

### **OH! HOW THE MIGHTY HAVE FALLEN !**

#### **Material Losses Recorded On All Equity Markets, Worldwide**

The prices of stocks and shares retreated on a wide front, last Monday, as investors, the world over, continued to be gravely concerned about the deteriorating health of most of the world's largest economies.

On The New York Stock Exchange, the Dow Jones Industrial Average lost 125.21 points, equivalent to about 1.46 percent, dropping back to 8,473.97 points.

Over on The NASDAQ, its Composite Index shed 32.80 points, or about 2.09 percent, ending the trading day at 1,538.79 points.

The ratio of losing counters to gaining ones was about 1.50:One on both of the world's largest equity markets.

Banking shares took a beating as investors sought to find a way to extricate themselves out of long positions, following concerns that Citigroup Incorporated was likely to report very material losses with regard to its exposure to credit markets.

The suggestion was that Citigroup's fourth-quarter operating losses could reach \$US10 billion – or more.

It was, also, reported that this bank was out to sell some of its *'family jewels'*, such as its retail brokerage unit, Smith Barney and Company, in order to bolster its eroded balance sheet.

The share price of Citigroup fell 17.04 percent to \$US5.60.

Other banking counters were, also, hit by investors: One dog barks; 100 dogs bark.

Bank of America Corporation shed 12.01 percent of its market capitalisation as its share price dropped back to \$US11.43.

The share price of JPMorgan Chase and Company was forced to surrender 4.08 percent as investors marked down its price to \$US24.91.

Management of Wells Fargo and Company saw its share price shaved down to \$US23.80, a one-day fall of about 5.33 percent.

And so it went on.

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 \$US37.59, down about 7.94 percent, compared with the final quote of Friday, January 9, 2009.

As for delivery in March, the last settlement for a barrel of light sweet crude oil was \$US43.65, down about 5.25 percent on the previous Friday's last settlement.

The price of crude oil is falling, internationally, because, as the key economies of the world contract, the requirement for fossil fuels diminishes, accordingly, roughly in proportion with the level of economic contractions ... or more, depending on other extraneous factors.

On European bourses, the key indices of the major ones came under pressure as investors in this part of the world, noting what was taking place on Wall Street, determined to sell part of their holdings while there was still time to cash out.

It was the fourth, consecutive session of falling prices on European equity markets – and it was unnerving many investors.

As the price of crude oil fell on international commodity exchanges, so energy counters were hit on the major equity markets of the region, thus aggravating an already ticklish situation:

Amsterdam's AEX Index	Minus 1.64 percent
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France's CAC 40 Index	Minus 1.61 percent
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Germany's Frankfurt XETRA DAX Index	Minus 1.34 percent
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Great Britain's FTSE 100 Index	Minus 0.50 percent
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Italy's MIBTEL Index	Minus 0.98 percent
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Switzerland's Swiss Market Index	Minus 1.85 percent
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In Asia, the key indices of the most-important equity markets took it on their proverbial noses.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), selling pressure was high on a reduced volume of trading.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index gave up about 2.83 percent, dropping to 13,971.00, exactly.

The Total Turnover on this market was about \$HK46.26 billion, while the ratio of declining counters to advancing ones was about 2:One.

The Ten Most Active counters, all being losers, by the way, were:

Bank of China Ltd (Code: 3988)	Down 6.12 percent to \$HK1.84 per share
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China Construction Bank Corporation (Code: 939)	Down 4.85 percent to \$HK3.73 per share
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Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 5.21 percent to \$HK3.46 per share
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China Mobile Ltd (Code: 941)	Down 2.39 percent to \$HK73.50 per share
China Life Insurance Company Ltd (Code: 2628)	Down 3.60 percent to \$HK22.75 per share
PetroChina Company Ltd (Code: 857)	Down 4.84 percent to \$HK6.68 per share
Ping An Insurance (Group) Company of China Ltd (Code: 2318)	Down 7.09 percent to \$HK35.40 per share
HSBC Holdings plc (Code: 5)	Down 1.27 percent to \$HK73.75 per share
China Communications Construction Company Ltd (Code: 1800)	Down 6.84 percent to \$HK8.85 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 4.44 percent to \$HK4.52 per share

As for the Main Board's double-digit movers of the day, there was a total of 76 such counters, with 13 gainers and 63 losers.

Vitop Bioenergy Holdings Ltd (Code: 1178) was the biggest winner of the day, its share price, rising 73.33 percent to 13 cents.

Yun Sky Chemical (International) Holdings Ltd (Code: 663) was the biggest loser as investors pulled down its share price by 31.33 percent to 10.30 cents.

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gave up about 2.81 percent to end the day at 363.62 points.

The Total Turnover on this market was about \$HK60.56 million.

Losing counters outnumbered gaining ones by the ratio of about 3.25:One.

