

**WALL STREET BANKS AND
FINANCE HOUSES FACE A HARD-HITTING TAX:
PAY BACK TAXPAYERS !_
PRESIDENT BARACK HUSSEIN OBAMA ORDERS**

It appeared that the economic news from the People's Republic of China (PRC) was being used as a universal fillip for investors, locked into stocks and shares, listed on North American equity markets as well as European bourses.

The PRC Government went on record, over the weekend of January 9-10, to tell the world that its economy was firing on all cylinders and that managements of industrial concerns in the Middle Kingdom were continuing to purchase strategic commodities in large quantities in order to feed their factories.

Exports rose about 17.70 percent, Year-On-Year, it was reported.

On The New York Stock Exchange, the Dow Jones Industrial Average gained 45.80 points, equivalent to about 0.43 percent, ending the trading day at 10,663.99 points.

On The NASDAQ, its Composite Index fell 4.76 points, or about 0.21 percent, edging back to 2,312.41 points.

Trading was moderate; advancing counters outpaced declining ones by the ratio of about 1.50:One on The New York Stock Exchange and just about equal on The NASDAQ.

In Europe, stock-and-share investors were not as definitive in their thinking as their counterparts on North American equity markets.

Investors in this part of the world took a cautious look at investing in stocks and shares, preferring to await corporate results from blue chips of US markets.

The consensus was that although the figures, being churned out by the PRC Government, were encouraging, the PRC is only one economy of the world, albeit a very important one.

While the PRC is the world's largest exporter, today, it, still, faces many problems, including, but not limited to, inflationary tendencies in its economy.

This was how **TARGET's** list of major bourses fared, last Monday:

Amsterdam's AEX Index	Minus 0.41 percent
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France's CAC 40 Index	Minus 0.05 percent
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Germany's Frankfurt XETRA DAX Index	Plus 0.04 percent
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Great Britain's FTSE 100 Index Plus 0.06 percent

Italy's MIBTEL Index Minus 0.16 percent

Switzerland's Swiss Market Index Minus 0.38 percent

On The New York Mercantile Exchange (NYMEX), the world's largest commodity exchange, the price of crude oil came off, slightly.

For delivery in February, the last settlement for a barrel of light sweet crude oil came in at \$US82.52, down about 0.28 percent, compared with the final quote of Friday, January 8, 2010.

As for delivery in March, the last settlement was \$US83.01, representing a fall of about 0.35 percent, compared with the previous Friday's last settlement.

In Asia, with the exception of the South Korean stock market, the key indices of all other equity markets, those that traded, that is, posted gains.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, the territory's 2 equity markets logged in fractional gains.

The Hang Seng Index, which is the benchmark index of the Main Board of The Stock Exchange of Hongkong Ltd, rose about 0.52 percent to 22,411.52 points.

The Total Turnover was about \$HK74.18 billion, while the ratio of advancing counters to declining ones was, exactly, 1.44:One.

The Ten Most Active counters were:

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

Down 1.10 percent to \$HK6.29 per share

China Construction Bank Corporation (Code: 939)

Up 0.46 percent to \$HK6.56 per share

China Life Insurance Company Ltd (Code: 2628)

Down 0.52 percent to \$HK38.15 per share

China COSCO Holdings Company Ltd (Code:
1919)

Up 6.78 percent to \$HK11.02 per share

China Mobile Ltd (Code: 941)

Up 0.54 percent to \$HK74.85 per share

Bank of China Ltd (Code: 3988)

Down 0.93 percent to \$HK4.24 per share

HSBC Holdings plc (Code: 5)

Up 0.76 percent to \$HK92.40 per share

China Shipping Container Lines Company Ltd

Up 10.89 percent to \$HK3.36 per share

(Code: 2866)

Aluminum Corporation of China Ltd (Code: 2600)

Up 7.15 percent to \$HK10.64 per share

China Petroleum and Chemical Corporation
(Code: 386)

Up 1.05 percent to \$HK6.75 per share

The biggest movers of the Main Board were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Fortune Group Ltd	290	16.50		0.46
CITIC 21CN Company Ltd	241	16.80		1.39
Culturecom Holdings Ltd	343	22.40		0.60
First Shanghai Investments Ltd	227	17.60		1.67
Fittec International Group Ltd	2662	40.00		0.63
Golden Resorts Group Ltd	1031	17.50		0.47
iOne Holdings Ltd	982	27.60		12.10
Jia Sheng Holdings Ltd	729	30.50		0.77
Jiahua Stores Holdings Ltd	602	16.50		0.53
Prime Investments Holdings Ltd	721	18.80		0.19
Sheng Yuan Holdings Ltd	851	18.90		1.89
Singamas Container Holdings Ltd	716	16.00		1.45
Tanrich Financial Holdings Ltd	812	15.00		0.238
Tonic Industries Holdings Ltd	978	29.90		0.174
Victory City International Holdings Ltd	539	15.10		2.13

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gained about 0.59 percent, rising to 710.61 points.

The Total Turnover was about \$HK451.00 million.

The ratio of gainers to losers was about 1.05:One.

