

**THIRD-QUARTER PRODUCTIVITY RISES IN THE U.S.,
BUT THE FED WARNS, AGAIN, ABOUT INFLATION**

The Syrian Government had good and valid reasons to be gravely concerned, last Monday, as the United Nations (UN) dusted off its war drums and the first beats were sounded.

The UN issued a proclamation to the effect that Syria must co-operate fully with the enquiry into the death of the former Prime Minister of Lebanon, Mr Rafik Hariri ... or suffer the consequences.

The UN resolution clearly warned that further action would be taken should the Government of President Bashar al-Asad determine to be obstinate and not fully co-operate with the UN's investigation into the assassination of Mr Rafik Hariri on February 14, 2005.

A UN investigation has, already, found that high officials of the Syrian Government and its allies in Lebanon had a hand in the killing of Mr Rafik Hariri and it stood to reason that the President of Syria must have known of the plot.

Shades of the modus operandi, leading up the attack on Iraq in March 2003 by US and British armed forces.

For More Information About This Subject, Please See:

[TARGET Intelligence Report, Volume VII, Number 204,](#)
Published On October 28, 2005, Pages 3-6

Wall Street was not unduly concerned about the Syrian issue because, to a great extent, it was well known that the US Government wanted swift action against this '*outlaw regime*' (US President George W. Bush's nomenclature for the Government of Syria) because Syria is known to be a refuge for international terrorists, including, but not limited to, remnants of the Taliban and followers of the al-Qaeda movement of Osama bin Laden.

On Wall Street, the gains of the previous Friday's booming equity markets continued, but scaled down, considerably.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 37.30 points, or about 0.36 percent, to 10,440.07 points while the Composite Index of The NASDAQ gained 30.42 points, equivalent to about 1.46 percent, to end the trading day at 2,120.30 points.

Wall Street was reacting positively to suggestions that the US economy was continuing to expand and that this expansion would gain strength as long as crude oil prices continued to fall.

And, on The New York Mercantile Exchange (NYMEX), that is, exactly, that which took place, last Monday: A barrel of light sweet crude oil for delivery in December was fetching \$US59.76, a price, which was about 2.38 percent less than the last settlement of Friday, October 28, 2005.

January 2006 crude oil, on the other hand, continued to be traded above the \$US60 per-barrel level.

The last settlement for a barrel of light sweet crude oil for delivery next January was \$US60.39, which was about 1.85 percent cheaper than the last settlement of the previous Friday.

In Europe, following Wall Street's lead, investors jumped into stocks and shares, pushing up key indices of major bourses, very materially:

Amsterdam's AEX Index	Plus	2.12 percent
Great Britain's FTSE 100 Index	Plus	1.99 percent
Germany's Frankfurt XETRA DAX Index	Plus	2.14 percent
France's CAC 40 Index	Plus	2.53 percent
Switzerland's Swiss Market Index	Plus	2.46 percent
Italy's MIBTEL Index	Plus	1.87 percent

For some of the above indices, they experienced the biggest one-day gains of the past 30 months.

Earnings from major European banks and oil companies helped propel indices, also.

In Asia, it was black ink, which was used to record key indices of every major equity market, with Taiwan's equity market, leading the charge for higher ground.

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

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose 1.20 percent, exactly, ending the session at 14,386.37 points.

The Total Turnover was about \$HK16.65 billion, with gaining counters, outnumbering losing counters by the ratio of about 2.84:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 0.58 percent to \$HK121.30 per share
Hutchison Whampoa Ltd (Code: 13)	Up 2.23 percent to \$HK73.40 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 2.07 percent to \$HK34.50 per share
China Construction Bank Corporation (Code: 939)	Unchanged at \$HK2.35 per share
Jilin Chemical Industrial Company Ltd (Code: 368)	Up 12.37 percent to \$HK2.725 per share
PetroChina Company Ltd (Code: 857)	Up 1.72 percent to \$HK5.90 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.32 percent to \$HK80.65 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 0.81 percent to \$HK3.10 per share
China Life Insurance Company Ltd (Code: 2628)	Up 0.89 percent to \$HK5.65 per share
CNOOC Ltd (Code: 883)	Up 2.54 percent to \$HK5.05 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139		12.70	0.055
Asia Aluminum Holdings Ltd	930	12.50		0.63
Asia Zirconium Ltd	395	20.69		0.70
Beijing Development (Hongkong) Ltd	154	15.63		0.74
Benefun International Holdings Ltd	1130	11.11		0.05
Bright International Group Ltd	1163	12.50		0.495
Capital Estate Ltd	193		14.02	1.87
China Fair Land Holdings Ltd	169	11.76		0.38
China Velocity Group Ltd	149	37.93		0.60
China Water Affairs Group Ltd	855	10.29		0.375
China Wireless Technologies Ltd	2369	14.29		1.12
CIG-WH International (Holdings) Ltd	621	12.58		0.17

Dickson Group Holdings Ltd	313	38.89		0.25
Dongfang Electrical Machinery Company Ltd	1072		12.32	6.05
Earnest Investments Holdings Ltd	339	27.27		0.014
Jilin Chemical Industrial Company Ltd	368	12.37		2.725
MAE Holdings Ltd	851		16.85	0.074
Nanjing Panda Electronics Company Ltd	553	10.00		0.88
Orient Industries Holdings Ltd	353	11.54		0.87
Playmates Holdings Ltd	635	14.56		1.18
Radford Capital Investment Ltd	901		11.11	0.08
Shenzhen High-Tech Holdings Ltd	106	10.53		0.021
Sky Hawk Computer Group Holdings Ltd	1129	10.58		0.115
South China Industries Ltd	413	10.00		0.55
Sun Innovation Holdings Ltd	547		12.50	0.035
Techwayson Holdings Ltd	2330		10.00	0.45
United Power Investment Ltd	674	21.00		0.242
VST Holdings Ltd	856	14.29		0.32
Wah Nam International Holdings Ltd	159	15.79		0.22
Wah Yuen Holdings Ltd	2349	12.90		0.28
Wing Shing International Holdings Ltd	850	10.42		0.265

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index finished the trading session at 956.05 points, a one-day gain of about 1.83 percent.

The Total Turnover on this speculative market was about \$HK112.84 million, while the ratio of gaining counters to losing ones was about 1.14:One.

