

**THE BIG QUESTION FOR CORPORATE AMERICA AND INVESTORS:
WILL THE U.S. GOVERNMENT NATIONALISE
FANNIE MAE AND FREDDIE MAC ?**

The distinct possibility that the US Government may have to rescue Fannie Mae and Freddie Mac knocked the stuffing out of the investors' confidence, last Monday, causing widespread selling pressure.

On The New York Stock Exchange, the Dow Jones Industrial Average shed 180.51 points, equivalent to about 1.55 percent, dropping back to 11,479.39 points.

Over on The NASDAQ, its Composite Index gave up 35.54 points, or about 1.45 percent, ending the light trading day at 2,416.98 points.

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

What touched off the selling pressure on the world's largest equity markets was a report that suggested that the US Government would, most likely, have to come to the Fannie Mae/Freddie Mac finance '*party*' with buckets of cash because both entities appear to be badly undercapitalised at this point in time.

These 2 entities, both of which are US Government sponsored, either own or guarantee more than \$US5 trillion in US mortgages.

If the US Government recapitalises these 2 entities, it could, just about, wipe out a huge chunk of existing shareholders equities – if not their entire holdings.

The share price of Freddie Mac fell about 25 percent to \$US4.39 while the share price of Fannie Mae dropped 22 percent to \$US6.15.

As the share prices of Fannie Mae and Freddie Mac dropped to 16-year lows, or thereabouts, investors, also, gave other financials a drubbing – just for good measure:

Bank of America Corporation,
the second-largest, US bank

Down 4.60 percent to \$US29.30

Citigroup Incorporated, the largest, US bank

Down 5.00 percent to \$US17.62

Lehman Brothers Holdings Incorporated

Down 7.10 percent to \$US15.03

On the world's commodity markets, the price of crude oil fell.

On The New York Mercantile Exchange (NYMEX), the last settlement of a barrel of light sweet crude oil for delivery in September was \$US112.87, down about 0.79 percent, compared with the closing level of Friday, August 15, 2008.

As for delivery in October, the last settlement of a barrel of light sweet crude oil came in at \$US112.89, representing a fall of about 0.92 percent on the previous Friday's final quote.

In Europe, equity investors were a little dumfounded at the thought of what might happen to Fannie Mae and Freddie Mac and appeared to be unsure as to what action, if any, to take.

As a result of investor uncertainty, the key indices of the major bourses zigzagged most of the trading day, ending with fractional changes, only:

Amsterdam's AEX Index	Plus 0.15 percent
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France's CAC 40 Index	Minus 0.10 percent
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Germany's Frankfurt XETRA DAX Index	Minus 0.20 percent
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Great Britain's FTSE 100 Index	Minus 0.08 percent
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Italy's MIBTEL Index	Plus 0.43 percent
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Switzerland's Swiss Market Index	Minus 0.06 percent
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In Asia, only the key indices of the equity markets of Japan were in the black by the close of the trading day.

Very material losses in the key indices of The Shanghai Stock Exchange and The Shenzhen Stock Exchange set the stage for the widespread losses on other equity markets, by and large.

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 shed about 1.09 percent, falling back to 20,930.67 points on a Total Turnover of about \$HK45.22 billion.

The ratio of losing counters to gaining ones was about 2.83:One.

The Ten Most Active counters were:

China Life Insurance Company Ltd (Code: 2628)

Down 1.46 percent to \$HK26.95 per share

China Mobile Ltd (Code: 941)

Down 0.70 percent to \$HK92.80 per share

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

Down 1.35 percent to \$HK5.13 per share

China Construction Bank Corporation (Code:
939)

Down 0.82 percent to \$HK6.04 per share

HSBC Holdings plc (Code: 5)

Down 0.32 percent to \$HK124.40 per share

Hongkong Exchanges and Clearing Ltd (Code: 388)

Down 3.29 percent to \$HK96.90 per share

PetroChina Company Ltd (Code: 857)

Down 1.21 percent to \$HK9.83 per share

CNOOC Ltd (Code: 883)

Down 1.87 percent to \$HK10.52 per share

Tracker Fund of Hongkong (Code: 2800)

Down 0.93 percent to \$HK21.30 per share

Hutchison Whampoa Ltd (Code: 13)

Up 2.18 percent to \$HK72.55 per share

There was a total of 49, double-digit movers on the Main Board, last Monday, with 37 losers and 12 gainers.

