

**PRESIDENT GEORGE W. BUSH WINS THE WHITE HOUSE:  
THE BULLS RUN DOWN PENNSYLVANIA AVENUE**

Throughout the Western World, last Monday, attention was focused on The United States of America (US) where excitement was running at near fever pitch: Who would become the 44<sup>th</sup> President of the world's only superpower – The incumbent, President George W. Bush, or the upstart Democratic Senator, Mr John Kerry?

A large part of the Eastern World, too, was watching the proceedings in the US, but for an entirely different reason to that of the West: Reconciliation or more bloodshed?

About one percentage point separated the 2 political combatants, according to popular US polls, taken from a Universal Sampling of voters.

Aside from the breaking news in respect of the US Presidential Election, in Nigeria, a second general strike was being planned by the largest trade unions of the country.

The Nigeria Labour Congress (NLC) announced that it would call a nationwide strike, commencing November 16, 2004.

The announcement caused a stir on international oil markets and, in electronic trading on The New York Mercantile Exchange (NYMEX), early last Monday, the price of light sweet crude oil rose above the \$US52 per-barrel mark.

Nigeria exports about 2.50 million barrels of crude oil per day so that any disruption of oil exports from that West African nation would, undoubtedly, affect oil prices, internationally.

While the commencement date of the strike had been carved in stone for November 16, 2004, there had been no suggestion as to when the strike would end.

Mr Adams Oshiomhole, the leader of the NLC, warned that the strike would be total – throughout the entire country – and Nigerian oil exports would be affected.

The NLC is demanding a reduction in the price of oil, domestically, which has risen about 23 percent, recently.

But when The NYMEX did open for business in New York, last Monday, to the surprise of many people, the price of light sweet crude oil continued the descent of the previous week.

Traders did not take the Nigerian threats very seriously, it appeared.

By the close of trading on The NYMEX, light sweet crude oil for December delivery was settled at \$US50.13 per barrel.

For January 2005 delivery, the price per barrel of light sweet crude oil was down to \$US50.01 by the close of the day.

On Wall Street, the news that the price of crude oil was continuing to fall was roundly welcomed.

On The New York Stock Exchange, the Dow Jones Industrial Average, the gauge to trading in blue chips on the Big Board, was up 26.92 points by the end of the trading session, at 10,054.39 points.

Over on The NASDAQ, its Composite Index was 4.88 points better than the close of trading on Friday, October 29, at 1,979.87 points.

On major European bourses, oil prices and oil delivery were matters about which to be concerned, long term, but the here and the now was the US Presidential Election, with the winner, expected to be announced late on Tuesday night.

Europe did not appear to be too concerned about the threat of a general strike in Nigeria because, after all, that was more than a fortnight in the future.

But who would sit in the White House for the next 4 years may very well test the mettle of many a head of many a nation.

With such weighty considerations, many equity markets in eurozone were relatively quiet although all of the major ones rang up plus figures:

Amsterdam's AEX Index	Plus	0.20 percent
Great Britain's FTSE 100 Index	Plus	1.07 percent
Germany's Frankfurt XETRA DAX Index	Plus	1.32 percent
France's CAC 40 Index	Plus	0.73 percent
Switzerland's Swiss Market Index	Plus	0.78 percent
Italy's MIBTEL Index	Plus	0.92 percent

On Asian equity markets, last Monday, indices of major bourses moved sideways, for the most part.

It was a mixed bag of fractional adjustments in the value of key indices, only.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), trading was very subdued on the territory's 2 equity markets.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gained about 0.30 percent, ending the quiet session at 13,094.25 points.

The Total Turnover fell back to about \$HK9.53 billion.

Even though the Hang Seng Index registered a positive value by the close of trading, last Monday, losing counters outran gaining ones by the ratio of about 1.41:One.

The morning session had seen widespread losses on the Main Board, but these were erased in the 90-minute afternoon session, as investors looked round for what they considered to be cheapies.

The Ten Most Active Counters of the day were:

HSBC Holdings plc (Code: 5)	Up 0.40 percent to \$HK126.50 per share
Semiconductor Manufacturing International Corporation (Code: 981)	Up 3.68 percent to \$HK1.69 per share
China Telecom Corporation Ltd (Code: 728)	Down 1.00 percent to \$HK2.475 per share
Ping An Insurance (Group) Company of China Ltd (Code: 2318)	Down 1.63 percent to \$HK12.05 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.11 percent to \$HK22.85 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.69 percent to \$HK72.50 per share
PetroChina Company Ltd (Code: 857)	Up 0.61 percent to \$HK4.10 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.42 percent to \$HK59.50 per share
China Life Insurance Company Ltd (Code: 2628)	Unchanged at \$HK5.15 per share
CNOOC Ltd (Code: 883)	Unchanged at \$HK4.00 per share

As for the Main Board's double-digit movers, they included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AMS Public Transport Holdings Ltd	77	15.22		1.59
Bestway International Holdings Ltd	718	12.90		0.035
China Chengtong Development Group Ltd	217	11.32		0.295
China Merchants DiChain (Asia) Ltd	632	10.00		0.066
Ching Hing (Holdings) Ltd	692		13.89	0.093
CITIC 21CN Company Ltd	241	10.53		2.10
Climax International Company Ltd	439	23.33		0.037
Cosmopolitan International Holdings Ltd	120	10.34		0.16
EC-Founder (Holdings) Company Ltd	618	11.11		0.30
eForce Holdings Ltd	943		17.02	0.039
Ezcom Holdings Ltd	312	13.33		0.425
Gorient (Holdings) Ltd	729	44.12		0.049
Magician Industries (Holdings) Ltd	526		10.89	0.18
Magnificent Estates Ltd	201	13.04		0.078
Mei Ah Entertainment Group Ltd	391		10.34	0.26
Morning Star Resources Ltd	542	19.15		0.056