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

Town Health International Holdings Company Ltd (Code: 8138)	Up 15 percent to 25 cents per share
HC International, Incorporated (Code: 8292)	Up 9 percent to \$HK1.50 per share
TOM Online Incorporated (Code: 8282)	Up 1 percent to \$HK1.67 per share
Enric Energy Equipment Holdings Ltd (Code: 8289)	Up 1 percent to \$HK1.79 per share
China LotSynergy Holdings Ltd (Code: 8161)	Unchanged at \$HK2.55 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Yantai North Andre Juice Company Ltd	8259	13.41		0.465
Finet Group Ltd	8317	18.06		0.85
FlexSystem Holdings Ltd	8050	20.59		0.041
Milkyway Image Holdings Ltd	8130		10.26	0.035
Thiz Technology Group Ltd	8119	14.29		0.08
Town Health International Holdings Company Ltd	8138	15.21		0.25
Zhejiang Yonglong Enterprises Company Ltd	8211	10.00		0.088

In Japan, buyers stepped up to the plate and bought scrip as though there was likely to be a shortage before the day was out.

Of the 9 major stock markets of Asia, Japan's 3 equity markets took second place with regard to making the biggest gains, last Monday.

On The Tokyo Stock Exchange, The TOPIX Average gained 24.89 points, equivalent to about 1.75 percent, running up to 1,444.73 points.

The Nikkei-225 Stock Average, which is a much-narrower gauge of the rises and falls of select blue chips, listed on the First Section of The Tokyo Stock Exchange, rose 1.95 percent to 13,606.50 yen.

Gaining counters outnumbered losing ones by the ratio of about 4.48:One.

There were a number of reasons for Japan's premier equity market to see its key indices rise, last Monday, but a report from The Ministry of Economy, Trade and Industry in respect of industrial production of the country was the icing on the Japanese 'cake', to be sure.

News Wise

- The **Ministry of Economy, Trade and Industry (METI)** announced that **industrial production** was up by about 0.20 percent in September, compared with August. It was the second consecutive month of increases in industrial production in the country, METI said;
- The Internal Affairs and Communications Ministry of the Japanese Government reported that **consumer prices** in Tokyo had fallen by about 0.30 percent in October, Year-On-Year. It was the seventy third consecutive month of declines in consumer prices in the Capital City of the country;
- The Internal Affairs and Communications Ministry, also, stated that the number of people out of work in the country, during the month of September, was about 2.85 million, or about 4.20 percent of the working population of the country. Compared with August's statistics, the **unemployment rate** had fallen by about 0.10 percent;
- **Nissan Motor Company** announced that it had logged in a record Group Operating Profit of about 411.50 billion yen for the first 5 months of the 2005 Fiscal Year. That result was an increase of about 2 percent, compared with the like period in 2004. Due to a change in accounting treatment, however, Nissan's Net Profit Attributable to Shareholders was about 230.70 billion yen, down about 3.40 percent on the like period in 2004;
- **Matsushita Electric Industrial Company** has announced that its Group Net Profit Attributable to Shareholders was about 64.41 billion yen in the first half of the 2005 Financial Year. Year-On-Year, that result represented an increase of about 15 percent;
- **Central Japan Railway Company** announced that it had recorded a Net Profit Attributable to Shareholders of about 91.41 billion yen for the first half of its Financial Year, ended September 30, 2005. That represented an increase of about 27.20 percent, compared with the like period in 2004; and,
- **Pioneer Corporation** announced that its first 6 months of the Current Financial Year, ended September 30, 2005, resulted in the company, suffering a Loss Attributable to Shareholders of about 12.26 billion yen.

This was how other Asian equity markets fared, last Monday:

The HKSAR	Plus 1.20 percent to 14,386.37
Indonesia	Plus 0.75 percent to 1,066.22
Japan	TOPIX Average Plus 1.75 percent to 1,444.73 Nikkei-255 Stock Average Plus 1.95 percent to 13,606.50
Malaysia	Plus 0.55 percent to 910.76
The Philippines	Closed
Singapore	Plus 1.11 percent to 2,216.77
South Korea	Plus 1.52 percent to 1,158.11
Taiwan	Plus 2.33 percent to 5,764.30
Thailand	Plus 0.05 percent to 682.62

Tuesday

As was well expected, the US Federal Reserve determined to raise interest rates by another 25 basis points to 4 percent.

It was the twelfth consecutive month of mini-interest-rate increases.

It was made only too clear by The Fed that high energy prices was a major factor in the decision-making process, leading to raising interest rates.

This is that which The Fed said, last Tuesday:

'The Federal Open Market Committee decided today to raise its target for the federal funds rate by 25 basis points to 4 percent.

'Elevated energy prices and hurricane-related disruptions in economic activity have temporarily depressed output and employment. However, monetary policy accommodation, coupled with robust underlying growth in productivity, is providing ongoing support to economic activity that will likely be augmented by planned rebuilding in the hurricane-affected areas. The cumulative rise in energy and other costs has the potential to add to inflation pressures; however, core inflation has been relatively low in recent months and longer-term inflation expectations remain contained.

'The Committee perceives that, with appropriate monetary policy action, the upside and downside risks to the attainment of both sustainable growth and price stability should be kept roughly equal. With underlying inflation expected to be contained, the Committee believes that policy accommodation can be removed at a pace that is likely to be measured. Nonetheless, the Committee will respond to changes in economic prospects as needed to fulfill its obligation to maintain price stability.

'Voting for the FOMC monetary policy action were: Alan Greenspan, Chairman; Timothy F. Geithner, Vice Chairman; Susan S. Bies; Roger W. Ferguson, Jr.; Richard W. Fisher; Donald L. Kohn; Michael H. Moskow; Mark W. Olson; Anthony M. Santomero; and Gary H. Stern.

'In a related action, the Board of Governors unanimously approved a 25-basis point increase in the discount rate to 5 percent. In taking this action, the Board approved the requests submitted by the Boards of Directors of the Federal Reserve Banks of Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco.'

Wall Street had expected the interest-rate increase, which, at 4 percent, represented the highest level of the past 4 years.

On The New York Stock Exchange, the Dow Jones Industrial Average shed 33.30 points, equivalent to about 0.32 percent, ending the day at 10,406.77 points.

Over on The NASDAQ, its Composite Index gave up 6.25 points, or about 0.29 percent, dropping back to 2,114.05 points.

More important, perhaps, than The Fed's announcement, as far as many investors were concerned, were announcements by General Motors Corporation and Ford Motor Company (see details below: [News Wise](#)).

