

**FREEZING U.S. WEATHER CAUSES CRUDE OIL PRICES JUMP AROUND,  
HEADING BACK TO THE \$US70 PER-BARREL MARK**

As the first major winter snow storm approached the northern US States, last Monday, so oil speculators put on their proverbial snow shoes and bought into oil futures.

The result: Up went 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 January 2006 was \$US59.91, up about 0.99 percent, compared with the last quote of Friday, December 2, 2005.

For delivery in February 2006, the last settlement for a barrel of light sweet crude oil was \$US60.85, a price which was equivalent to an increase of about 1.06 percent, compared with the last settlement of the previous Friday.

It looked very much as though the price of crude oil on international markets would continue to rise as the temperatures in the northern hemisphere continued to fall.

Wall Street did not like the idea of higher oil prices, at all: It smacked, much too much of inflation.

And that would mean increases in interest rates – again.

On The New York Stock Exchange, the Dow Jones Industrial Average lost 42.50 points, or about 0.39 percent, falling back to 10,835.01 points.

Over on The NASDAQ, its Composite Index gave up 15.73 points, equivalent to about 0.69 percent, dropping to 2,257.64 points.

With crude oil prices at their highest levels of the past month, investors in Europe started to run for cover, pulling down key indices of every major European bourse:

Amsterdam's AEX Index	Minus 0.14 percent
Great Britain's FTSE 100 Index	Minus 0.32 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.77 percent
France's CAC 40 Index	Minus 0.25 percent
Switzerland's Swiss Market Index	Minus 0.11 percent
Italy's MIBTEL Index	Unchanged

As with their US counterparts, European investors worried about inflation because, only a fortnight earlier, the European Central Bank (ECB) had raised interest rates by 25 basis points, citing the threat of inflation as the chief reason.

In Asia, most major equity markets managed to squeeze out positive scores by the close of last Monday's trading day, but for many stock markets, the gains were of a fractional nature.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets registered smallish movements on reduced volumes of activity.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index fell back by about 0.27 percent to 15,158.82 points.

The Total Turnover of the premier equity market of the territory was about \$HK16.54 billion, while the ratio of losing counters to gaining ones was about 1.91:One.

The Ten Most Active counters were:

China Construction Bank Corporation (Code: 939)	Down 2.94 percent to \$HK2.475 per share
HSBC Holdings plc (Code: 5)	Down 0.24 percent to \$HK125.30 per share
PetroChina Company Ltd (Code: 857)	Up 0.81 percent to \$HK6.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.75 percent to HK39.50 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.53 percent to \$HK74.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.18 percent to \$HK81.30 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.27 percent to \$HK74.65 per share
China Life Insurance Company Ltd (Code: 2628)	Unchanged at \$HK6.20 per share
China Shenhua Energy Company Ltd (Code: 1088)	Down 1.14 percent to \$HK8.65 per share
Aluminum Corporation of China Ltd (Code: 2600)	Up 2.59 percent to \$HK5.95 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Applied International Holdings Ltd	519	10.77		0.36
Baoye Group Company Ltd	2355	11.03		7.55
CITIC 21CN Company Ltd	241		14.19	1.27
Comba Telecom Systems Holdings Ltd	2342	14.21		2.25
Foundation Group Ltd	1182	24.14		0.036
Fujikon Industrial Holdings Ltd	927	11.43		1.56
GeoMaxima Energy Holdings Ltd	702		13.56	0.051
Get Nice Holdings Ltd	64		12.12	0.87
Nanjing Panda Electronics Company Ltd	553	19.27		1.30
Next Media Ltd	282	13.33		3.825
Omnicon Ltd	94		10.13	0.71
Proview International Holdings Ltd	334	14.10		0.89
Quam Ltd	952		11.69	0.68
Shang Hua Holdings Ltd	371	22.22		0.22
Shenzhen High-Tech Holdings Ltd	106	10.00		0.022
Sunway International Holdings Ltd	58	11.65		0.23
Wonson International Holdings Ltd	651		11.94	0.059

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, the situation was similar to that of the Main Board – but in reverse.

The Growth Enterprise Index gained 0.28 percent, exactly, coming to rest at 1,001.59 points by the close of the day.

The Total Turnover was about \$HK72.30 million.

However, losing counters outnumbered gaining ones by the ratio of about 2.39:One.

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

Techpacific Capital Ltd (Code: 8088)	Up 17 percent to 74 cents per share
China LotSynergy Holdings Ltd (Code: 8161)	Down 1 percent to \$HK2.675 per share
TOM Online Incorporated (Code: 8282)	Down 1 percent to \$HK2.05 per share
Golden Meditech Company Ltd (Code: 8180)	Down 1 percent to \$HK1.51 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Unchanged at \$HK13.40 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Ltd	8061		16.00	0.168
Everpride Biopharmaceutical Company Ltd	8019		27.42	0.045
FX Creations International Holdings Ltd	8136	37.14		0.096
MP Logistics International Holdings Ltd	8239		21.43	0.055
T S Telecom Technologies Ltd	8003		14.29	0.03
Techpacific Capital Ltd	8088	17.46		0.74

In Japan, the bulls continued to run through the streets of Tokyo, so to speak.

