

**NORTH KOREA DECLARES WAR ON SOUTH KOREA:
TOUCH OUR SHIPS AND THE FIGHTING STARTS, PYONGYANG WARNS**

General Motors Corporation To Drive The Route Of Chrysler

As the citizens of the United States of America paid homage to their fallen heroes of past wars, in North Korea, a huge underground, nuclear explosion rocked the world, perhaps, heralding in a new era of political uncertainty in Asia.

The reclusive, Korean country, led by the 68-year-old, Kim Jong Il, detonated an underground nuclear device that was more powerful than the atom bomb that was exploded on August 9, 1945, on Nagasaki, Japan, an atom bomb that killed not less than 66,000 of the city's resident human population as it destroyed about one-third of the city.

Permanent members of the Security Council of The United Nations went into an immediate huddle: What to do? What definitive action should be taken?

Leaders of the free world demanded action, condemning the actions of North Korea.

South Korea and Japan ordered their respective military regimes to adopt the highest level of preparedness.

The world waited.

In the US, all markets were closed for the public holiday, known as Memorial Day.

It was a day that, no doubt, would long be remembered.

Would the dogs of war be unleashed, once again?

In Europe, investors adopted a wait-and-see stance on learning about the actions of North Korea, actions that were in defiance of United Nations's mandates and directives, of which North Korea is a signatory.

This was how the key indices of the major European bourses fared, last Monday:

Amsterdam's AEX Index	Plus 0.19 percent
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France's CAC 40 Index	Plus 0.25 percent
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Germany's Frankfurt XETRA DAX Index	Unchanged
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Great Britain's FTSE 100 Index	Closed
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Italy's MIBTEL Index	Minus 0.27 percent
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Switzerland's Swiss Market Index Plus 0.68 percent

With Wall Street, shut up tightly, investors in this part of the world determined to wait a day or so in order to learn what action, if any, The United Nations would take against the bellicose, Communist neighbour of South Korea.

On Asian equity markets, the actions of North Korean were not considered to be of any great shakes mainly because, in the past, whenever the North Korean Government had defied United Nations's mandates and directives, nothing of any great importance followed – although it was generally thought that definitive action should have been taken, at that point in time, by The United Nations and members of the free world.

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

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index moved up about 0.35 percent to 17,121.82 points on a Total Turnover of about \$HK58.85 billion.

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

The Ten Most Active counters were:

Sun Hung Kai Properties Ltd (Code: 16)	Up 5.82 percent to \$HK90.90 per share
China Construction Bank Corporation (Code: 939)	Down 0.21 percent to \$HK4.79 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 0.42 percent to \$HK4.80 per share
China Mobile Ltd (Code: 941)	Up 0.21 percent to \$HK72.05 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 6.99 percent to \$HK88.80 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.74 percent to \$HK26.85 per share
Bank of China Ltd (Code: 3988)	Up 1.03 percent to \$HK2.93 per share
HSBC Holdings plc (Code: 5)	Up 0.38 percent to \$HK65.90 per share
PetroChina Company Ltd (Code: 857)	Down 0.83 percent to \$HK8.32 per share
CNOOC Ltd (Code: 883)	Down 1.43 percent to \$HK9.65 per share

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

Name of Company	Code	Increase	Decrease	Closing Price
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		(%)	(%)	(\$HK)
ABC Communications (Holdings) Ltd	30	15.10		0.99
Artini China Company Ltd	789	45.30		0.93
China Energine International (Holdings) Ltd	1185	21.20		0.63
China Glass Holdings Ltd	3300	17.40		1.08
China Metal International Holdings Incorporated	319	20.90		1.39
China Public Procurement Ltd	1094		16.50	0.96
China Singyes Solar Technologies Holdings Ltd	750	15.50		4.63
China WindPower Group Ltd	182	15.40		0.75
EPI (Holdings) Ltd	689	16.80		0.153
Galaxy Semi-Conductor Holdings Ltd	527	15.10		0.305
Greenfield Chemical Holdings Ltd	582	18.70		1.14
HyComm Wireless Ltd	499	16.40		0.85
Jackin International Holdings Ltd	630		17.90	0.197
King Fook Holdings Ltd	280	28.60		0.90
Ming An (Holdings) Company Ltd	1389	45.60		1.31
Ming Fung Jewellery Group Ltd	860		21.80	0.485
RBI Holdings Ltd	566	20.80		1.80
Samson Holding Ltd	531	20.40		1.24
See Corporation Ltd	491	19.00		0.069
Star Cruises Ltd	678	19.20		1.18
Tianneng Power International Ltd	819	15.30		2.41
Zhejiang Glass Company Ltd	739	15.60		2.15

Zhongtian International Ltd	2379	21.20		0.485
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On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index rose about 1.64 percent to 557.22 points.

The Total Turnover on this market was about \$HK521.52 million.

The ratio of gainers to losers was 1.79:One, exactly.

