

**EQUITY MARKETS BUCKLE
AS CONGRESS FIGHTS PRESIDENT OBAMA –
EUROPEAN BANK STRESS TESTS SHOCK INVESTORS**

For most investors, last Monday was horror day.

The key indices of most of the world's largest equity markets fell out of bed, once again.

The reasons for the falls:

1. The US Government had failed to find a solution, agreeable to most members of The Congress, how best to rein in the record-level of spending in The Land of The Free and The Home of The Brave; and,
2. The **E**uropean **U**nion (**EU**) continues to wrestle with the many problems, confronting some of the member states with regard to their known (and unmanageable) debt loads.

On Wall Street, red was the predominant colour of the day.

The Dow Jones Industrial Average, the benchmark index of The New York Stock Exchange, ended the trading day at 12,505.76 points, down 151.44 points, equivalent to about 1.20 percent, compared with the close of Friday, July 8, 2011.

The Composite Index of The NASDAQ shed 57.19 points, or 2 percent, exactly, as investors pushed it back to 2,802.62 points.

Trading continued to be on the light side, at about 78 percent of the average daily turnover of 2010.

The ratio of losing counters to gaining ones on The New York Stock Exchange and The NASDAQ was about 6.00:One and 5.00:One, respectively.

US investors had, over the weekend of July 9-10, been observing the meetings of eurozone finance ministers, all of whom were trying to nut out a solution to the many financial problems, confronting the 17-nation, economic and monetary union (**EMU**), all of which had adopting the euro as their common currency.

The talks came in the wake of strong suggestions that Italy was likely to be the next member nation to look for a financial handout from the **E**uropean **U**nion (**EU**) and The **I**nternational **M**onetary **F**und (**IMF**).

Meanwhile, the situation in Greece was going from bad to worse with no long-term solution in sight for this country's debt problems.

Spain was being viewed as another problem state in the eyes of many of the eurozone ministers.

On European bourses, the key indices of every one of them fell fast and furiously, with the key indices of Italy's equity markets, leading the losers:—

Amsterdam's AEX Index Minus 1.84 percent

France's CAC 40 Index Minus 2.70 percent

Germany's Frankfurt XETRA DAX Index Minus 2.32 percent

Great Britain's FTSE 100 Index Minus 1.02 percent

Italy's MIBTEL Index Minus 3.80 percent

Switzerland's Swiss Market Index Minus 1.62 percent

Currencies

Currency	Last	High	Low	Change	Bid	Ask
EUR/USD	1.4029	1.4060	1.4014	+0.01%	1.4029	1.4034
GBP/USD	1.5910	1.5921	1.5901	+0.03%	1.5910	1.5914
USD/JPY	80.210	80.350	80.180	-0.02%	80.210	80.270
USD/CHF	0.83480	0.83650	0.83520	-0.11%	0.83480	0.83530
USD/CAD	0.96870	0.96920	0.96820	+0.01%	0.96870	0.96920
AUD/USD	1.0628	1.0663	1.0626	-0.23%	1.0628	1.0634

On the world's commodity exchanges, the price of crude oil slid backwards.

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 \$US95.15, a fall of about 1.09 percent on the closing level of the previous Friday, July 8, 2011.

As for delivery in September, the last settlement of a barrel of light sweet crude oil was \$US95.62, down about 1.12 percent on the final quote of the previous Friday.

In Asia, the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) led the lengthy pack of losers.

The Hang Seng Index, which is the benchmark index of the Main Board of The Stock Exchange of Hongkong Ltd, shed about 1.67 percent, dropping back to 22,347.23 points.

The Total Turnover was about \$HK58.39 billion, with the ratio of declining counters to advancing ones, being about 3.66:One.

The Ten Most Active counters were:

China Construction Bank Corporation (Code: 939)

Down 2.22 percent to \$HK6.16 per share

Bank of China Ltd (Code: 3988)

Down 2.68 percent to \$HK3.63 per share

China Mobile Ltd (Code: 941)

Down 1.15 percent to \$HK72.95 per share

Evergrande Real Estate Group Ltd (Code: 3333)

Up 3.15 percent to \$HK5.90 per share

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

Down 2.21 percent to \$HK5.74 per share

HSBC Holdings plc (Code: 5)

Down 1.53 percent to \$HK77.05 per share

Tencent Holdings Ltd (Code: 700)

