

**THE WORLD WAITS AND PONDERES EVENTS IN NORTH KOREA AND IRAN:  
KEY EQUITY MARKET INDICES LOSE SUBSTANTIAL TRACTION**

Equity markets hate uncertainty.

And last Monday, New York time, there was plenty of uncertainty in the world:

1. What action would the reclusive government of North Korea take in response to the sanctions, imposed by the United Nations, during the previous week?
2. Would there be continued demonstrations on the streets of Iran's major cities, following the disputed Presidential Elections which saw the re-election of hardliner, President Mahmoud Ahmadi-Nejad?
3. Is it likely that the global recession could continue into the middle of 2010?

Any one of the above could overturn investors' apple cart.

On Wall Street, share prices fell out of bed in direct response to the uncertainties, hanging over equity markets.

On The New York Stock Exchange, the Dow Jones Industrial Average lost 187.13 points, equivalent to about 2.13 percent, dropping back to 8,612.13 points.

Over on The NASDAQ, its Composite Index shed 42.42 points, or about 2.28 percent, ending the relatively quiet trading day at 1,816.38 points.

Losing counters outran gaining ones by the ratio of about 5.68:One on The New York Stock Exchange and by about 3.85:One on The NASDAQ.

News Wise

- Three of the biggest issuers of credit cards in the US have admitted that US **credit-card defaults** are continuing to climb:

| <u>Name of Issuer</u>       | <u>April</u> | <u>May</u> |
|-----------------------------|--------------|------------|
| Bank of America Corporation | +10.47%      | +12.50%    |
| American Express Company    | +9.90%       | +10.40%    |
| Citigroup Incorporated      | +10.21%      | +10.50%    |

On European bourses, it was a similar story to that, being told on Wall Street.

Every key index of every major equity market was down very materially as the following **TARGET** () list illustrates:

|                       |                    |
|-----------------------|--------------------|
| Amsterdam's AEX Index | Minus 2.71 percent |
|-----------------------|--------------------|

France's CAC 40 Index                      Minus 3.20 percent

Germany's Frankfurt XETRA DAX Index Minus 3.53 percent

Great Britain's FTSE 100 Index           Minus 2.61 percent

Italy's FTSE Italia All-Share              Minus 2.59 percent

Switzerland's Swiss Market Index       Minus 2.20 percent

As with the concerns of investors on Wall Street, in Europe, its equity markets had the other '*cross*' to bear as the price of crude oil came off, big time.

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 \$US70.62, representing a fall of about 1.97 percent on the final quote of Friday, June 12, 2009.

As for delivery in August, the last settlement for a barrel of light sweet crude oil was \$US71.31, down about 1.98 percent, compared with the last settlement of the previous Friday.

The major equity markets of Asia saw their respective key indices drift to lower levels, also, last Monday.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key indices lost traction, most decidedly.

The Hang Seng Index, which is the benchmark of the Main Board of The Stock Exchange of Hongkong Ltd, shed about 2.07 percent, ending the moderately active trading day at 18,498.96 points.

The Total Turnover dipped back to about \$HK65.35 billion.

The ratio of losing counters to gaining ones was about 2.81:One.

The Ten Most Active counters were:

China Construction Bank Corporation (Code:  
939)

Up 0.18 percent to \$HK5.63 per share

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

Up 0.19 percent to \$HK5.23 per share

China Life Insurance Company Ltd (Code: 2628)

Down 2.65 percent to \$HK29.35 per share

Poly (Hongkong) Investments Ltd (Code: 119)

Down 8.87 percent to \$HK3.39 per share

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

Down 3.22 percent to \$HK57.15 per share

Bank of China Ltd (Code: 3988)

Down 0.81 percent to \$HK3.69 per share

HSBC Holdings plc (Code: 5)

Down 2.65 percent to \$HK68.00 per share

China Mobile Ltd (Code: 941)

Down 2.09 percent to \$HK79.80 per share

Hongkong Exchanges and Clearing Ltd (Code:  
388)

Down 4.02 percent to \$HK124.30 per share

PetroChina Company Ltd (Code: 857)

Down 3.33 percent to \$HK8.99 per share

The Main Board's biggest movers of the day included:

| Name of Company                            | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|--|------|--------------|--------------|----------------------|
| China Star Entertainment Ltd               | 326  |              | 15.20        | 0.335                |
| Computime Group Ltd                        | 320  | 22.80        |              | 0.70                 |
| Hua Han Bio-Pharmaceutical Holdings Ltd    | 587  | 15.60        |              | 1.11                 |
| HyComm Wireless Ltd                        | 499  |              | 15.10        | 0.90                 |
| Linmark Group Ltd                          | 915  | 24.60        |              | 0.355                |
| Long Far Pharmaceutical Holdings Ltd       | 2898 | 42.90        |              | 1.20                 |
| Magician Industries (Holdings) Ltd         | 526  |              | 21.60        | 0.20                 |
| Ming Fung Jewellery Group Ltd              | 860  |              | 15.90        | 0.58                 |
| Nam Fong International Holdings Ltd        | 1176 | 17.60        |              | 0.80                 |
| Ruyan Group (Holdings) Ltd                 | 329  | 43.80        |              | 0.46                 |
| Strong Petrochemical Holdings Ltd          | 852  | 36.70        |              | 4.10                 |
| Tse Sui Luen Jewellery (International) Ltd | 417  | 267.90       |              | 2.98                 |
| United Gene High-Tech Group Ltd            | 399  | 21.70        |              | 0.365                |
| Vongroup Ltd                               | 318  | 70.00        |              | 0.255                |

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gave up about 1.94 percent, ending the trading day at 585.93 points.

The Total Turnover on this market was about \$HK430.14 million, while the ratio of losing counters to gaining ones was about 1.54:One.