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

Shandong Weigao Group Medical Polymer Company Ltd (Code: 8199)	Unchanged at \$HK11.62 per share
Wumart Stores Incorporated (Code: 8277)	Down 4.95 percent to \$HK5.18 per share
Cardlink Technology Group Ltd (Code: 8066)	Up 2.50 percent to \$HK0.82 per share
Fast Systems Technology (Holdings) Ltd (Code: 8150)	Up 3.51 percent to \$HK0.59 per share
Grand T G Gold Holdings Ltd (Code: 8299)	Down 29.63 percent to \$HK0.019 per share

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

<b>Name of Company</b>	<b>Code</b>	<b>Increase (%)</b>	<b>Decrease (%)</b>	<b>Closing Price (\$HK)</b>
AKM Industrial Company Ltd	8298		13.30	0.13
Aptus Holdings Ltd	8212		15.30	0.36
B M Intelligence International Ltd	8158		15.40	0.11
China Bio Cassava Holdings Ltd	8129		19.20	0.021
China Primary Resources Holdings Ltd	8117		12.10	0.051
China Railway Logistics Ltd	8089		10.40	0.60
Era Information and Entertainment Ltd	8043		14.30	0.12
FlexSystem Holdings Ltd	8050	13.80		0.165
Grand T G Gold Holdings Ltd	8299		29.60	0.019
GreaterChina Technology Group Ltd	8032		20.00	0.028
International Elite Ltd	8313		16.30	0.18
Jiangsu NandaSoft Technology Company Ltd	8045		15.50	0.125
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049		19.90	0.165
Netel Technology (Holdings) Ltd	8256		14.30	0.024
PINE Technology Holdings Ltd	8013		12.50	0.105
Polyard Petroleum International Group Ltd	8011		11.80	0.045
Sun International Group Ltd	8029	11.50		0.68
SYSCAN Technology Holdings Ltd	8083	38.90		0.05
Thiz Technology Group Ltd	8119		20.00	0.024
WLS Holdings Ltd	8021		10.40	0.069

Yuxing InfoTech Holdings Ltd	8005		10.00	0.36
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The equity markets of Japan were closed, last Monday.

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

The HKSAR	Hang Seng Index Minus 2.83 percent to 13,971.00 The Growth Enterprise Index Minus 2.81 percent to 363.62
Indonesia	Minus 0.71 percent to 1,406.55
Japan	TOPIX Index Closed Nikkei-225 Stock Average Closed
Malaysia	Plus 0.49 percent to 923.57
The Philippines	Plus 0.65 percent to 1,997.83
The PRC	Shanghai Composite Index Minus 0.24 percent to 1,900.35 Shenzhen Composite Index Plus 0.49 percent to 588.72
Singapore	Minus 1.65 percent to 1,776.25
South Korea	Minus 2.05 percent to 1,156.75
Taiwan	Minus 0.31 percent to 4,453.90
Thailand	Minus 1.36 percent to 452.80

## **Tuesday**

The fighting between the Israel and HAMAS in Gaza had taken a back seat for most investors for the previous week or so, but, last Tuesday, things hotted up, considerably.

Israeli troops entered the suburbs of Gaza City and engaged HAMAS in street fighting: The situation had escalated, considerably, on the 18<sup>th</sup> day of the fighting.

Since the fighting began on December 27, 2008, the death toll had risen to 971 HAMAS combatants, along with civilians, including women and children, with 4,400 people, having been injured in what is known in

military parlance as '*collateral damage*'.

On Wall Street, however, the situation in Gaza was not an issue since investors were more concerned about their money – which was dwindling, day after day after day.

On The New York Stock Exchange, the Dow Jones Industrial Average lost about 0.30 percent to settle at 8,448.56 points, but, on The NASDAQ, its Composite Index gained about one half of a percentage point to 1,546.46 points.

For The Dow, it was the 5<sup>th</sup> consecutive day of losses.

The ratio of advancing counters to declining ones was about 1.15:One on The New York Stock Exchange and about 1.22:One on The NASDAQ.

#### News Wise

- **Citigroup Incorporated** has agreed to merge **Smith Barney and Company**, its retail brokerage unit, with **Morgan Stanley**. The merger will create the largest stockbrokerage entity in the US, with more than 20,000 brokers and about \$US1.70 trillion in client assets. Morgan Stanley will pay Citigroup Incorporated \$US2.70 billion and obtain a 51-percent interest in the new joint venture.

On European bourses, the situation continued to be bearish with the key indices of the most-important equity markets, losing even more traction:

Amsterdam's AEX Index	Minus 0.40 percent
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France's CAC 40 Index	Minus 1.48 percent
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Germany's Frankfurt XETRA DAX Index	Minus 1.75 percent
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Great Britain's FTSE 100 Index	Minus 0.61 percent
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Italy's MIBTEL Index	Minus 1.98 percent
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Switzerland's Swiss Market Index	Minus 1.02 percent
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The intensity of the economic slowdown, in North America as well as in eurozone, was telling on investors.

Losses in the value of many of the '*darlings*' of European equity markets were right across the board, so to speak.

On The New York Mercantile Exchange (**NYMEX**), the last settlement for a barrel of light sweet crude oil for delivery in February was \$US37.78, an increase of about 0.51 percent, compared with Monday's last quote.

As for delivery in March, the last settlement for a barrel of light sweet crude oil came in at \$US44.77, representing a one-day boost of about 2.57 percent.

