

**DR BEN S. BERNANKE ASKS
THE CONGRESS TO ADDRESS ECONOMIC THREATS; AND,
U.S. LABOUR DEPARTMENT STATISTICS FAIL TO EXCITE**

It appeared that the majority of investors had forgotten such niceties as fundamentals.

As the new trading year got off to a start on international equity markets, so speculators jumped in, boots and all, trying to catch what they saw as a 2011 gravy train, just leaving its terminus.

The boomlet lasted just one day.

On Wall Street, last Monday, the key indices of all major equity markets rose, smartly, from the opening.

By the close of trading for the day, the Dow Jones Industrial Average had recorded a gain of 93.24 points, equivalent to about 0.81 percent, ending the first trading session of 2011 on the world's largest equity market at 11,670.75 points.

Over on The NASDAQ, its Composite Index put on 38.65 points, or about 1.48 percent, rising to 2,691.52 points.

The ratio of gainers to losers on The New York Stock Exchange and The NASDAQ was about 2.83:One and 2.23:One, respectively.

Actually, there were few valid reasons for the indices of the world's largest and most-prestigious equity markets to rise as much as they did, but investors seemed to be willing to hang onto any financial *'leaf'*, blowing in the wind.

On European equity markets, in spite of continued downward pressure, being brought to bear on the translation value of the euro vis-à-vis the US dollar, the key indices of the major equity markets in this part of the world rose in line with Wall Street:

Amsterdam's AEX Index	Plus	1.49 percent
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France's CAC 40 Index	Plus	2.52 percent
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Germany's Frankfurt XETRA DAX Index	Plus	1.09 percent
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Great Britain's FTSE 100 Index	Closed	
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Italy's MIBTEL Index	Plus	1.25 percent
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Switzerland's Swiss Market Index Plus 0.89 percent

How long the US and the European equity rally would last was the question, being raised by the more, hard-nosed institutional investors.

On The New York Mercantile Exchange (NYMEX), which is the world's largest commodity exchange, the last settlement of a barrel of light sweet crude oil for delivery in February came in at \$US91.54.

As for delivery in March, the last settlement of a barrel of light sweet crude oil was \$US92.47.

These last settlements were both fractionally higher than the final prices on the last day of trading in 2010.

Once again, the question was raised: Were such relatively high price levels sustainable?

On Asian equity markets, the bourses of the People's Republic of China (PRC), Japan and Thailand were all closed for public holidays.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, as with Wall Street and the majority of European stock markets, the key indices rose materially.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index, which is the benchmark of this, the premier equity market of the territory, gained about 1.74 percent, rising to 23,436.05 points.

The Total Turnover, however, was on the low side, at about \$HK53.26 billion.

The ratio of advancing counters to declining ones was about 2.71:One.

The Ten Most Active counters were:

Hutchison Whampoa Ltd (Code: 13)

Up 5.25 percent to \$HK84.20 per share

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

Up 1.04 percent to \$HK5.85 per share

HSBC Holdings plc (Code: 5)

Up 0.44 percent to \$HK80.05 per share

China Construction Bank Corporation (Code: 939)

Up 1.43 percent to \$HK7.07 per share

China Life Insurance Company Ltd (Code: 2628)

Up 1.10 percent to \$HK32.10 per share

PetroChina Company Ltd (Code: 857)

Up 1.97 percent to \$HK10.36 per share

China Mobile Ltd (Code: 941)

Up 0.65 percent to \$HK77.70 per share

Bank of China Ltd (Code: 3988)

Up 1.22 percent to \$HK4.15 per share

CNOOC Ltd (Code: 883)

Up 2.93 percent to \$HK18.98 per share

Hongkong Exchanges and Clearing Ltd (Code: 388)

Up 1.99 percent to \$HK179.80 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Oriental Culture Group Ltd	2371	21.50		0.79
Energy International Investments Holdings Ltd	353	18.80		0.101
Guojin Resources Holdings Ltd	630	16.40		0.32
Hengli Properties Development (Group) Ltd	169	31.30		0.197
Jiahua Stores Holdings Ltd	602	42.20		0.64
Zhongtian International Ltd	2379	44.00		2.16

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its lone index, known as The Growth Enterprise Index, put on about 1.68 percent as investors pushed it up to 824.10 points.

The Total Turnover on this (speculative) equity market was about \$HK301.87 million.

The ratio of gaining counters to losing ones was about 2.35:One.

