

**THE U.S. GETS A NEW PRESIDENT –  
STOCK MARKETS' INDICES HEAD SOUTH –  
THE U.K. ECONOMY SLIPS INTO RECESSION**

All US equity and commodity markets were closed, last Monday, for a public holiday.

Europeans were out in force, last Monday, however, trying to offload stocks and shares on major bourses in the region.

Every key index of every important equity market fell under selling pressure:

Amsterdam's AEX Index                      Minus 1.33 percent

France's CAC 40 Index                      Minus 0.89 percent

Germany's Frankfurt XETRA DAX Index      Minus 1.14 percent

Great Britain's FTSE 100 Index              Minus 0.93 percent

Italy's MIBTEL Index                      Minus 1.35 percent

Switzerland's Swiss Market Index          Minus 0.99 percent

The falls in the key indices of European bourses followed a report from The Royal Bank of Scotland Group plc, a report which stated, inter alia, that it would record a Loss Attributable to Shareholders of about £28 billion (about \$US41 billion, \$HK320.32 billion) for Financial 2008.

It was the biggest loss in corporate history of any company in the United Kingdom.

The share price of The Royal Bank of Scotland Group plc lost about 66.57 percent of its market capitalisation by the end of the trading day as investors pulled it down to 11.60 pence.

The share prices of other financials, as one might have imagined, followed the path of The Royal Bank of Scotland Group plc, losing materially.

The scuttlebutt about HSBC Holdings plc, turning to the Government of the United Kingdom for a cash bailout was scotched, last Monday, when Europe's largest bank put out the following, 3-paragraph announcement:

*'HSBC has not sought capital support from the UK government and cannot envisage circumstances where such action would be necessary.'*

*‘HSBC has long been one of the world's most strongly capitalised banks and is committed to maintaining this position.*

*‘The Group will announce its full-year results for 2008, as planned, on 2 March 2009.’*

### News Wise

- **The economy** of eurozone will shrink by about 1.90 percent in 2009 and the expected growth of the region is likely to be about 0.40 percent in 2010, The European Commission has forecast. Unemployment in the 16 countries, using the euro, will exceed 10 percent in 2010, a 33-percent increase over the unemployment rate for 2008.

In Asia, investors appeared to be somewhat bullish, but only mildly so.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the volume of activity on the region's 2 equity markets came off, again.

The Hang Seng Index, which is the benchmark index of the Main Board of The Stock Exchange of Hongkong Ltd, rose about 0.64 percent to 13,339.99 points on a Total Turnover of about \$HK37.92 billion.

The ratio of losing counters to gaining ones was about 1.07:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 2.96 percent to \$HK62.30 per share
Bank of China Ltd (Code: 3988)	Down 1.96 percent to \$HK2.00 per share
China Mobile Ltd (Code: 941)	Down 0.07 percent to \$HK69.15 per share
China Construction Bank Corporation (Code: 939)	Up 0.77 percent to \$HK3.94 per share
China Life Insurance Company Ltd (Code: 2628)	Up 0.90 percent to \$HK22.40 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 0.29 percent to \$HK3.45 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 4.45 percent to \$HK4.46 per share
PetroChina Company Ltd (Code: 857)	Up 0.98 percent to \$HK6.18 per share
CNOOC Ltd (Code: 883)	Up 2.26 percent to \$HK6.79 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 5.39 percent to \$HK67.45 per share

As for the Main Board's biggest movers of the day, there was a total of 41 counters that qualified, with 21 gainers and 20 losers.

Xian Yuen Titanium Resources Holdings Ltd (Code: 353) was the biggest gainer of the day, its share price, rising 73.68 percent to 66 cents.

Kingdom Holdings Ltd (Code: 528) was the biggest loser of the trading day, as investors marked down its share price by 23.53 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 shed about 1.54 percent, falling back to 350.59 points.

The volume of activity of this market amounted to about \$HK42.83 million.

Declining counters beat off advancing ones by the ratio of about 1.61:One.

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

First China Financial Holdings Ltd (Code: 8123)  
Down 7.22 percent to \$HK0.18 per share

Cardlink Technology Group Ltd (Code: 8066)  
Down 3.33 percent to \$HK0.87 per share

Fast Systems Technology (Holdings) Ltd (Code: 8150)  
Down 6.90 percent to \$HK0.54 per share

BIG Media Group Ltd (Code: 8167)  
Down 8.45 percent to \$HK0.13 per share

Intelli-Media Group (Holdings) Ltd (Code: 8173)  
Up 4.12 percent to \$HK0.101 per share

The GEM's biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022	11.10		0.50
Byford International Ltd	8272		16.70	0.25
CCID Consulting Company Ltd	8235		20.00	0.096
China Metal Resources Holdings Ltd	8071		13.00	0.04
Finet Group Ltd	8317		14.80	0.12
FlexSystem Holdings Ltd	8050	21.20		0.20
Global Digital Creations Holdings Ltd	8271	23.70		0.188
Timeless Software Ltd	8028	14.30		0.048

Universal Technologies Holdings Ltd	8091		13.60	0.108
Zhejiang Prospect Company Ltd	8273	16.40		0.355

Trading on Japan's 3 equity markets was comparatively quiet, last Monday.

