

**THE WORLD'S ECONOMIES IN CHAOS –
KEY EQUITY-MARKET INDICES DROP –
HOW MANY EUROPEAN ECONOMIES ARE ABOUT TO GO PHUT ?**

Stock and share prices rose on Wall Street, last Monday, following strong suggestions that the US economy had turned the proverbial corner and was headed for bigger and better things, later on in the year.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 118.20 points, equivalent to about 1.17 percent, ending the trading day at 10,185.53 points.

The Composite Index of The NASDAQ put on 23.85 points, or about 1.11 percent, running up to 2,171.20 points.

Trading was light – which did not suggest the beginning of a bull phase.

The ratio of gaining counters to losing ones was about 4.00:One on The New York Stock Exchange and about 1.70:One on The NASDAQ.

A report from The Institute for Supply Management (ISM) stated that US manufacturing activity grew for the sixth consecutive month in January to the strongest level since August 2004.

The ISM's Manufacturing Index jumped to 58.4 from 54.9 in December 2009.

The ISM was founded in 1915 and is the largest supply management association in the world as well as being one of the most respected.

Its mission is to lead the supply management profession through its standards of excellence, research, promotional activities, and education.

Its membership base includes more than 40,000 supply management professionals with a network of domestic and international affiliated associations.

So, when The ISM suggests, strongly, that US manufacturing is expanding, Wall Street listens.

The price of crude oil on international commodity exchanges rose, smartly, as traders and speculators, probably influenced by The ISM's reading of January's US manufacturing activity, jumped in, boots and all, in order to try to catch what they determined was a chance to make a short-term '*killing*'.

On The New York Mercantile Exchange (NYMEX), the last settlement of a barrel of light sweet crude oil for delivery in March came in at \$US74.43, representing a gain of about 2.11 percent on the final quote of Friday, January 29, 2010.

As for delivery in April, the last settlement of a barrel of light sweet crude oil was \$US74.91, up about 2.13 percent on the previous Friday's closing level.

European investors, having got wind of The ISM's findings for January, climbed aboard the fast-running Wall Street '*bus*', pushing up the key indices of major bourses in this region of the world:

Amsterdam's AEX Index	Plus	1.03 percent
France's CAC 40 Index	Plus	0.60 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.81 percent
Great Britain's FTSE 100 Index	Plus	1.13 percent
Italy's MIBTEL Index	Plus	0.51 percent
Switzerland's Swiss Market Index	Plus	1.15 percent

News Wise

- The economy of **The Russian Federation** contracted by about 7.90 percent in 2009, according to The Federal Statistics Service.

In Asia, a bearish mood prevailed on major equity markets of the region.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets managed to log in fractional gains.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index rose about 0.61 percent to 20,243.75 points.

The Total Turnover was about \$HK67.13 billion, while the ratio of advancing counters to declining ones was about 1.20:One.

The Ten Most Active counters included:

China Construction Bank Corporation (Code: 939)	Up 1.84 percent to \$HK6.09 per share
China Life Insurance Company Ltd (Code: 2628)	Up 0.43 percent to \$HK34.80 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 1.23 percent to \$HK5.77 per share
China Mobile Ltd (Code: 941)	Up 1.36 percent to \$HK74.75 per share
HSBC Holdings plc (Code: 5)	Up 0.30 percent to \$HK83.85 per share
Bank of China Ltd (Code: 3988)	Up 0.27 percent to \$HK3.76 per share
Tencent Holdings Ltd (Code: 700)	Down 2.89 percent to \$HK141.00 per share

PetroChina Company Ltd (Code: 857)

Down 0.45 percent to \$HK8.76 per share

Anhui Conch Cement Company Ltd (Code: 914)

Up 9.30 percent to \$HK47.00 per share

Sun Hung Kai Properties Ltd (Code: 16)

Up 1.20 percent to \$HK101.50 per share

The biggest movers of the Main Board included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Properties Investment Holdings Ltd	736	23.10		0.112
CITIC 21CN Company Ltd	241		16.30	1.18
G-Vision International (Holdings) Ltd	657	15.00		0.46
Yardway Group Ltd	646	15.10		0.84

Over on The **Growth Enterprise Market (The GEM)** of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gained about 0.94 percent to end the trading day at 711.46 points.

The Total Turnover on this market was about \$HK412.28 million, while the ratio of declining counters to advancing ones was about 1.10:One.

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

Richfield Group Holdings Ltd (Code: 8136)

Up 19.23 percent to \$HK0.62 per share

CCT Resources Holdings Ltd (Code: 8163)

Up 6.45 percent to \$HK0.33 per share

Long Success International (Holdings) Ltd (Code: 8017)

Unchanged at \$HK0.265 per share

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

Down 0.70 percent to \$HK28.20 per share

Honbridge Holdings Ltd (Code: 8137)

Up 5.00 percent to \$HK2.52 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	10.50		0.21
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd	8095		10.40	0.43
China Chief Cable TV Group Ltd	8153	21.10		0.69
HC International Incorporated	8292		17.30	0.43
ITE (Holdings) Ltd	8092	11.30		0.157
Richfield Group Holdings Ltd	8136	19.20		0.62
Rojam Entertainment Holdings Ltd	8075	28.30		0.145
Vertex Group Ltd	8228		11.60	0.099
Zmay Holdings Ltd	8085		12.60	0.173

On The Tokyo Stock Exchange, which is the premier equity market of Japan, its TOPIX Index lost about 0.28 percent, sliding back to 898.61 points.