New Smart Holdings Ltd	91	11.70		0.105
Sewco International Holdings Ltd	209		10.17	0.265
SMI Corporation Ltd	198		10.74	1.08
Wai Yuen Tong Medicine Holdings Ltd	897	11.32		0.118
Wing On Travel (Holdings) Ltd	1189	19.05		0.025
Wo Kee Hong (Holdings) Ltd	720	10.71		0.031
Wonson International Holdings Ltd	651		15.79	0.016

Over on The (speculative) **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover dipped to about \$HK30.71 million.

The Growth Enterprise Index lost about 0.68 percent of its value, ending the day at 982.89 points.

The ratio of losing counters to gaining ones was about 1.59:One.

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

TOM Online Incorporated (Code: 8282)	Down 5 percent to \$HK1.17 per share
MP Logistics International Holdings Ltd (Code: 8239)	Down 1 percent to \$HK1.29 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 1 percent to \$HK1.33 per share
Yantai North Andre Juice Company Ltd (Code: 8259)	Down 2 percent to 98 cents per share
Tianjin Tianlian Public Utilities Company Ltd (Code: 8290)	Up 2 percent to 63 cents per share

The GEM's double-digit movers included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
DIGITALHONGKONG.COM	8007	10.14		0.38
EVI Education Asia Ltd	8090		16.67	0.05
Kanstar Environmental Paper Products Holdings Ltd	8011	11.67		0.335
Stockmartnet Holdings Ltd	8123	11.11		0.02
Tradeeasy Holdings Ltd	8163	20.51		0.047
Value Convergence Holdings Ltd	8101	14.81		0.62

In Japan, with the US, being the largest single customer of the country, tension was felt on the 3 equity markets as investors, for the most part, stayed on the sidelines, awaiting the results of the Presidential Election.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average lost 36.71 yen, equivalent to about 0.34 percent, falling to 10,734.71 yen.

The ratio of losing counters to gaining ones was about 1.84:One.

#### News wise

- The **unemployment rate** in Japan for the month of September was about 4.60 percent, down about 0.20 percent, compared with August's statistic, The Internal Affairs and Communications Ministry said in its preliminary report. While the September unemployment rate represented the 16<sup>th</sup> consecutive month of decreases, it still meant that about 3.09 million Japanese people are out, walking the sidewalks, looking for jobs;
- **All Nippon Airways Company (ANA)** reported that its Group Net Profit for the first 6 months of its Financial Year, ended September 30, 2004, was about 29.89 billion yen, up about 45.30 percent, Year-on-Year;
- **Nissan Motor Company** announced that its Group Net Profit Attributable to Shareholders for the 6-month period, ended September 30, 2004, stood at 238.85 billion yen, up about 0.50 percent, Year-on-Year; and,
- **NTT DoCoMo Incorporated** announced that its Net Profits Attributable to Shareholders for the first half of its Fiscal Year, to September 30, 2004, had fallen to about 335.19 billion yen, a 6-percent drop, compared with the like period in 2003. It was the first time that profits had not risen for any period in the company's history as a publicly listed entity.

In other parts of Asia, this was how indices of major equity markets fared, last Monday:

The HKSAR	Plus 0.30 percent to 13,094.25
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Indonesia	Plus 0.36 percent to 863.59
Japan	Minus 0.34 percent to 10,734.71
Malaysia	Plus 0.34 percent to 864.04
The Philippines	Closed
Singapore	Minus 0.10 percent to 1,978.79
South Korea	Plus 0.10 percent to 835.66
Taiwan	Minus 0.87 percent to 5,656.17
Thailand	Minus 0.19 percent to 626.96

## **Tuesday**

The price of crude oil on The New York Mercantile Exchange (NYMEX) slid below the \$US50 per-barrel level, last Tuesday.

But not too many people were paying much attention to it.

All eyes, from Tokyo, Japan, to London, England, to Juneau, Alaska, were fixed on the US Presidential Election.

The number of eligible voters in the US, who took the time and trouble to visit polling stations in order to cast their ballots, in some cases, having to stand in long queues for a considerable length of time, surprised many observers.

They turned up in the tens of millions, braving rain and bitter cold weather in some states.

The US business machine took a rest; Anxious Americans awaited the results of the hard-fought election battle.

The last settled price of light sweet crude oil on The NYMEX for December delivery was \$US49.62 per barrel, down about 1.02 percent, compared with Monday's last settlement price.

For January 2005 delivery, the price of light sweet crude oil was settled at \$US49.59 per barrel, off about 0.84 percent on Monday's closing level.

On The New York Stock Exchange, after a start, which saw prices move up sharply on early suggestions that President George W. Bush would be sitting in the White House for the next 4 years, there was a decided reversal of fortunes as suggestions indicated that, perhaps, Senator John Kerry would be ousting the incumbent.

By the close of the day, the Dow Jones Industrial Average ended down about 0.19 percent to 10,035.73 points.