On the premier equity market, The Tokyo Stock Exchange, its TOPIX Index shed about 0.02 percent, ending the day at 817.73 points.

The ratio of losing counters to gaining ones was about 1.04: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, ended the day at ¥8,256.85, a gain of about ¥26.70 yen, or about 0.32 percent, compared with the close of business on Friday, January 16, 2008.

#### News Wise

- **Industrial output** in Japan, during the month of November 2008, fell about 8.50 percent, Month-On-Month, seasonally adjusted, The Ministry of Economy, Trade and Industry reported; and,
- Year-On-Year, **sales at Japanese departmental stores** fell about 4.30 percent in calendar 2008 to ¥7.38 trillion, The Japan Department Stores Association announced.

This was the way that things looked on other Asian equity markets, last Monday night:

The HKSAR	Hang Seng Index Plus 0.64 percent to 13,339.99 The Growth Enterprise Index Minus 1.54 percent to 350.59
Indonesia	Minus 0.97 percent to 1,350.69
Japan	TOPIX Index Minus 0.02 percent to 817.73 Nikkei-225 Stock Average Plus 0.32 percent to 8,256.85
Malaysia	Minus 0.69 percent to 890.28
The Philippines	Minus 1.39 percent to 1,922.99
The PRC	Shanghai Composite Index Plus 1.65 percent to 1,986.67 Shenzhen Composite Index Plus 0.09 percent to 601.25
Singapore	Plus 0.96 percent to 1,746.99

South Korea	Plus 1.36 percent to 1,150.65
Taiwan	Plus 0.02 percent to 4,366.76
Thailand	Plus 0.12 percent to 435.71

## **Tuesday**

Doom and gloom pervaded Wall Street, last Tuesday.

On the day of the inauguration of the first black President, investors sold stocks and shares as though the end of the world was in view.

On The New York Stock Exchange, the Dow Jones Industrial Average lost 332.13 points, or about 4.01 percent, as investors pulled it down to 7,949.09 points.

Over on The NASDAQ, its Composite Index shed 88.47 points, equivalent to about 5.76 percent, dropping back to 1,440.86 points.

Losing counters outran gaining ones by the ratio of about 9:One on The New York Stock Exchange and by about 6:One on The NASDAQ.

The share prices of banks and financials were hit hard after State Street Corporation, the world's largest institutional money manager, admitted that it had discovered about \$US6.30 billion in unrealised losses in its investment portfolio.

The share price of State Street fell by about 59 percent to \$US14.89.

It was crunch time for investors – yet again.

One shock after another rattled investors, locked into the world's largest equity markets.

The announcement from State Street was enough for investors, who, quickly, unloaded the scrip of banks and financials.

The share price of Citigroup Incorporated lost 20 percent of its market capitalisation, dropping back to \$US2.80, while the share price of Bank of America Corporation lost 28.97 percent, ending the trading day at \$US5.10.

For Bank of America Corporation, last Tuesday's share price was at its lowest level since November of 1990.

(Please see [TARGET Intelligence Report, Volume XI, Number 12, Published on Monday, January 19, 2009](#), Pages 15-16, for more 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 \$US38.74, that price, representing an increase of about 6.11 percent, compared with the final quote of Friday, January 16, 2009.

As for delivery in March, the last settlement for a barrel of light sweet crude oil was \$US40.84, down about 4.06 percent on the previous Friday's closing level.

## News Wise

- **Merrill Lynch and Company Incorporated**, owned by Bank of America Corporation, announced that its 4<sup>th</sup> Quarter results was a Loss Attributable to Shareholders of about \$US15.31 billion.

In Europe, again, noting what was happening on Wall Street, investors sought to bail out of stocks and shares – in a hurry:

Amsterdam's AEX Index      Minus 2.08 percent

France's CAC 40 Index                      Minus 2.15 percent

Germany's Frankfurt XETRA DAX IndexMinus 1.76 percent

Great Britain's FTSE 100 Index      Minus 0.41 percent

Italy's MIBTEL Index	Minus 1.21 percent
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Switzerland's Swiss Market Index      Minus 1.12 percent

Banks and financial counters took the brunt of the selling pressure.