Both of these companies are constituent stocks of The Dow and, on the strength of these companies' announcements, down came their scrip prices.

And The Dow slid into negative territory.

New Wise

- **General Motors Corporation and Ford Motor Company** reported that their respective US sales of vehicles, during the month of October, had slumped by about 23 percent, Year-On-Year. Both companies reported that sales of small lorries (known as pickups in the US) and Sports Utility Vehicles (SUVs) fell more than 50 percent, compared with October 2004. At General Motors, the company reported that sales of its Hummer H2 SUV slipped more than 52 percent while sales of its Cadillac Escalade EXT had fallen by more than 59 percent.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in December was \$US59.85 per barrel, up 9 cents (US), or about 0.15 percent, compared with the closing level of Monday.

For delivery in January 2006, the last settlement was \$US60.54 for a barrel of light sweet crude oil. That price represented a gain of one quarter of a percentage point, exactly, on Monday's last settlement.

In Europe, investors were awaiting the determinations of the US Federal Reserve so that many investors decided to sit on their hands rather than make new financial commitments without, first, being armed with the facts.

This was how key indices of major European bourses closed, last Tuesday:

Amsterdam's AEX Index	Plus 0.11 percent
Great Britain's FTSE 100 Index	Plus 0.50 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.13 percent
France's CAC 40 Index	Minus 0.03 percent
Switzerland's Swiss Market Index	Plus 0.99 percent
Italy's MIBTEL Index	Minus 0.06 percent

News Wise

- **BAA plc**, which operates 7 airports in the United Kingdom, including Gatwick, Heathrow and Stansted, will sack 700 of its workers in an effort to save about £45 million (about \$HK620 million) by the year 2008.

Asian equity markets were, generally, stronger, but one third of the stock markets of the region were closed, for one reason or another.

Further, a computer failure on The Tokyo Stock Exchange caused widespread disruption to trading so that not much credence could be put into the closing figures of this market, which is the largest in Asia.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), it was another day of gains for the 2 equity markets of the territory.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about 1.29 percent to close the day at 14,572.26 points on a Total Turnover of about \$HK19.35 billion.

Advancing counters outnumbered declining counters by the ratio of about 3.95:One.

The Ten Most Active counters of the day were:

China Mobile (Hongkong) Ltd (Code: 941)	Up 1.59 percent to \$HK35.05 per share
Hutchison Whampoa Ltd (Code: 13)	Up 2.45 percent to \$HK75.20 per share
HSBC Holdings plc (Code: 5)	Up 0.66 percent to \$HK122.10 per share
China Construction Bank Corporation (Code: 939)	Unchanged at \$HK2.35 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 2.42 percent to \$HK3.175 per share
PetroChina Company Ltd (Code: 857)	Up 1.69 percent to \$HK6.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.80 percent to \$HK82.10 per share
CNOOC Ltd (Code: 883)	Up 1.98 percent to \$HK5.15 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.64 percent to \$HK74.50 per share
China Life Insurance Company Ltd (Code: 2628)	Up 1.77 percent to \$HK5.75 per share

The biggest Main Board movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139	32.73		0.073
Asia Standard International Group Ltd	129	10.89		0.275
Benefun International Holdings Ltd	1130	12.00		0.056
China Agrotech Holdings Ltd	1073		16.67	0.275
China Motion Telecom International Ltd	989	15.15		0.19
China Nan Feng Group Ltd	979		19.74	0.061
CITIC 21CN Company Ltd	241	11.83		1.04
Climax International Company Ltd	439	13.04		0.026
Dongfang Electrical Machinery Company Ltd	1072	10.74		6.70
Everest International Investments Ltd	204		23.33	0.023
Fortuna International Holdings Ltd	530	10.00		0.011
Hop Hing Holdings Ltd	47	10.18		0.26
Huafeng Textile International Group Ltd	364	10.14		0.38
Riche Multi-Media Holdings Ltd	764	10.00		0.22
Shangri-La Asia Ltd	69	12.44		12.20
South China Brokerage Company Ltd	619	14.89		0.054
Starbow Holdings Ltd	397	16.22		0.043
Sun Innovation Holdings Ltd	547		34.29	0.023
Tomorrow International Holdings Ltd	760	14.58		0.55
Tse Sui Luen Jewellery (International) Ltd	417	10.59		0.94
Zhongtian International Ltd	2379		23.88	0.51
Zida Computer Technologies Ltd	859	18.97		0.69

Over on The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, it was a similar story to that, being told on the Main Board, except that the key index did not rise anywhere to the extent of the Main Board.

The Growth Enterprise Index rose about 0.44 percent to 960.23 points on a Total Turnover of about \$HK139.69 million.

Gaining counters outnumbered losing ones by the ratio of about 1.18:One.

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

Town Health International Holdings Company Ltd (Code: 8138)	Unchanged at 25 cents per share
China LotSynergy Holdings Ltd (Code: 8161)	Down 1 percent to \$HK2.525 per share
Wumart Stores Incorporated (Code: 8277)	Up 1 percent to \$HK16.20 per share
china.com Incorporated (Code: 8006)	Up 13 percent to 55 cents per share
Far Eastern Polychem Industries Ltd (Code: 8012)	Up 4 percent to \$HK2.175 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
china.com Incorporated	8006	13.40		0.55
Excel Technology International Holdings Ltd	8048		20.00	0.044
iMerchants Ltd	8009	11.22		0.109
MP Logistics International Holdings Ltd	8239		22.22	0.07
QUASAR Communication Technology Holdings Ltd	8171	26.15		0.082
Vertex Communications and Technology Group Ltd	8228	10.34		0.12

For most of the trading day, last Tuesday, business on Asia's largest equity market, The Tokyo Stock Exchange, was halted due to a computer systems' failure.

The market reopened in the late afternoon.

The suspension of trading affected all cash transactions and more than 2,300 issues.

As the transactions were tallied at the close of the (shortened) day, The TOPIX Average was standing at 1,473.02 points, a gain of about 1.96 percent over Monday's close.

The Nikkei-225 Stock Average recorded a gain of 1.92 percent to 13,867.86 yen.

The ratio of gaining counters to losing ones was about 2.34:One.

