

**OIL PRICES IN FULL RETREAT;  
EQUITY MARKETS START TO MAKE A COMEBACK;  
AND,  
THINGS LOOK GOOD IN THE LAND OF THE FREE**

The first day of the trading week of November 18, 2005, got off to a very quiet start, with little movement in key indices in most parts of the world although some equity markets managed to make a reasonable show.

In the US, equity markets were extremely quiet, last Monday, with indices, ending the day just fractions higher or lower than the previous Friday's closings.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 11.13 points, or about one tenth of a percentage point, ending the trading session at 10,697.17 points.

Over on The NASDAQ, its Composite Index ended the session at 2,200.95 points, representing a one-day fall of about 1.52 points, equivalent to about 0.07 percent.

Trading on the world's largest equity markets was considerably lower than normal for this time of the year.

On The New York Mercantile Exchange (NYMEX), last Monday, the last settlement for a barrel of light sweet crude oil for delivery in December was \$US57.69, an increase of about 0.28 percent of the previous close on Friday, November 11.

For delivery in January 2006, the last settlement for a barrel of light sweet crude oil was \$US58.51, up about 0.05 percent of the last settlement of the previous Friday.

Key indices of European bourses were, also, flat, last Monday, as the following **TARGET** list illustrates:

Amsterdam's AEX Index	Plus 0.29 percent
Great Britain's FTSE 100 Index	Plus 0.08 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.03 percent
France's CAC 40 Index	Plus 0.26 percent
Switzerland's Swiss Market Index	Minus 0.48 percent
Italy's MIBTEL Index	Minus 0.01 percent

The concern in Europe was that the European Central Bank (ECB) was unlikely to wait for any material onslaught of inflation and would raise interest rates in order to stave off the likelihood of such an eventuality.

In Asia, it was mostly red ink in which key indices were written at the close of the trading day, last Monday.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the Main Board of The Stock Exchange of Hongkong Ltd had its Hang Seng Index firmly in negative territory, but The Growth Enterprise Index of The Growth Enterprise Market (The GEM) was in positive territory ... but only just.

The Hang Seng Index finished the trading day at 14,629.49 points, down about three quarters of a percentage point, compared with the close of the previous Friday.

The Total Turnover was about \$HK17.10 billion, while the ratio of losing counters to gaining ones was about 2.24:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK124.50 per share
PetroChina Company Ltd (Code: 857)	Unchanged at \$HK5.80 per share
Hutchison Whampoa Ltd (Code: 13)	Down 2.01 percent to \$HK73.00 per share
China Life Insurance Company Ltd (Code: 2628)	Up 1.69 percent to \$HK6.00 per share
China Construction Bank Corporation (Code: 939)	Down 1.00 percent to \$HK2.475 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.38 percent to \$HK35.65 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.14 percent to \$HK78.30 per share
Henderson Land Development Company Ltd (Code: 12)	Down 0.14 percent to \$HK34.90 per share
Sinopec Zhenhai Refining and Chemical Company Ltd (Code: 1128)	Up 8.47 percent to \$HK10.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.74 percent to \$HK73.55 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)
Celestial Asia Securities Holdings Ltd	1049	10.87		0.204
China Elegance (Holdings) Ltd	476	20.00		0.054
Clear Media Ltd	100		10.26	7.00
Far East Technology International Ltd	36		11.02	1.05
Foundation Group Ltd	1182	16.67		0.042
Get Nice Holdings Ltd	64	22.86		0.86
IDT International Ltd	167		14.81	0.46
Lee Hing Development Ltd	68		15.26	1.61
Lung Cheong International Holdings Ltd	348	21.88		0.39
Midland Holdings Ltd	1200		10.22	3.075
Seapower Resources International Ltd	269	11.19		0.149
Theme International Holdings Ltd	990		10.00	0.027
United Metals Holdings Ltd	2302	10.00		0.55
Wah Yuen Holdings Ltd	2349		14.09	0.189
Yue Da Holdings Ltd	629		12.07	0.51

The GEM's lone index, The Growth Enterprise Index, gained about 0.43 percent, running up to 992.58 points on a Total Turnover of about \$HK131.43 million.

Although the GEM's index was in positive territory, losing counters outnumbered gaining ones by the ratio of about 1.43:One.

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

TOM Online Incorporated (Code: 8282)	Up 5 percent to \$HK1.97 per share
Golden Meditech Company Ltd (Code: 8180)	Up 2 percent to \$HK1.45 per share
China LotSynergy Holdings Ltd (Code: 8161)	Unchanged at \$HK2.875 per share
Enric Energy Equipment Holdings Ltd (Code: 8289)	Unchanged at \$HK2.50 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 1 percent to \$HK1.06 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Armitage Technologies Holding Ltd	8213	25.00		0.02
Co-winner Enterprise Ltd	8108	40.00		0.07
Everpride Biopharmaceutical Company Ltd	8019		25.00	0.06
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231		10.00	0.135
G.A. Holdings Ltd	8126		13.70	0.063
Glory Mark Hi-Tech (Holdings) Ltd	8159	18.24		0.201
IIN International Ltd	8128	15.79		0.022
Jiangsu Nandasoft Company Ltd	8045		10.53	0.17
Linefan Technology Holdings Ltd	8166		25.56	0.067
Medical China Ltd	8186		20.00	0.036
Shenzhen Neptunus Interlong Bio-technique Company Ltd	8329	20.00		0.60
New Universe International Group Ltd	8068		26.67	0.022
Pan Sino International Holding Ltd	8260		10.53	0.255
Q9 Technology Holdings Ltd	8129	11.76		0.019
QUASAR Communication Technology Holdings Ltd	8171	15.00		0.115
SYSCAN Technology Holdings Ltd	8083		28.17	0.051
T S Telecom Technologies Ltd	8003		20.00	0.036
TeleEye Holdings Ltd	8051	48.00		0.074
Thiz Technology Group Ltd	8119		25.00	0.045
Ultra Group Holdings Ltd	8203	34.92		0.085

In Japan, The Tokyo Stock Exchange's key index took a bit of a tumble.

The TOPIX Average, which is the official gauge of trading in blue chips, listed on the First Section of this market, recorded a loss of about 0.95 percent, ending the session at 1,480.42 points.

The Nikkei-225 Stock Average shed 0.28 percent, coming to rest at 14,116.04 yen by the close of the day.

The ratio of losing counters to gaining ones was about 2.04:One.

#### News Wise

- **Goldman Sachs International Ltd** has dumped nearly all of its shares in **Mitsubishi Motors Corporation**. The investment banker sold 548.15 million Mitsubishi Motors's shares, reducing its interest in the company from 13.45 percent to 1.04 percent. No other details were released about this matter.

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

The HKSAR	Minus 0.75 percent to 14,629.49
Indonesia	Minus 1.09 percent to 1,017.73
Japan	TOPIX Average Minus 0.95 percent to 1,480.42 Nikkei-255 Stock Average Minus 0.28 percent to 14,116.04
Malaysia	Minus 0.24 percent to 896.19
The Philippines	Minus 0.99 percent to 2,072.05
Singapore	Minus 0.52 percent to 2,254.15
South Korea	Plus 1.75 percent to 1,256.12

Taiwan	Plus 0.14 percent to 6,083.62
Thailand	Minus 1.02 percent to 683.41

## **Tuesday**

Things, clearly, are not as bad as some US, stock-market pundits have been maintaining.

At least, that appeared to have been the situation during the month of October, according to statistics, released last Tuesday by the US Department of Labour, prior to the opening of Wall Street.

The Bureau of Labour Statistics announced that the Producer Price Indices for October suggested that wholesale prices had slowed down, appreciably.

Excluding food and energy, prices dropped by about 0.30 percent in October, suggesting that inflation is nowhere near a gallop.