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

China Metal Resources Holdings Ltd (Code: 8071)

Up 10.77 percent to \$HK0.36 per share

Viva China Holdings Ltd (Code: 8032)

Up 7.35 percent to \$HK0.365 per share

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

Down 27.78 percent to \$HK0.065 per share

Phoenitron Holdings Ltd (Code: 8066)

Down 3.71 percent to \$HK3.37 per share

Credit China Holdings Ltd (Code: 8207)

Down 2.06 percent to \$HK1.43 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
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Asian Capital Resources (Holdings) Ltd	8025	17.60		1.00
China Metal Resources Holdings Ltd	8071	10.80		0.36
ePRO Ltd	8086	19.80		1.09
Excel Technology International Holdings Ltd	8048	10.30		0.129
Xing Lin Medical Information Technology Company Ltd	8130		27.80	0.065

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

The HKSAR	Hang Seng Index Plus 1.74 percent to 23,436.05 The Growth Enterprise Index Plus 1.68 percent to 824.10
Indonesia	Plus 0.65 percent to 3,727.52
Japan	TOPIX Index Closed Nikkei-225 Stock Average Closed
Malaysia	Plus 0.96 percent to 1,533.42
The Philippines	Plus 0.33 percent to 4,215.21
The PRC	Shanghai Composite Index Closed Shenzhen Composite Index Closed
Singapore	Plus 1.43 percent to 3,235.77
South Korea	Plus 0.93 percent to 2,070.08
Taiwan	Plus 0.59 percent to 9,025.30
Thailand	Closed

Tuesday

The key indices of Wall Street started their retreat from Monday's boomlet.

For the second, consecutive day, the volume of activity was high, but Tuesday's high level of trades might well have been telling, telling, that is, of more slides in the offing in the coming days and weeks.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 0.18 percent, ending the trading day at 11,691.18 points.

Over on The NASDAQ, its Composite Index shed about 0.38 percent, dropping back to 2,681.25 points.

Declining counters, however, were very much in evidence, being about 1.71:One on The New York Stock Exchange and about 2.14:One on The NASDAQ.

News Wise

- **The Minutes** of the US Federal Reserve's Open Market Committee Meeting, held on December 14, 2010, and released, last Tuesday, showed that the economy of the US remains weak and will require serious support by way of \$US600-billion, bond purchases by the US Central Bank.

On The New York Mercantile Exchange (NYMEX), traders were badly mauled as the price of crude oil came off sharply.

For delivery in February, the last settlement of a barrel of light sweet crude oil came in at \$US89.00, exactly. That was a fall of about 2.77 percent, compared with the last settlement of Monday.

As for delivery in March, the last settlement of a barrel of light sweet crude oil was \$US89.85, down about 2.83 percent on Monday's last settlement price of \$US92.47.

In Europe, only the equity market of Great Britain made much of a gain, but that was due to the fact that this market was not open on Monday.

All of the other key indices of the major equity markets were either fractionally higher or lower than Monday's closes:

Amsterdam's AEX Index	Minus 0.27 percent
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France's CAC 40 Index	Plus 0.38 percent
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Germany's Frankfurt XETRA DAX Index	Minus 0.20 percent
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Great Britain's FTSE 100 Index	Plus 1.93 percent
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Italy's MIBTEL Index	Plus 0.47 percent
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Switzerland's Swiss Market Index	Plus 0.02 percent
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News Wise

- Great Britain has raised the **standard rate** of **Value Added Tax (VAT)** by 14.29 percentile points to 20 percent. The increase in the VAT is expected to add about £13 billion to the Government's coffers,

this year.

In Asia, only the key index of the equity market of Taiwan was written in red ink.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key index of the premier equity market rose by nearly one percent while, over on the speculative equity market, its lone index shed about 0.22 percent.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index, which is the benchmark of the premier equity market, gained about 0.99 percent, rising to 23,668.48 points.

The Total Turnover improved by about 43 percent, Day-On-Day, to \$HK76.39 billion.

