

**BEWARE OF 'GROWING MARKET EXUBERANCE' AND
'SPECULATIVE ASSET BUBBLES', DR ALAN GREENSPAN WARNS**

Hurricane Rita came and went and the damage, left in its wake was not as bad as had been predicted, with the storm, having been downgraded to a Category 1 level as it came ashore on the borders of Texas and Louisiana in the early hours of Saturday, September 24, 2005.

Although the hurricane was not nearly as intense as was Hurricane Katrina, it, still, left its mark on the landscapes of the 2 US Gulf States.

The question, being raised last Monday: How badly damaged were the Texas oil refineries?

The fears of investors were mirrored, to some extent, by the increase in the price of crude oil on international markets.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in November was \$US65.82.

That price represented an increase of about 2.54 percent, compared with the last settlement of Friday, September 23, 2005.

As for delivery in December, the last settlement for a barrel of light sweet crude oil was \$US66.03, up 2.34 percent, exactly, on the last settlement of the previous Friday.

On The New York Stock Exchange, the fears of investors were realised as prices tended to drift for most of the trading day.

The Dow Jones Industrial Average finished the day at 10,443.63 points, up 24.04 points, or just about 0.23 percent, compared with the closing level of the previous Friday.

Over on The NASDAQ, its Composite Index followed the line, set by The Dow, rising 4.62 points, equivalent to about 0.22 percent, ending the session at 2,121.46 points.

Energy counters ruled the day, of that there was little doubt.

For Europe, the fact that Hurricane Rita turned out to be as fickle as many women are known to be caused investors to buy heavily of stocks and shares, listed on major bourses in eurozone.

For many counters, their share prices hit 40-month highs.

For major insurance companies, the managements of which had been prepared for the worst as Hurricane Rita cut a swath through The Gulf of Mexico, during the week, ended September 23, it was a relief to learn that the storm was not as powerful as had been predicted, after all.

Their share prices rallied, last Monday.

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

Amsterdam's AEX Index	Plus	1.27 percent
Great Britain's FTSE 100 Index	Plus	0.72 percent

Germany's Frankfurt XETRA DAX Index	Plus	2.36 percent
France's CAC 40 Index	Plus	2.00 percent
Switzerland's Swiss Market Index	Plus	1.01 percent
Italy's MIBTEL Index	Plus	1.07 percent

In Asia, led by strong gains on the stock markets of South Korea and Japan, indices of other major equity markets rallied, with a few exceptions.

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

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about 0.86 percent to 15,274.31 points on a Total Turnover of about \$HK18.07 billion.

Gaining counters outnumbered losing ones by the ratio of about 1.16:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 0.40 percent to \$HK125.50 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.63 percent to \$HK80.05 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 2.74 percent to \$HK37.45 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.43 percent to \$HK81.60 per share
PetroChina Company Ltd (Code: 857)	Down 0.79 percent to \$HK6.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.35 percent to \$HK86.55 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 0.75 percent to \$HK3.325 per share
Swire Pacific Ltd (Code: 19)	Up 1.71 percent to \$HK71.35 per share
China Life Insurance Company Ltd (Code: 2628)	Down 1.68 percent to \$HK5.85 per share
Esprit Holdings Ltd (Code: 330)	Up 2.04 percent to \$HK57.55 per share

The biggest, Main Board movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Standard Hotel Group Ltd	292		12.66	0.345
Bright International Group Ltd	1163		27.03	0.54
China Fair Land Holdings Ltd	169	16.42		0.39
China Velocity Group Ltd	149	17.11		0.445
Garron International Ltd	2910	144.90		1.20
Gay Giano International Group Ltd	686	18.52		0.32
Grandtop International Holdings Ltd	2309		12.50	0.21
Guangdong Tannery Ltd	1058		15.32	0.21
Kantone Holdings Ltd	1059		12.82	0.68
New Spring Holdings Ltd	690		12.68	0.62
New World Mobile Holdings Ltd	862	14.38		1.83
Omnicorp Ltd	94		17.14	0.58
Orient Industries Holdings Ltd	353	13.95		0.98
REXCAPITAL Financial Holdings Ltd	555	18.60		0.102
Sino Golf Holdings Ltd	361	12.50		0.72
Sino Technology Investments Company Ltd	1217		14.55	0.047
Sunlink International Holdings Ltd	2336		10.53	0.068
Tristate Holdings Ltd	458	10.26		2.15
V.S. International Group Ltd	1002	18.92		0.22

Over on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, its lone index, The Growth Enterprise Index, rose about 0.57 percent to end the trading day at 996.30 points.