Declining counters outraced advancing ones by the ratio of about 2.36: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 ¥6.98, an increase of about 0.07 percent, compared with the close of Friday, January 29, 2010, at ¥10,205.02.

News Wise

- **The Finance Ministry** announced that tax revenues in December 2009 came in at ¥2.44 trillion, down about 6.40 percent, compared with the like month in 2008. Corporate tax revenues, alone, dropped by about 42.20 percent, Year-On-Year, while personal income-tax revenues were off by about 9.00 percent.

On other Asian equity markets, this was how the situation looked, last Monday night:

The HKSAR	Hang Seng Index Plus 0.61 percent to 20,243.75 The Growth Enterprise Index Plus 0.96 percent to 711.46
Indonesia	Minus 0.89 percent to 2,587.55
Japan	TOPIX Index Minus 0.28 percent to 898.61 Nikkei-225 Stock Average Plus 0.07 percent to 10,205.02

Malaysia	Closed
The Philippines	Minus 2.37 percent to 2,883.21
The PRC	Shanghai Composite Index Minus 1.60 percent to 2,941.36 Shenzhen Composite Index Minus 1.58 percent to 1,102.69
Singapore	Minus 0.33 percent to 2,736.17
South Korea	Plus 0.25 percent to 1,606.44
Taiwan	Minus 1.52 percent to 7,524.67
Thailand	Plus 0.15 percent to 697.61

Tuesday

Crude-oil futures contracts were in heavy demand, last Tuesday, causing the price of this strategic commodity to rise rapidly on international commodity exchanges.

On The New York Mercantile Exchange (NYMEX), the last settlement of a barrel of light sweet crude oil for delivery in March came in at \$US77.23, representing a one-day, price improvement of about 3.76 percent.

As for delivery in April, the last settlement of a barrel of light sweet crude oil was \$US77.72, an increase of about 3.75 percent, compared with Monday's final quote.

The reason for the rapid gain in the price of crude oil was a strong indication that the world's economies were well on the way to recovery.

On The New York Stock Exchange, the Dow Jones Industrial Average put on another 1.09 percent, rising to 10,296.85 points.

Over on The NASDAQ, its Composite Index gained about 0.87 percent, ending the day's activities at 2,190.06 points.

Wall Street investors and speculators and traders on commodity markets had noted the findings of The Institute for Supply Management (ISM) and were moving with the flow. (Please see Monday's report)

In addition, reports, some confirmed and some unconfirmed, suggested that the property market of the US was, also, on the mend.

The ratio of gaining counters to losing counters was about 4.00:One on The New York Stock Exchange and about 1.25:One on The NASDAQ.

Trading was described as having been relatively light on both of the world's largest equity markets.

On major bourses in Europe, investors took heart from the 2 days of gains on Wall Street, resulting in all of the key indices to rise smartly:

Amsterdam's AEX Index	Plus	0.82 percent
France's CAC 40 Index	Plus	1.33 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.97 percent
Great Britain's FTSE 100 Index	Plus	0.68 percent
Italy's MIBTEL Index	Plus	1.76 percent
Switzerland's Swiss Market Index	Plus	0.76 percent

Helping Europe, of course, was the rapid increase in the price of crude oil since many of the equity markets in this part of the world are studded with energy and energy related counters.

In addition, it was determined that what was good for oil must, also, be good for other miners.

In Asia, equity investors were somewhat negative.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), it was very obvious that investors were less than a little cheery about the prospects with regard to the immediate future of the economy of the PRC, considering that the PRC Government is trying to cool down the world's second-largest economy.

The PRC Government has gone on record as stating that it is desirous of bringing down the prices of properties and it has placed restrictions on its population from investing overseas.

Interest rates in the Middle Kingdom are on the rise and banks have been told to halt financing property investments and, to those investors who do qualify for property loans, the down payment has to be increased, materially.

All of these moves do not bode well for the HKSAR and for Asia.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index, which is the benchmark of this market, gained just 0.14 percent to 20,272.18 points on a Total Turnover of about \$HK62.44 billion.

The ratio of advancing counters to declining ones was about 1.17:One.

