK101.90 per share

China Construction Bank Corporation (Code: 939) Up 1.63 percent to \$HK6.84 per share

China Life Insurance Company Ltd (Code: 2628) Up 0.86 percent to \$HK29.35 per share

Industrial and Commercial Bank of China Ltd
(Code: 1398) Up 0.87 percent to \$HK5.79 per share

PetroChina Company Ltd (Code: 857) Up 0.59 percent to \$HK10.22 per share

CNOOC Ltd (Code: 883) Down 0.93 percent to \$HK10.70 per share

Hutchison Whampoa Ltd (Code: 13) Down 0.99 percent to \$HK70.30 per share

China Petroleum and Chemical Corporation
(Code: 386) Up 1.12 percent to \$HK8.16 per share

Hongkong Exchanges and Clearing Ltd (Code: 388) Down 0.92 percent to \$HK107.50 per share

The Main Board's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Amax Entertainment Holdings Ltd	959	13.24		0.385
Asia Tele-Net and Technology Corporation Ltd	679		10.59	0.38
AV Concept Holdings Ltd	595		12.50	0.35
Build King Holdings Ltd	240		12.87	0.176
China Sci-Tech Holdings Ltd	985	29.31		0.075
China Zirconium Ltd	395		10.96	6.99
City e-Solutions Ltd	557		11.82	0.97
Far East Pharmaceutical Technology Company Ltd	399		12.40	0.106
Gay Giano International Group Ltd	686		18.12	1.13
Grandtop International Holdings Ltd	2309	18.03		0.144
Hunan Nonferrous Metals Corporation Ltd	2626		11.36	1.56
ITC Properties Group Ltd	199		15.63	0.054
Kenfair International (Holdings) Ltd	223		10.29	0.61
Linmark Group Ltd	915		10.00	0.45
One Media Group Ltd	426		13.92	0.34
Premium Land Ltd	164	12.50		0.45
Rontex International Holdings Ltd	1142	27.45		0.13
Shun Cheong Holdings Ltd	650		10.87	0.41
Sino Katalytics Investment Corporation	2324	14.06		0.073
Takson Holdings Ltd	918		11.95	0.14
Tidetime Sun (Group) Ltd	307	21.62		0.135

Vongroup Ltd	318	10.00		0.22
Xinjiang Xinxin Mining Industry Company Ltd	3833		11.08	3.05
XPress Group Ltd	185		13.04	0.12
Yun Sky Chemical (International) Holdings Ltd	663		11.11	0.08

The GEM's Growth Enterprise Index lost about one third of a percentage point as investors pulled it back to 749.48 points.

The Total Turnover remained on the low side, at about \$HK145.85 million.

Declining counters outpaced advancing ones by the ratio of 1.56:One, exactly.

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

China LotSynergy Holdings Ltd (Code: 8161) Unchanged at \$HK0.405 per share

Shandong Weigao Group Medical Polymer Company
Ltd (Code: 8199) Up 5.56 percent to \$HK11.40 per share

Inspur International Ltd (Code: 8141) Up 3.96 percent to \$HK1.05 per share

Intelli-Media Group (Holdings) Ltd (Code: 8173) Unchanged at \$HK0.93 per share

Byford International Ltd (Code: 8272) Up 5.68 percent to \$HK0.93 per share

The GEM's double-digit movers were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Blu Spa Holdings Ltd	8176	11.43		0.78
CCID Consulting Company Ltd	8235	15.79		0.22
Chinasoft International Ltd	8216		11.82	0.97
Excel Technology International Holdings Ltd	8048	20.00		0.078
Global Digital Creations Holdings Ltd	8271		10.45	0.30
GreaterChina Technology Group Ltd	8032	11.76		0.095

Intcera High Tech Group Ltd	8041	11.11		0.07
Shanghai Jiada Withub Information Industrial Company Ltd	8205	20.88		0.55
Long Success International (Holdings) Ltd	8017	11.94		0.075
Melco LottVentures Ltd	8198	11.59		0.77
Northeast Tiger Pharmaceutical Company Ltd	8197	14.55		0.126
Sing Lee Software (Group) Ltd	8076		24.69	0.18
Tianjin TEDA Biomedical Engineering Company Ltd	8189	18.67		0.178
ThinSoft (Holdings) Incorporated	8096	13.64		1.00
Thiz Technology Group Ltd	8119	10.29		0.075
Trasy Gold Ex Ltd	8063		10.53	0.017

In Japan, the key indices of the country's 3 equity markets fell.