This is most of that which The Bureau released, last Tuesday, excluding tables:

### **'Producer Price Indexes – October 2005**

*'... the seasonally adjusted Producer Price Index for Finished Goods advanced 0.7 percent in October. This gain followed a 1.9-percent jump in September and a 0.6-percent rise in August. At the earlier stages of processing, prices received by manufacturers of intermediate goods moved up 3.0 percent, after increasing 2.5 percent in the preceding month. The index for crude materials rose 6.7 percent in October, compared with a 10.2-percent gain in September...*

*'Among finished goods, prices for energy goods climbed 4.1 percent in October, following a 7.1-percent increase in September. The finished consumer foods index declined 0.1 percent, compared with a 1.4-percent advance in the prior month. Prices for finished goods other than foods and energy fell 0.3 percent in October, after rising at the same rate in September.*

*'Before seasonal adjustment, the Producer Price Index for Finished Goods increased 1.3 percent in October to 161.0 (1982 = 100). From October 2004 to October 2005, prices for finished goods advanced 5.9 percent. Over the same period, prices for finished energy goods jumped 26.1 percent, the index for finished goods other than foods and energy rose 1.9 percent, and the index for finished consumer foods advanced 0.3 percent. Prices for intermediate goods increased 10.5 percent during the 12-month period ended October 2005, and the crude goods index moved up 31.5 percent.*

### **'Finished goods**

*'The rate of increase in the index for finished energy goods slowed from 7.1 percent in September to 4.1 percent in October. Prices for liquefied petroleum gas climbed 1.4 percent, following a 24.7-percent jump in September. The gasoline index turned down 3.3 percent, after increasing 12.7 percent a month earlier. By contrast, prices for residential electric power rose 2.9 percent, following no change in the prior month. The indexes for residential natural gas, home heating oil, diesel fuel, kerosene, and finished lubricants advanced at faster rates in October than they had in the previous month ...*

*'Prices for finished consumer foods declined 0.1 percent in October, compared with a 1.4-percent gain a month earlier. Subsequent to a 49.3-percent jump in September, the index for eggs for fresh use fell 25.2 percent in October. Prices for fresh and dry vegetables, pork, fresh fruits and melons, and soft drinks also turned down, following increases in the prior month. The index for dairy products rose less than it had a month earlier. Alternatively, price increases for beef and veal*

accelerated from 1.1 percent in September to 3.2 percent in October. The index for finfish and shellfish also rose more in October than it had in the previous month.

*'The index for finished consumer goods other than foods and energy declined 0.2 percent in October, after rising 0.2 percent in the previous month. Passenger car prices decreased 3.0 percent, compared with a 0.9-percent gain in September. For the 12 months ended October 2005, the index for passenger cars fell 2.1 percent. Prices for light motor trucks fell 2.2 percent, after rising 0.5 percent in September. From October 2004 to October 2005, the index for light motor trucks fell 3.9 percent. In accordance with usual practice, most new model year passenger cars and light motor trucks were introduced into the PPI in October ... Prices for apparel, floor coverings, and newspaper circulation turned down in October.*

*'The pharmaceutical preparations index moved up at a slower pace in October than it had in the prior month. By contrast, prices for soaps and synthetic detergents edged up 0.1 percent, after falling 1.5 percent in September. The index for sanitary papers and health products also turned up, after declining in September. Book publishing prices rose in October, following no change a month earlier. The index for mobile homes increased more than it had in the prior month.*

*'The capital equipment index moved down 0.2 percent in October, after rising 0.3 percent a month earlier. Prices for light motor trucks, passenger cars, agricultural machinery and equipment, and railroad equipment turned down, following increases in September. The index for heavy motor trucks rose less in October than it had a month earlier. Conversely, prices for civilian aircraft moved up 0.6 percent, following a 0.2-percent gain in the prior month. The indexes for industrial material handling equipment and for construction machinery and equipment turned up, after decreasing in September. Prices for communication and related equipment edged up in October, following no change in the preceding month.*

#### *'Intermediate goods*

*'The index for Intermediate Materials, Supplies, and Components advanced 3.0 percent in October, after rising 2.5 percent in September. Prices for intermediate energy goods and for materials and components for construction increased more than they had in September. The intermediate foods and feeds index moved up in October, after falling a month earlier. By contrast, the indexes for materials for both durable and nondurable manufacturing increased at slower rates, compared with September.*

*'Prices for intermediate energy goods climbed 9.3 percent in October, after rising 8.3 percent in the prior month. The diesel fuel index moved up 22.7 percent, after advancing 1.5 percent in September. Prices for commercial natural gas, commercial electric power, residual fuel, and jet fuel also increased at faster rates in October, compared with a month earlier. By contrast, the gasoline index fell 3.3 percent, following a 12.7-percent gain in September. Prices for liquefied petroleum gas and natural gas to electric utilities advanced less than they had in the previous month.*

*'The intermediate foods and feeds index moved up 0.7 percent in October, following a 0.6-percent decrease in September. Prices for prepared animal feeds edged up 0.3 percent, following a 3.7-percent decline in the preceding month. The index for fluid milk products also turned up, after decreasing in September. Prices for beef and veal and for refined sugar and byproducts increased at faster rates in October, compared with the previous month. Alternatively, prices for pork decreased 4.2 percent in October, following a 4.7-percent advance in September. The indexes for natural, processed, and imitation cheese and for processed young chickens also turned down after rising in October. Prices for soft drink beverage bases were unchanged, after increasing in the previous month.*

*'Prices for materials and components for construction rose 1.4 percent in October, subsequent to a 1.1-percent increase in September. The plastic construction products index rose 7.4 percent, after advancing 1.6 percent a month earlier. Prices for nonferrous wire and cable also increased more than they had in September. The wiring devices index turned up in October, while the fabricated structural metal products index rose, after showing no change in the previous month. By contrast, the plywood index increased 5.1 percent, following a 14.4-percent jump in September. Prices for paving mixtures and blocks also advanced less in October than they had in the prior month, while the softwood lumber index turned down, after rising in September.'*

*'The materials for nondurable manufacturing index advanced 2.8 percent in October, following a 3.4-percent rise in the preceding month. Prices for primary basic organic chemicals went up 7.7 percent, after climbing 17.5 percent in September. The processed yarns and threads index also increased at a slower rate than it had a month earlier. Prices for paper and finished fabrics turned down in October. By contrast, the plastic resins and materials index increased 6.6 percent, following a 3.9-percent gain in September. Prices for inedible fats and oils, paperboard, and synthetic rubber turned up in October, after declining in the previous month.'*

*'Prices for materials for durable manufacturing advanced 2.0 percent in October, following a 2.6-percent gain a month earlier. The hot rolled steel sheet and strip index increased 4.0 percent, after rising 9.4 percent in September. Prices for aluminum mill shapes, semifinished steel mill products, plywood, and cold finished steel bars also rose less in October than they had in the preceding month. The index for titanium mill shapes turned down, after increasing in the previous month. Conversely, prices for primary nonferrous metals advanced 6.6 percent in October, subsequent to a 1.8-percent rise in the prior month. The index for cold rolled steel sheet and strip turned up, after declining a month earlier.'*

#### *'Crude goods*

*'The Producer Price Index for Crude Materials for Further Processing advanced 6.7 percent in October, following a 10.2-percent gain in September. This slower rate of increase can be primarily attributed to prices for crude energy materials, which rose less in October than they had a month earlier. The index for crude nonfood materials less energy turned down, after advancing in September, while prices for crude foodstuffs and feedstuffs moved up less in October than they had in the previous month.'*

*'The index for crude energy materials climbed 12.4 percent in October, subsequent to a 16.9-percent jump in September. Leading this deceleration, natural gas prices rose 20.3 percent, after surging 30.7 percent in the preceding month. The coal index inched down 0.2 percent in October, following a 0.7-percent increase a month earlier. Crude petroleum prices increased 0.6 percent, compared with a 0.8-percent gain in September.'*