The Ten Most Active counters were:

China Construction Bank Corporation (Code: 939)

Down 1.48 percent to \$HK6.00 per share

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

Down 1.21 percent to \$HK5.70 per share

China Life Insurance Company Ltd (Code: 2628)

Down 1.44 percent to \$HK34.30 per share

China Mobile Ltd (Code: 941)

Up 0.94 percent to \$HK75.45 per share

HSBC Holdings plc (Code: 5)

Up 0.83 percent to \$HK84.55 per share

Bank of China Ltd (Code: 3988)

Down 0.27 percent to \$HK3.75 per share

Tencent Holdings Ltd (Code: 700)

Up 0.64 percent to \$HK141.90 per share

CNOOC Ltd (Code: 883)

Up 1.08 percent to \$HK11.26 per share

PetroChina Company Ltd (Code: 857)

Up 0.91 percent to \$HK8.84 per share

China Shenhua Energy Company Ltd (Code:
1088)

Down 2.25 percent to \$HK32.60 per share

The biggest movers on this market included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Commercial Holdings Ltd	104	16.70		0.63
Cosmopolitan International Holdings Ltd	120	19.40		0.74
CVM Minerals Ltd	705		16.30	0.36
ENM Holdings Ltd	128	16.50		0.495
HyComm Wireless Ltd	499	26.30		1.44

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shed about 0.11 percent, coming to rest at 710.70 points by the close of the trading day.

Losing counters outran gaining ones by the ratio of 1.34:One, exactly.

The Total Turnover on this (speculative) market was about \$HK434.76 million.

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

Richfield Group Holdings Ltd (Code: 8136)

Down 3.23 percent to \$HK0.60 per share

China Chief Cable TV Group Ltd (Code: 8153)

Down 4.35 percent to \$HK0.66 per share

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

Down 3.01 percent to \$HK27.35 per share

Goldmond Holdings Ltd (Code: 8190)

Up 24.36 percent to \$HK0.097 per share

Honbridge Holdings Ltd (Code: 8137)

Up 2.78 percent to \$HK2.59 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	11.90		0.235
Emperor Entertainment Group Ltd	8078		13.00	1.40
Finet Group Ltd	8317	12.80		1.23
Global Link Communications Holdings Ltd	8060	10.60		0.167
Goldmond Holdings Ltd	8190	24.40		0.097
Shanghai Jiaoda Withub Information Industrial Company Ltd	8205	10.30		0.32

In Japan, the key indices of the country's 3 equity markets all made healthy gains.

On The Tokyo Stock Exchange, which is the premier equity market of the country, its TOPIX Index rose about 1.58 percent to 912.82 points.

Advancing counters outnumbered declining ones by the ratio of exactly 2.31:One.

The Nikkei-225 Stock Average rose about 1.63 percent to ¥10,371.09.

News Wise

- **Nomura Holdings Incorporated** announced a third quarter, Net Profit Attributable to Shareholders of about ¥10.20 billion. For the 3 months, ended December 31, 2009, the Japanese stockbroker said that the financial results contrasted with the like period in 2008 when the company reported a Net Loss Attributable to Shareholders of about ¥342.90 billion;
- **Softbank Corporation** announced that its Group Net Profit Attributable to Shareholders for the 9 months, ended December 31, 2009, came in at ¥94.86 billion; and,

- **Toyota Motor Corporation** may have to bite the bullet to the extent of upwards of ¥181 billion in respect of its recall of about 4.20 million motor vehicles worldwide. All of these vehicles have the potential of uncontrolled acceleration. In the US, alone, Toyota Motor Corporation will recall some 2.30 million vehicles. That figure of ¥181 billion as the like cost of this historic debacle does not include the potential for losses from numerous lawsuits that are known to be in the process of being served on the Japanese, motor-vehicle giant.

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

The HKSAR	Hang Seng Index Plus 0.14 percent to 20,272.18 The Growth Enterprise Index Minus 0.11 percent to 710.70
Indonesia	Minus 0.28 percent to 2,580.25
Japan	TOPIX Index Plus 1.58 percent to 912.82 Nikkei-225 Stock Average Plus 1.63 percent to 10,371.09
Malaysia	Plus 0.37 percent to 1,263.76
The Philippines	Minus 0.66 percent to 2,864.18
The PRC	Shanghai Composite Index Minus 0.23 percent to 2,934.71 Shenzhen Composite Index Minus 0.58 percent to 1,096.29
Singapore	Minus 0.56 percent to 2,720.87
South Korea	Minus 0.66 percent to 1,595.81
Taiwan	Minus 1.26 percent to 7,429.61
Thailand	Minus 0.51 percent to 694.07

Wednesday

Just how fickle are American investors was made abundantly clear, last Wednesday as the volume of activity on the world's largest equity markets waned appreciably, with the key indices on the largest equity markets in the world, hardly moving.

On The New York Stock Exchange, the Dow Jones Industrial Average slipped back about 0.26 percent

to 10,270.55 points while, over on The NASDAQ, its Composite Index shed about 0.04 percent to end the trading day at 2,190.91 points.

Losing counters outnumbered gaining ones by the ratio of about 1.50:One on both equity markets.

There, really, was no special news of any real import, but investors in The Land of The Free and The Home of The Brave were terribly concerned that Obama politics would weigh heavily on the direction of the US economy in the coming months.

On The New York Mercantile Exchange (NYMEX), the last settlement of a barrel of light sweet crude oil for delivery in March came in at \$US76.98. That was a decrease of about 0.32 percent, compared with Tuesday's closing level.