## News Wise

- **Metro AG**, the largest retailer in Germany, announced that it would be laying off about 15,000 of its workers, representing about 5 percent of its workforce.

The key indices of Asian equity markets, last Tuesday, were beset with selling pressure from the opening of the markets.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the benchmark index, known as The Hang Seng Index, gave up 2.85 percent of its former value, ending the trading day at 12,959.77 points.

The Total Turnover on this market was about \$HK39.58 billion, while the ratio of losing counters to gaining ones was about 1.56:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5) Down 7.70 percent to \$HK57.50 per share

China Mobile Ltd (Code: 941) Up 1.16 percent to \$HK69.95 per share

Bank of China Ltd (Code: 3988) Down 6.50 percent to \$HK1.87 per share

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

Down 4.64 percent to \$HK3.29 per share

China Construction Bank Corporation (Code: 939)

Down 3.81 percent to \$HK3.79 per share

China Life Insurance Company Ltd (Code: 2628)

Down 2.01 percent to \$HK21.95 per share

PetroChina Company Ltd (Code: 857)

Down 2.27 percent to \$HK6.04 per share

BOC Hongkong (Holdings) Ltd (Code: 2388)

Down 5.04 percent to \$HK8.11 per share

CNOOC Ltd (Code: 883)

Down 2.80 percent to \$HK6.60 per share

Sun Hung Kai Properties Ltd (Code: 16)

Down 2.00 percent to \$HK66.10 per share

There was a total of 41 Main Board, double-digit movers, last Tuesday, of which number, there were 18 gainers and 23 losers.

China Innovation Investment Ltd (Code: 1217) was the biggest winner of the day, its share price, moving up about 58.06 percent to 4.90 cents.

Sewco International Holdings Ltd (Code: 209) turned out to be the biggest loser as investors pulled down its share price by about one quarter to 9 cents.

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index rose about 0.46 percent to 352.19 points on a Total Turnover of about \$HK31.09 million.

The ratio of advancing counters to declining ones was about 1.50: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 \$HK11.80 per share

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

Down 4.95 percent to \$HK0.096 per share

Wumart Stores Incorporated (Code: 8277)

Up 2.57 percent to \$HK5.19 per share

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

Up 5.56 percent to \$HK0.57 per share

China Metal Resources Holdings Ltd (Code: 8071)

Up 17.50 percent to \$HK0.047 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
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Asian Capital Resources (Holdings) Ltd	8025		10.00	0.09
FlexSystem Holdings Ltd	8050		10.00	0.18
China Metal Resources Holdings Ltd	8071	17.50		0.047
Universal Technologies Holdings Ltd	8091	24.10		0.134
Hua Xia Healthcare Holdings Ltd	8143		10.00	0.045
MelcoLot Ltd	8198		12.30	0.25
Sanmenxia Tianyuan Aluminum Company Ltd	8253	12.00		0.28

Share prices on Asia's largest equity market plunged, last Tuesday, as investors in Japan continued to fret about the financial health of the country.

With one international bank after another, issuing profits warnings or admitting huge losses for the last quarter, it was hardly any wonder that investors in this part of the world sought to unload stocks and shares of financial counters.

On The Tokyo Stock Exchange, its TOPIX Index gave up about 1.55 percent, dropping back to 805.03 points.

Losing counters outpaced gaining ones by the ratio of about 4.52:One.

The Nikkei-225 Stock Average lost about 2.31 percent, ending the trading day at ¥8,065.79.

#### News Wise

- **Toyota Motor Corporation** is expected to tell all of its temporary workers that they no longer have jobs at the company's factories. This will affect about 3,000 temporary workers; and,
- **Mitsui Mining and Smelting Company** announced that it would be sacking 4,000 of its workers.

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

The HKSAR	Hang Seng Index Minus 2.85 percent to 12,959.77 The Growth Enterprise Index Plus 0.46 percent to 352.19
Indonesia	Minus 0.48 percent to 1,344.15
Japan	TOPIX Index Minus 1.55 percent to 805.03 Nikkei-225 Stock Average Minus 2.31 percent to 8,065.79
Malaysia	Minus 1.11 percent to 880.37



The Philippines	Minus 1.30 percent to 1,897.93
The PRC	Shanghai Composite Index Plus 0.37 percent to 1,994.11 Shenzhen Composite Index Plus 0.92 percent to 606.81
Singapore	Minus 1.35 percent to 1,723.37
South Korea	Minus 2.07 percent to 1,126.81
Taiwan	Minus 2.84 percent to 4,242.61
Thailand	Minus 0.58 percent to 433.19

### Wednesday

Share prices rebounded on Wall Street, last Wednesday, for no good reason other than investors appeared to be in the mood to buy select stocks and shares.