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

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

Up 4.02 percent to \$HK20.70 per share

Grand T G Gold Holdings Ltd (Code: 8299)

Up 17.31 percent to \$HK0.183 per share

Enviro Energy International Holdings Ltd (Code:
8182)

Down 14.75 percent to \$HK0.52 per share

Neolink Cyber Technology (Holding) Ltd (Code:
8116)

Unchanged at \$HK0.231 per share

Heng Xin China Holdings Ltd (Code: 8046)

Up 5.36 percent to \$HK0.59 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Armitage Technologies Holding Ltd	8213	42.00		0.098
China Asean Resources Ltd	8186	25.00		0.15
China Chief Cable TV Group Ltd	8153		14.90	0.37
China Electric Power Technology Holdings Ltd	8053	11.10		0.30
China Leason Investment Group Company Ltd	8270	17.90		0.79
Crosby Capital Ltd	8088	31.40		0.23
DIGITALHONGKONG.COM	8007	150.00		0.75
Enviro Energy International Holdings Ltd	8182		14.80	0.52
Era Information and Entertainment Ltd	8043	10.00		0.22

Everpride Biopharmaceutical Company Ltd	8019	10.00		0.11
Grand T G Gold Holdings Ltd	8299	17.30		0.183
Hua Xia Healthcare Holdings Ltd	8143	11.10		0.06
MelcoLot Ltd	8198		10.40	0.30
Qianlong Technology International Holdings Ltd	8015		15.20	0.56
Rojam Entertainment Holdings Ltd	8075	125.40		0.16
Sau San Tong Holdings Ltd	8200	18.40		0.09
Shanxi Changcheng Microlight Equipment Company Ltd	8286	83.30		0.55
Sonavox International Holdings Ltd	8226	132.30		0.36
South China Land Ltd	8155	16.40		0.32
Sun International Group Ltd	8029	25.40		0.89
Timeless Software Ltd	8028	10.30		0.075
Trasy Gold Ex Ltd	8063	18.20		0.91
Vertex Group Ltd	8228	47.30		0.165
Zhejiang Prospect Company Ltd	8273		13.00	0.80
Zmay Holdings Ltd	8085		10.50	0.255

The key indices of the 3 equity markets of Japan managed to record fractional improvements, last Monday.

On The Tokyo Stock Exchange, which is the premier equity market of the country, its TOPIX Index rose about 0.81 percent to 883.00 points, exactly.

Advancing counters outnumbered declining ones by the ratio of about 3.24: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, put on ¥121.19, equivalent to about 1.31 percent, ending the trading day at ¥9,347.00, exactly.

In other parts of Asia, this was how the situation looked on those equity markets on a day which, undoubtedly, would be one for the history books:

The HKSAR	Hang Seng Index Plus 0.35 percent to 17,121.82 The Growth Enterprise Index Plus 1.64 percent to 557.22
Indonesia	Plus 0.49 percent to 1,890.97
Japan	TOPIX Index Plus 0.81 percent to 883.00 Nikkei-225 Stock Average Plus 1.31 percent to 9,347.00
Malaysia	Plus 0.75 percent to 1,053.14
The Philippines	Plus 0.77 percent to 2,334.62
The PRC	Shanghai Composite Index Plus 0.48 percent to 2,610.01 Shenzhen Composite Index Plus 0.53 percent to 881.20
Singapore	Plus 0.99 percent to 2,267.46
South Korea	Minus 0.20 percent to 1,400.90
Taiwan	Minus 0.04 percent to 6,734.46
Thailand	Minus 0.63 percent to 550.51

Tuesday

The United States warned North Korea that it would ‘*pay a price*’ for its defiance of The United Nations declarations to which it had been a signatory.

North Korea responded, firing 3, short-range missiles.

The Obama Administration was leading the charge to punish the reclusive Communist State because it is seen as a destabilizing factor on the Korean Peninsula.

The South Korean Government has, already, issued the order to its military to establish a state of immediate preparedness lest North Korea makes good some of its threats.

The US Ambassador to The United Nations, Ms Susan Rice, said that the pressure on North Korea would be stepped up more than just one notch.

She said, during a US television interview, that the actions of North Korea were ‘*clearly provocative and*

destabilising actions which threaten international peace and security ... ' the international community would not *'throw up our hands and let them (North Korea) pursue this path ...* ' and, that North Korea would *'pay the price for their action.'*

North Korea hit back:

'Our army and people are fully ready for battle ... against any reckless US attempt for a pre-emptive attack ... '.

The world continued to wait for the next episode in the enfolding drama.

On Wall Street, investors discounted the North Korean rhetoric and the firing of 3, short-range missiles and concentrated, instead on other matters – such as trying to make some money.

On The New York Stock Exchange, the Dow Jones Industrial Average rose about 2.37 percent to 8,473.49 points while, over on The NASDAQ, its Composite Index gained about 3.45 percent, ending the active trading day at 1,750.43 points.

Gaining counters outran losing ones by about 5.00:One on The New York Stock Exchange and by about 3.50:One on The NASDAQ.

The reason for the swift gains on the world's largest equity markets was not, altogether, apparent, but many investors latched on to a statistic from the Consumer Confidence Index of The Conference Board – and that was that.

The Consumer Confidence Index stood at 54.90 points for the month of May, up about 35 percentile points compared with April's figure.

However, on the downside, it was reported that house prices in the US declined by about 19.10 percent, during the first quarter of 2009.

