

**CRUDE OIL PRICES RETREAT IN SPITE OF INSPIRED  
FIRE-FIGHTS BETWEEN ISRAEL AND HAMAS –  
U.S. UNEMPLOYMENT HITS A 16-YEAR HIGH –  
WALL STREET STOCKS TAKE A POUNDING**

For the first full week of trading on the world's equity markets, trading was hampered, considerably, by considerations in respect of the land-and-air battle that was raging in Gaza between the Israeli Defense Force (**IDF**) and HAMAS.

The Israeli Government ordered its land forces to cross into Gaza on Sunday, January 4, 2009, and to engage HAMAS in what is fast becoming a battle that could rip out the innards of HAMAS.

Speculation was rife that this battle, that had seen, by last Monday, more than 500 HAMAS fighters and Palestine civilians killed with more than 2,500 people, having been badly injured, could have far-reaching implications.

The number of dead and wounded was still being counted, last Monday.

On the world's commodity exchanges, the price of crude oil rose, sharply, in part as a reaction to the escalation in the war between Israel and HAMAS.

The last settlement for a barrel of light sweet crude oil for delivery in February on The New York Mercantile Exchange (**NYMEX**) rose about 5.33 percent to \$US48.81, compared with the closing level of Friday, January 2, 2009.

As for delivery in March, the last settlement for a barrel of light sweet crude oil came in at \$US52.69, up about 4.94 percent on the previous Friday's closing quote.

On The New York Stock Exchange, the Dow Jones Industrial Average fell 81.80 points, equivalent to about 0.91 percent, ending the trading day at 8,952.89 points.

As for The NASDAQ, its Composite Index gave up 4.18 points, or about 0.26 percent, slipping back to 1,628.03 points.

The ratio of advancing counters to declining ones was about 2:One on the world's 2 largest equity markets.

During the trading day, the statistics in respect of December 2008, motor-vehicle sales in the US were announced: The statistics were punishing.

The following are some of the highlights of those statistics on a Year-On-Year comparison:

Chrysler LLC	Down 53 percent
Hyundai Motor	Down 48 percent
Toyota Motor Corporation	Down 37 percent
Honda Motor Company	Down 35 percent
Ford Motor Company	Down 32 percent
General Motors Corporation	Down 31 percent

Nissan Motor Company   Down 31 percent

The increase in the price of crude oil on international commodity exchanges was one of the factors that caused the key indices of major European bourses to make gains, last Monday:

Amsterdam's AEX Index           Plus   1.37 percent

France's CAC 40 Index           Plus   0.30 percent

Germany's Frankfurt XETRA DAX Index Plus   0.21 percent

Great Britain's FTSE 100 Index   Plus   0.39 percent

Italy's MIBTEL Index           Plus   1.70 percent

Switzerland's Swiss Market Index   Plus   4.00 percent

#### News Wise

- In Germany, the world's biggest exporter, Chancellor Angela Merkel met with her coalition partners in order to nut out a **financial stimulus policy** worth an estimated €50 billion. This second financial stimulus package was in addition to the first one when €31 billion was pumped into the flagging economy.

In Asia, every key index of every major equity market in the region recorded positive figures by the close of the trading day.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the territory's 2 equity markets made gains, but it was on the Main Board of The Stock Exchange of Hongkong Ltd that the bigger move in the key index was seen.

On the Main Board, the benchmark, known as The Hang Seng Index, shot up 3.46 percent, exactly, coming to rest at 15,563.31 points.

The Total Turnover was about \$HK49.42 billion, while the ratio of advancing counters to declining ones was about 1.72:One.

The Ten Most Active counters were:

China Mobile Ltd (Code: 941)

Up 4.68 percent to \$HK85.00 per share

China Life Insurance Company Ltd (Code: 2628)

Up 3.43 percent to \$HK25.60 per share

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

Up 0.93 percent to \$HK4.34 per share

Hongkong Exchanges and Clearing Ltd (Code: 388)

Up 7.96 percent to \$HK82.70 per share

PetroChina Company Ltd (Code: 857)

Up 6.94 percent to \$HK7.70 per share

CNOOC Ltd (Code: 883)

Up 7.91 percent to \$HK8.19 per share

HSBC Holdings plc (Code: 5)

Up 0.65 percent to \$HK77.50 per share

China Construction Bank Corporation (Code: 939)

Up 2.88 percent to \$HK4.65 per share

Bank of China Ltd (Code: 3988)

Up 1.84 percent to \$HK2.21 per share

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

Up 8.59 percent to \$HK43.00 per share

There was a total of 101, double-digit movers on the Main Board, last Monday, with only 8 of their number, losing traction.

United Pacific Industries Ltd (Code: 176) was the biggest gainer of the day as its share price rose 70 percent to 25.50 cents.

Oriental Explorer Holdings Ltd (Code: 430) was the biggest loser of the day, its share price, dropping about 24.05 percent to 6 cents.

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index put on about 0.37 percent to 383.11 points on a Total Turnover of about \$HK72.64 million.

Gaining counters outpaced losing ones by the ratio of about 1.87:One.