Clinging onto leaves, for the most part, investors took the plunge on the first full working day of President Barack Obama.

On The New York Stock Exchange, the Dow Jones Industrial Average put on about 3.51 percent, rising to 8,228.10 points, while, over on The NASDAQ, its Composite Index rose about 4.60 percent to 1,507.07 points.

The ratio of gainers to losers on the world's biggest and most-important equity markets was 4:One on The New York Stock Exchange and about 3:One on The NASDAQ.

Trading was described as being spirited.

### News Wise

- **Intel Corporation**, the world's largest producer of microprocessors, announced that it would be closing manufacturing plants in Malaysia and The Philippines in a move that could see as many as 6,000 people, looking for alternate employment. The plants to close are in Penang, Malaysia, and at Cavite, The Philippines. Also, in Oregon, US, Intel said that it would halt wafer fabrication while, at Santa Clara, California, some company operations would also be shut down.

On The New York Mercantile Exchange (NYMEX), investors and speculators in crude oil noted that the last settlement for a barrel of light sweet crude oil for the new near month, March, rose about 6.64 percent to \$US43.55.

(Futures trading in February contracts ceased on Tuesday.)

The last settlement for a barrel of light sweet crude oil for delivery in April came in at \$US45.55.

In Europe, investors were not taken in by the seeming euphoria on Wall Street as the following

**TARGET ()** list illustrates:

Amsterdam's AEX Index	Minus 0.99 percent
France's CAC 40 Index	Minus 0.67 percent
Germany's Frankfurt XETRA DAX IndexPlus	0.50 percent
Great Britain's FTSE 100 Index	Minus 0.77 percent
Italy's MIBTEL Index	Minus 1.78 percent
Switzerland's Swiss Market Index	Minus 0.31 percent

For many of the most-important equity markets of this region of the world, the losses of last Wednesday represented the 10<sup>th</sup> consecutive trading day of falls.

Unlike their US counterparts, European investors appear to have longer memories and the problems of yesterday do not vanish into the ether due to some cosmetic consideration or the inauguration of a new head of state.

#### News Wise

- Germany's Economy Minister, Mr Michael Glos, has predicted that **Germany's economy** would shrink by about 2.25 percent in 2009. This, if it comes to pass, would represent the worst situation in terms of the largest exporter in the world since the end of World War II in 1945. Germany's economy accounts for about 33 percent of the total output of eurozone. The country has been in recession since the third quarter of 2008.

In Asia, only red ink was used to fill in the closing figures with regard to key indices of all but one of the major 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 equity markets lost materially.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index gave up about 2.90 percent to fall back to 12,583.03 points on a Total Turnover of about \$HK47.67 billion.

Declining counters outran advancing ones by the ratio of about 1.51:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 4.35 percent to \$HK55.00 per share
China Life Insurance Company Ltd (Code: 2628)	Down 7.52 percent to \$HK20.30 per share
Bank of China Ltd (Code: 3988)	Up 1.07 percent to \$HK1.89 per share

China Mobile Ltd (Code: 941)	Down 1.00 percent to \$HK69.25 per share
China Construction Bank Corporation (Code: 939)	Down 3.43 percent to \$HK3.66 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 3.34 percent to \$HK3.18 per share
CNOOC Ltd (Code: 883)	Down 2.58 percent to \$HK6.43 per share
PetroChina Company Ltd (Code: 857)	Down 3.97 percent to \$HK5.80 per share
Ping An Insurance (Group) Company of China Ltd (Code: 2318)	Down 6.91 percent to \$HK33.00 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 3.82 percent to \$HK7.80 per share

Of the 54 Main Board, double-digit movers of the day, management of 32 counters noted that their respective share prices had lost about 10 percent or more of their values while the managements of the remaining 22 counters watched as their respective share prices rose by 10 percent or more.

China Star Entertainment Ltd (Code: 326) was the biggest gainer of the day, its share price, rising 94.74 percent to 3.70 cents.

Hisense Kelon Electrical Holdings Company Ltd (Code: 921) turned out to be the biggest loser of the trading day, its share price, falling back about 42.70 percent to 51 cents.

Over on The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gave up about 0.76 percent of its value, dropping to 349.51 points on a Total Turnover of about \$HK35.06 million.

The ratio of losers to gainers on this market was about 2.09:One.