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

Enviro Energy International Holdings Ltd (Code:  
8182)

Down 5.19 percent to \$HK0.73 per share

Binhai Investment Company Ltd (Code: 8035)

Unchanged at \$HK0.335 per share

Global Resources Development (Holding) Ltd  
(Code: 8116)

Down 0.43 percent to \$HK0.233 per share

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

Down 4.85 percent to \$HK18.84 per share

Core Healthcare Investment Holdings Ltd (Code:  
8250)

Unchanged at \$HK0.035 per share

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

| <b>Name of Company</b>                 | <b>Code</b> | <b>Increase<br/>(%)</b> | <b>Decrease<br/>(%)</b> | <b>Closing Price<br/>(\$HK)</b> |
|--|-------------|-------------------------|-------------------------|---------------------------------|
| AcrossAsia Ltd                         | 8061        | 41.00                   |                         | 0.117                           |
| Asian Capital Resources (Holdings) Ltd | 8025        | 22.10                   |                         | 0.127                           |
| CCID Consulting Company Ltd            | 8235        | 15.30                   |                         | 0.173                           |
| ePRO Ltd                               | 8086        | 72.70                   |                         | 0.19                            |
| First China Financial Holdings Ltd     | 8123        | 17.10                   |                         | 0.445                           |
| G.A. Holdings Ltd                      | 8126        |                         | 14.70                   | 0.29                            |
| Hua Xia Healthcare Holdings Ltd        | 8143        | 19.00                   |                         | 0.075                           |
| ITE (Holdings) Ltd                     | 8092        | 33.30                   |                         | 0.08                            |
| Soluteck Holdings Ltd                  | 8111        | 22.00                   |                         | 0.61                            |
| Timeless Software Ltd                  | 8028        | 14.30                   |                         | 0.096                           |

|  |      |       |  |       |
|--|------|-------|--|-------|
| WLS Holdings Ltd                               | 8021 | 18.20 |  | 0.175 |
| Xi'an Haitian Antenna Technologies Company Ltd | 8227 | 42.90 |  | 0.29  |

On the equity markets of The Land of The Rising Sun, the key indices came off the boil, once again.

The TOPIX Index, which is the key index of The Tokyo Stock Exchange, gave up about 0.39 percent, dropping to 946.82 points.

Advancing counters outnumbered declining ones on this market by the ratio of about 1.74:One.

The Nikkei-225 Stock Average, which is a much-narrower gauge to trading on select blue chips, listed on The First Section of The Tokyo Stock Exchange, than The TOPIX Index, lost ¥96.15, or about 0.95 percent, ending the trading day at ¥10,039.67.

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

|                 |  |
|-----------------|--|
| The HKSAR       | Hang Seng Index<br>Minus 2.07 percent to 18,498.96<br>The Growth Enterprise Index<br>Minus 1.94 percent to 585.93    |
| Indonesia       | Minus 1.01 percent to 2,069.88   |
| Japan           | TOPIX Index<br>Minus 0.39 percent to 946.82<br>Nikkei-225 Stock Average<br>Minus 0.95 percent to 10,039.67           |
| Malaysia        | Plus 0.09 percent to 1,091.17  |
| The Philippines | Plus 0.54 percent to 2,612.85  |
| The PRC         | Shanghai Composite Index<br>Plus 1.67 percent to 2,789.55<br>Shenzhen Composite Index<br>Plus 1.41 percent to 916.50 |
| Singapore       | Minus 2.55 percent to 2,316.56   |
| South Korea     | Minus 1.13 percent to 1,412.42   |
| Taiwan          | Minus 3.45 percent to 6,225.56   |
| Thailand        | Minus 2.65 percent to 611.92   |

## Tuesday

Stock and share prices continued to retreat on the world's equity markets, last Tuesday, as the atmosphere of fear and distrust continued to take its toll of investors.

On The New York Stock Exchange, the Dow Jones Industrial Average lost another 1.25 percent, dropping back to 8,504.67 points.

On The NASDAQ, its Composite Index shed about 1.11 percent to 1,796.18 points.

The ratio of losing counters to gaining ones was about 2.54:One on The New York Stock Exchange and about 2.49:One on The NASDAQ.

What soured investors' appetite for stocks and shares was a report from the US Government to the effect that industrial production in the largest single economy of the world had fallen about 1.10 percent in May, Year-On-Year, and that capacity utilisation has dropped to its lowest levels of the past 42 years.

There was other disappointing news, also, but it was the US Government's official announcement that put the nail in the coffin of Wall Street, at least for last Tuesday.

In Iran, the situation continued to be tense with rioting, continuing in the major cities of the country over alleged fraud in the President Elections.

## News Wise

- **News Corporation** announced that it would be sacking about 400 staff members of its social networking site, MySpace. The cuts represent about 33 percent of the entire Establishment. MySpace is known to have about 125 million users, but it is facing stiff competition from rival networking sites.

On The New York Mercantile Exchange (**NYMEX**), the price of crude oil continued to drift to lower levels.

For delivery in July, the last settlement for a barrel of light sweet crude oil came in at \$US70.47, down about 0.21 percent on Monday's close.

As for delivery in August, the last settlement for a barrel of light sweet crude oil was \$US71.16, off about 0.21 percent on Monday's last settlement.

The major European equity markets took their lead from Wall Street, with key indices, fractionally lower at the close of the day:

|                       |                    |
|-----------------------|--------------------|
| Amsterdam's AEX Index | Minus 0.48 percent |
|-----------------------|--------------------|

|                       |                    |
|-----------------------|--------------------|
| France's CAC 40 Index | Minus 0.17 percent |
|-----------------------|--------------------|

|                                     |                   |
|-------------------------------------|-------------------|
| Germany's Frankfurt XETRA DAX Index | Plus 0.01 percent |
|-------------------------------------|-------------------|

|                                |                   |
|--------------------------------|-------------------|
| Great Britain's FTSE 100 Index | Plus 0.05 percent |
|--------------------------------|-------------------|

|                               |                    |
|-------------------------------|--------------------|
| Italy's FTSE Italia All-Share | Minus 0.77 percent |
|-------------------------------|--------------------|

|                                  |                    |
|----------------------------------|--------------------|
| Switzerland's Swiss Market Index | Minus 0.42 percent |
|----------------------------------|--------------------|

Noting the US Government statistics in respect of industrial production and utilisation in The Land of The Free and The Home of The Brave, investors in Europe determined that the recession in the US was far from having reached its zenith.