The Total Turnover was about \$HK194.50 million.

Advancing counters were exactly even with declining counters, at One:One.

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

TOM Online Incorporated (Code: 8282)	Up 7 percent to \$HK1.83 per share
Town Health International Holdings Company Ltd (Code: 8138)	Down 6 percent to 18.40 cents per share
China.com Incorporated (Code: 8006)	Up 3 percent to 74 cents per share
Golden Meditech Company Ltd (Code: 8180)	Up 3 percent to \$HK1.30 per share
WorldMetal Holdings Ltd (Code: 8161)	Down 1 percent to \$HK2.20 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGL MediaTech Holdings Ltd	8192		13.04	0.02
Changmao Biochemical Engineering Company Ltd	8208		12.07	0.51
Dahe Media Company Ltd	8243	12.30		0.21
Era Information and Entertainment Ltd	8043	14.49		0.079
Global Link Communications Holdings Ltd	8060	21.95		0.05
IIN International Ltd	8128	15.63		0.037
Innovis Holdings Ltd	8065		10.84	0.074
T S Telecom Technologies Ltd	8003	33.33		0.036
Zheda Lande Scitech Ltd	8106	15.63		0.185

Japan's equity markets were among the star performers in Asia, last Monday, following the 3-day holiday (from the previous Friday to Sunday).

Key indices on The Tokyo Stock Exchange all rose quite materially.

The TOPIX Average rose 2.23 percent to 1,386.49 points while The Nikkei-225 Stock Average managed a gain of 1.77 percent to end the trading session at 13,159.36 yen.

Gaining counters outran losing ones by the ratio of 6.55:One.

Japanese investors were betting on lower energy costs in view of the fact that Hurricane Rita had turned out to be something of a dud; and, now that the hurricane season in the US was coming to an end, it should be plain sailing until the next summer in the US.

Further, the rebuilding of the devastation, left in the wake of Hurricane Katrina, is likely to mean more business for the second-largest economy of the world.

This was how the key indices of the most-important equity markets of Asia, ended their respective trading days, last Monday night:

The HKSAR	Plus 0.86 percent to 15,274.31
Indonesia	Plus 2.15 percent to 1,034.59
Japan	Nikkei-255 Stock Average Plus 1.77 percent to 13,392.63 TOPIX Average Plus 2.23 percent to 1,386.49
Malaysia	Plus 0.35 percent to 925.13
The Philippines	Minus 0.24 percent to 1,954.74
Singapore	Plus 1.07 percent to 2,317.58

South Korea	Plus 2.60 percent to 1,206.41
Taiwan	Plus 0.08 percent to 5,930.20
Thailand	Minus 0.56 percent to 721.28

Tuesday

The major equity markets of the world waited, during a large part of last Tuesday's trading session, in order to learn what the most-celebrated economist of the world would say about the US economy when he addressed The National Association of Business Economics in Chicago, Illinois.

In a veiled warning, Dr Alan Greenspan, the Chairman of the US Federal Reserve, told the conference that '*growing market exuberance*' may lead to speculative asset bubbles and, as such, economic cycles could well be influenced, unduly, by such exuberance.

Without being definitive about '*asset bubbles*', to most well-informed economists and students of the US economy, it was only too clear that the good doctor was referring to the heights to which prices in the housing market in the US had risen over the past few years.

The speech, well researched, to be sure – as Dr Alan Greenspan's speeches always are – caused consternation in the minds of many Wall Street investors.

Dr Alan Greenspan's remarks hit investors, locked into the biggest equity markets of the world, soon after The Conference Board Consumer Confidence Index for the month of September had been released.

The Conference Board Consumer Confidence Index came in at 86.60 points, down from 105.50 points for the month of August.

It was the lowest level of nearly the past 2 years (81.70 points for October 2003).

Many investors of the US were more than a little perplexed, last Tuesday, because, on the one hand, Dr Alan Greenspan had said that the US economy was strong and resilient, but that one must be wary of unwarranted and unwanted '*asset bubbles*', but, on the other hand, The Conference Board Consumer Confidence Index indicated that consumers in the US were tightening their purse strings.

And, without consumer spending, there is no economy – anywhere!

On The New York Stock Exchange, the Dow Jones Industrial Average rose 12.58 points, equivalent to about 0.12 percent, coming to rest at 10,456.21 points.