In Europe, investors took heart from the Wall Street activity, resulting in the key indices of the most-important bourses, rising more than one percentage point, each:

Amsterdam's AEX Index	Plus	1.06 percent
France's CAC 40 Index	Plus	1.04 percent
Germany's Frankfurt XETRA DAX Index	Plus	1.36 percent
Great Britain's FTSE 100 Index	Plus	1.06 percent
Italy's MIBTEL Index	Plus	1.46 percent
Switzerland's Swiss Market Index	Minus	0.27 percent

The gains in the key indices of European bourses, by and large, were knee-jerk reactions, brought about by Wall Street's seeming euphoria over certain statistics, indicating better-than-expected consumer confidence in The Land of The Free and The Home of The Brave.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in July was \$US62.45, up about 1.26 percent, compared with the final quote of Friday, May 22, 2009.

As for delivery in August, the last settlement for a barrel of light sweet crude oil came in at \$US63.10, representing an increase of about 1.15 percent on the last settlement of the previous Friday.

In Asia, the key indices of the major equity markets were decidedly in negative territory at the close of the day.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), while the benchmark index of the premier equity market lost ground, the lone index of the speculative, secondary equity market managed to score a tiny fractional improvement over Monday's closing level.

The Hang Seng Index, which is the benchmark of the Main Board of The Stock Exchange of Hongkong Ltd, shed about 0.76 percent, dropping back to 16,991.56 points.

The Total Turnover was about \$HK56.29 billion, while the ratio of declining counters to advancing ones was about 1.73:One.

The Ten Most Actives were:

Sun Hung Kai Properties Ltd (Code: 16)	Up 1.93 percent to \$HK92.65 per share
China Construction Bank Corporation (Code: 939)	Unchanged at \$HK4.79 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 0.15 percent to \$HK4.62 per share
Bank of China Ltd (Code: 3988)	Up 0.68 percent to \$HK2.95 per share
CNOOC Ltd (Code: 883)	Down 3.32 percent to \$HK9.33 per share
China Mobile Ltd (Code: 941)	Down 1.18 percent to \$HK71.20 per share
HSBC Holdings plc (Code: 5)	Down 1.37 percent to \$HK65.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 2.48 percent to \$HK91.00 per share
Sino Land Company Ltd (Code: 83)	Up 8.74 percent to \$HK13.94 per share
China Life Insurance Company Ltd (Code: 2628)	Down 1.12 percent to \$HK26.55 per share

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

Name of Company	Code	Increase	Decrease	Closing Price
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		(%)	(%)	(\$HK)
ABC Communications (Holdings) Ltd	30	16.20		1.15
Art Textile Technology International Company Ltd	565	31.20		0.265
Chengdu PUTIAN Telecommunications Cable Company Ltd	1202	19.10		1.37
China Electronics Corporation Holdings Company Ltd	85	18.40		1.03
Emperor International Holdings Ltd	163	20.40		1.12
Green Energy Group Ltd	979	28.60		0.90
Heritage International Holdings Ltd	412	29.90		1.00
The Hongkong Building and Loan Agency Ltd	145	16.90		0.90
Hua Han Bio-Pharmaceutical Holdings Ltd	587	21.80		0.95
Hua Yi Copper Holdings Ltd	559	41.60		0.63
K. Wah International Holdings Ltd	173	23.70		2.19
Lee and Man Holding Ltd	746	18.10		1.50
Long Far Pharmaceutical Holdings Ltd	2898	68.10		0.79
New Smart Energy Group Ltd	91	25.00		0.12
Northeast Electric Development Company Ltd	42	20.30		1.42
Poly Development Holdings Ltd	1141	15.00		0.345
PYI Corporation Ltd	498	21.90		0.78
Sewco International Holdings Ltd	209	21.20		0.315
Sincere Watch (Hongkong) Ltd	444	17.00		0.55
Sino-i Technology Ltd	250	15.50		0.067
Smart Rich Energy Finance (Holdings) Ltd	1051	20.00		0.18

Solartech International Holdings Ltd	1166	23.10		0.096
South China Holdings Ltd	265	18.00		1.18
Stone Group Holdings Ltd	409	24.60		0.43
Sun East Technology (Holdings) Ltd	365	17.60		0.20
Uni-Bio Science Group Ltd	690	27.60		0.097
Wasion Group Ltd	3393	24.50		4.98
Wonderful World Holdings Ltd	109	17.10		0.041
Xinjiang Tianye Water Saving Irrigation System Company Ltd	840	16.50		0.92
Zhongtian International Ltd	2379		25.80	0.36

On The **Growth Enterprise Market (The GEM)** of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index ended the trading day at 557.55 points, up about 0.06 percent on Monday's close.

The Total Turnover on this market was about \$HK599.92 million.

Advancing counters outnumbered declining ones by the ratio of 1.49:One, exactly.

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

Enviro Energy International Holdings Ltd (Code: 8182)

Up 7.69 percent to \$HK0.56 per share

Grand T G Gold Holdings Ltd (Code: 8299)

Up 8.74 percent to \$HK0.199 per share

China Railway Logistics Ltd (Code: 8089)

Up 20.95 percent to \$HK1.27 per share

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

Down 3.96 percent to \$HK19.88 per share

Neolink Cyber Technology (Holding) Ltd (Code: 8116)