Peaktop International Holdings Ltd (Code: 925) was the biggest gainer of the day as investors pushed up its share price to 38 cents, a one-day, price improvement of about 28.81 percent.

Mongolia Energy Corporation Ltd (Code: 276) was the biggest loser of the day, down 27.98 percent to \$HK3.50 per share.

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gave up about 2.03 percent to 701.01 points.

The ratio of losing counters to gaining ones was about 2.41:One.

The Total Turnover slipped to a 2008 low of about \$HK95.37 million.

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

Wumart Stores Incorporated (Code: 8277)

Up 0.62 percent to \$HK8.10 per share

China LotSynergy Holdings Ltd (Code: 8161)

Down 1.32 percent to \$HK0.375 per share

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

Down 1.32 percent to \$HK0.75 per share

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

Up 2.06 percent to \$HK11.90 per share

Cardlink Technology Group Ltd (Code: 8066)

Down 3.43 percent to \$HK1.69 per share

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

Name of Company	Code	Increase	Decrease	Closing Price
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		(%)	(%)	(\$HK)
CCID Consulting Company Ltd	8235		11.11	0.16
China Primary Resources Holdings Ltd	8117		11.57	0.107
ePRO Ltd	8086	10.30		0.182
Global Digital Creations Holdings Ltd	8271		13.56	0.255
Global Link Communications Holdings Ltd	8060		16.26	0.103
Grand T G Gold Holdings Ltd	8299		23.44	0.049
Hua Xia Healthcare Holdings Ltd	8143		12.86	0.122
Long Success International (Holdings) Ltd	8017		11.86	0.052
New Universe International Group Ltd	8068		13.41	0.142
ThinSoft (Holdings) Incorporated	8096		11.46	0.85
Thiz Technology Group Ltd	8119	23.08		0.08
Vodatel Networks Holdings Ltd	8033		10.91	0.098
Zhejiang Yonglong Enterprises Company Ltd	8211	30.43		0.30
Zmay Holdings Ltd	8085		20.83	0.475

In Japan, investors appeared to throw caution to the wind in spite of very strong suggestions that the economy of the country was continuing to falter, having enjoyed one quarter of negative growth.

Two quarters of negative growth is defined as an economy, being in recession.

On The Tokyo Stock Exchange, its TOPIX Index rose 16.44 points, or about 1.32 percent, ending the day at 1,263.75 points.

The ratio of advancing counters to declining ones was about 3.81:One.

The Nikkei-225 Stock Average, which is a much-narrower gauge to trading in select blue chips, listed on The First Section of The Tokyo Stock Exchange, than The TOPIX index, rose 146.04 yen, or about 1.12 percent, moving up to 13,165.45 yen.

News Wise

- Sales at **departmental stores in Japan**, during the month of July, fell by about 2.50 percent on a Year-To-Year comparison, according to the statistics, gathered by The Japan Department Stores Association. It was the fifth, consecutive month of declining, departmental-store sales. The survey

covered 280 outlets, operated by 93 separate corporate entities.

In other Asia equity markets, this was how their respective key indices fared, last Monday:

The HKSAR	Hang Seng Index Minus 1.09 percent to 20,930.67 The Growth Enterprise Index Minus 2.03 percent to 701.01
Indonesia	Closed
Japan	TOPIX Index Plus 1.32 percent to 1,263.75 Nikkei-225 Stock Average Plus 1.12 percent to 13,165.45
Malaysia	Minus 0.98 percent to 1,084.36
The Philippines	Closed
The PRC	Shanghai Composite Index Minus 5.34 percent to 2,319.87 Shenzhen Composite Index Minus 5.89 percent to 656.08
Singapore	Minus 0.73 percent to 2,776.98
South Korea	Minus 0.28 percent to 1,567.71
Taiwan	Minus 2.72 percent to 7,000.74
Thailand	Minus 1.45 percent to 697.23

Tuesday

The key indices of the world's largest equity markets continued to tumble, last Tuesday.

On The New York Stock Exchange, the Dow Jones Industrial Average lost another 1.14 percent, falling back to 11,348.55 points.

Over on The NASDAQ, its Composite Index shed about 1.35 percent as investors pulled it down to 2,384.36 points.