On The NASDAQ, its Composite Index shed 5.04 points, or about 0.24 percent, ending the trading session at 2,116.42 points.

On both of these markets, which are the largest in the world, declining counters outraced advancing ones by the ratio of about 1.38:One on the Big Board of The New York Stock Exchange and by 1.23:One, exactly, on The NASDAQ.

On The New York Mercantile Exchange (NYMEX), the price of crude oil came off.

For the near month of November, the last settlement for a barrel of light sweet crude oil was \$US65.07, down 1.14 percent on Monday's closing quote.

For December delivery, the last settlement for a barrel of light sweet crude oil was \$US65.35, off 1.03 percent on the last settlement of Monday.

In Europe, there was a great number of things, all happening together, and this situation tended to worry many investors in this part of the world.

The German elections, which indicated no real winners, was a worrying situation for investors in the country, which is the largest exporter in the world.

Then, DaimlerChrysler announced that its Mercedes-Benz Division plans to slash its workforce by more than 8,000 workers in Germany, alone.

Previously, the figure was set at about 5,000 workers to be sacked at the luxury Mercedes-Benz Division.

Key indices of major European bourses all sank, fractionally, as the following **TARGET** list indicates:

Amsterdam's AEX Index	Minus 0.31 percent
Great Britain's FTSE 100 Index	Minus 0.10 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.64 percent
France's CAC 40 Index	Minus 0.44 percent
Switzerland's Swiss Market Index	Minus 0.07 percent
Italy's MIBTEL Index	Minus 0.10 percent

In Asia, the key indices of the largest equity markets of the region lost ground, while most of the smallest markets managed to register fractional gains.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets started to skid to lower levels.

The Hang Seng Index, the key index of the Main Board of The Stock Exchange of Hongkong Ltd, shed about 0.55 percent of its value, dropping back to 15,189.88 points on a Total Turnover of about \$HK16.99 billion.

Losing counters outnumbered gaining counters by the ratio of about 1.70:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.08 percent to \$HK125.40 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.68 percent to \$HK78.20 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.21 percent to \$HK85.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.53 percent to \$HK80.35 per share
PetroChina Company Ltd (Code: 857)	Unchanged at \$HK6.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.34 percent to \$HK36.95 per share
China Petroleum and Chemical Corporation (Code: 386)	Unchanged at \$HK3.325 per share
Semiconductor Manufacturing International Corporation (Code: 981)	Down 7.63 percent to \$HK1.21 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.85 percent to \$HK5.80 per share
China Shenhua Energy Company Ltd (Code: 1088)	Up 2.34 percent to \$HK8.75 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
BYD Company Ltd	1211	10.40		11.15
China Motion Telecom International Ltd	989		12.90	0.162
CNT Group Ltd	701		10.07	0.125
China Resources Peoples Telephone Company Ltd	331	10.61		3.65
Garron International Ltd	2910		16.67	1.00
Gay Giano International Group Ltd	686		21.88	0.25
Guo Xin Group Ltd	1215	11.11		0.04
Kantone Holdings Ltd	1059		13.24	0.59
Karce International Holdings Company Ltd	1159		12.07	0.255
MAE Holdings Ltd	851		10.00	0.09

New World Mobile Holdings Ltd	862	32.51		2.425
Omnicorp Ltd	94	29.31		0.75
Prosperity Investment Holdings Ltd	310		10.34	0.13
Sunlink International Holdings Ltd	2336		13.24	0.059
Tristate Holdings Ltd	458	17.44		2.525
UDL Holdings Ltd	620		19.30	0.046
Victory Group Ltd	1139		32.84	0.045

Over on The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its key index, The Growth Enterprise Index, fell about 0.48 percent to 991.48 points.

The Total Turnover on this market was about \$HK159.28 million, with the ratio of losing counters to gaining ones, being rather wide, at 2.26:One, exactly.