In Asia, every key index of every major equity markets dropped, some precipitously.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets suffered very similar fates.

The Hang Seng Index, which is the benchmark of the Main Board of The Stock Exchange of Hongkong Ltd, lost about 1.80 percent, dropping back to 18,165.50 points on a Total Turnover of about \$HK76.49 billion.

The ratio of losing counters to gaining ones was about 2.87:One.

The Ten Most Actives were:

China Construction Bank Corporation (Code:  
939)

Up 1.42 percent to \$HK5.71 per share

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

Down 0.38 percent to \$HK5.21 per share

HSBC Holdings plc (Code: 5)

Down 2.06 percent to \$HK66.60 per share

China Mobile Ltd (Code: 941)

Down 2.51 percent to \$HK77.80 per share

Bank of China Ltd (Code: 3988)

Up 1.08 percent to \$HK3.73 per share

China Life Insurance Company Ltd (Code: 2628)

Down 1.70 percent to \$HK28.85 per share

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

Down 5.07 percent to \$HK54.25 per share

Hongkong Exchanges and Clearing Ltd (Code:  
388)

Down 1.77 percent to \$HK122.10 per share

CNOOC Ltd (Code: 883)

Down 5.53 percent to \$HK9.90 per share

PetroChina Company Ltd (Code: 857)

Down 2.56 percent to \$HK8.76 per share

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

| Name of Company      | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|----------------------|------|--------------|--------------|----------------------|
| Arnhold Holdings Ltd | 102  |              | 15.50        | 1.25                 |

|                                       |      |       |       |       |
|---------------------------------------|------|-------|-------|-------|
| CEC International Holdings Ltd        | 759  | 24.40 |       | 0.219 |
| Chinney Alliance Group Ltd            | 385  | 17.20 |       | 0.34  |
| Far East Hotels and Entertainment Ltd | 37   |       | 16.40 | 0.209 |
| Hongkong Catering Management Ltd      | 668  | 24.80 |       | 1.56  |
| JF Household Furnishings Ltd          | 776  | 16.70 |       | 0.91  |
| K.P.I. Company Ltd                    | 605  | 18.50 |       | 0.385 |
| Kong Sun Holdings Ltd                 | 295  | 46.90 |       | 0.094 |
| Linmark Group Ltd                     | 915  | 29.60 |       | 0.46  |
| Magician Industries (Holdings) Ltd    | 526  | 40.00 |       | 0.28  |
| Nam Fong International Holdings Ltd   | 1176 | 15.00 |       | 0.92  |
| O2Micro International Ltd             | 457  | 81.80 |       | 1.00  |
| RBI Holdings Ltd                      | 566  |       | 17.50 | 0.66  |
| Rising Development Holdings Ltd       | 1004 |       | 16.20 | 1.55  |
| SIM Technology Group Ltd              | 2000 | 16.20 |       | 1.15  |
| UDL Holdings Ltd                      | 620  | 29.30 |       | 0.053 |

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shed about 1.89 percent, ending the trading day at 574.88 points.

The Total Turnover on this market was about \$HK320.06 million, while declining counters, outpaced advancing counters by the ratio of about 2.96:One.

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

Binhai Investment Company Ltd (Code: 8035)

Up 4.48 percent to \$HK0.35 per share

Enviro Energy International Holdings Ltd (Code:  
8182)

Up 6.85 percent to \$HK0.78 per share

Core Healthcare Investment Holdings Ltd (Code:  
8250)

Unchanged at \$HK0.035 per share



Global Resources Development (Holding) Ltd  
(Code: 8116)

Down 4.29 percent to \$HK0.223 per share

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

Down 6.94 percent to \$HK0.161 per share

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

| Name of Company                                | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|--|------|--------------|--------------|----------------------|
| AcrossAsia Ltd                                 | 8061 |              | 14.50        | 0.10                 |
| China Cyber Port (International) Company Ltd   | 8206 |              | 11.80        | 0.75                 |
| ePRO Ltd                                       | 8086 |              | 15.80        | 0.16                 |
| Excel Technology International Holdings Ltd    | 8048 | 13.60        |              | 0.075                |
| Global Digital Creations Holdings Ltd          | 8271 | 16.90        |              | 0.345                |
| HC International Incorporated                  | 8292 |              | 10.00        | 0.405                |
| Jian ePayment Systems Ltd                      | 8165 | 11.50        |              | 0.29                 |
| North Asia Strategic Holdings Ltd              | 8080 |              | 10.00        | 0.72                 |
| Qianlong Technology International Holdings Ltd | 8015 | 10.00        |              | 0.66                 |
| Rojam Entertainment Holdings Ltd               | 8075 | 12.80        |              | 0.159                |
| Sino Haijing Holdings Ltd                      | 8065 | 43.30        |              | 0.48                 |
| Universal Technologies Holdings Ltd            | 8091 | 15.90        |              | 0.168                |
| UURG Corporation Ltd                           | 8192 | 19.50        |              | 0.135                |
| Vertex Group Ltd                               | 8228 |              | 11.20        | 0.15                 |

Losses in the market value of stocks and shares on The Tokyo Stock Exchange were the largest, by far, in Asia.

The TOPIX Index shed about 3.39 percent, ending the hectic trading day at 914.76 points.