Since The Tokyo Stock Exchange opened its doors in 1949, investors had never witnessed the volume of activity of last Monday.

The Total Turnover of The Tokyo Stock Exchange was about 3.77 trillion yen (about \$US31.42 billion).

The TOPIX Average, the official gauge of trading in blue chips, listed on the First Section of The Tokyo Stock Exchange, stood at 1,597.57 points by the end of the day.

That level represented a one-day gain of about 0.87 percent, compared with the previous Friday's close.

The ratio of gaining counters to losing ones was about 3.10:One.

The Nikkei-225 Stock Average ended the trading day at 15,551.31 yen, up about 0.84 percent.

#### News Wise

- Between July and September 2005, **capital spending** in Japan was about 12.56 trillion yen, representing a Year-On-Year increase of about 9.60 percent, according to a report of The Finance Ministry. It was the tenth consecutive month of expansion for The Land of The Rising Sun.

In other Asian equity markets, this was how their respective key indices fared, last Monday:

The HKSAR	Minus 0.27 percent to 15,158.82
Indonesia	Plus 0.10 percent to 1,120.58
Japan	TOPIX Average Plus 0.87 percent to 1,597.57 Nikkei-255 Stock Average Plus 0.84 percent to 15,551.31
Malaysia	Plus 0.04 percent to 885.48
The Philippines	Plus 0.07 percent to 2,116.30
Singapore	Plus 0.004 percent to 2,332.61
South Korea	Plus 0.38 percent to 1,315.15
Taiwan	Plus 1.92 percent to 6,348.31
Thailand	Closed

#### Tuesday

Prior to the commencement of trading on US equity markets, last Tuesday, The Bureau of Labour Statistics, a division of the US Government's Department of Labour, brought out its revised 2005 Third Quarter findings in respect of productivity and costs in the US.

In a nutshell, The Bureau's revisions indicated that the US economy is much stronger than the November 3 (preliminary) statistics.

The following is The Bureau's report, minus tables and explanatory notes:

**'PRODUCTIVITY AND COSTS**  
**Third Quarter 2005, revised**

*'... The seasonally adjusted annual rates of productivity growth in the third quarter were:*

*5.4 percent in the business sector; and,  
4.7 percent in the nonfarm business sector.*

*'In both sectors, changes in productivity are higher than the preliminary estimates published November 3, reflecting upward revisions to output. Movements in hours were unchanged in both sectors.*

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

*3.4 percent in manufacturing;  
6.5 percent in durable goods manufacturing; and,  
0.2 percent in nondurable goods manufacturing.*

*'Productivity grew more slowly in the manufacturing sector than was reported on November 3. The third-quarter change in manufacturing output was revised down and the decrease in hours was less than reported last month.*

*'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 ...*

**'Business**

*'From the second quarter to the third quarter of 2005, business sector productivity rose at an annual rate of 5.4 percent, as output increased 5.0 percent and hours of all persons engaged in the sector dropped slightly, 0.4 percent. Output per hour had increased 0.8 percent in the second quarter.*

*'Hourly compensation in the business sector increased 4.2 percent during the third quarter of 2005, following a decline of 0.1 percent in the second quarter (as revised). Hourly compensation 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 0.8 percent in the third quarter and 4.0 percent in the second quarter.*

*'Unit labor costs fell 1.1 percent in the third quarter of 2005 following a decline of 0.9 percent one quarter earlier. The implicit price deflator for the business sector, which reflects changes both in unit labor costs and in unit nonlabor payments, rose 2.8 percent in the third quarter of 2005.*

**'Nonfarm business**

*'Output per hour of all persons in the nonfarm business sector increased 4.7 percent during the third quarter of 2005, reflecting increases in output and hours of 4.8 percent and 0.1 percent, respectively. In the previous quarter, productivity in nonfarm businesses had risen 2.1 percent as output grew 4.4 percent and hours increased 2.2 percent.*

*'Hourly compensation grew 3.7 percent in the third quarter of 2005, following the 0.9-percent rise in the second quarter (as revised). When the rise in consumer prices is taken into account, real hourly compensation declined 1.4 percent in the third quarter of 2005 and 3.1 percent one quarter earlier.*

*'Unit labor costs fell 1.0 percent in the third quarter, similar to the previous quarter, when they dropped 1.2 percent. The implicit price deflator for nonfarm business increased 3.1 percent in the third quarter of 2005.*

### *'Manufacturing*

*'Productivity increased 3.4 percent in manufacturing in the third quarter of 2005, as output increased 2.4 percent and hours of all persons decreased 1.0 percent (seasonally adjusted annual rates). Productivity growth in manufacturing grew more slowly than in the second quarter of the year, when it rose 4.0 percent (as revised). In the second quarter of 2005, output rose 1.2 percent and hours of all persons dropped 2.6 percent. In durable goods industries, productivity increased 6.5 percent in the third quarter, reflecting increases of 6.9 percent in output and 0.3 percent in hours.*

