

**EARNINGS' REPORTS OF SELECT 'DARLINGS'
TRIGGER POSITIVE, WALL STREET RESPONSES;
7 EUROPEAN BANKS FAIL STRESS TESTS; AND,
HOME SALES IN THE U.S. CONTINUE TO FALL**

Investors, locked into stocks and shares, listed on the world's largest equity markets, were banking on positive corporate earnings from industrial leaders in order to boost key indices, materially, last Monday.

Their dreams seemed likely to be dashed, following a statement, after the close of The New York Stock Exchange and The NASDAQ, from the world's largest technology services company, **International Business Machines Corporation (IBM)**. (See News Wise, below)

On Wall Street, the key indices of both The New York Stock Exchange and The NASDAQ were in positive territory at the close of the trading day, but only fractionally so.

That seemed quite likely to change on the morrow.

The Dow Jones Industrial Average, the benchmark of The New York Stock Exchange, rose about 56.53 points, or about 0.56 percent, ending the very quiet trading day at 10,154.43 points.

The Composite Index of The NASDAQ put on 19.18 points, equivalent to about 0.88 percent, as investors pulled it up to 2,198.23 points.

The ratio of gaining counters to losing ones was about 2.00:One on The New York Stock Exchange and about 1.50:One on The NASDAQ.

News Wise

- **IBM** announced, after the close of trading on The New York Stock Exchange and The NASDAQ, that second-quarter revenue rose by about 2 percent to \$US23.70 billion, Year-On-Year. Revenue had been reduced, the company said, due to foreign-currency translation losses, especially in respect of the euro vis-à-vis the US dollar. The Net Profit Attributable to Shareholders came in at \$US3.40 billion, up about 9.68 percent, Year-On-Year. IBM's share price fell about 3 percent on this report.

On European bourses, investors were not at all happy, especially on learning that the problems, facing Hungary, are not going to go away in a hurry. (See News Wise, below)

Also, other European countries are known to be struggling with their financial problems with no glimmer of light to be seen at the end of that tunnel.

This was how the key indices of **TARGET**'s list of the major equity markets of this region of the world fared, last Monday:

Amsterdam's AEX Index	Minus 0.61 percent
France's CAC 40 Index	Minus 0.39 percent

Germany's Frankfurt XETRA DAX Index Minus 0.51 percent

Great Britain's FTSE 100 Index Minus 0.20 percent

Italy's MIBTEL Index Minus 0.22 percent

Switzerland's Swiss Market Index Minus 0.44 percent

News Wise

- **The Irish Republic's sovereign bond** rating has been pared from Aa2 to Aa1 by Moody's Corporation. Moody's cited the country's loss of financial strength as the main reason for the downgrade. Moody's, also, said that it fully expected economic growth to wane in the next 3 years to 5 years; and,
- The **International Monetary Fund (IMF)** and the **European Union (EU)** have suspended a review of **Hungary's funding programme**, the review, having been established in an effort to try to save the country from a financial meltdown. The IMF and the EU said that Hungary must employ tough measures to tackle the chronic problems, facing the European country. The country's biggest lenders, Erste Group Bank AG (of Austria) and Raiffeisen Zentralbank Österreich AG (of Austria), are known to be feeling uncomfortable with their respective positions and their managements support the determinations of both the IMF and the EU.

On The **New York Mercantile Exchange (NYMEX)**, which is the largest commodity exchange in the world, the price of crude oil edged up on the back of the seeming strength of Wall Street.

For delivery in August, the last settlement of a barrel of light sweet crude oil came in at \$US76.54, up about 0.70 percent on the final quote of Friday, July 16, 2010.

As for delivery in September, the last settlement of a barrel of light sweet crude oil was \$US76.90, representing an increase of about 0.68 percent on the last settlement of the previous Friday.

In Asia, the financial problems, facing the world, took its toll of investor confidence.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets lost about three quarters of a percentage point, each.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index, the benchmark index of this, the premier equity market of the territory, gave up about 0.79 percent, dropping back to 20,090.95 points.

The Total Turnover was about \$HK43.78 billion, while the ratio of losing counters to gaining ones was about 2.06:One.