Declining counters were ahead of advancing ones by the ratio of about 17.09:One.

The Nikkei-225 Stock Average gave up about 2.86 percent of its value, ending the day at ¥9,752.88.

## News Wise

- Japan has closed its trade doors to **North Korea**, banning any more trade with the reclusive, Communist state.

In other parts of Asia, this was how the key indices of those equity markets fared, last Tuesday:

|                 |   |
|-----------------|---|
| The HKSAR       | Hang Seng Index<br>Minus 1.80 percent to 18,165.50<br>The Growth Enterprise Index<br>Minus 1.89 percent to 574.88     |
| Indonesia       | Minus 1.91 percent to 2,030.37  |
| Japan           | TOPIX Index<br>Minus 3.39 percent to 914.76<br>Nikkei-225 Stock Average<br>Minus 2.86 percent to 9,752.88             |
| Malaysia        | Minus 1.56 percent to 1,074.12  |
| The Philippines | Minus 3.78 percent to 2,514.17  |
| The PRC         | Shanghai Composite Index<br>Minus 0.48 percent to 2,776.02<br>Shenzhen Composite Index<br>Plus 0.01 percent to 916.55 |
| Singapore       | Minus 1.23 percent to 2,288.16  |
| South Korea     | Minus 0.94 percent to 1,399.15  |
| Taiwan          | Minus 0.08 percent to 6,220.81  |
| Thailand        | Minus 2.51 percent to 596.54  |

## Wednesday

The Government of North Korea, once again, warned that it would not hesitate to wage war on the US and any and all of its allies in the event that it was provoked.

The warning came after US President Barack Hussein Obama said that a nuclear-armed North Korea posed a grave threat to the world.

South Korea's President, Mr Lee Myung Bak, supported the US President's remarks.

President Barack Hussein Obama went on record as stating that the US would vigorously pursue an end to North Korea's nuclear ambitions.

On June 12, 2009, the United Nations approved sanctions against North Korea, including inspections of its ships if they were suspected of carrying banned cargoes either to or from North Korea.

The United Nations, also, wants to starve North Korea, financially.

North Korea was reported to have started to withdraw its money from offshore banks, including its deposits in the Macau Special Administrative Region (MSAR) of the People's Republic of China (PRC).

The jingoistic rhetoric from North Korea had little impact on the world's equity markets: Investors have heard it, all, before.

On The New York Stock Exchange, the Dow Jones Industrial Average gave up another 0.09 percent, dropping to 8,497.18 points.

The Composite Index of The NASDAQ, however, went in the reverse direction of The Dow, putting on about 0.66 percent to 1,808.06 points.

Losing counters outran gaining ones by the ratio of about 1.37:One on The New York Stock Exchange, but, on The NASDAQ, advancing counters outran declining ones by the ratio of about 1.10:One.

#### News Wise

- Outdoor clothing retailer, **Eddie Bauer Holdings Incorporated**, has filed Chapter 11 of the US Bankruptcy Laws. The company has assets, valued at about \$US476 million, with liabilities of about \$US427 million. The company operates about 370 stores and employs upwards of 10,000 workers.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in July was \$US71.03, representing a one-day, price improvement of about 0.79 percent.

As for delivery in August, the last settlement for a barrel of light sweet crude oil came in at \$US71.70, up about 0.75 percent on Tuesday's close.

In Europe, there was blood on the trading floors of the largest bourses as **TARGET**'s list illustrates:

|                       |                    |
|-----------------------|--------------------|
| Amsterdam's AEX Index | Minus 2.24 percent |
|-----------------------|--------------------|

|                       |                    |
|-----------------------|--------------------|
| France's CAC 40 Index | Minus 1.64 percent |
|-----------------------|--------------------|

|                                     |                    |
|-------------------------------------|--------------------|
| Germany's Frankfurt XETRA DAX Index | Minus 1.85 percent |
|-------------------------------------|--------------------|

|                                |                    |
|--------------------------------|--------------------|
| Great Britain's FTSE 100 Index | Minus 1.15 percent |
|--------------------------------|--------------------|

|                               |                    |
|-------------------------------|--------------------|
| Italy's FTSE Italia All-Share | Minus 2.82 percent |
|-------------------------------|--------------------|

|                                  |                    |
|----------------------------------|--------------------|
| Switzerland's Swiss Market Index | Minus 1.39 percent |
|----------------------------------|--------------------|

It was the fourth consecutive day of falling prices for investors, locked into stocks and shares in this part of

the world.

Serious doubts were being susurrated, not too quietly, too, as to the growth of European economies and the end to the global recession, contrary to the outpourings of those who claimed to see the light at the end of the economic tunnel, sometimes described as the first sightings of the green shoots of growth.

In Asia, the bearishness continued on the major equity markets.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, the benchmark of the premier equity market continued to drift to lower levels, but, on the speculative equity market, the lone index managed to record a fractional gain.

The Hang Seng Index, which is the benchmark of the Main Board of The Stock Exchange of Hongkong Ltd, shed about 0.45 percent, ending the trading day at 18,084.60 points.

The Total Turnover was about \$HK74.48 billion, while the ratio of declining counters to advancing ones was about 1.46:One.