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

WorldMetal Holdings Ltd (Code: 8161)	Down 8 percent to \$HK2.025 per share
Town Health International Holdings Company Ltd (Code: 8138)	Down 7 percent to 17.10 cents per share
TOM Online Incorporated (Code: 8282)	Unchanged at \$HK1.83 per share
CASH Financial Services Group Ltd (Code: 8122)	Down 5 percent to 42 cents per share
China.com Incorporated (Code: 8006)	Down 5 percent to 70 cents per share

The GEM's biggest movers of the day, however, were reserved for the following counters:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131		18.18	0.09
AGL MediaTech Holdings Ltd	8192	35.00		0.027
Cardlink Technology Group Ltd	8066		10.34	0.13
Excel Technology International Holdings Ltd	8048		16.67	0.05
Glory Future Group Ltd	8071	70.59		0.029
Innovis Holdings Ltd	8065		16.22	0.062
Plasmagene Biosciences Ltd	8250		20.86	0.11
Sau San Tong Holdings Ltd	8200		10.00	0.405
Soluteck Holdings Ltd	8111		10.71	0.05
T S Telecom Technologies Ltd	8003	11.11		0.04

In Japan, an unconfirmed report that Sanyo Electric Company, the third-largest consumer electronics producer in Japan, was due to report a Net Loss Attributable to Shareholders of about 200 billion yen for the Current Financial Year tended to put the skids under a number of electronics-producing counters, listed on The First Section of The Tokyo Stock Exchange.

The report, which was not denied, was partly responsible for the overall slide in the key indices of the largest equity market of Asia.

Also, it was reported that some 14,000 Sanyo workers would be given their walking papers in the very near future.

Sanyo is the second such company, known to be restructuring itself: Sony Corporation, the largest, consumer electronics group in Japan and one of the largest such conglomerates in the world, made similar '*noises*' to those of Sanyo's, during the previous week.

On The Tokyo Stock Exchange, its TOPIX Average gave up about 0.71 percent of its value, dropping to 1,376.70 points.

The Nikkei-225 Stock Average lost about 82.59 yen, or about 0.62 percent, falling to 13,310.04 yen.

The ratio of losing counters to gaining ones was about 2.62:One.

News Wise

- Sales at Japan's supermarkets, during the month of August, continued their falls for the eighteenth consecutive month as **Japanese consumers** tended not to frequent them as much as in the past, The Japan Chain Stores Association announced. For the month of August, sales fell about 2.90 percent, compared with the like month in 2004, The Association said.

This was how the indices of other Asian equity markets fared, last Tuesday:

The HKSAR	Minus 0.55 percent to 15,189.88
Indonesia	Plus 0.29 percent to 1,037.63
Japan	Nikkei-255 Stock Average Minus 0.62 percent to 13,310.04 TOPIX Average Minus 0.71 percent to 1,376.70
Malaysia	Plus 0.28 percent to 927.71
The Philippines	Plus 1.52 percent to 1,984.49
Singapore	Minus 0.48 percent to 2,306.50
South Korea	Plus 0.27 percent to 1,209.63
Taiwan	Plus 0.25 percent to 5,945.05
Thailand	Plus 0.41 percent to 724.24

Wednesday

The US Government's **Energy Information Administration (EIA)** warned that prices for petrol in the US could rise by as much as 15 percent in the near term because a large part of the refining capacity of the country cannot come back on stream for at least another fortnight.

According to the EIA, Hurricane Katrina and Hurricane Rita did a fairly decent job in knocking out infrastructure to installations where oil refining and its distribution take place in the Gulf States.

The lack of infrastructural requirements to operate refineries at full throttle will mean lost production of about 1.30 million barrels of petrol per day, about 700,000 barrels of distillate per day, and about 400,000 barrels of jet fuel per day, the EIA claimed.

And so, up went the price of crude oil on The **New York Mercantile Exchange (NYMEX)** as soon as the EIA report became known.

For delivery in November, the last price of a barrel of light sweet crude oil was \$US66.35, up about 1.97 percent on the last settlement of Tuesday.

As for December delivery, the last settlement for a barrel of light sweet crude oil was \$US66.46, up about 1.70 percent on the last settlement on Tuesday.

Wall Street investors did not like the EIA report, at all.

On The New York Stock Exchange, the Dow Jones Industrial Average rose about 0.16 percent to end the trading session at 10,473.09 points.

Over on The NASDAQ, its Composite Index shed about 0.05 percent of its value, slipping back to 2,115.40 points.

It was obvious that the high price of energy was taking its toll of investor confidence because it was becoming more and more difficult to make ends meet while incomes were not rising fast enough to keep up with increases in the cost of living.

In Europe, key indices of the most-important bourses rose, appreciably:

Amsterdam's AEX Index	Plus	0.96 percent
Great Britain's FTSE 100 Index	Plus	0.87 percent
Germany's Frankfurt XETRA DAX Index	Plus	1.66 percent
France's CAC 40 Index	Plus	1.16 percent
Switzerland's Swiss Market Index	Plus	0.81 percent
Italy's MIBTEL Index	Plus	0.77 percent

For many counters on major European bourses, last Wednesday's closing figures represented 40-month highs.