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

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

Up 44.90 percent to \$HK0.142 per share

Wumart Stores Incorporated (Code: 8277)

Up 0.52 percent to \$HK5.83 per share

China Railway Logistics Ltd (Code: 8089)

Down 1.45 percent to \$HK0.68 per share

Global Solution Engineering Ltd (Code: 8192)

Up 0.61 percent to \$HK0.166 per share

China Metal Resources Holdings Ltd (Code: 8071)

Up 6.90 percent to \$HK0.062 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Beijing Beida Jade Bird Universal Sci-Tech	8095	15.20		0.182

Company Ltd				
China Chief Cable TV Group Ltd	8153	16.70		0.14
China Ground Source Energy Ltd	8128	12.20		0.055
China Leason Investment Group Company Ltd	8270		18.10	0.34
China LotSynergy Holdings Ltd	8161		11.10	0.112
ePRO Ltd	8086		15.10	0.079
Era Information and Entertainment Ltd	8043	80.00		0.18
Everpride Biopharmaceutical Company Ltd	8019	27.30		0.07
Goldmond Holdings Ltd	8190		13.80	0.025
Info Communication Holdings Ltd	8082	10.20		0.065
Intcera High Tech Group Ltd	8041	16.30		0.05
Intelli-Media Group (Holdings) Ltd	8173	44.90		0.142
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049	17.80		0.212
Ming Kei Energy Holdings Ltd	8239	21.70		0.28
Nanjing Sample Technology Company Ltd	8287	10.00		3.96
Neolink Cyber Technology (Holding) Ltd	8116	15.60		0.037
Netel Technology (Holdings) Ltd	8256	15.40		0.03
Powerleader Science and Technology Group Ltd	8236	20.00		0.12
SYSCAN Technology Holdings Ltd	8083	14.30		0.048
Tianjin TEDA Biomedical Engineering Company Ltd	8189	11.20		0.178
Xi'an Haitian Antenna Technologies Company Ltd	8227	11.10		0.10

On the 3 equity markets of Japan, it was gainers, all the way.

On the premier equity market of the country, The TOPIX Index, which is the key index of The Tokyo Stock Exchange, rose 16.67 points, about 1.94 percent, ending the day at 875.91 points.

Advancing counters led declining ones by the ratio of about 1.21:One.

The Nikkei-225 Stock Average, which is a much-narrower gauge of trading in select blue chips, listed on the First Section of The Tokyo Stock Exchange, than The TOPIX Index, rose ¥183.56, equivalent to about 2.07 percent, ending the trading day at ¥9,043.12.

#### News Wise

- Sales at Japan's **departmental stores** fell, during the month of December 2008, compared with December 2007. At Takashimaya Company, its sales fell about 10.20 percent, Year-On-Year, and, at Matsuzakaya, its sales were off about 16.10 percent, while sales at Daimaru dropped about 9 percent.

This was the way that things came to a halt on other Asian equity markets, last Monday:

The HKSAR	Hang Seng Index Plus 3.46 percent to 15,563.31 The Growth Enterprise Index Plus 0.37 percent to 383.11
Indonesia	Plus 6.04 percent to 1,437.34
Japan	TOPIX Index Plus 1.94 percent to 875.91 Nikkei-225 Stock Average Plus 2.07 percent to 9,043.12
Malaysia	Plus 2.94 percent to 920.66
The Philippines	Plus 5.44 percent to 1,974.69
The PRC	Shanghai Composite Index Plus 3.29 percent to 1,880.72 Shenzhen Composite Index Plus 3.22 percent to 571.13
Singapore	Plus 5.20 percent to 1,924.87
South Korea	Plus 1.40 percent to 1,173.57
Taiwan	Plus 2.33 percent to 4,698.31
Thailand	Plus 6.39 percent to 478.69

## Tuesday

Stock and share prices rose on the world's 2 largest equity markets, last Monday, as investors bet that the financial stimulus package of the incoming Administration of President-Elect Barak Obama would put new life into the world's largest economy.

Fat chance!

On The New York Stock Exchange, the Dow Jones Industrial Average rose about 0.69 percent to 9,015.10 points while, over on The NASDAQ, its Composite Index added about 1.50 percent, ending the trading day at 1,652.38 points.

The ratio of advancing counters to declining ones was about 3.50:One on The New York Stock Exchange and about 2.50:One on The NASDAQ.

## News Wise

- **Alcoa Incorporated** announced that it would be culling its staff by about 15,000 bodies, halving capital spending and selling 4 businesses. Aluminium production would be cut back due to an international lack of demand.

On major European bourses, investors continued, selectively, to buy into stocks and shares.

All of the key indices of the most-important equity markets made material gains:

Amsterdam's AEX Index	Plus	2.86 percent
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France's CAC 40 Index	Plus	1.08 percent
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Germany's Frankfurt XETRA DAX Index	Plus	0.84 percent
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Great Britain's FTSE 100 Index	Plus	1.29 percent
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Italy's MIBTEL Index	Plus	2.09 percent
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Switzerland's Swiss Market Index	Plus	0.75 percent
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In view of the international recession and the fact that the economies of the eurozone are in shambles, it appeared hardly reasonable to condone how investors, in this particular part of the world, would want to make fresh financial commitments on equity markets.

But, as the saying goes, one cannot beat city hall or outthink the masses when they are determined to do something irrational or extraordinary.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in February came in at \$US48.58, down about 0.47 percent compared with Monday's close.