In Asia, the key indices of most stock markets lost materially.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the territory's 2 stock markets shed a great deal of their remaining *'fat'*.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index gave up about 2.17 percent, dropping back to 13,668.05 points on a Total Turnover of about \$HK47.28 billion.

The ratio of losing counters to gaining ones was about 1.67:One.

The Ten Most Actives were:

China Construction Bank Corporation (Code: 939)	Down 1.07 percent to \$HK3.69 per share
China Mobile Ltd (Code: 941)	Down 1.77 percent to \$HK72.20 per share
Bank of China Ltd (Code: 3988)	Up 0.54 percent to \$HK1.85 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 1.45 percent to \$HK3.41 per share
China Life Insurance Company Ltd (Code: 2628)	Down 3.30 percent to \$HK22.00 per share
PetroChina Company Ltd (Code: 857)	Down 3.89 percent to \$HK6.42 per share
HSBC Holdings plc (Code: 5)	Down 1.02 percent to \$HK73.00 per share
China Merchants Bank Company Ltd (Code: 3968)	Down 2.95 percent to \$HK12.48 per share
China Communications Construction Company Ltd (Code: 1800)	Down 7.34 percent to \$HK8.20 per share
CNOOC Ltd (Code: 883)	Down 2.96 percent to \$HK6.89 per share

Of the 56, double-digit movers of the Main Board, there were 20 winners and 36 losers.

The biggest gainer of the day was Lai Sun Development Company Ltd (Code: 488), its share price, rising 79.71 percent to 12.40 cents.

Shenzhen High-Tech Holdings Ltd (Code: 106) was the biggest loser as investors marked down its share price by 26.54 percent to 19.10 cents.

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gave up about 0.91 percent, dropping back to 360.33 points.

The Total Turnover was about \$HK49.95 million, while the ratio of losers to gainers was about 1.90:One.

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

Inno-Tech Holdings Ltd (Code: 8202)

Down 2.25 percent to \$HK0.087 per share

Wumart Stores Incorporated (Code: 8277)

Up 1.35 percent to \$HK5.25 per share

Intcera High Tech Group Ltd (Code: 8041)

Down 23.33 percent to \$HK0.046 per share

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

Unchanged at \$HK0.104 per share

China E-Learning Group Ltd (Code: 8055)

Unchanged at \$HK0.41 per share

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

<b>Name of Company</b>	<b>Code</b>	<b>Increase (%)</b>	<b>Decrease (%)</b>	<b>Closing Price (\$HK)</b>
Aptus Holdings Ltd	8212	18.10		0.425
A-S China Plumbing Products Ltd	8262	15.40		0.90
Byford International Ltd	8272		16.70	0.25
Changmao Biochemical Engineering Company Ltd	8208	11.10		0.80
China Bio Cassava Holdings Ltd	8129	19.00		0.025
China Chief Cable TV Group Ltd	8153		17.20	0.12
China Trends Holdings Ltd	8171	12.50		0.09
FAVA International Holdings Ltd	8108		11.00	0.089
Global Link Communications Holdings Ltd	8060		10.10	0.08
Grand T G Gold Holdings Ltd	8299	26.30		0.024
Intcera High Tech Group Ltd	8041		23.30	0.046
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049	21.20		0.20
Lee's Pharmaceutical Holdings Ltd	8221		11.10	0.40
New Universe International Group Ltd	8068		18.80	0.082



Powerleader Science and Technology Group Ltd	8236	15.40		0.15
Sau San Tong Holdings Ltd	8200		11.40	0.031
Shanghai Tonva Petrochemical Company Ltd	8251	11.40		0.49
Sing Lee Software (Group) Ltd	8076		16.40	0.092
SYSCAN Technology Holdings Ltd	8083		16.00	0.042
Yuxing InfoTech Holdings Ltd	8005		19.40	0.29

The 3 equity markets of Japan opened their doors for business for the first time, last Tuesday (Monday was a public holiday), but, for many Japanese investors, they, probably, thought that they would have been better off, staying in bed.

On The Tokyo Stock Exchange, which is the premier equity market of the country, its TOPIX Index shed 40.90 points, equivalent to about 4.78 percent, ending the trading day at 814.12 points.

Declining counters outnumbered advancing ones by the ratio of about 13.96:One.

The Nikkei-225 Stock Average, which is a much-narrower gauge of trading in blue chips, listed on The First Section of The Tokyo Stock Exchange, than The TOPIX Index, gave up about ¥422.89, or about 4.79 percent, ending the trading day at ¥8,413.91.

#### News Wise

- Non-resident investors of Japan were **net sellers** of stocks and shares on the country's equity market, during 2008, according to The Finance Ministry. They sold, net, about ¥7.38-trillion worth of scrip in calendar 2008. In December 2008, alone, non-resident investors offloaded about ¥932.30-billion, net, of scrip on the country's 3 equity markets;
- Japan's **Current Account Surplus** for November 2008 fell about 65.90 percent, Year-On-Year, The Finance Ministry reported. It was the 9<sup>th</sup> consecutive month of contraction in the Current Account Surplus; and,
- **Corporate insolvencies** in Japan rose to 15,646 incidents in 2008, compared with the number of corporate insolvencies in 2007, statistics indicate. That figure represented a Year-On-Year increase of about 11.03 percent.