*'The index for crude nonfood materials less energy declined 1.2 percent in October, after rising 5.3 percent in the prior month. Prices for iron and steel scrap fell 7.8 percent, following a 22.8-percent advance in September. The index for aluminum base scrap also moved down in October, after increasing in the previous month. Prices for phosphates, miscellaneous roundwood products, and raw cotton climbed less than they had in September. By contrast, the index for copper base scrap jumped 11.9 percent in October, following a 0.2-percent gain a month earlier. Prices for gold ores and pulpwood also moved up more than they had in the prior month.'*

*'The index for crude foodstuffs and feedstuffs edged up 0.2 percent in October, after increasing 1.5 percent in September. Slaughter cattle prices rose 1.7 percent,*

compared with a 6.7-percent advance in the preceding month. The indexes for slaughter turkeys and wheat also moved up at slower rates in October than they had a month earlier. Prices for slaughter broilers and fryers fell more than in September. The index for fresh and dry vegetables (excluding potatoes), as well as prices for fresh fruits and melons, turned down in October. Alternatively, the soybeans index declined 5.0 percent in October, following a 14.7-percent drop in September. Corn prices also decreased at slower rates than they had in the previous month. The indexes for slaughter hogs and unprocessed finfish increased more in October than in September.

'Net output price indexes for mining, manufacturing, and services industries

'Mining. The Producer Price Index for the Net Output of Total Mining Industries advanced 9.8 percent in October, after increasing 14.9 percent in the previous month. (Net output price indexes are not seasonally adjusted.) Prices received by the industry for natural gas liquid extraction moved up 13.0 percent, following a 24.7-percent rise in September. The industry indexes for crude petroleum and natural gas extraction and for oil and gas operations support activities also increased less in October than they had a month earlier. Prices received by the industries for bituminous coal underground mining and for crushed and broken limestone mining and quarrying turned down, compared with gains in the preceding month. By contrast, the oil and gas wells drilling industry index climbed 8.9 percent in October, following a 1.0-percent increase in the prior month. Prices received by the industries for gold ore mining and for bituminous coal and lignite surface mining also advanced more than they had in September. The industry index for phosphate rock mining fell less than it had in the preceding month. In October, the Producer Price Index for Total Mining Industries was 253.8 (December 1984 = 100), 58.0 percent above its year-ago level.

'Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries went up 1.6 percent in October, after increasing at the same rate in the previous month. In October, rising prices received by manufacturers of petroleum and coal products, transportation equipment, chemicals, plastics and rubber products, machinery, and food outweighed falling prices received by the industry groups for computer and electronic product manufacturing, printing and related support activities, apparel manufacturing, paper manufacturing, and leather and allied product manufacturing. In October, the Producer Price Index for Total Manufacturing Industries was 156.5 (December 1984 = 100), 6.8 percent above its year-ago level.

'Services. Among services industries in October, the industry index for commercial banking turned down 3.5 percent, following a 4.0-percent gain in the prior month. Prices received by the industries for savings institutions, hotels and motels (excluding casino hotels), cellular and other wireless carriers, inland water freight transportation, passenger car rental, and direct life insurance carriers also fell, after advancing in September. By contrast, the scheduled passenger air transportation industry index increased 3.6 percent in October, following a 3.6-percent decline in the preceding month. Prices received by the television broadcasting industry also turned up, after decreasing in the prior month. The industry index for investment banking and securities dealing fell less than it had in September, while prices received by the industries for direct health and medical insurance carriers and for offices of real estate agents and brokers advanced in October, following no change a month earlier.'

Wall Street, however, was unconvinced about the US economy and key indices of US equity markets drifted lower despite a continued fall in the price of crude oil.

On The New York Stock Exchange, the Dow Jones Industrial Average fell 10.73 points, or about one tenth of a percentage point, dropping back to 10,686.44 points.

On The NASDAQ, its Composite Index gave up 14.21 points, equivalent to about 0.65 percent, ending the trading session at 2,186.74 points.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in December was \$US56.98, down 1.23 percent, exactly, compared with Monday's closing level.

For delivery in January 2006, a barrel of light sweet crude oil fetched \$US57.61 at the last settlement, a price which represented a fall of about 1.54 percent on Monday's last settlement.

In Europe, key indices of the major bourses of the region were mixed, with winners and losers, being One:One.

Amsterdam's AEX Index	Plus 0.14 percent
Great Britain's FTSE 100 Index	Minus 0.55 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.35 percent
France's CAC 40 Index	Minus 0.11 percent
Switzerland's Swiss Market Index	Plus 0.30 percent
Italy's MIBTEL Index	Minus 0.07 percent

For the most part, European investors, noting that Wall Street was going nowhere, very fast, determined to hold fire.

With the lone exception of the stock market of Indonesia – which is not considered an important equity market of Asia, in any event – all of the key indices of other Asian equity markets drifted to lower levels.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), very quiet trading conditions prevailed on the territory's 2 equity markets for the entire session.

The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, lost about 0.01 percent, coming to rest at 14,627.41 points.

The Total Turnover was about \$HK16.11 billion, while the ratio of losing counters to gaining ones was about 1.02:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 0.08 percent to \$HK124.40 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.12 percent to \$HK36.05 per share
PetroChina Company Ltd (Code: 857)	Up 0.86 percent to \$HK5.85 per share
China Construction Bank Corporation (Code: 939)	Down 1.01 percent to \$HK2.45 per share
China Life Insurance Company Ltd (Code: 2628)	Up 0.83 percent to \$HK6.05 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 2.19 percent to \$HK3.50 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.34 percent to \$HK73.25 per share
CNOOC Ltd (Code: 883)	Down 0.51 percent to \$HK4.90 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.06 percent to \$HK78.35 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.48 percent to \$HK73.20 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Rich Holdings Ltd	1191		11.86	0.104
IDT International Ltd	167	13.04		0.52
INNOMAXX Biotechnology Group Ltd	340	26.05		0.15
Lung Cheong International Holdings Ltd	348		10.26	0.35
Morning Star Resources Ltd	542	14.00		0.057
Northeast Electric Development Company Ltd	42	14.52		0.71
New World CyberBase Ltd	276		26.18	0.172
New World Mobile Holdings Ltd	862		10.91	2.45



Oriental Explorer Holdings Ltd	430		18.00	0.041
Prosperity Investment Holdings Ltd	310		11.40	0.101
Quam Ltd	952	11.43		0.78
Rontex International Holdings Ltd	1142	11.54		0.029
South East Group Ltd	726	13.56		0.067
Universe International Holdings Ltd	1046	11.36		0.049
Vantage International (Holdings) Ltd	15	10.95		0.233

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gave up about one tenth of a percentage point, coming in at 991.61 points.

The Total Turnover on this speculative market was about \$HK119.53 million, while losers and gainers were close, at about 1.03:One, not unlike that of the Main Board.

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

TOM Online Incorporated (Code: 8282)	Up 1 percent to \$HK1.99 per share
Launch Tech Company Ltd (Code: 8196)	Up 1 percent to \$HK2.15 per share
China LotSynergy Holdings Ltd (Code: 8161)	Unchanged at \$HK2.875 per share
Enric Energy Equipment Holdings Ltd (Code: 8289)	Up 2 percent to \$HK2.55 per share
Techpacific Capital Ltd (Code: 8088)	Down 2 percent to 54 cents per share

As for The GEM's biggest movers of the day, they included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Armitage Technologies Holding Ltd	8213	10.00		0.022
China Advance Holdings Ltd	8117		12.90	0.81
FlexSystem Holdings Ltd	8050		13.33	0.065
FX Creations International Holdings Ltd	8136	11.11		0.04
Inno-Tech Holdings Ltd	8202	22.64		0.065
Linefan Technology Holdings Ltd	8166	26.87		0.085
Shenzhen Neptunus Interlong Bio-technique Company Ltd	8329	16.67		0.70
Sau San Tong Holdings Ltd	8200		10.71	0.375
Sino Stride Technology (Holdings) Ltd	8177		20.69	0.23

Japan's 3 stock markets, as with the rest of Asia, witnessed quiet trading conditions.