On The Tokyo Stock Exchange, which is the premier equity market of Japan, its TOPIX Index shed about 1.45 percent, dropping back to 1,258.81 points.

Losers outnumbered gainers by the ratio of about 4.69:One.

The Nikkei-225 Stock Average lost about 0.98 percent, dropping to 13,124.99 yen.

News Wise

- **Japan Airlines Corporation (JAL)** announced a Group Net Loss Attributable to Shareholders of about ¥3.40 billion for the quarter, ended June 30, 2008;
- **Toyota Motor Group** announced a Loss Attributable to Shareholders for the quarter, ended June 30, 2008, of about ¥353.66 billion, down about 28.10 percent, Year-On-Year;
- As at July 31, 2008, the **foreign reserves**, held by Japan, amounted to ¥1.005 trillion, The Finance Ministry announced; and,
- **Machinery orders** in the private sector of Japan fell by about 2.60 percent in June, Month-On-Month, The Cabinet Office released.

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

The HKSAR	Hang Seng Index Plus 0.70 percent to 22,104.20 The Growth Enterprise Index Minus 0.33 percent to 749.48
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Indonesia	Plus 0.54 percent to 2,199.01
Japan	TOPIX Index Minus 1.45 percent to 1,258.81 Nikkei-225 Stock Average Minus 0.98 percent to 13,124.99
Malaysia	Minus 0.36 percent to 1,129.56
The Philippines	Minus 0.47 percent to 2,684.64
The PRC	Shanghai Composite Index Plus 0.30 percent to 2,727.58 Shenzhen Composite Index Plus 0.16 percent to 791.92
Singapore	Minus 1.80 percent to 2,834.71
South Korea	Minus 0.93 percent to 1,564.00
Taiwan	Minus 0.02 percent to 7,024.58
Thailand	Plus 4.29 percent to 705.35

Friday

Fears that an all-out, killing war is imminent between Russia and US-backed Georgia heightened, last Friday, when Russian armoured divisions crossed the border inside the breakaway South Ossetia region.

Reports from Georgia that hundreds of civilians had been killed were not denied by Russia.

Georgian President Mikhail Saakashvili announced that Russia had declared unilateral war against Georgia.

Russian tanks had, by last Friday night, Georgia time, reached the outskirts of the Georgian Regional Capital City of Tskhinvali.

Russia's President Dmitry Medvedev said that Russia had acted in order to defend the population of South Ossetia, most of whom were Russian citizens.

The world, however, was not paying too much attention to the trouble in the Balkans: It was not the first time that Russia and its neighbours had been at loggerheads, leading to widespread bloodshed.

While the fighting in Georgia continued and, in Beijing, the opening of the Olympics was taking place, for investors, around the world, eyes were glued on Wall Street and the price of crude oil.

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

for delivery in September shed about 4.02 percent, dropping back to \$US115.20.

As for delivery in October, the last settlement for a barrel of light sweet crude oil came in at \$US115.40, down about 3.66 percent, compared with Thursday's close.

Wall Street rose to the news that the price of crude oil was continuing to fall since it appear to adumbrate that the inflationary flames could be contained, after all.

On The New York Stock Exchange, the Dow Jones Industrial Average rose about 2.65 percent to 11,734.32 points.

On The NASDAQ, its Composite Index gained about 2.48 percent to 2,414.10 points.

The ratio of gaining counters to losing ones was about 3:One on The New York Stock Exchange and about 2:One on The NASDAQ.

But there was a great deal of negative news from Wall Street, too.