Lower than expected claims from Hurricane Rita helped share prices throughout the region.

News Wise

- **DaimlerChrysler** has offered the staff at its Mercedes-Benz Division voluntary redundancy packages. The company is out to reduce staff at the luxury end of DaimlerChrysler by 8,500 workers, it was confirmed. The world's fifth-largest, motor-vehicle producer will take a charge of about 950 million euros in respect of redundancy payments.

In Asia, for the most part, key indices of the most-important equity markets of the region either shot up, materially, or sank, fractionally.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets' indices rose, with the premier market only just managing to finish the day in the black.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index ended the day at 15,221.46 points, a one-day improvement of about 0.21 percent after vacillating within a 56-point bandwidth all day.

The Total Turnover was about \$HK17.32 billion, while the ratio of advancing counters to losing ones was about 1.32:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK125.40 per share
Li and Fung Ltd (Code: 494)	Down 1.96 percent to \$HK17.50 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.02 percent to \$HK79.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.99 percent to \$HK86.35 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 0.75 percent to \$HK3.35 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.31 percent to \$HK80.10 per share
China Mobile (Hongkong) Ltd (Code: 941) e	Up 1.08 percent to \$HK37.35 per shar
PetroChina Company Ltd (Code: 857)	Up 0.80 percent to \$HK6.30 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 3.83 percent to \$HK27.10 per share
China Shenhua Energy Company Ltd (Code: 1088)	Up 1.71 percent to \$HK8.90 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Alliance Holdings Ltd	2905	10.26		0.43
Benefun International Holdings Ltd	1130	20.97		0.075
CASIL Telecommunications Holdings Ltd	1185		10.26	0.35

China Motion Telecom International Ltd	989	23.46		0.20
Comba Telecom Systems Holdings Ltd	2342	10.97		2.175
Dickson Group Holdings Ltd	313		13.20	0.217
E. Bon Holdings Ltd	599		10.71	0.25
INNOMAXX Biotechnology Group Ltd	340	11.11		0.09
Kamboat Group Company Ltd	318	14.69		1.64
Karce International Holdings Company Ltd	1159	17.65		0.30
Pioneer Global Group Ltd	224	11.11		0.50
Ports Design Ltd	589	11.25		8.90
REXCAPITAL Financial Holdings Ltd	555	10.00		0.11
Safety Godown Company Ltd	237		18.06	2.95
Sun East Technology (Holdings) Ltd	365	11.25		0.445
Sun Innovation Holdings Ltd	547	12.24		0.055
SW Kingsway Capital Holdings Ltd	188		11.67	0.265
Universal Holdings Ltd	419	10.87		0.102
Victory Group Ltd	1139		24.44	0.034
Wah Yuen Holdings Ltd	2349	12.39		0.245
Xin Corporation Ltd	1141		10.71	0.25

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, it was a completely different story to that, being told on the Main Board.

The Growth Enterprise Index rose about 1.06 percent to 1,002.00 points, exactly, on a Total Turnover of about \$HK133.93 million.

Gaining counters outran losing ones by the ratio of about 1.11:One.

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

TOM Online Incorporated (Code: 8282)	Up 2 percent to \$HK1.87 per share
WorldMetal Holdings Ltd (Code: 8161)	Up 7 percent to \$HK2.175 per share
China.com Incorporated (Code: 8006)	Up 3 percent to 72 cents per share
Wumart Stores Incorporated (Code: 8277)	Up 7 percent to \$HK16.30 per share
Town Health International Holdings Company Ltd (Code: 8138)	Down 4 percent to 16.50 cents per share

The GEM's biggest movers included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131	11.11		0.10
Angels Technology Company Ltd	8112		11.46	0.085
G.A. Holdings Ltd	8126		13.33	0.065
Golding Soft Ltd	8190	27.78		0.023
Innovis Holdings Ltd	8065	46.77		0.091
TeleEye Holdings Ltd	8051		16.46	0.066
Tradeeasy Holdings Ltd	8163	12.50		0.045

The key index of The Tokyo Stock Exchange, The TOPIX Average, was the biggest gainer among all of the equity markets of Asia, last Wednesday.

It ended the trading session at 1,401.47 points, a rise of about 1.80 percent, compared with Tuesday's close.