As for delivery in April, the last settlement of a barrel of light sweet crude oil was \$US77.43, representing a fall of about 0.37 percent on the day.

On major European equity markets, it was a similar story as the one, being enunciated on Wall Street.

In this part of the world, in addition to the questionable direction of the US economy, there was the matter of the economic health of quite a number of the countries of Europe.

Unemployment in many parts of Europe is standing at near record levels and people, walking the streets, looking for jobs, is never a good sign.

Once again, one heard the now hackneyed phrase: A double-dip recession.

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

Amsterdam's AEX Index	Minus 0.30 percent
France's CAC 40 Index	Minus 0.48 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.65 percent
Great Britain's FTSE 100 Index	Minus 0.57 percent
Italy's MIBTEL Index	Minus 1.07 percent
Switzerland's Swiss Market Index	Plus 0.11 percent

On Asian equity markets, investors seemed hot to trot to get stuck into stocks and shares.

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

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index moved up by about 2.22 percent to 20,722.08 points on a Total Turnover of about \$HK68.64 billion.

The ratio of advancing counters to declining ones was about 2.84:One.

The Ten Most Active counters were:

CNOOC Ltd (Code: 883)	Up 9.41 percent to \$HK12.32 per share
China Life Insurance Company Ltd (Code: 2628)	Up 1.31 percent to \$HK34.75 per share
China Construction Bank Corporation (Code: 939)	Up 1.67 percent to \$HK6.10 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 2.28 percent to \$HK5.83 per share
HSBC Holdings plc (Code: 5)	Up 1.42 percent to \$HK85.75 per share
Tencent Holdings Ltd (Code: 700)	Up 5.99 percent to \$HK150.40 per share
China Mobile Ltd (Code: 941)	Up 1.39 percent to \$HK76.50 per share
PetroChina Company Ltd (Code: 857)	Up 3.28 percent to \$HK9.13 per share
Bank of China Ltd (Code: 3988)	Up 2.40 percent to \$HK3.84 per share
China Shenhua Energy Company Ltd (Code: 1088)	Up 3.22 percent to \$HK33.65 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CITIC 21CN Company Ltd	241	17.50		1.34
Cosmopolitan International Holdings Ltd	120	17.60		0.87
Hans Energy Company Ltd	554	21.40		0.51
Imagi International Holdings Ltd	585	19.00		0.138
Proview International Holdings Ltd	334	38.30		0.56
Rainbow Brothers Holdings Ltd	33	17.10		1.64
South China Holdings Ltd	265	18.00		0.59

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index put on about 0.51 percent to 714.31 points.

The Total Turnover on this market was about \$HK426.78 million, while the ratio of advancing counters to declining ones was about 2.85:One.

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

Emcom International Ltd (Code: 8220)

Up 26.42 percent to \$HK0.201 per share

Long Success International (Holdings) Ltd (Code:
8017)

Up 0.40 percent to \$HK0.25 per share

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

Up 0.18 percent to \$HK27.40 per share

Richfield Group Holdings Ltd (Code: 8136)

Up 1.67 percent to \$HK0.61 per share

Honbridge Holdings Ltd (Code: 8137)

Down 3.09 percent to \$HK2.51 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Bio Cassava Holdings Ltd	8129	21.70		0.056
Emcom International Ltd	8220	26.40		0.201
Emperor Entertainment Group Ltd	8078		10.00	1.26
ePRO Ltd	8086	10.10		0.38
TeleEye Holdings Ltd	8051	11.10		4.50
TLT Lottotainment Group Ltd	8022	10.80		0.72

On The Tokyo Stock Exchange, its TOPIX Index rose about 0.31 percent to 915.68 points.

Gainers outran losers by the ratio of about 2.92:One.

The Nikkei-225 Stock Average rose about 0.32 percent to ¥10,404.33.

News Wise

- **Chugai Pharmaceutical Company** announced that its Consolidated Net Profit Attributable to Shareholders in respect of its Financial Year, ended December 31, 2009, came in at ¥56.63 billion.

That is an increase of about 44 percent, Year-On-Year;

- **Sharp Corporation** announced that, for the quarter, ended December 31, 2009, the company had booked a Net Profit Attributable to Shareholders of about ¥9.10 billion (2008: Net Loss Attributable to Shareholders of ¥65.80 billion); and,
- **Toyota Motor Corporation** said that sales of its vehicles in the US dropped by about 15.80 percent in January, Year-On-Year, to 98,796 units. This is the first time in 11 consecutive years that the company has not achieved sales of at least 100,000 vehicles for any single month.

