

**EQUITY MARKETS AWAIT THE PLEASURE
OF THE U.S FEDERAL RESERVE**

Last Monday, the United States of America remembered the fallen of 5 years prior when 2 skyjacked, commercial passenger aeroplanes, piloted by radical fundamentalist Muslims, all being members of the al-Qaeda terrorist organisation, crashed into the World Trade Center in Manhattan, New York, killing nearly 3,000 innocent civilians.

It was a solemn ceremony at the site of the twin, World Trade Center, now known as Ground Zero.

On Wall Street, trading for the most part was moderate, with key indices, edging fractionally higher.

On The New York Stock Exchange, the Dow Jones Industrial Average managed a gain of 4.73 points, or about 0.04 percent, ending the (remembrance) day at 11,396.84 points.

On The NASDAQ, its Composite Index did slightly better than The Dow with an improvement of 7.46 points, equivalent to about 0.34 percent, the trading day, coming to a close at 2,173.25 points.

On international commodity exchanges, the price of crude oil continued to retreat.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in October came in at \$US65.61, representing another fall of about 0.97 percent on the final quote of Friday, September 8, 2006.

As for November delivery, the last settlement for a barrel of light sweet crude oil was \$US66.59, equivalent to a fall of about 1.17 percent on the last settlement of the previous Friday.

In Europe, as crude-oil prices sank, so did the price of shares of energy counters across the region.

By the close of the business day, key indices of the major European bourses were in negative territory as the following **TARGET** () list of the most-important stock markets indicate:

Amsterdam's AEX Index	Minus 0.41 percent
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France's CAC 40 Index	Minus 0.30 percent
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Germany's Frankfurt XETRA DAX Index	Plus 0.05 percent
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Great Britain's FTSE 100 Index	Minus 0.48 percent
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Italy's MIBTEL Index	Minus 0.41 percent
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Switzerland's Swiss Market Index	Minus 0.85 percent
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In Asia, the values of the key indices of the most-important equity markets lost material ground.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets lost their footings, but the premier equity market was, by far, the bigger loser.

The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, shed 1.15 percent of its value, falling back to 16,948.59 points.

The Total Turnover rose to about \$HK31.35 billion, which was fractionally higher than the volume of activity of the previous Friday.

(A rising volume of activity on a rapidly falling market is rarely a positive sign for an equity market)

The ratio of losing counters to gaining ones was about 2.64:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 0.43 percent to \$HK138.10 per share
PetroChina Company Ltd (Code: 857)	Down 1.54 percent to \$HK8.29 per share
China Construction Bank Corporation (Code: 939)	Down 1.17 percent to \$HK3.38 per share
China Mobile Ltd (Code: 941)	Down 2.03 percent to \$HK50.75 per share
China Life Insurance Company Ltd (Code: 2628)	Down 1.26 percent to \$HK14.12 per share
CNOOC Ltd (Code: 883)	Down 2.46 percent to \$HK6.34 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Down 0.36 percent to \$HK54.75 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 0.59 percent to \$HK16.88 per share
Foxconn International Holdings Ltd Code: 2038)	Down 4.12 percent to \$HK22.10 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 0.66 percent to \$HK4.69 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		36.96	0.029
Buildmore International Ltd	108		13.04	0.40

China Motion Telecom International Ltd	989	109.09		0.23
Dream International Ltd	1126	11.11		0.30
Everest International Investments Ltd	204	10.81		0.041
Fortune Sun (China) Holdings Ltd	352	11.11		0.80
Fulbond Holdings Ltd	1041		10.00	0.018
INNOMAXX Biotechnology Group Ltd	340	13.11		1.38
Jolimark Holdings Ltd	2028		12.50	0.84
Magnum International Holdings Ltd	305	10.64		0.052
Ngai Hing Hong Company Ltd	1047	12.82		0.44
Oriental Explorer Holdings Ltd	430		10.42	0.043
Oriental Investment Corporation Ltd	735	22.60		0.255
Radford Capital Investment Ltd	901	39.83		0.165
South Sea Petroleum Holdings Ltd	76	18.39		0.206
Unity Investments Holdings Ltd	913	11.32		0.059
Water Oasis Group Ltd	1161	16.00		0.58
Wing Hong (Holdings) Ltd	745	17.86		0.033
Wing Shing International Holdings Ltd	850	11.76		0.57
Wonderful World Holdings Ltd	109		17.89	0.078

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover was about \$HK115.16 million as its Growth Enterprise Index gave up about 0.39 percent of its value, dropping to 1,130.19 points.

Declining counters outnumbered advancing ones by the ratio of about 1.59:One.

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

Wumart Stores Incorporated (Code: 8277)	Down 1.40 percent to \$HK24.65 per share
SUNeVision Holdings Ltd (Code: 8008)	Down 2.62 percent to \$HK1.86 per share
Galileo Capital Group Ltd (Code: 8029)	Up 16.95 percent to \$HK0.345 per share
Chinainfo Holdings Ltd (Code: 8206)	Up 7.64 percent to \$HK2.96 per share
Century Sunshine Ecological Technology Holdings Ltd (Code: 8276)	Down 0.22 percent to \$HK4.51 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022		15.97	0.10
B.A.L. Holdings Ltd	8079	27.94		0.435
Everpride Biopharmaceutical Company Ltd	8019	60.00		0.04
Galileo Capital Group Ltd	8029	16.95		0.345
Golding Soft Ltd	8190		11.11	0.016
GreaterChina Technology Group Ltd	8032		12.50	0.021
IIN International Ltd	8128	14.29		0.032
North Asia Strategic Holdings Ltd	8080		10.00	0.45
Prosten Technology Holdings Ltd	8026		23.81	0.32
Tradeeasy Holdings Ltd	8163		11.36	0.039

In Japan, the country's 3 equity markets suffered along with the other major markets of the most-populous part of the world.

On The Tokyo Stock Exchange, The TOPIX Index gave up 23.42 points, equivalent to about 1.45 percent, dropping back to 1,596.50 points.

The ratio of losing counters to gaining ones was about 6.31:One.

The Nikkei-225 Stock Average surrendered 286.08 yen, or about 1.78 percent of its value, ending up at 16,080.46 yen by the end of the trading day.

News Wise

- The Cabinet Office of the Japanese Government announced that **private-sector machinery orders** had fallen by about 16.70 percent in July, compared with the month of June. It was the biggest fall in 19 years. The previous Monday (September 4, 2006), The Finance Ministry had announced that **capital spending** by Japanese corporations had risen by about 16.60 percent in the quarter, ended June 30, 2006.

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

The HKSAR	Hang Seng Index Minus 1.15 percent to 16,948.59 The Growth Enterprise Index Minus 0.39 percent to 1,130.19
Indonesia	Minus 1.32 percent to 1,447.25
Japan	TOPIX Index Minus 1.45 percent to 1,596.50 Nikkei-255 Stock Average Minus 1.78 percent to 15,794.38
Malaysia	Minus 0.10 percent to 955.72
The Philippines	Plus 0.96 percent to 2,400.78
Singapore	Minus 0.86 percent to 2,488.51
South Korea	Minus 1.54 percent to 1,334.08
Taiwan	Plus 0.01 percent to 6,693.88
Thailand	Minus 0.93 percent to 686.03

Tuesday

Just prior to the opening of Wall Street, last Tuesday morning, the US Bureau of Economic Analysis released its findings with regard to US trade with the world for the month of July.