The Nikkei-225 Stock Average managed a 0.95-percent gain, running up to 13,435.91 yen, in contrast to The (more-widely respected) TOPIX Average.

The ratio of gainers to losers was about 2.35:One.

In other Asian stock markets, this was how their key indices ended, last Wednesday night:

The HKSAR	Plus 0.21 percent to 15,221.46
Indonesia	Minus 0.94 percent to 1,027.89
Japan	Nikkei-255 Stock Average Plus 0.95 percent to 13,435.91 TOPIX Average Plus 1.80 percent to 1,401.47
Malaysia	Minus 0.35 percent to 924.50
The Philippines	Minus 0.42 percent to 1,976.10
Singapore	Minus 0.20 percent to 2,301.84
South Korea	Plus 1.57 percent to 1,228.57
Taiwan	Minus 0.23 percent to 5,931.38
Thailand	Minus 0.14 percent to 723.20

Thursday

Armed with what appeared to be bullish news about the US economy, in spite of 2 huge storms that hit the Gulf States in the past month, US investors went on a bit of a buying spree, last Thursday.

In the expectation that consumers would soon return to the US *'party'*, causing inventory levels to be replenished and thus causing a further surge in the economy, which, in turn, would result in an increase in capital spending, investors bought into stocks and shares on US equity markets.

What spurred on the buying spree was a report from The Bureau of Economic Analysis, a division of The Commerce Department, which brought out its final figures with regard to the Gross Domestic Product for the second quarter of this year.

The statistics indicated an annual growth of 3.30 percent, which was down from earlier estimates of 3.80 percent.

This is that which this department of the US Government released, early last Thursday:

'GROSS DOMESTIC PRODUCT: SECOND QUARTER 2005 (FINAL)

'Real gross domestic product -- the output of goods and services produced by labor and property located in the United States -- increased at an annual rate of 3.3 percent in the second quarter of 2005...

'In the first quarter, real GDP increased 3.8 percent.

'The GDP estimates released today are based on more complete source data than were available for the preliminary estimates issued last month. In the preliminary estimates, the increase in real GDP was also 3.3 percent.

'The major contributors to the increase in real GDP in the second quarter were personal consumption expenditures, exports, equipment and software, residential fixed investment, and government spending. The contributions of these components were partly offset by a negative contribution from private inventory investment. Imports, which are a subtraction in the calculation of GDP, decreased.

'The deceleration in real GDP growth in the second quarter primarily reflected a downturn in private inventory investment that was partly offset by a downturn in imports and an acceleration in exports.

'Final sales of computers contributed 0.32 percentage point to the second-quarter growth in real GDP after contributing 0.37 percentage point to the first-quarter growth. Motor vehicle output subtracted 0.01 percentage point from the second-quarter growth in real GDP after contributing 0.15 percentage point to the first-quarter growth.

'The price index for gross domestic purchases, which measures prices paid by US residents increased 3.3 percent in the second quarter, 0.2 percentage point more than the preliminary estimate; this index increased 2.9 percent in the first quarter. Excluding food and energy prices, the price index for gross domestic purchases increased 2.1 percent in the second quarter, compared with an increase of 3.0 percent in the first.

'Real personal consumption expenditures increased 3.4 percent in the second quarter, compared with an increase of 3.5 percent in the first. Real nonresidential fixed investment increased 8.8 percent, compared with an increase of 5.7 percent. Nonresidential structures increased 2.7 percent, in contrast to a decrease of 2.0 percent. Equipment and software increased 10.9 percent, compared with an increase of 8.3 percent. Real residential fixed investment increased 10.8 percent, compared with an increase of 9.5 percent.

'Real exports of goods and services increased 10.7 percent in the second quarter, compared with an increase of 7.5 percent in the first. Real imports of goods and services decreased 0.3 percent, in contrast to an increase of 7.4 percent.

'Real federal government consumption expenditures and gross investment increased 2.4 percent in the second quarter, the same as in the first quarter. National defense increased 3.7 percent, compared with an increase of 3.0 percent. Nondefense decreased 0.2 percent, in contrast to an increase of 1.1 percent. Real state and local government consumption expenditures and gross investment increased 2.6 percent, compared with an increase of 1.6 percent.

'The real change in private inventories subtracted 2.14 percentage points from the second-quarter change in real GDP after adding 0.29 percentage point to the first-quarter change. Private businesses reduced inventories \$1.7 billion in the second quarter, following increases of \$58.2 billion in the first quarter and \$50.1 billion in the fourth.