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

The HKSAR	Hang Seng Index Plus 2.22 percent to 20,722.08 The Growth Enterprise Index Plus 0.51 percent to 714.31
Indonesia	Plus 0.94 percent to 2,604.55
Japan	TOPIX Index Plus 0.31 percent to 915.68 Nikkei-225 Stock Average Plus 0.32 percent to 10,404.33
Malaysia	Plus 0.27 percent to 1,267.15
The Philippines	Plus 0.72 percent to 2,884.81
The PRC	Shanghai Composite Index Plus 2.36 percent to 3,003.84 Shenzhen Composite Index Plus 1.85 percent to 1,116.60
Singapore	Plus 1.62 percent to 2,764.84
South Korea	Plus 1.20 percent to 1,615.02
Taiwan	Plus 1.59 percent to 7,547.98
Thailand	Plus 1.96 percent to 707.65

Thursday

The price of crude oil on international commodity exchanges fell, smartly, last Thursday, and the key indices on the world's largest and most-influential equity markets suffered their biggest losses of the

previous 9 months.

The reason: There was ample evidence to suggest that some of the European Governments were insolvent – unable to pay their debts as the fell due.

On The New York Stock Exchange, the Dow Jones Industrial Average shed about 2.61 percent, ending the hectic trading day at 10,002.18 points.

Over on The NASDAQ, its Composite Index gave up about 2.99 percent, falling back to 2,125.43 points.

The ratio of losing counters to gaining ones was about 14.00:One on the New York Stock Exchange and about 7.00:One on The NASDAQ.

The biggest banking counter to get a bloody nose, last Thursday, was Bank of America Corporation, its share price, giving up 5.02 percent to \$US14.75.

The reason for this sudden fall from fame for this bank, which is the largest in the US, was a lawsuit, filed by the New York Attorney General, claiming, inter alia, that the bank had duped investors and US taxpayers, during the takeover of Merrill Lynch and Company Incorporated.

Two of the Defendants in the lawsuit were Messrs Kenneth Lewis and Joseph Price, the former Chief Executive Officer and former Chief Financial Officer, respectively.

After saving Merrill Lynch and Company Incorporated from the knackers' yard, Bank of America Corporation obtained about \$US45 billion from the US Government.

News Wise

- The US Government's Transportation Department has launched an investigation into alleged, continued brake problems in the **2010 Toyota** hybrid motor car, The Prius. Toyota has admitted that it had a problem, but remedial steps had been taken in January.

On The **New York Mercantile Exchange (NYMEX)**, the last settlement of a barrel of light sweet crude oil for delivery in March was \$US73.14, representing a one-day fall of about 4.99 percent.

As for delivery in April, the last settlement of a barrel of light sweet crude came in at \$US73.54, down about 5.02 percent on the final quote of Wednesday.

In Europe, there was near investor chaos on the major equity markets of the region.

Aside from that which was transpiring on Wall Street, there were rumours that Greece, Portugal and Spain may be unable to meet their final obligations to creditors.

Stock and share prices fell, fast and furiously, as investors sought the safe haven of the US dollar, at least until the dust had settled.

The Bank of England, which is The Central Bank of The United Kingdom, and The **European Central Bank (ECB)** both announced that there would be no change in the existing status quo insofar as interest rates were concerned.

The Bank of England made the following announcement:

'The Bank of England's Monetary Policy Committee today voted to maintain the official Bank Rate paid on commercial bank reserves at 0.5%. The Committee also voted to maintain the stock of asset purchases financed by the issuance of central bank reserves at £200 billion.

'After a substantial fall in output, the United Kingdom economy recorded sluggish growth in

the final quarter of 2009. Spending by households appears to have picked up a little, though that may partly reflect temporary factors. The rate of decline in businesses' investment spending appears to have eased. And the world economy continued to recover, raising the demand for UK exports.

'CPI inflation has risen sharply to well above the 2% target, reaching 2.9% in December. That rise was largely accounted for by higher petrol price inflation and the reduction in the main VAT rate a year earlier dropping out of the calculation. Inflation is likely to have risen further in January, reflecting the restoration of the VAT rate to 17.5%. Pay growth has remained subdued.

'The considerable stimulus from the easing in monetary policy, the lower level of sterling and the recovery in UK export markets should together support domestic activity. But credit conditions are likely to remain restrictive, while the need to strengthen public and private sector finances will also weigh on spending. On balance, the Committee believes that the prospect is for a gradual recovery in the level of activity. The recession has probably impaired the supply capacity of the economy, but the scale and persistence of the fall in output means that a substantial margin of under-utilised resources is likely to remain for some time to come. That is likely to mean that inflation will fall below the target for a period.

'In the light of the Committee's latest Inflation Report projections and in order to keep inflation on track to meet the 2% inflation target over the medium term, the Committee judged that it was appropriate to maintain Bank Rate at 0.5% and its stock of purchases of government and corporate debt financed by the issuance of central bank reserves at £200 billion. The Committee noted that this stock of past purchases, together with the low level of Bank Rate, would continue to impart a substantial monetary stimulus to the economy for some time to come. The Committee will continue to monitor the appropriate scale of the asset purchase programme and further purchases would be made should the outlook warrant them... '.

The ECB followed the lead of The Bank of England, stating only:

'At today's meeting the Governing Council of the ECB decided that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 1.00%, 1.75% and 0.25% respectively.'