The ratio of losing counters to gaining ones was about 3:One on both equity markets.

The largest equity markets of the world continued to feel the '*heat*', so to speak, from suggestions that the US Government might, effectively, nationalise Freddie Mac and Fannie Mae and, by so doing, wipe out most, if not all, of investors' funds in these 2, US-Government sponsored entities. (Please see Monday's report)

The share price of Freddie Mac fell another 5 percent to \$US4.17 while the share price of Fannie Mae dropped about 2.30 percent to \$US6.01.

With investors, continuing to worry about the future of the world's largest mortgage-lending entities, it was hardly any wonder that attention was turned in the direction of other financials, bringing down their share prices, too:

Bank of America Corporation, the second-largest, US bank	Down 4.20 percent to \$US28.08
Wells Fargo and Company, the fifth, largest US bank	Down 3.50 percent to \$US27.79
Lehman Brothers Holdings Incorporated	Down 13.00 percent to \$US13.07

News Wise

- The US Commerce Department reported that the number of homes and flats, being constructed in the US, during the month of July, dropped by about 10.19 percent (annualised), Month-On-Month. At **building starts** in July of about 965,000 properties, they represented the lowest level in more than 17 years.

Also, hurting the key indices of Wall Street was news that the price of crude oil was starting to rise, again.

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 \$US114.53, representing an increase of about 1.47 percent on the final quote of Monday.

As for October delivery, the last settlement for a barrel of light sweet crude oil was \$US114.54, up about 1.46 percent on Monday's last settlement.

In Europe, the key indices of the most-important bourses tumbled materially lower:

Amsterdam's AEX Index	Minus 2.86 percent
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France's CAC 40 Index	Minus 2.60 percent
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Germany's Frankfurt XETRA DAX Index	Minus 2.33 percent
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Great Britain's FTSE 100 Index	Minus 2.38 percent
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Italy's MIBTEL Index	Minus 2.11 percent
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Switzerland's Swiss Market Index Minus 1.60 percent

European investors were watching Wall Street and fearing that there would be more shocks in the coming weeks.

The Fannie Mae and Freddie Mac situation was extremely worrying because of the vast amounts of money involved in the US Government's rescue – if it should come to pass as being foretold by some people.

In Asia, it was mostly red ink that was used to fill in the final figures of the largest equity markets of the region.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors, locked into both equity markets, had a very telling trading day as the key indices headed decidedly south.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index gave up about 2.13 percent, falling back to 20,484.37 points.

It was a one-year low for The Hang Seng Index.

The Total Turnover was about \$HK48.47 billion.

Declining counters outnumbered advancing ones by the ratio of about 2.81:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 1.77 percent to \$HK122.20 per share
China Mobile Ltd (Code: 941)	Down 1.35 percent to \$HK91.55 per share
China Construction Bank Corporation (Code: 939)	Down 2.32 percent to \$HK5.90 per share
China Life Insurance Company Ltd (Code: 2628)	Down 1.48 percent to \$HK26.55 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 0.97 percent to \$HK5.08 per share
Ping An Insurance (Group) Company of China Ltd (Code: 2318)	Up 1.67 percent to \$HK48.80 per share
PetroChina Company Ltd (Code: 857)	Down 2.34 percent to \$HK9.60 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 1.56 percent to \$HK7.55 per share
Hongkong Exchanges and Clearing Ltd (Code: 386)	Down 2.43 percent to \$HK94.55 per share

Sun Hung Kai Properties Ltd (Code: 16)

Down 4.68 percent to \$HK103.80 per share

As for the biggest movers of the Main Board, last Tuesday, there was a total of 41 counters that qualified for this honour, with 10 gainers and 31 losers.

The biggest gainer of the day was HKC International Holdings Ltd (Code: 248) as investors moved up its share price by 29.81 percent to 27 cents.

The biggest loser was Grand Field Group Holdings Ltd (Code: 115), its share price, falling 22.67 percent to 13.30 cents.

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index surrendered about 2.38 percent, falling back to 684.34 points.

The Total Turnover sank to another 2008 low of about \$HK88.14 million.

Losing counters outran gaining ones by the ratio of about 3.26:One.