On The (tech-laden) NASDAQ, its Composite Index rose exactly one quarter of a percentage point to hit 1,984.79 points by the end of the trading day.

The theory was that if President George W. Bush won the job of steering the US Government for a second term, that was good for business and good for securities trading.

The opposite would be true in the event the Senator John Kerry won the day.

In Europe, the serious money was on President George W. Bush for President.

Up went indices of every major bourse in eurozone:

Amsterdam's AEX Index	Plus 0.94 percent
Great Britain's FTSE 100 Index	Plus 0.41 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.62 percent
France's CAC 40 Index	Plus 0.65 percent
Switzerland's Swiss Market Index	Plus 0.91 percent
Italy's MIBTEL Index	Plus 0.29 percent

For many European bourses, last Tuesday's close was the highest levels for more than a month.

The lower prices for crude oil helped make investors plough into equities, once more.

Punters were out in force on key equity markets, last Tuesday, as one schism after another took flyers on who would sit in the White House for the next 4 years and how it would be good or bad for securities trading, worldwide.

In Asia, only the equity markets of The Philippines did not benefit from the general sentiment that President George W. Bush would win the Presidential Election.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors were out in force, too, picking up blue chips – for the most part – on the Main Board of The Stock Exchange of Hongkong Ltd.

The Hang Seng Index, the key index of the Main Board, rose by about 1.64 percent, ending the very busy trading session at 13,308.74 points.

The Total Turnover rose to about \$HK16.92 billion, while the ratio of gaining counters to losing ones was about 3.32:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 1.19 percent to \$HK128.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 2.41 percent to \$HK23.40 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.26 percent to \$HK60.25 per share
Far East Consortium International Ltd (Code: 35)	Up 21.35 percent to \$HK2.70 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.38 percent to \$HK73.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 2.32 percent to \$HK66.25 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 1.41 percent to \$HK14.35 per share
China Life Insurance Company Ltd (Code: 2628)	Up 0.97 percent to \$HK5.20 per share
China Telecom Corporation Ltd (Code: 728)	Unchanged at \$HK2.475 per share
PetroChina Company Ltd (Code: 857)	Up 1.22 percent to \$HK4.15 per share

The biggest, Main Board movers of the day, however, were reserved for the following counters:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Bestway International Holdings Ltd	718	20.00		0.042
Capital Prosper Ltd	1003	10.42		0.053
Century Legend (Holdings) Ltd	79	10.43		0.18
Climax International Company Ltd	439		18.92	0.03
Daqing Petroleum and Chemical Group Ltd	362	11.34		0.54
Far East Consortium International Ltd	35	21.35		2.70
Graneagle Holdings Ltd	147	11.11		0.35
Haywood Investments Ltd	905		14.29	0.024
Hua Lien International (Holding) Company Ltd	969	10.00		0.33
HyComm Wireless Ltd	499	11.11		0.06
ITC Corporation Ltd	372	22.89		0.51
Keck Seng Investments (Hongkong) Ltd	184	12.99		2.00
MAE Holdings Ltd	851	53.85		0.02
Medtech Group Company Ltd	1031		15.29	0.072
New World TMT Ltd	301	19.64		0.67
New World CyberBase Ltd	276	10.00		0.33
Paul Y. - ITC Construction Holdings Ltd	498	14.66		1.33
Pioneer Global Group Ltd	224		10.17	0.265
Pyxis Group Ltd	516		16.67	0.04
Shimao China Holdings Ltd	649	18.92		0.88
South Sea Holding Company Ltd	680	12.50		0.027
Titan Petrochemicals Group Ltd	1192	11.11		0.80
Tongda Group Holdings Ltd	698		10.70	0.192
United Power Investment Ltd	674		12.50	0.315
Universe International Holdings Ltd	1046	10.81		0.041
Vantage International (Holdings) Ltd	15	17.46		0.37
Victory Group Ltd	1139	18.18		0.026
Wong's Kong King International (Holdings) Ltd	532	12.73		0.62
Xin Corporation Ltd	1141	25.00		0.065

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

The Growth Enterprise Index lost about 0.21 percent of its value, falling back to 980.86 points.

The Total Turnover rose to about \$HK106.53 million, with trading in just one counter, that of HC International, Incorporated (Code: 8292), accounting for a little more than 64 percent of the entire volume of activity. (Please see table below)

Advancing counters led declining counters by the ratio of about 1.11:One.

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

HC International, Incorporated (Code: 8292)	Down 11 percent to \$HK1.70 per share
Sau San Tong Holdings Ltd (Code: 8200)	Up 7 percent to 72 cents per share
Yantai North Andre Juice Company Ltd (Code: 8259)	Up 1 percent to 99 cents per share
MP Logistics International Holdings Ltd (Code: 8239)	Up 1 percent to \$HK1.30 per share
Tianjin Tianlian Public Utilities Company Ltd (Code: 8290)	Down 10 percent to 57 cents per share

The GEM's double-digit movers included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CASH Financial Services Group Ltd	8122	10.00		0.22
Creative Energy Solutions Holdings Ltd	8109	13.11		0.069
Golding Soft Ltd	8190		13.04	0.02
HC International Incorporated	8292		10.53	1.70
M Channel Corporation Ltd	8036		15.00	0.017
New Chinese Medicine Holdings Ltd	8085		13.04	0.02
Q9 Technology Holdings Ltd	8129	17.50		0.047
Timeless Software Ltd	8028	10.96		0.081
WLS Holdings Ltd	8021		11.76	0.03

In Japan: Smiles all around, as indices of the country's 3 equity markets made material gains.