As for delivery in March, the last settlement for a barrel of light sweet crude oil was \$US53.13, representing a one-day gain of about 0.84 percent.

On Asian equity markets, it was something of a mixed bag.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), relatively quiet trading conditions prevailed on the territory's equity market.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index shed about 0.35 percent of its value, falling back to 15,509.51 points on a Total Turnover of about \$HK53.92 billion.

Declining counters outnumbered advancing ones by the ratio of about 1.04:One.

The Ten Most Active counters were:

China Mobile Ltd (Code: 941)	Down 2.35 percent to \$HK83.00 per share
China Construction Bank Corporation (Code: 939)	Down 4.30 percent to \$HK4.45 per share
PetroChina Company Ltd (Code: 857)	Up 1.56 percent to \$HK7.82 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 1.61 percent to \$HK4.27 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.20 percent to \$HK25.55 per share
Bank of China Ltd (Code: 3988)	Unchanged at \$HK2.21 per share
CNOOC Ltd (Code: 883)	Up 0.12 percent to \$HK8.20 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 4.20 percent to \$HK73.25 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 2.78 percent to \$HK85.00 per share
Ping An Insurance (Group) Company of China Ltd (Code: 2318)	Up 0.23 percent to \$HK43.10 per share

Of the 69 Main Board, double-digit movers of the day, there were 59 winners and 10 losers.

The biggest gainer of the day was Interchina Holdings Company Ltd (Code: 202) as investors pushed up its share price by 55 percent to 3.10 cents.

New Media Group Holdings Ltd (Code: 708) was the biggest decliner of the day, its share price, dropping about 29.73 percent to 26 cents.

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index rose about 0.38 percent to 384.56 points on a Total Turnover of about \$HK75.81 million.

Gainers outnumbered losers by the ratio of about 1.65:One.

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

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

Down 4.93 percent to \$HK0.135 per share

BIG Media Group Ltd (Code: 8167)

Down 8.02 percent to \$HK0.149 per share

China Railway Logistics Ltd (Code: 8089)

Up 2.94 percent to \$HK0.70 per share

Wumart Stores Incorporated (Code: 8277)

Down 0.51 percent to \$HK5.80 per share

Global Solution Engineering Ltd (Code: 8192)

Down 4.82 percent to \$HK0.158 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131	10.00		0.165
AcrossAsia Ltd	8061	15.00		0.046
China LotSynergy Holdings Ltd	8161	12.50		0.126
China Nonferrous Metals Company Ltd	8306	20.30		0.475
Dahe Media Company Ltd	8243	10.00		0.22
DeTeam Company Ltd	8112	15.90		0.365
Emcom International Ltd	8220		13.80	0.025
Enviro Energy International Holdings Ltd	8182	20.70		0.111
Era Information and Entertainment Ltd	8043		11.10	0.16
FAVA International Holdings Ltd	8108	10.40		0.106
First China Financial Holdings Ltd	8123	16.10		0.26
Global Digital Creations Holdings Ltd	8271	16.20		0.115
Goldmond Holdings Ltd	8190	20.00		0.03
Golife Concepts Holdings Ltd	8172	11.80		0.038



Honbridge Holdings Ltd	8137	10.20		0.65
Linefan Technology Holdings Ltd	8166		15.00	0.85
Netel Technology (Holdings) Ltd	8256		10.00	0.027
Ningbo Yidong Electronic Company Ltd	8249	11.10		0.05
Northeast Tiger Pharmaceutical Company Ltd	8197		16.70	0.06
Powerleader Science and Technology Group Ltd	8236	18.30		0.142
Rojam Entertainment Holdings Ltd	8075	15.40		0.03
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231		14.30	0.24
Tianjin Tianlian Public Utilities Company Ltd	8290		10.20	0.395
Timeless Software Ltd	8028	19.00		0.05

On The Tokyo Stock Exchange, as with the other Japanese equity markets, trading was considerably muted.

The TOPIX Index, the key index of the premier equity market of the country, rose about 0.03 percent to 876.20 points.

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

The Nikkei-225 Stock Average rose about 0.42 percent to ¥9,080.84.

#### News Wise

- **Sanyo Electric Company** is planning to axe about 1,000 workers on its payroll; and,
- **NSK Ltd**, a manufacturer of bearings in Japan, is planning to sack 2,000 of its staff members by March.

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

The HKSAR	Hang Seng Index Minus 0.35 percent to 15,509.51 The Growth Enterprise Index Plus 0.38 percent to 384.56
Indonesia	Minus 0.13 percent to 1,435.54
Japan	TOPIX Index Plus 0.03 percent to 876.20 Nikkei-225 Stock Average Plus 0.42 percent to 9,080.84

Malaysia	Plus 0.17 percent to 922.23
The Philippines	Minus 0.26 percent to 1,969.58
The PRC	Shanghai Composite Index Plus 3.00 percent to 1,937.15 Shenzhen Composite Index Plus 2.66 percent to 586.33
Singapore	Minus 0.58 percent to 1,913.66
South Korea	Plus 1.76 percent to 1,194.28
Taiwan	Plus 0.62 percent to 4,727.26
Thailand	Minus 1.16 percent to 473.15

### **Wednesday**

Oil traders were hurting, badly, last Wednesday, as the price of crude oil on international commodity exchanges came off with a crunch.