On other Asian equity markets, this was how the key indices of these markets fared, last Tuesday:

The HKSAR	Hang Seng Index Minus 2.17 percent to 13,668.05 The Growth Enterprise Index Minus 0.91 percent to 360.33
Indonesia	Minus 0.48 percent to 1,399.73
Japan	TOPIX Index Minus 4.78 percent to 814.12 Nikkei-225 Stock Average

	Minus 4.79 percent to 8,413.91
Malaysia	Minus 1.07 percent to 913.70
The Philippines	Minus 0.09 percent to 1,996.04
The PRC	Shanghai Composite Index Minus 1.95 percent to 1,863.37 Shenzhen Composite Index Minus 2.90 percent to 571.62
Singapore	Minus 0.81 percent to 1,761.82
South Korea	Plus 0.95 percent to 1,167.71
Taiwan	Plus 1.76 percent to 4,532.36
Thailand	Minus 4.19 percent to 433.81

### **Wednesday**

The death toll in the Israeli invasion of Gaza had risen to more than 1,000 HAMAS fighters and civilians, including women and children – with no sign of a ceasefire was anywhere in sight.

Israeli negotiators were said to be preparing to visit Cairo, Egypt, in an attempt to find a resolution to the problem, but HAMAS continued to fire rockets into Israel, killing and maiming Israeli civilians.

As long as HAMAS continues to attack Israel, there can be no truce, Israel has informed the world on numerous occasions.

On US and European equity markets, last Wednesday, there was widespread selling of stocks and shares, not because of the problems in the Middle East, but due to more disconsolate prognostications as to the likely scenario with regard to the direction of the economy of the US.

On The New York Stock Exchange, the Dow Jones Industrial Average lost another 2.94 percent, dropping back to 8,200.14 points.

The Composite Index of The NASDAQ gave up about 3.67 percent as investors pulled it down to 1,489.64 points.

On The New York Stock Exchange, the ratio of losers to gainers was a whopping 8.78:One, while, over on The NASDAQ, the ratio of losers to gainers was about 4.74:One.

This was the 6<sup>th</sup> consecutive day of losses on the world's largest equity market.

There was no one particular reason for the sell-off on Wall Street, last Wednesday, but a whole raft of reasons.

The US Commerce Department reported that the Christmas shopping spree had turned out to be a non-starter, a wet squib, if you will.

According to the statistics, compiled by The Commerce Department of the US Government, December's retail sales were off about 2.70 percent, Year-On-Year.

In November 2008, retail sales in the US drooped by about 2.10 percent, compared with the like month in 2007.

Retail sales in the US account for about 66 percent of the entire country's economic activity.

Concern over the health of Citigroup Incorporated continued, with investors, pulling down this bank's share price by 23.22 percent to \$US4.53.

Citigroup Incorporated is selling off the family jewels in order to bolster its pock-marked balance sheet.

Then, it was reported that Bank of America Corporation was in need of assistance from the US Government and an application had been made for emergency funding.

The share price of Bank of America Corporation dropped about 4.23 percent to \$US10.20.

Then, speculation made the rounds that HSBC Holdings plc, Europe's largest bank, which is, also, listed on The Stock Exchange of Hongkong Ltd, might well seek \$US30 billion in additional capital as well as being forced to halve its dividend payouts.

This report caused even more consternation among investors.

Markets hate uncertainty.

#### News Wise

- **Motorola Incorporated**, known as a major manufacturer in the world of mobile telephones and accessories, announced that it would be sacking about 4,000 of its workers, representing about 6 percent of its total Establishment Level. The company, also, warned that there would be a fourth-quarter loss. In 2008, Motorola sacked some 6,700 workers; and,
- **Nortel Networks Corporation**, once a major force in Canada in the production of telephone equipment, has filed for bankruptcy.

In Europe, out came the red pencils to fill in the final statistics with regard to the key indices of the most-important bourses.

There were only losers – and material losers, at that:

Amsterdam's AEX Index	Minus 5.14 percent
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France's CAC 40 Index	Minus 4.56 percent
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Germany's Frankfurt XETRA DAX Index	Minus 4.62 percent
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Great Britain's FTSE 100 Index	Minus 4.96 percent
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Italy's MIBTEL Index                      Minus 3.16 percent

Switzerland's Swiss Market Index      Minus 2.81 percent

With the widespread speculation about the likely situation at HSBC Holdings plc, it was hardly any wonder that its share price slid 8.01 percent to 588.75 pence.

The share prices of other major banks, listed on European equity markets, followed the lead of HSBC Holdings plc as Deutsche Bank AG dropped 8.98 percent to €22.09.

And so it went on.

#### News Wise

- **Deutsche Bank AG** has issued a profits warning about its fourth quarter, saying that it is likely to be a Loss Attributable to Shareholders of about €4.80 billion.

On international commodity exchanges, the price of crude oil dropped, once again.

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 \$US37.28, down about 1.32 percent, compared with Tuesday's closing level.

As for delivery in March, the last settlement for a barrel of light sweet crude oil was \$US44.19, representing a one-day fall of about 1.30 percent.