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

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

Down 0.84 percent to \$HK11.80 per share

Grand T G Gold Holdings Ltd (Code: 8299)

Up 2.04 percent to \$HK0.05 per share

Wumart Stores Incorporated (Code: 8277)

Down 0.12 percent to \$HK8.09 per share

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

Down 1.33 percent to \$HK0.74 per share

Zhongyu Gas Holdings Ltd (Code: 8070)

Up 4.84 percent to \$HK0.65 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	12.50		0.18
China Metal Resources Holdings Ltd	8071		10.08	0.116
Emcom International Ltd	8220	43.33		0.043
Fast Systems Technology (Holdings) Ltd	8150	486.67		0.88

Global Link Communications Holdings Ltd	8060		11.65	0.091
M Dream Inworld Ltd	8100	16.67		0.35
North Asia Strategic Holdings Ltd	8080	11.29		0.69
Rojam Entertainment Holdings Ltd	8075	11.54		0.058
Shanghai Jiada Withub Information Industrial Company Ltd	8205		29.09	0.39
Shanxi Changcheng Microlight Equipment Company Ltd	8286		10.00	0.45
Tai Shing International (Holdings) Ltd	8103		30.43	0.16
ThinSoft (Holdings) Incorporated	8119		28.75	0.057
Yantai North Andre Juice Company Ltd	8259		13.33	0.52
Zhejiang Yonglong Enterprises Company Ltd	8211		16.67	0.25
Zmay Holdings Ltd	8085		15.79	0.40

On Japanese equity markets, it was not fun and games, at all.

On the country's premier equity market, The Tokyo Stock Exchange, its TOPIX Index fell back about 2.23 percent to 1,235.54 points.

Declining counters outran advancing ones by the ratio of about 8.75:One.

The Nikkei-225 Stock Average lost about 2.28 percent, dropping to 12,865.05 yen.

News Wise

- **The Bank of Japan**, which is the Central Bank of Japan, announced that economic growth in the country was '*sluggish*'. Interest rates are to stay at 0.50 percent, unchanged since February 2007.

This was how things looked at the close of the trading day on other Asian equity markets, last Tuesday:

The HKSAR	Hang Seng Index Minus 2.13 percent to 20,484.37 The Growth Enterprise Index Minus 2.38 percent to 684.34
Indonesia	Minus 2.05 percent to 2,042.50

Japan	TOPIX Index Minus 2.23 percent to 1,235.54 Nikkei-225 Stock Average Minus 2.28 percent to 12,865.05
Malaysia	Minus 1.38 percent to 1,069.42
The Philippines	Minus 1.25 percent to 2,691.20
The PRC	Shanghai Composite Index Plus 1.06 percent to 2,344.47 Shenzhen Composite Index Plus 1.39 percent to 665.22
Singapore	Minus 1.75 percent to 2,728.39
South Korea	Minus 1.68 percent to 1,541.41
Taiwan	Minus 0.32 percent to 6,978.60
Thailand	Minus 0.85 percent to 691.33

Wednesday

Unconfirmed reports suggested that the US Treasury and officials of Freddie Mac had been meeting in order to try to nut out a plan with the aim to rescue the US Government's 2 sponsored entities, known popularly as Freddie Mac and Fannie Mae.

That put the fox in the henhouse on Wall Street, so to speak, causing, once again, widespread selling of the shares of the duo, the aggregate amount of their combined, US-mortgage-related guarantees, being more than \$US5 trillion.

Both entities' share prices fell to their lowest levels of the past few decades on The New York Stock Exchange:

Freddie Mac Down 22.10 percent to \$US3.25

Fannie Mae Down 26.80 percent to \$US4.40

The key index of The New York Stock Exchange, known as the Dow Jones Industrial Average, gained about 0.61 percent to limp up to 11,417.43 points in very light trading conditions.

Over on The NASDAQ, its Composite Index managed only an increase of about 0.20 percent, ending the trading day at 2,389.08 points.

A great deal of the buying, last Wednesday, was merely short covering.

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 \$US114.98, representing a gain of about 0.39 percent on Tuesday's close.

As for delivery in October, the last settlement for a barrel of light sweet crude oil was \$US115.56, up about 0.89 percent on the day.