The Ten Most Active counters were:

Hutchison Whampoa Ltd (Code: 13)	Up 3.62 percent to \$HK87.25 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 3.23 percent to \$HK185.60 per share
China Life Insurance Company Ltd (Code: 2628)	Up 1.09 percent to \$HK32.45 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 1.37 percent to \$HK5.93 per share
China Construction Bank Corporation (Code: 939)	Up 0.85 percent to \$HK7.13 per share
HSBC Holdings plc (Code: 5)	Up 0.31 percent to \$HK80.30 per share
CNOOC Ltd (Code: 883)	Down 0.84 percent to \$HK18.82 per share
Yanzhou Coal Mining Company Ltd (Code: 1171)	Up 3.05 percent to \$HK25.30 per share
China Mobile Ltd (Code: 941)	Up 0.06 percent to \$HK77.75 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 3.74 percent to \$HK27.75 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
21 Holdings Ltd	1003	15.40		0.60
Greater China Holdings Ltd	431	22.50		0.49

HKR International Ltd	480	24.70		5.25
Hsin Chong Construction Group Ltd	404	21.10		1.55
Longrun Tea Group Company Ltd	2898	19.00		0.69
Tidetime Sun (Group) Ltd	307	15.40		0.24
Wai Chun Group Holdings Ltd	1013		30.10	0.051

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index lost about 0.22 percent, dropping back to 822.25 points.

The Total Turnover on this market was about \$HK368.56 million.

The ratio of declining counters to advancing ones was exactly 1.50:One.

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

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

Down 23.08 percent to \$HK0.05 per share

China Metal Resources Holdings Ltd (Code: 8071)

Down 2.78 percent to \$HK0.35 per share

China LotSynergy Holdings Ltd (Code: 8161)

Up 5.88 percent to \$HK0.36 per share

Heng Xin China Holdings Ltd (Code: 8046)

Down 2.04 percent to \$HK1.44 per share

Wumart Stores Incorporated (Code: 8277)

Down 1.43 percent to \$HK19.34 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Railway Logistics Ltd	8089	10.20		0.54
MelcoLot Ltd	8198	10.80		0.175
National Arts Holdings Ltd	8228	14.90		1.39
Thiz Technology Group Ltd	8119	46.70		0.11
Xing Lin Medical Information Technology Company Ltd	8130		23.10	0.05

In The Land of The Rising Sun, last Tuesday saw its equity markets open for business for the first time this year.

On The Tokyo Stock Exchange, which is, still, the largest equity market of Asia, its TOPIX Index rose about 1.45 percent to 911.80 points.

The ratio of gainers to losers was about 13.02: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, gained ¥169.18, or about 1.65 percent, ending the trading day at ¥10,398.10, compared with the closing level of Thursday, December 30, 2010.

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

The HKSAR	Hang Seng Index Plus 0.99 percent to 23,668.48 The Growth Enterprise Index Minus 0.22 percent to 822.25
Indonesia	Plus 0.87 percent to 3,760.06
Japan	TOPIX Index Plus 1.45 percent to 911.80 Nikkei-225 Stock Average Plus 1.65 percent to 10,398.10
Malaysia	Plus 1.20 percent to 1,551.89
The Philippines	Plus 0.08 percent to 4,218.73
The PRC	Shanghai Composite Index Plus 1.59 percent to 2,852.65 Shenzhen Composite Index Plus 1.59 percent to 1,311.33
Singapore	Plus 0.45 percent to 3,250.29
South Korea	Plus 0.73 percent to 2,085.14
Taiwan	Minus 0.31 percent to 8,997.19
Thailand	Plus 0.93 percent to 1,042.41

Wednesday

Wall Street limped up a notch, last Wednesday, with the gurus, making claims that the US jobs market looked much better than expected, with December's private-sector hiring, seeing an increase of some 297,000 jobs.

Of course, December is the biggest shopping month of the year, with most major stores, employing extra part-time staff in order to cope with the expected crush of Christmas shoppers.

The Dow Jones Industrial Average, the benchmark index of The New York Stock Exchange, which is the largest equity market of the world, rose 31.71 points, or about 0.27 percent, ending the trading session at 11,722.89 points.

Over on The NASDAQ, its Composite Index gained 20.95 points, equivalent to about 0.78 percent, coming to rest at 2,702.20 points by the close of the day.

The trading volume continued to be questionable, however, being about 4 percent below last year's daily average.

The ratio of gaining counters to losing ones was about 1.50:One on The New York Stock Exchange and about 2.50:One on The NASDAQ.

On European equity markets, investors were not at all bullish about the near-term prospects for stocks and shares in this part of the world, especially in view of the falling translation value of the euro vis-à-vis the US dollar

For the most part, the key indices of the largest and most-important equity markets in Europe were absolutely flat as the following **TARGET(CHINESE)** list illustrates:

Amsterdam's AEX Index	Minus 0.44 percent
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France's CAC 40 Index	Minus 0.29 percent
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Germany's Frankfurt XETRA DAX Index	Minus 0.50 percent
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Great Britain's FTSE 100 Index	Plus 0.49 percent
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Italy's MIBTEL Index	Plus 0.05 percent
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Switzerland's Swiss Market Index	Plus 0.36 percent
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News Wise

- Music and book retailer **HMV Group plc**, listed on The London Stock Exchange, announced that it would be closing 60 of its stores in the United Kingdom, during the next 12 months, due to declining sales. The 60 stores represent about 10 percent of all of the company's stores in the United Kingdom. In 2003, HMV Group plc shut down its entire operations in Germany for similar reasons.