On the premier bourse of the country, The Tokyo Stock Exchange, The Nikkei-225 Stock Average put on about 1.43 percent, hitting 10,887.81 yen by the close of the day.

Gaining counters outscored losing ones by the ratio of about 4.32:One.

As with many people, around the world, last Tuesday, many Japanese investors were betting that President George W. Bush would win a second term in the White House and that that would be good for equities and securities trading, generally.

#### News wise

- **Toyota Motor Corporation** announced Group Net Profits Attributable to Shareholders of about 584 billion yen for the 6 months, ended September 30, 2004. That result was an increase, Year-on-Year, of about 11.40 percent, Management said. It was a record-high profit for the company for any first half of any Financial Year and represented the 5<sup>th</sup> consecutive, half-Yearly Bottom Line of rising profits.

In other parts of Asia, last Tuesday, this was how indices of major equity markets closed:

The HKSAR	Plus 1.64 percent to 13,308.74
Indonesia	Plus 2.06 percent to 881.40
Japan	Plus 1.43 percent to 10,887.81
Malaysia	Plus 1.29 percent to 875.19
The Philippines	Minus 0.52 percent to 1,809.54
Singapore	Plus 0.84 percent to 1,995.38
South Korea	Plus 1.32 percent to 846.67
Taiwan	Plus 1.83 percent to 5,759.61
Thailand	Plus 0.80 percent to 631.99

#### Wednesday

The world was waiting agog, early last Wednesday, as, after a full day of voting and the counting of the tens of millions of ballots throughout last Tuesday night, there was still no clear winner of the US Presidential Election by the close of trading in Asia.

And, in the US, at 9 am, last Wednesday, New York time, it was still up in the air as to who had won: US President George W. Bush or Senator John Kerry.

The race had been nip and tuck, right down to the final tally of the last state, that of Ohio.

But, as Sir Isaac Newton's Third Law of Motion states: An object experiences a force because it is interacting with some other object, and that the force exerted by Object One on Object Two must be equal to the force exerted by Object Two on Object One, but in the opposite direction.

And so it was that, with the very strong suggestion that President George W. Bush would be returned to the White House for a second term of office, there was bound to be another force, coming into play, one that was equal to the first, but in the opposite direction.

That opposite directional force was felt in the oil markets of the world.

In electronic trading, last Wednesday, the price of light sweet crude oil on The New York Mercantile Exchange (NYMEX) for December delivery rose about 63 cents per barrel to \$US50.25.

The generally held belief behind the bullishness on oil markets was that the Bush Administration would continue with its policies in the Middle East, thereby stoking the fires of uncertainty and causing crude oil prices to rise.

Also, the fighting would continue in Iraq and Afghanistan; and, it could spread to other areas of the Middle East, Iran, being a strong probability unless it changes its ways and abrogates its avowed intent to become a nuclear power in the Middle East.

In anticipation of the above, the US Government was expected to continue to stockpile its oil reserves.

In the early afternoon, last Wednesday, Senator John Kerry conceded defeat: President George W. Bush was the winner in a protracted and hard-fought battle.

The champagne flowed in Republican offices, throughout the country.

On Wall Street, by the close of trading, last Wednesday, stock prices had risen, strongly, with defence and health stocks, reaping the benefit of the Bush win.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 101.32 points, or about 1.01 percent, ending the very busy trading session at 10,137.05 points.

Over on The NASDAQ, its Composite Index put on 19.54 points, equivalent to about 0.98 percent, running up to 2,004.33 points.

Gaining stocks were ahead of losing ones by about 3:One on the Big Board of The New York Stock Exchange and by about 2:One on The NASDAQ.

One The NYMEX, the price of light sweet crude oil for December delivery closed the day at \$US50.88 per barrel, a gain on Tuesday's last settlement price of about 2.54 percent.

For January 2005 delivery, the price of light sweet crude was settled at \$US50.82 per barrel, up 2.48 percent on Tuesday's close.

In Europe, it was a forgone conclusion that President George W. Bush would be granted a second term in office by the electorate.

On that basis, it was reasoned, it should be good for business in America and, it follows, it should be good for securities trading.

So, up went key indices on major bourses in eurozone:

Amsterdam's AEX Index	Plus	0.38 percent
Great Britain's FTSE 100 Index	Plus	0.53 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.03 percent
France's CAC 40 Index	Plus	0.10 percent
Switzerland's Swiss Market Index	Plus	1.11 percent
Italy's MIBTEL Index	Plus	0.13 percent

Perhaps, even more important than which candidate had won the White House was that the uncertainty of it all was a thing of the past: Equity markets hate uncertainty.

For many a European bourse, last Wednesday's close represented a 6-month high.

Asian equity markets had, just about, picked the winner of the US Presidential race on Monday and, as a result, indices of major equity markets rose for the second day in a row.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), from the sounds of the opening bell on The Stock Exchange of Hongkong Ltd, investors went on a buying spree.

By the close of the day, the Hang Seng Index was standing at 13,397.67 points, an increase of about 0.67 percent over the previous closing level.

The Total Turnover continued to be high, at about \$HK19.83 billion.