Up 7.36 percent to \$HK0.248 per share

As for The GEM's double-digit movers of the day, they included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
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CCT Resources Holdings Ltd	8163	10.00		0.165
China Asean Resources Ltd	8186	10.00		0.165
China Electric Power Technology Holdings Ltd	8053	13.30		0.34
China LotSynergy Holdings Ltd	8161	14.50		0.355
China Railway Logistics Ltd	8089	21.00		1.27
China Vanguard Group Ltd	8156	11.90		0.33
Crosby Capital Ltd	8088		12.20	0.202
ePRO Ltd	8086	20.00		0.12
Fast Systems Technology (Holdings) Ltd	8150	17.20		0.68
Global Link Communications Holdings Ltd	8060	16.50		0.099
GreaterChina Technology Group Ltd	8032	13.60		0.067
Info Communication Holdings Ltd	8082	22.50		0.125
Rojam Entertainment Holdings Ltd	8075		15.60	0.135
Shanghai Tonva Petrochemical Company Ltd	8251		10.30	0.61
Soluteck Holdings Ltd	8111	15.20		0.22
South China Land Ltd	8155	14.10		0.365
Sun International Group Ltd	8029		14.60	0.76
SYSCAN Technology Holdings Ltd	8083	13.60		0.067
Thiz Technology Group Ltd	8119	10.00		0.11
Trasy Gold Ex Ltd	8063	13.20		1.03
Vertex Group Ltd	8228	13.90		0.188
Xi'an Haitian Antenna Technologies Company Ltd	8227		10.30	0.157

On The Tokyo Stock Exchange, its TOPIX Index managed a gain of about 0.09 percent, crawling up to

883.77 points.

The ratio of gaining counters to losing ones was about 1.83:One.

The Nikkei-225 Stock Average lost about 0.39 percent, ending the trading session at ¥9,310.81.

News Wise

- **Nikon Corporation** announced that it would be sacking about 1,000 workers. The company, also, said that it intends to downsize its manufacturing facility in Singapore, moving part of the business out of the reach of the very authoritative regime of The Republic of Singapore and into the more-friendly environment of Taiwan.

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

The HKSAR	Hang Seng Index Minus 0.76 percent to 16,991.56 The Growth Enterprise Index Plus 0.06 percent to 557.55
Indonesia	Minus 1.77 percent to 1,857.59
Japan	TOPIX Index Plus 0.09 percent to 883.77 Nikkei-225 Stock Average Minus 0.39 percent to 9,310.81
Malaysia	Minus 0.14 percent to 1,051.63
The Philippines	Minus 1.07 percent to 2,309.68
The PRC	Shanghai Composite Index Minus 0.82 percent to 2,588.58 Shenzhen Composite Index Minus 0.44 percent to 877.30
Singapore	Minus 1.26 percent to 2,238.79
South Korea	Minus 2.06 percent to 1,372.04
Taiwan	Minus 0.76 percent to 6,683.11
Thailand	Minus 1.42 percent to 542.69

Wednesday

The North Korean Government has warned the South Korean Government that, in effect, a state of war exists between the 2 Koreas.

By agreeing to join the **Proliferation Security Initiative (PSI)** – an initiative, introduced by the US Government, permitting the search of any sea-going vessel, believed to be carrying suspicious cargoes or thought to be carrying weapons of mass destruction – it is, in essence, a *‘declaration of war’*, Pyongyang declared.

As such, the Government of North Korea is no longer bound by the terms of the truce that ended the Korean War in July of 1953, Pyongyang declared, unilaterally.

The Government of North Korea said:

‘Any hostile act against our peaceful vessels, including search and seizure, will be considered an unpardonable infringement on our sovereignty ... We will immediately respond with a powerful military strike ...’.

Meanwhile, Permanent Members of the Security Council of the United Nations continued to discuss what action should be taken against North Korea.

Concern among some members of the United Nations was that, if North Korea is pushed too far, it could have wide-ranging consequences.

As the United Nations procrastinated, North Korea made good its threat and was recommissioning its main nuclear plant at Yongbyon, it, having been shut down in July of 2007.

On Wall Street, stock and share prices fell as investors scrambled to extricate themselves from what they saw as a danger zone.

The sell-off was broadly based and was in direct contrast to the situation that existed on Tuesday’s equity markets.

Investors were looking, especially, at General Motors Corporation as the deadline approached (the end of the month) for the company to announce a restructuring programme.

In the event that no such restructuring programme is agreed between the company’s management and its creditors, the former, Detroit giant of automotive engineering may have to seek the protection of its creditors in the US Bankruptcy Court.

The situation looked ominous.

On The New York Stock Exchange, the Dow Jones Industrial Average lost about 2.05 percent, dropping back to 8,300.02 points.

The Composite Index of The NASDAQ shed about 1.11 percent, ending the moderately active trading session at 1,731.08 points.

Declining counters outpaced advancing ones by the ratio of about 2.33:One on The New York Stock Exchange and by about 2.00:One on The NASDAQ.

The share price of General Motors Corporation fell to \$US1.15, down about 20.10 percent, compared with Tuesday’s closing level.

On The **New York Mercantile Exchange (NYMEX)**, the threats by the Government of North Korea, no doubt, helped to drive the price of crude oil to higher levels.

For delivery in July, the last settlement for a barrel of light sweet crude oil came in at \$US63.45, up about 1.60 percent on Tuesday's final quote.

As for delivery in August, the last settlement for a barrel of light sweet crude oil was \$US64.16, representing a one-day price gain of about 1.68 percent.

On European equity markets, it was the third day of gains for the most-important bourses of this region of the world.