This was how the key indices of the most-important equity markets of Europe ended their respective trading days:

Amsterdam's AEX Index	Minus 2.94 percent
France's CAC 40 Index	Minus 2.74 percent
Germany's Frankfurt XETRA DAX Index	Minus 2.44 percent
Great Britain's FTSE 100 Index	Minus 2.16 percent
Italy's MIBTEL Index	Minus 3.34 percent
Switzerland's Swiss Market Index	Minus 2.41 percent

In Asia, it was a similar story with regard to the falls in the key indices in the US and Europe as Asian stock and share prices tumbled, but not for the same reasons as in the US and Europe.

Asia was concerned about the recent actions by the Government of the People's Republic of China (PRC) and how it would affect other areas of the most-populous part of the world.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, both equity markets lost a great deal of traction.

The Hang Seng Index, which is the benchmark of the Main Board of The Stock Exchange of Hongkong Ltd, gave up about 1.84 percent, dropping back to 20,341.64 points.

The Total Turnover dropped to about \$HK61 billion.

The ratio of losing counters to gaining ones was about 2.54:One.

The Ten Most Active counters were:

China Construction Bank Corporation (Code: 939)
Down 1.80 percent to \$HK5.99 per share

China Life Insurance Company Ltd (Code: 2628)
Down 1.73 percent to \$HK34.15 per share

Industrial and Commercial Bank of China Ltd
(Code: 1398)
Down 2.40 percent to \$HK5.69 per share

CNOOC Ltd (Code: 883)
Down 1.95 percent to \$HK12.08 per share

HSBC Holdings plc (Code: 5)
Down 2.22 percent to \$HK83.85 per share

China Mobile Ltd (Code: 941)
Down 2.48 percent to \$HK74.60 per share

PetroChina Company Ltd (Code: 857)
Down 2.30 percent to \$HK8.92 per share

China Starch Holdings Ltd (Code: 3838)
Down 18.50 percent to \$HK1.41 per share

Bank of China Ltd (Code: 3988)
Down 1.04 percent to \$HK3.80 per share

Hutchison Whampoa Ltd (Code: 13)
Up 2.90 percent to \$HK56.70 per share

The biggest movers of the Main Board were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Starch Holdings Ltd	3838		18.50	1.41
Cosmopolitan International Holdings Ltd	120	25.30		1.09

Dore Holdings Ltd	628	17.60		0.24
PacMOS Technologies Holdings Ltd	1010	17.40		0.54

On The **Growth Enterprise Market (The GEM)** of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shed about 1.13 percent, ending the trading day at 706.25 points.

The Total Turnover on this market was about \$HK437.40 million.

Declining counters outran advancing ones by the ratio of about 1.45:One.

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

Emcom International Ltd (Code: 8220)

Down 1.00 percent to \$HK0.199 per share

China LotSynergy Holdings Ltd (Code: 8161)

Down 5.33 percent to \$HK0.355 per share

Richfield Group Holdings Ltd (Code: 8136)

Up 1.64 percent to \$HK0.62 per share

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

Down 1.83 percent to \$HK26.90 per share

Wumart Stores Incorporated (Code: 8277)

Down 0.14 percent to \$HK13.90 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Blu Spa Holdings Ltd	8176	10.80		0.72
China E-Learning Group Ltd	8055	11.40		0.39
Global Link Communications Holdings Ltd	8060	15.30		0.211
Polyard Petroleum International Group Ltd	8011		17.50	0.066

On The Tokyo Stock Exchange, its TOPIX Index was shaved down by one half of a percentage point as investors pulled it back to 911.09 points.

Advancing counters outnumbered declining ones by the ratio of about 1.15:one.

The Nikkei-225 Stock Average shed about 0.46 percent, falling back to ¥10,355.98.

News Wise

- **Sony Corporation** announced that its Net Profit Attributable to Shareholders in respect of the quarter,

ended December 31, 2009, was ¥79.20 billion (2008: ¥10.40 billion).

And this was how other Asian equity markets ended their respective trading days, last Thursday:

The HKSAR	Hang Seng Index Minus 1.84 percent to 20,341.64 The Growth Enterprise Index Minus 1.13 percent to 706.25
Indonesia	Minus 0.43 percent to 2,593.22
Japan	TOPIX Index Minus 0.50 percent to 911.09 Nikkei-225 Stock Average Minus 0.46 percent to 10,355.98
Malaysia	Minus 0.17 percent to 1,265.03
The Philippines	Plus 1.04 percent to 2,914.87
The PRC	Shanghai Composite Index Minus 0.28 percent to 2,995.31 Shenzhen Composite Index Plus 0.28 percent to 1,119.77
Singapore	Minus 0.72 percent to 2,744.98
South Korea	Plus 0.09 percent to 1,616.42
Taiwan	Minus 0.08 percent to 7,542.04
Thailand	Minus 0.72 percent to 702.52

Friday

The price of crude oil continued to fall on international commodity exchanges and on all but Wall Street, stock and share prices fell, fast and furiously, as the world worried that the 2009, multiple bailouts of banks, finance houses and insurance companies, from one corner of the world to another, may have done irreparable damage to many a country's economy.

A bright spot in all of the gloom and doom came from the US where it was reported that the unemployment rate for the world's largest and most-important, single economy was abating – at least somewhat.