On The Tokyo Stock Exchange, The TOPIX Average fell about 0.54 percent to 1,472.47 points while the Nikkei-225 Stock Average surrendered about 0.17 percent to drop back to 14,091.77 yen.

Declining counters outpaced advancing ones by the ratio of about 2.51:One.

In other Asian equity markets, this was how their key indices ended their respective trading sessions, last Tuesday:

The HKSAR	Minus 0.01 percent to 14,627.41
Indonesia	Plus 0.43 percent to 1,022.08
Japan	TOPIX Average Minus 0.54 percent to 1,472.47 Nikkei-255 Stock Average Minus 0.17 percent to 14,091.77
Malaysia	Minus 0.21 percent to 894.33
The Philippines	Minus 0.40 percent to 2,063.74

Singapore	Minus 0.61 percent to 2,240.49
South Korea	Minus 0.30 percent to 1,253.86
Taiwan	Minus 0.87 percent to 6,030.74
Thailand 681.58	Minus 0.27 percent to

### **Wednesday**

Prior to Wall Street opening for business, The Bureau of Labour Statistics, a branch of the US Department of Labour, reported its finding in respect of the Consumer Price Index of the month of October.

The statistics, compiled by this important department of the US Government, indicated that inflation was very much alive and kicking.

The statistics, also, indicated that the US Federal Reserve Board was more than likely to increase interest rates, once again, when it held its next Open Market Committee Meeting on December 31, 2005.

The following is that which The Bureau released, last Wednesday, at about 8:30 am, Washington time, minus tables:

### **'CONSUMER PRICE INDEX: OCTOBER 2005**

*'The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.2 percent in October, before seasonal adjustment ... The October level of 199.2 (1982-84=100) was 4.3 percent higher than in October 2004.*

*'The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) increased 0.1 percent in October, prior to seasonal adjustment. The October level of 195.2 was 4.7 percent higher than in October 2004.*

*'The Chained Consumer Price Index for All Urban Consumers (C-CPI-U) increased 0.3 percent in October on a not seasonally adjusted basis. The October level of 115.0(December 1999=100) was 3.3 percent higher than in October 2004. Please note that the indexes for the post-2003 period are subject to revision.*

#### **'CPI for All Urban Consumers (CPI-U)**

*'On a seasonally adjusted basis, the CPI-U increased 0.2 percent in October. Energy costs, which had risen sharply in each of the previous three months, declined 0.2 percent in October. Within energy, a 5.2 percent increase in the index for household fuels was more than offset by a 4.4 percent decline in the index for motor fuels. The index for food rose 0.3 percent in October, the same as in September. The index for all items less food and energy rose 0.2 percent in October, following increases of 0.1 percent increase in each of the preceding five months. Shelter costs, which declined 0.1 percent in September, advanced 0.5 percent in October, largely as a result of a sharp turnaround in the index for lodging away from home...*

*'During the first ten months of 2005, the CPI-U rose at a 4.9 percent seasonally adjusted annual rate (SAAR). This compares with an increase of 3.3 percent for all of 2004. The index for energy, which increased 16.6 percent in 2004, advanced at a 37.1 percent SAAR in the first ten months of 2005. Petroleum-based energy costs increased at a 51.6 percent annual rate and charges for energy services rose at a 20.7 percent annual rate.*

*'The food index has increased at a 2.4 percent rate thus far in 2005, following a 2.7 percent rise for all of 2004. Excluding food and energy, the CPI-U advanced at a 2.1 percent SAAR in the first ten months of 2005 after advancing 2.2 percent in 2004.*

*'The food and beverages index rose 0.3 percent in October. The index for food at home also increased 0.3 percent, the same as in September. The index for fruits and vegetables, which advanced 1.5 percent in September, rose 1.3 percent in October. The indexes for fresh fruits and for fresh vegetables increased 1.6 and 2.1 percent, respectively, while the index for processed fruits and vegetables decreased 0.6 percent. The index for cereals and bakery products rose 0.6 percent, reflecting a 1.0 percent increase in the index for bakery products. The index for other food at home increased 0.4 percent. Partially offsetting these increases were declines in the indexes for meats, poultry, fish, and eggs and for nonalcoholic beverages. The index for meats, poultry, fish, and eggs decreased 0.2 percent as declines in poultry and egg prices--down 1.3 and 2.4 percent, respectively--more than offset increases in the indexes for beef, pork, and fish and seafood. The index for nonalcoholic beverages, which rose 0.8 percent in September, declined 0.1 percent in October, reflecting a downturn in prices for carbonated drinks. The index for dairy products was unchanged. The other two components of the food and beverage index--food away from home and alcoholic beverages--increased 0.3 and 0.1 percent, respectively.*

*'The index for housing rose 0.9 percent in October, following an increase of 0.4 percent in September. Each of the three major housing subgroups--shelter, fuels and utilities, and household furnishings and operations--contributed to the acceleration. Shelter costs, which declined 0.1 percent in September, rose 0.5 percent in October. The index for lodging away from home increased 3.5 percent, following a 2.5 percent decline in September. The indexes for rent and owners' equivalent rent increased 0.4 and 0.1 percent, respectively. (Prior to seasonal adjustment, the indexes for rent and owners' equivalent rent increased 0.3 and 0.2 percent, respectively.) The index for fuels and utilities registered its second consecutive large increase--up 4.4 percent in October after increasing 4.2 percent in September. The index for natural gas increased sharply for the fourth consecutive month--up 14.0 percent in October. During the last 12 months, charges for natural gas have risen 45.3 percent. The index for electricity rose 0.7 percent in October, while the index for fuel oil declined 0.4 percent. (Prior to seasonal adjustment, charges for electricity fell 4.2 percent, while fuel oil prices rose 1.0 percent.) During the last 12 months charges for electricity have risen 8.4 percent and prices for fuel oil, 41.2 percent. The index for household furnishings and operations, which declined 0.2 percent in September, increased 0.2 percent in October.*

*'The transportation index declined 1.3 percent in October, reflecting a 4.4 percent decrease in the index for motor fuels. (Prior to seasonal adjustment, gasoline prices fell 5.1 percent from their peak level recorded in September.) The index for new and used motor vehicles was unchanged in October. The index for new vehicles increased 0.5 percent. (As of October, about 35 percent of the new vehicle sample was represented by 2006 models. The 2006 models will continue to be phased in, with appropriate adjustments for quality change, over the next several months as they replace old models at dealerships. For a report on quality changes for the 2006 vehicles represented in the Producer Price Index sample, see news release USDL-05-2199, dated November 15, 2005.) The indexes for used cars and trucks, for leased cars and trucks, and for car and truck rental decreased 0.6, 1.4, and 0.6 percent, respectively. Airline fares, which had declined in each of the preceding two months, rose 1.5 percent in October to a level 9.1 percent higher than in October 2004.*

*'The index for apparel declined 0.4 percent in October. (Prior to seasonal adjustment, apparel prices rose 1.8 percent, reflecting seasonal price increases associated with the continued introduction of fall-winter wear.)*

*'Medical care costs rose 0.5 percent in October to a level 4.1 percent above a year ago. The index for medical care commodities--prescription drugs, nonprescription drugs, and medical supplies--rose 0.5 percent, as did the index for medical care services. Charges for professional services and for hospital and related services increased 0.5 and 0.8 percent, respectively.*

*'The index for recreation increased 0.2 percent in October. Increases in the indexes for recreational services and for toys – up 0.5 and 0.9 percent, respectively – accounted for over 85 percent of the October advance in the recreation component.*

*'The index for education and communication declined 0.1 percent in October. Educational costs rose 0.3 percent, reflecting a 0.5 percent increase in the index for educational books and supplies. The index for communication costs, which rose 0.7 percent in September, declined 0.5 percent in October. Within the communication index, charges for telephone services decreased 0.5 percent, reflecting a 1.8 percent drop in land-line long distance charges. The index for personal computers and peripheral equipment declined 0.8 percent in October and has fallen 16.4 percent over the last 12 months.*

*'The index for other goods and services rose 0.1 percent in October. A 0.1 percent decrease in the index for tobacco and smoking products was more than offset by a 0.2 percent increase in the index for personal care.*

*'CPI for Urban Wage Earners and Clerical Workers (CPI-W)*

*'On a seasonally adjusted basis, the CPI for Urban Wage Earners and Clerical Workers increased 0.1 percent in October.'*

Wall Street was not happy with The Bureau's report and key indices on The New York Stock Exchange came under pressure from worried investors.