Down 2.63 percent to \$HK207.00 per share

CNOOC Ltd (Code: 883)

Down 1.51 percent to \$HK18.22 per share

China Yurun Food Group Ltd (Code: 1068)

Up 1.82 percent to \$HK22.35 per share

Hutchison Whampoa Ltd (Code: 13)

Down 1.47 percent to \$HK83.95 per share

The biggest movers were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Boer Power Holdings Ltd	1685		15.90	5.50
China Dongxiang (Group) Company Ltd	3818		15.90	1.75
China Mining Resources Group Ltd	340	26.30		0.149
SunCorp Technologies Ltd	1063		17.40	0.019

On The (speculative) **Growth Enterprise Market (The GEM)** of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index surrendered about 1.02 percent, ending the light trading session at 681.87 points.

The Total Turnover on this market was about \$HK145.67 million.

Losing counters outnumbered gaining ones by the ratio of exactly 2.00:One.

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

Honbridge Holdings Ltd (Code: 8137)

Down 1.14 percent to \$HK2.61 per share

Heng Xin China Holdings Ltd (Code: 8046)

Down 0.75 percent to \$HK1.33 per share

Fairson Holdings Ltd (Code: 8132)

Unchanged at \$HK0.39 per share

Tsun Yip Holdings Ltd (Code: 8356)

Up 0.94 percent to \$HK0.214 per share

Global Energy Resources International Group Ltd
(Code: 8192)

Up 3.66 percent to \$HK0.255 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Primary Resources Holdings Ltd	8117		10.20	0.088
CIG Yangtze Ports PLC	8233		12.60	0.118
Gayety Holdings Ltd	8179	26.00		1.89
HC International Incorporated	8292	10.40		1.70
MelcoLot Ltd	8198	15.20		0.152
Ningbo Yidong Electronic Company Ltd	8249		15.20	0.195

On the largest equity market of Asia, The Tokyo Stock Exchange, its TOPIX Index lost about 0.48 percent, ending the trading day at 870.16 points.

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, moved down ¥68.20, or about 0.67 percent, ending the trading day at ¥10,069.53, compared with the closing level of Friday, July 8, 2011.

Advancing counters outpaced declining ones by the ratio of about 1.12:One.

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

The HKSAR	Hang Seng Index Minus 1.67 percent to 22,347.23 The Growth Enterprise Index Minus 1.02 percent to 681.87
Indonesia	Minus 0.20 percent to 3,995.59

Japan	TOPIX Index Minus 0.48 percent to 870.16 Nikkei-225 Stock Average Minus 0.67 percent to 10,069.53
Malaysia	Minus 0.39 percent to 1,588.58
The Philippines	Minus 0.36 percent to 4,375.86
The PRC	Shanghai Composite Index Plus 0.18 percent to 2,802.69 Shenzhen Composite Index Plus 0.74 percent to 1,210.34
Singapore	Minus 1.08 percent to 3,117.37
South Korea	Minus 1.06 percent to 2,157.16
Taiwan	Minus 0.96 percent to 8,665.85
Thailand	Minus 1.03 percent to 1,077.24

Tuesday

For the third consecutive day, stock and share prices fell back on the world's largest equity markets.

On The New York Stock Exchange, which is the largest equity market in the world, its benchmark index, The Dow Jones Industrial Average, lost another 0.47 percent as investors pulled it down to 12,446.88 points.

Over on The NASDAQ, its Composite Index shed about 0.74 percent, ending the light trading day at 2,781.91 points.

The ratio of losing counters to gaining ones was about 1.31:One on The New York Stock Exchange and about 1.50:One on The NASDAQ.

The many and varied financial problems, facing various parts of the eurozone, continued to be the foci of the concerns of investors in the US.

And, when Moody's Investor Services came out and stated that Ireland's debt rating had dropped to junk, the matter of Europe's problems were hammered home to all and sundry.

Moody's Investor Services claims that there was a '*growing possibility*' that Ireland would require a second cash bailout.

In addition, US investors came to know that the US Trade Deficit for the month of May had hit its highest level of the past 31 months, at \$US50.20 billion.

The information was official, directly relayed from the US Government's Commerce Department.

On European equity markets, investors in this part of the world could hardly wait to offload stocks and shares lest buyers determine to start their summer holidays earlier than usual.

For investors in Europe, the situation bordered on critical because one could not know, from one moment to another, which yet unnamed eurozone nation would admit to its problems.