*'Productivity grew more slowly in the nondurable goods industries, 0.2 percent, as output declined 3.1 percent and hours fell 3.3 percent. Hours in nondurable goods manufacturing have fallen in every quarter beginning with the third quarter of 1999.*

*'The hourly compensation of all manufacturing workers rose 3.1 percent in the third quarter of 2005. In durable goods manufacturing, hourly compensation increased 2.6 percent and in nondurable goods manufacturing it grew 3.8 percent. When the increase in consumer prices is taken into account, real hourly compensation for all manufacturing workers fell 1.9 percent in the third quarter.*

*'Unit labor costs in manufacturing declined 0.3 percent in the third quarter of 2005 and 0.2 percent in the previous quarter. In durable goods manufacturing, unit labor costs declined 3.6 percent in the third quarter while unit labor costs in nondurable goods manufacturing rose 3.6 percent.*

### *'Nonfinancial Corporations*

*'Third-quarter 2005 measures of productivity and costs also were released for nonfinancial corporations. Output per all-employee hour grew at a 3.2 percent annual rate, more slowly than the 4.3 percent increase in the previous quarter (as revised). Output increased 4.0 percent in the third quarter, and hours of all employees rose 0.8 percent (seasonally adjusted annual rates). The nonfinancial corporate sector includes all corporations doing business in the United States, except those classified as depository institutions, nondepository institutions, security and commodity brokers, insurance carriers, regulated investment offices, small business investment offices, and real estate investment trusts...*

*'Hourly compensation in nonfinancial corporations increased 4.5 percent in the third quarter, up from the second quarter increase of 0.8 percent. When the rise in consumer prices is taken into account, real hourly compensation fell 0.6 percent in the third quarter.*

*'Unit labor costs for the sector rose 1.3 percent in third quarter 2005 after falling 3.4 percent one quarter earlier. Unit nonlabor costs rose 5.5 percent, while unit profits dropped at a 2.9 percent annual rate in the third quarter. As a result of these movements, the implicit price deflator for the output of nonfinancial corporations – which reflects a weighted average of these three measures – increased 1.7 percent ...'.*

Wall Street took note of the findings of The Labour Department, but investor reaction was muted, for the most part.

On The New York Stock Exchange, the Dow Jones Industrial Average gained about 0.20 percent, rising to 10,856.86 points, while, over on The NASDAQ, its Composite Index rose about 0.14 percent to 2,260.76 points.

On The New York Mercantile Exchange (NYMEX), there was little movement in prices on the crude oil futures market and, although the price of crude oil for delivery in January 2006 pierced the \$US60 per-barrel mark,

during last Tuesday's trading session, by the close of the day, the last settlement for a barrel of light sweet crude oil was \$US59.94, up just 0.05 percent on the last quote of Monday.

As for February 2006 delivery, the last settlement for a barrel of light sweet crude oil remained unchanged at Monday's last settlement by the close of the day: \$US60.85.

In Europe, when news reached trading floors about the revisions of The Bureau of Labour Statistics in respect of productivity and costs for the third quarter of 2005, it was as though somebody had given an injection of confidence to investors in this part of the world.

Every key index of every major European bourse made useful gains:

Amsterdam's AEX Index	Plus 0.89 percent
Great Britain's FTSE 100 Index	Plus 0.51 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.64 percent
France's CAC 40 Index	Plus 0.57 percent
Switzerland's Swiss Market Index	Plus 0.57 percent
Italy's MIBTEL Index	Unchanged

In Asia, as the cold weather kicked in in the north of the American Continent, bringing freezing rain and snow – as is the wont of winter – so crude oil prices continued to hang on stubbornly to higher levels, skirting the \$US60 per-barrel mark.

At such prices, it means that Asia, especially, will suffer in due course since transportation costs will rise and come to mean an added burden for the exporters of the most-populous part of the world.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), last Tuesday, the territory had the distinction of seeing its equity markets, leading the losers of Asia as its key indices fell in quick succession.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index lost 1.11 percent of its value, falling back to 14,990.61 points.

The Total Turnover rose to about \$HK20.76 billion, while the ratio of losing counters to gaining ones was about 3.07:One.

A rising turnover on a rapidly falling market is never a good sign as any market watcher will attest.

The Ten Most Actives of the Main Board were:

HSBC Holdings plc (Code: 5)	Down 0.72 percent to \$HK124.40 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 2.91 percent to HK38.35 per share
PetroChina Company Ltd (Code: 857)	Unchanged at \$HK6.25 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.07 percent to \$HK73.70 per share
China Construction Bank Corporation (Code: 939)	Unchanged at \$HK2.475 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.60 percent to \$HK74.20 per share
CNOOC Ltd (Code: 883)	Unchanged at \$HK5.35 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.80 percent to \$HK80.65 per share
New World Development Company Ltd (Code: 17)	Up 6.48 percent to \$HK11.50 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.81 percent to \$HK6.15 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)
Comba Telecom Systems Holdings Ltd	2342	11.11		2.50
E. Bon Holdings Ltd	599	17.89		0.29
Grand Field Group Holdings Ltd	115		12.66	0.069
HKC International Holdings Ltd	248	10.42		0.265

MAE Holdings Ltd	851	11.59		0.077
Proview International Holdings Ltd	334		15.73	0.75
Rontex International Holdings Ltd	1142	11.54		0.029
South East Group Ltd	726		18.75	0.065
UDL Holdings Ltd	620		30.77	0.027
V.S. International Group Ltd	1002		17.87	0.193
Wonson International Holdings Ltd	651		18.64	0.048

Over on The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gave up about 0.88 percent of its value, ending the trading session at 992.74 points.