'Real final sales of domestic product -- GDP less change in private inventories -- increased 5.6 percent in the second quarter, compared with an increase of 3.5 percent in the first.

'Gross domestic purchases

'Real gross domestic purchases -- purchases by US residents of goods and services wherever produced -- increased 2.1 percent in the second quarter, compared with an increase of 4.0 percent in the first.

'Gross national product

'Real gross national product -- the goods and services produced by the labor and property supplied by US residents -- increased 3.2 percent in the second quarter, compared with an increase of 3.9 percent in the first. GNP includes, and GDP excludes, net receipts of income from the rest of the world, which decreased \$3.6 billion in the second quarter after increasing \$2.4 billion in the first; in the second quarter, receipts increased \$21.3 billion, and payments increased \$24.9 billion...'

On The New York Stock Exchange, the Dow Jones Industrial Average rose 0.76 percent to 10,552.78 points in hectic trading conditions, which saw gaining counters outnumber losing ones by the ratio of about 2:One.

Over on The NASDAQ, its Composite Index rose about 1.22 percent to 2,141.22 points.

On this market, heavily laden as it is with hi-tech counters, as with The Dow, advancing counters outran declining ones by the ratio of about 2:One.

For the first 4 days of last week, the tally for the largest equity markets in the world was:

The Dow Jones Industrial Average	Plus	1.28 percent
The NASDAQ's Composite Index	Plus	1.15 percent

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in November was \$US66.79, up about 0.66 percent, compared with the last settlement of Wednesday.

For delivery in December, the last settlement for a barrel of light sweet crude oil was \$US66.29, down about 0.26 percent compared with Wednesday's last trade.

On European bourses, it was red ink on every major market, as the following **TARGET** list illustrates:

Amsterdam's AEX Index	Minus	0.39 percent
Great Britain's FTSE 100 Index	Minus	0.30 percent
Germany's Frankfurt XETRA DAX Index	Minus	0.54 percent
France's CAC 40 Index	Minus	0.45 percent
Switzerland's Swiss Market Index	Minus	0.52 percent
Italy's MIBTEL Index	Minus	0.29 percent

European investors were studying a report from the Government of the United Kingdom, a report which indicated that retail sales' volumes had fallen at the fastest pace since 1983.

In addition, there were renewed fears that oil-refining capacity in the US would take a little longer to get up steam than had been suggested, earlier, and that that would push up the cost of energy in the world's largest economy, even further.

All this equated to lower consumer spending, contrary to suggestions from certain US Government departments.

In Asia, investors were rather bullish about trading in stocks and shares, by and large.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the premier equity market bounced up on heavy 2-way trades.

The Hang Seng Index, the key gauge of trading in blue chips, listed on the Main Board of The Stock Exchange of Hongkong Ltd, rose about 1.38 percent to 15,431.25 points.

The Total Turnover rose to about \$HK25.80 billion.

Gaining counters trounced losing ones by the ratio of about 3.41:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.56 percent to \$HK126.10 per share
Aluminum Corporation of China Ltd (Code: 2600)	Up 9.09 percent to \$HK4.80 per share
PetroChina Company Ltd (Code: 857)	Up 3.17 percent to \$HK6.50 per share

China Mobile (Hongkong) Ltd (Code: 941)	Up 2.41 percent to \$HK38.25 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.33 percent to \$HK80.05 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 4.48 percent to \$HK3.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.50 percent to \$HK80.50 per share
Bank of Communications Company Ltd (Code: 3328)	Up 3.13 percent to \$HK3.30 per share
China Shenhua Energy Company Ltd (Code: 1088)	Up 2.81 percent to \$HK9.15 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.16 percent to \$HK87.35 per share