The Ten Most Active counters were:

China Construction Bank Corporation (Code:  
939)

Up 1.34 percent to \$HK5.69 per share

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

Up 2.11 percent to \$HK5.32 per share

China Life Insurance Company Ltd (Code: 2628)

Down 0.52 percent to \$HK28.70 per share

Bank of China Ltd (Code: 3988)

Up 0.80 percent to \$HK3.76 per share

China Mobile Ltd (Code: 941)

Down 0.77 percent to \$HK77.20 per share

CNOOC Ltd (Code: 883)

Down 2.02 percent to \$HK9.70 per share

HSBC Holdings plc (Code: 5)

Up 0.23 percent to \$HK66.75 per share

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

Down 2.30 percent to \$HK53.00 per share

PetroChina Company Ltd (Code: 857)

Down 1.26 percent to \$HK8.65 per share

Hongkong Exchanges and Clearing Ltd (Code:  
388)

Down 0.08 percent to \$HK122.00 per share

The biggest, Main Board movers of the day included:

| Name of Company                                | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|--|------|--------------|--------------|----------------------|
| Artel Solutions Group Holdings Ltd             | 931  | 18.20        |              | 0.65                 |
| China Pipe Group Ltd                           | 380  | 32.00        |              | 0.066                |
| Global Tech (Holdings) Ltd                     | 143  | 36.50        |              | 0.071                |
| Hongkong Catering Management Ltd               | 668  | 23.70        |              | 1.93                 |
| Kong Sun Holdings Ltd                          | 295  | 26.60        |              | 0.119                |
| Mei Ah Entertainment Group Ltd                 | 391  | 18.60        |              | 0.51                 |
| Mobicon Group Ltd                              | 1213 | 27.30        |              | 0.49                 |
| Superb Summit International Timber Company Ltd | 1228 | 15.50        |              | 0.067                |
| Vision Tech International Holdings Ltd         | 922  | 15.60        |              | 0.52                 |

On The **Growth Enterprise Market (The GEM)** of The Stock Exchange of Hongkong Ltd, investors pushed up its lone index to 577.07 points, The Growth Enterprise Index, being about 0.38 percent higher than Tuesday's close.

The ratio of gainers to losers on this market was about 1.44:One.

The Total Turnover fell back to about \$HK338.76 million.

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

Binhai Investment Company Ltd (Code: 8035)

Up 2.86 percent to \$HK0.36 per share

Enviro Energy International Holdings Ltd (Code: 8182)

Up 1.28 percent to \$HK0.79 per share

Global Resources Development (Holding) Ltd (Code: 8116)

Up 0.45 percent to \$HK0.224 per share

Wumart Stores Incorporated (Code: 8277)

Up 0.93 percent to \$HK8.71 per share

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

Up 2.74 percent to \$HK19.50 per share

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

| Name of Company                                | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|--|------|--------------|--------------|----------------------|
| Argos Enterprise (Holdings) Ltd                | 8022 | 11.90        |              | 0.66                 |
| B.A.L. Holdings Ltd                            | 8079 | 15.60        |              | 0.26                 |
| Emcom International Ltd                        | 8220 | 10.20        |              | 0.054                |
| Linefan Technology Holdings Ltd                | 8166 |              | 10.60        | 1.60                 |
| Long Success International (Holdings) Ltd      | 8017 | 13.30        |              | 0.051                |
| Netel Technology (Holdings) Ltd                | 8256 |              | 11.00        | 0.089                |
| Sing Lee Software (Group) Ltd                  | 8076 | 20.00        |              | 0.18                 |
| Thiz Technology Group Ltd                      | 8119 | 20.00        |              | 0.12                 |
| Trasy Gold Ex Ltd                              | 8063 | 13.60        |              | 0.92                 |
| WLS Holdings Ltd                               | 8021 | 18.30        |              | 0.207                |
| Xi'an Haitian Antenna Technologies Company Ltd | 8227 | 25.90        |              | 0.34                 |
| Mobile Telecom Network (Holdings) Ltd          | 8266 | 29.30        |              | 0.194                |

On The Tokyo Stock Exchange, its TOPIX Index moved up about 0.90 percent to 923.03 points.

Advancing counters were ahead of declining ones by the ratio of about 3.57:One.

The Nikkei-225 Stock Average also rose 0.90 percent, ending the day at ¥9,840.85.

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

|           |  |
|-----------|--|
| The HKSAR | Hang Seng Index<br>Minus 0.45 percent to 18,084.60<br>The Growth Enterprise Index<br>Plus 0.38 percent to 577.07 |
| Indonesia | Minus 0.27 percent to 2,024.96   |
| Japan     | TOPIX Index<br>Plus 0.90 percent to 923.03<br>Nikkei-225 Stock Average<br>Plus 0.90 percent to 9,840.85          |

|                 |  |
|-----------------|--|
| Malaysia        | Minus 0.30 percent to 1,070.90   |
| The Philippines | Minus 2.88 percent to 2,441.75   |
| The PRC         | Shanghai Composite Index<br>Plus 1.23 percent to 2,810.12<br>Shenzhen Composite Index<br>Plus 1.80 percent to 933.02 |
| Singapore       | Minus 0.73 percent to 2,271.45   |
| South Korea     | Minus 0.57 percent to 1,391.17   |
| Taiwan          | Minus 0.40 percent to 6,195.91   |
| Thailand        | Minus 1.74 percent to 586.14   |

### **Thursday**

The US Government stepped up pressure on North Korea, last Thursday, as the largest navy in the world tracked the The Kang Nam, a North Korean ship, sailing in international waters, lest it have banned cargo on board.

The Kang Nam left a North Korean port on Wednesday (June 18, 2009) and, as at last Thursday, it was considered by the US Government as '*a subject of interest*'.

The Kang Nam is the first, North Korean vessel to be monitored under the sanctions, adopted by the United Nations.

Also, the US Government's Secretary of Defence, Mr Robert Gates, said that the US had '*some concerns*' if the North Korean Government launched a missile in the direction of Hawaii.

In diplomatic language, this is an oblique threat.

The US is prepared to attack any North Korean missile if it is deemed to be potentially hostile, according to the missile's known or anticipated trajectory.

North Korea has gone on record as stating that it will launch at least one missile to the west of the Korean Peninsula.

On Wall Street, however, the North Korean situation was becoming a bit of yawn.

On The New York Stock Exchange, the Dow Jones Industrial Average rose about 0.69 percent to 8,555.60 points.

On The NASDAQ, its Composite Index fell by about 0.02 percent to 1,807.72 points.