Advancing counters outnumbered declining ones by the ratio of about 1.99:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 0.39 percent to \$HK128.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.64 percent to \$HK23.55 per share
Sun Hung Kai Properties Ltd (Code: 16)	Unchanged at \$HK73.50 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.41 percent to \$HK60.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.75 percent to \$HK66.75 per share
PetroChina Company Ltd (Code: 857)	Up 1.20 percent to \$HK4.20 per share
Far East Consortium International Ltd (Code: 35)	Up 12.96 percent to \$HK3.05 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.95 percent to \$HK106.00 per share
Silver Grant International Industries Ltd (Code: 171)	Up 11.02 percent to \$HK3.275 per share
Semiconductor Manufacturing International Corporation (Code: 981)	Up 2.98 percent to \$HK1.73 per share

As for the Main Board's double-digit movers, they were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Century Legend (Holdings) Ltd	79	12.78		0.203
China Conservational Power Holdings Ltd	290	13.21		0.30
Chevalier iTech Holdings Ltd	508	11.11		1.00
China Sci-Tech Holdings Ltd	985	17.65		0.02
China United International Holdings Ltd	273		11.48	0.239
China Velocity Group Ltd	149	20.27		0.89
Ching Hing (Holdings) Ltd	692		16.13	0.078
Chuang's China Investments Ltd	298	14.29		0.40
Chuang's Consortium International Ltd	367	17.65		0.60
Far East Consortium International Ltd	35	12.96		3.05
Far East Hotels and Entertainment Ltd	37	90.00		0.76
Far East Technology International Ltd	36	140.00		0.48
Fortune Telecom Holdings Ltd	110	12.90		0.70
Fujian Holdings Ltd	181	13.64		0.25
Gorient (Holdings) Ltd	729		16.98	0.044
Hua Lien International (Holding) Company Ltd	969	15.15		0.38
Keck Seng Investments (Hongkong) Ltd	184	27.50		2.55
MAE Holdings Ltd	851		15.00	0.017
Magnificent Estates Ltd	201	23.38		0.095
Melco International Development Ltd	200	16.33		11.40
Nam Fong International Holdings Ltd	1176	15.79		0.022
Oriental Explorer Holdings Ltd	430		11.76	0.06
Polytec Asset Holdings Ltd	208	15.79		0.66
Pyxis Group Ltd	516	10.00		0.044
renren Holdings Ltd	59	10.00		0.011
Rivera (Holdings) Ltd	281	10.42		0.212
Same Time Holdings Ltd	451		10.95	1.22
Silver Grant International Industries Ltd	171	11.02		3.275
Tack Hsin Holdings Ltd	611	21.83		0.173



Wanji Pharmaceutical Holdings Ltd	835		11.54	0.023
Winfoong International Ltd	63	28.57		0.315
Yanion International Holdings Ltd	82	13.21		0.60

Over on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index added about 0.78 percent to its value, closing the day at 988.48 points.

The Total Turnover on this speculative marketplace was about \$HK41.82 million, while the ratio of gainers to losers was about 1.28:One.

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

Sau San Tong Holdings Ltd (Code: 8200)	Up 7 percent to 77 cents per share
HC International, Incorporated (Code: 8292)	Up 8 percent to \$HK1.84 per share
Panva Gas Holdings Ltd (Code: 8132)	Up 1 percent to \$HK3.325 per share
Golden Meditech Company Ltd (Code: 8180)	Up 3 percent to \$HK1.94 per share
Convenience Retail Asia Ltd (Code: 8052)	Down 4 percent to \$HK2.675 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Golding Soft Ltd	8190	15.00		0.023
Jiangsu Nandasoft Company Ltd	8045	15.15		0.38
Prosperity International Holdings (Hongkong) Ltd	8139	10.53		0.042
Superdata Software Holdings Ltd	8263	10.75		1.03
T S Telecom Technologies Ltd	8003	11.11		0.05
Universal Technologies Holdings Ltd	8091		13.27	0.098
WLS Holdings Ltd	8021	13.33		0.034

Japan was closed for a public holiday, last Wednesday.

This was how indices of other Asian equity markets ended their respective trading days, last Wednesday:

The HKSAR	Plus 0.67 percent to 13,397.67
Indonesia	Plus 1.02 percent to 890.37
Japan	Closed
Malaysia	Plus 0.49 percent to 878.45
The Philippines	Plus 0.98 percent to 1,827.32
Singapore	Plus 1.11 percent to 2,017.43
South Korea	Plus 1.70 percent to 861.05
Taiwan	Plus 1.79 percent to 5,862.85
Thailand	Plus 1.47 percent to 641.29

### **Thursday**

Early last Thursday, the US Labour Department announced that, for the week, ended October 30, 2004, the number of workers, applying for Unemployment Insurance, was about 332,000 Claims.

This figure was slightly down on the previous week.