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

Shandong Weigao Group Medical Polymer Company Ltd (Code: 8199)	Down 3.39 percent to \$HK11.40 per share
China Chief Cable TV Group Ltd (Code: 8153)	Down 2.31 percent to \$HK0.127 per share
China Information Technology Development Ltd (Code: 8178)	Unchanged at \$HK0.124 per share
Fast Systems Technology (Holdings) Ltd (Code: 8150)	Down 1.75 percent to \$HK0.56 per share

Wumart Stores Incorporated (Code: 8277)

Up 1.73 percent to \$HK5.28 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGTech Holdings Ltd	8279	17.40		0.108
Byford International Ltd	8272		12.00	0.22
Emcom International Ltd	8220		18.50	0.022
First China Financial Holdings Ltd	8123	10.00		0.187
Global Digital Creations Holdings Ltd	8271		11.60	0.176
Goldmond Holdings Ltd	8190		13.30	0.026
MelcoLot Ltd	8198	12.00		0.28
Sing Lee Software (Group) Ltd	8076	10.00		0.11
Soluteck Holdings Ltd	8111	16.70		0.07
Timeless Software Ltd	8028		16.70	0.04
Zhongyu Gas Holdings Ltd	8070	21.40		0.51

On The Tokyo Stock Exchange, which is the largest equity market of Asia, its TOPIX Index shed about 2.22 percent, ending the trading day at 787.15 points.

The ratio of losers to gainers was about 3.22:One.

The Nikkei-225 Stock Average lost about 2.04 percent, ending the day at 7,901.64 yen.

#### News Wise

- **Miki Corporation**, a jewellery retailing company in Japan, has filed for bankruptcy protection with liabilities of about ¥11.70 billion; and,
- **Crude steel production** in Japan in December fell about 27.90 percent, Year-On-Year, the largest fall in steel production for any month since January of 1949.

In other parts of Asia, this was how their respective key indices fared, last Wednesday:

The HKSAR	Hang Seng Index Minus 2.90 percent to 12,583.63
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	The Growth Enterprise Index Minus 0.76 percent to 349.51
Indonesia	Minus 1.69 percent to 1,321.45
Japan	TOPIX Index Minus 2.22 percent to 787.15 Nikkei-225 Stock Average Minus 2.04 percent to 7,901.64
Malaysia	Minus 0.79 percent to 873.41
The Philippines	Minus 3.05 percent to 1,840.12
The PRC	Shanghai Composite Index Minus 0.46 percent to 1,985.02 Shenzhen Composite Index Minus 0.37 percent to 604.57
Singapore	Minus 1.09 percent to 1,704.52
South Korea	Minus 2.06 percent to 1,103.61
Taiwan	Plus 0.13 percent to 4,247.97
Thailand	Minus 0.45 percent to 431.23

### **Thursday**

Share prices retreated on the Wall Street and on all but one of the major European bourses, last Thursday, after Microsoft Corporation shocked investors on the world's largest and most-influential equity markets.

Microsoft Corporation announced that it would reduce its workforce by about 5 percent, that is about 5,000 employees, over the next 18 months, with 1,400 workers to be sacked, forthwith.

The world's largest producer of computer software announced that its Net Profit Attributable to Shareholders for the quarter, ended December 31, 2008, was about \$US4.17 billion, down about 11 percent, Year-On-Year.

Wall Street did not like to hear this type of news: It had been heard only too much and much too much.

The share price of Microsoft Corporation fell more than 12 percent, at one point, but recovered to end the trading day at \$US17.11, off about 11.70 percent, compared with Wednesday's close.

Perhaps, more worrying was that management of Microsoft Corporation declined to give any estimate of the profit, or otherwise, for the company for the remainder of this Fiscal Year.

On The New York Stock Exchange, the Dow Jones Industrial Average fell about 1.28 percent to 8,122.80 points.

Over on The NASDAQ, its Composite Index shed about 2.76 percent to 1,465.49 points.

The ratio of losers to gainers was about 3.50:One on The New York Stock Exchange and about 3.00:One on The NASDAQ.

As the share price of Microsoft Corporation fell to a low, not seen since 1998, so financials were caught in the whirlwind, created by the hi-tech giant.

The list of material losers on both equity markets is far too long for this medium to quote.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in March came in at \$US43.67, up about 0.28 percent, compared with Wednesday's closing level.

As for delivery in April, the last settlement was \$US45.83, representing an increase of about 0.61 percent on Wednesday's last settlement.

The buzz on European bourses was, of course, all about Microsoft Corporation and that company's inability, or reluctance, to forecast the likely financial situation for the remainder of its Financial Year.