This was how key indices on other Asian equity markets fared, last Tuesday:

The HKSAR	Plus 1.29 percent to 14,572.26
Indonesia	Minus 0.12 percent to 1,064.95
Japan	TOPIX Average Plus 1.96 percent to 1,473.02 Nikkei-255 Stock Average Plus 1.92 percent to 13,867.86
Malaysia	Closed
The Philippines	Closed
Singapore	Closed
South Korea	Plus 2.66 percent to 1,188.95
Taiwan	Plus 0.59 percent to 5,798.41
Thailand	Plus 1.56 percent to 693.27

Wednesday

Stock and share prices advanced on US equity markets, last Wednesday, in spite of the fact that the US Federal Reserve had raised interest rates by another 25 basis points.

The reason: Nothing that The Fed had said in its official announcement was not known – no shocks!

On The New York Stock Exchange, the Dow Jones Industrial Average rose 65.96 points, equivalent to about 0.63 percent, running up to 10,472.73 points.

On The NASDAQ, its Composite Index gained 30.26 points, or about 1.43 percent, rushing up to 2,144.31 points.

Strong suggestions were afoot on Wall Street that high-technology counters were badly undervalued, all things considered.

Setting the stage for a revival of some of the old favourites, Time Warner Incorporated, which is the world's largest media company, reported an 80-percent jump in its quarterly earnings, much more than had been expected by most Wall Street gurus.

The company said that its high-speed Internet and digital telephone services were largely responsible for the gains.

Up went the share price of Time Warner by nearly 2 percent as soon as the news was released.

Helping Wall Street was the price of crude oil on international commodity exchanges.

On The New York Mercantile Exchange (NYMEX), the last settlement for light sweet crude oil for delivery in December was \$US59.75 per barrel. That price represented a fall of about 0.17 percent over the last settlement of Tuesday.

For delivery in January 2006, the last settlement for a barrel of light sweet crude oil was \$US60.49, off about 0.08 percent on Tuesday's last quote.

In Europe, seeing the continued strength of US equity markets, indices rose, smartly, in late trading, lifting many prices from their lows.

During the early part of trading on major bourses of the eurozone, however, there was some consternation as investors waited to see which way the investment winds were blowing on Wall Street.

This was how the key indices of major European bourses ended their respective trading days, last Wednesday:

Amsterdam's AEX Index	Plus 0.63 percent
Great Britain's FTSE 100 Index	Plus 0.26 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.65 percent
France's CAC 40 Index	Minus 0.11 percent
Switzerland's Swiss Market Index	Plus 0.19 percent
Italy's MIBTEL Index	Plus 0.57 percent

News Wise

- **Deutsche Telekom AG** said that it would sack 19,000 of its workers within the next 3 years. It will cost the German operator about 3.30 billion euros. Deutsche Telekom is Germany's largest telecommunications company.

Asia was substantially stronger, last Wednesday, but for some equity markets of the region, the closing figures were a long way off their intraday highs.

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

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about 0.17 percent to 14,597.48 points on a Total Turnover of about \$HK15.02 billion.

The ratio of gaining counters to losing ones was about 1.33:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.08 percent to \$HK122.20 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.66 percent to \$HK74.70 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 3.15 percent to \$HK3.275 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.14 percent to \$HK35.00 per share
PetroChina Company Ltd (Code: 857)	Unchanged at \$HK6.00 per share
China Construction Bank Corporation (Code: 939)	Down 1.06 percent to \$HK2.325 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.06 percent to \$HK82.15 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.34 percent to \$HK74.75 per share
Lenovo Group Ltd (Code: 992)	Up 1.42 percent to \$HK3.575 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 0.34 percent to \$HK14.65 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Standard International Group Ltd	129	10.91		0.305

Capital Estate Ltd	193	13.40		2.20
China National Resources Development Holdings Ltd	661		49.14	0.089
China Nan Feng Group Ltd	979	14.75		0.07
China Rich Holdings Ltd	1191		12.50	0.112
Comba Telecom Systems Holdings Ltd	2342		12.50	1.54
EcoGreen Fine Chemicals Group Ltd	2341	11.61		1.25
Everest International Investments Ltd	204	47.83		0.034
Hopson Development Holdings Ltd	754	10.20		10.80
Landune International Ltd	245	12.93		0.131
LifeTec Group Ltd	1180	25.00		0.11
MAXX Bioscience Holdings Ltd	512	13.33		0.085
Oriental Explorer Holdings Ltd	430		12.50	0.042
QPL International Holdings Ltd	243		13.89	0.62
See Corporation Ltd	491	10.96		0.081
Shang Hua Holdings Ltd	371		13.18	0.191
Softbank Investment International (Strategic) Ltd	648	12.00		0.056
Tidetime Sun (Group) Ltd	307	15.33		0.173
Wing Hong (Holdings) Ltd	745	28.26		0.059
Zida Computer Technologies Ltd	859		15.94	0.58

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gained about 0.55 percent to rise to 965.54 points.

The Total Turnover was about \$HK99.51 million and the ratio of advancing counters to declining ones was about 1.45:One.

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

Wumart Stores Incorporated (Code: 8277)	Up 6 percent to \$HK17.20 per share
Town Health International Holdings Company Ltd (Code: 8138)	Down 4 percent to 24.10 cents per share
china.com Incorporated (Code: 8006)	Up 11 percent to 61 cents per share
Enric Energy Equipment Holdings Ltd (Code: 8289)	Up 7 percent to \$HK1.92 per share
China LotSynergy Holdings Ltd (Code: 8161)	Unchanged at \$HK2.525 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	17.14		0.164
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd	8095		13.79	0.25
china.com Incorporated	8006	10.91		0.61
ePRO Ltd	8086		22.22	0.014
Excel Technology International Holdings Ltd	8048	36.36		0.06
FlexSystem Holdings Ltd	8050	17.07		0.048
ITE (Holdings) Ltd	8092	12.50		0.045
Linefan Technology Holdings Ltd	8166		18.92	0.09
TeleEye Holdings Ltd	8051	13.33		0.068
Tiger Tech Holdings Ltd	8046	38.89		0.025
Vodatel Networks Holdings Ltd	8033		10.00	0.18

In Japan, it was a relatively quiet trading day on the country's 3 equity markets.

On The Tokyo Stock Exchange, The TOPIX Average rose about 0.08 percent to end the trading day at 1,474.25 points.

The narrower gauge of trading in blue chips, listed on the First Section, known as The Nikkei-225 Stock Average, gained about 0.19 percent to end the day's activities at 13,894.78 yen.