This was how things looked on **TARGET**'s select list of European bourses, last Tuesday night:

Amsterdam's AEX Index Minus 1.20 percent

France's CAC 40 Index Minus 0.87 percent

Germany's Frankfurt XETRA DAX Index Minus 0.77 percent

Great Britain's FTSE 100 Index Minus 1.01 percent

Italy's MIBTEL Index Plus 1.08 percent

Switzerland's Swiss Market Index Minus 0.63 percent

Currencies

Currency	Last	High	Low	Change	Bid	Ask
EUR/USD	1.3989	1.4036	1.3955	+0.11%	1.3989	1.3994
GBP/USD	1.5939	1.5955	1.5909	+0.19%	1.5939	1.5943
USD/JPY	79.460	79.540	78.550	+0.30%	79.460	79.510
USD/CHF	0.83150	0.83220	0.82850	+0.14%	0.83150	0.83200
USD/CAD	0.96300	0.96680	0.96250	-0.36%	0.96300	0.96350
AUD/USD	1.0623	1.0643	1.0582	+0.25%	1.0623	1.0628

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 \$US97.43, up about 2.40 percent on Monday's closing level.

As for delivery in September, the last settlement of a barrel of light sweet crude oil was \$US97.85, representing a one-day, price-improvement of about 2.33 percent.

On Asian markets, there was only red ink, used to fill in the final figures on the major equity markets, with the benchmark index of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), being the biggest loser.

The Hang Seng Index surrendered about 3.06 percent, being forced to fall back to 21,663.16 points on a Total Turnover of about \$HK80.36 billion.

The Total Turnover, in a period of one business day, had increased by about 38 percent – and a rising volume of activity on a fast-falling key index of an equity market is rarely good news.

The ratio of declining counters to advancing ones was exactly 5.44:One.

The Ten Most Active counters, all of which were major losers, were:

China Construction Bank Corporation (Code: 939)

Down 3.41 percent to \$HK5.95 per share

HSBC Holdings plc (Code: 5)

Down 2.99 percent to \$HK74.75 per share

Bank of China Ltd (Code: 3988)

Down 3.31 percent to \$HK3.51 per share

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

Down 4.01 percent to \$HK5.51 per share

China Mobile Ltd (Code: 941)

Down 1.99 percent to \$HK71.50 per share

Hutchison Whampoa Ltd (Code: 13)

Down 2.74 percent to \$HK81.65 per share

PetroChina Company Ltd (Code: 857)

Down 4.48 percent to \$HK11.08 per share

China Life Insurance Company Ltd (Code: 2628)

Down 4.26 percent to \$HK25.85 per share

CNOOC Ltd (Code: 883)

Down 2.96 percent to \$HK17.68 per share

China National Building Material Company Ltd
(Code: 3323)

Down 5.67 percent to \$HK16.30 per share

As for the biggest movers on this market, they included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Bestway International Holdings Ltd	718		16.70	0.07
CIMC Enric Holdings Ltd	3899	15.20		3.10
eForce Holdings Ltd	943		16.70	0.02
Eternity Investment Ltd	764		19.70	0.049

LERADO Group (Holding) Company Ltd	1225		28.70	0.87
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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 gave up about 2.09 percent, dropping to 667.62 points.

The Total Turnover on this market was about \$HK189.65 million, with the ratio of losing counters to gaining ones, being about 3.67:One.

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

Heng Xin China Holdings Ltd (Code: 8046)

Down 4.51 percent to \$HK1.27 per share

Honbridge Holdings Ltd (Code: 8137)

Down 5.36 percent to \$HK2.47 per share

Tsun Yip Holdings Ltd (Code: 8356)

Unchanged at \$HK0.214 per share

ERA Mining Machinery Ltd (Code: 8043)

Down 4.08 percent to \$HK0.47 per share

Rojam Entertainment Holdings Ltd (Code: 8075)

Down 3.49 percent to \$HK0.221 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	27.50		0.65
South China Land Ltd	8155	10.50		0.137
Unlimited Creativity Holdings Ltd	8079		10.10	0.08

On The Tokyo Stock Exchange, its TOPIX Index lost about 1.49 percent of its value as investors determined to pull it back to 857.19 points.

The Nikkei-225 Stock Average gave up about 1.43 percent, ending the trading day at ¥9,9525.92.

Declining counters outpaced advancing ones by the ratio of about 5.33:One.