The key indices of the largest equity markets of this region of the world, with one exception, headed for lower ground the moment that the situation at Microsoft Corporation became known:

Amsterdam's AEX Index	Minus 0.94 percent
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France's CAC 40 Index	Minus 1.23 percent
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Germany's Frankfurt XETRA DAX Index	Minus 0.97 percent
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Great Britain's FTSE 100 Index	Minus 0.18 percent
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Italy's MIBTEL Index	Minus 1.56 percent
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Switzerland's Swiss Market Index	Plus 0.47 percent
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Investors fretted, once again, that if the giant of the hi-tech world was in such a situation, then, it follows that other hi-tech companies, those without the financial strength of Microsoft Corporation, would be suffering even worse.

In Asia, of course, investors had not been apprised of the Microsoft Corporation situation at the time of trading in the most-populous part of the world.

As such, all of the key indices on all of the region's equity markets made very reasonable gains.

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 recorded fractional gains.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index rose about 0.59 percent

to 12,657.99 points on a Total Turnover of about \$HK35.38 billion.

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

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 3.64 percent to \$HK57.00 per share
China Mobile Ltd (Code: 941)	Down 1.59 percent to \$HK68.15 per share
Bank of China Ltd (Code: 3988)	Up 2.12 percent to \$HK1.93 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.49 percent to \$HK20.20 per share
PetroChina Company Ltd (Code: 857)	Down 0.86 percent to \$HK5.75 per share
China Construction Bank Corporation (Code: 939)	Up 1.64 percent to \$HK3.72 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 1.57 percent to \$HK3.23 per share
CNOOC Ltd (Code: 883)	Up 2.33 percent to \$HK6.58 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 2.62 percent to \$HK64.65 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 0.95 percent to \$HK4.25 per share

As for the Main Board's biggest movers of the day, there was a total of 38 such counters, of which number, there were 22 winners and 16 losers.

Opes Asia Development Ltd (Code: 810) was the biggest winner of the day, its share price, rising 41.18 percent to 12 cents.

Tidetime Sun (Group) Ltd (Code: 307) was the biggest loser as investors knocked down its share price to 5 cents, a one-day fall of about 30.56 percent.

On The **Growth Enterprise Market (The GEM)** of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shed about 0.66 percent, falling back to 351.83 points.

The Total Turnover on this market was about \$HK66.29 million, with the ratio of gainers and losers, being equal, at One:One, exactly.

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

Shandong Weigao Group Medical	Up 7.02 percent to \$HK12.20 per share
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Polymer Company Ltd (Code: 8199)

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

Up 1.79 percent to \$HK0.57 per share

Wumart Stores Incorporated (Code: 8277)

Up 0.76 percent to \$HK5.32 per share

China Information Technology Development Ltd  
(Code: 8178)

Down 17.74 percent to \$HK0.102 per share

Golden Meditech Company Ltd (Code: 8180)

Down 7.50 percent to \$HK0.74 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
A and K Educational Software Holdings Ltd	8053		11.10	0.44
Armitage Technologies Holding Ltd	8213		23.30	0.023
China Information Technology Development Ltd	8178		17.70	0.102
China Metal Resources Holdings Ltd	8071		12.80	0.041
China Trends Holdings Ltd	8171		19.10	0.072
Computech Holdings Ltd	8081	12.90		0.35
FAVA International Holdings Ltd	8108		10.00	0.081
Soluteck Holdings Ltd	8111	42.90		0.10
ThinSoft (Holdings) Incorporated	8096	10.20		0.65

On The Tokyo Stock Exchange, The TOPIX Index rose about 1.11 percent to 795.91 points.

The ratio of advancing counters to losing ones was about 1.88:One.

The Nikkei-225 Stock Average put on about 1.90 percent to end the trading day at ¥8,051.74.

#### News Wise

- **Sony Corporation**, the world's largest producer of consumer electronics, announced that it fully expected to report an Operating Loss of about ¥260 billion for the Financial Year, ending March 31, 2009. In the Financial Year, ended March 31, 2008, the company logged in an Operating Profit of



about ¥475.30 billion. The Net Loss Attributable to Shareholders in respect of the Current Financial Year is expected to be about ¥150 billion, the company stated. It was the company's first Loss Attributable to Shareholders of the past 14 years.

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

The HKSAR	Hang Seng Index Plus 0.59 percent to 12,657.99 The Growth Enterprise Index Plus 0.66 percent to 351.83
Indonesia	Plus 0.44 percent to 1,327.32
Japan	TOPIX Index Plus 1.11 percent to 795.91 Nikkei-225 Stock Average Plus 1.90 percent to 8,051.74
Malaysia	Plus 0.64 percent to 879.02
The Philippines	Plus 1.27 percent to 1,863.52
The PRC	Shanghai Composite Index Plus 1.00 percent to 2,004.95 Shenzhen Composite Index Plus 1.42 percent to 613.16
Singapore	Plus 0.25 percent to 1,708.77
South Korea	Plus 1.14 percent to 1,116.23
Taiwan	Closed
Thailand	Plus 1.63 percent to 438.27

### **Friday**

For the most part, the key indices of major equity markets, from one corner of the world to another, headed decidedly south, last Friday.