On The **New York Mercantile Exchange (NYMEX)**, the last settlement for a barrel of light sweet crude oil for delivery in February sank about 12.25 percent to \$US42.63.

As for delivery in March, the last settlement for a barrel of light sweet crude oil fell back by about 10.80 percent, ending the Open Outcry Session at \$US47.39.

The fighting between the **Israeli Defense Force (IDF)** and HAMAS (Please see Monday's report) was continuing, with casualties, piling up daily, but, as at last Wednesday night, the fighting had not affected production at the oil-producing countries of the Middle East, as had been a grave concern of many people, during the early days of the fighting.

What caused the sudden fall in the price of this strategic commodity was a report from the US Government's **Energy Information Administration (EIA)**.

The EIA reported that crude-oil inventories had risen to about 6.70 million barrels.

It had, earlier, been estimated that inventories would be about 1.50 million barrels, only.

Clearly, this intelligence indicates that there is much less demand for crude oil, worldwide, than in the past, due in large part to the economic downturn, with most of the developed economies of the West, enjoying a recession.

On equity markets, around the world, there was, also, a material sell-off.

On The New York Stock Exchange, the Dow Jones Industrial Average shed about 2.71 percent, dropping

back to 8,770.42 points.

The Composite Index of The NASDAQ did even better, falling back about 3.23 percent to 1,559.06 points.

Declining counters outpaced advancing ones by the ratio of about 4:One on The New York Stock Exchange and by about 3:One on The NASDAQ.

Hurting sentiment on the world's largest equity markets were a slew of profits' warnings from some of the *'darlings'* of Wall Street.

#### News Wise

- The US Government's Congressional Budget Office has projected that the **budget deficit** for Fiscal 2009 could well hit \$US1,186 trillion for the Year, ending September 30, 2009. If this comes to pass, it would be the largest budgetary deficit in the history of the largest single economy of the world.

In Europe, the fast-declining values of commodity counters brought down the key indices of the most-important bourses of the region:

Amsterdam's AEX Index	Minus 1.57 percent
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France's CAC 40 Index	Minus 1.47 percent
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Germany's Frankfurt XETRA DAX Index	Minus 1.76 percent
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Great Britain's FTSE 100 Index	Minus 2.83 percent
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Italy's MIBTEL Index	Minus 0.88 percent
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Switzerland's Swiss Market Index	Minus 0.64 percent
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As expected, energy counters got hit the hardest on the back of the sharp drop in the price of crude oil.

But other counters, the main businesses of which centred on commodity trading, were, also, the targets of sellers on the basis that, if crude oil had lost its shine due to less international demand for the black ooze, then, it seemed only logical that other essential commodities – iron ore, aluminium, copper, zinc, bauxite, etc – would, also, suffer similarly.

In Asia, there were some very material swings in the key indices of quite a number of the major equity markets of the region.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the territory's 2 stock markets were hit very hard.

In fact, the losses in the benchmark index of the Main Board of The Stock Exchange of Hongkong Ltd were the largest in this, the most-populous part of the world.

The Hang Seng Index shed about 3.37 percent as investors pulled it back to 14,987.46 points.

The Total Turnover was about \$HK90.02 billion, while the ratio of losers to gainers was about 1.34:One.

The Ten Most Active counters were:

China Construction Bank Corporation (Code: 939)	Down 8.76 percent to \$HK4.06 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 7.26 percent to \$HK3.96 per share
China Mobile Ltd (Code: 941)	Down 5.48 percent to \$HK78.45 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Down 1.35 percent to \$HK83.85 per share
PetroChina Company Ltd (Code: 857)	Down 4.73 percent to \$HK7.45 per share
China Life Insurance Company Ltd (Code: 2628)	Down 4.31 percent to \$HK24.45 per share
Bank of China Ltd (Code: 3988)	Down 3.17 percent to \$HK2.14 per share
HSBC Holdings plc (Code: 5)	Down 2.53 percent to \$HK75.00 per share
CNOOC Ltd (Code: 883)	Down 3.66 percent to \$HK7.90 per share
China Shenhua Energy Company Ltd (Code: 1088)	Down 0.54 percent to \$HK18.32 per share

As for the biggest, Main Board movers of the day, there was a total of 76 counters that qualified for this dubious honour.

Of that number, 17 counters suffered losses in their share prices of 10 percent or more, while the remaining 59 counters enjoyed gains of 10 percent or more in their respective share prices.

Ngai Lik Industrial Holdings Ltd (Code: 332) was the biggest gainer of the day, its share price, rising 66.67 percent to 11.50 cents.

Temujin International Investments Ltd (Code: 204) was the biggest loser, dropping 18.57 percent, ending the trading day at \$HK1.14.

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shed about 0.74 percent, falling back to 381.72 points.

The Total Turnover on this market was about \$HK83.87 million, while the ratio of declining counters to advancing ones was about 1.27:One.