It was another record trade deficit for The Land of The Free and The Home of The Brave.

For economic purists, they may well suggest that the continued record-setting, US trade deficit – living beyond one's means is another way of putting it – is helping to fuel the inflationary tendencies of the US.

The following is the full text of that which The Bureau reported, last Tuesday morning, minus some extraneous data:

'U.S. INTERNATIONAL TRADE IN GOODS AND SERVICES
July 2006

'Goods and Services

'The U.S. Census Bureau and the U.S. Bureau of Economic Analysis, through the Department of Commerce, announced today that total July exports of \$120.0 billion and imports of \$188.0 billion resulted in a goods and services deficit of \$68.0 billion, \$3.2 billion more than the \$64.8 billion in June, revised. July exports were \$1.3 billion less than June exports of \$121.2 billion. July imports were \$1.9 billion more than June imports of \$186.1 billion.

'In July, the goods deficit increased \$3.4 billion from June to \$73.4 billion, and the services surplus increased \$0.2 billion to \$5.4 billion. Exports of goods decreased \$1.3 billion to \$85.7 billion, and imports of goods increased \$2.1 billion to \$159.1 billion. Exports of services were virtually unchanged at \$34.3 billion, and imports of services decreased \$0.2 billion to \$28.9 billion.

'In July, the goods and services deficit was up \$10.0 billion from July 2005. Exports were up \$13.4 billion, or 12.6 percent, and imports were up \$23.4 billion, or 14.2 percent.

'Goods

'The June to July change in exports of goods reflected decreases in capital goods (\$1.3 billion), industrial supplies and materials (\$0.6 billion), and other goods (\$0.1 billion). Increases occurred in automotive vehicles, parts, and engines (\$0.7 billion) and consumer goods (\$0.2 billion). Foods, feeds, and beverages were virtually unchanged.

'The June to July change in imports of goods reflected increases in industrial supplies and materials (\$2.2 billion); capital goods (\$0.8 billion); foods, feeds, and beverages (\$0.2 billion); and consumer goods (\$0.2 billion). Decreases occurred in automotive vehicles, parts, and engines (\$1.2 billion) and other goods (\$0.1 billion).

'The July 2005 to July 2006 change in exports of goods reflected increases in industrial supplies and materials (\$3.5 billion); capital goods (\$3.4 billion); consumer goods (\$1.4 billion); automotive vehicles, parts, and engines (\$1.3 billion); foods, feeds, and beverages (\$0.8 billion); and other goods (\$0.8 billion).

'The July 2005 to July 2006 change in imports of goods reflected increases in industrial supplies and materials (\$11.5 billion); capital goods (\$3.7 billion); consumer goods (\$3.5 billion); automotive vehicles, parts, and engines (\$1.2 billion); foods, feeds, and beverages (\$0.6 billion); and other goods (\$0.2 billion).

'Services

'Services exports were virtually unchanged from June to July. Changes in the categories of services exports were small and nearly offsetting. Services imports decreased \$0.2 billion from June to July. Decreases in royalties and license fees and passenger fares were partly offset by an increase in other private services (which includes items such as business, professional, and technical services, insurance services, and financial services). Changes in other categories of services imports were small.

'From July 2005 to July 2006, services exports increased \$2.6 billion. The largest increases were in other private services (\$1.6 billion), other transportation, which includes freight and port services (\$0.6 billion), and royalties and license fees (\$0.5 billion).

‘From July 2005 to July 2006, services imports increased \$2.7 billion. The largest increases were in other private services (\$1.4 billion), other transportation (\$0.5 billion), and travel (\$0.4 billion).

‘Goods and Services Moving Average

‘For the three months ending in July, exports of goods and services averaged \$119.9 billion, while imports of goods and services averaged \$186.0 billion, resulting in an average trade deficit of \$66.1 billion. For the three months ending in June, the average trade deficit was \$64.6 billion, reflecting average exports of \$118.6 billion and average imports of \$183.2 billion.

‘Selected Not Seasonally Adjusted Goods Details

‘The July figures showed surpluses, in billions of dollars, with Hong Kong \$0.7 (\$0.9 for June), Australia \$0.7 (\$0.6), Singapore \$0.1 (\$0.3), Egypt \$0.1 (\$0.1), and Argentina \$0.1 (\$0.1). Deficits were recorded, in billions of dollars, with China \$19.6 (\$19.7), Europe \$15.6 (\$10.7), the European Union \$13.4 (\$9.0), OPEC \$10.9 (\$10.2), Japan \$7.6 (\$7.0), Canada \$5.9 (\$5.4), Mexico \$5.1 (\$6.1), Taiwan \$1.4 (\$0.6), Korea \$1.3 (\$1.1), and Brazil \$0.9 (\$0.9).

‘Advanced technology products (ATP) exports were \$19.6 billion in July and imports were \$24.2 billion, resulting in a deficit of \$4.6 billion. July exports were \$2.6 billion less than the \$22.2 billion in June, while imports were \$0.5 billion less than the \$24.7 billion in June’.

Wall Street did not appear to be too concerned about the record trade deficit, however, as investors were, clearly, in the mood to buy into stocks and shares.

What was helping to spur investors on was a further, material weakening 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 October was \$US63.76, down about 2.82 percent on Monday’s closing quote.

The October price represented a 7-month low.

As for November delivery, the last settlement was \$US64.90 per barrel of light sweet crude oil, representing a fall of about 2.54 percent on the last settlement of Monday.

According to the database of **TOLFIN** () (The Computerised Online Financial Intelligence Service and Web-Based, Credit-Checking Provider), as at last Tuesday, for the near month, the price of light sweet crude oil, as quoted on The NYMEX, had retreated \$US14.64 per barrel, equivalent to a fall of about 18.67 percent, compared with the record-setting, last settlement on July 14, 2006.

On The New York Stock Exchange, the Dow Jones Industrial Average gained 101.25 points, or about 0.89 percent, ending the busy trading session at 11,498.09 points.

On The NASDAQ, its Composite Index went along with the flow, putting on 42.57 points, equivalent to a gain of about 1.96 percent, to rise to 2,215.82 points.

The world’s largest equity markets, in addition to reacting to the continuing falls in the price of crude oil, internationally, was buoyed by the financial reports of some of Wall Street’s ‘darlings’.

European investors, seeing what was taking place on Wall Street and taking careful note of the fact that the record-high, US trade deficit appeared to be disregarded by US investors, to a great extent, took heart.

Up went the key indices of the most-important bourses in this part of the world:

Amsterdam’s AEX Index

Plus 1.39 percent

France's CAC 40 Index	Plus	1.33 percent
Germany's Frankfurt XETRA DAX Index	Plus	1.30 percent
Great Britain's FTSE 100 Index	Plus	0.76 percent
Italy's MIBTEL Index	Plus	0.58 percent
Switzerland's Swiss Market Index	Plus	1.16 percent

TARGET () would suggest that the situation on Wall Street and Europe, last Tuesday, was tantamount to investors, trying to hold onto a leaf in order to break their fall while plunging, head first, out a tall tree.

