

**THE WAR DRUMS ARE DUSTED OFF AS
NORTH KOREA THREATENS A NUCLEAR TEST**

But Wall Street Seems Unperturbed

Confirmation that Venezuela and Nigeria had, unilaterally, cut crude-oil production by about 200,000 barrels per day in order to try to boost the oil price on world markets sent international commodity markets into a bit of a dither, early last Monday.

Venezuela is the world's ninth-largest producer of oil while Nigeria is Number Twelve in the line.

But when it became known that the US had very healthy stockpiles of oil and petrol, down came the price of crude oil – with a crash!

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in November was \$US61.03, representing a fall of about 2.99 percent, compared with the previous Friday's last settlement.

For December delivery, the last settlement was \$US62.32 per barrel of light sweet crude oil, equivalent to a drop of about 2.94 percent, compared with the last quote of Friday, September 29, 2006.

With statistics, proving that the US economy is continuing to slow, investors on Wall Street became very jittery, last Monday, resulting in widespread losses among the hi-tech counters.

On The New York Stock Exchange, the Dow Jones Industrial Average shed 8.72 points, equivalent to about 0.07 percent, falling back to 11,670.35 points.

However, on The NASDAQ, its Composite Index gave up 20.83 points, or about 0.92 percent, dropping to 2,237.60 points.

The ratio of losing counters to gaining ones was about 2:One on The NASDAQ, but only by about 1.29:One on the Big Board of The New York Stock Exchange.

Among the factors, which caused Wall Street to be especially cautious, last Monday, was a report from The Institute of Supply Management, which showed that its Manufacturing Index had fallen in September by about 3.64 percentile points, Month-On-Month, to 52.90 points.

Meanwhile, in the Middle East, there was seemingly good news for the State of Israel as it became evident that the Hamas-led, Palestinian Government of the West Bank was in shambles, with loyal members of the ousted Fatah Party, engaged in running shoot-outs with Hamas militia and security people.

Sunday, October 1, 2006, had seen streets of Gaza City strewn with dead bodies from both parties: At least, 9 people had been known to have died in the inter-Party clashes.

As long as Palestinians are killing Palestinians and as long as it is clear that Hamas continues to be labelled as a terrorist organisation, internationally, it bodes well for the State of Israel on the dictum of the common-

enemy principle.

In Europe, the key indices of the most-important bourses of the region lost ground, but only small, fractional losses were recorded, for the most part:

Amsterdam's AEX Index	Minus 0.14 percent
France's CAC 40 Index	Minus 0.13 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.08 percent
Great Britain's FTSE 100 Index	Minus 0.05 percent
Italy's MIBTEL Index	Minus 0.11 percent
Switzerland's Swiss Market Index	Minus 0.17 percent

During trading in stocks and shares on European bourses, the price of crude oil staged a determined recovery on the back of the Venezuelan and Nigerian reports of the cutbacks in crude-oil production.

European traders did not know, during their trading day, of the inventory levels of crude oil in the US.

In Asia, the equity markets of the People's Republic of China (PRC) were closed for a week-long holiday and the equity markets of the Hongkong Special Administrative Region (HKSAR) of the PRC were, also, closed for a one-day, territory-wide holiday.

In other Asian stock markets, key indices of the major stock markets registered useful gains.

On The Tokyo Stock Exchange, which is the most-important equity market of Asia, its TOPIX Index rose 14.37 points, equivalent to about 0.88 percent, to end the trading day at 1,625.12 points.

Gaining counters were ahead of losing ones by the ratio of about 2.41:One.

The Nikkei-225 Stock Average followed The TOPIX Index with an improvement of 126.71 yen, or about 0.79 percent, coming to rest at 16,254.29 yen.