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

China Railway Logistics Ltd (Code: 8089)	Up 8.57 percent to \$HK0.76 per share
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Shandong Weigao Group Medical  
Polymer Company Ltd (Code: 8199)

Up 0.86 percent to \$HK11.68 per share

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

Down 15.56 percent to \$HK0.114 per share

Enviro Energy International Holdings Ltd (Code:  
8182)

Up 4.50 percent to \$HK0.116 per share

Tiger Tech Holdings Ltd (Code: 8046)

Down 4.23 percent to \$HK0.34 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Capital Resources (Holdings) Ltd	8025	11.10		0.11
China Leason Investment Group Company Ltd	8270	11.40		0.39
China Primary Resources Holdings Ltd	8117	24.00		0.062
Emcom International Ltd	8220	12.00		0.028
Everpride Biopharmaceutical Company Ltd	8019	11.10		0.08
Goldmond Holdings Ltd	8190	10.00		0.033
GreaterChina Technology Group Ltd	8032	16.70		0.035
Hua Xia Healthcare Holdings Ltd	8143	18.40		0.058
Intelli-Media Group (Holdings) Ltd	8173		15.60	0.114
Jiangsu NandaSoft Technology Company Ltd	8045	13.70		0.149
Long Success International (Holdings) Ltd	8017	10.90		0.051
Ming Kei Energy Holdings Ltd	8239		11.40	0.248
Sau San Tong Holdings Ltd	8200	16.10		0.036
Shenzhen Mingwah Aohan High Technology Corporation Ltd	8301	12.70		0.08
SYSCAN Technology Holdings Ltd	8083		14.60	0.041

Tianjin TEDA Biomedical Engineering Company Ltd	8189	16.30		0.22
Xi'an Haitian Antenna Technologies Company Ltd	8227		13.00	0.087
Zheda Lande Scitech Ltd	8106	10.00		0.11

On The Tokyo Stock Exchange, which is the largest equity market in Asia, its TOPIX Index rose about 1.38 percent to 888.25 points.

The ratio of advancing counters to declining ones was about 1.60:One.

The Nikkei-225 Stock Average was ¥9,239.24, a one-day increase of about 1.74 percent.

And this was the way that things looked on other Asian equity markets, last Wednesday night:

The HKSAR	Hang Seng Index Minus 3.37 percent to 14,987.46 The Growth Enterprise Index Minus 0.74 percent to 381.72
Indonesia	Minus 0.98 percent to 1,421.47
Japan	TOPIX Index Plus 1.38 percent to 888.25 Nikkei-225 Stock Average Plus 1.74 percent to 9,239.24
Malaysia	Plus 0.58 percent to 927.62
The Philippines	Plus 1.74 percent to 2,003.89
The PRC	Shanghai Composite Index Minus 0.68 percent to 1,924.01 Shenzhen Composite Index Minus 0.28 percent to 584.70
Singapore	Minus 1.73 percent to 1,880.58
South Korea	Plus 2.84 percent to 1,228.17
Taiwan	Plus 1.32 percent to 4,789.84
Thailand	Minus 2.15 percent to 462.96

## **Thursday**

Warning flags were fluttering in violent economic winds from more and more major companies, indicating that difficult times would continue in the largest and most-influential economy of the world.

Investors on Wall Street, last Thursday, were, in the words of the Beatles' song: '*All shook up.*'

And there were grave fears that, come Friday (January 9, 2009), the US unemployment report would add even more fuel to the fires of investor discontent.

On The New York Stock Exchange, the Dow Jones Industrial Average fell back by about 0.31 percent to 8,742.46 points.

Over on The NASDAQ, however, its Composite Index rose about 1.12 percent to 1,617.01 points.

The ratio of advancing counters to declining ones was about 1.50:One on both equity markets.

The likely possibility of an escalation in the fighting between Israel and HAMAS was heightened, last Thursday, when rockets fell on North Israel, those rockets, having been launched from Lebanon, not Gaza. (Please see previous reports on this subject)

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in February came in at \$US41.70, down another 2.18 percent, compared with Wednesday's close.

As for delivery in March, the last settlement for a barrel of light sweet crude oil was \$US46.51, a one-day fall of about 1.86 percent.

In Europe, there was a sea of red on the region's equity markets.

The Bank of England cut its key interest rate to its lowest level in its 315-year history, last Thursday.

It was a very definite sign to investors just how badly the economy of the country had been affected by the worldwide recession.

Down came the key indices of the most-important bourses in the region:

Amsterdam's AEX Index	Minus 0.16 percent
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France's CAC 40 Index	Minus 0.65 percent
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Germany's Frankfurt XETRA DAX Index	Minus 1.16 percent
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Great Britain's FTSE 100 Index	Minus 0.04 percent
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Italy's MIBTEL Index	Plus 0.22 percent
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Switzerland's Swiss Market Index	Minus 0.18 percent
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The following is a verbatim transcript of the statement of The Central Bank of The United Kingdom:

*'The Bank of England's Monetary Policy Committee today voted to reduce the official Bank Rate paid on commercial bank reserves by 0.5 percentage points to 1.5%.*

*'The world economy appears to be undergoing an unusually sharp and synchronised downturn. Measures of business and consumer confidence have fallen markedly. World trade growth this year is likely to be the weakest for some considerable time.*

*'In the United Kingdom, business surveys suggest that the pace of contraction in activity increased during the fourth quarter of 2008 and that output is likely to continue to fall sharply during the first part of this year. Surveys of retailers and reports from the Bank's regional Agents imply that consumer spending has weakened. The outlook for business and residential investment has deteriorated. And the availability of credit to both households and businesses has tightened further, pointing to the need for further measures to increase the flow of lending to the non-financial sector. But the substantial depreciation in sterling over recent months may help to moderate the impact on UK net exports of the slowdown in global growth.*