In Asia, the key indices of the equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) and Thailand managed to make gains; the rest lost ground.

In the HKSAR, the key index of its premier equity market, the Main Board of The Stock Exchange of Hongkong Ltd, rose about three quarters of a percentage point, putting the Hang Seng Index at 17,075.40 points by the close of the trading day.

The Total Turnover was about \$HK26.99 billion.

The ratio of declining counters to advancing ones was about 1.02:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 0.58 percent to \$HK138.90 per share
PetroChina Company Ltd (Code: 857)	Down 0.60 percent to \$HK8.24 per share
China Mobile Ltd (Code: 941)	Up 1.77 percent to \$HK51.65 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 2.13 percent to \$HK4.79 per share
China Shenhua Energy Company Ltd (Code: 1088)	Down 1.83 percent to \$HK12.88 per share
China Life Insurance Company Ltd (Code: 2628)	Up 0.42 percent to \$HK14.18 per share
CNOOC Ltd (Code: 883)	Up 0.47 percent to \$HK6.37 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 1.34 percent to \$HK16.70 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.48 percent to \$HK83.95 per share
China Construction Bank Corporation (Code: 939)	Unchanged at \$HK3.38 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
139 Holdings Ltd	139	24.56		0.355
Anex International Holdings Ltd	723	13.79		0.099
China Motion Telecom International Ltd	989	82.61		0.42
Chitaly Holdings Ltd	1198		20.16	0.99
Compass Pacific Holdings Ltd	1188	16.36		0.128
Hop Hing Holdings Ltd	47	11.43		0.39
Lo's Enviro-Pro Holdings Ltd	309	11.90		0.47
Luen Thai Holdings Ltd	311	13.68		1.33
Radford Capital Investment Ltd	901		18.18	0.135
Sun Innovation Holdings Ltd	547		10.71	2.50
Sunway International Holdings Ltd	58	14.58		0.275
Tak Shun Technology Group Ltd	1228		18.00	0.123
Universe International Holdings Ltd	1046	12.50		0.054
Wah Yuen Holdings Ltd	2349	10.53		0.105
Winfoong International Ltd	63	10.00		0.495
Xin Corporation Ltd	1141		10.00	0.171
Yeebo (International Holdings) Ltd	259	17.19		0.75

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, the situation was vastly different from that of the Main Board.

The Growth Enterprise Index lost about 1.04 percent of its value, dropping back to 1,118.49 points.

The Total Turnover was about \$HK117.41 million, while losing counters outnumbered gaining ones by the ratio of about 1.35:One.

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

Techpacific Capital Ltd (Code: 8088)	Down 5.36 percent to \$HK0.53 per share
Wumart Stores Incorporated (Code: 8277)	Down 3.45 percent to \$HK23.80 per share
China Fire Safety Enterprise Group Holdings Ltd (Code: 8201)	Down 4.11 percent to \$HK0.70 per share
Galileo Capital Group Ltd (Code: 8029)	Up 1.45 percent to \$HK0.35 per share
SUNeVision Holdings Ltd (Code: 8008)	Up 1.08 percent to \$HK1.88 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022	19.00		0.119
Golding Soft Ltd	8190	12.50		0.018
Long Success International (Holdings) Ltd	8017	16.22		0.86
Milkyway Image Holdings Ltd	8130		13.16	0.033
Mobile Telecom Network (Holdings) Ltd	8266		16.39	0.051
New Chinese Medicine Holdings Ltd	8085	27.27		0.07
Shenzhen Neptunus Interlong Bio-technique Company Ltd	8329		10.45	0.60
Q9 Technology Holdings Ltd	8129		13.04	0.06
Soluteck Holdings Ltd	8111		10.00	0.045
Tianjin TEDA Biomedical Engineering	8189		40.49	0.122

Company Ltd				
TeleEye Holdings Ltd	8051	17.00		0.117
Venturepharm Laboratories Ltd	8225	17.14		0.41

Ironically, it was the fall in the price of crude oil on international commodity exchanges that was one of the main catalysts for a selling spree to get underway on the equity markets of Japan, last Tuesday.

Also, of course, there was widespread concern in The Land of The Rising Sun that the most-important economies of the world might be in much worse shape than many people had yet to appreciate.

On The Tokyo Stock Exchange, its TOPIX Index shed about 0.66 percent of its value, falling back to 1,585.98 points.

Losing counters outran gaining ones by the ratio of about 4.25:One.

The Nikkei-225 Stock Average gave up about 0.48 percent of its value, ending up at 15,719.34 yen by the time it was to close the doors of Asia's largest equity market, last Tuesday.

News Wise

- **Wholesale prices** in Japan rose by about 3.40 percent in August, Year-On-Year, The Bank of Japan announced. It was the thirtieth consecutive monthly increase;
- The Cabinet Office reported that **consumer confidence** in Japan deteriorated in August, compared with July; and,
- Japan's **Current Account Surplus** for July grew by about 7.10 percent, compared with June's surplus, according to the statistics of The Ministry of Finance.

In other parts of Asia, this was how the key indices of those equity markets fared, last Tuesday:

The HKSAR	Hang Seng Index Plus 0.75 percent to 17,075.40 The Growth Enterprise Index Minus 1.04 percent to 1,118.49
Indonesia	Minus 0.83 percent to 1,435.21
Japan	TOPIX Index Minus 0.66 percent to 1,585.98 Nikkei-255 Stock Average Minus 0.48 percent to 15,719.34
Malaysia	Minus 0.21 percent to 953.70
The Philippines	Minus 1.63 percent to 2,361.66
Singapore	Minus 0.05 percent to 2,487.20

South Korea	Minus 0.45 percent to 1,328.04
Taiwan	Minus 1.02 percent to 6,625.73
Thailand	Plus 0.25 percent to 687.76

Wednesday

There are times when one has to sit back and wonder from where certain, would-be Wall Street gurus acquired their brains – because, certainly, if there is a God (somewhere in the ether), it/he/she, definitely, could not have apportioned an amount of cerebral substance to make any member of his chosen life-form spout such utter nonsense, almost on a daily basis, as one hears from the life-forms of the Big Apple.

Take for instance, last Wednesday's gains on Wall Street.

According to certain Wall Street gurus, the gains of key indices of US equity markets were due to the fact that the price of crude oil, after 7, consecutive days of price declines, suddenly made a 180-degree turn as the price of the black ooze rose, spectacularly.

Some of the gurus suggested that crude-oil prices had made a material gains!

On The New York Mercantile Exchange (NYMEX), last Wednesday, the last settlement for a barrel of light sweet crude oil for delivery in October came in at \$US63.97, an increase of 21 cents per barrel, or about 0.33 percent.

As for delivery in November, the last settlement for a barrel of light sweet crude oil was \$US64.98, an increase of 0.08 cents per barrel, equivalent to about 0.12 percent, compared with the last quote of Tuesday.

And this was the chief reason for a Wall Street buying spree!

As US President George W. Bush is prone to utter on occasions:

'Give me a f.....g break, will you!'

And what were the gains on Wall Street?

Fractional.