The Commissioner of The Bureau of Labour Statistics, Mr Keith Hall, testifying before the Joint Economic Committee of The United States Congress said, last Friday:

'The unemployment rate declined from 10.0 to 9.7 percent in January. Nonfarm payroll employment was essentially unchanged (-20,000) and on net has shown little movement over the last 3 months. In January, job losses continued in construction and in transportation and warehousing, while employment increased in temporary help services and retail trade. With revisions released today, job losses since the start of the recession in December 2007 totaled 8.4 million, substantially more than previously reported.

'Construction employment fell by 75,000 in January, about in line with the average monthly job loss in 2009. Nonresidential specialty trade contracting accounted for the much of the over-the-month decline. The nonresidential components of construction have accounted for the majority of the industry's job loss since early 2009. Employment in transportation and warehousing decreased by 19,000 in January; the entire decline occurred in courier and messenger services, which laid off more workers than usual over the month.

'Employment in temporary help services grew by 52,000 over the month. This industry, which provides workers to other businesses, has added nearly a quarter of a million jobs since its recent low point last September. Following 2 months of little change, retail trade employment increased by 42,000 in January, with gains in several components. Health care employment continued to rise in January. Overall, manufacturing employment was little changed, although motor vehicles and parts added 23,000 jobs. Since June, the manufacturing workweek for all employees has increased by 1.2 hours.

'Federal government employment rose in January, partly due to hiring for the decennial census. Employment in state and local governments, excluding education, continued to trend down over the month.

'Average hourly earnings of all employees in the private sector rose by 4 cents in January to \$22.45. Over the past 12 months, average hourly earnings have risen by 2.0 percent. From December 2008 to December 2009, the Consumer Price Index for All Urban Consumers (CPI-U) increased by 2.8 percent.

'Turning now to some measures from our household survey, both the number of unemployed persons (14.8 million) and the unemployment rate (9.7 percent) declined in January. However, the share of those jobless for 27 weeks and over continued to rise.

'The employment-population ratio increased to 58.4 percent over the month. The number of persons working part time who would have preferred full-time employment dropped from 9.2 to 8.3 million, the lowest level in a year.

'Before closing, I would note that several changes were introduced today to the Employment Situation news release text and tables. Three new household survey tables provide information on the employment status of veterans, persons with a disability, and the foreign-born population. In January, the unemployment rate of veterans from Gulf War era II (September 2001 to the present) was 12.6 percent, compared with 10.4 percent for nonveterans. Persons with a disability had a higher jobless rate than persons with no disability--15.2 versus 10.4 percent. In addition, 21.8 percent of persons with a disability were in the labor force, compared with 70.1 percent of persons without a disability. The unemployment rate for the foreign born was 11.8 percent, and the rate for the native born was 10.3 percent. (The data in these new tables are not seasonally adjusted.)

'The establishment survey tables have been redesigned to include the addition of data on hours and earnings for all private-sector employees as well as employment information for women. Women currently make up 49.9 percent of total nonfarm payroll employment, compared with 48.8 percent when the recession began in December 2007. Additional information about the new and redesigned tables is available on the BLS Web site.

'I would also note that there were annual adjustments to data from our two surveys. The establishment survey data released today reflect the incorporation of annual benchmark revisions. Each year, we re-anchor our sample-based survey estimates to full universe counts

of employment, primarily derived from administrative records of the unemployment insurance tax system. Accounting for revisions during the benchmark and post-benchmark periods, the previously published level of total nonfarm employment for December 2009 was revised downward by 1,363,000. Household survey data for January reflect updated population estimates from the U.S. Census Bureau. Further information about the impact of these adjustments is contained in our news release and on our Web site.

‘Returning now to the labor market data we released this morning, the jobless rate declined to 9.7 percent in January, and payroll employment was essentially unchanged.’

On The New York Stock Exchange, after the price of stocks and shares took a tumble, early in the trading day, there was some respite, albeit not a great deal of that stuff.

The Dow Jones Industrial Average ended the session at 10,012.23 points, a one-day gain of about one tenth of a percentage point.

The Composite Index of The NASDAQ, however, went up about 0.74 percent to 2,141.12 points.

On The New York Stock Exchange, declining counters outbid advancing ones by the ratio of about 1.31:One.

On The NASDAQ, gaining counters outnumbered losing ones by the ratio of about 1.17:One.

For a change, trading on the world’s largest equity markets was far and above the daily average of 2009.

The tally for the week for the world’s most-important equity markets was:

The Dow Jones Industrial Average	Minus 0.55 percent
The Composite Index of The NASDAQ	Minus 0.29 percent

On The New York Mercantile Exchange (NYMEX), the last settlement of a barrel of light sweet crude oil for delivery in March came in at \$US71.19, representing a one-day fall of about 2.67 percent.

As for delivery in April, the last settlement of a barrel of light sweet crude oil was \$US71.52, down about 2.75 percent on Thursday’s close.