On Wall Street, investors were hit with one shock after another.

The Dow Jones Industrial Average, the benchmark index of The New York Stock Exchange, shed another 0.56 percent, ending the 4-day trading week at 8,077.56 points.

The Composite Index of The NASDAQ, however, managed to add about 0.81 percent to end the trading session at 1,477.29 points.

The ratio of gainers to losers was about 1.14:One on The New York Stock Exchange, but, over on The NASDAQ, losing counters outnumbered gaining ones by the ratio of about 1.16:One.

During last Friday's trading session, General Electric Company, the world's largest manufacturer of jet engines and electric turbines, reported a 44-percent, Year-On-Year fall in its quarterly profit: \$US3.72 billion versus \$US6.70 billion.

Its share price fell 10.80 percent to \$US12.03 on the news.

From the iconic motorcycle manufacturer, Harley-Davidson Incorporated, came the report that the company would be closing down some of its manufacturing facilities for a loss of about 1,100 jobs.

That number of people to be sacked represents about 12 percent of the company's total workforce.

he company, also, reported that its fourth-quarter Net Income came in at \$US77.80 million, down about 58 percent, Year-On-Year.

And so it went on.

The tally for the week for the largest and most-important equity markets of the world was:

The Dow Jones Industrial Average	Minus 2.46 percent
The Composite Index of The NASDAQ	Minus 3.40 percent

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in March was \$US46.47, an increase of about 6.41 percent, compared with Thursday's close.

As for delivery in April, the last settlement for a barrel of light sweet crude oil came in at \$US49.21, representing a one-day gain of about 7.38 percent.

The reason for the fast gains in the price of this strategic commodity was speculation that The Organisation of Petroleum Exporting Countries (OPEC) would reduce crude-oil production by another 1.55 million barrels per day, this month.

In December, OPEC cut production by 2.20 million barrels, but that did not stop the fall in the price of crude oil on international commodity exchanges.

The oil cartel does not like to see the price of crude oil fall since it cuts into the cartel's members' pocket money, too.

In Europe, there were few winners on major bourses in this region of the world.

In the previous 13 trading sessions, the key indices of the most-important equity markets had been headed south for 12 of those sessions.

Last Friday saw more losses.

Even the gains in the price of crude oil could not stop the rot as the following **TARGET** list of the major bourses indicates:

Amsterdam's AEX Index	Minus 0.56 percent
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France's CAC 40 Index          Minus 0.71 percent

Germany's Frankfurt XETRA DAX Index          Minus 0.95 percent

Great Britain's FTSE 100 Index          Unchanged

Italy's MIBTEL Index          Minus 0.48 percent

Switzerland's Swiss Market Index          Minus 0.42 percent

### News Wise

- The **unemployment rate** in Spain is, officially, 13.90 percent. It is the highest unemployment rate in eurozone. In the final quarter of 2008, a total of 3.20 million workers were unemployed, an increase of about 1.30 million workers, compared with the like quarter in 2007; and,
- It is official: The United Kingdom is enjoying a recession. This is the first recession in blighty since 1991. Gross Domestic Product fell by about 1.50 percent in the quarter, ended December 31, 2008, the Government announced.

In Asia, investors were not particularly happy as the weekend, ushering in the Lunar New Year celebrations, approached.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the benchmark index of the Main Board of The Stock Exchange of Hongkong Ltd lost ground.

The Hang Seng Index gave up about 0.63 percent, falling back to 12,578.60 points on a Total Turnover of about \$HK33.72 billion.

The ratio of declining counters to gaining ones was about 1.78:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)  
Up 0.79 percent to \$HK57.45 per share

China Mobile Ltd (Code: 941)  
Up 0.44 percent to \$HK68.45 per share

Industrial and Commercial Bank of China Ltd  
(Code: 1398)  
Up 0.31 percent to \$HK3.24 per share

China Construction Bank Corporation (Code: 939)  
Down 0.81 percent to \$HK3.69 per share

China Life Insurance Company Ltd (Code: 2628)  
Down 1.49 percent to \$HK19.90 per share

PetroChina Company Ltd (Code: 857)  
Down 2.96 percent to \$HK5.58 per share

China Petroleum and Chemical Corporation  
(Code: 386)