On The New York Mercantile Exchange (**NYMEX**), the price of light sweet crude oil rebounded from Tuesday's drubbing.

For delivery in February, the last settlement of a barrel of light sweet crude oil came in at \$US90.40, up

about 1.57 percent on the day.

As for delivery in March, the last settlement of a barrel of light sweet crude oil was \$US91.60, representing a one-day gain of about 1.95 percent on Tuesday's closing level.

In Asia, it was very evident that many investors were unsure as to direction of the key indices of the stock markets of this region of the world.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the benchmark index of the premier equity market managed a fractional gain, while, over on the speculative equity market, its lone index chalked up a fractional loss.

The Hang Seng Index shed about 0.38 percent as investors marked down this key index of the Main Board of The Stock Exchange of Hongkong Ltd to 23,757.82 points.

The Total Turnover was about \$HK78.07 billion, with advancing counters, outnumbering declining ones by the ratio of about 1.12:One.

The Ten Most-Active counters were:

HSBC Holdings plc (Code: 5)	Up 2.43 percent to \$HK82.25 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.86 percent to \$HK86.50 per share
China Life Insurance Company Ltd (Code: 2628)	Up 0.15 percent to \$HK32.50 per share
China Mobile Ltd (Code: 941)	Down 0.58 percent to \$HK77.30 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 0.34 percent to \$HK5.95 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.88 percent to \$HK135.70 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Unchanged at \$HK185.60 per share
Ping An Insurance (Group) Company of China Ltd (Code: 2318)	Down 2.01 percent to \$HK85.35 per share
China Construction Bank Corporation (Code: 939)	Unchanged at \$HK7.13 per share
Bank of China Ltd (Code: 3988)	Down 0.72 percent to \$HK4.15 per share

The biggest movers of this market included:

Name of Company	Code	Increase	Decrease	Closing Price
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		(%)	(%)	(\$HK)
Daido Group Ltd	544	18.00		0.249
Dragon Hill Wuling Automobile Holdings Ltd	305	21.70		1.12
Gemini Property Investments Ltd	174	32.60		2.56
Hengli Properties Development (Group) Ltd	169	15.40		0.217
Jiahua Stores Holdings Ltd	602	16.10		0.72
Tiangong International Company Ltd	826	16.20		5.25

Over on The **Growth Enterprise Market (The GEM)** of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index lost about 0.47 percent, dropping back to 818.42 points.

The Total Turnover on this market was about \$HK398.84 million.

Losers outnumbered gainers by the ratio of about 1.21:One.

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

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

Unchanged at \$HK0.05 per share

China Metal Resources Holdings Ltd (Code: 8071)

Up 5.71 percent to \$HK0.37 per share

Heng Xin China Holdings Ltd (Code: 8046)

Up 3.47 percent to \$HK1.49 per share

China LotSynergy Holdings Ltd (Code: 8161)

Down 1.39 percent to \$HK0.355 per share

iMerchants Ltd (Code: 8009)

Down 16.67 percent to \$HK0.07 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
iMerchants Ltd	8009		16.70	0.07
Thiz Technology Group Ltd	8119		20.90	0.087
Zheda Lande Scitech Ltd	8106	20.70		0.35

On Asia's largest equity market, that of The Tokyo Stock Exchange, its TOPIX Index gave up about 0.01 percent, edging back to 911.69 points.

The Nikkei-225 Stock Average lost about 0.17 percent of its former value, dropping to ¥10,380.77.

The ratio of gaining counters to losing ones was about 1.71:One.

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

The HKSAR	Hang Seng Index Plus 0.38 percent to 23,757.82 The Growth Enterprise Index Minus 0.47 percent to 818.42
Indonesia	Plus 0.63 percent to 3,783.71
Japan	TOPIX Index Minus 0.01 percent to 911.69 Nikkei-225 Stock Average Minus 0.17 percent to 10,380.77
Malaysia	Plus 0.92 percent to 1,566.17
The Philippines	Minus 0.14 percent to 4,212.98
The PRC	Shanghai Composite Index Minus 0.49 percent to 2,838.59 Shenzhen Composite Index Minus 0.09 percent to 1,310.14
Singapore	Plus 0.12 percent to 3,254.25
South Korea	Minus 0.12 percent to 2,082.55
Taiwan	Minus 1.68 percent to 8,846.31
Thailand	Plus 0.80 percent to 1,050.78

Thursday

The price of crude oil retreated, markedly, on the world's largest commodity exchange, last Thursday.