On The New York Stock Exchange, the Dow Jones Industrial Average rose by 45.23 points, equivalent to about 0.39 percent, ending the trading session at 11,543.32 points.

As for The NASDAQ, its Composite Index gained 11.85 points, or about 0.53 percent, ending the day at 2,227.67 points.

So much for the key indices of world's largest equity markets although, for certain, last Wednesday saw them rise to their highest levels since May this year.

In **TARGET**'s view, a market that is *'talked up'* cannot be self-sustaining for very long because, as with cosmetology, one is dealing, only, with appearances, not of substance.

With just 6 days to go until the US Federal Reserve was due to hold its next Open Market Committee Meeting, at which time, interest rates were to be the key topic for discussion, it was, indeed, difficult to know on which side of the ledger investors should write their names.

In Europe, investors of the major bourses were in a somewhat cautious mood, it appeared:

Amsterdam's AEX Index	Plus	0.46 percent
France's CAC 40 Index	Plus	0.23 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.54 percent
Great Britain's FTSE 100 Index	Minus	0.05 percent
Italy's MIBTEL Index	Plus	0.10 percent
Switzerland's Swiss Market Index	Plus	0.32 percent

For Europe, the fractional gains in the price of crude oil on international commodity exchanges were considered a negative factor, not a positive one – unlike the *'talk'* on Wall Street.

That which was of some excitement in Europe was news from some of the corporate *'big boys'* of major equity markets, their earnings for the latest quarter, having risen materially.

Also, the merger-and-acquisition mania was starting to do the rounds, once again.

In Asia, investors in this part of the world followed the lead of Wall Street, with gains in key indices of the all but one of the major stock markets.

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

The Hang Seng Index, the chief index of the Main Board of The Stock Exchange of Hongkong Ltd, rose about 0.79 percent to hit 17,210.04 points by the close of the day.

The Total Turnover, however, slid to about \$HK25 billion.

The ratio of advancing counters to declining ones was about 1.84:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.65 percent to \$HK139.80 per share
China Mobile Ltd (Code: 941)	Up 1.16 percent to \$HK52.25 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 1.92 percent to \$HK17.02 per share
China Construction Bank Corporation (Code: 939)	Down 0.89 percent to \$HK3.35 per share
PetroChina Company Ltd (Code: 857)	Up 0.61 percent to \$HK8.29 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 0.84 percent to \$HK4.83 per share

China Life Insurance Company Ltd (Code: 2628) Up 0.56 percent to \$HK14.26 per share

CNOOC Ltd (Code: 883) Up 0.48 percent to \$HK6.28 per share

Hutchison Whampoa Ltd (Code: 13) Up 0.36 percent to \$HK69.90 per share

Bank of China Ltd (Code: 3988) Unchanged at \$HK3.36 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)
Burwill Holdings Ltd	24	15.09		0.61
China Rich Holdings Ltd	1191		13.95	0.111
Fraser's Property (China) Ltd	535		12.14	0.123
Grandtop International Holdings Ltd	2309	24.68		0.096
IDT International Ltd	167	11.49		0.485
Jackin International Holdings Ltd	630	14.52		0.142
K.P.I. Company Ltd	605	15.00		0.23
LERADO Group (Holding) Company Ltd	1225	38.67		1.04
Lo's Enviro-Pro Holdings Ltd	309	29.79		0.61
Nippon Asia Investments Holdings Ltd	603	16.34		0.178
Peaktop International Holdings Ltd	925	37.50		0.11
South East Group Ltd	726		17.07	0.068
Tack Hsin Holdings Ltd	611	10.00		0.33
TCL Multimedia Technology Holdings Ltd	1070	10.00		0.66

Theme International Holdings Ltd	990		10.71	0.025
Zhongtian International Ltd	2379	10.29		0.375

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index rose about 0.91 percent to 1,128.70 points on a Total Turnover of about \$HK118.08 million.

Gainers were ahead of losers by the ratio of 1.23:One, exactly.

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

Wumart Stores Incorporated (Code: 8277) Up 9.24 percent to \$HK26.00 per share

Techpacific Capital Ltd (Code: 8088) Down 1.89 percent to \$HK0.52 per share

CMA Logistics Company Ltd (Code: 8217) Down 2.53 percent to \$HK3.85 per share

MegaInfo Holdings Ltd (Code: 8279) Up 23.08 percent to \$HK0.80 per share

Galileo Capital Group Ltd (Code: 8029) Up 2.86 percent to \$HK0.36 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131	18.00		0.118
China Leason Investment Group Company Ltd	8270	25.00		0.12
Everpride Biopharmaceutical Company Ltd	8019		17.50	0.033
Glory Future Group Ltd	8071	50.00		0.15
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049		15.48	0.142
MegaInfo Holdings Ltd	8279	23.08		0.80
Milkyway Image Holdings Ltd	8130	12.12		0.037

Mobile Telecom Network (Holdings) Ltd	8266	17.65		0.06
T S Telecom Technologies Ltd	8003		16.17	0.14
Tianjin TEDA Biomedical Engineering Company Ltd	8189	31.15		0.16
Thiz Technology Group Ltd	8119	12.73		0.062

On The Tokyo Stock Exchange, quiet trading conditions were the order of the day.

The TOPIX Index lost about 0.15 percent of its value, edging back to 1,583.55 points.

Losing counters outnumbered gaining ones by the ratio of about 2.96:One.

The Nikkei-225 Stock Average, on the other hand, rose about 0.20 percent to end the trading day at 15,750.05 yen.

And this was how the key indices of other Asian equity markets closed the day:

The HKSAR	Hang Seng Index Plus 0.79 percent to 17,210.04 The Growth Enterprise Index Plus 0.91 percent to 1,128.70
Indonesia	Plus 1.11 percent to 1,451.08
Japan	TOPIX Index Minus 0.15 percent to 1,583.55 Nikkei-255 Stock Average Plus 0.20 percent to 15,750.05
Malaysia	Plus 0.06 percent to 954.25
The Philippines	Plus 0.75 percent to 2,379.43
Singapore	Plus 0.84 percent to 2,508.03
South Korea	Plus 0.38 percent to 1,333.13
Taiwan	Plus 0.59 percent to 6,664.87
Thailand	Plus 1.52 percent to 698.19

Thursday

The most-shocking news, last Thursday, was confirmation that Ford Motor Company wants to cull its workforce by about 75,000 workers.

It is the largest culling of workers at one US enterprise in history.

Ford has been haemorrhaging money for years and, today, drastic action is deemed necessary in order to save the company from more losses and, perhaps, extinction.

A senior official of the United Auto Workers Union, Mr Chris Kimmons, confirmed the culling plan of Ford.

Mr Kimmons described Ford's present situation as being a '*crisis*'.

Then, from the US Government's Labour Department came more worrying news: The price of imports is rising, quickly.

Shades of inflation, coming back to haunt investors, once again.

Just prior to Wall Street, opening for business, last Thursday, this is that which The Labour Department announced, minus some statistics:

'U.S. IMPORT AND EXPORT PRICE INDEXES AUGUST 2006

'The U.S. Import Price Index rose 0.8 percent in August, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. The August increase was led by a 2.3 percent advance in petroleum prices, although a 0.5 percent rise in nonpetroleum prices was also a contributing factor. Export prices increased 0.4 percent for the second consecutive month in August...