In Asia, the key indices of the largest equity markets managed to score fractionally, for the most part.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets made gains, but the premier equity market's improvement was a mere fraction.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index put on about 0.27 percent, limping to 13,704.61 points on a Total Turnover of about \$HK66.23 billion.

The ratio of gainers to losers was about 1.36:One.

The Ten Most Active counters were:

Bank of China Ltd (Code: 3988)	Up 2.70 percent to \$HK1.90 per share
HSBC Holdings plc (Code: 5)	Down 4.11 percent to \$HK70.00 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 1.17 percent to \$HK3.37 per share
China Construction Bank Corporation (Code: 939)	Up 2.98 percent to \$HK3.80 per share
China Life Insurance Company Ltd (Code: 2628)	Up 2.50 percent to \$HK22.55 per share

China Mobile Ltd (Code: 941)

Up 0.83 percent to \$HK72.80 per share

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

Up 4.25 percent to \$HK35.55 per share

PetroChina Company Ltd (Code: 857)

Up 2.02 percent to \$HK6.55 per share

China Merchants Bank Company Ltd (Code:  
3968)

Up 0.32 percent to \$HK12.52 per share

China Communications Construction Company  
Ltd (Code: 1800)

Unchanged at \$HK8.20 per share

As for the Main Board's biggest movers of the day, there was a total of 51 counters that qualified for this honour, with 28 gainers and 23 losers.

Asia Standard Hotel Group Ltd (Code: 292) was the biggest gainer, its share price, rising 40.00 percent to 4.20 cents.

The biggest loser of the day was Bio-Dynamic Group Ltd (Code: 39) as investors marked down its share price by 32.61 percent to 15.50 cents.

On The **Growth Enterprise Market (The GEM)** of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index gained about 1.16 percent, ending the trading day at 364.52 points.

The Total Turnover on this market was about \$HK142.77 million, while the ratio of advancing counters to declining ones was about 1.34:One.

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

Wumart Stores Incorporated (Code: 8277)

Up 1.90 percent to \$HK5.35 per share

Inno-Tech Holdings Ltd (Code: 8202)

Down 24.14 percent to \$HK0.066 per share

Fast Systems Technology (Holdings) Ltd (Code:  
8150)

Up 1.75 percent to \$HK0.58 per share

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

Up 2.39 percent to \$HK12.00 per share

Golden Meditech Company Ltd (Code: 8180)

Down 2.04 percent to \$HK0.96 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
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Biosino Bio-Technology and Science Incorporation	8247	10.70		1.76
Byford International Ltd	8272	20.00		0.30
Capinfo Company Ltd	8157	13.60		0.15
Changmao Biochemical Engineering Company Ltd	8208		10.00	0.72
China Bio Cassava Holdings Ltd	8129		12.00	0.022
Global Solution Engineering Ltd	8192	11.30		0.138
GreaterChina Technology Group Ltd	8032	30.00		0.039
HC International Incorporated	8292		24.60	0.26
Inno-Tech Holdings Ltd	8202		24.10	0.066
Intcera High Tech Group Ltd	8041		10.90	0.041
Jiangsu NandaSoft Technology Company Ltd	8045	11.20		0.139
Polyard Petroleum International Group Ltd	8011	11.90		0.047
Shaanxi Northwest New Technology Industry Company Ltd	8258		11.10	0.088
Shanxi Changcheng Microlight Equipment Company Ltd	8286		16.70	0.25
Shenzhen Neptunus Interlong Bio-technique Company Ltd	8329		23.10	0.60
Universal Technologies Holdings Ltd	8091		10.70	0.125
Zhejiang Prospect Company Ltd	8273		19.50	0.35

On The Tokyo Stock Exchange, aside from some investor short covering, the market was relatively quiet.

The TOPIX Index rose about 0.65 percent to 819.39 points while The Nikkei-225 Stock Average put on about 0.29 percent, limping to ¥8,438.45.

The ratio of gainers to losers was 1.70:One, exactly.

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

The HKSAR	Hang Seng Index Plus 0.27 percent to 13,704.61 The Growth Enterprise Index Plus 1.16 percent to 364.52
Indonesia	Minus 0.92 percent to 1,386.91
Japan	TOPIX Index Plus 0.65 percent to 819.39 Nikkei-225 Stock Average Plus 0.29 percent to 8,438.45
Malaysia	Minus 0.03 percent to 913.46
The Philippines	Minus 0.56 percent to 1,984.92
The PRC	Shanghai Composite Index Plus 3.52 percent to 1,928.87 Shenzhen Composite Index Plus 3.92 percent to 594.02
Singapore	Plus 0.16 percent to 1,764.72
South Korea	Plus 1.28 percent to 1,182.68
Taiwan	Minus 0.24 percent to 4,521.47
Thailand	Plus 1.31 percent to 439.51

### **Thursday**

The price of crude oil continued its retreat on the world's commodity exchanges, last Thursday, as it became only too evident that fossil fuels will not be in great demand in 2009 as in the past due to the worldwide recession, which has engulfed most economies.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in February was \$US35.40, down about 5.04 percent, compared with Wednesday's close.