The last settlement of a barrel of light sweet crude oil for delivery in February dropped to \$US88.08 on The New York Mercantile Exchange (NYMEX), down about 2.57 percent on Wednesday's closing level.

As for delivery in March, the last settlement of a barrel of light sweet crude oil came off about 2.32 percent,

ending the Open Outcry Trading Session at \$US89.50.

News Wise

- The US Government's **International Energy Agency (IEA)** has gone on record to state that the current high price of crude oil will hamper worldwide economic recovery, this year. The IEA said that **oil imports** into the countries of The Organisation for Economic Co-Operation and Development had risen by about 30 percent in the past year (2010) to a value of about \$US790 billion. This amount of money is said to have been equal to a loss of income of about 0.50 percent of the Gross Domestic Product of The Organisation for Economic Co-Operation and Development.

Whereas, on Wednesday, Wall Street gurus were singing the praises of private-sector hiring in the US, during the month of December, last Thursday, these same gurus claimed that there were too many uncertainties on the economic horizon and they preferred to wait for the weekly labour-market report from the US Labour Department, expected to be released on Friday (January 7, 2011).

On The New York Stock Exchange, the Dow Jones Industrial Average shed about 0.22 percent, dropping to 11,697.24 points.

The Composite Index of The NASDAQ gave up about 0.28 percent as investors marked it down to 2,709.89 points.

The volume of activity continued to lag behind that of the average daily volume of trades, experienced in the 2010-year.

The ratio of losing counters to gaining ones on The New York Stock Exchange was about 1.50:One while, over on The NASDAQ, losing counters outnumbered gaining ones by the ratio of about 1.25:One.

On major European equity markets, there was a late sell-off as investors in this part of the world had decidedly uncomfortably wet feet – and it was very telling.

The translation value of the euro vis-à-vis the US dollar dropped to about \$US1.2997. This was a 5-week low.

It is quite likely that the euro will ease back, closer to parity with the US dollar, in **TARGET**'s opinion.

The euro has been under intense pressure for some time although many pundits do not like to admit it.

**Please see last Wednesday's TARGET Intelligence Report,
[Volume XIII, Number 3, dated January 5, 2011.](#)**

The following was how the key indices of **TARGET**'s list of important equity markets of eurozone fared, last Thursday:

Amsterdam's AEX Index Minus 0.10 percent

France's CAC 40 Index Unchanged

Germany's Frankfurt XETRA DAX Index Plus 0.59 percent

Great Britain's FTSE 100 Index Minus 0.40 percent

Italy's MIBTEL Index Plus 0.38 percent

Switzerland's Swiss Market Index Plus 0.20 percent

While there were more gainers than losers on the 10, major equity markets of Asia, last Thursday, most of the indices' movements were of small fractions, with the only exception, being the equity markets of Japan.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the benchmark index of the Main Board of The Stock Exchange of Hongkong Ltd, known as The Hang Seng Index, rose exactly 0.12 percent to 23,786.30 points.

The Total Turnover was about \$HK77.11 billion.

The ratio of declining counters to advancing ones was about 1.03:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5) Up 0.55 percent to \$HK82.70 per share

Hutchison Whampoa Ltd (Code: 13) Up 2.25 percent to \$HK88.45 per share

Ping An Insurance (Group) Company of China Ltd
(Code: 2318) Down 0.70 percent to \$HK84.75 per share

China Life Insurance Company Ltd (Code: 2628) Down 1.38 percent to \$HK32.05 per share

Industrial and Commercial Bank of China Ltd
(Code: 1398) Down 0.67 percent to \$HK5.91 per share

Sun Hung Kai Properties Ltd (Code: 16) Up 2.14 percent to \$HK138.60 per share

China Construction Bank Corporation (Code: 939) Down 0.84 percent to \$HK7.07 per share

China Mobile Ltd (Code: 941) Up 0.19 percent to \$HK77.45 per share

Cheung Kong (Holdings) Ltd (Code: 1) Up 2.18 percent to \$HK131.50 per share

Bank of China Ltd (Code: 3988) Up 0.24 percent to \$HK4.16 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
21 Holdings Ltd	1003		20.40	0.43
ABC Communications (Holdings) Ltd	30	36.60		0.97
Chigo Holding Ltd	449		17.60	0.75
Dragonite International Ltd	329	17.50		0.47
Easyknit Enterprises Holdings Ltd	616		19.80	0.425
K and P International Holdings Ltd	675	31.90		0.60
Northeast Electric Development Company Ltd	42	16.00		1.74

Over on The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index lost about 0.10 percent, sliding back to 817.61 points.