'Import Goods

'Import prices increased 0.8 percent in August, compared to a 1.0 percent rise in July. Petroleum prices rose 2.3 percent in August, and were up 25.9 percent over the past five months. Nonpetroleum prices also increased in August, rising 0.5 percent. For the year ended in August, prices for nonpetroleum imports rose 2.7 percent while overall import prices advanced 6.6 percent.

'The August increase in nonpetroleum prices was led by a 1.8 percent rise in the price index for nonpetroleum industrial supplies and materials, which resumed an upward trend following a 0.9 percent downturn in July. The index increased 11.4 percent over the past 12 months. The August increase in nonpetroleum industrial supplies and materials prices was driven by higher natural gas and unfinished metals prices which more than offset declining prices for chemicals and building materials. A 2.5 percent advance in foods, feeds, and beverages prices in August also contributed to the rise in nonpetroleum prices. The increase was the largest one-month jump in the index since March 2005, and prices for foods, feeds, and beverages rose 6.0 percent over the past year.

'Price indexes for each of the major finished goods areas recorded little movement in August. Capital goods prices rose a modest 0.1 percent while the price indexes for consumer goods and automotive vehicles were both unchanged. For the August 2005-2006 period, consumer goods prices and prices for automotive vehicles increased, up 0.7 percent and 0.6 percent, respectively, while capital goods prices decreased 0.3 percent.

'Export Goods

'Export prices rose 0.4 percent in August as higher prices for both agricultural exports and nonagricultural exports contributed to the increase. Prices for agricultural exports advanced for the fourth consecutive month, rising 1.0 percent in August. Higher prices for cotton, corn, and other agricultural foods more than offset lower wheat and soybean prices. Led by the increases in the past four months, agricultural prices rose 3.5 percent for the year ended in August. Nonagricultural prices continued a steady upward trend, rising 0.4 percent in August and 5.3 percent over the past 12 months. Overall export prices advanced a similar 5.2 percent for the year ended in August.'

'The August increase in nonagricultural prices was mostly driven by a 1.5 percent advance in the price index for nonagricultural industrial supplies and materials, which was attributable to higher prices for metals, fuels, and chemicals. Nonagricultural industrial supplies and materials prices rose 15.4 percent for the year ended in August. A 0.2 percent increase in consumer goods prices also contributed to the August rise in nonagricultural prices. Prices for consumer goods advanced 2.4 percent over the past year.'

'In contrast, capital goods prices fell 0.3 percent in August as prices for computers, peripherals, and semi-conductors declined 1.8 percent. Excluding computers, capital goods prices rose 0.2 percent. Despite the August decline, overall capital goods prices increased 0.5 percent over the past 12 months.'

'The price index for automotive vehicles was unchanged in August and up 1.4 percent for the August 2005-2006 period.'

'Imports by Locality of Origin

'Import prices from Canada and from Mexico both rose 1.7 percent in August. In each case, the increase was led by higher fuel prices. The price index for imports from Canada rose 8.3 percent for the year ended in August, while prices for imports from Mexico increased 9.5 percent over the same period.'

'Prices for imports from Japan and from China also advanced in August, each rising 0.1 percent for the month. The upturn in import prices from Japan partially offset a 0.2 percent decrease in July, although the index was down 1.3 percent over the past 12 months. Import prices from China recorded a second consecutive 0.1 percent increase after trending downward over most of the past year. The index declined 1.0 percent over the August 2005-2006 period.'

'The price index for imports from the European Union was unchanged in August after rising in each of the previous three months. Prices for imports from the European Union increased 5.9 percent over the past year.'

'Import and Export Services

'Import air passenger fares declined 0.8 percent in August, the first monthly decrease for the index since February. Despite the August decrease, import air passenger fares rose 5.6 percent over the past year. In contrast, export air passenger fares increased 5.2 percent for the second consecutive month. The August rise was driven by a sharp advance in Japanese fares. Notwithstanding the recent increases, overall export air passenger fares fell 0.5 percent for the year ended in August.'

'The price indexes for import air freight and export air freight moved in opposite directions in August, declining 0.7 percent in the case of import air freight prices while prices for export air freight increased 0.9 percent. The August movement for both indexes followed declines in July.'

Wall Street was none too happy with its lot, in direct contrast to Wednesday's market.

On The New York Stock Exchange, the Dow Jones Industrial Average fell 15.93 points, equivalent to about 0.14 percent, ending the trading session at 11,527.39 points.

On The (tech-laden) NASDAQ, however, its Composite Index added another 1.06 points, or about 0.05 percent, limping up to 2,228.73 points.

The 4 days of gains on the largest equity market in the world had come to an end.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in October fell about 1.17 percent to \$US63.22.

As for November delivery, the last settlement for a barrel of light sweet crude oil was \$US64.11, representing a fall of about 1.34 percent, compared with the last settlement of Wednesday.

In Europe, there was concerned that the inflationary tendency in the US would, like a foot fungus, infect this part of the world.

Indices of the most-important bourses of the region reacted swiftly with fractional falls, as the following **TARGET** list illustrates:

Amsterdam's AEX Index	Plus 0.07 percent
France's CAC 40 Index	Minus 0.27 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.02 percent
Great Britain's FTSE 100 Index	Minus 0.25 percent
Italy's MIBTEL Index	Minus 0.14 percent
Switzerland's Swiss Market Index	Minus 0.38 percent

With only 4 business days to go before the US Federal Reserve Board was due to convene its next Open Market Committee in order to establish interest rates for the next month, European investors were starting to get the jitters.

In Asia, only the equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) and Taiwan were losers, all of the other equity market made rather material gains.

In the HKSAR, the Main Board of The Stock Exchange of Hongkong Ltd saw its Hang Seng Index sag by about 0.16 percent, skidding to 17,183.45 points.

The Total Turnover was about \$HK28.02 billion, with declining counters, outracing advancing ones by the ratio of about 1.47:One.

The Ten Most Actives were:

Li and Fung Ltd (Code: 494)	Down 1.88 percent to \$HK17.72 per share
China Mobile Ltd (Code: 941)	Down 0.96 percent to \$HK51.75 per share

PetroChina Company Ltd (Code: 857) Up 1.09 percent to \$HK8.38 per share

China Construction Bank Corporation (Code: 939) Down 0.30 percent to \$HK3.34 per share

HSBC Holdings plc (Code: 5) Unchanged at \$HK139.80 per share

BOC Hongkong (Holdings) Ltd (Code: 2388) Up 0.59 percent to \$HK17.12 per share

Esprit Holdings Ltd (Code: 330) Up 4.81 percent to \$HK68.70 per share

China Life Insurance Company Ltd (Code: 2628) Up 0.28 percent to \$HK14.30 per share

Bank of China Ltd (Code: 3988) Unchanged at \$HK3.36 per share

CNOOC Ltd (Code: 883) Up 1.27 percent to \$HK6.36 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Beijing Development (Hongkong) Ltd	154		11.11	0.80
Benefun International Holdings Ltd	1130		12.50	0.07
Berjaya Holdings (Hongkong) Ltd	288		25.71	0.052
Broad Intelligence International Pharmaceutical Holdings Ltd	1149	18.00		0.59
China Elegance (Holdings) Ltd	476	21.54		0.079
China Velocity Group Ltd	149	16.13		0.54
Kader Holdings Company Ltd	180	13.24		0.385
Nippon Asia Investments Holdings Ltd	603	11.80		0.199
Peaktop International Holdings Ltd	925		20.00	0.088
Qualipak International Holdings Ltd	1224	13.79		0.33

San Miguel Brewery Hongkong Ltd	236	17.24		1.70
SEEC Media Group Ltd	205	10.53		0.315
Sky Hawk Computer Group Holdings Ltd	1129	27.78		0.115
Wonderful World Holdings Ltd	109	41.98		0.115

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, there was widespread selling of GEM shares as investors were, clearly, getting exceedingly concerned about the health of a number of listed companies.