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

The HKSAR	Hang Seng Index Minus 3.06 percent to 21,663.16 The Growth Enterprise Index Minus 2.09 percent to 667.62
Indonesia	Minus 1.44 percent to 3,938.01

Japan	TOPIX Index Minus 1.49 percent to 857.19 Nikkei-225 Stock Average Minus 1.43 percent to 9,925.92
Malaysia	Minus 0.66 percent to 1,578.10
The Philippines	Minus 0.59 percent to 4,350.09
The PRC	Shanghai Composite Index Minus 1.72 percent to 2,754.58 Shenzhen Composite Index Minus 1.48 percent to 1,192.49
Singapore	Minus 1.28 percent to 3,077.36
South Korea	Minus 2.20 percent to 2,109.73
Taiwan	Minus 2.02 percent to 8,491.01
Thailand	Minus 1.38 percent to 1,062.39

Wednesday

While, statistically, the key indices of the world's largest equity markets were in the black, last Wednesday at the close of the business day, they are fully expected to reverse their direction in short order.

This is because Moody's Investor Services made it known on Wall Street, last Wednesday evening, that it was reviewing the AAA status of the United States' debt load.

The suggestion was very clear: The credit-rating agency is planning to downgrade the rating of US debt.

On The New York Stock Exchange, the Dow Jones Industrial Average ended the trading day at 12,491.61 points, representing a one-day, price-rise of about 0.36 percent, while, over on The NASDAQ, its Composite Index added about 0.54 percent, edging up to 2,796.92 points.

The volume of activity on both markets continued to be very much on the low side, compared with the daily average turnover of 2010.

The ratio of gaining counter to losing ones was about 2.00:One on The New York Stock Exchange and about 2.25:One on The NASDAQ.

On European bourses, investors did not know of the warning from Moody's Investor Services, during trading hours, so that they went on their merry way, thinking, perhaps, that the status quo would be maintained.

Since there was no hint of any horrific news on investors' horizons, speculators and institutions, furtively,

took up some new positions, but not to any large degree.

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

Amsterdam's AEX Index Plus 0.17 percent

France's CAC 40 Index Plus 0.47 percent

Germany's Frankfurt XETRA DAX Index Plus 1.30 percent

Great Britain's FTSE 100 Index Plus 0.58 percent

Italy's MIBTEL Index Plus 1.66 percent

Switzerland's Swiss Market Index Plus 0.26 percent

Currencies

Currency	Last	High	Low	Change	Bid	Ask
EUR/USD	1.4242	1.4280	1.4168	+0.56%	1.4242	1.4247
GBP/USD	1.6158	1.6190	1.6111	+0.32%	1.6158	1.6162
USD/JPY	78.510	79.070	78.5	-0.58%	78.510	78.570
USD/CHF	0.81200	0.81760	0.80890	-0.70%	0.81200	0.8125
USD/CAD	0.95760	0.95930	0.95630	-0.05%	0.95760	0.95810
AUD/USD	1.0771	1.0801	1.0745	+0.16%	1.0771	1.0776

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 \$US98.05, up about 0.64 percent on Tuesday's closing level.

As for delivery in September, the last settlement of a barrel of light sweet crude oil was \$US98.49, representing a one-day gain of about 0.65 percent.

On Asian equity markets, every key index of every stock market, with the lone exception of the Taiwan markets, rose.

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

The Hang Seng Index, which is the benchmark index of the Main Board of The Stock Exchange of Hongkong Ltd, chalked up an increase of about 1.22 percent, rising to 21,926.88 points.

The Total Turnover on this market was about \$HK64.74 billion, with the ratio of advancing counters to declining ones, being 2.60:One, exactly.

The Ten Most Active counters were:

China Construction Bank Corporation (Code: 939)
Up 2.18 percent to \$HK6.08 per share

Industrial and Commercial Bank of China Ltd (Code: 1398)
Up 2.18 percent to \$HK5.63 per share

Bank of China Ltd (Code: 3988)
Up 2.28 percent to \$HK3.59 per share

China Mobile Ltd (Code: 941)
Up 1.26 percent to \$HK72.40 per share

HSBC Holdings plc (Code: 5)
Up 0.94 percent to \$HK75.45 per share

Agricultural Bank of China Ltd (Code: 1288)
Up 3.93 percent to \$HK3.97 per share