The Total Turnover on this market was about \$HK369.69 million.

The ratio of declining counters to advancing ones was about 1.13:One.

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

Heng Xin China Holdings Ltd (Code: 8046)

Up 2.69 percent to \$HK1.53 per share

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

Down 22.00 percent to \$HK0.039 per share

China Metal Resources Holdings Ltd (Code:
8071)

Down 4.05 percent to \$HK0.355 per share

iMerchants Ltd (Code: 8009)

Down 11.43 percent to \$HK0.062 per share

Rojam Entertainment Holdings Ltd (Code: 8075)

Up 14.89 percent to \$HK0.27 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Post E-Commerce (Holdings) Ltd	8041	10.70		0.186
iMerchants Ltd	8009		11.40	0.062

Inno-Tech Holdings Ltd	8202		39.80	0.25
Rojam Entertainment Holdings Ltd	8075	14.90		0.27
Xing Lin Medical Information Technology Company Ltd	8130		22.00	0.039
Zheda Lande Scitech Ltd	8106		12.90	0.305

On The Tokyo Stock Exchange, its TOPIX Index rose about 1.41 percent to 924.51 points.

The Nikkei-225 Stock Average gained about 1.44 percent to ¥10,529.76.

Gainers outdistanced losers by the ratio of about 4.14:One.

Japanese stockbrokers and institutional investors appeared to be taking a punt that the US unemployment figures, due to be released on Friday, Washington D.C. time, would indicate that there were signs that the growth of the largest economy of the world was improving.

On other Asian equity markets, this was how their respective key indices closed, last Thursday night:

The HKSAR	Hang Seng Index Plus 0.12 percent to 23,786.30 The Growth Enterprise Index Minus 0.10 percent to 817.61
Indonesia	Minus 1.25 percent to 3,736.26
Japan	TOPIX Index Plus 1.41 percent to 924.51 Nikkei-225 Stock Average Plus 1.44 percent to 10,529.76
Malaysia	Plus 0.14 percent to 1,568.37
The Philippines	Plus 0.10 percent to 4,217.25
The PRC	Shanghai Composite Index Minus 0.51 percent to 2,824.20 Shenzhen Composite Index Minus 0.64 percent to 1,301.79
Singapore	Plus 0.78 percent to 3,279.70
South Korea	Minus 0.24 percent to 2,077.61

Taiwan	Plus 0.42 percent to 8,883.21
Thailand	Plus 0.02 percent to 1,050.98

Friday

Mr Keith Hall, Commissioner, The Bureau of Labour Statistics (of the Government of the United States of America), delivered his department's findings with regard to the unemployment rate in the world's largest single economy for the month of December 2010.

Once again, it was clear that an insufficient number of jobs are being created in the US on a monthly basis, insufficient, that is, to cope with the number of new entrants into the US labour force on a monthly basis, a figure that is, currently, estimated to be not less than 150,000 jobs.

Also, while the statistical figure of the unemployment level, at the December figure of 9.40 percent of the labour force, is the direct result of the compilation of voluntary filings with the many offices of the US Labour Department, it does not take into consideration those unemployed workers who, for one reason or another, have given up, looking for jobs.

The following is a verbatim transcript of The Commissioner's statement:

'In December, the unemployment rate fell by 0.4 percentage point to 9.4 percent, and nonfarm payroll employment increased by 103,000. From a recent low point in December 2009, payroll employment has risen by 1.1 million, or an average of 94,000 per month. In December, employment increased in leisure and hospitality and in health care but was little changed in other major industries.'

'The leisure and hospitality sector added 47,000 jobs over the month, with continued gains in food services. Employment also rose in amusements, gambling, and recreation. Since a recent low point in leisure and hospitality employment in December 2009, the industry has added nearly a quarter of a million jobs.'

'Health care employment expanded by 36,000 in December and by 266,000 in all of 2010. Over the month, employment continued to rise in several health-related services, including outpatient care centers, hospitals, and nursing and residential care facilities. Employment in temporary help services also continued to trend up in December and has increased by 495,000 since a recent low in September 2009.'

'Over the month, job growth continued in support activities for mining operations; the industry has added 77,000 jobs since a recent low in October 2009.'