The Growth Enterprise Index surrendered about 1.87 percent of its value, falling back to 1,107.64 points on a Total Turnover of about \$HK128.31 million.

Losing counters outnumbered gaining ones by the ratio of about 1.46:One.

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

Wumart Stores Incorporated (Code: 8277)	Down 3.85 percent to \$HK25.00 per share
B.A.L. Holdings Ltd (Code: 8079)	Up 3.49 percent to \$HK0.445 per share
Galileo Capital Group Ltd (Code: 8029)	Up 15.28 percent to \$HK0.415 per share
Techpacific Capital Ltd (Code: 8088)	Up 1.92 percent to \$HK0.53 per share
Ko Yo Ecological Agrotech (Group) Ltd (Code: 8042)	Up 5.00 percent to \$HK0.63 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131	13.56		0.134
AKM Industrial Company Ltd	8298		10.71	0.25
China Chief Cable TV Group Ltd	8153		55.00	0.315
China Photar Electronics Group Ltd	8220	15.56		0.26
China Vanguard Group Ltd	8156		10.53	1.70

Era Information and Entertainment Ltd	8043		21.30	0.085
Galileo Capital Group Ltd	8029	15.28		0.415
Launch Tech Company Ltd	8196		11.79	1.72
Mobile Telecom Network (Holdings) Ltd	8266		13.33	0.052
New Chinese Medicine Holdings Ltd	8085	11.43		0.078
New Universe International Group Ltd	8068		18.18	0.027
Thiz Technology Group Ltd	8119	45.16		0.09
Venturepharm Laboratories Ltd	8225	19.51		0.49
Xteam Software International Ltd	8178	12.12		0.037

In Japan, the key indices of the country's 3 equity markets moved to much-higher ground.

The TOPIX Index, which is the official index of The Tokyo Stock Exchange, rose 0.92 percent, exactly, to 1,598.13 points.

Advancing counters outran declining ones by the ratio of about 2.09:One.

As for The Nikkei-225 Stock Average, it rose about 1.22 percent to end the trading session at 15,942.39 yen.

And, in other Asian equity markets, this was how their key indices closed the day:

The HKSAR	Hang Seng Index Minus 0.16 percent to 17,183.45 The Growth Enterprise Index Minus 1.87 percent to 1,107.64
Indonesia	Plus 0.70 percent to 1,461.29
Japan	TOPIX Index Plus 0.92 percent to 1,598.13 Nikkei-255 Stock Average Plus 1.22 percent to 15,942.39
Malaysia	Plus 0.30 percent to 957.10
The Philippines	Plus 1.14 percent to 2,406.48

Singapore	Plus 0.44 percent to 2,518.97
South Korea	Plus 1.92 percent to 1,358.75
Taiwan	Minus 0.99 percent to 6,598.87
Thailand	Plus 0.54 percent to 701.97

Friday

There certainly was no lack of news, last Friday, both from US Government departments and from the private sector.

From the US Department of Labour, the Consumer Price Index for August was released.

The August figures indicated, Year-On-Year, an increase of about 3.80 percent.

Month-On-Month, there had been an increase of about 0.20 percent.

This is the full text of The Labour Department's findings, minus the statistical tables:

'CONSUMER PRICE INDEX: AUGUST 2006

'The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.2 percent in August, before seasonal adjustment... The August level of 203.9 (1982-84=100) was 3.8 percent higher than in August 2005.

'The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) also increased 0.2 percent in August, prior to seasonal adjustment. The August level of 199.6 (1982-84=100) was 3.9 percent higher than in August 2005.

'The Chained Consumer Price Index for All Urban Consumers (C-CPI-U) increased 0.3 percent in August on a not seasonally adjusted basis. The August level of 117.9 (December 1999=100) was 3.4 percent higher than in August 2005. Please note that the indexes for the post-2004 period are subject to revision.

'CPI for All Urban Consumers (CPI-U)

'On a seasonally adjusted basis, the CPI-U advanced 0.2 percent in August, following a 0.4 percent rise in July. Energy prices, which advanced 2.9 percent in July, rose 0.3 percent in August. Within energy, the index for petroleum based energy increased 0.4 percent and the index for energy services rose 0.2 percent.

...

'The food index increased 0.4 percent in August. The index for all items less food and energy rose 0.2 percent in August, the same as in July. A sharp upturn in the index for apparel was largely offset by a smaller increase in shelter costs, which rose 0.2 percent in August after increasing 0.4 percent in July.

'During the first eight months of 2006, the CPI-U rose at a 4.6 percent seasonally adjusted annual rate (SAAR). This compares with an increase of 3.4 percent for all of 2005. The index for energy, which rose 17.1 percent in 2005, advanced at a 22.3 percent SAAR in the first eight months of 2006. Petroleum-

based energy costs increased at a 45.7 percent annual rate, while charges for energy services fell at a 2.0 percent annual rate. The food index increased at a 2.4 percent SAAR thus far this year, following a 2.3 percent rise for all of 2005. Excluding food and energy, the CPI-U advanced at a 3.0 percent SAAR in the first eight months, following a 2.2 percent rise for all of 2005.

'The food and beverages index increased 0.3 percent in August. The index for food at home rose 0.4 percent in August, following a 0.2 percent increase in July. The indexes for meats, poultry, fish, and eggs and for fruits and vegetables each increased 1.0 percent in August. Within the former category, prices for beef, poultry, fish and seafood, and eggs all turned up in August, each advancing more than 1.0 percent, and pork prices rose for the second consecutive month.

Increases in the indexes for fresh vegetables and for processed fruits and vegetables – up 3.1 and 0.2 percent, respectively – more than offset a 0.6 percent drop in the index for fresh fruits. The index for nonalcoholic beverages rose 0.8 percent in August after declining 0.5 percent in July, reflecting an upturn in prices for carbonated drinks. The index for cereal and bakery products was unchanged in August, while the indexes for dairy products and other food at home declined 0.8 and 0.2 percent, respectively. The other two components of the food and beverages index – food away from home and alcoholic beverages – increased 0.3 percent and were virtually unchanged, respectively.