Evergrande Real Estate Group Ltd (Code: 3333)
Up 6.83 percent to \$HK5.94 per share

CNOOC Ltd (Code: 883)
Up 1.02 percent to \$HK17.86 per share

Hutchison Whampoa Ltd (Code: 13)
Up 1.10 percent to \$HK82.55 per share

China Life Insurance Company Ltd (Code: 2628)
Up 1.55 percent to \$HK26.25 per share

The biggest movers on this market included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Strategic Holdings Ltd	235	17.00		0.213
Henry Group Holdings Ltd	859	16.00		0.58
QPL International Holdings Ltd	243	16.70		0.315
Skyfame Realty (Holdings) Ltd	59	21.30		0.74
Xiangyu Dredging Holdings Ltd	871	15.30		3.16

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index rose about 1.39 percent to 676.92 points on a Total Turnover of about \$HK196.99 million.

Advancing counters outran declining ones by the ratio of about 1.17:One.

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

Heng Xin China Holdings Ltd (Code: 8046)

Up 7.87 percent to \$HK1.37 per share

Honbridge Holdings Ltd (Code: 8137)

Up 5.67 percent to \$HK2.61 per share

Fairson Holdings Ltd (Code: 8132)

Up 5.48 percent to \$HK0.385 per share

Tsun Yip Holdings Ltd (Code: 8356)

Up 5.14 percent to \$HK0.225 per share

China Leason Investment Group Company Ltd
(Code: 8270)

Up 1.67 percent to \$HK0.61 per share

There were only 2, double-digit movers on The GEM, last Wednesday:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
National Arts Holdings Ltd	8228	10.90		1.22
Sun International Group Ltd	8029	10.10		1.53

On The Tokyo Stock Exchange, its TOPIX Index squeezed out a gain of about 0.39 percent as investors pulled it up to 860.53 points.

The Nikkei-225 Stock Average rose 0.37 percent to ¥9,963.14.

The ratio of gaining counters to losing ones was about 1.63:One.

This was how things looked on other Asian equity markets, last Wednesday at supper-time:

The HKSAR	Hang Seng Index Plus 1.22 percent to 21,926.88 The Growth Enterprise Index Plus 1.39 percent to 676.92
Indonesia	Plus 1.09 percent to 3,980.84
Japan	TOPIX Index Plus 0.39 percent to 860.53 Nikkei-225 Stock Average Plus 0.37 percent to 9,963.14
Malaysia	Plus 0.16 percent to 1,580.67

The Philippines	Plus 1.24 percent to 4,404.00
The PRC	Shanghai Composite Index Plus 1.48 percent to 2,795.48 Shenzhen Composite Index Plus 1.87 percent to 1,214.83
Singapore	Plus 0.36 percent to 3,088.42
South Korea	Plus 0.94 percent to 2,129.64
Taiwan	Minus 0.03 percent to 8,488.06
Thailand	Plus 1.41 percent to 1,077.40

Thursday

As was fully expected by this medium, the key indices of Wall Street slipped, last Thursday.

On The New York Stock Exchange, the Dow Jones Industrial Average lost about 0.44 percent to 12,437.12 points.

The Composite Index of The NASDAQ shed about 1.22 percent, dropping to 2,762.67 points.

Many reasons were given by numerous Wall Street gurus for the volatility of late in respect of the key indices of the world's largest equity markets, but the main reason for the way in which these key indices are all over the map, so to speak, is that there are too many ifs and buts for investors to compute, mentally – and the gurus of Wall Street, also, were having a very difficult time, trying to get their stories to jive with the facts, in the vernacular of Americans.

In Europe, there were other considerations for investors to try to compute and, with negativity, abounding from one corner of Europe to another, it was determined by many investors that the best course of action was either no action at all – or get liquid while the going was, still, relatively good.

Every key index of every one of **TARGET**'s select list of the largest bourses in this part of the world lost traction as the following list illustrates:

Amsterdam's AEX Index Minus 0.67 percent

France's CAC 40 Index Minus 1.07 percent

Germany's Frankfurt XETRA DAX Index Minus 0.73 percent

Great Britain's FTSE 100 Index Minus 0.95 percent

Italy's MIBTEL Index

Minus 1.05 percent

Switzerland's Swiss Market Index

Minus 0.82 percent

News Wise

- Italy's Senate passed an **austerity Budget** which embodied spending cuts of about €48 billion over the following 3 Fiscal Years. In terms of Gross Domestic Product, Italy ranks about Number 10 in the world. If its economy should stumble, the knock-on effect could well be too much for The European Union and/or The International Monetary Fund to bear.