On major European bourses, their key indices made some gains, but they were of a fractional nature, only:

Amsterdam's AEX Index	Plus	0.96 percent
France's CAC 40 Index	Plus	0.76 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.56 percent
Great Britain's FTSE 100 Index	Plus	0.96 percent
Italy's MIBTEL Index	Minus	0.33 percent
Switzerland's Swiss Market Index	Minus	0.21 percent

For the most part, gains in this part of the world were a combination of playing '*follow the leader* (Wall Street)' plus playing the commodity card.

With regard to the most-populous part of the world, the key indices of the majority of the biggest and most-important Asian equity markets ended last Wednesday's trading session mixed.

Positive statements from the Government of the People's Republic of China (PRC) in respect of the economy of the country got investors' attention; the euphoria spilled over from The Shanghai Stock Exchange and The Shenzhen Stock Exchange onto the 2 equity markets of the Hongkong Special Administrative Region (HKSAR) of the PRC.

On The Stock Exchange of Hongkong Ltd, the key indices of both equity markets made very useful gains.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index rose about 2.18 percent to 20,931.26 points on a Total Turnover of about \$HK62.33 billion.

The ratio of gainers to losers was about 1.83:One.

The Ten Most Active counters were:

China Life Insurance Company Ltd (Code: 2628)	Up 4.33 percent to \$HK27.70 per share
HSBC Holdings plc (Code: 5)	Up 0.09 percent to \$HK120.90 per share
China Mobile Ltd (Code: 941)	Up 3.22 percent to \$HK94.50 per share

China Construction Bank Corporation (Code: 939)	Up 3.56 percent to \$HK6.11 per share
CNOOC Ltd (Code: 883)	Up 5.35 percent to \$HK10.64 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 2.95 percent to \$HK5.23 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 5.24 percent to \$HK99.50 per share
Ping An Insurance (Group) Company of China Ltd (Code: 2318)	Up 7.99 percent to \$HK52.70 per share
PetroChina Company Ltd (Code: 857)	Up 3.02 percent to \$HK9.89 per share
China Merchants Bank Company Ltd (Code: 3968)	Up 6.12 percent to \$HK25.15 per share

As for the biggest, Main-Board movers of the day, there was a total of 43 counters, the managements of all of which noted that their respective share prices had moved, during the day, by 10 percent or more.

Of that number, there were 14 losers and 29 gainers.

The biggest gainer of the day was Greater China Holdings Ltd (Code: 431), its share price, rising 122.22 percent to 60 cents.

Daiwa Associate Holdings Ltd (Code: 1037) turned out to become the biggest loser of the day as investors marked down its share price by 27.57 percent to 31 cents.

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index put on 0.41 percent to end the light trading day at 687.16 points.

The Total Turnover was about \$HK83.55 million, while the ratio of gainers to losers was about 1.32:One.

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

Shandong Weigao Group Medical Polymer Company Ltd (Code: 8199)	Down 0.34 percent to \$HK11.76 per share
Intelli-Media Group (Holdings) Ltd (Code: 8173)	Down 2.70 percent to \$HK0.72 per share
China Railway Logistics Ltd (Code: 8089)	Down 10.08 percent to \$HK1.07 per share
China LotSynergy Holdings Ltd (Code: 8161)	Up 1.45 percent to \$HK0.35 per share
Ming Kei Energy Holdings Ltd (Code: 8239)	Up 4.76 percent to \$HK0.44 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CCID Consulting Company Ltd	8235		16.11	0.151
China Railway Logistics Ltd	8089		10.08	1.07
Crosby Capital Ltd	8088		18.09	0.77
Era Information and Entertainment Ltd	8043	13.79		0.33
Essex Bio-Technology Ltd	8151	10.42		0.265
Fast Systems Technology (Holdings) Ltd	8150		31.82	0.60
Global Link Communications Holdings Ltd	8060	15.38		0.105
GreaterChina Technology Group Ltd	8032	12.68		0.08
Jiangsu Nandasoft Company Ltd	8045		13.79	0.25
Linefan Technology Holdings Ltd	8166	11.11		1.00
Long Success International (Holdings) Ltd	8017	11.32		0.059
Netel Technology (Holdings) Ltd	8256		13.79	0.05
Northeast Tiger Pharmaceutical Company Ltd	8197	11.30		0.128
Qianlong Technology International Holdings Ltd	8015		10.00	0.54
Sanmenxia Tianyuan Aluminum Company Ltd	8253	10.00		0.55
Sau San Tong Holdings Ltd	8200	10.26		0.086
Shenzhen Mingwah Aohan High Technology Corporation Ltd	8301	12.12		0.185
Shenzhen Neptunus Interlong Bio-technique Company Ltd	8329	13.86		1.15
Soluteck Holdings Ltd	8111		12.16	0.13
Tai Shing International (Holdings) Ltd	8103	33.75		0.214
Venturepharm Laboratories Ltd	8225		15.00	1.19