The share prices of banking and finance counters moved to higher levels, driven by considerations of what appeared to indicate improved consumer confidence in the US. (Please see Tuesday's report)

The theory was that improved consumer confidence could be translated into US consumers, returning to the High Street in droves.

This was how the key indices of major European bourses ended their respective trading days, last Wednesday:

Amsterdam's AEX Index	Plus	0.29 percent
France's CAC 40 Index	Plus	0.75 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.30 percent
Great Britain's FTSE 100 Index	Plus	0.16 percent
Italy's MIBTEL Index	Plus	0.08 percent
Switzerland's Swiss Market Index	Minus	0.21 percent

In Asia, there was a sharp increase in the volume of activity on the most-important equity markets, brought about by what was believed to be a glimmer of relief in the problems, confounding the US economy.

The key indices of equity markets were broadly higher by the close of the day.

Investors were hot to trot to pick up select blue chips, during the trading day.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets made very material gains.

A factor, helping investor confidence, were a series of economic measures, introduced by the HKSAR Government, aimed at trying to stimulate the economy, which is enjoying recession.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index rose 5.26 percent to 17,885.27 points.

The Hang Seng Index came to rest at its highest level since September of 2008.

The Total Turnover rose to about \$HK93.06 billion, an increase of about 65.32 percent, compared with Tuesday's volume of activity on this, the second-largest equity market in Asia.

The ratio of gainers to losers was about 2.55:One.

The Ten Most Active counters were:

China Construction Bank Corporation (Code: 939)	Up 4.80 percent to \$HK5.02 per share
Bank of China Ltd (Code: 3988)	Up 9.49 percent to \$HK3.23 per share
HSBC Holdings plc (Code: 5)	Up 5.77 percent to \$HK68.75 per share
China Mobile Ltd (Code: 941)	Up 4.99 percent to \$HK74.75 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 4.11 percent to \$HK4.81 per share
China Life Insurance Company Ltd (Code: 2628)	Up 4.52 percent to \$HK27.75 per share
PetroChina Company Ltd (Code: 857)	Up 5.83 percent to \$HK8.71 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 5.13 percent to \$HK97.40 per share
CNOOC Ltd (Code: 883)	Up 4.93 percent to \$HK9.79 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 6.39 percent to \$HK118.20 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
APAC Resources Ltd	1104	19.10		0.53
Chengdu PUTIAN Telecommunications Cable Company Ltd	1202	35.80		1.86
China Financial Leasing Group Ltd	2312	24.60		0.228
Datronix Holdings Ltd	889		16.30	0.94
Heritage International Holdings Ltd	412	23.00		1.23
Hua Yi Copper Holdings Ltd	559		19.00	0.51

LeRoi Holdings Ltd	221	29.00		0.40
National Investments Fund Ltd	1227	59.00		0.213
Northeast Electric Development Company Ltd	42	59.20		2.26
Poly Development Holdings Ltd	1141	17.40		0.405
RBI Holdings Ltd	566	27.90		2.34
Shun Tak Holdings Ltd	242	19.10		5.48
Sinotrans Shipping Ltd	368	19.30		3.89
SJM Holdings Ltd	880	16.20		3.09
Suga International Holdings Ltd	912	20.00		0.60
Sunway International Holdings Ltd	58	66.70		0.30
Vongroup Ltd	318	15.00		0.115
Winfoong International Ltd	63	17.90		0.125
Wing Shan International Ltd	570	19.70		0.71
Wonson International Holdings Ltd	651	30.80		0.017
Zhong Hua International Holdings Ltd	1064	25.90		0.73

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index rose about 1.24 percent to 564.46 points on a Total Turnover of about \$HK599.54 million.

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

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

Up 1.11 percent to \$HK20.10 per share

Heng Xin China Holdings Ltd (Code: 8046)

Up 20.69 percent to \$HK0.70 per share

Grand T G Gold Holdings Ltd (Code: 8299)

Down 12.06 percent to \$HK0.175 per share

Neolink Cyber Technology (Holding) Ltd (Code:
8116)

Down 3.63 percent to \$HK0.239 per share

Enviro Energy International Holdings Ltd (Code:
8182)

Down 8.93 percent to \$HK0.51 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Aptus Holdings Ltd	8212	11.70		0.335
Armitage Technologies Holding Ltd	8213	13.00		0.104
Brilliant Arts Multi-Media Holding Ltd	8130	12.80		0.265
CCT Resources Holdings Ltd	8163	15.20		0.19
China Electric Power Technology Holdings Ltd	8053	13.20		0.385
CIG Yangtze Ports PLC	8233	86.00		0.465
Crosby Capital Ltd	8088	16.80		0.236
Dahe Media Company Ltd	8243	17.90		0.23
DIGITALHONGKONG.COM	8007		10.40	0.69
Essex Bio-Technology Ltd	8151	18.40		0.27
Excel Technology International Holdings Ltd	8048		10.50	0.068
Finet Group Ltd	8317	11.50		0.116
First China Financial Holdings Ltd	8123	18.20		0.24
Global Digital Creations Holdings Ltd	8271	13.60		0.335
Global Link Communications Holdings Ltd	8060	26.30		0.125
Golife Concepts Holdings Ltd	8172		11.80	0.335
Grand T G Gold Holdings Ltd	8299		12.10	0.175
HC International Incorporated	8292	13.50		0.42
Heng Xin China Holdings Ltd	8046	20.70		0.70