The Total Turnover on this speculative market was about \$HK82.87 million.

The ratio of declining counters to advancing ones was close, at about 1.03:One.

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

China LotSynergy Holdings Ltd (Code: 8161)	Up 2 percent to \$HK2.725 per share
Phoenix Satellite Television Holdings Ltd (Code: 8002)	Down 2 percent to 93 cents per share
TOM Online Incorporated (Code: 8282)	Down 2 percent to \$HK2.00 per share
Techpacific Capital Ltd (Code: 8088)	Down 11 percent to 66 cents per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Down 1 percent to \$HK13.30 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Eco-Tek Holdings Ltd	8169	15.18		0.22
G.A. Holdings Ltd	8126		16.18	0.057
New Universe International Group Ltd	8068		11.54	0.023
Northeast Tiger Pharmaceutical Company Ltd	8197	14.81		0.062
Soluteck Holdings Ltd	8111	29.09		0.071
Techpacific Capital Ltd	8088		10.81	0.66

Trading in stocks and shares in The Land of The Rising Sun lost a great deal of appeal, last Tuesday, as investors started to unload the scrip that had made gains in the previous trading sessions on The Tokyo Stock Exchange.

As a result, there was a bit of run on Asia's largest equity market, resulting in indices, falling to much lower levels.

The TOPIX Average surrendered 6.23 points, equivalent to about 0.39 percent, dropping back to 1,591.34 points.

The ratio of losing counters to gaining ones was about 2.46:One.

The Nikkei-225 Stock Average shed 127.93 yen, or about 0.82 percent, ending the trading day at 15,423.38 yen.

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

The HKSAR	Minus 1.11 percent to 14,990.61
Indonesia	Plus 0.25 percent to 1,123.44
Japan	TOPIX Average Minus 0.39 percent to 1,591.34 Nikkei-255 Stock Average Minus 0.82 percent to 15,423.38
Malaysia	Plus 0.11 percent to 886.47

The Philippines	Minus 0.81 percent to 2,099.15
Singapore	Minus 1.04 percent to 2,308.35
South Korea	Plus 0.45 percent to 1,321.06
Taiwan	Plus 0.03 percent to 6,350.52
Thailand	Plus 2.92 percent to 679.16

### **Wednesday**

More jobs are to be lost at Ford Motor Company, it was revealed last Wednesday as reports, obviously leaked purposely to the US Popular Press, suggested that between 25,000 workers and 30,000 workers will be given pink slips.

In addition, Ford plants in North America will be closed.

It was only last month that Ford sacked 4,000 of its workers, that number of workers, representing about 10 percent of its North American workforce.

And, now, another 25,000-plus Ford workers are due to be given their walking papers.

Ford, the Number Two motor-vehicle producer in the US, is suffering, financially, along with its arch rival, General Motors Corporation, the Number One motor-vehicle manufacturer in the world.

Both of these giants of industry have had to bite their respective bullets in the realisation that Asia is producing a better class of vehicle than these 2 giants – and the discriminating US consuming public is buying Asia and forsaking America.

If that was not enough to scare the pants off American investors, it was announced that Tribune Company – Baltimore Sun, Chicago Tribune and Los Angeles Times newspapers – will be sacking 900 of its workers and closing down production facilities of a Los Angeles Times plant.

On The New York Stock Exchange, investors reacted negatively to the news about Ford and Tribune, pulling down key indices on the world's largest equity market.

The Dow Jones Industrial Average lost about 0.42 percent of its value, falling back to 10,810.91 points, while, on the tech-laden NASDAQ, its Composite Index gave up about 0.39 percent to drop back to 2,252.01 points by the close of the trading day.

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

For delivery in January 2006, the last settlement for a barrel of light sweet crude oil was \$US59.21, down about 1.22 percent on Tuesday's last quote.

February 2006 delivery saw the last settlement for a barrel of light sweet crude oil, being \$US60.18, down 1.10 percent, exactly, compared with the last settlement of Tuesday.

With only 3 business days remaining before the US Federal Reserve Board was due to convene its Open Market Committee Meeting, European investors were becoming increasingly concerned about the prospects of more interest-rate increases.

It was well expected that The Fed would continue to raise The Fed Funds Rate by another 25 basis points, tomorrow (December 13, 2005).

Inflation in Euro-zone, concern over rising interest rates, mass layoffs of US workers in Ford and General Motors, all weighed heavily on European investors.