The ratio of losing counters to gaining ones was about 1.27:One.

News Wise

- **New vehicle sales** in The Land of The Rising Sun, excluding sales of mini-vehicles, fell about 3.40 percent in October, compared with the like month in 2004, The Japan Automobile Dealers Association reported. It was the fourth consecutive month of falls in the sales of new vehicles in Japan and the 281,452-unit sales represented the lowest levels of uptake in the past 34 years; and,
- **Wal-Mart Stores Incorporated** put \$US1 billion on the table in order to rescue **Seiyu Ltd**, a struggling retailer of Japan. Wal-Mart Stores, now, has a 53.56-percent stake in Seiyu.

This was how other Asian equity markets' key indices fared, last Wednesday:

The HKSAR	Plus 0.17 percent to 14,597.48
Indonesia	Closed
Japan	TOPIX Average Plus 0.08 percent to 1,474.25 Nikkei-255 Stock Average Plus 0.19 percent to 13,894.78
Malaysia	Plus 0.35 percent to 913.92
The Philippines	Plus 2.39 percent to 2,007.12
Singapore	Plus 1.75 percent to 2,255.54
South Korea	Plus 1.63 percent to 1,208.38
Taiwan	Plus 1.24 percent to 5,870.37
Thailand	Plus 0.95 percent to 699.88

Thursday

Prior to Wall Street opening for business, last Thursday, The Bureau of Labour Statistics, a branch of the US Department of Labour, reported its findings with regard to preliminary productivity data – as measured by output per hour of all persons – for the third quarter of 2005.

It was the kind of report which tended to placate those pessimists of the US economy since it appeared, according to the findings of The Bureau, that productivity was up, while the number of hours worked was down.

This is most of that which The Bureau released, last Thursday (all tables have been omitted):

'PRODUCTIVITY AND COSTS *Third Quarter 2005, preliminary*

'The preliminary seasonally-adjusted annual rates of productivity growth in the third quarter were:

*4.8 percent in the business sector and
4.1 percent in the nonfarm business sector.*

'Productivity increased 4.8 percent in the business sector, as output grew 4.3 percent and hours declined 0.4 percent. The 4.1-percent rise in nonfarm

business productivity occurred as output rose 4.2 percent and hours rose 0.1 percent.

'The effects of Hurricanes Katrina and Rita, which struck the Gulf Coast during the third quarter, could not be separately identified in the productivity and costs measures. The measures reported in this news release reflect both these effects and ongoing trends in output, hours, and compensation.

'In manufacturing, productivity increases in the third quarter were:

*4.5 percent in manufacturing,
7.5 percent in durable goods manufacturing, and
1.7 percent in nondurable goods manufacturing.*

'The third-quarter increase in manufacturing productivity followed a 3.6-percent increase in the second quarter of 2005. Output and hours in manufacturing, which includes about 13 percent of U.S. business sector employment, tend to vary more from quarter to quarter than data for the aggregate business and nonfarm business sectors. ...

'The data sources and methods used in the preparation of the manufacturing series differ from those used in preparing the business and nonfarm business series, and these measures are not directly comparable. Output measures for business and nonfarm business are based on measures of gross domestic product prepared by the Bureau of Economic Analysis of the U.S. Department of Commerce. Quarterly output measures for manufacturing reflect indexes of industrial production independently prepared by the Board of Governors of the Federal Reserve System...

'Business

'From the second quarter to the third quarter of 2005, productivity in the business sector grew at a 4.8 percent seasonally adjusted annual rate. Output increased 4.3 percent, while hours of all persons engaged in the sector declined 0.4 percent. The third-quarter productivity increase was much faster than the 0.8-percent gain recorded in the second quarter of 2005 (as revised), which reflected a 4.0-percent rise in output and a 3.1-percent rise in hours.

'Hourly compensation in the business sector increased at an annual rate of 4.2 percent during the third quarter of 2005, faster than the 3.0-percent rise one quarter earlier (as revised). This measure includes wages and salaries, supplements, employer contributions to employee benefit plans, and taxes. Real hourly compensation, which takes into account changes in consumer prices, fell by 0.9 percent in the third quarter of 2005 after falling by 1.1 percent in the second quarter. It had increased 2.3 percent in the first quarter of the year.

'Unit labor costs, which reflect changes in both hourly compensation and productivity, declined 0.6 percent during the third quarter. By contrast, this measure had increased 2.2 percent in the second quarter. The implicit price deflator for the business sector increased 3.0 percent during the third quarter of 2005, following a 2.6 percent increase in the previous quarter.

'Nonfarm business

'Productivity in the nonfarm business sector grew 4.1 percent during the third quarter of 2005 as output grew 4.2 percent. Hours of all persons in the nonfarm business sector edged up 0.1 percent, reflecting a 0.4-percent gain in employment and a 0.4-percent decline in average weekly hours at work.

'In the previous quarter, nonfarm business productivity increased 2.1 percent, as output grew 4.4 percent and hours worked increased by 2.2 percent.

'Hourly compensation increased at a 3.6 percent annual rate in the third quarter of 2005. When the rise in consumer prices is taken into account, real hourly compensation fell 1.4 percent during the July-September period.

'During the second quarter of 2005, real hourly compensation had declined 0.1 percent.

'Unit labor costs in the nonfarm business sector fell 0.5 percent during the third quarter of 2005, after rising 1.8 percent in the second quarter. The implicit price deflator for nonfarm business output rose 3.3 percent in the third quarter of 2005.

'Manufacturing

'Productivity increased 4.5 percent in manufacturing in the third quarter of 2005 as output grew 3.1 percent and hours of all persons fell 1.4 percent (seasonally adjusted annual rates). In durable goods industries, productivity and output both grew 7.5 percent in the third quarter while hours of all persons were unchanged. Productivity increased 1.7 percent in nondurable goods, where output fell 2.1 percent but hours fell faster, 3.7 percent.

'The hourly compensation of manufacturing workers increased an average of 2.9 percent during the third quarter of 2005, reflecting increases of 2.4 percent in durable goods and 3.4 percent in nondurable goods. When the increase in consumer prices is taken into account, real hourly compensation in total manufacturing fell 2.1 percent in the third quarter. Real hourly compensation had grown in the first two quarters of 2005; 3.6 percent in the second quarter (as revised) and 4.6 percent in the first quarter.