Yantai North Andre Juice Company Ltd	8259	11.54		0.58
Vertex Group Ltd	8228	10.22		0.151
Zheda Lande Scitech Ltd	8106	10.34		0.16

On The Tokyo Stock Exchange, its TOPIX Index fell about 0.18 percent to 1,233.37 points.

Even so, gaining counters outnumbered losing ones by the ratio of about 1.59:One.

The Nikkei-225 Stock Average lost about one tenth of a percentage point, edging back to 12,851.69 yen.

This was how the key indices of other Asian equity markets fared, last Wednesday night:

The HKSAR	Hang Seng Index Plus 2.18 percent to 20,931.26 The Growth Enterprise Index Plus 0.41 percent to 687.16
Indonesia	Plus 1.33 percent to 2,069.70
Japan	TOPIX Index Minus 0.18 percent to 1,233.37 Nikkei-225 Stock Average Minus 0.10 percent to 12,851.69
Malaysia	Plus 0.35 percent to 1,073.21
The Philippines	Minus 0.35 percent to 2,681.66
The PRC	Shanghai Composite Index Plus 7.63 percent to 2,523.28 Shenzhen Composite Index Plus 7.16 percent to 712.82
Singapore	Plus 0.86 percent to 2,751.75
South Korea	Minus 0.05 percent to 1,540.71
Taiwan	Plus 0.89 percent to 7,040.90

Thailand	Minus 0.19 percent to 690.05
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Thursday

The price of crude oil rose sharply on international commodity exchanges, last Thursday, as many people speculated that the political tensions between Russia and the US would worsen.

Since the invasion by Russia of Georgia, relations between the 2 powerhouses – the US and Russia – have been strained, some political analysts, claiming to near breaking point.

Russia appears to be flexing its military and political muscles and is not in the least apprehensive when thumbing its nose at Washington, D.C. – or any other country for that matter.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in October was \$US121.18, an increase of about 4.86 percent, compared with Wednesday's close.

Last Thursday, October became the near month. September futures contracts expired last Wednesday.
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The last settlement for a barrel of light sweet crude oil for delivery in November was \$US121.72, representing an increase of about 4.90 percent, compared with Wednesday's final quote.

On The New York Stock Exchange, the Dow Jones Industrial Average rose about 0.11 percent to 11,430.05 points.

The Composite Index of The NASDAQ, on the other hand, fell back by about 0.36 percent to 2,380.38 points.

Aside from the political tensions between Russia and the US, there was, also, continued concern that the credit crisis, around the world, could worsen.

The ratio of gaining counters to losing ones was about One:One on The New York Stock Exchange, but, on The NASDAQ, losing counters outdistanced gaining ones by the ratio of about 2:One.

The volume of activity on the world's largest and most-important equity markets continued light.

In Europe, the key indices of the most important bourses dropped back to lower levels as rising crude-oil prices and worries in the financial sector of bourses worried investors.

HSBC Holdings plc (Code: 5, Main Board, The Stock Exchange of Hongkong Ltd), the largest bank in Europe, was the biggest drag on the key indices of many an equity market as its share price fell back by about 2.70 percent.

The share prices of other banking counters followed the lead of HSBC Holdings plc.

This was how the key indices of the most important bourses closed, last Thursday:

Amsterdam's AEX Index

Minus 0.58 percent

France's CAC 40 Index

Minus 1.40 percent

Germany's Frankfurt XETRA DAX Index

Minus 1.27 percent

Great Britain's FTSE 100 Index

Minus 0.02 percent

Italy's MIBTEL Index

Minus 1.07 percent

Switzerland's Swiss Market Index

Minus 1.40 percent

In Asia, widespread losses were seen on the equity markets of the region.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key indices of the territory's 2 stock markets lost – and lost big time.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index shed about 2.58 percent as investors marked it down to 20,392.06 points.