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

Honbridge Holdings Ltd (Code: 8137)

Up 4.46 percent to \$HK2.81 per share

China Chief Cable TV Group Ltd (Code: 8153)

Up 7.58 percent to \$HK0.71 per share

Xing Lin Medical Information Technology Company
Ltd (Code: 8130)

Unchanged at \$HK0.092 per share

Finet Group Ltd (Code: 8317)

Up 18.33 percent to \$HK0.71 per share

China Eco-Farming Ltd (Code: 8166)

Up 68.75 percent to \$HK0.54 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131		15.80	0.223
Armitage Technologies Holding Ltd	8213		15.60	0.146
China Eco-Farming Ltd	8166	68.80		0.54
Finet Group Ltd	8317	18.30		0.71
Inno-Tech Holdings Ltd	8202	37.00		0.37
ITE (Holdings) Ltd	8092	14.50		0.189
Lee's Pharmaceutical Holdings Ltd	8221	14.20		2.25
Palmpay China (Holdings) Ltd	8047	13.40		0.161
Powerleader Science and Technology Group Ltd	8236	15.20		0.38
Sun International Group Ltd	8029	12.70		0.89
SYSCAN Technology Holdings Ltd	8083	19.70		0.14
UURG Corporation Ltd	8192	15.00		0.245

Venturepharm Laboratories Ltd	8225		10.30	0.70
Zhejiang Prospect Company Ltd	8273	53.60		2.58

All markets were closed in Japan for a national holiday, last Monday.

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

The HKSAR	Hang Seng Index Plus 0.52 percent to 22,411.52 The Growth Enterprise Index Plus 0.59 percent to 710.61
Indonesia	Plus 0.68 percent to 2,632.20
Japan	TOPIX Index Closed Nikkei-225 Stock Average Closed
Malaysia	Plus 0.12 percent to 1,294.51
The Philippines	Plus 0.33 percent to 3,087.35
The PRC	Shanghai Composite Index Plus 0.52 percent to 3,212.75 Shenzhen Composite Index Plus 0.18 percent to 1,189.95
Singapore	Plus 0.37 percent to 2,933.53
South Korea	Minus 0.07 percent to 1,694.12
Taiwan	Plus 0.52 percent to 8,323.82
Thailand	Plus 1.08 percent to 746.95

Tuesday

Strong suggestions that the Administration of President Barack Hussein Obama was considering taxing financial services entities in the US let loose the willies on US equity markets, last Tuesday.

According to unconfirmed reports, the US Government is thinking along the lines of imposing taxes on

banks and other financial institutions in order to recoup taxpayers' losses for bailing out the banks and financial institutions when they were on their proverbial knees in late 2008 up to the middle of 2009.

The taxes, which could be included in the next US Budget with regard to Fiscal 2011, was in response to the losses, incurred by the US Government's **Troubled Asset Relief Programme**, known more popularly as **TARP**.

The US Government is looking to recoup about \$US120 billion.

Investors on Wall Street gasped and shuddered at the idea since, clearly, it would put a dent in profits of banks and finance houses.

On The New York Stock Exchange, the Dow Jones Industrial Average lost about 0.34 percent, dropping back to 10,627.26 points.

The Composite Index of The NASDAQ let go about 1.30 percent to end the trading day at 2,282.31 points.

Trading was light even though there had been somewhat of a rout.

The ratio of losing counters to gaining ones was about 2.50:One on both The New York Stock Exchange and The NASDAQ.

On The **New York Mercantile Exchange (NYMEX)**, the last settlement of a barrel of light sweet crude oil for delivery in February came in at \$US80.79, down about 2.10 percent on Monday's closing level.

As for delivery in March, the last settlement of a barrel of light sweet crude oil was \$US81.17, representing a one-day fall of about 2.22 percent.

The main reason for the substantial drop in the price of crude oil on international commodity exchanges was due, at least in part, to a build-up in inventories in the US of crude oil, distillates and petrol.

On European bourses, investors determined that it was time to bail out of stocks and shares in view of the number of uncertainties, overhanging major equity markets.

Every key indices of every major bourse lost traction:

Amsterdam's AEX Index	Minus 1.10 percent
France's CAC 40 Index	Minus 1.06 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.61 percent
Great Britain's FTSE 100 Index	Minus 0.71 percent
Italy's MIBTEL Index	Minus 0.82 percent
Switzerland's Swiss Market Index	Minus 0.76 percent

The falls in the prices of mining and energy stocks and shares, especially, hurt European investors and, unlike Monday's market, investors were not hesitant to make definitive decisions – to sell part or all of their

holdings.

In Asia, an equal number of key indices that rose, with regard to the 10 major equity markets in this part of the world, also fell.

In the Hongkong Special Administrative Region (HKSAR) of People's Republic of China (PRC), the volume of activity picked up, slightly, but sellers predominated on the premier equity market of the territory.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index shed about 0.38 percent, skidding back to 22,326.64 points.

The Total Turnover was about \$HK81.22 billion, while the ratio of declining counters to advancing ones was 1.54:One, exactly.