*'CPI inflation fell to 4.1% in November. Inflation is expected to fall further, reflecting waning contributions from retail energy and food prices and the direct impact of the temporary reduction in Value Added Tax. Measures of inflation expectations have come down. And pay growth remains subdued. But the depreciation in sterling will boost the cost of imports.*

*'At its January meeting, the Committee noted that the recent easing in monetary and fiscal policy, the substantial fall in sterling and the prospective decline in inflation would together provide a considerable stimulus to activity as the year progressed. Nevertheless, the Committee judged that, looking through the volatility in inflation associated with the movements in Value Added Tax, there remained a significant risk of undershooting the 2% CPI inflation target in the medium term at the existing level of Bank Rate. Accordingly, the Committee concluded that a further reduction in Bank Rate of 0.5 percentage points to 1.5% was necessary to meet the target in the medium term.'*

#### News Wise

- **Commerzbank AG**, the second-largest bank in Germany, has been partially nationalised: The German Government has taken a 25-percent stake in the bank. The German Government will pump another £9 billion into the bank in a second injection of capital in order to keep the bank solvent.

In Asia, there was a large sell-off of stocks and shares, from corner to corner in 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 equity markets lost substantially.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index fell out of bed, losing about 3.81 percent as investors pulled it back to 14,415.91 points.

The ratio of losers to gainers was about 2.12:One.

The Total Turnover was about \$HK55.21 billion, down about 39 percent, compared with Wednesday's volume of activity.

The Ten Most Actives were:

China Construction Bank Corporation (Code: 939)

Down 4.43 percent to \$HK3.88 per share



Bank of China Ltd (Code: 3988)

Down 8.41 percent to \$HK1.96 per share

China Mobile Ltd (Code: 941)

Down 3.12 percent to \$HK76.00 per share

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

Down 6.82 percent to \$HK3.69 per share

China Life Insurance Company Ltd (Code: 2628)

Down 3.27 percent to \$HK23.65 per share

HSBC Holdings plc (Code: 5)

Down 1.33 percent to \$HK74.00 per share

PetroChina Company Ltd (Code: 857)

Down 5.23 percent to \$HK7.06 per share

CNOOC Ltd (Code: 883)

Down 6.71 percent to \$HK7.37 per share

Hongkong Exchanges and Clearing Ltd (Code:  
388)

Down 6.38 percent to \$HK78.50 per share

China Shenhua Energy Company Ltd (Code:  
1088)

Down 3.38 percent to \$HK17.70 per share

Of the 81, Main Board, double-digit movers of the day, there were 69 losers and 12 winners.

China Fortune Holdings Ltd (Code: 110) was the biggest gainer, its share price, rising 125.81 percent to 35 cents.

Hanny Holdings Ltd (Code: 275) was the biggest loser of the day as investors drove down its share price to 95 cents, a one-day fall of about 31.16 percent.

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shed about 3.10 percent, ending the trading day at 369.87 points.

The ratio of declining counters to advancing ones was about 5.62:One.

The Total Turnover was about \$HK67.62 million.

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

Wumart Stores Incorporated (Code: 8277)

Down 4.31 percent to \$HK5.55 per share

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

Up 4.39 percent to \$HK0.119 per share

China Metal Resources Holdings Ltd (Code: 8071)

Down 1.79 percent to \$HK0.055 per share

China Railway Logistics Ltd (Code: 8089)

Down 10.53 percent to \$HK0.68 per share

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

Down 2.40 percent to \$HK11.40 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Byford International Ltd	8272		21.40	0.275
China Railway Logistics Ltd	8089		10.50	0.68
China Vanguard Group Ltd	8156		14.40	0.445
Enviro Energy International Holdings Ltd	8182		17.20	0.096
Excel Technology International Holdings Ltd	8048		20.00	0.028
Hua Xia Healthcare Holdings Ltd	8143		10.30	0.052
Inno-Tech Holdings Ltd	8202	25.80		0.078
Neolink Cyber Technology (Holding) Ltd	8116		12.50	0.035
Northeast Tiger Pharmaceutical Company Ltd	8197	22.20		0.077
Rojam Entertainment Holdings Ltd	8075		16.70	0.025
Sanmenxia Tianyuan Aluminum Company Ltd	8253		10.70	0.25
SYSCAN Technology Holdings Ltd	8083		12.20	0.036
Tianjin Binhai Teda Logistics (Group) Corporation Ltd	8348		10.30	0.70
Tianjin TEDA Biomedical Engineering Company Ltd	8189		25.50	0.164
Vertex Group Ltd	8228		13.50	0.064
Zhejiang Prospect Company Ltd	8273	13.50		0.42

News Wise

- **Lenovo Group Ltd** (Code: 992, Main Board, The Stock Exchange of Hongkong Ltd) announced that it would be culling its staff by about 11 percent, worldwide. That represents a cull of about 2,500 jobs.

On The Tokyo Stock Exchange, its TOPIX Index shed about 3.08 percent, dropping to 860.89 points.

The ratio of losing counters to gaining ones was about 5.54:One.