'Unit labor costs in manufacturing fell 1.6 percent in the third quarter of 2005, after rising in each of the previous four quarters. In the durable goods sector, unit labor costs fell 4.7 percent in the third quarter after increasing 4.0 percent one quarter earlier. In the nondurable goods sector, unit labor costs rose 1.7 percent in the third quarter and 4.0 percent in the second quarter of 2005...

'In the business sector, productivity, output, and hours grew about the same as reported on Sept. 7, based on information then available. In the nonfarm sector, growth in productivity and output was revised up while the increase in hours remained the same. Productivity was unchanged in the manufacturing sector, reflecting offsetting small upward revisions to output and hours. In all three sectors, hourly compensation and unit labor costs were revised down

'Productivity grew at an annual rate of 6.3 percent in second-quarter 2005, compared with the increase of 6.8 percent reported previously. This was the result of a downward revision in output growth, from 9.5 percent to 9.0 percent, as hours growth was unchanged. Unit labor costs fell more slowly than reported previously, as hourly compensation was revised down less than productivity. Unit profits increased slightly less than reported on Sept. 7... '.

Wall Street was pleased with the report of The Bureau, but the gains on equity markets were somewhat muted by a substantial increase in the price of crude oil on international commodity exchanges.

On The New York Mercantile Exchange (NYMEX), last Thursday, the last settlement for a barrel of light sweet crude oil for delivery in December was \$US61.78, an increase of about 3.40 percent, compared with the last settlement of Wednesday.

January 2006 delivery of a barrel of light sweet crude oil saw the last settlement come in at \$US62.55, an increase of about 3.41 on Wednesday's last quote.

On The New York Stock Exchange, the Dow Jones Industrial Average rose about 0.48 percent to 10,552.59 points while, on The NASDAQ, its Composite Index put on another 0.74 percent, ending the trading day at 2,160.22 points.

News Wise

- **Dr Alan Greenspan**, the outgoing Chairman of the US Federal Reserve, told the Joint Economic Committee of Congress that *'Structural productivity continues to grow at a firm pace, and rebuilding activity, following the hurricanes, should boost real GDP (Gross Domestic Product) growth for a while ... More uncertainty, however, surrounds the outlook for inflation ...'*

The news about US productivity growth was exactly that which seemed to ignite the fires under well-heeled, European investors, last Thursday, causing every key index of every major European bourse to rise, substantially:

Amsterdam's AEX Index	Plus	0.70 percent
Great Britain's FTSE 100 Index	Plus	1.36 percent
Germany's Frankfurt XETRA DAX Index	Plus	1.13 percent
France's CAC 40 Index	Plus	1.63 percent
Switzerland's Swiss Market Index	Plus	1.23 percent
Italy's MIBTEL Index	Plus	1.36 percent

Helping sentiment was the fact that The **European Central Bank** (ECB) did not increase interest rates.

In Asia, 4 of the major equity markets were closed for one reason or another.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), due in large part to the fact that The Hongkong and Shanghai Banking Corporation Ltd, a wholly owned subsidiary of HSBC Holdings plc (Code: 5, Main Board, The Stock Exchange of Hongkong Ltd), had increased its interest rates by 50 basis points, which was twice as much as The Fed had recommended in the US on Tuesday, trading in stocks and shares in the territory started to dry up.

Other HKSAR banks followed the way of The Hongkong and Shanghai Banking Corporation Ltd in short order, no doubt, taking advantage of the situation, thus widening the spread between interest paid on deposits and borrowing costs – which was, as at last Thursday, at least 81 percent, by **TARGET's** reckoning.

By the close of trading on the territory's 2 stock markets, last Thursday, even more banks had followed the lead of The Hongkong and Shanghai Banking Corporation Ltd, thus tightening the noose around many a property company of the territory.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index ended the quiet trading day at 14,601.59 points, a one-day gain of about 0.03 percent.

The Total Turnover fell back to about \$HK14.94 billion, while the ratio of gaining counters to losing ones was 1.32:One, exactly.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.16 percent to \$HK122.40 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.20 percent to \$HK74.55 per share
China Construction Bank Corporation (Code: 939)	Up 1.08 percent to \$HK2.35 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 1.53 percent to \$HK3.325 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.27 percent to \$HK74.55 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.49 percent to \$HK81.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.14 percent to \$HK34.95 per share
China Life Insurance Company Ltd (Code: 2628)	Up 2.63 percent to \$HK5.85 per share
PetroChina Company Ltd (Code: 857)	Down 0.83 percent to \$HK5.95 per share
Esprit Holdings Ltd (Code: 330)	Up 2.06 percent to \$HK56.95 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Best Group Holding Ltd	370	11.11		0.08
China Credit Holdings Ltd	185	11.82		0.123
China Fair Land Holdings Ltd	169		11.84	0.335
China Motion Telecom International Ltd	989	10.53		0.21
China National Resources Development Holdings Ltd	661		20.22	0.071
Deson Development International Holdings Ltd	262	10.53		0.315
First Shanghai Investments Ltd	227	16.07		0.65
Fulbond Holdings Ltd	1041		21.43	0.011
GeoMaxima Energy Holdings Ltd	702	14.29		0.04
INNOMAXX Biotechnology Group Ltd	340	10.61		0.073
LifeTec Group Ltd	1180		14.55	0.094
MACRO-LINK International Holdings Ltd	472	13.33		0.17
MAE Holdings Ltd	851	14.47		0.087
Northeast Electric Development Company Ltd	42	14.89		0.54
New World TMT Ltd	301	71.43		0.72
Nippon Asia Investments Holdings Ltd	603	11.54		0.087
Perennial International Ltd	725		16.67	0.30
PME Group Ltd	379	11.11		0.08
REXCAPITAL Financial Holdings Ltd	555	15.00		0.115
Sam Woo Holdings Ltd	2322		20.00	0.40
Sino Union Petroleum and Chemical International Ltd	346		12.16	0.13
Tai Ping Carpets International Ltd	146	11.48		1.36
Technology Venture Holdings Ltd	61	16.67		0.098
Zhongda International Holdings Ltd	909		19.35	0.25

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gained 0.61 percent, ending the session at 971.47 points.

The Total Turnover on this speculative market was about \$HK67.11 million, with advancing counters, outnumbering declining counters by the ratio of about 1.19:One.