This was how key indices of major European bourses fared, last Wednesday:



Amsterdam's AEX Index	Minus 0.26 percent
Great Britain's FTSE 100 Index	Minus 0.18 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.64 percent
France's CAC 40 Index	Minus 0.35 percent
Switzerland's Swiss Market Index	Minus 0.39 percent
Italy's MIBTEL Index	Plus 0.49 percent

Equity markets in Asia were stronger, last Wednesday.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), on the premier equity market, key indices rebounded from Tuesday's thrashing.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gained 0.96 percent to hit 15,134.95 points by the close of trading.

The volume of activity stayed high, at about \$HK22.02 billion, while the ratio of gaining counters to losing ones was about 2.34:One.

The Ten Most Actives were:

China Petroleum and Chemical Corporation (Code: 386)	Up 5.59 percent to \$HK3.775 per share
PetroChina Company Ltd (Code: 857)	Up 2.40 percent to \$HK6.40 per share
HSBC Holdings plc (Code: 5)	Up 0.56 percent to \$HK125.10 per share
Dongfeng Motor Group Company Ltd (Code: 489)	Down 2.99 percent to \$HK8.10 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.43 percent to HK38.90 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.61 percent to \$HK74.15 per share
China Construction Bank Corporation (Code: 939)	Up 2.02 percent to \$HK2.525 per share
CNOOC Ltd (Code: 883)	Up 4.67 percent to \$HK5.60 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.56 percent to \$HK81.10 per share
New World Development Company Ltd (Code: 17)	Up 3.04 percent to \$HK11.85 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Bossini International Holdings Ltd	592	10.07		1.02
China Agrotech Holdings Ltd	1073	21.74		0.28
Ching Hing (Holdings) Ltd	692	25.00		0.075
Chitaly Holdings Ltd	1198	10.66		3.375
Dream International Ltd	1126	15.52		0.67
Everest International Investments Ltd	204	21.05		0.046
Foundation Group Ltd	1182		11.43	0.031
Grand Field Group Holdings Ltd	115	15.94		0.08
Harmony Asset Ltd	428	10.53		0.63
Hi Sun Technology (China) Ltd	818		12.00	1.10
Inner Mongolia Development (Holdings) Ltd	279		29.29	0.495
Morning Star Resources Ltd	542		11.29	0.055
New Spring Holdings Ltd	690	32.79		0.81
Rising Development Holdings Ltd	1004	10.26		0.43
Shimao International Holdings Ltd	649	10.61		0.73

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, its lone index continued to fall.

The Growth Enterprise Index gave up another 0.17 percent, ending the day at 991.06 points.

The Total Turnover was about \$HK72.82 million.

The ratio of declining counters to advancing ones was about 1.18:One.

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

China LotSynergy Holdings Ltd (Code: 8161)	Down 2 percent to \$HK2.675 per share
Zhengzhou Gas Company Ltd (Code: 8099)	Down 1 percent to 71 cents per share
B and B Group Holdings Ltd (Code: 8156)	Down 1 percent to \$HK1.23 per share
TOM Online Incorporated (Code: 8282)	Unchanged at \$HK2.00 per share
Golden Meditech Company Ltd (Code: 8180)	Unchanged at \$HK1.50 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Byford International Ltd	8272		16.67	0.25
Emperor Entertainment Group Ltd	8078		13.04	1.00
Everpride Biopharmaceutical Company Ltd	8019		13.04	0.04
FX Creations International Holdings Ltd	8136	95.83		0.188
G.A. Holdings Ltd	8126	10.53		0.063
Golding Soft Ltd	8190		11.76	0.015
Launch Tech Company Ltd	8196		10.24	1.84
Longlife Group Holdings Ltd	8037		23.08	0.25
Panorama International Holdings Ltd	8173	11.43		0.078
Q9 Technology Holdings Ltd	8129		11.11	0.016
QUASAR Communication Technology Holdings Ltd	8171	20.27		0.089
Thiz Technology Group Ltd	8119	13.21		0.06
Tiger Tech Holdings Ltd	8046		10.00	0.018

Trading in Japanese equities was relatively quiet, last Wednesday, with key indices on The Tokyo Stock Exchange, moving only fractionally for most of the day.

The TOPIX Average ended the day's activities at 1,598.59 points, a one-day improvement of about 0.37 percent.

Gaining counters outnumbered losing ones by the ratio of about 1.02:One.

The Nikkei-225 Stock Average rose about 0.40 percent to 15,484.66 yen.

This was how things looked at other Asian equity markets, last Wednesday:

The HKSAR	Plus 0.96 percent to 15,134.95
Indonesia	Plus 2.49 percent to 1,151.37
Japan	TOPIX Average Plus 0.37 percent to 1,598.59 Nikkei-255 Stock Average Plus 0.40 percent to 15,484.66
Malaysia	Plus 0.59 percent to 891.67
The Philippines	Plus 0.20 percent to 2,103.42
Singapore	Plus 0.15 percent to 2,311.81
South Korea	Plus 0.28 percent to 1,324.75
Taiwan	Minus 0.33 percent to 6,329.52
Thailand	Plus 2.31 percent to 694.87

## Thursday

Crude oil prices took centre stage, last Thursday, as speculators got stuck into the black ooze in anticipation that it would head back toward the \$US70 per-barrel mark.