The Ten Most Active counters were:

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

Down 2.23 percent to \$HK6.15 per share

China Mobile Ltd (Code: 941)

Up 2.40 percent to \$HK76.65 per share

China Construction Bank Corporation (Code: 939)

Down 2.13 percent to \$HK6.42 per share

China Life Insurance Company Ltd (Code: 2628)

Unchanged at \$HK38.15 per share

Bank of China Ltd (Code: 3988)

Down 2.36 percent to \$HK4.14 per share

HSBC Holdings plc (Code: 5)

Down 0.81 percent to \$HK91.65 per share

China COSCO Holdings Company Ltd (Code:
1919)

Up 1.63 percent to \$HK11.20 per share

China Shenhua Energy Company Ltd (Code:
1088)

Up 1.49 percent to \$HK40.95 per share

PetroChina Company Ltd (Code: 857)

Down 0.59 percent to \$HK10.12 per share

China Coal Energy Company Ltd (Code: 1898)

Down 3.77 percent to \$HK15.32 per share

The biggest movers on the Main Board were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AV Concept Holdings Ltd	595	17.80		1.06

Bright International Group Ltd	1163	16.00		0.87
China Sci-Tech Holdings Ltd	985	20.30		0.355
Chinasoft International Ltd	354	20.60		1.23
Cosmopolitan International Holdings Ltd	120	18.30		0.71
Galaxy Semi-Conductor Holdings Ltd	527	21.20		1.20
Genesis Energy Holdings Ltd	702	23.90		0.28
Kam Hing International Holdings Ltd	2307	15.90		2.48
Kwang Sung Electronics Hongkong Company Ltd	2310	15.40		0.75
Ming Hing Waterworks Holdings Ltd	402	23.60		0.68
Nam Hing Holdings Ltd	986		19.20	0.59
New Media Group Holdings Ltd	708	50.70		0.52
Overseas Chinese Town (Asia) Holdings Ltd	3366	17.20		4.22
PME Group Ltd	379		15.20	0.335
Proview International Holdings Ltd	334	50.90		0.40
Sunny Optical Technology (Group) Company Ltd	2382	15.10		1.75
Tai-I International Holdings Ltd	1808	15.70		0.48
World Houseware (Holdings) Ltd	713	19.70		0.365

Over on The **Growth Enterprise Market (The GEM)** of The Stock Exchange of Hongkong Ltd, it was a completely different story to that, being told on the Main Board.

The Growth Enterprise Index gained exactly 1.72 percent, rising to 722.83 points.

The Total Turnover rose to about \$HK601.17 million.

The ratio of advancing counters to declining ones was about 1.41:One.

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

Kaisun Energy Group Ltd (Code: 8203)

Up 2.83 percent to \$HK1.09 per share

Heng Xin China Holdings Ltd (Code: 8046)

Up 22.95 percent to \$HK0.75 per share

Honbridge Holdings Ltd (Code: 8137)

Down 7.83 percent to \$HK2.59 per share

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

Up 2.32 percent to \$HK26.50 per share

Finet Group Ltd (Code: 8317)

Up 30.99 percent to \$HK0.93 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
BIG Media Group Ltd	8167	14.30		0.112
Cardlink Technology Group Ltd	8066	16.00		1.74
China E-Learning Group Ltd	8055	13.40		0.38
DIGITALHONGKONG.COM	8007	11.10		0.60
ePRO Ltd	8086	58.30		0.228
EVOC Intelligent Technology Company Ltd	8285	11.40		2.25
Finet Group Ltd	8317	31.00		0.93
Global Digital Creations Holdings Ltd	8271	24.10		0.335
Heng Xin China Holdings Ltd	8046	23.00		0.75
ITE (Holdings) Ltd	8092		17.50	0.156
North Asia Strategic Holdings Ltd	8080	16.90		0.76
PINE Technology Holdings Ltd	8013	10.00		0.187
Rojam Entertainment Holdings Ltd	8075		14.10	0.14
ThinSoft (Holdings) Incorporated	8096	18.80		0.76

On The Tokyo Stock Exchange, which is the premier equity market of Japan and the largest and most-important stock market in Asia, its TOPIX Index gained about 1.36 percent, running up to 954.13 points.

The ratio of gainers to losers was about 2.99:One.

The Nikkei-225 Stock Average, which is a much-narrower gauge of trading on select blue chips, listed on The First Section of The Tokyo Stock Exchange, than the TOPIX Index, rose ¥80.82, an increase of 0.75 percent, compared with the close of Friday, January 8, 2010, at ¥10,879.14.

News Wise

- The Government of Japan has reached an agreement with creditor banks of **Japan Airlines International Company Ltd (JAL)** to place Japan's flag carrier into **bankruptcy** and, at the same time, its listing on The Tokyo Stock Exchange will be deleted; and,
- **Japan's Current Account Surplus** rose about 76.90 percent in November 2009, Year-On-Year, The Finance Ministry said. The increase was due in large part to exports to Asia.