The Dow Jones Industrial Average, a gauge to trading in blue chips, listed on the Big Board of The New York Stock Exchange, gave up about 0.11 percent of its value, ending the trading session at 10,674.76 points.

Over on The NASDAQ, its Composite Index rose 1.19 points, equivalent to about 0.05 percent to 2,187.93 points.

One other factor that dragged down share prices on the world's largest equity market was the continued and rapid fall in the share price of General Motors Corporation.

For the third consecutive day, the share price of General Motors came off, with last Wednesday's share price, falling another 5.80 percent to \$US21.29.

There are growing fears that General Motors may be forced to seek the protection of the bankruptcy court of the US.

On The New York Mercantile Exchange (NYMEX), the price of crude oil was on the move to higher levels, again.

For delivery in December, the last settlement for a barrel of light sweet crude oil was \$US57.88, up about 1.58 percent on Tuesday's last settlement.

For delivery in January 2006, the last settlement for a barrel of light sweet crude oil was \$US58.45, up about 1.46 percent on the last quote on Tuesday.

In Europe, it was losers as far as the eye could see on all of the major equity markets:

Amsterdam's AEX Index	Minus 0.44 percent
Great Britain's FTSE 100 Index	Minus 0.17 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.57 percent
France's CAC 40 Index	Minus 0.68 percent
Switzerland's Swiss Market Index	Minus 1.10 percent
Italy's MIBTEL Index	Minus 0.11 percent

Among the many and varied reasons for the falls in the value of key indices on major European bourses, last Wednesday, were energy companies, which are well expected to see reductions in their Bottom Lines in the new

year, and disappointing earnings from retailers due to high energy prices, during the past 20 months or so – paradoxically.

In Asia, while most equity markets' key indices recorded plus figures at the close of trading, the gains, by and large, were of a fractional nature.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), trading continued to be light on both stock markets.

On the Main Board of The Stock Exchange of Hongkong Ltd, its Hang Seng Index rose about 0.16 percent to 14,650.54 points on a Total Turnover of about \$HK17.51 billion.

The ratio of losing counters to gaining ones was about 1.22:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.16 percent to \$HK124.60 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.89 percent to \$HK77.65 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.97 percent to \$HK36.40 per share
China Life Insurance Company Ltd (Code: 2628)	Unchanged at \$HK6.05 per share
Esprit Holdings Ltd (Code: 330)	Down 1.53 percent to \$HK51.55 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 1.43 percent to \$HK3.55 per share
China Construction Bank Corporation (Code: 939)	Unchanged at \$HK2.45 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.14 percent to \$HK73.15 per share
Silver Grant International Industries Ltd (Code: 171)	Down 11.76 percent to 2.25 per share
PetroChina Company Ltd (Code: 857)	Unchanged at \$HK5.85 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)
Bestway International Holdings Ltd	718	10.98		0.182
China Elegance (Holdings) Ltd	476	10.52		0.064
China Merchants DiChain (Asia) Ltd	632	13.33		0.051
China National Aviation Company Ltd	1110		17.20	1.30
Earnest Investments Holdings Ltd	339	14.29		0.016
Greater China Holdings Ltd	431		16.33	0.41
INNOMAXX Biotechnology Group Ltd	340	18.67		0.178
Mayer Holdings Ltd	1116		18.52	0.44
Nippon Asia Investments Holdings Ltd	603		16.46	0.066
New World Mobile Holdings Ltd	862		10.20	2.20
Silver Grant International Industries Ltd	171		11.76	2.25
South East Group Ltd	726	10.45		0.074
Sun Innovation Holdings Ltd	547		10.26	0.035
Sunway International Holdings Ltd	58		13.31	0.215
Takson Holdings Ltd	918	13.04		0.13
Tencent Holdings Ltd	700		13.61	7.30
Wong's International (Holdings) Ltd	99		10.00	0.54
YangtzeKiang Garment Ltd	294	12.58		1.70

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, the bears took possession of the market, pulling down the lone index: The Growth Enterprise Index ended the day at 984.77 points for a loss of 0.69 percent, exactly.

The Total Turnover on this market was about \$HK78.77 million, while the ratio of losing counters to gaining ones was about 1.13:One.

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

TOM Online Incorporated (Code: 8282)  
 China LotSynergy Holdings Ltd (Code: 8161)  
 Techpacific Capital Ltd (Code: 8088)  
 Yantai North Andre Juice Company Ltd (Code: 8259)  
 Dahe Media Company Ltd (Code: 8243)

Down 2 percent to \$HK1.96 per share  
 Down 3 percent to \$HK2.80 per share  
 Up 15 percent to 62 cents per share  
 Up 4 percent to 44 cents per share  
 Up 1 percent to 16.60 cents per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B M Intelligence International Ltd	8158		21.43	0.022
CASH Financial Services Group Ltd	8122	10.89		0.275
China Photar Electronics Group Ltd	8220	17.07		0.48
Computech Holdings Ltd	8081		30.91	0.038
Golden Meditech Company Ltd	8180		11.11	1.28
Inno-Tech Holdings Ltd	8202	23.08		0.08
Lee's Pharmaceutical Holdings Ltd	8221	45.24		0.305
Linefan Technology Holdings Ltd	8166	17.65		0.10
Sino Stride Technology (Holdings) Ltd	8177	10.87		0.255
Techpacific Capital Ltd	8088	14.81		0.62

### News Wise

- The HKSAR Government has stepped up precautions at the border between the territory and the PRC, proper, following confirmation that 2 human cases of **Avian Influenza (H5N1 virus)** had been detected, with the possibility of a third case, being under investigations.

For More Information About Avian Influenza, Please Refer To:

[\*\*TARGET Intelligence Report, Volume VII, Number 219,\*\*](#)  
 Published last Friday, 'Betty Letters'

In Japan, the key index of The Tokyo Stock Exchange regained all of its earlier losses to end the trading session in the black.

The TOPIX Average rose about 0.94 percent to 1,486.34 points.

The Nikkei-225 Stock Average followed The TOPIX with a gain of about 0.56 percent, running up to 14,170.87 points.

The ratio of gaining counters to losing ones was about 1.51:One.

### News Wise

- The number of **corporate bankruptcies** in Japan, during the month of October, was 1,171 incidences, an increase of about 4.10 percent, Year-On-Year.

In other Asian equity markets, this was how their key indices ended their respective trading days:

The HKSAR	Plus 0.16 percent to 14,650.54
Indonesia	Plus 0.37 percent to 1,025.83
Japan	TOPIX Average Plus 0.94 percent to 1,486.34

	Nikkei-255 Stock Average Plus 0.56 percent to 14,170.87
Malaysia	Plus 0.28 percent to 896.80
The Philippines	Minus 0.14 percent to 2,060.75
Singapore	Plus 0.62 percent to 2,254.46
South Korea	Plus 1.06 percent to 1,267.16
Taiwan	Plus 0.26 percent to 6,046.20
Thailand	Minus 0.92 percent to 675.31

## **Thursday**

Last Thursday, the US Federal Reserve brought out its latest statistics in respect of US industrial production and capacity utilisation for the month of October.