Trading was described as light.

The ratio of gaining counters to losing ones was about 1.37:One on The New York Stock Exchange and about 1.13:One on The NASDAQ.

On The New York Mercantile Exchange (NYMEX), the price of a barrel of light sweet crude oil for delivery in July came in at \$US71.37, up about 0.47 percent by the close of trading on Wednesday.

As for delivery in August, the last settlement for a barrel of light sweet crude oil was \$US71.91, representing an increase of about 0.29 percent on Wednesday's final quote.

Tracking Wall Street's gains, the key indices on major European equity markets rose, helped by the gains in the prices of strategic commodities, especially crude oil:

|                                     |      |              |
|-------------------------------------|------|--------------|
| Amsterdam's AEX Index               | Plus | 0.91 percent |
| France's CAC 40 Index               | Plus | 1.04 percent |
| Germany's Frankfurt XETRA DAX Index | Plus | 0.78 percent |
| Great Britain's FTSE 100 Index      | Plus | 0.05 percent |
| Italy's FTSE Italia All-Share       | Plus | 0.95 percent |
| Switzerland's Swiss Market Index    | Plus | 1.40 percent |

In Asia, the situation was very different from that of the North American equity markets and the European equity markets.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key indices of both equity markets lost materially.

The Hang Seng Index, which is the benchmark of the Main Board of The Stock Exchange of Hongkong, gave up about 1.70 percent to 17,776.66 points on a Total Turnover of about \$HK63.64 billion.

The ratio of declining counters to advancing ones was about 2.49:One.

The Ten Most Active counters were:

|   |  |
|---|--|
| China Construction Bank Corporation (Code: 939)             | Down 2.64 percent to \$HK5.54 per share  |
| Industrial and Commercial Bank of China Ltd<br>(Code: 1398) | Down 3.57 percent to \$HK5.13 per share  |
| China Mobile Ltd (Code: 941)                                | Down 1.42 percent to \$HK76.10 per share |
| China Life Insurance Company Ltd (Code: 2628)               | Down 1.39 percent to \$HK28.30 per share |



Bank of China Ltd (Code: 3988)

Down 2.85 percent to \$HK3.51 per share

HSBC Holdings plc (Code: 5)

Down 1.27 percent to \$HK65.90 per share

CNOOC Ltd (Code: 883)

Down 1.24 percent to \$HK9.58 per share

PetroChina Company Ltd (Code: 857)

Down 2.31 percent to \$HK8.45 per share

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

Down 0.09 percent to \$HK52.95 per share

China Zhongwang Holdings Ltd (Code: 1333)

Up 8.59 percent to \$HK9.10 per share

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

| Name of Company  | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|--|------|--------------|--------------|----------------------|
| Chaoda Modern Agriculture (Holdings) Ltd                 | 682  |              | 15.50        | 4.52                 |
| GST Holdings Ltd   | 416  | 16.30        |              | 3.29                 |
| Lijun International Pharmaceutical (Holding) Company Ltd | 2005 | 20.00        |              | 0.90                 |
| Nam Fong International Holdings Ltd                      | 1176 |              | 18.00        | 0.82                 |
| O2Micro International Ltd                                | 457  | 16.10        |              | 1.01                 |
| Sun Innovation Holdings Ltd                              | 547  | 224.40       |              | 0.133                |

On The **Growth Enterprise Market (The GEM)** of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shed about 1.84 percent, ending the trading day at 566.44 points.

The Total Turnover on this market was about \$HK279.42 million, while the ratio of losing counters to gaining ones was about 2.29:One.

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

Emcom International Ltd (Code: 8220)

Up 20.37 percent to \$HK0.065 per share

Binhai Investment Company Ltd (Code: 8035)

Down 4.17 percent to \$HK0.345 per share

Shandong Weigao Group Medical

Down 4.62 percent to \$HK18.60 per share

Polymer Company Ltd (Code: 8199)

Global Resources Development (Holding) Ltd  
(Code: 8116)

Unchanged at \$HK0.224 per share

Enviro Energy International Holdings Ltd (Code:  
8182)

Down 1.27 percent to \$HK0.78 per share

The GEM's double-digit movers were:

| Name of Company                                | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|--|------|--------------|--------------|----------------------|
| AcrossAsia Ltd                                 | 8061 |              | 20.00        | 0.08                 |
| Emcom International Ltd                        | 8220 | 20.40        |              | 0.065                |
| Excel Technology International Holdings Ltd    | 8048 |              | 12.20        | 0.065                |
| G.A. Holdings Ltd                              | 8126 |              | 13.00        | 0.235                |
| Glory Mark Hi-Tech (Holdings) Ltd              | 8159 |              | 13.80        | 0.206                |
| New Universe International Group Ltd           | 8068 |              | 12.20        | 0.108                |
| Qianlong Technology International Holdings Ltd | 8015 |              | 15.20        | 0.56                 |
| Sino Haijing Holdings Ltd                      | 8065 |              | 16.70        | 0.40                 |
| Soluteck Holdings Ltd                          | 8111 |              | 16.10        | 0.47                 |
| Thiz Technology Group Ltd                      | 8119 | 33.30        |              | 0.16                 |
| WLS Holdings Ltd                               | 8021 | 10.10        |              | 0.228                |

On The Tokyo Stock Exchange, its TOPIX Index lost about 1.28 percent, dropping back to 911.21 points.

Declining counters outran advancing ones by the ratio of about 2.01:One.

The Nikkei-225 Stock Average gave up about 1.39 percent, ending the day at ¥9,703.72.