'Construction employment changed little in December and, on net, has been essentially flat since March. In contrast, job losses from August 2006 through February 2010 totaled 2.1 million. In December, retail trade employment was little changed, although job gains in the industry totaled 116,000 for all of 2010. Over the month, motor vehicle and parts dealers added 8,000 jobs, in line with the trend since July. December's employment gain among motor vehicle and parts dealers was offset by a loss of 8,000 in health and personal care stores.'

'Manufacturing employment was little changed over the month. Following modest job growth earlier in 2010, manufacturing employment has been relatively flat, on net, since May. The factory workweek for all employees was down 0.1 hour in December but was 1.5 hours above

the low point of 38.7 hours in June 2009.

'Average hourly earnings of all employees on private nonfarm payrolls rose by 3 cents in December to \$22.78. Over the past 12 months, average hourly earnings have risen by 1.8 percent. From November 2009 to November 2010, the Consumer Price Index for All Urban Consumers (CPI-U) increased by 1.1 percent.

'Turning to measures from our survey of households, the jobless rate declined by 0.4 percentage point in December to 9.4 percent. A year earlier, the unemployment rate was 9.9 percent. The number of unemployed persons also declined over the month, from 15.0 million to 14.5 million, largely reflecting a decrease in the number of unemployed adult men. Among the unemployed, 44.3 percent had been jobless for 27 weeks or more in December, up from 40.1 percent a year earlier.

'The labor force participation rate edged down in December to 64.3 percent and was slightly lower than a year earlier (64.7 percent). The number of persons working part time who would have preferred full-time employment was essentially unchanged in December at 8.9 million. The number of discouraged workers grew over the year by 389,000 to 1.3 million in December (not seasonally adjusted). Discouraged workers are persons outside the labor force who are not looking for work because they believe their job search efforts would be unsuccessful.

'Data users are reminded that seasonal adjustment factors for the household survey are updated each year with the release of the December data. Seasonally adjusted estimates going back 5 years -- to January 2006 -- were subject to revision.

'Summarizing labor market developments for December, the jobless rate fell to 9.4 percent, and nonfarm payroll employment rose by 103,000.'

Also in the news, last Friday, was the testimony of Dr Ben S. Bernanke, the Chairman of the US Federal Reserve, who delivered his address before the US Senate's Committee on the Budget.

Entitled *'The Economic Outlook and Monetary and Fiscal Policy'*, delivered at about 0930 hours in Washington D.C., the head of The Fed, which is The Central Bank of the US, said, inter alia, that the US economy was not growing fast enough to bring down the unemployment rate.

Dr Ben S. Bernanke said that it would take between 4 years and 5 years for the unemployment rate *'to normalise'*.

He went on to state: *'Very low inflation increases the risk that new adverse shocks could push the (US) economy into deflation ...'*

He described the US economy as facing *'a critical threat'* and he called on The Congress to address this threat.

Wall Street's key indices were not happy with the news, either from the US Labour Department or the testimony from The Fed's Chairman.

On The New York Stock Exchange, the Dow Jones Industrial Average shed about 0.19 percent, falling back to 11,674.76 points.

The Composite Index of The NASDAQ gave up about 0.25 percent, dropping to 2,703.17 points.

The ratio of declining counters to advancing ones was about 1.27:One on The New York Stock Exchange and about 1.70:One on The NASDAQ.

The tally for the largest and most-influential equity markets in the world, today, was:

The Dow Jones Industrial Average	Plus	0.84 percent
The Composite Index of The NASDAQ	Plus	1.90 percent

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 \$US89.05, an increase of about 1.10 percent on Thursday's last settlement.

As for delivery in March, the last settlement of a barrel of light sweet crude oil was about \$US89.47, off about 0.03 percent on the final settlement on Thursday.

In Europe, the key indices of the largest and most-important equity markets were in full retreat.

Investors had noted that the translation value of the euro, vis-à-vis the US dollar, had lost about 3.30 percent in the first trading week of 2011.

Last Friday, the euro took another pounding on New York's FOREX markets, falling to \$US1.2912, a one-day drop of about 0.70 percent.

More losses are expected for this week, too.