News Wise

- **UBS AG**, Switzerland's largest bank, had agreed to repurchase \$US18.60 billion worth of debt securities, the value of which had fallen to near zero, and, in addition, had agreed to pay \$US150 million in compensation in order to avoid criminal charges of having knowingly misled investors into purchasing the debt securities. UBS is the third bank to take such action, following similar agreements with Citigroup Incorporated and Merrill Lynch and Company Incorporated (please see Thursday's report);
- **Fannie Mae** announced a Net Loss Attributable to Shareholders of about \$US2.30 billion for the quarter, ended June 30, 2008. The share price of Fannie Mae tumbled by 9.10 percent to \$US9.05; and,
- The **Organisation of Economic Cooperation and Development (OECD)** said that its June survey indicated '*a continued weakening outlook for all of the major 7 economies.*' The OECD said, also, that the economic slowdown could deepen in eurozone and the United Kingdom.

For Wall Street, the tally for the week in respect of the largest and most-influential equity markets of the world was:

The Dow Jones Industrial Average Plus 3.60 percent

The Composite Index of The NASDAQ Plus 4.46 percent

In Europe, noting that which was happening on Wall Street as well as seeing the price of crude oil fall way off its top, investors in this part of the world warmed to equity investing.

The result: All of the key indices of the most-important equity markets rose:

Amsterdam's AEX Index Plus 0.69 percent

France's CAC 40 Index Plus 0.77 percent

Germany's Frankfurt XETRA DAX Index Plus 0.27 percent

Great Britain's FTSE 100 Index Plus 0.21 percent

Italy's MIBTEL Index Minus 0.07 percent

Switzerland's Swiss Market Index Plus 1.11 percent

But there was bad news from Europe, too:

The Royal Bank of Scotland plc posted a Pre-Tax loss of £691 million for the first 6 months of its Financial Year to June 30, 2008. It was the second, biggest banking loss in history in the United Kingdom. **National Westminster Bank plc** is a subsidiary of The Royal Bank of Scotland plc and it had, already, written off £5.90 billion in respect of the subprime, mortgage-lending crisis.

In Asia, it was a choppy trading day on most equity markets.

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

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index fell about 0.99 percent to 21,885.21 points on a Total Turnover of about \$HK63.95 billion.

The ratio of declining counters to advancing ones was about 2.71:One.

The Ten Most Active counters were:

China Mobile Ltd (Code: 941) Down 1.77 percent to \$HK100.10 per share

China Construction Bank Corporation (Code:
939) Down 2.19 percent to \$HK6.69 per share

China Shenhua Energy Company Ltd (Code:
1088) Down 2.16 percent to \$HK24.90 per share

China Life Insurance Company Ltd (Code: 2628) Down 2.39 percent to \$HK28.65 per share

HSBC Holdings plc (Code: 5) China Petroleum Down 1.16 percent to \$HK127.40 per share

and Chemical Corporation (Code: 386) Up 1.84 percent to \$HK8.31 per share

CNOOC Ltd (Code: 883) Down 1.31 percent to \$HK10.56 per share

China COSCO Holdings Company Ltd (Code:
1919) Down 10.13 percent to \$HK14.02 per share

Industrial and Commercial Bank of China Ltd
(Code: 1398) Down 1.04 percent to \$HK5.73 per share

PetroChina Company Ltd (Code: 857) Down 0.78 percent to \$HK10.14 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Anhui Tianda Oil Pipe Company Ltd	839	11.76		1.52
Art Textile Technology International Company Ltd	565		12.50	0.315
Beijing Development (Hongkong) Ltd	154		11.11	1.60
Build King Holdings Ltd	240	13.64		0.20
China COSCO Holdings Company Ltd	1919		10.13	14.02
China Glass Holdings Ltd	3300	10.17		1.95
China Shipping Development Company Ltd	1138		10.24	18.40
Eyang Holdings (Group) Company Ltd	117	11.11		0.80
Fortuna International Holdings Ltd	530		50.34	0.072
Genesis Energy Holdings Ltd	702		10.78	0.207
GFT Holdings Ltd	1003		11.63	0.076
Henry Group Holdings Ltd	859		10.53	0.68
Jolimark Holdings Ltd	2028		28.41	0.315
New Heritage Holdings Ltd	95		12.07	0.255
Overseas Chinese Town (Asia) Holdings Ltd	3366		16.75	1.64
Peace Mark (Holdings) Ltd	304		13.46	3.15
Peaktop International Holdings Ltd	925		11.11	0.40
Radford Capital Investment Ltd	901		17.74	0.255
Rontex International Holdings Ltd	1142		10.77	0.116
Sewco International Holdings Ltd	209		13.95	0.185
Shenzhou International Group Holdings Ltd	2313		10.22	1.23