It was yet another indication that things in the US were not all that bad, after all, as industry geared up to meet growing demand.

This is most of that which The Fed released, last Thursday (minus tables and extraneous information):

### **'INDUSTRIAL PRODUCTION AND CAPACITY UTILIZATION**

*'Industrial production increased 0.9 percent in October after a drop of 1.5 percent in September. Hurricane-related recoveries in many industries and the resolution of a strike at a major aircraft producer contributed significantly to the increase in output. At 107.9 percent of its 2002 average, output in October was 1.9 percent above its year-earlier level. Manufacturing production increased 1.4 percent, a rise that more than reversed its September decline of 0.7 percent. The output at mines edged down 0.5 percent after having fallen 8-1/2 percent in September, and the output at utilities decreased 1.9 percent. Capacity utilization for total industry rose 0.6 percentage point, to 79.5 percent, a rate that is 0.3 percentage point above its year-earlier level but 1.5 percentage points below its 1972-2004 average...*

### **'Market Groups**

*'The output of consumer goods decreased 0.3 percent in October and was led by a decline of 0.8 percent in the production of durable goods. Among durables, the output of automotive products dropped 1.3 percent, and the index for appliances, furniture, and carpeting fell 0.7 percent; however, both groups had posted significant gains during the third quarter. On the positive side, the output of home electronics rose 0.8 percent in October after contracting sharply during the previous four months, and the index for miscellaneous goods edged up after posting sizable gains in the previous two months. The output of consumer nondurable goods, which edged down 0.2 percent, continued its string of recent declines. Consumer energy products contracted 1.6 percent further after falling 2.5 percent in September, as hurricane-related shutdowns continued to crimp production. Among non-energy nondurable goods, the output of foods and tobacco slipped 0.1 percent, and the production of clothing dropped 2.5 percent. The output of consumer chemical products rose 0.6 percent, and the output of paper products increased 1 percent; both indexes had declined during the third quarter.*

*'The production of business equipment jumped 6.6 percent. The resolution of the aircraft manufacturing strike was the principal reason for an increase of nearly 37 percent in the index for transit equipment. The output of information processing equipment rose 1.8 percent to a level nearly 18 percent higher than it was a year earlier, and the production of industrial and other equipment rose 0.6 percent. The output of defense and space equipment increased 2.3 percent, more than reversing its September decline. The gain*

*reflected mainly a bounceback in shipbuilding that followed a hurricane-related curtailment in production. The index for construction supplies popped up 1.4 percent after expanding 1.2 percent in September; the gains were concentrated in industries that may have benefited from rebuilding efforts in the wake of Hurricanes Katrina and Rita. The index for business supplies edged up 0.2 percent, as weaker output of commercial energy products only partly offset rising output of general business supplies.*

*'The output of materials rose 0.6 percent. The index for non-energy materials increased 1.2 percent, while the index for energy materials fell 1 percent. Output rose for all categories of durable materials. Among non-energy nondurable materials, results were mixed: Paper output increased, textiles output edged down, and chemicals output only partly reversed its sizable storm-related decline in September.*

### Industry Groups

*'Manufacturing production rose 1.4 percent in October. The production of durables, which expanded 2.2 percent, was spurred by a rebound in aerospace and miscellaneous transportation equipment that followed the settlement of a strike. In the computer and electronic products industry, output rose 1.7 percent; the communications equipment industry recorded a sizable gain, while the production of semiconductors increased a bit more slowly than in the previous couple of months. Significant gains were also posted in a number of other durable goods industries, including wood products; nonmetallic mineral products; fabricated metal products; electrical equipment, appliances, and components; and miscellaneous manufacturing. Industries with decreases in output included primary metals and motor vehicles and parts, both of which had seen large increases during the previous two months. Output also moved down in the industries for machinery and for furniture and related products. The output of nondurable manufacturing industries rose 0.5 percent, a gain that was more than accounted for by an increase of 2.4 percent in the output of chemical industries. Production increased slightly in the industries for textiles and products, for paper, and for printing and support, while output was unchanged in the food, beverage, and tobacco products industry. The production of petroleum and coal products moved down 1.8 percent after a cumulative decline of almost 9-1/2 percent over the previous three months. The output of non-NAICS manufacturing industries (publishing and logging) rose 0.8 percent. Taken together, the changes in manufacturing output boosted the factory operating rate 0.9 percentage point, to 79.0 percent.*

*'The output at mines edged down 0.5 percent, as the extraction of oil and gas in the Gulf of Mexico retreated from already depressed levels of activity. Capacity utilization in mining fell to 80.4 percent, a rate that is roughly 9 percentage points below its level in early summer. The output at utilities dropped 1.9 percent, and the operating rate fell to 84.8 percent. By stage of process, capacity utilization for industries at the crude stage rose 0.6 percentage point, to 78.7 percent, a rate still well below pre-hurricane levels. At the primary and semifinished stage, capacity utilization was 81.7 percent and has varied by no more than 0.1 percentage point since June. At the finished stage, capacity utilization rose 1.4 percentage points, to 77.8 percent, a rate that is 0.1 percentage point below its 1972-2004 average ...'.*

Then, just as the bell was sounding for the start of proceedings on equity markets in the US, the US Department of Labour brought out its finding with regard to mass layoffs for the third quarter of the year.

And the figures indicated, very definitively, that businesses in The Land of The Free and The Home of The Brave were net hirers of US workers, the mass layoffs (50 or more workers, being sacked from a single establishment) for the third quarter, being '*sharply lower than during the July-September 2004 time period and were at their lowest levels for any third quarter since data collection began in 1995.*'

And this is most of that which The US Labour Department released, last Thursday at about 10 am:

### **'EXTENDED MASS LAYOFFS IN THE THIRD QUARTER OF 2005**

*'In the third quarter of 2005, employers took 742 mass layoff actions that resulted in the separation of 136,280 workers from their jobs for at least 31 days ... Both the total*



number of layoff events and the number of separations were sharply lower than during the July-September 2004 time period and were at their lowest levels for any third quarter since data collection began in 1995.

*'The declines over the year were most notable in administrative and support services, credit intermediation and related activities, and food manufacturing. Extended mass layoffs that involve the movement of work within the same company or to a different company, either domestically or outside the U.S., occurred in 11 percent of the nonseasonal layoff events and 14 percent of worker separations. Among employers who anticipated recalling laid-off workers, 43 percent expected to extend the offer to all laid-off workers. This is the lowest proportion for a third quarter since 2002.*

*'The data presented in this release reflect early results of contact with employers who had potential layoffs in September that could have been directly or indirectly related to Hurricane Katrina. In Louisiana, there were 684 such actions reported in September; in Mississippi, there were 96. In the limited amount of time available to contact those employers, 27 employers in Louisiana confirmed that they had layoffs due to Hurricane Katrina that lasted more than 30 days and resulted in 5,893 workers losing their jobs. The number of extended mass layoff events is likely to rise as more employers are contacted*

*'The completion of seasonal work accounted for 23 percent of all events and resulted in 35,433 separations during the period – the greatest share of private nonfarm seasonal separations for a third quarter since the third quarter of 1997. Layoffs due to internal company restructuring (bankruptcy, business ownership change, financial difficulty, and reorganization) represented 22 percent of events and resulted in 33,793 separations, the lowest level for a third quarter since 1997. Permanent closure of worksites occurred in 16 percent of all events and affected 24,818 workers, the fewest number of separations due to permanent closures for any third quarter since the data were first collected in 1995.*

*'In the third quarter of 2005, the national unemployment rate was 5.0 percent, not seasonally adjusted; a year earlier it was 5.4 percent. Private nonfarm payroll employment, not seasonally adjusted, increased by 1.8 percent or about 2 million jobs from July-September 2004 to July-September 2005.*

#### *'Industry Distribution of Extended Layoffs*

*'Extended mass layoff separations occurred in 300 of the 1,105 detailed industries for which data are available for the third quarter of 2005. This is the fewest number of industries to have at least one extended mass layoff event in a third quarter.*

*'Manufacturing industries accounted for 33 percent of private nonfarm layoff events and separations during July-September 2005. The 45,346 worker separations in manufacturing were the fewest for manufacturing for any third quarter. In the third quarter of 2005, separations in this sector were concentrated in transportation equipment manufacturing(8,621), followed by food manufacturing (8,398)... '.*

Wall Street gurus, however, appeared to latch onto minor considerations, forsaking or ignoring, to a great extent, the bigger picture of the US economy.