As for delivery in March, the last settlement for a barrel of light sweet crude oil was \$US43.54, representing a fall of about 1.47 percent, compared with Wednesday's last settlement.

On Wall Street, however, the talk was not about the price of crude oil, but about Bank of America Corporation.

It had been confirmed the Bank of America Corporation was holding talks with the US Government in respect of receiving cash aid in the amount of about \$US15 billion.

Speculation about the likely outcome of the talks made the rounds of the trading floors in New York, causing more consternation among many investors.

The share price of Bank of America Corporation fell 18.43 percent to \$US8.32.

Along with Bank of America Corporation, Citigroup Incorporated, also, took a beating as investors marked down its share price by about 15.45 percent to \$US3.83. (Please see earlier reports about Citigroup Incorporated)

The Dow Jones Industrial Average, the benchmark index of The New York Stock Exchange, ending the relatively quiet trading session at 8,212.49 points, represent a 0.15-percent gain over Wednesday's closing level.

Over on The NASDAQ, its Composite Index put on about 1.49 percent, rising to 1,511.84 points.

The ratio of advancing counters to declining ones was about 1.18:One on The New York Stock Exchange and about 1.35:One on The NASDAQ.

#### News Wise

- **JPMorgan Chase and Company** announced its 4<sup>th</sup> Quarter results as being a Net Profit Attributable to Shareholders of about \$US702 million. That figure represented a fall of about 76 percent, Year-On-Year.

In Europe, all but one of the key indices of the major equity markets of the region suffered further erosions as the following **TARGET** list illustrates:

Amsterdam's AEX Index	Minus 1.50 percent
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France's CAC 40 Index	Minus 1.83 percent
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Germany's Frankfurt XETRA DAX Index	Minus 1.93 percent
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Great Britain's FTSE 100 Index	Minus 1.42 percent
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Italy's MIBTEL Index	Minus 1.44 percent
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Switzerland's Swiss Market Index	Plus 0.06 percent
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It was the 7<sup>th</sup> consecutive day of falls in the key indices of major bourses.

Banks took the brunt of the continued selling pressure, their share price, falling by as much as 11 percent in some cases.

#### News Wise

- The **European Central Bank (ECB)** reduced interest rates by one half of a percentage point. The following is a verbatim release from the ECB:

*'At today's meeting the Governing Council of the ECB took the following monetary policy decisions:*



1. *The interest rate on the main refinancing operations of the Eurosystem will be decreased by 50 basis points to 2.00%, starting from the operation to be settled on 21 January 2009.*
2. *The interest rate on the marginal lending facility will be set at 3.00%, with effect from 21 January 2009.*
3. *The interest rate on the deposit facility will be set at 1.00%, with effect from 21 January 2009.*

*‘These decisions are in accordance with the Governing Council’s decision on 18 December 2008 to restore the width of the corridor of standing facility rates around the interest rate on the main refinancing operation to 200 basis points.’*

In Asia, there were only losers on the region’s equity markets.

In the Hongkong Special Administrative Region (HKSAR) of the People’s Republic of China (PRC), the losses on the territory’s equity market were widespread.

The Hang Seng Index, which is the benchmark of the Main Board of The Stock Exchange of Hongkong Ltd, fell back by about 3.67 percent to end the trading day at 13,242.96 points.

The Total Turnover was about \$HK49.38 billion.

The ratio of losing counters to gaining ones was about 1.71:One.

The Ten Most Active Counters were:

HSBC Holdings plc (Code: 5)	Down 5.71 percent to \$HK66.00 per share
Bank of China Ltd (Code: 3988)	Up 2.63 percent to \$HK1.95 per share
China Construction Bank Corporation (Code: 939)	Down 0.79 percent to \$HK3.77 per share
China Life Insurance Company Ltd (Code: 2628)	Down 2.44 percent to \$HK22.00 per share
China Mobile Ltd (Code: 941)	Down 3.30 percent to \$HK70.40 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 1.48 percent to \$HK3.32 per share
PetroChina Company Ltd (Code: 857)	Down 5.04 percent to \$HK6.22 per share
Ping An Insurance (Group) Company of China Ltd (Code: 2318)	Up 2.25 percent to \$HK36.35 per share
CNOOC Ltd (Code: 883)	Down 4.93 percent to \$HK6.75 per share
China Merchants Bank Company Ltd (Code: 3968)	Down 4.79 percent to \$HK11.92 per share

There were 49, double-digit movers on the Main Board, last Thursday, of which number, the managements of 11 counters saw their respective share prices rise by 10 percent or more, while the managements of some 38 counters noted that their market capitalisations had been reduced by 10 percent or more by the close of the day.

Peaktap International Holdings Ltd (Code: 925) was the biggest gainer, its share price, rising 46.67 percent to 22 cents.

K.P.I. Company Ltd (Code: 605) was the biggest loser of the day as investors pulled down its share price by 43.51 percent to 16.10 cents.

On The **Growth Enterprise Market (The GEM)** of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shed about 2.85 percent, falling back to 354.15 points.

The Total Turnover on this market was about \$HK43.36 million, while the ratio of losers to gainers was 4:One, exactly.