This is part of that which The Labour Department announced:

### ***'UNEMPLOYMENT INSURANCE WEEKLY CLAIMS REPORT SEASONALLY ADJUSTED DATA***

*'In the week ending Oct. 30, the advance figure for seasonally adjusted initial claims was 332,000, a decrease of 19,000 from the previous week's revised figure of 351,000. The 4-week moving average was 342,000, a decrease of 1,500 from the previous week's revised average of 343,500 The advance seasonally*

*adjusted insured unemployment rate was 2.2 percent for the week ending Oct. 23, unchanged from the prior week's unrevised rate of 2.2 percent. The advance number for seasonally adjusted insured unemployment during the week ending Oct. 23 was 2,800,000, a decrease of 20,000 from the preceding week's revised level of 2,820,000. The 4-week moving average was 2,804,000, a decrease of 14,250 from the preceding week's revised average of 2,818,250.'*

Wall Street's reaction to the above, plus a material reduction in the price of crude oil on international exchanges, was to fan the flames of the post-Presidential Election rally.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 177.71 points, equivalent to about 1.75 percent, ending the very busy trading day at 10,314.76 points.

Over on The NASDAQ, its Composite Index did not fare as well as the key indices on The New York Stock Exchange, but, nevertheless, it did manage a respectable gain of about 0.96 percent, ending the day at 2,023.63 points.

On The New York Mercantile Exchange (NYMEX), the price of light sweet crude oil for December delivery fell by about 4.05 percent, compared with Wednesday's closing level, to drop back to \$HK48.82 per barrel.

As for January 2005 delivery, the price of light sweet crude oil finished the day at \$US48.84 per barrel, off about 3.90 percent, compared with the last settlement price of Wednesday.

In the eurozone, it was announced in Frankfurt, Germany, that The European Central Bank (ECB) had determined to leave well-enough alone: Interest rates were not jacked up past the 2-percent level, where they have been for the past 17 months.

The ECB, however, announced, obliquely, that it is studying the effects of the high price of crude oil on the economies of the European Union.

From London, England, it was announced that The Bank of England would follow the ECB's example: Interest rates are to stay at 4.75 percent, unchanged.

In view of the fact that the excitement was over in respect of the US Presidential Election, Europe seemed to be somewhat switched off, or at least, on low volume, to the situation in the world's only superpower.

Indices of major bourses drifted, by and large:

Amsterdam's AEX Index	Minus 0.59 percent
Great Britain's FTSE 100 Index	Plus 0.20 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.05 percent
France's CAC 40 Index	Minus 0.19 percent
Switzerland's Swiss Market Index	Unchanged
Italy's MIBTEL Index	Plus 0.19 percent

Activity on Asian equity markets, generally, was quieter than Monday and Tuesday, with key indices, tending to drift south with the single exception of the Japanese equity markets.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), while volumes of activity maintained a relatively high level, indices of the 2 equity markets were off, fractionally.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index lost about 0.21 percent of its value, ending the day at 13,369.09 points.

The Total Turnover was about \$HK17.37 billion.

Losing counters were ahead of gaining ones by the ratio of about 1.21:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.78 percent to \$HK129.50 per share
China Unicom Ltd (Code: 762)	Unchanged at \$HK5.50 per share
China Telecom Corporation Ltd (Code: 728)	Up 1.00 percent to \$HK2.525 per share
China Gas Holdings Ltd (Code: 384)	Up 13.86 percent to \$HK1.15 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.27 percent to \$HK23.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.37 percent to \$HK66.50 per share

Sun Hung Kai Properties Ltd (Code: 16)  
Hutchison Whampoa Ltd (Code: 13)  
Far East Consortium International Ltd (Code: 35)  
China Petroleum and Chemical Corporation (Code: 386)

Down 0.34 percent to \$HK73.25 per share  
Down 0.41 percent to \$HK60.25 per share  
Up 4.92 percent to \$HK3.20 per share  
Unchanged at \$HK3.10 per share

As for the Main Board’s double-digit movers of the day, there were a total of 48 counters, which qualified for that distinction with only one counter, losing ground.

The biggest gainer of the day was Mexan Ltd (Code: 22), whose share price rose 65.48 percent, running up to \$HK1.39 per share.

The lone, double-digit loser of the day was Ching Hing (Holdings) Ltd (Code: 692), as its share price fell 15.38 percent to end the session at 6.60 cents per share.

Over on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, after a bit of a push in the morning session, bears took possession of this speculative bourse, pushing down its lone index by about 0.01 percent.

The Growth Enterprise Index ended the day at 988.35 points.

The Total Turnover was about \$HK73.84 million.

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

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

Yantai North Andre Juice Company Ltd (Code: 8259)	Up 7 percent to \$HK1.06 per share
Sau San Tong Holdings Ltd (Code: 8200)	Up 3 percent to 79 cents per share
Wumart Stores Incorporated (Code: 8277)	Unchanged at \$HK13.30 per share
HC International, Incorporated (Code: 8292)	Down 4 percent to \$HK1.77 per share
TOM Online Incorporated (Code: 8282)	Up 1 percent to \$HK1.21 per share

The GEM’s biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Aptus Holdings Ltd	8212	14.95		0.123
EVI Education Asia Ltd	8090		16.00	0.042
Xi'an Haitian Antenna Technologies Company Ltd	8227		30.77	0.27
Ultra Group Holdings Ltd	8203	10.64		0.052
WLS Holdings Ltd	8021		11.76	0.03

In Japan, after a one-day respite, investors returned to the 3 equity markets of the country, but trading was very restrained, compared with Tuesday’s booming market.

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average rose 58.46 yen, equivalent to about 0.54 percent, ending the day at 10,946.27 yen.

Gainers outperformed losers by the ratio of 2:One.