On European equity markets, every key index of every bourse fell, some very materially as the following **TARGET** () list illustrates:

Amsterdam’s AEX Index	Minus 2.53 percent
France’s CAC 40 Index	Minus 3.40 percent
Germany’s Frankfurt XETRA DAX Index	Minus 1.78 percent
Great Britain’s FTSE 100 Index	Minus 1.52 percent
Italy’s MIBTEL Index	Minus 2.75 percent
Switzerland’s Swiss Market Index	Minus 2.05 percent

For Europe, it was the third, consecutive day of falling values of stock-market, key indices as investors in this part of the world became increasingly concerned as to the health – or should that read '*the lack of health*' – and many an economy of the Continent.

Last Friday's closing figures of the key indices of European bourses represented the largest weekly loss of the past 11 months.

One heard enigmatic phrases, such as, '*sovereign debt defaults*', and, '*the financial world in chaos*'.

Banks, naturally, took the brunt of the widespread sell-off – and more selling was feared for the coming week.

In Asia, every key index of every major equity market was written in red ink.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets lost ... and lost big time, too.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index shed about 3.33 percent, ending the trading day at 19,665.08 points.

The Total Turnover rose to about \$HK77.47 billion, while the ratio of losing counters to gaining ones was about 3.09:One.

The Ten Most Active counters were:

Esprit Holdings Ltd (Code: 330)	Down 4.51 percent to \$HK55.10 per share
HSBC Holdings plc (Code: 5)	Down 3.76 percent to \$HK80.70 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 3.16 percent to \$HK5.51 per share
China Mobile Ltd (Code: 941)	Down 1.01 percent to \$HK73.85 per share
China Construction Bank Corporation (Code: 939)	Down 3.01 percent to \$HK5.81 per share
China Life Insurance Company Ltd (Code: 2628)	Down 3.22 percent to \$HK33.05 per share
PetroChina Company Ltd (Code: 857)	Down 5.83 percent to \$HK8.40 per share
Bank of China Ltd (Code: 3988)	Down 4.21 percent to \$HK3.64 per share
Tencent Holdings Ltd (Code: 700)	Down 5.40 percent to \$HK138.40 per share
CNOOC Ltd (Code: 883)	Down 3.97 percent to \$HK11.60 per share

The biggest movers of the Main Board included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Golden Development Holdings Ltd	162	16.40		0.234
Dore Holdings Ltd	628		20.40	0.191
Hengli Properties Development (Group) Ltd	169	21.00		0.49
Winteam Pharmaceutical Group Ltd	570	18.40		1.03

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gave up, exactly, 2.54 percent, dropping back to 688.31 points.

The Total Turnover on this market was about \$HK519.78 million.

Losers outnumbered gainers by the ratio of about 4.36:One.

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

Neo Telemedia Ltd (Code: 8167)

Unchanged at \$HK0.128 per share

Emcom International Ltd (Code: 8220)

Up 15.58 percent to \$HK0.23 per share

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

Down 3.16 percent to \$HK26.05 per share

Richfield Group Holdings Ltd (Code: 8136)

Unchanged at \$HK0.62 per share

Long Success International (Holdings) Ltd (Code:
8017)

Down 1.96 percent to \$HK0.25 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Trends Holdings Ltd	8171	20.60		0.164
Dahe Media Company Ltd	8243		10.30	0.305
Emcom International Ltd	8220	15.60		0.23

Emperor Entertainment Group Ltd	8078	24.00		1.55
Rojam Entertainment Holdings Ltd	8075	13.30		0.17
Sonavox International Holdings Ltd	8226	12.20		0.55
TLT Lottotainment Group Ltd	8022		10.70	0.67

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

The Hang Seng Index	Minus 2.27 percent
The Growth Enterprise Index	Minus 2.32 percent

On The Tokyo Stock Exchange, which is the largest and most-important equity market of Asia, its TOPIX Index lost about 2.12 percent, ending the day at 891.78 points.

Declining counters outraced advancing ones by the ratio of about 11.50:One.

The Nikkei-225 Stock Average shed about 2.89 percent of its value, ending the session at ¥10,057.09.

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

The TOPIX Index	Minus 1.04 percent
The Nikkei-225 Stock Average	Minus 1.38 percent

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

The HKSAR	Hang Seng Index Minus 3.33 percent to 19,665.08 The Growth Enterprise Index Minus 2.54 percent to 688.31
Indonesia	Minus 2.86 percent to 2,518.98
Japan	TOPIX Index Minus 2.12 percent to 891.78 Nikkei-225 Stock Average Minus 2.89 percent to 10,057.09
Malaysia	Minus 1.35 percent to 1,247.90
The Philippines	Minus 2.03 percent to 2,855.64
The PRC	Shanghai Composite Index Minus 1.87 percent to 2,939.40 Shenzhen Composite Index Minus 2.02 percent to 1,097.12
Singapore	Minus 2.24 percent to 2,683.56

South Korea	Minus 3.05 percent to 1,567.12
Taiwan	Minus 4.30 percent to 7,217.83
Thailand	Minus 1.58 percent to 691.41

-- E N D --

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