The Total Turnover was about \$HK55.74 billion, while the ratio of declining counters to advancing ones was about 2.35:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)

Down 2.56 percent to \$HK117.80 per share

China Mobile Ltd (Code: 941)

Down 3.70 percent to \$HK91.00 per share

China Life Insurance Company Ltd (Code: 2628)

Down 2.53 percent to \$HK27.00 per share

China South Locomotive and Rolling Stock
Corporation Ltd (Code: 1766)*

\$HK2.63 per share

China Construction Bank Corporation (Code: 939)

Down 2.29 percent to \$HK5.97 per share

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

Down 2.10 percent to \$HK5.12 per share

CNOOC Ltd (Code: 883)

Up 0.56 percent to \$HK10.70 per share

PetroChina Company Ltd (Code: 857)

Down 2.53 percent to \$HK9.64 per share

China Petroleum and Chemical Corporation
(Code: 386)

Down 3.68 percent to \$HK7.59 per share

Cheung Kong (Holdings) Ltd (Code: 1)

Down 2.79 percent to \$HK101.10 per share

* First Day of Trading

On the Main Board, there was a total of 39 double-digit movers of the day, of which number, 11 counters rose and 28 counters fell.

The biggest gainer of the day was Mongolia Energy Corporation Ltd (Code: 276), its share price rising 32.21 percent to \$HK5.50.

The biggest loser of the day was Buildmore International Ltd (Code: 108), its share price falling 29.09 percent to \$HK1.56.

Over on The **Growth Enterprise Market (The GEM)** of The Stock Exchange of Hongkong Ltd, its lone index, The Growth Enterprise Index, gave up about 1.81 percent of its former glory, ending the trading day at 674.71 points.

The Total Turnover on this (speculative) equity market was about \$HK81.53 million.

Declining counters outnumbered advancing ones by the ratio of about 2.68:One.

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

Ming Kei Energy Holdings Ltd (Code: 8239)

Down 3.41 percent to \$HK0.425 per share

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

Down 8.33 percent to \$HK0.66 per share

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

Up 0.34 percent to \$HK11.80 per share

BIG Media Group Ltd (Code: 8167)

Down 7.58 percent to \$HK0.305 per share

Long Success International (Holdings) Ltd
(Code: 8017)

Down 16.95 percent to \$HK0.049 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
A-S China Plumbing Products Ltd	8262	10.00		2.20
China.com Incorporated	8006	10.55		6.39
Finet Group Ltd	8317	11.31		0.187

First China Financial Holdings Ltd	8123		10.91	0.196
Global Link Communications Holdings Ltd	8060		19.05	0.085
GreaterChina Technology Group Ltd	8032	25.00		0.10
Long Success International (Holdings) Ltd	8017		16.95	0.049
Northeast Tiger Pharmaceutical Company Ltd	8197		16.41	0.107
Palmpay China (Holdings) Ltd	8047		12.50	0.28
Richfield Group Holdings Ltd	8136	15.00		0.092
Rojam Entertainment Holdings Ltd	8075		10.34	0.052
Sau San Tong Holdings Ltd	8200		12.79	0.075
Shanghai Jiaoda Withub Information Industrial Company Ltd	8205	25.00		0.50
Shenzhen Mingwah Aohan High Technology Corporation Ltd	8301		13.51	0.16
Soluteck Holdings Ltd	8111	14.62		0.149
SYSCAN Technology Holdings Ltd	8083	10.91		0.061
Venturepharm Laboratories Ltd	8225		15.97	1.00

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

On The Tokyo Stock Exchange, which is the premier equity market of the country, its TOPIX Index lost about 0.72 percent, dropping to 1,224.53 points.

The ratio of declining counters to advancing ones was about 2.28:One.

The Nikkei-225 Stock Average lost about 0.77 percent as investors pushed it down to 12,752.21 yen.