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

|           |   |
|-----------|---|
| The HKSAR | Hang Seng Index<br>Minus 1.70 percent to 17,776.66<br>The Growth Enterprise Index<br>Minus 1.84 percent to 566.44 |
|-----------|---|

|                 |  |
|-----------------|--|
| Indonesia       | Minus 3.65 percent to 1,950.99   |
| Japan           | TOPIX Index<br>Minus 1.28 percent to 911.21<br>Nikkei-225 Stock Average<br>Minus 1.39 percent to 9,703.72            |
| Malaysia        | Minus 1.54 percent to 1,054.41   |
| The Philippines | Minus 0.31 percent to 2,434.26   |
| The PRC         | Shanghai Composite Index<br>Plus 1.56 percent to 2,853.90<br>Shenzhen Composite Index<br>Plus 0.84 percent to 940.85 |
| Singapore       | Minus 1.51 percent to 2,237.20   |
| South Korea     | Minus 1.11 percent to 1,375.76   |
| Taiwan          | Minus 0.83 percent to 6,144.53   |
| Thailand        | Minus 2.68 percent to 570.43   |

## **Friday**

The USS John McCain, a US Navy destroyer, was reported to have taken up a position to intercept a North Korean vessel, thought to be carrying weapons, banned by United Nations sanctions.

Interception of The Kang Nam could have serious consequences.

The North Korean Government has repeatedly warned that it would launch a massive military strike should one of its vessels be interdicted by the US Government or any of its allies.

The world waited.

In Tehran, Iran, Ayatollah Ali Hoseini-Khamenei warned that '*bloodshed*' could follow if street protests did not stop, forthwith.

The protests are over allegations that the Presidential Elections had been rigged and that President Mahmoud Ahmadi-Nejad did not win the popular vote.

The Supreme Leader of Iran, Ayatollah Ali Hoseini-Khamenei, claimed that theocratic republic does not cheat and that he supported the President and his policies.

The Supreme Leader blamed much of the country's civil unrest on the US, Great Britain, Israel and the

foreign media.

The concern of many political observers is that Ayatollah Ali Hoseini-Khamenei could call in the military in order to quash the beginnings of what appears to be an Iranian rebellion against lawful authority because tens of thousands of Iranians had taken to the streets in defiance of the Government.

Washington feared that the situation was completely out of hand and that it could lead to the Iranian equivalent of the Tiananmen Square Massacre of 1989.

Wall Street appeared to be completely unconcerned about the prospects of a US confrontation with North Korea or a bloody crackdown in Iran, however.

On The New York Stock Exchange, the Dow Jones Industrial Average fell about 0.19 percent to 8,539.73 points while, over on The NASDAQ, its Composite Index rose about 1.09 percent to 1,827.47 points.

The ratio of gainers to losers was about 1.67:One on The New York Stock Exchange and about 1.44:One on The NASDAQ.

Trading was relatively heavy.

There were no material shocks in the US financial arena as there had been in previous weeks.

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

|                                   |       |              |
|-----------------------------------|-------|--------------|
| The Dow Jones Industrial Average  | Minus | 2.95 percent |
| The Composite Index of The NASDAQ | Minus | 1.69 percent |

On international commodity exchanges, the price of crude oil rose.

For delivery in July, the last settlement for a barrel of light sweet crude oil came in at \$US69.55 on The New York Mercantile Exchange (NYMEX), which is the largest commodity exchange in the world.

As for delivery in August, the last settlement for a barrel of light sweet crude oil was \$US70.02, down about 2.63 percent on the day.

In Europe, bullishness returned to equity markets with a loud bang.

Once again, the words of the old song could be heard: The recession is history.

Oh!

Banking counters were among the big gainers on European bourses in spite of bankers, themselves, making it known that it was quite unlikely that profits would be forthcoming from their institutions in 2009 ... or, even in 2010.

This was how the situation looked on major bourses in this region of the world, last Friday night:

|                       |      |              |
|-----------------------|------|--------------|
| Amsterdam's AEX Index | Plus | 1.43 percent |
|-----------------------|------|--------------|

|                       |      |              |
|-----------------------|------|--------------|
| France's CAC 40 Index | Plus | 0.85 percent |
|-----------------------|------|--------------|

|                                     |      |              |
|-------------------------------------|------|--------------|
| Germany's Frankfurt XETRA DAX Index | Plus | 0.04 percent |
|-------------------------------------|------|--------------|

Great Britain's FTSE 100 Index      Plus    1.52 percent

Italy's FTSE Italia All-Share      Plus    0.70 percent

Switzerland's Swiss Market Index      Plus    0.83 percent

The key indices of major equity markets of Asia were generally stronger, last Friday.

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

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index put on about 0.81 percent, rising to 17,920.93 points.

The Total Turnover dipped to about \$HK62.91 billion while the ratio of advancing counters to declining ones was about 1.29:One.

The Ten Most Active counters were:

China Construction Bank Corporation (Code: 939)

Up 3.79 percent to \$HK5.75 per share

Bank of China Ltd (Code: 3988)

Down 0.57 percent to \$HK3.49 per share

China Mobile Ltd (Code: 941)

Up 0.07 percent to \$HK76.15 per share

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

Up 1.17 percent to \$HK5.19 per share

HSBC Holdings plc (Code: 5)

Up 1.06 percent to \$HK66.60 per share

China Petroleum and Chemical Corporation  
(Code: 386)

Up 2.54 percent to \$HK5.66 per share

China Life Insurance Company Ltd (Code: 2628)

Down 0.53 percent to \$HK28.15 per share

CNOOC Ltd (Code: 883)

Up 0.52 percent to \$HK9.63 per share

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

Down 1.79 percent to \$HK52.00 per share

PetroChina Company Ltd (Code: 857)