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

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

Down 4.00 percent to \$HK11.52 per share

Cardlink Technology Group Ltd (Code: 8066)

Up 5.56 percent to \$HK0.95 per share

China E-Learning Group Ltd (Code: 8055)

Unchanged at \$HK0.40 per share

Global Digital Creations Holdings Ltd (Code:  
8271)

Up 19.42 percent to \$HK0.123 per share

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

Down 3.96 percent to \$HK0.097 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Capinfo Company Ltd	8157		13.30	0.13
CCID Consulting Company Ltd	8235		16.70	0.10
Era Information and Entertainment Ltd	8043		23.70	0.09
Global Digital Creations Holdings Ltd	8271	19.40		0.123
Goldmond Holdings Ltd	8190		13.90	0.031
Rojam Entertainment Holdings Ltd	8075	20.00		0.03

Shanghai Tonva Petrochemical Company Ltd	8251		11.30	0.43
Soluteck Holdings Ltd	8111		11.80	0.06
Tianjin TEDA Biomedical Engineering Company Ltd	8189		10.00	0.171
Timeless Software Ltd	8028		16.00	0.042
Xi'an Haitian Antenna Technologies Company Ltd	8227	11.10		0.10
Zheda Lande Scitech Ltd	8106		16.50	0.096

On The Tokyo Stock Exchange, The TOPIX Index shed about 2.86 percent, dropping to 795.99 points.

The ratio of losers to gainers was about 3.05:One.

The Nikkei-225 Stock Average lost about 4.92 percent as investors pushed it down to ¥8,023.32.

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

The HKSAR	Hang Seng Index Minus 3.37 percent to 13,242.96 The Growth Enterprise Index Minus 2.85 percent to 354.15
Indonesia	Minus 3.13 percent to 1,343.49
Japan	TOPIX Index Minus 2.86 percent to 795.99 Nikkei-225 Stock Average Minus 4.92 percent to 8,023.31
Malaysia	Minus 1.75 percent to 897.45
The Philippines	Minus 1.51 percent to 1,954.97
The PRC	Shanghai Composite Index Minus 0.45 percent to 1,920.21 Shenzhen Composite Index Plus 0.31 percent to 595.87
Singapore	Minus 3.44 percent to 1,704.06
South Korea	Minus 6.03 percent to 1,111.34

Taiwan	Minus 4.44 percent to 4,320.77
Thailand	Minus 3.01 percent to 426.26

### Friday

Bank of America Corporation will receive a cash injection of \$US20 billion in US Government assistance as well as \$US118-billion worth of guarantees in respect of its poor-performing assets.

If that is not emergency funding for one of the world's largest banks, then, nothing is.

Bank of America took over Merrill Lynch and Company Incorporated on December 5, 2008 – and that, it appears, was the beginning of the insurmountable troubles for Bank of America Corporation.

In short, one of the strongest banks in the US – and, by extension, one of the largest banks in the world – just could not absorb the losses, incurred by the acquisition of Merrill Lynch and Company Incorporated, one of the world's largest stockbrokerage companies until recently.

Hence, the bailout from the US Government.

Last Friday, the share price of Bank of America Corporation fell another 13.70 percent to \$US7.18 on The New York Stock Exchange.

At the close of trading on Monday, January 12, 2009, the share price of Bank of America Corporation stood at \$US11.43.

How the mighty had fallen!

On The New York Stock Exchange, last Friday, the Dow Jones Industrial Average ended the week at 8,281.22 points, a gain of about 0.84 percent, compared with Thursday's close.

The Composite Index of The NASDAQ rose about 1.16 percent to 1,529.33 points.

On The New York Stock Exchange advancing counters outnumbered declining ones by the ratio of about 1.94:One while, over on The NASDAQ, advancing counters outpaced declining ones by the ratio of about 1.23:One.

As one might have expected, in view of the bailout of Bank of America Corporation, other banking counters took it on the nose, during the trading day, too.

### News Wise

- **Citigroup Incorporated** announced a 4<sup>th</sup> Quarter Loss Attributable to Shareholders of about \$US8.29 billion. It was the 5<sup>th</sup> consecutive quarterly loss for the bank; and,
- **Circuit City**, formerly a powerhouse in retailing in the US in the field of electronic gadgetry, failed to reach an agreement with its creditors and, as such, it will close down its remaining 567 stores for a loss of about 30,000 jobs.

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

The Dow Jones Industrial Average   Minus 3.70 percent  
The Composite Index of The NASDAQ   Minus 2.69 percent

The **New York Mercantile Exchange (NYMEX)**, the last settlement for a barrel of light sweet crude oil for delivery in February was \$US36.51, representing an increase of about 3.14 percent, compared with Thursday's closing level.

For delivery in March, the last settlement for a barrel of light sweet crude oil came in at \$US42.57, a fall of about 2.23 percent, compared with Thursday's last settlement.

On European bourses, after a string of 7 losing sessions, things turned for the better, last Friday, with the key indices of the most-important equity markets, making gains.

However, banking counters continued to come under selling pressure from investors: Few people, today, trust banking counters in view of what has happened at Bank of America Corporation and Citigroup Incorporated.

The share prices of 2 major banks in Europe, both of which have a major presence, internationally, lost, big time, last Friday: Barclays Bank plc and The Royal Bank of Scotland plc, down 25 percent and 13 percent, respectively.