Info Communication Holdings Ltd	8082	28.00		0.16
Jiangsu NandaSoft Technology Company Ltd	8045	10.00		0.275
MelcoLot Ltd	8198	10.00		0.33
PINE Technology Holdings Ltd	8013	12.80		0.15
Sau San Tong Holdings Ltd	8200		13.30	0.072
Shaanxi Northwest New Technology Industry Company Ltd	8258	16.00		0.145
Shanxi Changcheng Microlight Equipment Company Ltd	8286		20.40	0.43
Sonavox International Holdings Ltd	8226		14.30	0.30
Tai Shing International (Holdings) Ltd	8103	27.30		0.28
Vertex Group Ltd	8228		14.40	0.161
Xi'an Haitian Antenna Technologies Company Ltd	8227	21.00		0.19

(The equity markets of the HKSAR were closed last Thursday for the Dragon Boat Festival)

On The Tokyo Stock Exchange, its TOPIX Index put on about 1.03 percent, rising to 892.85 points.

Advancing counters beat off declining ones by the ratio of about 1.13:One.

The Nikkei-225 Stock Average rose about 1.37 percent to ¥9,438.77.

News Wise

- **Norinchukin Bank** announced a Net Loss Attributable to Shareholders of about ¥572.10 billion for the Financial Year, ended March 31, 2009. It was a record-setting loss for this bank, the first in 13 years.

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

The HKSAR	Hang Seng Index Plus 5.260 percent to 17,885.27 The Growth Enterprise Index Plus 1.239 percent to 564.46
Indonesia	Plus 1.90 percent to 1,892.84

Japan	TOPIX Index Plus 1.03 percent to 892.85 Nikkei-225 Stock Average Plus 1.37 percent to 9,438.77
Malaysia	Minus 0.38 percent to 1,047.68
The Philippines	Plus 2.02 percent to 2,356.38
The PRC	Shanghai Composite Index Plus 1.71 percent to 2,632.93 Shenzhen Composite Index Plus 0.51 percent to 881.77
Singapore	Plus 3.01 percent to 2,306.08
South Korea	Minus 0.73 percent to 1,362.02
Taiwan	Plus 3.10 percent to 6,890.44
Thailand	Plus 2.34 percent to 555.41

Thursday

The Government of South Korea pushed the amber button: The country was, officially, at its second-highest level of military alertness.

The spokesman for the South Korean Defence Ministry, Mr Won Tae-Jae, said:

'Watchcon II took effect as of 0715 (hours, Korean time) [2215 GMT] (Greenwich Mean Time) ... Surveillance over the North will be stepped up with more aircraft and personnel mobilized ...'.

The action of the South Korean Government followed North Korea's unilateral announcement that it would, no longer, be bound by the treaty which ended the Korean War in July of 1953.

In effect, a state of war exists between the 2 Koreas.

The US Government, which employs a force of 28,500 hardened troops in South Korea, took a similar action to that of the Government of South Korea.

Tensions mounted on the Korean Peninsula.

Meanwhile, in the United Nations, the members continued to consider what action to take against the reclusive regime of Kim Jong Il.

On The New York Mercantile Exchange (NYMEX), the price of crude oil continued to rise.

For delivery in July, the last settlement for a barrel of light sweet crude oil came in at \$US65.08, up about 2.57 percent, compared with Wednesday's close.

As for delivery in August, the last settlement for a barrel of light sweet crude oil was \$US65.87, representing an increase of about 2.67 percent on the day.

On Wall Street, the increase in the price of crude oil helped to push up the share prices of energy and energy related counters.

On The New York Stock Exchange, the Dow Jones Industrial Average rose about 1.25 percent to 8,403.80 points in moderate trading conditions.

The Composite Index of The NASDAQ rose about 1.20 percent to 1,751.79 points.

The ratio of advancing counters to declining ones was about 2.00:One on The New York Stock Exchange and about 1.27:One on The NASDAQ.

News Wise

- **General Motors Corporation** missed the deadline, set by the US Government, to clean up its act, with bondholders, for the most part, rejecting the terms of a debt-equity swap with the company. The share price of General Motors Corporation declined another 2.60 percent to \$US1.12; and,
- **Dell Incorporated** announced that its Net Profit Attributable to Shareholders for the quarter, ended April 30, 2009, was about \$US290 million, down about 63 percent, Year-On-Year.

Share prices on European bourses declined, last Thursday, due to a number of factors, one of which, of course, included the tensions on the Korean Peninsula.

All of the key indices of the most-important bourses shed material amounts:

Amsterdam's AEX Index	Minus 1.24 percent
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France's CAC 40 Index	Minus 0.94 percent
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Germany's Frankfurt XETRA DAX Index	Minus 1.35 percent
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Great Britain's FTSE 100 Index	Minus 0.71 percent
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Italy's MIBTEL Index	Minus 0.53 percent
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Switzerland's Swiss Market Index	Minus 1.27 percent
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Insurance companies were hit very hard, for obvious reasons, as investors pondered what action might transpire in the weeks ahead should the South Korean Government stop and search a North Korean ship at sea.

In Asia, 3 major equity markets were closed for a national holiday as **TARGET's** list below makes only too clear.

On The Tokyo Stock Exchange, its TOPIX Index gained about 0.31 percent as investors nudged it to 895.59 points.

The ratio of gainers to losers was about 1.52:One.