Freezing rain and snow and blizzards were rocking the northeast of the American Continent with weather predictions, suggesting that things would get much worse in the days and weeks ahead.

On The New York Mercantile Exchange (NYMEX), a barrel of light sweet crude oil for delivery in January 2006 was fetching \$US60.66 at the last settlement, equivalent to an increase of about 2.45 percent, compared with the last quote of Wednesday.

For delivery in February 2006, the last settlement for a barrel of light sweet crude oil came in at \$US61.61, an increase of about 2.38 percent on the last settlement of Wednesday.

On The New York Stock Exchange, prices drifted down on the news of the surge in the price of crude oil.

The Dow Jones Industrial Average lost another 0.52 percent of its value, dropping back to 10,755.12 points.

Over on The NASDAQ, its Composite Index shed exactly one quarter of a percentage point, ending the hectic trading day at 2,246.46 points.

Trading was exceptionally high on both the Big Board of The New York Stock Exchange and The NASDAQ, relative to the like period in 2004.

In Europe, higher oil prices meant that energy companies were in for another fillip and, true to past form, share prices of energy companies started to move up on major bourses in the Euro-zone.

It was only late in the trading sessions of the biggest equity markets of Europe, however, that there was a decided push to higher price levels, following confirmation that The NYMEX was experiencing a great deal of speculative trading in oil futures for delivery in January and February 2006.

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

Amsterdam's AEX Index	Plus	0.16 percent
Great Britain's FTSE 100 Index	Plus	0.04 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.37 percent
France's CAC 40 Index	Plus	0.20 percent
Switzerland's Swiss Market Index	Minus	0.49 percent
Italy's MIBTEL Index	Plus	0.16 percent

## New Wise

- **The Bank of England's Monetary Policy Committee** has determined to keep the cost of borrowing unchanged at 4.50 percent. It was the fourth consecutive month that England's Central Bank had left interest rates unchanged.

Asian equity markets drifted lower, last Thursday, for a number of reasons, but the most important reasons of all, of course, were the rapid increase in the price of crude oil on international commodity exchanges and the falls of Wall Street's key indices.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), losses on the premier stock market were pronounced, being the second-largest loser of all of the equity markets of the region.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index surrendered 1.69 percent of its value, falling to 14,879.16 points.

The Total Turnover remained high at about \$HK23.67 billion.

The ratio of losing counters to gaining ones was about 2.03:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.88 percent to \$HK124.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 3.98 percent to HK37.35 per share
China Life Insurance Company Ltd (Code: 2628)	Up 2.42 percent to \$HK6.35 per share
China Construction Bank Corporation (Code: 939)	Up 0.99 percent to \$HK2.55 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.82 percent to \$HK72.80 per share
PetroChina Company Ltd (Code: 857)	Down 0.78 percent to \$HK6.35 per share
China Telecom Corporation Ltd (Code: 728)	Up 2.78 percent to \$HK2.775 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.01 percent to \$HK73.70 per share
CNOOC Ltd (Code: 883)	Down 1.79 percent to \$HK5.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.97 percent to \$HK79.50 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)
Bossini International Holdings Ltd	592		11.76	0.90
Chevalier iTech Holdings Ltd	508	10.34		1.60
China Agrotech Holdings Ltd	1073	23.21		0.345
China Motion Telecom International Ltd	989	11.56		0.164
CITIC 21CN Company Ltd	241		15.79	1.12
Dickson Group Holdings Ltd	313	14.29		0.16
EC-Founder (Holdings) Company Ltd	618		10.00	0.27
Harmony Asset Ltd	428		11.11	0.56
Hi Sun Technology (China) Ltd	818		18.18	0.90
Lai Sun Development Company Ltd	488	12.41		0.154
Lai Sun Garment (International) Ltd	191	11.36		0.49
Man Yue International Holdings Ltd	894	10.41		2.175
Mascotte Holdings Ltd	136		20.00	0.20
Multifield International Holdings Ltd	898	10.58		0.115
Oriental Explorer Holdings Ltd	430		13.04	0.04
REXCAPITAL Financial Holdings Ltd	555		17.39	0.057
UDL Holdings Ltd	620	57.69		0.041

Over on The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index fell about 0.34 percent to 987.73 points.

The Total Turnover dropped to one of the lowest levels of the year: Approximately \$HK56.18 million.

However, although the market's lone index was in negative territory, gaining counters outnumbered losing counters by the ratio of about 1.19:One.