The Ten Most Active counters were:

Agricultural Bank of China Ltd (Code: 1288)

Down 1.83 percent to \$HK3.21 per share

HSBC Holdings plc (Code: 5)

Down 2.25 percent to \$HK73.95 per share

China Construction Bank Corporation (Code:
939)

Down 0.63 percent to \$HK6.28 per share

Bank of China Ltd (Code: 3988)

Down 1.95 percent to \$HK4.03 per share

China Life Insurance Company Ltd (Code: 2628)

Down 0.75 percent to \$HK33.15 per share

CNOOC Ltd (Code: 883)

Up 0.82 percent to \$HK12.36 per share

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

Down 0.35 percent to \$HK5.67 per share

China Mobile Ltd (Code: 941)

Up 0.13 percent to \$HK77.15 per share

Hongkong Exchanges and Clearing Ltd (Code:
388)

Down 1.72 percent to \$HK120.10 per share

BaWang International (Group) Holding
Ltd (Code: 1338)

Up 7.27 percent to \$HK4.87 per share

The biggest movers of the Main Board were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Financial Leasing Group Ltd	2312	15.80		0.183
China Fortune Holdings Ltd	110		15.40	0.33
China Infrastructure Investment Ltd	600	18.90		0.29
Linmark Group Ltd	915		19.50	0.66
Moiselle International Holdings Ltd	130	25.60		1.57
Nam Hing Holdings Ltd	986	17.20		0.34
New Environmental Energy Holdings Ltd	3989		18.10	0.68
The Sincere Company Ltd	244	16.30		0.57
Unity Investments Holdings Ltd	913		16.20	0.067

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth

Enterprise Index shed about 0.76 percent to 747.48 points.

The Total Turnover shrank to about \$HK216.60 million.

The ratio of losing counters to gaining ones was about 2.14:One.

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

Sonavox International Holdings Ltd (Code: 8226)

Up 52.50 percent to \$HK0.61 per share

Wumart Stores Incorporated (Code: 8277)

Up 0.78 percent to \$HK15.50 per share

Coolpoint Energy Ltd (Code: 8032)

Down 2.86 percent to \$HK0.68 per share

Launch Tech Company Ltd (Code: 8196)

Down 6.10 percent to \$HK2.00 per share

Heng Xin China Holdings Ltd (Code: 8046)

Up 6.76 percent to \$HK0.79 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Electric Power Technology Holdings Ltd	8053	12.70		0.24
ITE (Holdings) Ltd	8092		11.00	0.13
Sau San Tong Holdings Ltd	8200		10.00	0.09
Sonavox International Holdings Ltd	8226	52.50		0.61

All of Japan's equity markets were closed for a national holiday, last Monday.

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

The HKSAR	Hang Seng Index Minus 0.79 percent to 20,090.95 The Growth Enterprise Index Minus 0.76 percent to 747.48
Indonesia	Minus 0.56 percent to 2,975.57
Japan	TOPIX Index Closed Nikkei-225 Stock Average Closed

Malaysia	Minus 0.25 percent to 1,333.35
The Philippines	Minus 0.53 percent to 3,424.29
The PRC	Shanghai Composite Index Plus 2.11 percent to 2,475.42 Shenzhen Composite Index Plus 2.43 percent to 993.07
Singapore	Minus 0.42 percent to 2,945.42
South Korea	Minus 0.37 percent to 1,731.95
Taiwan	Minus 0.19 percent to 7,649.83
Thailand	Plus 0.35 percent to 830.40

Tuesday

The prices of stocks and shares rose on the world's largest equity markets, last Tuesday.

Investors continued to take their cue from a handful of financial announcements, put out by a select number of heavyweights, all of which are either listed on The New York Stock Exchange or The NASDAQ.

On The New York Stock Exchange, the Dow Jones Industrial Average gained about 0.74 percent, ending the light trading session at 10,229.96 points.

Over on The NASDAQ, its Composite Index put on about 1.10 percent, rising to 2,222.49 points.

The ratio of gaining counters to losing ones was about 4.00:One on The New York Stock Exchange and about 2.40:One on The NASDAQ.

Holding back The Dow, to a great extent, was selling pressure on the scrip of **International Business Machines Corporation (IBM)**, following that heavyweight's financial report with regard to the second quarter. (Please see Monday's report)

IBM's share price shed about 2.50 percent to \$US126.55.

Also hurting the US equity markets was a report from The (US) Government's Commerce Department. (See News Wise)

News Wise

- The number of **new homes**, built in the US, during the month of June, fell to the lowest level since October 2009, according to The Commerce Department. Month-On-Month, construction of new homes dropped by about 5 percent to a seasonally adjusted annual rate of 549,000 units. For condominiums and apartments, demand was off by about 20 percent.

On The New York Mercantile Exchange (NYMEX), the last settlement of a barrel of light sweet crude oil for delivery in August came in at \$US77.44, representing a one-day gain of about 1.18 percent.