The Nikkei-225 Stock Average rose about 0.13 percent to ¥9,451.39.

News Wise

- **Retail sales** in Japan fell about 2.90 percent in April, Year-On-Year, The Ministry of Economy, Trade and Industry reported; and,
- Moody's Investors Service has downgraded its opinion of **Nomura Holdings Incorporated** to Baa2. This is the second-lowest, investment-grade rating for Moody's.

This was the way that things looked at the close of the trading day on other Asian equity markets, last Thursday:

The HKSAR	Hang Seng Index Closed The Growth Enterprise Index Closed
Indonesia	Plus 0.53 percent to 1,902.88
Japan	TOPIX Index Plus 0.31 percent to 895.59 Nikkei-225 Stock Average Plus 0.13 percent to 9,451.39
Malaysia	Minus 0.61 percent to 1,041.24
The Philippines	Minus 0.09 percent to 2,292.97
The PRC	Shanghai Composite Index Closed Shenzhen Composite Index Closed
Singapore	Minus 0.57 percent to 2,354.37
South Korea	Minus 2.21 percent to 1,392.17
Taiwan	Closed
Thailand	Unchanged

Friday

North Korea fired off another short-range missile, last Friday, touching off further fears that the Government of Kim Jong Il was preparing for armed confrontation.

Chinese fishing boats were scurrying to leave the West Coast of the Korean Peninsula even though this is the high season for crab fishing.

(Rats are among the first to leave a sinking ship, it is held.)

South Korea's army, numbering about 670,000 soldiers, was on a state of high alert, but not at its highest level, last Friday.

North Korea warned that, should the United Nations impose further sanctions on the country, it would lead to '*self-defence measures*'.

As at last Friday, the United Nations was continuing to mull over actions that it might take, following North Korea's underground nuclear explosion of Monday, May 25, 2009.

The price of crude oil continued to rise on the world's largest commodity exchanges in response to 2 unrelated factors: The continued weakness of the US dollar vis-à-vis other '*hard*' currencies; and, the probability that hostilities could break out on the Korean Peninsula.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in July came in at \$US66.31, up about 1.89 percent on Thursday's close.

As for delivery in August, the last settlement for a barrel of light sweet crude oil was \$US67.07, representing a one-day increase of about 1.82 percent.

On The New York Stock Exchange, the Dow Jones Industrial Average chalked up another gain in its benchmark index as investors pushed it to 8,500.33 points, up about 1.15 percent on Thursday's closing level.

As for the Composite Index of The NASDAQ, it rose about 1.29 percent to 1,774.33 points.

The ratio of advancing counters to declining ones was about 2.67:One on The New York Stock Exchange and about 2.33:One on The NASDAQ.

Trading was active.

General Motors Corporation prepared to take the route of Chrysler LLP and seek the protection of the US Bankruptcy Court, its management, being unable to put together a viable restructuring programme that would satisfy its many creditors.

The share price of General Motors Corporation fell another 33 percent to 75 cents (US).

News Wise

- The US Commerce Department reported that the **Gross Domestic Product** of the country contracted at an annualised rate of about 5.70 percent, during the first quarter of 2009.

The tally for the 4-day trading week for the world's largest and most-important equity markets was:

The Dow Jones Industrial Average	Plus	2.69 percent
The Composite Index of The NASDAQ	Plus	4.87 percent

On European equity markets, the key indices, for the most part, recovered some of the earlier losses as the following **TARGET** () list illustrates:

Amsterdam's AEX Index	Minus 0.55 percent
France's CAC 40 Index	Plus 0.42 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.16 percent
Great Britain's FTSE 100 Index	Plus 0.69 percent
Italy's MIBTEL Index	Minus 1.09 percent
Switzerland's Swiss Market Index	Minus 0.01 percent

The scrip of energy and energy related counters was in high demand as investors and speculators tried to outguess what the Government of North Korea would do next.

And, with Wall Street on the roll, so to speak, it was the consensus of opinion that one should not fart against thunder.

In Asia, bullishness was evident as the key indices of major equity markets in the most-populous part of the world rose to higher levels.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the benchmark index of the premier equity market made further gains, but the lone index of the speculative market dropped back, fractionally.

The Hang Seng Index ended the active trading session at 18,171.00 points, a one-day increase of about 1.60 percent, on a Total Turnover of about \$HK92.17 billion.

For the benchmark index, it was another fresh, 7-month high.

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

The Ten Most Active counters were:

Bank of China Ltd (Code: 3988)	Up 7.74 percent to \$HK3.48 per share
China Construction Bank Corporation (Code: 939)	Up 0.40 percent to \$HK5.04 per share
China Mobile Ltd (Code: 941)	Up 1.27 percent to \$HK75.70 per share
China Life Insurance Company Ltd (Code: 2628)	Up 1.80 percent to \$HK28.25 per share
Industrial and Commercial Bank of China Ltd	Up 1.46 percent to \$HK4.88 per share

(Code: 1398)

HSBC Holdings plc (Code: 5)

Down 0.36 percent to \$HK68.50 per share

CNOOC Ltd (Code: 883)

Up 4.19 percent to \$HK10.20 per share

China Petroleum and Chemical Corporation
(Code: 386)

Down 3.12 percent to \$HK6.22 per share

China COSCO Holdings Company Ltd (Code:
1919)