Interest in one or more 'darlings' of the stock markets moved share prices up or down, at the expense, it seemed, of the clearly defined direction of the economy of the largest industrialised country of the world.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 45.46 points, or about 0.43 percent, to ending the rather hectic trading session at 10,720.22 points.

On The (tech-laden) NASDAQ, its Composite Index shot up about 32.53 points, equivalent to about 1.49 percent, to 2,220.46 points.

For the Composite Index of The NASDAQ, it stood at its highest level at the close of the trading day since June 2001, statistics of **TOLFIN** (The Computerised Online Financial Intelligence Report and Web-Based, Credit-Checking Provider) indicated.

But the focus of attention on Wall Street was not on that which The Fed or The US Labour Department had told the world, but on the financial reports of companies, such as Google Incorporated, Network Appliance Incorporated, Intuit Incorporated, etc, etc, etc.

The ratio of gaining counters to losing counters on the Big Board of The New York Stock Exchange was about 3:One, while, over on The NASDAQ, advancing counters outpaced declining counters by the ratio of about 2.67:One.

It was the *'here'* and the *'now'*, not the direction of the US economy, that seemed to be the end-all for investors on the largest equity markets of the world.

Spurring on trading on US equity markets was another fall in the price of crude oil on international commodity exchanges.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in December was \$US56.34, down 2.66 percent, exactly, compared with the last settlement of Wednesday.

For January 2006 delivery, the last settlement for a barrel of light sweet crude oil was \$US57.15, a price that was off by about 2.22 percent, compared with the last quote of Wednesday.

In Europe, although the key indices of major European bourses were in positive territory, many investors in this region of the world preferred to wait in order to see which way the European Central Bank (ECB) would lean with regard to short-term interest rates.

The ECB's Governor, Mr Jean-Claude Trichet, was scheduled to speak last Friday at 1 pm, at which time, it was well expected that he would suggest the direction of interest rates in the European Union.

This was how the key indices of major eurozone bourses fared, last Thursday:

Amsterdam's AEX Index	Plus	0.60 percent
Great Britain's FTSE 100 Index	Plus	0.55 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.35 percent
France's CAC 40 Index	Plus	0.24 percent
Switzerland's Swiss Market Index	Plus	0.83 percent
Italy's MIBTEL Index	Plus	0.71 percent

In Asia, indices of the major equity markets were firmly entrenched in positive ground, last Thursday.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the Hang Seng Index, the key index of the Main Board of The Stock Exchange of Hongkong Ltd, rose about 0.94 percent to 14,787.08 points.

The Total Turnover was about \$HK18.60 billion, while the ratio of gaining counters to losing one was 1.71:One, exactly.

The Ten Most Active counters, all of which were gainers, last Thursday, were:

HSBC Holdings plc (Code: 5)	Up 0.16 percent to \$HK124.80 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.14 percent to \$HK73.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 2.20 percent to \$HK37.20 per share
PetroChina Company Ltd (Code: 857)	Up 2.56 percent to \$HK6.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.84 percent to \$HK78.30 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.10 percent to \$HK73.75 per share
China Construction Bank Corporation (Code: 939)	Up 1.02 percent to \$HK2.475 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 0.70 percent to \$HK3.575 per share
CNOOC Ltd (Code: 883)	Up 2.04 percent to \$HK5.00 per share
Esprit Holdings Ltd (Code: 330)	Up 1.36 percent to \$HK52.25 per share

The Main Board's double-digit movers included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Motion Telecom International Ltd	989		12.84	0.19
China National Aviation Company Ltd	1110	10.00		1.43
E. Bon Holdings Ltd	599	16.10		0.28
Everest International Investments Ltd	204	19.23		0.031
Fortuna International Holdings Ltd	530	10.00		0.011
Guangdong Tannery Ltd	1058	13.71		0.199
Haywood Investments Ltd	905	12.90		0.07
INNOMAXX Biotechnology Group Ltd	340		17.98	0.146
MAE Holdings Ltd	851	12.82		0.088
Man Sang International Ltd	938	10.66		0.218
Rontex International Holdings Ltd	1142		10.00	0.027
South China Brokerage Company Ltd	619	10.00		0.055
Theme International Holdings Ltd	990	12.00		0.028

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, trading was dull as the volume of activity waned.

The Growth Enterprise Index lost about 0.17 percent of its value, falling back to 983.09 points on a Total Turnover of about \$HK81.50 million.

Declining counters outpaced advancing ones by the ratio of about 1.26:One.

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

China LotSynergy Holdings Ltd (Code: 8161)	Unchanged at \$HK2.80 per share
Launch Tech Company Ltd (Code: 8196)	Down 7 percent to \$HK1.99 per share
TOM Online Incorporated (Code: 8282)	Down 2 percent to \$HK1.93 per share
Golden Meditech Company Ltd (Code: 8180)	Up 2 percent to \$HK1.30 per share
Enric Energy Equipment Holdings Ltd (Code: 8289)	Down 1 percent to \$HK2.40 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Dahe Media Company Ltd	8243	21.69		0.202
Xi'an Haitian Antenna Technologies Company Ltd	8227	10.00		0.33
Inno-Tech Holdings Ltd	8202		17.50	0.066
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049	14.62		0.149
Sino Stride Technology (Holdings) Ltd	8177	13.73		0.29
Tradeeasy Holdings Ltd	8163		11.54	0.046

Trading on the 3 equity markets of Japan sprang into life, last Thursday, as investors ploughed into their favourite companies, picking up scrip as though there were likely to be a shortage of corporate paper.

The TOPIX Average ended the high-volume day at 1,510.33 points, representing a one-day improvement of about 1.61 percent.

The Nikkei-225 Stock Average went along for the ride, rushing up to 14,411.79 yen, a 1.70-percent improvement, compared with Wednesday's closing level.

Gaining counters outpaced losing ones by the ratio of 3.90:One, exactly.

Suggestions abounded that foreign investors were out in force, last Thursday, on The Tokyo Stock Exchange.

## News Wise

- The average price of **petrol** in Japan has fallen by about 1 yen per litre to 130 yen per litre, according to The Oil Information Centre; and,
- **AC Real Estate Corporation** has filed for Court protection from its many creditors. It has liabilities of about 352.60 billion yen. It is the year's largest corporate failure. The company is a spin-off of insolvent Fujita Corporation, once a thriving general contractor in Japan.

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

The HKSAR	Plus 0.94 percent to 14,787.98
Indonesia	Plus 0.73 percent to 1,033.28
Japan	TOPIX Average Plus 1.61 percent to 1,510.33 Nikkei-255 Stock Average Plus 1.70 percent to 14,411.79
Malaysia	Minus 0.28 percent to 894.30
The Philippines	Minus 0.22 percent to 2,056.13
Singapore	Plus 0.31 percent to 2,261.49
South Korea	Plus 0.17 percent to 1,269.35
Taiwan	Minus 0.42 percent to 6,020.94
Thailand	Minus 0.40 percent to 672.63

## Friday

The writing is on the wall: The **European Central Bank** (ECB) is considering, strongly, raising interest rates in the near future.

Mr Jean-Claude Trichet, the President of the ECB, hinted this at a conference speech, last Friday.