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

The HKSAR	Hang Seng Index Minus 0.38 percent to 22,326.64 The Growth Enterprise Index Plus 1.72 percent to 722.83
Indonesia	Plus 1.04 percent to 2,659.55
Japan	TOPIX Index Plus 1.36 percent to 954.13 Nikkei-225 Stock Average Plus 0.75 percent to 10,879.14
Malaysia	Minus 0.13 percent to 1,292.85
The Philippines	Plus 0.59 percent to 3,105.62
The PRC	Shanghai Composite Index Plus 1.91 percent to 3,273.97 Shenzhen Composite Index Plus 1.95 percent to 1,213.11
Singapore	Minus 0.59 percent to 2,916.11
South Korea	Plus 0.27 percent to 1,698.64
Taiwan	Minus 0.17 percent to 8,309.37
Thailand	Minus 0.23 percent to 745.24

Wednesday

Blue chips made somewhat of a comeback on the world's largest equity markets, last Wednesday.

But the gains were in exceptionally light trading conditions.

On The New York Stock Exchange, the Dow Jones Industrial Average rose about one half of a percentage point, coming to rest at 10,680.77 points by the close of the trading day.

Over on The NASDAQ, its composite Index gained about 1.12 percent as investors pushed it to 2,307.90 points.

The ratio of gaining counters to losing ones was, exactly, 2.80:One on The New York Stock Exchange and about 2.00:One on The NASDAQ.

It appeared that the bulk of the investors on these 2 equity market was awaiting the financial results of some of the blue chips rather than taking a gamble on what the managements of such companies might have to say in respect of their last reporting period.

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

For delivery in February, the last settlement of a barrel of light sweet crude oil was \$US79.65, representing a one-day drop of about 1.41 percent.

As for delivery in March, the last settlement of a barrel of light sweet crude oil came in at \$US80.04, down about 1.39 percent, compared with Tuesday's close.

On major European bourses, things were a little better than Tuesday's sell-off, but all gains were held to small fractions:

Amsterdam's AEX Index	Plus	0.41 percent
France's CAC 40 Index	Plus	0.02 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.33 percent
Great Britain's FTSE 100 Index	Minus	0.45 percent
Italy's MIBTEL Index	Plus	0.28 percent
Switzerland's Swiss Market Index	Plus	0.11 percent

Many of Europe's equity markets are studded with energy and energy related counters so that, with the price of crude oil, coming off the boil, so to speak, it was hardly surprising that the key indices of the largest bourses shed some fat.

News Wise

- During 2009, **the economy of Germany** shrank by about 5 percent, according to The Federal Statistics Office. It was the first time in 6 years that Europe's largest economy had recorded a fall.

In Asia, all equity market went into reverse gear with the exception of Thailand's stock market, whose key index was able to record a small, fractional gain.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), there was something close to a rout on the premier equity market.

The Hang Seng Index, which is the benchmark index of the Main Board of The Stock Exchange of Hongkong Ltd, shed about 2.59 percent as investors pulled it down to 21,748.60 points.

The Total Turnover on this market was about \$HK97.62 billion.

It is rarely a positive aspect when the turnover rises on a rapidly falling market.

The Ten Most Active counters were:

Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 3.58 percent to \$HK5.93 per share
China Construction Bank Corporation (Code: 939)	Down 3.89 percent to \$HK6.17 per share
China Mobile Ltd (Code: 941)	Up 0.91 percent to \$HK77.35 per share
Bank of China Ltd (Code: 3988)	Down 3.62 percent to \$HK3.99 per share
China Life Insurance Company Ltd (Code: 2628)	Down 2.62 percent to \$HK37.15 per share
China Shineway Pharmaceutical Group Ltd (Code: 2877)	Down 12.33 percent to \$HK13.22 per share
HSBC Holdings plc (Code: 5)	Down 1.58 percent to \$HK90.20 per share
PetroChina Company Ltd (Code: 857)	Down 3.66 percent to \$HK9.75 per share
China CITIC Bank Corporation Ltd (Code: 998)	Down 6.55 percent to \$HK5.71 per share
China Shenhua Energy Company Ltd (Code: 1088)	Down 3.54 percent to \$HK39.50 per share

The biggest movers of the Main Board were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CVM Minerals Ltd	705	17.90		0.495

Daisho Microline Holdings Ltd	567	16.70		0.63
The Hongkong Building and Loan Agency Ltd	145		24.40	2.63
Jilin Qifeng Chemical Fiber Company Ltd	549	15.70		0.81
Radford Capital Investment Ltd	901	22.50		0.087

Over on The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gave up about 0.25 percent, dropping back to 721.04 points.

The Total Turnover on this market rose to about \$HK525.37 million.

The ratio of losing counters to gaining ones was about 2.05:One.

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

Finet Group Ltd (Code: 8317)

Up 43.01 percent to \$HK1.33 per share

Kaisun Energy Group Ltd (Code: 8203)

Down 4.59 percent to \$HK1.04 per share

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

Down 0.38 percent to \$HK26.40 per share

Binhai Investment Company Ltd (Code: 8035)

Down 4.55 percent to \$HK0.84 per share

Heng Xin China Holdings Ltd (Code: 8046)

Down 4.00 percent to \$HK0.72 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Armitage Technologies Holding Ltd	8213	13.00		0.156
B.A.L. Holdings Ltd	8079	10.20		0.195
Computech Holdings Ltd	8081	15.60		0.37
FAVA International Holdings Ltd	8108	11.90		0.151
Finet Group Ltd	8317	43.00		1.33
Inno-Tech Holdings Ltd	8202		13.40	0.29

Mobile Telecom Network (Holdings) Ltd	8266	17.10		0.164
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231	10.30		1.07
Shanghai Jiaoda Withub Information Industrial Company Ltd	8205	16.40		0.39
Sino Haijing Holdings Ltd	8065	15.20		0.53
ThinSoft (Holdings) Incorporated	8096	18.40		0.90
UURG Corporation Ltd	8192	16.30		0.285

On The Tokyo Stock Exchange, its TOPIX Index shed about 1.06 percent to 944.02 points.