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

Wumart Stores Incorporated (Code: 8277)	Down 1 percent to \$HK14.90 per share
China LotSynergy Holdings Ltd (Code: 8161)	Down 1 percent to \$HK2.65 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 2 percent to \$HK1.01 per share
TOM Online Incorporated (Code: 8282)	Up 1 percent to \$HK2.025 per share
B and B Group Holdings Ltd (Code: 8156)	Up 2 percent to \$HK1.25 per share

The GEM's biggest movers of the day were reserved for the following bunch:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Photar Electronics Group Ltd	8220		15.79	0.40
Emperor Entertainment Group Ltd	8078	19.00		1.19
Fast Systems Technology (Holdings) Ltd	8150	14.29		0.016
IIN International Ltd	8128		15.00	0.017
Q9 Technology Holdings Ltd	8129	12.50		0.018
Satellite Devices Corporation	8172	17.65		0.02
Stockmartnet Holdings Ltd	8123	12.90		0.035
Tianjin TEDA Biomedical Engineering Company Ltd	8189		15.38	0.11
TeleEye Holdings Ltd	8051	11.11		0.09

In The Land of The Rising Sun, its 3 equity markets were the biggest losers of Asia in terms of the erosion of their respective key indices.

On The Tokyo Stock Exchange, its TOPIX Average gave up 29.86 points, equivalent to about 1.87 percent, falling back to 1,568.73 points.

The ratio of losing counters to gaining ones was about 5.27:One.

The Nikkei-225 Stock Average, which is not part of The Tokyo Stock Exchange, fell by about 1.95 percent to end the trading session at 15,183.36 yen.

#### News Wise

- **Japan's money supply (M2)** rose by about 2.20 percent in November, The Bank of Japan announced;
- **Lending** expanded in Japan, during the month of November, The Bank of Japan said. Compared with November 2004, lending in November 2005 rose by about 0.80 percent;
- Private-sector orders for **Japanese machinery** grew by the seasonally adjusted figure of 4.80 percent in the month of October, compared with September's statistics, The Japanese Government's Cabinet Office announced; and,
- **Mizuho Corporate Bank** has announced that it would cut its long-term Prime Lending Rate to 1.85 percent, effective last Friday.

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

The HKSAR	Minus 1.69 percent to 14,879.16
Indonesia	Plus 0.60 percent to 1,158.32
Japan	TOPIX Average Minus 1.87 percent to 1,568.73 Nikkei-255 Stock Average Minus 1.95 percent to 15,183.36
Malaysia	Plus 0.50 percent to 896.11
The Philippines	Plus 0.48 percent to 2,113.60
Singapore	Minus 0.26 percent to 2,305.71
South Korea	Minus 0.04 percent to 1,324.20
Taiwan	Minus 1.27 percent to 6,249.19
Thailand	Minus 0.33 percent to 692.58

## Friday

Crude oil futures prices for the month of February 2006 shot through the \$US62 per-barrel level, last Friday, as the cold winter weather took a bite out of the United States, causing the usual winter havoc in the worst-affected areas of the Northeast corner of the American Continent.

By the close of the trading session on The New York Mercantile Exchange (NYMEX), however, many of the oil traders had taken their profits ahead of the weekend ... just in case.

For the near month of January 2006, the last settlement of a barrel of light sweet crude oil was \$US59.39, down about 2.09 percent on the last quote of Thursday.

As for delivery in February 2006, the last settlement was \$US60.38 per barrel, down exactly 2 percent, compared with the last settlement on Thursday.

Sliding oil prices gave Wall Street a bit of a boost, but most, well-informed market watchers knew that the respite on oil futures markets would be short-lived because the inclement weather was only just beginning.

On The New York Stock Exchange, the Dow Jones Industrial Average rose about 0.22 percent to 10,778.58 points in moderate trading conditions.

Over on The NASDAQ, its Composite Index gained about 0.46 percent, ending the week at 2,256.73 points.

For many US investors, they preferred to wait on the sidelines rather than take any new positions in view of the volatility of crude oil prices and, of course, the fact that the US Federal Reserve Board would be holding its Open Market Committee Meeting on the coming Tuesday (tomorrow).

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

The Dow Jones Industrial Average	Minus 0.91 percent
The NASDAQ's Composite Index	Minus 0.73 percent

For European investors, there were too many imponderables, lurking on the economic horizon.

With The Fed's Open Market Committee Meeting only 2 business days away, many investors sat on their hands rather than take fresh positions on major equity markets.

With the lone exception of the Swiss equity market, all of the key indices of other major European stock markets were in negative territory at the close of trading, last Friday:

Amsterdam's AEX Index	Minus 0.25 percent
Great Britain's FTSE 100 Index	Minus 0.24 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.08 percent
France's CAC 40 Index	Minus 0.19 percent
Switzerland's Swiss Market Index	Plus 0.25 percent
Italy's MIBTEL Index	Minus 0.22 percent

A rebound on the equity markets of Japan gave Asia a bit of a fillip, last Friday, but for many stock markets, the gains were only of a fractional nature.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), trading activity waned, appreciably.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index managed to squeeze out a gain of about 0.21 percent, limping up to 14,910.51 points.