The Nikkei-225 Stock Average gave up about 3.93 percent of its value, ending the trading day at ¥8,876.42.

#### News Wise

- **TDK Corporation**, a producer of electronic components, announced that it would be cutting its workforce by about 8,000 bodies;
- **Japan Airlines Corporation** announced that it, too, would be cutting back its Establishment Level. The company said that it intended to drop about 1,640 workers from its payroll over the next few years; and,
- **Mitsubishi Motors Corporation** announced that it would join the throng of sacking working, letting go about 2,000 temporary jobs by the end of March 2009.

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

The HKSAR	Hang Seng Index Minus 3.81 percent to 14,415.91 The Growth Enterprise Index Minus 3.10 percent to 369.87
Indonesia	Minus 1.32 percent to 1,402.66
Japan	TOPIX Index Minus 3.08 percent to 860.89 Nikkei-225 Stock Average Minus 3.93 percent to 8,876.42
Malaysia	Minus 1.84 percent to 910.52
The Philippines	Minus 1.66 percent to 1,970.72
The PRC	Shanghai Composite Index Minus 2.38 percent to 1,878.18 Shenzhen Composite Index Minus 1.99 percent to 573.09
Singapore	Minus 2.82 percent to 1,827.61
South Korea	Minus 1.83 percent to 1,205.70
Taiwan	Minus 5.30 percent to 4,535.79

Thailand	Plus 0.45 percent to 465.03
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## **Friday**

US unemployment hit a 16-year high in December, the US Government announced.

It was bad, but not as bad as some Wall Street gurus had been predicting.

But it was bad enough to send the key indices of Wall Street, plummeting again.

This was the unemployment situation for December as testified by Mr Keith Hall, Commissioner, The Bureau of Labour Statistics of the US Government:

*'The labor market continued to deteriorate in December. Total nonfarm payroll employment fell by 524,000. This brings job losses in 2008 to 2.6 million, 1.9 million of which occurred in the past 4 months. Employment dropped in nearly all major industry sectors over this 4-month period. In December, the unemployment rate rose from 6.8 percent to 7.2 percent, the highest rate since January 1993.*

*'Employment in manufacturing continued to fall over the month (-149,000), with job losses spread throughout the sector. Manufacturing has lost 791,000 jobs since the start of the recession in December 2007 (as designated by the National Bureau of Economic Research). The largest declines over the month occurred in fabricated metals (-28,000) and in motor vehicles and parts (-21,000). Since the start of the recession, employment in motor vehicles and parts has fallen by 162,000, or about 17 percent. Manufacturing hours and overtime declined in December by 0.4 hour and 0.3 hour, respectively.*

*'Construction employment dropped by 101,000 over the month, with declines dispersed throughout the sector. Since peaking in September 2006, employment has fallen by 899,000.*

*'In the service-providing sector, temporary help agencies lost 81,000 jobs in December and 490,000 over the past 12 months. Employment in retail trade fell by 67,000 over the month. While job losses were widespread among retail industries, about a third of the decline occurred in automobile dealerships. Employment in wholesale trade also contracted over the month (-30,000).*

*'The only major private industry sector that continued to add a significant number of jobs was health care. Employment in this industry rose by 32,000 over the month and by 372,000 over the past 12 months.*

*'Average hourly earnings for production and nonsupervisory workers in the private sector rose by 5 cents, or 0.3 percent, in December. Over the past 12 months, average hourly earnings have increased by 3.7 percent. From November 2007 to November 2008, the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) rose by 0.6 percent.*

*'The measures from the household survey also highlight the deterioration in labor market conditions. The unemployment rate rose by 0.4 percentage point in December to 7.2 percent, and the number of unemployed persons increased by 632,000 to 11.1 million. In 2008, the jobless rate rose by 2.3 percentage points, and the number of unemployed increased by 3.6 million. The rise in unemployment has been widespread across demographic groups.*

*'The number of persons experiencing long spells of unemployment also has risen. About 2.6*

*million individuals had been unemployed for 27 weeks or more in December, an increase of 384,000 over the month and nearly 1.3 million over the past 12 months.*

*'The number of persons working part time who would have preferred full-time employment also continued to increase in December, rising to 8.0 million. Over the last 12 months, the number of such workers has grown by 3.4 million.*

*'In addition to providing information on employment and unemployment, the household survey provides information about persons not in the labor force--that is, those who are not working or currently looking for work. Among this group, about 1.9 million persons in December were classified as marginally attached to the labor force, up from 1.3 million a year earlier. These individuals wanted a job, were available for work, and had looked for a job sometime in the prior 12 months. The number of discouraged workers -- a subset of the marginally attached -- was 642,000 in December, up from 363,000 a year earlier. Discouraged workers are individuals who were not looking for a job because they believed no jobs were available for them.*

*'Data users are reminded that seasonal adjustment factors for the household survey are updated each year with the release of December's data. Seasonally adjusted estimates going back 5 years -- to January 2004 -- are subject to revision.*

*'Summarizing labor market developments for December, nonfarm payroll employment declined by 524,000, bringing losses for the last 4 months to 1.9 million. The unemployment rate rose to 7.2 percent.'*

On The New York Stock Exchange, the Dow Jones Industrial Average fell back another 1.64 percent to 8,599.18 points and the Composite Index of The NASDAQ gave up about 2.81 percent of its value, ending the trading week at 1,571.69 points.