'The index for housing, which rose 0.3 percent in July, increased 0.2 percent in August. The index for shelter rose 0.2 percent, following a 0.4 percent rise in July. Within shelter, the indexes for rent and owners' equivalent rent increased 0.4 and 0.3 percent, respectively, while the index for lodging away from home fell 0.4 percent. The index for fuels and utilities – up 0.3 percent in August – increased for the second consecutive month after registering declines in each of the preceding five months. The index for natural gas rose 0.7 percent in August, its first increase since January. The index for electricity decreased 0.1 percent. The index for fuel oil rose for the fifth consecutive month – up 2.0 percent in August. During the last 12 months, the indexes for fuel oil, for electricity, and for natural gas have increased 16.8, 12.0, and 2.8 percent, respectively. The index for household furnishings and operations, which was unchanged in the two preceding months, rose 0.2 percent in August.

'The transportation index increased 0.2 percent in August. The index for gasoline rose 0.2 percent, following a 5.3 percent increase in July. (Prior to seasonal adjustment, gasoline prices declined 0.5 percent from their peak level registered in July.) The index for new vehicles declined 0.1 percent in August but was 1.0 percent higher than a year ago. (Prior to seasonal adjustment, new vehicle prices fell 0.4 percent.) The index for used cars and trucks increased 0.2 percent in August and was 0.3 percent higher than in August 2005. Within the index for public transportation, airline fares declined 1.9 percent in August after advancing 12.6 percent in the first seven months of the year.

'The index for apparel, which declined 1.2 percent in July, increased 0.9 percent in August (Prior to seasonal adjustment, apparel prices advanced 2.0 percent, as price increases associated with the introduction of fall-winter wear more than offset the decline in prices for discounted spring-summer clothing. Prior to seasonal adjustment, prices for women's clothing, which declined 7.4 percent in July, increased 3.3 percent in August.)

'Medical care costs rose 0.4 percent in July and were 4.3 percent higher than a year ago. The index for medical care commodities – prescription drugs, nonprescription drugs, and medical supplies – increased 0.3 percent. The index for medical care services rose 0.4 percent in August. The indexes for professional services and for hospital and related services increased 0.3 and 0.8 percent, respectively.

'The index for recreation declined 0.1 percent in August, largely reflecting a decline in the index for video and audio. Within this category, the index for televisions declined 2.2 percent.

‘The index for education and communication increased 0.3 percent in August. Educational costs rose 0.7 percent, reflecting increases of 1.2 percent in the index for college textbooks and 0.6 percent in the index for college tuition. (Prior to seasonal adjustment, charges for college tuition and fees rose 2.9 percent in August and were 7.1 percent higher than a year ago.) The index for communication was unchanged. Within this group, the index for telephone services rose 0.3 percent, as increases in charges for local and long distance land-line telephone services – up 0.4 and 0.9 percent, respectively – more than offset a 0.2 percent decline in wireless telephone services. The index for information technology, hardware, and services declined 1.6 percent in August.

‘The index for other goods and services, which declined 0.2 percent in July, rose 0.3 percent in August. Declines in the indexes for tobacco and smoking products and for personal care products – each down 0.1 percent – were more than offset by increases in personal care services. The index for legal services rose 1.2 percent in August.

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

‘On a seasonally adjusted basis, the CPI for Urban Wage Earners and Clerical Workers rose 0.4 percent in August...’.

Then, from the US Federal Reserve came the following news with regard to Industrial Production and Capacity Utilisation for the month of August.

This is the nut of that which The Fed’s pen-pushers had determined:

‘INDUSTRIAL PRODUCTION AND CAPACITY UTILIZATION

‘Industrial production declined 0.1 percent in August after an increase of 0.4 percent in July. Manufacturing output was unchanged in August; it advanced an upward-revised 0.4 percent in July. The output at utilities fell in August, as temperatures returned to more-normal levels. Production at mines moved down after increasing in the previous four months.

‘Capacity utilization for total industry fell to 82.4 percent in August. Even so, the utilization rate was more than 2 percentage points above its level in August 2005 and 1.4 percentage points above its 1972-2005 average ...

‘Market Groups

‘The output of consumer goods edged up 0.1 percent in August. An increase of 1.2 percent in the production of durable consumer goods mainly reflected an increase in the output of automotive products. After falling at an annual rate of 1 million units in July, assemblies of autos and light trucks rose 0.4 million units, to 10.6 million units, in August. The output of appliances, furniture, and carpeting moved up 1.2 percent after having declined for four consecutive months. The index for home electronics moved up, and the index for miscellaneous durable goods decreased. The production of consumer nondurable goods fell 0.3 percent; within this category, all of the major indexes declined, except clothing, which edged up 0.1 percent.

‘In August, the production of business equipment moved down 0.2 percent but was up 13.5 percent from its year-earlier level. The index for industrial and other equipment edged down 0.2 percent. Led by gains in the output of civilian aircraft and motor vehicles, the production of transit equipment increased 0.3 percent and was up 18.5 percent from its year-earlier level. A decline of 0.4 percent in the production of information processing equipment reflected a decrease in the output of communications equipment that was partly offset by an increase in the production of business computers. A rise of 0.3 percent in the production of defense and space equipment followed appreciable gains in June and July.

'The production of construction supplies edged down 0.1 percent in August after a gain of 0.7 percent in July. The index for business supplies fell 0.7 percent in August, its first decline in six months. A decrease of 0.2 percent in the index for materials reflected lower output of both non-energy and energy materials. The indexes for consumer parts and for equipment parts moved up, but the index for other durable materials was flat. Among the major categories of nondurable non-energy materials, the indexes for paper and for chemicals fell, and the output of textiles was unchanged.'

'Industry Groups

'Manufacturing output was flat in August, as a rise in the production of durable goods was offset by a decrease in the output of nondurables. Capacity utilization in manufacturing edged down to 81.0 percent, a level that was still 2.2 percentage points above that of August 2005. Within the durable manufacturing category, the production of motor vehicles and parts increased but was down 2.7 percent from its year-earlier level. An increase in the output of primary metals in August partially reversed a decline in July. The index for fabricated metal products moved up in August for a third consecutive month. The production of machinery retreated 0.5 percent after a jump of 4.5 percent in July. The output of computer and electronic products increased 0.5 percent in August. A decrease in the output of nondurable goods reflected widespread declines among the major categories; the only major category that increased was petroleum and coal products, which rose 0.2 percent. The output of other (non-NAICS) manufacturing industries (publishing and logging) fell 0.6 percent.'

'In mining, a drop of 0.3 percent in output was due mostly to a decline in oil and gas extraction. Capacity utilization at mines declined to 91.7 percent. The output at utilities dropped 0.8 percent, and capacity utilization for the industry fell to 88.5 percent.'

'Capacity utilization for industries in the crude stage of processing decreased 0.2 percentage point, to 89.1 percent. The operating rate for industries in the primary and semifinished stages moved down 0.4 percentage point, to 83.6 percent. For industries in the finished goods stage, capacity utilization edged down 0.1 percentage point, to 79.8 percent.'

From the private sector, Ford Motor Company announced, once again, its plans for the future.

The company will slash 14,000, white-collar workers in North America and shut down 16 factories there by 2008.

This is in addition to offering redundancy payments to 75,000 unionised, blue-collar workers.

In Canada, Ford will close down its engine factory at Essex, Ontario, Canada, within the next 9 months or so.