As for the biggest movers of the day, they included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Angang New Steel Company Ltd	347	10.76		4.375
Applied International Holdings Ltd	519	29.41		0.44
China Fair Land Holdings Ltd	169	11.11		0.40
China Motion Telecom International Ltd	989	17.50		0.235
China Special Steel Holdings Company Ltd	2889	29.73		1.44
China Velocity Group Ltd	149		19.10	0.36
Compass Pacific Holdings Ltd	1188		10.00	0.171
Dickson Group Holdings Ltd	313	22.12		0.265
Credit Card DNA Security System (Holdings) Ltd	1051		20.00	0.06
Earnest Investments Holdings Ltd	339		10.00	0.027
Everbest Century Holdings Ltd	578		22.67	0.232
Hop Hing Holdings Ltd	47	25.00		0.30
Kantone Holdings Ltd	1059		13.33	0.52
Linfair Holdings Ltd	462	11.69		0.86
Oriental Investment Corporation Ltd	735		24.14	0.22
REXCAPITAL Financial Holdings Ltd	555	12.73		0.124
Rontex International Holdings Ltd	1142	10.34		0.032
Shanghai Electric Group Company Ltd	2727	12.77		2.65
South East Group Ltd	726	12.00		0.084
Sunlink International Holdings Ltd	2336	18.64		0.07
SW Kingsway Capital Holdings Ltd	188	13.21		0.30
Titan Petrochemicals Group Ltd	1192	12.90		0.70
UDL Holdings Ltd	620		10.42	0.043
Wing Hong (Holdings) Ltd	745		13.21	0.046

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index fell about 0.35 percent to 998.54 points.

The Total Turnover on this market was about \$HK181.01 million.

Even though The Growth Enterprise Index was off, fractionally, gaining counters outran losing counters by the ratio of about 1.15:One.

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

Convenience Retail Asia Ltd (Code: 8052)	Unchanged at \$HK2.375 per share
China.com Incorporated (Code: 8006)	Down 3 percent to 70 cents per share
WorldMetal Holdings Ltd (Code: 8161)	Up 7 percent to \$HK2.325 per share

TOM Online Incorporated (Code: 8282)
 HC International, Incorporated (Code: 8292)

Down 3 percent to \$HK1.82 per share
 Up 6 percent to \$HK1.50 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022		10.00	0.126
Cardlink Technology Group Ltd	8066		15.38	0.11
CASH Financial Services Group Ltd	8122		10.84	0.37
Finet Group Ltd	8317	10.61		0.365
Galileo Capital Group Ltd	8029	16.00		0.058
Glory Future Group Ltd	8071		22.22	0.021
Golding Soft Ltd	8190		26.09	0.017
iMerchants Ltd	8009	10.00		0.11
Innovis Holdings Ltd	8065		18.68	0.074
Plasmagene Biosciences Ltd	8250	30.00		0.13
ProSticks International Holdings Ltd	8055		14.81	0.023
Shanghai Fudan Microelectronics Company Ltd	8102	10.34		0.32
T S Telecom Technologies Ltd	8003	22.50		0.049
TeleEye Holdings Ltd	8051	30.30		0.086
Tradeeasy Holdings Ltd	8163	11.11		0.05

The tally for the second-largest equity market of Asia was:

The Hang Seng Index	Plus 1.90 percent
The Growth Enterprise Index	Plus 0.80 percent

Confident that the Japanese economy would go from strength to strength, investors continued to plough into stocks and shares, listed on the country's 3 stock markets.

As a result, some stock-market watchers wondered whether or not the market was becoming overheated.

On The Tokyo Stock Exchange, which is the premier market of the country, its TOPIX Average rose 1.90 percent to 1,428.13 points, which represented its highest level since May 7, 2001.

The narrower gauge of trading in blue chips, listed on the First Section of The Tokyo Stock Exchange, known as The Nikkei-225 Stock Average – it is not an official index of The Tokyo Stock Exchange – gained 1.35 percent to 13,617.24 yen.

The ratio of advancing shares to losing ones was about 1.45:One.

For the first 4 days of last week, the tally for the largest equity market of Asia was:

The TOPIX Average	Plus 5.30 percent
The Nikkei-225 Stock Average	Plus 3.48 percent

And this was how other Asia equity markets fared, last Friday:

The HKSAR	Plus 1.38 percent to 15,431.25
Indonesia	Plus 1.98 percent to 1,048.30
Japan	Nikkei-255 Stock Average Plus 1.35 percent to 13,617.24 TOPIX Average Plus 1.90 percent to 1,428.13
Malaysia	Minus 0.02 percent to 924.23

The Philippines	Minus 0.29 percent to 1,970.19
Singapore	Minus 0.11 percent to 2,299.29
South Korea	Plus 0.21 percent to 1,231.2
Taiwan	Plus 1.32 percent to 6,009.99
Thailand	Minus 0.05 percent to 722.83

**This stock-market report is one day less than usual due to last Saturday's holiday in the People's Republic of China:
China's National Day**

-- E N D --

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

*If readers feel that they would like to voice their opinions about that which they have read in **TARGET**, please feel free to e-mail your views to editor@targetnewspapers.com or targnews@hkstar.com. **TARGET** does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*