As for delivery in September, the last settlement of a barrel of light sweet crude oil was \$US77.58, up about 0.88 percent on Monday's final quote.

On major European bourses, their respective key indices all finished up in the red, last Tuesday, but only fractionally so as the following **TARGET** () list illustrates:

Amsterdam's AEX Index	Minus 0.47 percent
France's CAC 40 Index	Minus 0.52 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.69 percent
Great Britain's FTSE 100 Index	Minus 0.17 percent
Italy's MIBTEL Index	Minus 0.69 percent
Switzerland's Swiss Market Index	Minus 0.53 percent

It appeared that, unlike their US counterparts, European investors are not very much in favour of playing the game of running with the lemmings, only to jump off the cliff's edge.

In Asia, the key indices of The Shanghai Stock Exchange and The Shenzhen Stock Exchange made the largest gains.

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 0.86 percent, rising to 20,264.59 points.

The Total Turnover was about \$HK51.81 billion.

Advancing counters outran declining ones by the ratio of about 2.07:One.

The Ten Most Active counters were:

China Life Insurance Company Ltd (Code: 2628)	Up 1.51 percent to \$HK33.65 per share
China Construction Bank Corporation (Code: 939)	Up 1.75 percent to \$HK6.39 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 1.23 percent to \$HK5.74 per share
China Mobile Ltd (Code: 941)	Up 0.19 percent to \$HK77.30 per share

HSBC Holdings plc (Code: 5)

Up 0.34 percent to \$HK74.20 per share

CNOOC Ltd (Code: 883)

Up 1.46 percent to \$HK12.54 per share

Agricultural Bank of China Ltd (Code: 1288)

Unchanged at \$HK3.21 per share

Bank of China Ltd (Code: 3988)

Up 0.50 percent to \$HK4.05 per share

PetroChina Company Ltd (Code: 857)

Up 0.95 percent to \$HK8.54 per share

BOC Hongkong (Holdings) Ltd (Code: 2388)

Up 1.81 percent to \$HK19.10 per share

The biggest mover on this market included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CASH Financial Services Group Ltd	510	24.70		0.91
Karl Thomson Holdings Ltd	7	32.80		0.77
Ruinian International Ltd	2010		16.10	4.53

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index ran up to 759.97 points, up about 1.67 percent, compared with Monday's close.

The Total Turnover shrank, however, to about \$HK196.57 million.

Gainers outnumbered losers by the ratio of about 1.69:One.

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

Coolpoint Energy Ltd (Code: 8032)

Up 1.47 percent to \$HK0.69 per share

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

Up 5.26 percent to \$HK34.00 per share

Wumart Stores Incorporated (Code: 8277)

Up 0.65 percent to \$HK15.60 per share

Heng Xin China Holdings Ltd (Code: 8046)

Unchanged at \$HK0.79 per share

China Public Healthcare (Holding) Ltd (Code:
8116)

Down 0.60 percent to \$HK0.166 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Code Agriculture (Holdings) Ltd	8153	10.90		0.305
Sonavox International Holdings Ltd	8226		16.40	0.51
Timeless Software Ltd	8028	11.60		0.106

On The Tokyo Stock Exchange, which is the largest equity market in Asia, its TOPIX Index shed about 0.99 percent, dropping back to 832.26 points.

Losing counters outpaced gaining ones by the ratio of about 2.05: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, fell ¥107.90, or about 1.15 percent, ending the trading day at ¥9,300.46.

On other Asian equity markets, this was how their respective key indices fared, last Tuesday:

The HKSAR	Hang Seng Index Plus 0.86 percent to 20,264.59 The Growth Enterprise Index Plus 1.67 percent to 759.97
Indonesia	Plus 0.67 percent to 2,995.44
Japan	TOPIX Index Minus 0.99 percent to 832.26 Nikkei-225 Stock Average Minus 1.15 percent to 9,300.46
Malaysia	Plus 0.32 percent to 1,337.67
The Philippines	Minus 0.54 percent to 3,405.69
The PRC	Shanghai Composite Index Plus 2.15 percent to 2,528.73 Shenzhen Composite Index Plus 2.75 percent to 1,020.36
Singapore	Plus 0.11 percent to 2,948.61
South Korea	Plus 0.28 percent to 1,736.77

Taiwan	Plus 0.81 percent to 7,712.03
Thailand	Minus 0.72 percent to 824.41

Wednesday

Wall Street shuddered as the Chairman of the US Federal Reserve issued, what amounted to, another financial bombshell about the present situation with regard to the US economy.