Losing counters outnumbered gaining ones by the ratio of about 2.50:One on The New York Stock Exchange and by about 3:One on The NASDAQ.

Trading was reported to have been light on both of the world's largest equity markets.

Very few counters escaped last Friday's bloodbath on Wall Street.

For the trading week, ended January 9, 2009, the tally for Wall Street was:

The Dow Jones Industrial Average    Minus 4.82 percent  
The Composite Index of The NASDAQ    Minus 3.71 percent

#### News Wise

- **Boeing Company** announced that it would be shedding about 4,500 jobs from its commercial aeroplane operations. This number of job losses from this one division of the company represents about 7 percent of the total number of employees at this unit.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in February was \$US40.83, representing a one-day fall in the price of this strategic commodity of about 2.09 percent.

As for delivery in March, the last settlement for a barrel of light sweet crude oil came in at \$US46.07, down about 0.95 percent compared with Thursday's closing level.

In Europe, it was losers, losers and more losers on the region's major bourses as the following **TARGET** list illustrates:

Ping An Insurance (Group) Company of China Ltd  
Down 4.27 percent to \$HK38.10 per share

(Code: 2318)

PetroChina Company Ltd (Code: 857)

Down 0.57 percent to \$HK7.02 per share

China Merchants Bank Company Ltd (Code:  
3968)

Down 1.17 percent to \$HK13.54 per share

Hongkong Exchanges and Clearing Ltd (Code:  
388)

Down 0.32 percent to \$HK78.25 per share

Of the 50 Main Board, double-digit movers of the day, there were 33 winners and 17 losers.

The biggest gainer of the day was Solartech International Holdings Ltd (Code: 1166) as investors pushed up its share price by 37.50 percent to 4.40 cents.

New Island Printing Holdings Ltd (Code: 377) was the biggest decliner of the day, its share price, dropping about 21.25 percent to 31.50 cents.

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gained about 1.15 percent, ending the week at 374.13 points.

The Total Turnover on this market was about \$HK58.22 million.

Advancing counters outpaced declining ones by the ratio of about 1.12:One.

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

Inno-Tech Holdings Ltd (Code: 8202)

Up 17.95 percent to \$HK0.092 per share

Wumart Stores Incorporated (Code: 8277)

Down 1.80 percent to \$HK5.45 per share

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

Up 1.92 percent to \$HK0.053 per share

Yuxing InfoTech Holdings Ltd (Code: 8005)

Up 105.13 percent to \$HK0.40 per share

China Railway Logistics Ltd (Code: 8089)

Down 1.47 percent to \$HK0.67 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Bio Cassava Holdings Ltd	8129	18.20		0.026
China Vanguard Group Ltd	8156		11.20	0.395

Core Healthcare Investment Holdings Ltd	8250	16.40		0.064
DIGITALHONGKONG.COM	8007	10.00		0.22
G.A. Holdings Ltd	8126	40.00		0.35
Global Link Communications Holdings Ltd	8060	11.20		0.089
Goldmond Holdings Ltd	8190	16.10		0.036
Inno-Tech Holdings Ltd	8202	17.90		0.092
Polyard Petroleum International Group Ltd	8011	13.30		0.051
Shanghai Jiaoda Withub Information Industrial Company Ltd	8205	63.60		0.36
Universal Technologies Holdings Ltd	8091	10.80		0.144
WLS Holdings Ltd	8021	10.00		0.077
Xi'an Haitian Antenna Technologies Company Ltd	8227	15.90		0.095
Yuxing InfoTech Holdings Ltd	8005	105.10		0.40

### News Wise

- South Korea's Central Bank dropped its **key interest rate** by 50 basis points to a record low of 2.50 percent.

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

The Hang Seng Index     Minus 4.42 percent  
The Growth Enterprise Index Minus 1.98 percent

In Japan, it was another day of losing values on the country's equity markets.

On The Tokyo Stock Exchange, The TOPIX Index lost about 0.68 percent, falling back to 855.02 points.

The Nikkei-225 Stock Average lost about 0.45 percent, ending the day at ¥8,836.80.

Declining counters outnumbered advancing ones by the ratio of about 1.88:One.

For the trading week, ended January 9, 2009, the tally for Asia's largest and most-important equity market was:

The TOPIX Index             Minus 0.49 percent  
The Nikkei-225 Stock Average Minus 0.26 percent

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



The HKSAR	Hang Seng Index Minus 0.27 percent to 14,377.44 The Growth Enterprise Index Plus 1.15 percent to 374.13
Indonesia	Plus 1.00 percent to 1,416.67
Japan	TOPIX Index Minus 0.68 percent to 855.02 Nikkei-225 Stock Average Minus 0.45 percent to 8,836.80
Malaysia	Plus 0.94 percent to 919.07
The Philippines	Plus 0.72 percent to 1,984.88
The PRC	Shanghai Composite Index Plus 1.42 percent to 1,904.86 Shenzhen Composite Index Plus 2.23 percent to 585.85
Singapore	Minus 1.18 percent to 1,806.02
South Korea	Minus 2.05 percent to 1,180.96
Taiwan	Minus 0.73 percent to 4,502.74
Thailand	Minus 1.28 percent to 459.06

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