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

china.com Incorporated (Code: 8006)	Unchanged at 61 cents per share
Town Health International Holdings Company Ltd (Code: 8138)	Down 2 percent to 23.70 cents per share
Techpacific Capital Ltd (Code: 8088)	Up 8 percent to 56 cents per share
China LotSynergy Holdings Ltd (Code: 8161)	Up 2 percent to \$HK2.575 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Unchanged at \$HK13.85 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd	8095	12.00		0.28
Co-winner Enterprise Ltd	8108		14.00	0.043
Medical China Ltd	8186	33.33		0.04
MP Logistics International Holdings Ltd	8239	11.43		0.078
Tradeeasy Holdings Ltd	8163		23.33	0.046

- The fourth major outbreak of **Avian Influenza** was reported in the north-eastern sector of Liaoning, the PRC, proper. About 9,000 chickens had died of the virus, it was reported, officially, last Thursday. The outbreak occurred on October 26, however, according to the Agricultural Ministry.

Japanese equity markets were closed, last Thursday.

This was how the indices of other Asian equity markets ended up at the close of trading, last Thursday:

The HKSAR	Plus 0.03 percent to 14,601.59
Indonesia	Closed
Japan	TOPIX Average Closed Nikkei-255 Stock Average Closed
Malaysia	Closed
The Philippines	Plus 1.22 percent to 2,031.70
Singapore	Closed
South Korea	Plus 0.79 percent to 1,217.97
Taiwan	Minus 0.21 percent to 5,858.01
Thailand	Plus 0.70 percent to 704.79

Friday

While the popular Press in the US, for the most part, paid scant attention to statements, made by Ms Kathleen P. Utgoff in her testimony to the Joint Economic Committee of the United States Congress, last Friday, that which she stated to this august body should have been considered shocking to right-minded men when taken in its entirety.

She painted a not-particularly bullish outlook for the US economy as she outlined the employment situation in the country, concluding with the fact that, since May this year, there has been little to no improvement in the labour situation.

This is the full text of her testimony:

'Mr. Chairman and Members of the Committee:

'I appreciate this opportunity to comment on the labor market data we released this morning.

'Nonfarm payroll employment was little changed in October (+56,000), and the jobless rate was 5.0 percent. Payroll employment was flat in September (-8,000, as revised).

'Before discussing the payroll survey data in detail, I would note that the October estimates were prepared using the same modified procedures that we introduced in September to better gauge employment developments in areas affected by Hurricane Katrina. We will continue to evaluate our data collection and estimating procedures and will resume standard survey operations when it is appropriate.

'You will recall that in our analysis of the September employment data, we concluded that the weakness was largely due to the job loss in areas devastated by Hurricane Katrina. This conclusion was based on an estimate of the change in

payroll employment excluding all of the sample units in the disaster areas. That exercise showed that job growth outside the disaster areas was in line with the average monthly increase for the nation as a whole during the prior year (about 200,000). We did a similar exercise for October and concluded that the relatively weak increase was not attributable to the areas directly affected by Katrina. Rather, job growth in the remainder of the country appeared to be below trend in October. In addition, the direct impact of Hurricane Rita on the national employment data for October was judged to be minimal. It is possible, of course, that employment growth for the nation could have been held down by indirect effects of Hurricanes Katrina and Rita, for example, because of their impact on gas prices. (Hurricane Wilma made landfall after the October survey reference period.)

'Turning to the national developments by industry, leisure and hospitality employment edged down in October. This followed a substantial decline in September, at least some of which was hurricane related. Employment in retail trade was basically unchanged in October after a large decline in September. In addition, there was little job growth in professional and business services in October; the number of jobs in its temporary help component showed little movement over the month.

'A few major industries posted notable job gains in October. Employment in the construction industry rose by 33,000 over the month, compared with average growth of about 21,000 jobs per month during the first 9 months of the year. Some of the October gain reflects post-hurricane rebuilding and clean-up efforts. Employment in financial activities continued to increase, rising by 22,000; about half of this gain occurred in credit intermediation. Employment in health care and social assistance also continued to expand in October, rising by 23,000.

'Elsewhere in the economy, employment in the information industry fell by 15,000 over the month, mostly because of a large decline in motion pictures and sound recording.

'Factory employment edged up in October because of the return of aerospace workers from a strike. The manufacturing workweek rose by an unusually large amount, 0.4 hour; increases in the factory workweek occurred throughout most of the component industries.

'Average hourly earnings of private production or non-supervisory workers on private nonfarm payrolls rose by 8 cents in October to \$16.27, following a 2-cent increase in September. Over the year, average hourly earnings were up by 2.9 percent.

'Looking at some major household survey indicators, the jobless rate was 5.0 percent in October. The unemployment rate basically has held steady since May of this year. Both the labor force participation rate and employment-population ratio were little changed in October, at 66.1 percent and 62.9 percent, respectively.

'I'd also like to discuss some preliminary findings on the employment status of persons directly affected by Hurricane Katrina. Shortly after the hurricane struck, Bureau analysts, together with our colleagues at the Census Bureau, devised a short series of hurricane-related questions for inclusion in the October Current Population Survey. These questions were designed to identify and solicit information from survey respondents who had evacuated from their homes, even temporarily, because of Hurricane Katrina.

'It is important to note that the estimates based on these questions are not representative of all evacuees, but only those who were interviewed through normal household survey procedures. Some evacuees reside outside the scope of the survey, such as those currently living in hotels or shelters.

'Based on information collected from CPS-sampled house-holds, there were about 800,000 persons age 16 and over who had evacuated from where they were living in August due to Hurricane Katrina. About 300,000 of these persons had returned to the home from which they had evacuated, and the remaining 500,000 had not returned to their August residence.

'Of the 800,000 evacuees, 55.7 percent were in the labor force in October, and their unemployment rate was 24.5 percent. The jobless rate among those who have not been able to return home (33.4 percent) was substantially higher than the rate for those who had returned to their August place of residence (10.5 percent). Again, these figures do not reflect the situation of persons still residing in shelters, hotels, or other places out of the scope of the household survey.

'Even with their limitations, we believe that these data provide useful information about the employment status of those persons affected by Hurricane Katrina. As people make the transition to more permanent housing, the estimates may become more representative of the situation of all evacuees. We plan to keep these special Katrina-related questions in the survey at least through January 2006.

'Summarizing labor market developments for October, nonfarm payroll employment was little changed over the month, and the unemployment rate was 5.0 percent.'