Dr Ben S. Bernanke, testifying before the Committee on Banking, Housing, and Urban Affairs of the US Senate in Washington, D.C., said, among other things:

'... An important drag on household spending is the slow recovery in the labor market and the attendant uncertainty about job prospects. After two years of job losses, private payrolls expanded at an average of about 100,000 per month during the first half of this year, a pace insufficient to reduce the unemployment rate materially. In all likelihood, a significant amount of time will be required to restore the nearly 8-1/2 million jobs that were lost over 2008 and 2009. Moreover, nearly half of the unemployed have been out of work for longer than six months. Long-term unemployment not only imposes exceptional near-term hardships on workers and their families, it also erodes skills and may have long-lasting effects on workers' employment and earnings prospects ...

'One factor underlying the Committee's somewhat weaker outlook is that financial conditions--though much improved since the depth of the financial crisis--have become less supportive of economic growth in recent months. Notably, concerns about the ability of Greece and a number of other euro-area countries to manage their sizable budget deficits and high levels of public debt spurred a broad-based withdrawal from risk-taking in global financial markets in the spring, resulting in lower stock prices and wider risk spreads in the United States. In response to these fiscal pressures, European leaders put in place a number of strong measures, including an assistance package for Greece and €500 billion of funding to backstop the near-term financing needs of euro-area countries. To help ease strains in U.S. dollar funding markets, the Federal Reserve reestablished temporary dollar liquidity swap lines with the ECB and several other major central banks. To date, drawings under the swap lines have been limited, but we believe that the existence of these lines has increased confidence in dollar funding markets, helping to maintain credit availability in our own financial system...

'Like financial conditions generally, the state of the U.S. banking system has also improved significantly since the worst of the crisis. Loss rates on most types of loans seem to be peaking, and, in the aggregate, bank capital ratios have risen to new highs. However, many banks continue to have a large volume of troubled loans on their books, and bank lending standards remain tight. With credit demand weak and with banks writing down problem credits, bank loans outstanding have continued to contract. Small businesses, which depend importantly on bank credit, have been particularly hard hit. At the Federal Reserve, we have been working to facilitate the flow of funds to creditworthy small businesses. Along with the other supervisory agencies, we issued guidance to banks and examiners emphasizing that lenders should do all they can to meet the needs of creditworthy borrowers, including small businesses. We also have conducted extensive training programs for our bank examiners, with the message that lending to viable small businesses is good for the safety and soundness of our banking system as well as for our economy... '.

He, also, said that the present, low interest rates in the US would continue for some time.

On The New York Stock Exchange, the Dow Jones Industrial Average lost about 1.07 percent, dropping back to 10,120.45 points.

The Composite Index of The NASDAQ shed about 1.58 percent, ending the hectic trading session at

2,187.33 points.

Though trading was hectic, compared with the average daily volume of activity in 2009, last Wednesday's turnover was about 10 percent lower.

The ratio of losing counters to gaining ones was about 2.00:One on The New York Stock Exchange and about 3.00:One on The NASDAQ.

European investors had gone for supper at the time that the Chairman of The Fed was giving his testimony and, therefore, they did not know of the full extent of his utterances.

As such, the key indices of major bourses in this part of the world shot up on the seeming strength of a handful of financial reports from Wall Street companies, with banking counters, chalking up some of the most-useful gains.

This was how the situation looked on the major European bourses, last Wednesday night:

Amsterdam's AEX Index	Plus	1.84 percent
France's CAC 40 Index	Plus	0.74 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.38 percent
Great Britain's FTSE 100 Index	Plus	1.46 percent
Italy's MIBTEL Index	Plus	0.75 percent
Switzerland's Swiss Market Index	Plus	0.26 percent

On The **New York Mercantile Exchange (NYMEX)**, the price of crude oil came off, mainly on the back of the statements of Dr Ben S. Bernanke.

For delivery in September, the last settlement of a barrel of light sweet crude oil lost about 1.31 percent, dropping back to \$US76.56.

(September became the near month, last Wednesday, as August futures contracts expired.)

In respect of delivery in October, the last settlement of a barrel of light sweet crude oil was \$US77.00, even,

On Asian equity markets, the key indices of the majority of them made gains, investors, of course, not having an inkling of what the Chairman of The Fed would state to the US Senate.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets put on more than one percent, each.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index rose about 1.10 percent to 20,487.23 points.