This was how the key indices of other equity markets of Asia closed, last Thursday night:

The HKSAR	<p>Hang Seng Index Minus 2.58 percent to 20,392.06</p> <p>The Growth Enterprise Index Minus 1.81 percent to 674.71</p>
Indonesia	<p>Plus 0.90 percent to 2,088.25</p>

Japan	TOPIX Index Minus 0.72 percent to 1,224.53 Nikkei-225 Stock Average Minus 0.77 percent to 12,752.21
Malaysia	Minus 0.17 percent to 1,071.43
The Philippines	Minus 0.92 percent to 2,656.92
The PRC	Shanghai Composite Index Minus 3.63 percent to 2,431.72 Shenzhen Composite Index Minus 3.35 percent to 688.95
Singapore	Minus 1.39 percent to 2,713.47
South Korea	Minus 1.83 percent to 1,512.59
Taiwan	Minus 1.74 percent to 6,918.48
Thailand	Minus 1.96 percent to 676.53

Friday

The price of crude oil bounced back more than 5 percent on international commodity exchanges as many investors considered that Thursday's sell-off had been overdone.

Russia said that it had completed its withdrawal from Georgia and that official notification appeared to allay some fears.

Washington was not buying it, however.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in October was \$US114.59, down about 5.44 percent, compared with Thursday's closing level.

As for delivery in November, the last settlement for a barrel of light sweet crude oil was \$US115.14, representing a one-day fall of about 5.41 percent.

On Wall Street, there was continued buying of stocks and shares as advocates of Corporate America appeared to be a little bit up-market about the prospects for the largest-single economy of the world for the rest of the year.

TARGET hastens to add that it should not be included

among this misinformed throng, however.

On The New York Stock Exchange, the Dow Jones Industrial Average rose about 1.73 percent to close out the week at 11,628.06 points.

The Composite Index of The NASDAQ climbed about 1.44 percent to end the week's trading at 2,414,71 points.

One of the aspects of trading on Wall Street, last Friday, was multiple reports that banking giant, Lehman Brothers Holdings Incorporated, might attract a foreign investor, pumping tens of billions of dollars into the bank.

Lehman Brothers Holdings Incorporated has been holding out the '*For Sale*' sign for some months, it has been noted.

The ratio of gainers to losers on The New York Stock Exchange was about 3:One while, over on The NASDAQ, advancing counters outran declining ones by the ratio of about 2.50:One.

The tally for the week for the world's largest equity market was:

The Dow Jones Industrial Average Minus 0.27 percent
The Composite Index of The NASDAQ Minus 1.55 percent

In Europe, the key indices of the most-important bourses all rose.

The gains were very material:

Amsterdam's AEX Index Plus 1.98 percent

France's CAC 40 Index Plus 2.22 percent

Germany's Frankfurt XETRA DAX Index Plus 1.69 percent

Great Britain's FTSE 100 Index Plus 2.52 percent

Italy's MIBTEL Index Plus 1.19 percent

Switzerland's Swiss Market Index Plus 1.33 percent

In Asia, the major equity markets of the region witnessed further losses.

The equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were closed due to the territory, being battered by a violent typhoon.

The tally for the 4-day trading week in the HKSAR was:

The Hang Seng Index Minus 3.63 percent
The Growth Enterprise Index Minus 5.71 percent

In Japan, losing counters outran gaining ones by the ratio of about 1.38:One.

The TOPIX Index lost about 0.66 percent, skidding back to 1,216.42 points.

The Nikkei-225 Stock Average lost about 0.68 percent, ending the day at 12,666.04 points.

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

The TOPIX Index Minus 2.48 percent
The Nikkei-225 Stock Average Minus 2.71 percent

On other Asian equity markets, this was how trading ended for the week of August 22, 2008:

The HKSAR	Hang Seng Index Closed The Growth Enterprise Index Closed
Indonesia	Plus 1.54 percent to 2,120.49
Japan	TOPIX Index Minus 0.66 percent to 1,216.42 Nikkei-225 Stock Average Minus 0.68 percent to 12,666.04
Malaysia	Plus 1.32 percent to 1,085.60
The Philippines	Minus 0.14 percent to 2,653.18
The PRC	Shanghai Composite Index Minus 1.09 percent to 2,405.23 Shenzhen Composite Index Minus 1.77 percent to 676.76
Singapore	Plus 0.36 percent to 2,723.30
South Korea	Minus 1.04 percent to 1,496.91
Taiwan	Minus 0.10 percent to 6,911.64
Thailand	Plus 0.80 percent to 681.93

**This will be the last stock-market report until October 6, 2008.
Please see TARGET's announcement,
published on August 29, 2008**

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