The Total Turnover on the premier equity market of the territory fell back to about \$HK17.84 billion, but the ratio of losing counters to gaining ones was pronounced, at about 1.30:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.08 percent to \$HK124.10 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.21 percent to \$HK72.65 per share
PetroChina Company Ltd (Code: 857)	Up 0.79 percent to \$HK6.40 per share
New World Development Company Ltd (Code: 17)	Up 9.79 percent to \$HK12.90 per share
Xiwang Sugar Holdings Company Ltd (Code: 2088)	\$HK1.99 per share *
China Life Insurance Company Ltd (Code: 2628)	Up 0.79 percent to \$HK6.40 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.13 percent to \$HK37.30 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.38 percent to \$HK79.20 per share
China Construction Bank Corporation (Code: 939)	Unchanged at \$HK2.55 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.20 percent to \$HK73.85 per share
* This is a new listing	

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Elegance (Holdings) Ltd	476	18.18		0.065
Dream International Ltd	1126	11.11		0.80
Fujian Holdings Ltd	181	10.56		0.178
Harmony Asset Ltd	428	14.29		0.64
Hi Sun Technology (China) Ltd	818	15.56		1.04
Karce International Holdings Company Ltd	1159		10.34	0.26
Kin Yat Holdings Ltd	638	16.67		0.91
Lai Sun Development Company Ltd	488	25.97		0.194
MAE Holdings Ltd	851	15.58		0.089
Mascotte Holdings Ltd	136	15.50		0.231
Mei Ah Entertainment Group Ltd	391	18.75		0.285
Minth Group Ltd	425	14.04		3.25
Multifield International Holdings Ltd	898	13.04		0.13
New Smart Holdings Ltd	91	18.26		0.136
New World China Land Ltd	917	13.24		3.85
REXCAPITAL Financial Holdings Ltd	555	14.04		0.065
South China Holdings Ltd	265		22.00	0.156

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its lone index, The Growth Enterprise Index, shed one tenth of a percentage point, ending the trading day at 986.79 points.

The Total Turnover on this market dropped for the second consecutive day, coming in at just \$HK48.08 million.

Declining counters and advancing ones were close, at about 1.03:One.

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

Wumart Stores Incorporated (Code: 8277)	Unchanged at \$HK14.85 per share
HC International Incorporated (Code: 8292)	Up 2 percent to \$HK1.67 per share
China LotSynergy Holdings Ltd (Code: 8161)	Down 1 percent to \$HK2.625 per share
B and B Group Holdings Ltd (Code: 8156)	Down 2 percent to \$HK1.22 per share
Tong Ren Tang Technologies Company Ltd (Code: 8069)	Unchanged at \$HK13.15 per share

The GEM's biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Armitage Technologies Holding Ltd	8213	10.00		0.044
Jilin Province Huinan Changlong Bio-pharmacy	8049		25.00	0.12

Company Ltd				
MP Logistics International Holdings Ltd	8239		23.64	0.042
Northeast Tiger Pharmaceutical Company Ltd	8197		17.74	0.051
T S Telecom Technologies Ltd	8003	10.00		0.033
Sanmenxia Tianyuan Aluminum Company Ltd	8253		14.17	0.103

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

The Hang Seng Index	Minus 1.91 percent
The Growth Enterprise Market	Minus 1.20 percent

In Japan, there was a decided bounce on the country's 3 equity markets, following Thursday's drubbing.

On The Tokyo Stock Exchange, The TOPIX Average rose about 1.43 percent to 1,591.23 points, while The Nikkei-225 Stock Average followed suit with a gain of about 1.45 percent, rising to 15,404.05 yen.

The ratio of gaining counters to losing ones was about 2.00:One.

The tally for the largest equity market of Asia was:

The TOPIX Average	Plus 0.47 percent
The Nikkei-225 Stock Average	Minus 0.11 percent

#### News Wise

- The Cabinet Office of the Government of Japan has slashed its growth of the **Gross Domestic Product** for the 3 months, ended September 30, 2005, from 0.40 percent to 0.20 percent;
- JP Morgan Chase and Company continues to unload its equity interest in **Mitsubishi Motors Corporation**. The international merchant bank is reported to have sold another tranche of 525 million shares in the ailing motor-vehicle manufacturer, reducing its interest to about 0.66 percent. At one point, JP Morgan Chase and Company held about 11.35 percent of the Issued and Fully Paid-Up Share Capital in Mitsubishi Motors; and,
- **Matsushita Electric Industrial Company** plans to sack 1,400 local workers.

And this was how things ended, last Friday, on Asia's equity markets:

The HKSAR	Plus 0.21 percent to 14,910.51
Indonesia	Plus 0.15 percent to 1,160.07
Japan	TOPIX Average Plus 1.43 percent to 1,591.23 Nikkei-255 Stock Average Plus 1.45 percent to 15,404.05
Malaysia	Plus 0.24 percent to 893.30
The Philippines	Minus 0.63 percent to 2,100.25
Singapore	Plus 0.66 percent to 2,321.10
South Korea	Minus 0.51 percent to 1,317.42
Taiwan	Plus 0.24 percent to 6,264.36
Thailand	Plus 0.74 percent to 697.74



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The next stock market report will be published on January 9, 2006.  
The economics division of **TARGET** takes this opportunity to wish all Subscribers:

**MERRY CHRISTMAS**  
**AND A**  
**PROSPEROUS 2006**

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