Declining counters outpaced advancing ones by the ratio of about 2.33:One.

The Nikkei-225 Stock Average lost about 1.32 percent, dropping back to ¥10,735.03.

News Wise

- **Corporate insolvencies** in Japan, during 2009, fell by about 1.06 percent, Year-On-Year, statistics indicate. It was the first time in 4 years that there had been a let-up in corporate insolvencies in the country.

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

The HKSAR	Hang Seng Index Minus 2.59 percent to 21,748.60 The Growth Enterprise Index Minus 0.25 percent to 721.04
Indonesia	Minus 1.00 percent to 2,632.87
Japan	TOPIX Index Minus 1.06 percent to 944.02 Nikkei-225 Stock Average Minus 1.32 percent to 10,735.03
Malaysia	Minus 0.26 percent to 1,289.51
The Philippines	Minus 0.29 percent to 3,096.70
The PRC	Shanghai Composite Index Minus 3.09 percent to 3,172.66 Shenzhen Composite Index Minus 1.60 percent to 1,193.73

Singapore	Minus 0.95 percent to 2,888.38
South Korea	Minus 1.60 percent to 1,671.41
Taiwan	Minus 1.36 percent to 8,196.56
Thailand	Plus 0.20 percent to 746.74

Thursday

True to his word, US President Barack Hussein Obama announced the details of his levy on certain Wall Street entities that owe their very existence to the **TARP** – **Troubled Asset Relief Programme**. (Please see Tuesday's report)

The US Government's Department of the Treasury announced the following:

'Financial Crisis Responsibility Fee

'Today, the President announced his intention to propose a Financial Crisis Responsibility Fee that would require the largest and most highly levered Wall Street firms to pay back taxpayers for the extraordinary assistance provided so that the TARP program does not add to the deficit. The fee the President is proposing would:

- **Require the Financial Sector to Pay Back For the Extraordinary Benefits Received:** *Many of the largest financial firms contributed to the financial crisis through the risks they took, and all of the largest firms benefitted enormously from the extraordinary actions taken to stabilize the financial system. It is our responsibility to ensure that the taxpayer dollars that supported these actions are reimbursed by the financial sector so that the deficit is not increased.*
- **Responsibility Fee Would Remain in Place for 10 Years or Longer if Necessary to Fully Pay Back TARP:** *The fee – which would go into effect on June 30, 2010 – would last at least 10 years. If the costs have not been recouped after 10 years, the fee would remain in place until they are paid back in full. In addition, the Treasury Department would be asked to report after five years on the effectiveness of the fee as well as its progress in repaying projected TARP losses.*
- **Raise Up to \$117 Billion to Repay Projected Cost of TARP:** *As a result of prudent management and the stabilization of the financial system, the expected cost of the TARP program has dropped dramatically. While the Administration projected a cost of \$341 billion as recently as August, it now estimates, under very conservative assumptions, that the cost will be \$117 billion--reflecting the \$224 billion reduction in the expected cost to the deficit. The proposed fee is expected to raise \$117 billion over about 12 years, and \$90 billion over the next 10 years.*
- **President Obama is Fulfilling His Commitment to Provide a Plan for Taxpayer Repayment Three Years Earlier Than Required:** *The EESA statute that created the TARP requires that by 2013 the President put forward a plan "that recoups from the financial industry an amount equal to the shortfall in order to ensure that the Troubled Asset Relief Program does not add to the deficit or national debt." The President has no intention of waiting that long. Instead, the President is fulfilling three years early his commitment to put forward a proposal that would – at a minimum – ensure that taxpayers are fully repaid for the support they provided.*
- **Apply to the Largest and Most Highly Levered Firms:** *The fee the President is proposing would be levied on the debts of financial firms with more than \$50 billion in consolidated assets, providing a deterrent against excessive leverage for the largest*

financial firms. By levying a fee on the liabilities of the largest firms – excluding FDIC-assessed deposits and insurance policy reserves, as appropriate – the Financial Crisis Responsibility Fee will place its heaviest burden on the largest firms that have taken on the most debt. Over sixty percent of revenues will most likely be paid by the 10 largest financial institutions.