Currencies

Currency	Last	High	Low	Change	Bid	Ask
EUR/USD	1.4181	1.4198	1.4142	+0.30%	1.4181	1.4186
GBP/USD	1.6160	1.6174	1.6137	+0.13%	1.6160	1.6164
USD/JPY	79.100	79.220	78.930	-0.01%	79.100	79.150
USD/CHF	0.81400	0.81620	0.8125	-0.22%	0.81400	0.81450
USD/CAD	0.95910	0.96070	0.95910	-0.11%	0.95910	0.95960
AUD/USD	1.0736	1.0744	1.0720	+0.14%	1.0736	1.0741

On The New York Mercantile Exchange (NYMEX), the last settlement of a barrel of light sweet crude oil for delivery in August was \$US95.69, down about 2.41 percent on the final quote of Wednesday.

As for delivery in September, the last settlement of a barrel of light sweet crude oil came in at \$US96.11, represent a one-day, price-fall of about 2.42 percent.

On Asian equity markets, the key indices were, generally, directionless.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key indices of both stock markets managed to score only very tiny fractional improvements.

The Hang Seng Index, the benchmark index of the Main Board of The Stock Exchange of Hongkong Ltd, rose about 0.06 percent to 21,940.20 points on a Total Turnover of about \$HK61.80 billion.

The ratio of advancing counters to declining ones was about 1.04 percent.

The Ten Most Active counters were:

China Construction Bank Corporation (Code: 939)

Down 0.82 percent to \$HK6.03 per share

Bank of China Ltd (Code: 3988)

Down 1.11 percent to \$HK3.55 per share

CNOOC Ltd (Code: 883)

Unchanged at \$HK17.86 per share

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

Up 0.18 percent to \$HK5.64 per share

Evergrande Real Estate Group Ltd (Code: 3333)

Down 4.55 percent to \$HK5.67 per share

China Mobile Ltd (Code: 941)

Down 0.35 percent to \$HK72.15 per share

HSBC Holdings plc (Code: 5)

Up 0.07 percent to \$HK75.50 per share

Jiangxi Copper Company Ltd (Code: 358)

Up 3.00 percent to \$HK27.50 per share

Tencent Holdings Ltd (Code: 700)

Up 0.97 percent to \$HK209.20 per share

Li and Fung Ltd (Code: 494)

Up 3.48 percent to \$HK13.66 per share

There were no very large movers on the Main Board, last Thursday, that is a movement in a share price of 15 percent or more, but the counters that moved 10 percent or more included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Mining Resources Group Ltd	340	11.30		0.148
China Print Power Group Ltd	6828		12.40	1.20
CIAM Group Ltd	378	13.40		1.10
Skyfame Realty (Holdings) Ltd	59	13.50		0.84
Solartech International Holdings Ltd	1166		14.80	0.26
Waytung Global Group Ltd	21		11.80	0.45
Yorkey Optical International (Cayman) Ltd	2788		10.90	1.06

On The **Growth Enterprise Market (The GEM)** of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gained about 0.28 percent, ending the light trading day at 678.81 points.

Declining counters outnumbered advancing ones by the ratio of about 1.15:One.

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

Heng Xin China Holdings Ltd (Code: 8046)

Up 5.11 percent to \$HK1.44 per share

Honbridge Holdings Ltd (Code: 8137)

Down 1.15 percent to \$HK2.58 per share

ERA Mining Machinery Ltd (Code: 8043)

Up 4.26 percent to \$HK0.49 per share

Fairson Holdings Ltd (Code: 8132)

Down 1.30 percent to \$HK0.38 per share

Tsun Yip Holdings Ltd (Code: 8356)

Up 4.89 percent to \$HK0.236 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Capital Resources (Holdings) Ltd	8025		16.70	0.50
Combest Holdings Ltd	8190		10.30	0.26
Global Link Communications Holdings Ltd	8060		18.10	0.213
MelcoLot Ltd	8198	10.90		0.152
Polyard Petroleum International Group Ltd	8011	10.00		0.088

News Wise

- The economy of **The Republic of Singapore** was said to have stalled in the second quarter of this Fiscal Year. The Republic's Gross Domestic Product contracted by about 7.80 percent, annualised. Manufacturing growth in respect of the quarter, ended June 30, 2011, indicated an increase of about 0.50 percent, Year-On-Year, and this statistic was in stark contrast to the previous quarter when manufacturing activity indicated an increase of about 9.30 percent, Year-On-Year.