Smart Rich Energy Finance (Holdings) Ltd	1051	13.39		0.127
SW Kingsway Capital Holdings Ltd	188		13.04	0.14
Takson Holdings Ltd	918	14.29		0.16
Temujin International Investments Ltd	204		10.09	0.98
The United Laboratories International Holdings Ltd	3933		10.99	3.97
Tidetime Sun (Group) Ltd	307		11.11	0.12
United Pacific Industries Ltd	176		10.53	0.425

On The **Growth Enterprise Market (The GEM)** of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shed about 0.37 percent, ending the week at 746.72 points.

The Total Turnover on this (speculative) equity market hit another low of the year, at about \$HK128.12 million.

The ratio of losers to gainers was about 2.54:One.

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

Inspur International Ltd (Code: 8141) Unchanged at \$HK1.05 per share

China LotSynergy Holdings Ltd (Code: 8161) Up 1.23 percent to \$HK0.41 per share

Intelli-Media Group (Holdings) Ltd (Code: 8173) Down 5.38 percent \$HK0.88 per share

Town Health International Holdings Company Ltd
(Code: 8138) Unchanged at \$HK0.108 per share

Wumart Stores Incorporated (Code: 8277) Unchanged at \$HK7.80 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Blu Spa Holdings Ltd	8176		10.26	0.70
Brilliant Arts Multi-Media Holding Ltd	8130		13.16	0.66
CCID Consulting Company Ltd	8235	10.91		0.244

Changmao Biochemical Engineering Company Ltd	8208	10.58		1.15
DIGITALHONGKONG.COM	8007		16.67	0.35
Ming Kei Energy Holdings Ltd	8239		14.29	0.33
Northeast Tiger Pharmaceutical Company Ltd	8197		11.90	0.111
Prosten Technology Holdings Ltd	8026		27.94	0.49
Sino Haijing Holdings Ltd	8065		16.67	0.50

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

The Hang Seng Index Minus 4.28 percent

The Growth Enterprise Index Minus 2.60 percent

On The Tokyo Stock Exchange, trading was very light.

The TOPIX Index rose about 0.09 percent to 1,259.93 points.

Declining counters outnumbered advancing ones by the ratio of about 1.09:One.

The Nikkei-225 Stock Average advanced about one third of a percentage point to end the trading day at 13,168.41 yen.

The tally for the week for the largest and most-important equity market in Asia was:

The TOPIX Index Minus 1.10 percent

The Nikkei-225 Stock Average Plus 0.56 percent

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

The HKSAR	<p>Hang Seng Index Minus 0.99 percent to 21,885.21 The Growth Enterprise Index Minus 0.37 percent to 746.72</p>
Indonesia	<p>Minus 0.14 percent to 2,195.93</p>
Japan	<p>TOPIX Index Plus 0.09 percent to 1,259.93 Nikkei-225 Stock Average Plus 0.33 percent to 13,168.41</p>

Malaysia	Minus 0.82 percent to 1,120.31
The Philippines	Plus 0.30 percent to 2,692.81
The PRC	Shanghai Composite Index Minus 4.47 percent to 2,605.72 Shenzhen Composite Index Minus 5.63 percent to 747.34
Singapore	Minus 0.96 percent to 2,807.54
South Korea	Plus 0.30 percent to 1,568.72
Taiwan	Plus 2.63 percent to 7,209.04
Thailand	Minus 2.08 percent to 690.70

-- E N D --

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