The Total Turnover on this, the premier equity market of the territory, was about \$HK55.13 billion, while the ratio of advancing counters to declining ones was about 2.13:One.

The Ten Most Active counters were:

China Construction Bank Corporation (Code: 939)	Up 1.25 percent to \$HK6.47 per share
HSBC Holdings plc (Code: 5)	Up 2.16 percent to \$HK75.80 per share
China Life Insurance Company Ltd (Code: 2628)	Up 1.19 percent to \$HK34.05 per share
Angang Steel Company Ltd (Code: 347)	Up 7.93 percent to \$HK11.70 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 0.87 percent to \$HK5.79 per share
China Mobile Ltd (Code: 941)	Up 1.16 percent to \$HK78.20 per share
Bank of China Ltd (Code: 3988)	Up 1.23 percent to \$HK4.10 per share
CNOOC Ltd (Code: 883)	Up 2.39 percent to \$HK12.84 per share
Agricultural Bank of China Ltd (Code: 1288)	Up 0.31 percent to \$HK3.22 per share
PetroChina Company Ltd (Code: 857)	Up 1.87 percent to \$HK8.70 per share

The biggest, Main Board movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Daisho Microline Holdings Ltd	567		15.90	0.53
Mascotte Holdings Ltd	136	15.20		0.53
Ruinian International Ltd	2010	17.00		5.30
Solargiga Energy Holdings Ltd	757	15.80		1.69
Tidetime Sun (Group) Ltd	307	19.80		0.23
Wai Chun Mining Industry Group Company Ltd	660	21.30		0.455

Over on The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index put on about 1.53 percent, running up to 771.58 points.

The Total Turnover was about \$HK224.78 million, with advancing counters, outnumbering declining ones by the ratio of exactly 1.16:One.

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

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

Up 2.65 percent to \$HK34.90 per share

China Trends Holdings Ltd (Code: 8171)

Up 21.21 percent to \$HK0.04 per share

Sonavox International Holdings Ltd (Code: 8226)

Up 3.92 percent to \$HK0.53 per share

Wumart Stores Incorporated (Code: 8277)

Up 1.92 percent to \$HK15.90 per share

Coolpoint Energy Ltd (Code: 8032)

Unchanged at \$HK0.69 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Capital Resources (Holdings) Ltd	8025	16.40		1.28
China Trends Holdings Ltd	8171	21.20		0.04
Global Link Communications Holdings Ltd	8060	13.00		0.305
ITE (Holdings) Ltd	8092	10.00		0.143
Ningbo Yidong Electronic Company Ltd	8249	16.40		0.135
Soluteck Holdings Ltd	8111	11.40		0.39

On the equity markets of The Land of The Rising Sun, all of the key indices were in negative territory by the close of the trading day.

On The Tokyo Stock Exchange, which is the premier equity market of Japan, its TOPIX Index gave up about 0.35 percent, dropping back to 829.35 points.

Declining counters outpaced advancing ones by the ratio of about 2.76:One.

The Nikkei-225 Stock Average gave up about 0.23 percent, edging down to ¥9,278.83.

News Wise

- **Seiko Epson Corporation** has agreed to pay \$US7 million in order to settle a class-action, antitrust lawsuit, filed in the US. Two subsidiaries of Seiko Epson have been accused of price-fixing.

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

The HKSAR	Hang Seng Index Plus 1.10 percent to 20,487.23 The Growth Enterprise Index Plus 1.53 percent to 771.58
Indonesia	Plus 0.60 percent to 3,013.40
Japan	TOPIX Index Minus 0.35 percent to 829.35 Nikkei-225 Stock Average Minus 0.23 percent to 9,278.83
Malaysia	Plus 0.25 percent to 1,341.02
The Philippines	Plus 0.38 percent to 3,418.71
The PRC	Shanghai Composite Index Plus 0.26 percent to 2,535.39 Shenzhen Composite Index Plus 0.06 percent to 1,020.96
Singapore	Minus 0.76 percent to 2,926.09
South Korea	Plus 0.69 percent to 1,748.78
Taiwan	Minus 0.14 percent to 7,701.29
Thailand	Plus 0.79 percent to 830.93

Thursday

Yesterday was yesterday; today is today.

Whatever that is meant to mean, that is the way that investors explained the rapid gains on the world's largest equity markets, last Thursday.

On The New York Stock Exchange, the Dow Jones Industrial Average rose about 1.99 percent to 10,322.30 points while, over on The NASDAQ, its Composite Index put on about 2.68 percent, ending the trading day at 2,245.89 points.