On The Tokyo Stock Exchange, its TOPIX Index shed about 0.42 percent, dropping back to 856.88 points.

The Nikkei-225 Stock Average lost about 0.27 percent, ending the trading day at ¥9,936.12.

Declining counters outnumbered advancing ones by the ratio of about 2.10:One.

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

The HKSAR	Hang Seng Index Plus 0.06 percent to 21,940.20 The Growth Enterprise Index Plus 0.28 percent to 678.81
Indonesia	Plus 0.42 percent to 3,997.64

Japan	TOPIX Index Minus 0.42 percent to 856.88 Nikkei-225 Stock Average Minus 0.27 percent to 9,936.12
Malaysia	Minus 0.05 percent to 1,579.84
The Philippines	Plus 0.44 percent to 4,423.55
The PRC	Shanghai Composite Index Plus 0.54 percent to 2,810.44 Shenzhen Composite Index Plus 0.73 percent to 1,223.74
Singapore	Plus 0.01 percent to 3,088.70
South Korea	Plus 0.02 percent to 2,130.07
Taiwan	Minus 0.08 percent to 8,481.35
Thailand	Plus 0.23 percent to 1,079.91

Friday

Questions were flying round Wall Street, last Friday: How many banks in The Land of The Free and The Home of The Brave could pass the European equivalent of US stress tests.

This followed a report from The **E**uropean **B**anking **A**uthority (**EBA**), which carried out tests on 90 banks in Europe in order to ascertain their financial health.

The result:

1. 9 percent of the total number of banks that were tested failed, meaning that, in the event of financial crisis, they would be in serious trouble and would need assistance to muddle through the crisis;
2. 18 percent of the banks were in the danger zone – just scraping through the stress test;
3. 5 Spanish banks failed the stress test, outright;
4. One Austrian bank failed, completely; and,
5. Two banks in Greece failed, completely.

For many of the gurus of Wall Street, as is their wont, they pooh-poohed the stress-test results: They prefer to be reactive rather than proactive because fewer mistakes can be made after knowing all of the facts and, then, making prognostications, based on history.

On The New York Stock Exchange, the Dow Jones Industrial Average rose about 0.34 percent to 12,479.73 points.

The Composite Index of The NASDAQ gained about 0.98 percent, ending the light trading day at 2,789.80

points.

The ratio of gaining counters to losing ones was about 1.50:One on both equity markets.

The tally for the week for the world's largest equity markets was:

The Dow Jones Industrial Average Minus 1.40 percent
The Composite Index of The NASDAQ Minus 2.45 percent

On European equity markets, the result of the EBA tests put ants in the pants of many an investor.

This was in addition to the problems in respect of a number of European states, known to be in dire financial straits.

This was how the key indices of the most-important European bourses fared, last Friday night:

Amsterdam's AEX Index Minus 0.29 percent

France's CAC 40 Index Minus 0.65 percent

Germany's Frankfurt XETRA DAX Index Plus 0.07 percent

Great Britain's FTSE 100 Index Minus 0.05 percent

Italy's MIBTEL Index Minus 0.95 percent

Switzerland's Swiss Market Index Minus 0.71 percent

Currencies

Currency	Last	High	Low	Change	Bid	Ask
EUR/USD	1.4156	1.4198	1.4096	+0.12%	1.4156	1.4161
GBP/USD	1.6134	1.6174	1.6079	-0.03%	1.6134	1.6138
USD/JPY	79.100	79.260	78.930	-0.01%	79.100	79.160
USD/CHF	0.81480	0.81900	0.8125	-0.12%	0.81480	0.81520
USD/CAD	0.95300	0.96230	0.95230	-0.75%	0.95300	0.95350
AUD/USD	1.0652	1.0744	1.0622	-0.64%	1.0652	1.0657

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 August came in at \$US97.24, representing

an increase over Thursday's closing level of about 1.62 percent.

As for delivery in September, the last settlement of a barrel of light sweet crude oil was \$US97.60, up about 1.55 percent on Thursday's final quote.

In Asia, for the most part, there were only fractional changes to the key indices of the most-important equity markets.