Wall Street looked at the labour numbers, only, and was somewhat disappointed that the number of new jobs was not higher.

However, what lay behind the numbers was much more revealing, but to understand that, one had to read that which Ms Kathleen P. Utgoff had told Congress.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 8.17 points, or about 0.08 percent, to end the week's trading proceedings at 10,530.76 points.

Over on The NASDAQ, its Composite Index advanced 9.21 points, equivalent to about 0.43 percent, running up to 2,169.43 points.

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

The Dow Jones Industrial Average	Plus	1.23 percent
The NASDAQ's Composite Index	Plus	3.81 percent

On The New York Mercantile Exchange (NYMEX), the price of crude oil lost some of Thursday's gains.

For delivery in December, a barrel of light sweet crude oil fetched \$US60.58 at the last settlement, representing a loss of about 2.09 percent on Thursday's last settlement.

January 2006 delivery of a barrel of light sweet crude oil saw the last settlement at \$US61.50, a fall of about 1.68 percent on Thursday's last quote.

In Europe, many investors took their profits from gains, recorded earlier in the week, and ran to their banks.

Again, as with US investors, there was some consternation about the weakness in the uptake of employment in The Land of The Free and The Home of The Brave.

This was how key indices of major European bourses finished the week:

Amsterdam's AEX Index	Minus	0.09 percent
Great Britain's FTSE 100 Index	Minus	0.15 percent
Germany's Frankfurt XETRA DAX Index	Minus	0.31 percent
France's CAC 40 Index	Minus	0.07 percent
Switzerland's Swiss Market Index	Minus	0.07 percent

Asian equity markets continued to be strong, last Friday, but the 2 equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) drifted to lower levels, probably due to confirmation that there had been other outbreaks of Avian Influenza in Vietnam and Liaoning. (Please see Thursday's report)

Also, the HKSAR was, still, trying to understand the reason that its banks had determined to raise interest rates by 50 basis points, which is double the amount that the US Federal Reserve had raised the US Federal Funds Rate on Tuesday. (Please see Tuesday's report)

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index shed about 0.11 percent of its value, falling back to 14,585.79 points.

The Total Turnover was about \$HK15.68 billion.

The ratio of losing counters to gaining ones was about 1.09:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 0.25 percent to \$HK122.70 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.71 percent to \$HK80.35 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 2.26 percent to \$HK3.40 per share
PetroChina Company Ltd (Code: 857)	Up 1.68 percent to \$HK6.05 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.74 percent to \$HK74.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.29 percent to \$HK35.05 per share
China Construction Bank Corporation (Code: 939)	Unchanged at \$HK2.35 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.54 percent to \$HK74.15 per share
China Life Insurance Company Ltd (Code: 2628)	Unchanged at \$HK5.85 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 0.34 percent to \$HK14.60 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139	20.00		0.09
Baoye Group Company Ltd	2355	17.14		6.15
China National Resources Development Holdings Ltd	661		15.49	0.06
City Telecom (Hongkong) Ltd	1137	11.54		0.87
Everbest Century Holdings Ltd	578		11.11	0.16
GeoMaxima Energy Holdings Ltd	702	32.50		0.053
Grand Field Group Holdings Ltd	115		20.00	0.08
Lung Cheong International Holdings Ltd	348		10.53	0.34
Mei Ah Entertainment Group Ltd	391	10.42		0.265
Northeast Electric Development Company Ltd	42	27.78		0.69
PME Group Ltd	379		10.00	0.072
Sino Prosper Holdings Ltd	766	10.20		0.54
Sun Innovation Holdings Ltd	547	28.00		0.032
Zida Computer Technologies Ltd	859	17.24		0.68

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index lost three quarters of a percentage point, exactly, as investors pushed down the lone index to 964.18 points.

The Total Turnover on this market was about \$HK79.70 million, with declining counters, outnumbering gaining ones by the ratio of about 1.09:One.

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

Town Health International Holdings Company Ltd (Code: 8138)	Down 5 percent to 22.60 cents per share
Enric Energy Equipment Holdings Ltd (Code: 8289)	Up 7 percent to \$HK2.025 per share
china.com Incorporated (Code: 8006)	Unchanged at 61 cents per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Unchanged at \$HK13.85 per share
China LotSynergy Holdings Ltd (Code: 8161)	Down 1 percent to \$HK2.55 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Excel Technology International Holdings Ltd	8048		16.67	0.05
Global Link Communications Holdings Ltd	8060		40.00	0.03
Golding Soft Ltd	8190		15.79	0.016
IIN International Ltd	8128	19.05		0.025
Jiangsu Nandasoft Company Ltd	8045	13.10		0.164
Medical China Ltd	8186	15.00		0.046
QUASAR Communication Technology Holdings Ltd	8171	12.20		0.092
Timeless Software Ltd	8028	10.67		0.083
Tradeeasy Holdings Ltd	8163	30.43		0.06
Value Convergence Holdings Ltd	8101	11.86		0.66
WLS Holdings Ltd	8021		10.00	0.09

For the week, the tally for the 2 equity markets of the HKSAR was:

The Hang Seng Index	Plus 2.60 percent
The Growth Enterprise Index	Plus 2.69 percent

In The Land of The Rising Sun, the key index of The Tokyo Stock Exchange, known as The TOPIX Average, rose to a 5-year high of 1,494.99 points, with last Friday, seeing this key index jump about 1.41 percent.

The Nikkei-225 Stock Average ended the week with a gain of about 1.30 percent, at 14,075.96 yen.

Advancing counters outran declining ones by the ratio of about 1.82:One.

The tally for the 4-day trading week of the most-important equity market of Asia was:

The TOPIX Average	Plus 5.29 percent
The Nikkei-225 Stock Average	Plus 5.47 percent

And this was how key indices of other Asian equity markets ended the week of November 4, 2005:

The HKSAR	Minus 0.11 percent to 14,585.79
Indonesia	Closed
Japan	TOPIX Average Plus 1.41 percent to 1,494.99 Nikkei-255 Stock Average Plus 1.30 percent to 14,075.96
Malaysia	Closed
The Philippines	Plus 1.22 percent to 2,031.70
Singapore	Plus 0.48 percent to 2,266.52
South Korea	Plus 0.32 percent to 1,221.98

Taiwan	Plus 0.91 percent to 5,911.74
Thailand	Plus 0.20 percent to 706.23

-- 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.*