Also, dividend payments will be halted, forthwith.

From the would-be Number One manufacturer of motor vehicles in the world, DaimlerChrysler AG, it was announced that it was revising, downward, its 2006 earnings forecast due to mounting losses at Chrysler in the US.

It lowered its profits by about \$US1.27 billion.

Wall Street appeared to be unperturbed by the news, both from US Government departments and from some of the largest industrial concerns in the US.

On The New York Stock Exchange, the Dow Jones Industrial Average rose about 0.29 percent to 11,560.77 points.

The NASDAQ's Composite Index put on about 0.31 percent, ending the week at 2,235.59 points.

It appeared that investors in The Land of The Free and The Home of The Brave were fixated by the prospects of a tamed Federal Reserve Open Market Committee Board Meeting, scheduled for the following Wednesday.

The tally for the week for the largest equity markets of the world were:

The Dow Jones Industrial Average	Plus	1.48 percent
The NASDAQ's Composite Index	Plus	3.22 percent

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in October was \$US63.33, representing an increase of about 0.17 percent on Thursday's last settlement.

As for November settlement, the last settlement was \$64.02 per barrel of light sweet crude oil.

That closing price for the week represented a fall of 0.14 percent, exactly, on the last quote of Thursday.

In Europe, investors were hesitant to make any new commitments in view of the upcoming interest-rate meeting of The Fed.

As a result, key indices of the most-important equity markets moved only fractionally throughout the entire trading day:

Amsterdam's AEX Index	Plus	0.71 percent
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France's CAC 40 Index	Plus	0.41 percent
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Germany's Frankfurt XETRA DAX Index	Plus	0.51 percent
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Great Britain's FTSE 100 Index	Unchanged
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Italy's MIBTEL Index	Minus	0.12 percent
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Switzerland's Swiss Market Index	Plus	0.56 percent
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On Asian equity markets, it was more of a waiting game as investors determined to wait for the outcome of the following Wednesday (Washington time) meeting of The Fed.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the volume of activity of the premier equity market fell back, very materially.

The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, gained about 0.32 percent to close out the week at 17,237.65 points.

The Total Turnover fell to about \$HK22.22 billion, while the ratio of losers to gainers narrowed, to about 1.04:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)

Up 0.36 percent to \$HK140.30 per
share

China Construction Bank Corporation (Code: 939)	Down 0.60 percent to \$HK3.32 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 0.58 percent to \$HK17.22 per share
PetroChina Company Ltd (Code: 857)	Down 0.12 percent to \$HK8.37 per share
China Life Insurance Company Ltd (Code: 2628)	Up 0.28 percent to \$HK14.34 per share
China Mobile Ltd (Code: 941)	Up 0.19 percent to \$HK51.85 per share
CNOOC Ltd (Code: 883)	Up 0.16 percent to \$HK6.37 per share
Esprit Holdings Ltd (Code: 330)	Up 2.26 percent to \$HK70.25 per share
Bank of China Ltd (Code: 3988)	Unchanged at \$HK3.36 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 0.83 percent to \$HK4.78 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)
Beijing Development (Hongkong) Ltd	154	11.25		0.89
BEP International Holdings Ltd	2326	27.50		0.102
Berjaya Holdings (Hongkong) Ltd	288	53.85		0.08
Broad Intelligence International Pharmaceutical Holdings Ltd	1149	27.12		0.75
CASIL Telecommunications Holdings Ltd	1185	12.05		0.465
China Motion Telecom International Ltd	989		10.59	0.38
China Star Entertainment Ltd	326	10.71		0.31
Compass Pacific Holdings Ltd	1188		15.38	0.11

e-Kong Group Ltd	524	14.93		0.77
Frankie Dominion International Ltd	704	10.29		0.15
Fulbond Holdings Ltd	1041	10.00		0.022
The Grande Holdings Ltd	186	10.31		2.89
Lo's Enviro-Pro Holdings Ltd	309		10.61	0.59
Multifield International Holdings Ltd	898	20.83		0.145
New Capital International Investment Ltd	1062	13.33		0.17
Shinhint Acoustic Link Holdings Ltd	2728		12.68	0.62
SiS International Holdings Ltd	529		17.99	1.14
TCL Multimedia Technology Holdings Ltd	1070	10.94		0.71
Zhong Hua International Holdings Ltd	1064		11.11	0.12
Zhongtian International Ltd	2379		16.67	0.30

Over on The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, there was a bit of a rout as its lone index, The Growth Enterprise Index, shed another 1.01 percent of its value, dropping back to 1,096.45 points.

The Total Turnover on this market was about \$HK147.24 million.

Advancing counters outnumbered declining ones by the ratio of about 1.04:One.

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

Chinasoft International Ltd (Code: 8216)

Up 0.84 percent to \$HK1.20 per share

Wumart Stores Incorporated (Code: 8277)

Down 2.40 percent to \$HK24.40 per share

China Fire Safety Enterprise Group Holdings Ltd (Code: 8201)

Unchanged at \$HK0.72 per share

B.A.L. Holdings Ltd (Code: 8079)

Down 5.62 percent to \$HK0.42 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		21.64	0.105
Asian Information Resources (Holdings) Ltd	8025	13.64		0.025
China Chief Cable TV Group Ltd	8153	17.46		0.37
Computech Holdings Ltd	8081		12.00	0.22
GreaterChina Technology Group Ltd	8032	10.00		0.022
Plasmagene Biosciences Ltd	8250	10.42		0.159
Prosten Technology Holdings Ltd	8026	34.38		0.43
Sau San Tong Holdings Ltd	8200	10.00		0.11

The tally for the week for Asia's second-largest equity market was:

The Hang Seng Index Plus 0.54 percent
The Growth Enterprise Index Minus 3.36 percent

In Japan, there were only losses on the country's equity markets, caused in large part by a report from Hitachi Ltd, that it would be reporting a loss for its Financial Year, and the resignation of Mr Heizo Takenaka, the country's Internal Affairs and Communications Minister.

On The Tokyo Stock Exchange, its TOPIX Index lost about 0.29 percent, falling back to 1,593.43 points.

The ratio of losing counters to gaining ones was about 1.91:One.

The Nikkei-225 Stock Average lost about 0.47 percent of its value, ending the week at 15,866.93 yen.

The tally for the largest equity market of Asia was:

The TOPIX Index Minus 1.64 percent
The Nikkei-225 Stock Average Minus 1.33 percent

In other Asian equity markets, this was how their key indices ended the week of September 15, 2006:

The HKSAR	Hang Seng Index Plus 0.32 percent to 17,237.65 The Growth Enterprise Index
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	Minus 1.01 percent to 1,096.45
Indonesia	Plus 0.30 percent to 1,465.70
Japan	TOPIX Index Minus 0.29 percent to 1,593.43 Nikkei-255 Stock Average Minus 0.47 percent to 15,866.93
Malaysia	Plus 0.20 percent to 958.99
The Philippines	Plus 1.18 percent to 2,434.86
Singapore	Plus 0.12 percent to 2,521.91
South Korea	Plus 0.17 percent to 1,361.10
Taiwan	Plus 1.25 percent to 6,681.09
Thailand	Minus 0.19 percent to 700.61

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