'How the Fee Would Work

'While more complete details of the proposed Financial Crisis Responsibility Fee will be released in conjunction with the President's budget, the basic outline of the fee is as follows:

- **'Levied on Only the Largest Financial Firms with the Most Leverage**
- **Applied Only to Firms with More Than \$50 Billion in Consolidated Assets:** *The fee would only be applied to firms with more than \$50 billion in consolidated assets. No small or community bank would be covered by the fee.*
- **Fee Would Cover Banks and Thrifts, Insurance and Other Companies That Own Insured Depository Institutions, and Broker-Dealers:** *Covered institutions would include firms that were insured depository institutions, bank holding companies, thrift holding companies, insurance or other companies that owned insured depository institutions, or securities broker-dealers as of January 14, 2010, or that become one of these types of firms after January 14, 2010.. These institutions were recipients and/or indirect beneficiaries of aid provided through the TARP, the Temporary Liquidity Guarantee Program, and other programs that provided emergency assistance to limit the impact of the financial crisis.*
- **Both Domestic Firms and U.S. Subsidiaries of Foreign Firms Subject to the Fee:** *The fee would cover the liabilities of all firms in these categories organized in the U.S. – including U.S. subsidiaries of foreign firms. Operations of U.S. subsidiaries of foreign firms in the areas cited above would be consolidated for the purposes of the \$50 billion threshold and administration of the fee. For those firms headquartered in the U.S., the fee would cover all liabilities globally. The Administration will also work through the G-20 and the Financial Stability Board to encourage other major financial centers to adopt comparable approaches.*
- **Fee Assessed at Approximately 15 Basis Points (0.15 Percent) of Covered Liabilities Per Year.'**

Wall Street reacted to the news, resulting in volumes, dropping back, considerably, compared with the volumes on the same day of the previous year.

On The New York Stock Exchange, the Dow Jones Industrial Average added just 0.28 percent to 10,710.55 points while, on The NASDAQ, its Composite Index put on about 0.38 percent, limping to 2,316.74 points.

The ratio of gainers to losers was about 1.33:One on The New York Stock Exchange and about 1.40:One on The NASDAQ.

Investors on the world's largest equity markets were well aware of the US President's irritated state of mind when he went on record to state his criticism of certain Wall Street finance houses, which has earned 'massive profits' and, then, had paid out 'obscene bonus' to select senior personnel.

He said, inter alia:

'My commitment is to recover every single dime the American people are owed ...

'My determination to achieve this goal is only heightened when I see reports of massive profits and obscene bonuses at the very firms who owe their continued existence to the American people ...'.

News Wise

- The US Commerce Department announced that **retail sales** in the US fell about 0.30 percent in December 2009, compared with November 2009.

On The **New York Mercantile Exchange (NYMEX)**, the last settlement of a barrel of light sweet crude oil for delivery in February came in at \$US79.39, down about one third of a percentage point on the day.

For delivery in March, the last settlement of a barrel of light sweet crude oil was \$US79.88, representing a one-day fall of about 0.20 percent.

On European equity markets, the key indices of every major bourse rose as the following **TARGET ()** list illustrates:

Amsterdam's AEX Index	Plus	0.71 percent
France's CAC 40 Index	Plus	0.37 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.43 percent
Great Britain's FTSE 100 Index	Plus	0.45 percent
Italy's MIBTEL Index	Plus	0.62 percent
Switzerland's Swiss Market Index	Plus	1.25 percent

There was very little news of any real importance or significance in Europe, news, that is, that could justify the gains on the most-important equity markets in this region of the world.

In Asia, only the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) did not come to the bullish stock-market '*parties*', hosted by all of the other equity markets in the most-populous part of the world.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index shed about 0.15 percent as investors pulled it back to 21,716.95 points.

The Total Turnover was about \$HK84.20 billion, while the ratio of losing counters to gaining ones was about 1.35:One.

The Ten Most Active counters were:

China Mobile Ltd (Code: 941)	Up 2.65 percent to \$HK79.40 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 1.52 percent to \$HK5.84 per share
China Construction Bank Corporation (Code: 939)	Down 0.97 percent to \$HK6.11 per share
Bank of China Ltd (Code: 3988)	Down 1.00 percent to \$HK3.95 per share

China Life Insurance Company Ltd (Code: 2628)

Down 0.67 percent to \$HK36.90 per share

China Coal Energy Company Ltd (Code: 1898)

Down 3.46 percent to \$HK13.96 per share

China Shenhua Energy Company Ltd (Code:
1088)

Down 4.43 percent to \$HK37.75 per share

HSBC Holdings plc (Code: 5)

Up 0.72 percent to \$HK90.85 per share

Hutchison Whampoa Ltd (Code: 13)

Down 0.09 percent to \$HK58.05 per share

Sun Hung Kai Properties Ltd (Code: 16)

Down 1.24 percent to \$HK111.60 per share

The biggest movers of the Main Board were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
A8 Digital Music Holdings Ltd	800	18.20		4.02
DVN (Holdings) Ltd	500	20.00		0.78
Fountain Set (Holdings) Ltd	420	18.70		1.65
G-Vision International (Holdings) Ltd	657	27.70		0.221
IDT International Ltd	167	17.90		0.27
Ko Yo Ecological Agrotech (Group) Ltd	827	22.30		0.23
Ming Fai International Holdings Ltd	3828	15.40		1.87
New Capital International Investment Ltd	1062	19.40		0.37
Proview International Holdings Ltd	334	46.50		0.52
Sinotronics Holdings Ltd	1195		25.00	0.54
Sparkle Roll Group Ltd	970	28.80		0.85
Wo Kee Hong (Holdings) Ltd	720	15.30		1.36

As for The **Growth Enterprise Market (The GEM)** of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index rose about 3.92 percent to 749.32 points.