This was how things looked on the most-important bourses of Europe, last Friday night:

Amsterdam's AEX Index	Plus	2.03 percent
France's CAC 40 Index	Plus	0.69 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.68 percent
Great Britain's FTSE 100 Index	Plus	0.62 percent
Italy's MIBTEL Index	Plus	1.43 percent
Switzerland's Swiss Market Index	Plus	0.98 percent

In Asia, things looked a little better than the beginning of the trading week, but only just.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the territory's 2 equity markets managed to make fractional gains in its key indices.

On the Main Board of The Stock Exchange of Hongkong Ltd, the benchmark Index, known as The Hang Seng Index, rose about one tenth of a percentage point to end the trading day at 13,255.51 points.

The Total Turnover was about \$HK47.07 billion, while the ratio of advancing counters to declining ones was about 1.12:One.

Of the 53, double-digit movers of the Main Board, there were 36 winners and 17 losers.

The 2 biggest winners of the day, both gaining 25 percent of their respective market capitalisations, each, were China Fortune Holdings Ltd (Code: 110) and Computime Group Ltd (Code: 320). Their share prices were 25 cents and 40 cents, respectively.

The Quaypoint Corporation Ltd (Code: 2330) was the biggest loser as investors marked down its share price

by 26.40 percent to 18.40 cents.

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

HSBC Holdings plc (Code: 5)	Down 2.73 percent to \$HK64.20 per share
Bank of China Ltd (Code: 3988)	Up 4.62 percent to \$HK2.04 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 3.61 percent to \$HK3.44 per share
China Mobile Ltd (Code: 941)	Down 1.70 percent to \$HK69.20 per share
China Construction Bank Corporation (Code: 939)	Up 3.71 percent to \$HK3.91 per share
China Life Insurance Company Ltd (Code: 2628)	Up 0.91 percent to \$HK22.20 per share
China Communications Construction Company Ltd (Code: 1800)	Down 4.00 percent to \$HK7.44 per share
PetroChina Company Ltd (Code: 857)	Down 1.61 percent to \$HK6.12 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 2.40 percent to \$HK4.27 per share
China Merchants Bank Company Ltd (Code: 3968)	Up 3.36 percent to \$HK12.32 per share

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index tagged on a gain of about 0.54 percent, rising to 356.06 points.

The Total Turnover dropped to about \$HK35.01 million.

Gainers outnumbered losers by the ratio of about 1.30:One.

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

Shandong Weigao Group Medical Polymer Company Ltd (Code: 8199)	Up 3.30 percent to \$HK11.90 per share
Fast Systems Technology (Holdings) Ltd (Code: 8150)	Up 1.75 percent to \$HK0.58 per share
Golden Meditech Company Ltd (Code: 8180)	Down 4.44 percent to \$HK0.86 per share

Intcera High Tech Group Ltd (Code: 8041)

Up 15.39 percent to \$HK0.045 per share

China Ground Source Energy Ltd (Code: 8128)

Down 3.77 percent to \$HK0.051 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Capinfo Company Ltd	8157	15.40		0.15
CCID Consulting Company Ltd	8235	20.00		0.12
China Leason Investment Group Company Ltd	8270		12.30	0.32
China Metal Resources Holdings Ltd	8071		11.50	0.046
Excel Technology International Holdings Ltd	8048	25.00		0.035
Global Digital Creations Holdings Ltd	8271	23.60		0.152
Intcera High Tech Group Ltd	8041	15.40		0.045
WLS Holdings Ltd	8021	11.60		0.077
Yuxing InfoTech Holdings Ltd	8005	15.40		0.30
Zhejiang Prospect Company Ltd	8273		12.90	0.305

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

The Hang Seng Index Minus 7.80 percent

The Growth Enterprise Index Minus 4.83 percent

On The Tokyo Stock Exchange, its TOPIX Index rose about 2.75 percent to 817.89 points.

The ratio of losers to gainers was about 5.74:One.

The Nikkei-225 Stock Average rose about 3.27 percent to end the 4-day trading week at ¥8,230.15.

For the largest equity market of Asia, the tally for the shortened trading week was:

The TOPIX Index Minus 4.34 percent

The Nikkei-225 Stock Average Minus 6.87 percent

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

The HKSAR	Hang Seng Index Plus 0.10 percent to 13,255.51 The Growth Enterprise Index Plus 0.54 percent to 356.06
Indonesia	Plus 1.52 percent to 1,363.88
Japan	TOPIX Index Plus 2.75 percent to 817.89 Nikkei-225 Stock Average Plus 2.58 percent to 8,230.15
Malaysia	Minus 0.11 percent to 896.47
The Philippines	Minus 0.25 percent to 1,950.13
The PRC	Shanghai Composite Index Plus 1.78 percent to 1,954.44 Shenzhen Composite Index Plus 0.81 percent to 600.69
Singapore	Plus 1.55 percent to 1,730.45
South Korea	Plus 2.15 percent to 1,135.20
Taiwan	Plus 0.76 percent to 4,353.70
Thailand	Plus 2.10 percent to 435.20

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