Down 1.65 percent to \$HK4.18 per share

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

Down 5.89 percent to \$HK30.35 per share

Bank of China Ltd (Code: 3988)

Down 0.52 percent to \$HK1.92 per share

CNOOC Ltd (Code: 883)

Down 1.22 percent to \$HK6.50 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Bonjour Holdings Ltd	653	10.20		2.26
Bright Prosperous Holdings Ltd	723	18.80		0.057
Brightoil Petroleum (Holdings) Ltd	933	11.60		0.96
Chaoyue Group Ltd	147	28.60		1.80
China HealthCare Holdings Ltd	673		14.90	0.20
China Pipe Group Ltd	380		10.30	0.026
China Properties Investment Holdings Ltd	736		14.90	0.097
City Telecom (Hongkong) Ltd	1137		11.60	0.84
Cosmos Machinery Enterprises Ltd	118		11.10	0.28
CVM Minerals Ltd	705		14.70	0.58
eForce Holdings Ltd	943	11.20		0.249
Fortune Sun (China) Holdings Ltd	352	28.60		0.405
Galaxy Entertainment Group Ltd	27		10.10	1.25
GFT Holdings Ltd	1003	11.80		0.019
GR Vietnam Holdings Ltd	139	12.00		0.56

Hanny Holdings Ltd	275	12.90		1.14
Harmony Asset Ltd	428	41.80		4.99
Hembly International Holdings Ltd	3989	15.10		0.305
Hisense Kelon Electrical Holdings Company Ltd	921	17.20		0.51
Imagi International Holdings Ltd	585		10.50	0.34
Joyce Boutique Holdings Ltd	647	10.60		0.115
Long Far Pharmaceutical Holdings Ltd	2898		30.20	0.30
Pacific Plywood Holdings Ltd	767	16.20		0.043
Renhe Commercial Holdings Company Ltd	1387	11.70		1.81
Sino Katalytics Investment Corporation	2324		15.90	0.037
Sun Innovation Holdings Ltd	547	10.50		0.042
SunCorp Technologies Ltd	1063	24.40		0.056
TC Interconnect Holdings Ltd	515	10.00		0.33
Time Infrastructure Holdings Ltd	686	10.00		0.55
Tomorrow International Holdings Ltd	760	36.80		0.145
TPV Technology Ltd	903	16.00		1.74
Wang Sing International Holdings Group Ltd	2389	12.00		0.28
Xian Yuen Titanium Resources Holdings Ltd	353	39.20		0.071

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index managed to put on a spurt, rising about 1.24 percent to 356.20 points.

The Total Turnover on this market was about \$HK38.94 million, while the ratio of advancing counters to declining ones was about 1.25:One.

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

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

Up 7.05 percent to \$HK13.06 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 4.05 percent to \$HK0.71 per share

Wumart Stores Incorporated (Code: 8277)

Up 0.75 percent to \$HK5.36 per share

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

Down 5.43 percent to \$HK0.087 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Ground Source Energy Ltd	8128	14.60		0.055
China Trends Holdings Ltd	8171	22.20		0.088
Emcom International Ltd	8220	13.60		0.025
Powerleader Science and Technology Group Ltd	8236	12.80		0.176
Sing Lee Software (Group) Ltd	8076	17.30		0.129

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

The Hang Seng Index Minus 5.11 percent

The Growth Enterprise Index Plus 0.04 percent

On The Tokyo Stock Exchange, its TOPIX Index shed about 2.81 percent, dropping back to 773.55 points.

The ratio of declining counters to gaining ones was about 4.73:One.

The Nikkei-225 Stock Average lost about 3.81 percent, ending the last day of trading for the week at ¥7,745.25.

The tally for Asia's largest and most-important equity markets was:

The TOPIX Index Minus 5.42 percent

The Nikkei-225 Stock Average Minus 5.89 percent

In other parts of Asia, this was how those equity markets fared, last Friday night:

The HKSAR	Hang Seng Index Minus 0.63 percent to 12,578.60 The Growth Enterprise Index Plus 1.24 percent to 356.20
Indonesia	Minus 0.88 percent to 1,315.58
Japan	TOPIX Index Minus 2.81 percent to 773.55 Nikkei-225 Stock Average Minus 3.81 percent to 7,745.25
Malaysia	Minus 0.72 percent to 872.69
The Philippines	Minus 0.33 percent to 1,857.34
The PRC	Shanghai Composite Index Minus 0.71 percent to 1,990.66 Shenzhen Composite Index Minus 0.47 percent to 610.27
Singapore	Minus 1.38 percent to 1,685.23
South Korea	Minus 2.05 percent to 1,093.40
Taiwan	Closed
Thailand	Minus 1.08 percent to 433.52

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