Up 0.36 percent to \$HK8.48 per share

The biggest Main Board movers of the day included:

| Name of Company                     | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|-------------------------------------|------|--------------|--------------|----------------------|
| APAC Resources Ltd                  | 1104 | 19.40        |              | 0.74                 |
| China Infrastructure Investment Ltd | 600  | 18.00        |              | 0.203                |
| Continental Holdings Ltd            | 513  | 75.80        |              | 1.16                 |
| LeRoi Holdings Ltd                  | 221  | 19.60        |              | 0.58                 |
| Mayer Holdings Ltd                  | 1116 |              | 42.90        | 0.40                 |
| Nam Hing Holdings Ltd               | 986  | 25.00        |              | 0.60                 |
| O2Micro International Ltd           | 457  |              | 15.80        | 0.85                 |
| Opes Asia Development Ltd           | 810  | 20.80        |              | 0.32                 |
| Poly (Hongkong) Investments Ltd     | 119  | 20.20        |              | 4.87                 |
| S.A.S. Dragon Holdings Ltd          | 1184 | 17.90        |              | 0.79                 |
| Same Time Holdings Ltd              | 451  | 17.60        |              | 2.00                 |
| Sewco International Holdings Ltd    | 209  | 27.80        |              | 0.345                |
| Sun Innovation Holdings Ltd         | 547  | 35.30        |              | 0.18                 |
| SunCorp Technologies Ltd            | 1063 | 67.80        |              | 0.255                |
| Ta Yang Group Holdings Ltd          | 1991 | 20.60        |              | 0.82                 |
| Tianyi Fruit Holdings Ltd           | 756  |              | 15.80        | 0.80                 |
| Winbox International (Holdings) Ltd | 474  | 15.30        |              | 0.83                 |

Over on The **Growth Enterprise Market (The GEM)** of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index moved up about 1.65 percent to 575.76 points.

The Total Turnover on this market was about \$HK246.64 million.

Declining counters led advancing ones by the ratio of about 1.11:One.

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

Enviro Energy International Holdings Ltd (Code:  
Down 7.69 percent to \$HK0.72 per share

8182)

Global Resources Development (Holding) Ltd  
(Code: 8116)

Down 0.45 percent to \$HK0.223 per share

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

Up 6.88 percent to \$HK19.88 per share

Emcom International Ltd (Code: 8220)

Unchanged at \$HK0.065 per share

Shenzhen Neptunus Interlong Bio-  
technique Company Ltd (Code: 8329)

Down 8.56 percent to \$HK1.71 per share

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

| Name of Company                                       | Code | Increase (%) | Decrease (%) | Closing Price (\$HK) |
|---|------|--------------|--------------|----------------------|
| AcrossAsia Ltd  | 8061 | 12.50        |              | 0.09                 |
| China Metal Resources Holdings Ltd                    | 8071 | 10.20        |              | 0.108                |
| China Vanguard Group Ltd                              | 8156 | 10.30        |              | 0.375                |
| Dahe Media Company Ltd                                | 8243 | 10.90        |              | 0.255                |
| iMerchants Ltd  | 8009 |              | 14.90        | 0.74                 |
| ITE (Holdings) Ltd                                    | 8092 |              | 18.80        | 0.065                |
| Jian ePayment Systems Ltd                             | 8165 |              | 11.10        | 0.24                 |
| Mobile Telecom Network (Holdings) Ltd                 | 8266 |              | 12.40        | 0.17                 |
| Powerleader Science and Technology Group Ltd          | 8236 |              | 10.00        | 0.18                 |
| Shaanxi Northwest New Technology Industry Company Ltd | 8258 | 21.70        |              | 0.157                |
| Sing Lee Software (Group) Ltd                         | 8076 | 25.10        |              | 0.224                |
| Sino Haijing Holdings Ltd                             | 8065 | 11.20        |              | 0.445                |
| Tai Shing International (Holdings) Ltd                | 8103 | 11.40        |              | 0.49                 |

|                           |      |       |       |       |
|---------------------------|------|-------|-------|-------|
| Thiz Technology Group Ltd | 8119 |       | 13.70 | 0.138 |
| WLS Holdings Ltd          | 8021 | 20.60 |       | 0.275 |
| Zhongyu Gas Holdings Ltd  | 8070 | 17.50 |       | 0.47  |
| Zmay Holdings Ltd         | 8085 |       | 10.80 | 0.33  |

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

|                                |                       |
|--------------------------------|-----------------------|
| The Hang Seng Index            | Minus 5.13<br>percent |
| The Growth Enterprise<br>Index | Minus 3.64<br>percent |

On The Tokyo Stock Exchange, its TOPIX Index rose about 0.85 percent to 918.97 points.

The ratio of falling counters to rising ones was about 1.75:One.

The Nikkei-225 Stock Average advanced 0.85 percent, exactly.

The tally for the most-important equity market of Asia for the week, ended June 19, 2009, was:

|                                 |                       |
|---------------------------------|-----------------------|
| The TOPIX Index                 | Minus 3.32<br>percent |
| The Nikkei-225 Stock<br>Average | Minus 3.35<br>percent |

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

|                 |  |
|-----------------|--|
| The HKSAR       | Hang Seng Index<br>Plus 0.81 percent to 17,880.79<br>The Growth Enterprise Index<br>Plus 1.65 percent to 575.76      |
| Indonesia       | Plus 2.02 percent to 1,990.47  |
| Japan           | TOPIX Index<br>Plus 0.85 percent to 918.97<br>Nikkei-225 Stock Average<br>Plus 0.85 percent to 9,786.26              |
| Malaysia        | Plus 0.48 percent to 1,059.50  |
| The Philippines | Minus 1.48 percent to 2,398.30   |
| The PRC         | Shanghai Composite Index<br>Plus 0.93 percent to 2,880.49<br>Shenzhen Composite Index<br>Plus 0.32 percent to 943.87 |



|             |                               |
|-------------|-------------------------------|
| Singapore   | Plus 1.61 percent to 2,273.18 |
| South Korea | Plus 0.55 percent to 1,383.34 |
| Taiwan      | Plus 1.41 percent to 6,231.15 |
| Thailand    | Plus 3.25 percent to 588.98   |

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