The ratio of gaining counters to losing ones was about 7.00:One on The New York Stock Exchange and about 5.00:One on The NASDAQ.

Trading was described, once again, as being very light, relative to the average trading pattern of 2009.

As for the excuses for the gains in the key indices of both equity markets, the gurus pointed to the raft of positive earnings announcements from Wall Street *'darlings'*.

TARGET was told: *'Isn't that enough evidence of the strength of the economy of the greatest country in the world?'*

Raise the Stars and Stripes on the highest pole!

News Wise

- The National Association of (US) Realtors announced that **sales of existing homes** in the country fell in June by about 5 percent, Month-On-Month. The inventory level of unsold homes stands at about 4 million units, an increase of the 2.50 percent, Month-On-Month.

On The **New York Mercantile Exchange (NYMEX)**, the last settlement of a barrel of light sweet crude oil for delivery in September came in at \$US79.30, an increase over Wednesday's last settlement of about 3.58 percent.

For delivery in October, the last settlement of a barrel of light sweet crude oil was \$US79.64, up about 3.43 percent on the day.

A tropical depression is generating into a storm off the Bahamian coast and, if it continues along its present track, building power as it goes, the storm, on entering The Gulf of Mexico, could be a threat to refineries in Louisiana and Texas, disrupting production of petrol and distillates, thus causing prices to rise.

On European equity markets, all of the majors experienced bullishness from investors, resulting in the key indices to record substantial gains:

Amsterdam's AEX Index	Plus	2.70 percent
France's CAC 40 Index	Plus	3.05 percent
Germany's Frankfurt XETRA DAX Index	Plus	2.53 percent
Great Britain's FTSE 100 Index	Plus	1.90 percent
Italy's MIBTEL Index	Plus	2.58 percent
Switzerland's Swiss Market Index	Plus	0.88 percent

Europeans investors, initially, were taking their cue from Wall Street's gains, but, in addition, the increase in the price of crude oil and positive earnings' reports from European companies, whose scrip is traded in this part of the world, all went to help to fan the flames of the seemingly bullish markets.

News Wise

- Finland's **Nokia**, one the world's largest producers of mobile telephones, reported a 40-percent drop in Net Profit Attributable to Shareholders in respect of the second quarter of its Financial Year, ended

June 30, 2010, compared with the like period in 2009.

In Asia, by and large, investors were uncertain as to what action to take in respect of trading in stocks and shares, taking into account the statements of Dr Ben S. Bernanke, the Chairman of the US Federal Reserve. (Please see Wednesday's report)

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), only fractional gains were recorded in the key indices of the territory's 2 equity markets.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index rose, exactly, one half of a percentage point, ending the trading day at 20,589.70 points.

The Total Turnover was about \$HK54.27 billion, while the ratio of advancing counters to declining ones was about 1.65:One.

The Ten Most Active counters were:

Agricultural Bank of China Ltd (Code: 1288)	Up 2.48 percent to \$HK3.30 per share
China Agri-Industries Holdings Ltd (Code: 606)	Down 6.63 percent to \$HK8.87 per share
China Construction Bank Corporation (Code: 939)	Up 0.46 percent to \$HK6.50 per share
HSBC Holdings plc (Code: 5)	Up 0.20 percent to \$HK75.95 per share
Bank of China Ltd (Code: 3988)	Up 0.49 percent to \$HK4.12 per share
China Mobile Ltd (Code: 941)	Up 0.32 percent to \$HK78.45 per share
China Life Insurance Company Ltd (Code: 2628)	Up 0.44 percent to \$HK34.20 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 0.52 percent to \$HK5.82 per share
Tencent Holdings Ltd (Code: 700)	Down 1.15 percent to \$HK137.10 per share
Shimao Property Holdings Ltd (Code: 813)	Up 0.96 percent to \$HK14.72 per share

The biggest movers of the Main Board included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Motion Telecom International Ltd	989	15.50		0.171

China Precious Metal Resources Holdings Company Ltd	1194	16.30		1.64
Kai Yuan Holdings Ltd	1215	16.10		0.325
Ruyan Group (Holdings) Ltd	329		30.00	0.042
United Pacific Industries Ltd	176	15.00		0.345

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index added about 0.46 percent as investors pulled it up to 775.10 points.

The Total Turnover was about \$HK310.08 million.

Declining counters outnumbered advancing ones by the ratio of 1.22:One, exactly.