The Total Turnover on this market was about \$HK695.38 million, while the ratio of advancing counters to declining ones was, exactly, 1.22:One.

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

Heng Xin China Holdings Ltd (Code: 8046)

Down 4.17 percent to \$HK0.69 per share

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

Up 7.58 percent to \$HK28.40 per share

BIG Media Group Ltd (Code: 8167)

Up 20.69 percent to \$HK0.14 per share

B.A.L. Holdings Ltd (Code: 8079)

Up 53.85 percent to \$HK0.30 per share

Finet Group Ltd (Code: 8317)

Down 9.77 percent to \$HK1.20 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B.A.L. Holdings Ltd	8079	53.80		0.30
BIG Media Group Ltd	8167	20.70		0.14
China Leason Investment Group Company Ltd	8270	10.90		0.224
Global Digital Creations Holdings Ltd	8271	13.10		0.345
Great World Company Holdings Ltd	8003	16.60		0.26
Inno-Tech Holdings Ltd	8202	19.00		0.345
Kaisun Energy Group Ltd	8203	14.40		1.19
Ningbo Yidong Electronic Company Ltd	8249		13.80	0.25
PINE Technology Holdings Ltd	8013		10.80	0.166
Sau San Tong Holdings Ltd	8200	13.00		0.026
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231	16.80		1.25
Vertex Group Ltd	8228	23.00		0.123

Zhejiang Prospect Company Ltd	8273		11.50	2.30
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On The Tokyo Stock Exchange, its TOPIX Index gained about 1.59 percent to 959.01 points.

The ratio of gainers to losers was about 3.07:One.

The Nikkei-225 Stock Average rose about 1.61 percent to ¥10,907.68.

News Wise

- **Best Denki Company**, an electronics retailer, announced that it would be shutting down up to 65 of its retail stores. The company, also, is planning to shut 15 outlets, operated by its subsidiary, Sakuraya Company; and,
- **Wholesale prices** fell by about 5.30 percent in 2009, The Bank of Japan announced. It was a new record for contraction of wholesale prices in any one year.

On other Asian equity markets, this was how they fared, last Thursday:

The HKSAR	Hang Seng Index Minus 0.15 percent to 21,716.95 The Growth Enterprise Index Plus 3.92 percent to 749.32
Indonesia	Plus 0.47 percent to 2,645.18
Japan	TOPIX Index Plus 1.59 percent to 959.01 Nikkei-225 Stock Average Plus 1.61 percent to 10,907.68
Malaysia	Plus 0.40 percent to 1,294.71
The Philippines	Plus 0.81 percent to 3,121.91
The PRC	Shanghai Composite Index Plus 1.35 percent to 3,215.55 Shenzhen Composite Index Plus 2.13 percent to 1,219.11
Singapore	Plus 0.73 percent to 2,909.52
South Korea	Plus 0.86 percent to 1,685.77
Taiwan	Plus 1.14 percent to 8,289.98

Thailand	Plus 0.36 percent to 749.42
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Friday

Confirmation of heavy loss provisions in mortgage and credit-card loans shook investors on Wall Street, last Friday, in spite of JPMorgan Chase and Company, reporting multi-billion-dollar, fourth-quarter profits on Thursday.

The share price of this huge banking and finance house shed about 2.30 percent, dropping to \$US43.68.

It set the pace for trading on Wall Street.

On The New York Stock Exchange, the Dow Jones Industrial Average lost about 0.94 percent, falling back to 10,609.65 points.

The Composite Index of The NASDAQ shed about 1.24 percent, ending the trading day at 2,287.99 points.

The ratio of losing counters to gaining ones was about 2.20:One on The New York Stock Exchange and about 1.40:One on The NASDAQ.

For the trading week, the tally for the world's largest and most-influential equity market was:

The Dow Jones Industrial Average	Minus 0.08 percent
The Composite Index of The NASDAQ	Minus 1.26 percent

On The New York Mercantile Exchange (NYMEX), there were problems with the Exchange's computer so that oil-futures contracts could not be obtained with any certainty of accuracy.

However, for delivery in February, the last settlement for a barrel of light sweet crude oil came in at about \$US78, down about 1.75 percent on Thursday's close.

On the equity markets of Europe, every key index of every major bourse fell, some falling very hard as the following **TARGET** list illustrates:

Amsterdam's AEX Index	Minus 0.76 percent
France's CAC 40 Index	Minus 1.52 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.88 percent
Great Britain's FTSE 100 Index	Minus 0.77 percent
Italy's MIBTEL Index	Minus 1.26 percent
Switzerland's Swiss Market Index	Minus 0.84 percent

As with Wall Street, European investors realised that, if JPMorgan Chase and Company could suffer huge

losses or, alternatively, be forced to make massive provisions, then other banks must be suffering, also.

The question was, of course: To what extent were other banks suffering from mortgage and credit-card losses?

Also, taking its toll of investors' pocket-books was the rapid falls in the price of crude oil.

Every day, last week, the price of this strategic commodity had hit the rocks.