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

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index shed about 0.30 percent, ending the quiet trading day at 21,875.38 points.

The Total Turnover on this market was about \$HK60.73 billion, with the ratio of declining counters to advancing ones, being about 1.73:One.

The Ten Most Active counters were:

Cheung Kong Infrastructure Holdings Ltd (Code:
1038)

Down 5.18 percent to \$HK41.20 per share

Evergrande Real Estate Group Ltd (Code: 3333)

Up 2.82 percent to \$HK5.83 per share

China Construction Bank Corporation (Code: 939)

Down 1.16 percent to \$HK5.96 per share

Bank of China Ltd (Code: 3988)

Down 0.85 percent to \$HK3.52 per share

Tencent Holdings Ltd (Code: 700)

Up 1.43 percent to \$HK212.20 per share

AIA Group Ltd (Code: 1299)

Down 2.26 percent to \$HK26.00 per share

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

Down 0.71 percent to \$HK5.60 per share

China Overseas Land and Investment Ltd (Code:
688)

Down 4.85 percent to \$HK16.08 per share

GCL-Poly Energy Holdings Ltd (Code: 3800)

Up 1.74 percent to \$HK4.10 per share

Hutchison Whampoa Ltd (Code: 13)

Down 0.90 percent to \$HK82.55 per share

The biggest movers of this market included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
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International Mining Machinery Holdings Ltd	1683	17.40		7.69
Jiahua Stores Holdings Ltd	602	23.30		0.53
Sateri Holdings Ltd	1768		17.30	4.02

On The **Growth Enterprise Market (The GEM)** of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gave up about 0.18 percent, dropping to 677.60 points.

The Total Turnover on this equity market was about \$HK195.83 million, with losers, outnumbering gainers by the ratio of about 1.08:One.

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

Heng Xin China Holdings Ltd (Code: 8046)

Down 3.47 percent to \$HK1.39 per share

Honbridge Holdings Ltd (Code: 8137)

Up 1.16 percent to \$HK2.61 per share

Legend Strategy International Holdings Group
Company Ltd (Code: 8160)

\$HK1.40 per share*

Seamless Green China (Holdings) Ltd (Code: 8150)

Down 5.16 percent to \$HK1.47 per share

ERA Mining Machinery Ltd (Code: 8043)

Up 1.02 percent to \$HK0.495 per share

* First Day of Trading

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Capital Resources (Holdings) Ltd	8025	10.00		0.55
Hongkong Life Group Holdings Ltd	8212		29.20	0.034
Pan Asia Mining Ltd	8173		12.00	0.365
Powerleader Science and Technology Group Ltd	8236	30.20		0.345
Unlimited Creativity Holdings Ltd	8079	13.30		0.094
Zheda Lande Scitech Ltd	8106		13.80	0.25

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

The Hang Seng Index	Minus 3.74 percent
The Growth Enterprise Index	Minus 1.64 percent

On The Tokyo Stock Exchange, its TOPIX Index gained about 0.29 percent, ending the trading day at 859.36 points.

The Nikkei-225 Stock Average managed to log in a gain of about 0.39 percent, ending its trading day at ¥9,974.47.

The ratio of advancing counters to declining ones was about 1.54:One.

The tally for Asia's largest and most-important equity market for the week, ended July 15, 2011, was:

The TOPIX Index	Minus 1.71 percent
The Nikkei-225 Stock Average	Minus 1.61 percent

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

The HKSAR	Hang Seng Index Minus 0.30 percent to 21,875.38 The Growth Enterprise Index Minus 0.18 percent to 677.60
Indonesia	Plus 0.64 percent to 4,023.20
Japan	TOPIX Index Plus 0.29 percent to 859.36 Nikkei-225 Stock Average Plus 0.39 percent to 9,974.47
Malaysia	Minus 0.16 percent to 1,577.25
The Philippines	Plus 0.80 percent to 4,458.74
The PRC	Shanghai Composite Index Plus 0.35 percent to 2,820.17 Shenzhen Composite Index Plus 0.74 percent to 1,232.84
Singapore	Minus 0.14 percent to 3,084.24
South Korea	Plus 0.71 percent to 2,145.20
Taiwan	Plus 1.10 percent to 8,574.91
Thailand	Closed

-- **END** --

*While **TARGET** makes every attempt to ensure accuracy of all data published, **TARGET** cannot be held responsible for any errors and/or omissions.*

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