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

Launch Tech Company Ltd (Code: 8196)

Up 7.14 percent to \$HK2.40 per share

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

Up 1.58 percent to \$HK35.45 per share

China Eco-Farming Ltd (Code: 8166)

Down 3.70 percent to \$HK0.52 per share

Heng Xin China Holdings Ltd (Code: 8046)

Down 3.85 percent to \$HK0.75 per share

China Public Healthcare (Holding) Ltd (Code:
8116)

Down 1.20 percent to \$HK0.165 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Vanguard Group Ltd	8156	10.40		0.191
Oriental City Group Holdings Ltd	8325		10.00	0.45
Palmpay China (Holdings) Ltd	8047	13.20		0.189

On The Tokyo Stock Exchange, its TOPIX Index lost about 0.47 percent, dropping back to 825.48 points.

Losing counters outpaced gaining ones by the ratio of about 1.96:One.

The Nikkei-225 Stock Average surrendered about 0.62 percent, dropping to ¥9,220.88.

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

The HKSAR	Hang Seng Index Plus 0.50 percent to 20,589.70 The Growth Enterprise Index Plus 0.46 percent to 775.10
Indonesia	Minus 0.12 percent to 3,009.92
Japan	TOPIX Index Minus 0.47 percent to 825.48 Nikkei-225 Stock Average Minus 0.62 percent to 9,220.88
Malaysia	Minus 0.37 percent to 1,336.05
The Philippines	Minus 0.11 percent to 3,414.90
The PRC	Shanghai Composite Index Plus 1.07 percent to 2,562.41 Shenzhen Composite Index Plus 1.45 percent to 1,035.78
Singapore	Plus 1.01 percent to 2,955.67
South Korea	Minus 0.76 percent to 1,735.53
Taiwan	Minus 0.45 percent to 7,666.34
Thailand	Plus 0.25 percent to 833.01

Friday

US investors appeared exuberant, last Friday, after learning that a number of popular companies, some, being components of The Dow Jones Industrial Average, had beat previous profits' estimates, those estimates, having been calculated by merchant-banking analysts.

The key indices of both The New York Stock Exchange and The NASDAQ rose smartly.

On The New York Stock Exchange, The Dow put on just under one percent, to close at 10,424.62 points, and, over on The NASDAQ, its Composite Index rose about 1.05 percent to 2,269.47 points.

Trading continued on the low side, however, suggesting that the bulls are still in their pens.

The ratio of gainers to losers was about 4.00:One on The New York Stock Exchange and about 3.50:One on

The NASDAQ.

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

The Dow Jones Industrial Average	Plus	3.24 percent
The Composite Index of The NASDAQ	Plus	4.15 percent

In Europe, the majority of the most-important bourses managed to follow the lead of Wall Street even though there was some startling news about a number of the region's banks.

The key indices of the largest equity markets made useful gains.

However, in this part of the world, as with the US, corporate news seemed to be directing the movement of stocks and shares, in the main.

This was how the key indices of **TARGET's** 6 major equity markets fared, last Friday:

Amsterdam's AEX Index	Plus	0.57 percent
France's CAC 40 Index	Plus	0.17 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.39 percent
Great Britain's FTSE 100 Index	Minus	0.02 percent
Italy's MIBTEL Index	Minus	0.39 percent
Switzerland's Swiss Market Index	Plus	0.11 percent

News Wise

- At least, 7 **European banks** would be unable to withstand another recession, it has been calculated. The banks, named in the European Union stress test, included 5 smaller, regional lenders in Spain, one major bank in Germany and one major bank in Greece. The 2 banks that failed the stress test, completely, were Hypo Real Estate Holding AG (of Germany) and ATEbank (of Greece); and,
- The economy of the **United Kingdom** grew by about 1.10 percent in the second quarter of this year, The Office of National Statistics reported. It was the fastest, quarterly expansion since 2006.

On The **New York Mercantile Exchange (NYMEX)**, the last settlement of a barrel of light sweet crude oil for delivery in September came in at \$US78.98, down about 0.40 percent on Thursday's close of this market.

As for delivery in October, the last settlement of a barrel of light sweet crude oil was \$US79.34, down about 0.38 percent, compared with the final quote of Thursday.

In the Hongkong Special Administrative Region of the People's Republic of China (PRC), the key indices of both equity markets rose more than one percent, each.

The Hang Seng Index, which is the benchmark index of the Main Board of The Stock Exchange of Hongkong Ltd, gained about 1.10 percent, ending the trading day at 20,815.33 points.

The Total Turnover was about \$HK69.89 billion.