In Asia, there were mixed blessings from the governments of various countries, resulting in choppy trading in equities, throughout the day, around the region.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key index of the premier equity market shed a small fraction while, over on the speculative equity market, its lone index rose a fraction.

On The Stock Exchange of Hongkong Ltd, The Hang Seng Index shed about 0.29 percent to 21,654.16 points on a Total Turnover of about \$HK84.28 billion.

The ratio of declining counters to advancing ones was, exactly, 1.67:One.

The Ten Most Actives were:

Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 0.34 percent to \$HK5.82 per share
China Mobile Ltd (Code: 941)	Down 0.63 percent to \$HK78.90 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.27 percent to \$HK36.80 per share
China Construction Bank Corporation (Code: 939)	Up 0.49 percent to \$HK6.14 per share
China Shenhua Energy Company Ltd (Code: 1088)	Up 0.66 percent to \$HK38.00 per share
Bank of China Ltd (Code: 3988)	Up 1.01 percent to \$HK3.99 per share
PetroChina Company Ltd (Code: 857)	Down 1.14 percent to \$HK9.52 per share
CNOOC Ltd (Code: 883)	Down 1.13 percent to \$HK12.28 per share
BaWang International (Group) Holding Ltd (Code: 1338)	Down 2.91 percent to \$HK5.34 per share
HSBC Holdings plc (Code: 5)	Down 0.17 percent to \$HK90.70 per share

The biggest movers of the Main Board included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CASH Financial Services Group Ltd	510	15.50		0.97
Chia Tai Enterprises International Ltd	121	19.60		0.305
China Energy Development Holdings Ltd	228	24.10		0.54
Four Seas Food Investment Holdings Ltd	60	42.20		1.65
Garron International Ltd	1226	20.00		0.66
G-Vision International (Holdings) Ltd	657	19.90		0.265
Joyce Boutique Holdings Ltd	647	28.90		0.232
Kingdom Holdings Ltd	528	19.10		0.53
Multifield International Holdings Ltd	898	26.90		0.33
Oriental Explorer Holdings Ltd	430	15.50		0.134
PME Group Ltd	379	30.00		0.455
Same Time Holdings Ltd	451	44.50		2.50
Taifook Securities Group Ltd	665	26.90		7.32
Wang On Group Ltd	1222		19.80	0.158

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index rose about 0.80 percent to 755.30 points.

The Total Turnover was about \$HK561.30 million, while the ratio of advancing counters to declining ones was about 1.91:One.

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

Kaisun Energy Group Ltd (Code: 8203)

Unchanged at \$HK1.19 per share

CCT Resources Holdings Ltd (Code: 8163)

Up 3.57 percent to \$HK0.29 per share

Heng Xin China Holdings Ltd (Code: 8046)

Up 4.35 percent to \$HK0.72 per share

Honbridge Holdings Ltd (Code: 8137)

Up 0.70 percent to \$HK2.87 per share

Computech Holdings Ltd (Code: 8081)

Up 8.11 percent to \$HK0.40 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	10.40		0.245
Advanced Card Systems Holdings Ltd	8210	13.20		0.43
China Leason Investment Group Company Ltd	8270	36.20		0.305
China Primary Resources Holdings Ltd	8117	12.60		0.223
Crosby Capital Ltd	8088	10.80		0.205
Dahe Media Company Ltd	8243	12.50		0.36
Enviro Energy International Holdings Ltd	8182	11.80		0.57
ePRO Ltd	8086	39.10		0.32
Essex Bio-Technology Ltd	8151		11.10	0.32
Finet Group Ltd	8317		14.20	1.03
Shanghai Jiada Withub Information Industrial Company Ltd	8205	10.80		0.41
ThinSoft (Holdings) Incorporated	8096		17.20	0.72

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

The Hang Seng Index	Minus 2.88 percent
The Growth Enterprise Index	Plus 6.91 percent

On The Tokyo Stock Exchange, its TOPIX Index rose about 0.77 percent to 966.40 points.

Gainers outnumbered losers by the ratio of about 1.10:One.

The Nikkei-225 Stock Average put on ¥74.42, or about 0.68 percent, ending the trading week at ¥10,982.10.

The tally for the week for this market, which is the largest and most-important one in Asia, was:

The TOPIX Index	Plus 2.67 percent
The Nikkei-225 Stock Average	Plus 1.67 percent

This was how other Asian equity markets fared, last Friday:

The HKSAR	Hang Seng Index Minus 0.29 percent to 21,654.16 The Growth Enterprise Index Plus 0.80 percent to 755.30
Indonesia	Plus 0.07 percent to 2,647.09
Japan	TOPIX Index Plus 0.77 percent to 966.40 Nikkei-225 Stock Average Plus 0.68 percent to 10,982.10
Malaysia	Plus 0.30 percent to 1,298.58
The Philippines	Minus 0.11 percent to 3,118.47
The PRC	Shanghai Composite Index Plus 0.27 percent to 3,224.15 Shenzhen Composite Index Plus 0.62 percent to 1,226.72
Singapore	Minus 0.04 percent to 2,908.42
South Korea	Plus 0.95 percent to 1,701.80
Taiwan	Plus 0.81 percent to 8,356.89
Thailand	Minus 0.39 percent to 746.52

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