This was how the situation looked at the close of trading on major European equity markets, last Friday night:

Amsterdam's AEX Index	Minus	0.12 percent
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France's CAC 40 Index	Minus	0.99 percent
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Germany's Frankfurt XETRA DAX Index	Minus	0.48 percent
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Great Britain's FTSE 100 Index	Minus	0.58 percent
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Italy's MIBTEL Index	Minus	0.42 percent
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Switzerland's Swiss Market Index	Minus	0.53 percent
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In Asia, last Friday, there was a great deal of investor uncertainty on equity markets, resulting in no clear direction for them to follow.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), however, there was no question as to the direction of the key indices of the territory's 2 stock markets: Down.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index gave up about 0.419 percent, dropping to 23,686.63 points.

The Total Turnover was about \$HK79.44 billion, while the ratio of declining counters to advancing ones was about 1.73:One.

The Ten Most Active counters of the day included:

HSBC Holdings plc (Code: 5)	Up 0.06 percent to \$HK82.75 per share
China Life Insurance Company Ltd (Code: 2628)	Up 1.56 percent to \$HK32.55 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.57 percent to \$HK87.95 per share
China Liansu Group Holdings Ltd (Code: 2128)	Down 7.75 percent to \$HK6.31 per share
Ping An Insurance (Group) Company of China Ltd (Code: 2318)	Down 1.00 percent to \$HK83.90 per share
China Mobile Ltd (Code: 941)	Down 0.58 percent to \$HK77.00 per share
China Construction Bank Corporation (Code: 939)	Down 0.14 percent to \$HK7.06 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 0.68 percent to \$HK5.87 per share
CNOOC Ltd (Code: 883)	Down 2.44 percent to \$HK18.38 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Down 0.16 percent to \$HK184.50 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
e-Kong Group Ltd	524	30.00		0.65
Hengli Properties Development (Group) Ltd	169	24.50		0.31
Heritage International Holdings Ltd	412		24.70	0.058
The Hongkong Parkview Group Ltd	207	15.90		1.60
KTP Holdings Ltd	645		22.90	2.05
Manta Holdings Company Ltd	936	18.50		1.60

Sino-Tech International Holdings Ltd	724	47.90		0.315
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On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index lost about 0.009 percent of its value as investors pushed it back to 817.54 points.

The Total Turnover on this market was about \$HK366.48 million, while the ratio of losing counters to gaining ones was about 1.14:One.

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

Credit China Holdings Ltd (Code: 8207)

Up 4.83 percent to \$HK1.52 per share

Sun International Group Ltd (Code: 8029)

Up 2.09 percent to \$HK1.95 per share

iMerchants Ltd (Code: 8009)

Down 17.74 percent to \$HK0.051 per share

China Metal Resources Holdings Ltd (Code:
8071)

Unchanged at \$HK0.355 per share

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

Up 10.26 percent to \$HK0.043 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Bingo Group Holdings Ltd	8220	14.00		0.179
China AU Group Holdings Ltd	8176	13.20		0.385
China Eco-Farming Ltd	8166	20.00		0.168
iMerchants Ltd	8009		17.70	0.051
Inno-Tech Holdings Ltd	8202		26.00	0.185
Xing Lin Medical Information Technology Company Ltd	8130	10.30		0.043
Zhejiang Prospect Company Ltd	8273	12.50		1.80

The tally for the week, ended January 7, 2011, for the second-largest equity market of Asia was:

The Hang Seng Index	Plus	2.83 percent
The Growth Enterprise Index	Plus	0.87 percent

On The Tokyo Stock Exchange, its TOPIX Index rose another 0.21 percent to 926.42 points.

The Nikkei-225 Stock Average rose about 0.11 percent to ¥10,541.04.

Losing counters, however, outnumbered gaining ones by the ratio of about 1.11:One.

The tally for the largest and most-important equity market of Asia for the first week of 2011 (4 days, only), was:

The TOPIX Index	Plus	3.07 percent
The Nikkei-225 Stock Average	Plus	3.05 percent

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

The HKSAR	Hang Seng Index Minus 0.419 percent to 23,686.63 The Growth Enterprise Index Minus 0.009 percent to 817.54
Indonesia	Minus 2.81 percent to 3,631.45
Japan	TOPIX Index Plus 0.21 percent to 926.42 Nikkei-225 Stock Average Plus 0.11 percent to 10,541.04
Malaysia	Plus 0.24 percent to 1,572.21
The Philippines	Minus 0.35 percent to 4,202.52
The PRC	Shanghai Composite Index Plus 0.52 percent to 2,838.80 Shenzhen Composite Index Minus 0.75 percent to 1,292.06
Singapore	Minus 0.56 percent to 3,261.35
South Korea	Plus 0.41 percent to 2,086.20
Taiwan	Minus 1.13 percent to 8,782.72
Thailand	Minus 1.38 percent to 1,036.45

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