The ratio of advancing counters to declining ones was about 2.11:One.

The Ten Most Active counters were:

Agricultural Bank of China Ltd (Code: 1288)	Up 5.45 percent to \$HK3.48 per share
China Construction Bank Corporation (Code: 939)	Up 1.38 percent to \$HK6.59 per share
HSBC Holdings plc (Code: 5)	Up 1.25 percent to \$HK76.90 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 1.20 percent to \$HK5.89 per share
Bank of China Ltd (Code: 3988)	Up 0.73 percent to \$HK4.15 per share
China Mobile Ltd (Code: 941)	Unchanged at \$HK78.45 per share
China Life Insurance Company Ltd (Code: 2628)	Up 0.88 percent to \$HK34.50 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 2.34 percent to \$HK126.80 per share
China Shenhua Energy Company Ltd (Code: 1088)	Up 3.52 percent to \$HK30.85 per share
China National Building Material Company Ltd (Code: 3323)	Up 7.10 percent to \$HK14.48 per share

On the Main Board, the 10 biggest movers were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Coal Ltd	835		11.70	0.188
Century Legend (Holdings) Ltd	79	12.70		0.40
China Financial Leasing Group Ltd	2312	13.00		0.165
CNT Group Ltd	701	10.10		0.38
Macau Investment Holdings Ltd	2362		10.20	0.53
Pearl Oriental Innovation Ltd	632	11.50		1.16

Solartech International Holdings Ltd	1166	12.50		0.027
Sunway International Holdings Ltd	58	10.20		0.325
Vietnam Manufacturing and Export Processing (Holdings) Ltd	422	10.10		2.07
Wai Chun Mining Industry Group Company Ltd	660		13.10	0.43

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gained about 1.31 percent, rising to 785.26 points.

The Total Turnover on this market was about \$HK263.31 million, while the ratio of gaining counters to losing ones was about 1.59:One.

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

Sino-Life Group Ltd (Code: 8296)

Up 11.88 percent to \$HK1.13 per share

Enviro Energy International Holdings Ltd (Code: 8182)

Up 12.96 percent to \$HK0.61 per share

Wumart Stores Incorporated (Code: 8277)

Up 4.03 percent to \$HK16.52 per share

Heng Xin China Holdings Ltd (Code: 8046)

Unchanged at \$HK0.75 per share

Aptus Holdings Ltd (Code: 8212)

Down 11.05 percent to \$HK0.169 per share

The double-digit movers of this market included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Aptus Holdings Ltd	8212		11.10	0.169
Binhai Investment Company Ltd	8035	12.80		0.53
China Eco-Farming Ltd	8166		11.50	0.46
Enviro Energy International Holdings Ltd	8182	13.00		0.61
Era Holdings Global Ltd	8043	21.20		0.60
Global Digital Creations Holdings Ltd	8271	10.60		0.47

Sino-Life Group Ltd	8296	11.90		1.13
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The tally for the week of the key indices of the second, most-important equity market of Asia was:

The Hang Seng Index	Plus	2.79 percent
The Growth Enterprise Index	Plus	4.25 percent

On The Tokyo Stock Exchange, its TOPIX Index shot up about 1.92 percent to 841.29 points.

Gainers outnumbered losers by the ratio of about 6.80:One.

The Nikkei-225 Stock Average gained about 2.28 percent, ending the trading session at ¥9,430.96.

The 4-day, weekly tally of the largest and most-important equity market of Asia as well as being the world's second-largest equity market was:

The TOPIX Index	Plus	0.08 percent
The Nikkei-225 Stock Average	Plus	0.24 percent

And this was how things looked on other Asian stock markets at the close of trading, last Friday:

The HKSAR	Hang Seng Index Plus 1.10 percent to 20,815.33 The Growth Enterprise Index Plus 1.31 percent to 785.26
Indonesia	Plus 1.07 percent to 3,042.02
Japan	TOPIX Index Plus 1.92 percent to 841.29 Nikkei-225 Stock Average Plus 2.28 percent to 9,430.96
Malaysia	Plus 0.72 percent to 1,345.68
The Philippines	Plus 0.04 percent to 3,416.10
The PRC	Shanghai Composite Index Plus 0.38 percent to 2,572.03 Shenzhen Composite Index Plus 0.31 percent to 1,039.02
Singapore	Plus 0.60 percent to 2,973.47
South Korea	Plus 1.30 percent to 1,758.06
Taiwan	Plus 1.24 percent to 7,761.22

Thailand	Plus 0.87 percent to 840.24
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