Inter alia, Mr Jean-Claude Trichet said: *'I consider that the governing council (of the ECB) is ready to take a decision on interest rates ...'*

He, then, went on to say that the ECB is ready to *'augment the present level of intervention rates in order to take into account the level of risks to price stability that have been identified.'*

The ECB has held interest rates at 2 percent for the past 5 years.

The next ECB policy meeting is on Thursday, December 1, 2005.

In Europe, the words of Mr Jean-Claude Trichet rang cacophonously and the early gains on European equity markets were more than halved as soon as his speech was circulated.

Even so, the key indices of major bourses scored positively by the close of the last day of trading for the week:

Amsterdam's AEX Index	Plus 0.72 percent
Great Britain's FTSE 100 Index	Plus 0.71 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.46 percent
France's CAC 40 Index	Plus 0.73 percent
Switzerland's Swiss Market Index	Plus 1.59 percent
Italy's MIBTEL Index	Plus 0.23 percent

On Wall Street, things were popping.

The New York Stock Exchange's Dow Jones Industrial Average gained another 0.43 percent to 10,766.33 points while, on The NASDAQ, its Composite Index rose about 0.30 percent to end the trading session at 2,227.07 points.

Investors on the equity markets of the US were beginning to realise, it seemed, that the announcements from US Government departments in respect of the economy were bullish, after all (Please see Wednesday's and Thursday's reports).

For the NASDAQ, last Friday's close was the highest it has been in the past 4 years.

For the week, the tally for the biggest and most-important equity markets of the world was:

The Dow Jones Industrial Average	Plus 0.75 percent
The NASDAQ's Composite Index	Plus 1.12 percent

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in December was \$US56.14, a reduction of 0.35 percent on Thursday's closing level.

For delivery in January 2006, the last settlement for a barrel of light sweet crude oil was \$US57.21, up about one tenth of a percentage point, compared with Thursday's last settlement.

On the back of the rises on US equity markets, Asian stock markets were generally stronger ... in some cases, very much stronger.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the territory's 2 stock markets tacked on useful gains.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about 0.65 percent to 14,883.32 points.

The Total Turnover was about \$HK19.30 billion while the ratio of gaining counters to losing ones was about 2.70:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.32 percent to \$HK125.20 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.40 percent to \$HK37.35 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.07 percent to \$HK73.30 per share
China Construction Bank Corporation (Code: 939)	Up 1.01 percent to \$HK2.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.63 percent to \$HK74.95 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.02 percent to \$HK79.10 per share
China Life Insurance Company Ltd (Code: 2628)	Up 1.67 percent to \$HK6.10 per share
PetroChina Company Ltd (Code: 857)	Unchanged at \$HK6.00 per share
Esprit Holdings Ltd (Code: 330)	Up 2.30 percent to \$HK53.45 per share
CNOOC Ltd (Code: 883)	Up 1.00 percent to \$HK5.05 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Celestial Asia Securities Holdings Ltd	1049	19.17		0.23
China Rich Holdings Ltd	1191	25.49		0.128
E. Bon Holdings Ltd	599		10.71	0.25
eForce Holdings Ltd	943		14.29	0.018
GeoMaxima Energy Holdings Ltd	702		33.33	0.04
Global Flex Holdings Ltd	471	17.24		0.68
Jackin International Holdings Ltd	630	11.02		0.141

Le Saunda Holdings Ltd	738	14.29		1.04
Mei Ah Entertainment Group Ltd	391	17.89		0.29
New Spring Holdings Ltd	690		14.29	0.60
Playmates Holdings Ltd	635		10.53	1.02
Prosperity Investment Holdings Ltd	310	13.21		0.12
renren Holdings Ltd	59	15.63		0.37
Seapower Resources International Ltd	269	14.71		0.156
Senyuan International Holdings Ltd	3333	14.44		1.03
Sincere Company Ltd, The	244	10.39		0.425
South East Group Ltd	726		17.57	0.061
United Metals Holdings Ltd	2302	10.91		0.61
Unity Investments Holdings Ltd	913	12.41		0.163
Wing Shan International Ltd	570	13.21		0.30
Zhongtian International Ltd	2379		16.67	0.425

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index put on about 1.22 percent, rising to 995.04 points.

The Total Turnover on his market was about \$HK102.26 million, with the ratio of advancing counters to declining ones, being about 1.13:One.

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

TOM Online Incorporated (Code: 8282)	Up 4 percent to \$HK2.00 per share
Enric Energy Equipment Holdings Ltd (Code: 8289)	Up 7 percent to \$HK2.575 per share
Launch Tech Company Ltd (Code: 8196)	Down 5 percent to \$HK1.90 per share
Wumart Stores Incorporated (Code: 8277)	Up 2 percent to \$HK15.90 per share
China LotSynergy Holdings Ltd (Code: 8161)	Up 3 percent to \$HK2.875 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131		24.10	0.063
AcrossAsia Ltd	8061		19.15	0.19
B and S Entertainment Holdings Ltd	8393		14.50	0.171
Co-winner Enterprise Ltd	8108		33.82	0.045
Computech Holdings Ltd	8081	44.74		0.055
Dahe Media Company Ltd	8243	36.14		0.275
ePRO Ltd	8086		25.00	0.012
Everpride Biopharmaceutical Company Ltd	8019	25.00		0.075
Inno-Tech Holdings Ltd	8202		10.61	0.059
Lee's Pharmaceutical Holdings Ltd	8221		20.69	0.23
Linefan Technology Holdings Ltd	8166		15.00	0.085
Plasmagene Biosciences Ltd	8250		13.67	0.12
ProSticks International Holdings Ltd	8055		10.00	0.018

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

The Hang Seng Index	Plus 0.97 percent
The Growth Enterprise Market	Plus 0.67 percent

Japanese equity markets put on sterling performances, last Friday, with key indices, hitting 5-year highs.

On The Tokyo Stock Exchange, The TOPIX Average rose 1.41 percent to 1,531.65 points while The Nikkei-225 Stock Average rushed up to 14,411.79 yen, a one-day gain of about 1.47 percent.

Gaining counters outnumbered losing ones by the ratio of about 2.31:One.

- **Taisei Corporation**, one of Japan's largest general contractors, announced a Group Net Profit Attributable to Shareholders for the first 6 months of its Financial Year to September 30, 2005, of about 2.27 billion yen, down about 3.80 percent, Year-On-Year;
- **Kajima Corporation**, another Japanese general contractor, in contrast to Taisei Corporation announced a Group Net Profit Attributable to Shareholders for its first half of the 2005-Year, ended September 30, of about 3.80 billion yen, reversing a Loss Attributable to Shareholders for the like 2004 period of about 2.61 billion yen;
- **Shimizu Corporation**, also a general contractor in The Land of The Rising Sun, announced its Group Net Profit for the 6-month period, ended September 30, 2005, of 10.99 billion yen, representing an increase of about 100 percent on the like 2004 Period; and,
- **Isuzu Motors Ltd** announced that its Group Net Profit for the 6 months, ended September 30, 2005, had fallen 27.40 percent, Year-On-Year, to 26.02 billion yen.

The tally for the week of November 18, 2005, for Asia's most-important equity market was:

The TOPIX Average	Plus 2.48 percent
The Nikkei-225 Stock Average	Plus 3.31 percent

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

The HKSAR	Plus 0.65 percent to 14,883.32
Indonesia	Plus 2.10 percent to 1,054.99
Japan	TOPIX Average Plus 1.41 percent to 1,531.65 Nikkei-255 Stock Average Plus 1.46 percent to 14,623.12
Malaysia	Plus 0.83 percent to 901.72
The Philippines	Plus 1.16 percent to 2,079.98
Singapore	Plus 1.40 percent to 2,293.20
South Korea	Plus 0.22 percent to 1,272.25
Taiwan	Plus 1.42 percent to 6,106.74
Thailand	Plus 0.56 percent to 676.41

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