Up 12.17 percent to \$HK10.60 per share

PetroChina Company Ltd (Code: 857)

Up 2.07 percent to \$HK8.89 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Champion Technology Holdings Ltd	92		15.40	0.241
China Botanic Development Holdings Ltd	2349	15.00		0.26
China Fortune Group Ltd	290	16.50		0.53
China Fortune Holdings Ltd	110	32.40		0.45
China Resources Land Ltd	1109	16.90		18.00
Ching Hing (Holdings) Ltd	692	26.20		0.241
Easyknit Enterprises Holdings Ltd	616	50.30		0.215
Greenfield Chemical Holdings Ltd	582	22.00		1.55
Hopefluent Group Holdings Ltd	733	22.20		2.20
Imagi International Holdings Ltd	585	25.00		0.425
Jinhui Holdings Company Ltd	137	20.20		2.62
Jolimark Holdings Ltd	2028	21.40		0.425
Kong Sun Holdings Ltd	295	25.00		0.05

Kwang Sung Electronics Hongkong Company Ltd	2310	15.80		0.66
L.K. Technology Holdings Ltd	558	20.00		0.60
Magician Industries (Holdings) Ltd	526	16.40		0.27
Natural Beauty Bio-Technology Ltd	157	17.90		1.32
Northeast Electric Development Company Ltd	42		18.60	1.84
Nubrand Group Holdings Ltd	835	16.10		0.325
QPL International Holdings Ltd	243	31.50		0.355
RBI Holdings Ltd	566	64.20		0.90
Ruyan Group (Holdings) Ltd	329	18.60		0.415
Solomon Systech (International) Ltd	2878	25.30		0.52
Sunway International Holdings Ltd	58		15.00	0.255
Time Infrastructure Holdings Ltd	686	29.60		0.70
Zhongda International Holdings Ltd	909	28.90		0.49

Over on The **Growth Enterprise Market (The GEM)** of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shed about 0.97 percent to 558.97 points.

The Total Turnover on this market was about \$HK545.41 million, while the ratio of advancing counters to declining ones was about 1.26:One.

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

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

Down 7.56 percent to \$HK18.58 per share

Heng Xin China Holdings Ltd (Code: 8046)

Up 1.43 percent to \$HK0.71 per share

Neolink Cyber Technology (Holding) Ltd (Code:
8116)

Up 2.51 percent to \$HK0.245 per share

Grand T G Gold Holdings Ltd (Code: 8299)

Down 12.00 percent to \$HK0.154 per share

EVOC Intelligent Technology Company
Ltd (Code: 8285)

Up 10.81 percent to \$HK1.64 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131		22.90	0.131
AGTech Holdings Ltd	8279		12.10	0.40
Armitage Technologies Holding Ltd	8213	14.40		0.119
Crosby Capital Ltd	8088	25.00		0.295
EVOC Intelligent Technology Company Ltd	8285	10.80		1.64
Excel Technology International Holdings Ltd	8048	10.30		0.075
First China Financial Holdings Ltd	8123	31.30		0.315
Golife Concepts Holdings Ltd	8172	13.40		0.38
Grand T G Gold Holdings Ltd	8299		12.00	0.154
iMerchants Ltd	8009	21.30		0.57
Jian ePayment Systems Ltd	8165	20.00		0.186
Mobile Telecom Network (Holdings) Ltd	8266	12.90		0.149
Netel Technology (Holdings) Ltd	8256	25.40		0.084
Ningbo Yidong Electronic Company Ltd	8249	21.30		0.114
North Asia Strategic Holdings Ltd	8080	23.30		0.74
Soluteck Holdings Ltd	8111	92.30		0.40
Sonavox International Holdings Ltd	8226		20.00	0.24
Tianjin Binhai Teda Logistics (Group) Corporation Ltd	8348	10.30		1.07
TSC Offshore Group Ltd	8149	15.00		1.30
Xi'an Haitian Antenna Technologies Company Ltd	8227	15.80		0.22

For the 4-day trading week, ended May 29, 2009, the tally for Asia's second, most-important equity market was:

The Hang Seng Index Plus 6.50 percent

The Growth Enterprise Index Plus 1.69 percent

On The Tokyo Stock Exchange, its TOPIX Index put on 0.26 percent, edging up to 897.91 points.

Declining counters outran advancing ones by the ratio of about 1.26:One.

The Nikkei-225 Stock Average gained about 0.75 percent, coming to rest at ¥9,522.50.

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

The TOPIX Index Plus 2.52 percent

The Nikkei-225 Stock Average Plus 3.22 percent

In other parts of Asia, this was how the respective key indices on their equity markets fared, last Friday:

The HKSAR	Hang Seng Index Plus 1.60 percent to 18,171.00 The Growth Enterprise Index Minus 0.97 percent to 558.97
Indonesia	Plus 0.73 percent to 1,916.83
Japan	TOPIX Index Plus 0.26 percent to 897.91 Nikkei-225 Stock Average Plus 0.75 percent to 9,522.50
Malaysia	Plus 0.28 percent to 1,044.11
The Philippines	Plus 1.48 percent to 2,389.31
The PRC	Shanghai Composite Index Closed Shenzhen Composite Index Closed
Singapore	Plus 1.57 percent to 2,329.08
South Korea	Plus 0.27 percent to 1,395.89

Taiwan	Closed
Thailand	Plus 0.90 percent to 560.41

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