And this was how indices of other Asian equity markets fared, last Thursday:

The HKSAR	Minus 0.21 percent to 13,369.09
Indonesia	Minus 0.23 percent to 888.34
Japan	Plus 0.54 percent to 10,946.27
Malaysia	Minus 0.68 percent to 872.52
The Philippines	Minus 0.39 percent to 1,820.21
Singapore	Minus 0.34 percent to 2,010.65
South Korea	Minus 1.14 percent to 851.20
Taiwan	Minus 0.04 percent to 5,860.73
Thailand	Minus 0.34 percent to 639.13

## **Friday**

The Bureau of Labour Statistics of the US Department of Labour reported, early last Friday, that the situation in respect of the labour market in the US was, essentially, unchanged between September and October.

There were a number of interesting aspects to the official release, however:

1. Non-farm payroll employment increased by 337,000 jobs;
2. Construction employment was a key factor in the new jobs, having been created in the month of October;
3. The unemployment rate had hardly changed for the first 10 months of this year; and,
4. About 8 million people in the US are being forced to hold more than one job in order to make ends meet, with the October figures, having increased, Month-on-Month, by about 519,000, a jump of about 7 percent.

The following is a précis of that which the Labour Department released, last Friday at 0830 hours, Eastern Standard Time:

### **'THE EMPLOYMENT SITUATION: OCTOBER 2004**

*'Nonfarm payroll employment increased by 337,000 in October, and the unemployment rate was about unchanged at 5.5 percent. Construction employment rose sharply over the month, and several service-providing industries also added jobs.'*

#### **Unemployment (Household Survey Data)**

*Both the number of unemployed persons, 8.1 million, and the unemployment rate, 5.5 percent, were essentially unchanged from September to October. The jobless rate has held fairly steady thus far this year and remains below its most recent high of 6.3 percent in June 2003.*

*'In October, the unemployment rates for the major worker groups – adult men (4.9 percent), adult women (4.8 percent), teenagers (17.2 percent), whites (4.7 percent), blacks (10.7 percent), and Hispanics or Latinos (6.7 percent)— showed little or no change over the month. The unemployment rate for Asians was 4.8 percent in October, not seasonally adjusted.*

#### **'Total Employment and the Labor Force (Household Survey Data)**

*'Total employment edged up in October to 139.8 million, and the employment-population ratio –the proportion of the population age 16 and over with jobs – remained at 62.3 percent. The civilian labor force rose by 367,000 over the month to 147.9 million, and the labor force participation rate was unchanged at 65.9 percent.*

*'Over the year, the number of persons who held more than one job rose by 519,000 to 8.0 million, not seasonally adjusted. These multiple jobholders represented 5.7 percent of total employment in October, compared with 5.4 percent a year earlier.'*

Wall Street responded to the Labour Department's release in a very positive fashion: Both the Dow Jones Industrial Average, the key gauge to trading in blue chips on the Big Board of The New York Stock Exchange, and the Composite Index of The NASDAQ chalked up material gains.

The Dow put on 72.78 points, or about 0.71 percent, ending the week's trading at 10,387.54 points.

The NASDAQ's Composite Index ended the day at 2,038.94 points, a one-day rise of about 0.76 percent.

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

The Dow Jones Industrial Average	Plus 3.59 percent
The NASDAQ's Composite Index	Plus 3.24 percent

For punters on US equities, it had been a good week.

But, over on The New York Mercantile Exchange (NYMEX), after early falls, the price of light sweet crude oil started to harden, again, so that, by the close of the day, the last settlement price for December delivery was \$US49.61 per barrel, up about 1.62 percent of Thursday's closing level.

As for January 2005 delivery, the price of light sweet crude oil rose about 1.60 percent to \$US49.62 per barrel.

Every index of every major bourse of the eurozone rose, last Friday, as the following **TARGET** select list of indices of major bourses illustrates:

Amsterdam 's AEX Index	Plus	0.83 percent
Great Britain's FTSE 100 Index	Plus	0.41 percent
Germany's Frankfurt XETRA DAX Index	Plus	1.29 percent
France 's CAC 40 Index	Plus	0.91 percent
Switzerland's Swiss Market Index	Plus	1.50 percent
Italy's MIBTEL Index	Plus	0.68 percent

Europe was merely playing catch-up, for the most part, having missed the Wall Street 'bus' on Thursday.

Since the gurus of Wall Street were shouting the praises of the job growth for the month of October, it was but another fillip for equity traders: And Europe just went along for the ride.

But the sight of one swallow at the beginning of the winter does not indicate the coming of the spring.

Major Asian equity markets were strong, last Friday, with Japan, leading the charge to higher levels.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), with oil prices, tending to fall, and with the uncertainty of the US Presidential Elections out of the way, investors went on a bit of a buying spree on the territory's 2 equity markets.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose 0.94 percent to end the week at 13,494.95 points.

The ratio of gaining counters to losing ones was wide, at about 2.67:One.

The Total Turnover was about \$HK18.13 billion.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.77 percent to \$HK130.50 per share
China Telecom Corporation Ltd (Code: 728)	Up 2.97 percent to \$HK2.60 per share
China Unicom Ltd (Code: 762)	Up 1.82 percent to \$HK5.60 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.71 percent to \$HK74.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.08 percent to \$HK23.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.13 percent to \$HK67.25 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.83 percent to \$HK60.75 per share
China Gas Holdings Ltd (Code: 384)	Up 2.61 percent to \$HK1.18 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.94 percent to \$HK107.00 per share
PetroChina Company Ltd (Code: 857)	Up 1.19 percent to \$HK4.25 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
CASIL Telecommunications Holdings Ltd	1185	12.66		0.445
Chia Tai Enterprises International Ltd	121	30.95		0.22
China City Natural Gas Holdings Ltd	603	12.50		0.018
China Everbright International Ltd	257	11.11		0.50
China Everbright Ltd	165	11.18		4.225
Earnest Investments Holdings Ltd	339	16.67		0.028
Far East Hotels and Entertainment Ltd	37		21.33	0.59
Far East Technology International Ltd	36		21.13	0.56
First Shanghai Investments Ltd	227	10.00		0.77
G-Prop (Holdings) Ltd	286		11.11	0.176
Gorient (Holdings) Ltd	729	10.00		0.055
Great China Holdings Ltd	141	11.11		0.40
Guo Xin Group Ltd	1215	32.22		0.119
Harbin Power Equipment Company Ltd	1133	11.25		2.225

Haywood Investments Ltd	905	18.52		0.032
Heritage International Holdings Ltd	412	14.29		0.016
Kam Hing International Holdings Ltd	2307	10.00		1.43
Lai Sun Development Company Ltd	488		11.00	0.178
Mexan Ltd	22		15.83	1.17
NewOcean Green Energy Holdings Ltd	342	11.11		0.14
New Smart Holdings Ltd	91	14.62		0.149
Prime Success International Group Ltd	210	10.00		1.10
REXCAPITAL International Holdings Ltd	155		10.00	0.045
Shenyin Wanguo (Hongkong) Ltd	218	12.86		0.79
Technology Venture Holdings Ltd	61	11.33		0.167
Theme International Holdings Ltd	990	10.53		0.042
Tongda Group Holdings Ltd	698	11.22		0.238
UBA Investments Ltd	768		10.00	0.099
Victory Group Ltd	1139	21.74		0.028
Winfoong International Ltd	63	15.87		0.365
Wonson International Holdings Ltd	651	12.50		0.018
Xin Corporation Ltd	1141		10.00	0.063

On The **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index gained a modest 0.46 percent, rising to 992.85 points.

The Total Turnover on this speculative marketplace was about \$HK53.87 million.

But, even though The Growth Enterprise Index was registering a positive figure by the close of trading, last Friday, the number of declining counters exceeded the number of advancing ones by the ratio of 1.09:One.

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

Yantai North Andre Juice Company Ltd (Code: 8259)	Down 2 percent to \$HK1.04 per share
Sau San Tong Holdings Ltd (Code: 8200)	Down 4 percent to 76 cents per share
Kingdee International Software Group Company Ltd (Code: 8133)	Up 7 percent to \$HK2.30 per share
Xi'an Haitian Antenna Technologies Company Ltd (Code: 8227)	Down 26 percent to 20 cents per share
HC International, Incorporated (Code: 8292)	Up 1 percent to \$HK1.78 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Armitage Technologies Holding Ltd	8213		13.33	0.104
Xi'an Haitian Antenna Technologies Company Ltd	8227		25.93	0.20
Leadership Publishing Group Ltd	8010		10.34	0.026
Medical China Ltd	8186		10.14	0.062

The tally for the week for the HKSAR's 2 equity markets was:

The Hang Seng Index	Plus	3.37 percent
The Growth Enterprise Index	Plus	0.33 percent

Buoyed by lower crude oil prices and the rally on Wall Street, investors in The Land of The Rising Sun joined in the fun and bought heavily on the 3 equity markets of Japan.

By the close of the day, The Nikkei-225 Stock Average, a key index of The Tokyo Stock Exchange, was ahead of Thursday's close by 115.50 yen, equivalent to about 1.06 percent, ending the 4-day trading week at 11,061.77 yen.

The ratio of gaining counters to losing one was about 3.44:One.

#### News wise

- **Suzuki Motor Corporation** reported that Net Profits Attributable to Shareholders for the first half of its Fiscal Year, to September 30, 2004, was 28.68 billion yen, up about 15 percent, Year-on-Year. Suzuki Motor is the largest minicar producer in Japan and is owned as to 20 percent by **General Motors Company** of the US;
- **Mitsui Sumitomo Insurance Company** announced that it had revised, downwards, its forecast for its results for the first half of its Financial Year, ended September 30, 2004. The revised figure is a Net Profit Attributable to Shareholders of about

28 billion yen, which, if achieved, would be a drop of nearly 43 percent, compared with previous estimates; and,

- **Yamanouchi Pharmaceutical Company** announced that its Bottom Line for the first half of its Financial Year, ended September 30, 2004, had dropped by about 31 percent, Year-on-Year, to about 20.03 billion yen.

The tally for the week for the premier equity market of Japan was:

The Nikkei-225 Stock Average                      Plus    2.70 percent

And this was how other Asian equity markets closed the week of November 5, 2004:

The HKSAR	Plus    0.94 percent to 13,494.95
Indonesia	Plus    0.60 percent to 893.64
Japan	Plus    1.06 percent to 11,061.77
Malaysia	Minus 0.06 percent to 871.48
The Philippines	Minus 0.15 percent to 1,817.52
Singapore	Plus    0.26 percent to 2,015.77
South Korea	Plus    1.11 percent to 860.68
Taiwan	Plus    1.20 percent to 5,931.31
Thailand	Minus 0.63 percent to 635.09

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