This was how the key indices of other Asian stock markets fared, last Monday night:

The HKSAR	Hang Seng Index Closed The Growth Enterprise Index Closed
Indonesia	Minus 0.37 percent to 1,528.91
Japan	TOPIX Index Plus 0.88 percent to 1,625.10 Nikkei-255 Stock Average Plus 0.79 percent to 16,254.29

Malaysia	Plus 0.22 percent to 969.67
The Philippines	Minus 0.55 percent to 2,542.69
Singapore	Plus 1.21 percent to 2,600.06
South Korea	Plus 0.20 percent to 1,374.22
Taiwan	Plus 1.33 percent to 6,960.95
Thailand	Minus 0.33 percent to 683.84

Tuesday

The world was almost in a state of turmoil, last Tuesday, following an official announcement on North Korea's state television station that the country would conduct a nuclear test *'in the near future'*.

The North Korean *'cat'* was among the international *'pigeons'* as the announcement spread throughout the world, causing fiery reactions from just about every quarter – even from North Korea's most-ardent allies.

The US Secretary of State, Dr Condoleeza Rice, speaking from Cairo, Egypt, said that the US would have to assess its options in the event that North Korea did, indeed, carry out its threats.

She used the term, *'provocative act'*, in describing the North Korean statement.

The US Ambassador to the United Nations, Mr John Bolton, said that he would be raising the issue in The Security Council and he hoped for a strong response.

The Prime Minister of Japan, Mr Shinzo Abe, said that North Korea's plan for a nuclear test would amount to an unacceptable act and would be met *'harshly'*.

Japan's Foreign Minister, Mr Taro Aso, said that such an act would amount to a threat to peace and that it was absolutely unforgivable.

In London, England, the Foreign Office warned of *'serious consequences'* to what would amount to *'a highly provocative act'*.

It would not have been incorrect to state that a number of countries, especially in the West, pressed the standby signal: Phase One of a potential new war.

The North Korean announcement was met with a yawn on Wall Street, last Tuesday, however, because it was not the first time that this reclusive, Communist country had perpetrated provocative acts, acts which could well lead to immediate retaliation by the West.

Anyway, it is well known that North Korea is *'for sale'*, provided that its price can be met: A free nuclear reactor to generate electricity; a couple of container ships, loaded to the gills with free grain; a couple of new airports; some deep-water terminals; etc, etc, etc.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 56.99 points, equivalent to about 0.49 percent, ending the heavy trading day at 11,727.34 points.

This was The Dow's highest point in its 110-year history, surpassing the record of January 14, 2000, when this key index closed the day at 11,722.98 points.

But, on The NASDAQ, its Composite Index only rose by 6.05 points, or about 0.27 percent, limping up to 2,243.65 points.

But the gains on the world's largest equity markets of last Tuesday were highly suspect, with the ratio of gaining counters to losing ones, being about 1.06:One on The New York Stock Exchange, and about 1.14:One on The NASDAQ.

One factor that was spurring key indices of US equity markets to record-high levels was a continuing fall in the price of crude oil on international commodity exchanges.

However, in view of the tensions, which had been caused by North Korea's announcement with regard to its proposed nuclear test, it was questionable as to whether or not (a) Wall Street could continue with its upward movements for any appreciable length of time and (b) the price of crude oil would continue to fall.

On The New York Mercantile Exchange (NYMEX), last Tuesday, the last settlement for a barrel of light sweet crude oil for delivery in November was \$US58.68, exactly, equivalent to a fall of 3.85 percent on Monday's closing level.

As for December delivery, the last settlement for a barrel of light sweet crude oil was \$US60.05, a drop of about 3.64 percent, compared with the last settlement on Monday.

In the Middle East, Israel, no doubt, was watching with a great deal of interest and glee as the governing Hamas Party of the Palestinians continued its fight with ousted Fatah Party loyalists.

Officials of Fatah announced, last Tuesday, that it had marked 3 senior Hamas officials for execution by the al-Aqsa Martyrs Brigade:

'We in al-Aqsa announce, with all might and frankness ... (that we shall) execute the head of the sedition, Khaled Meshaal, Said Siyam, and Youssef al-Zahar, and we shall execute this ruling so that those filthy people can be made an example ... '.

Charming!

As at last Tuesday's count, in 3 days of fighting, there had been 8 recorded deaths on both sides and 60 recorded injuries of varying degrees.

The President of the Palestinian Authority, Mr Mahmoud Abbas, and the elected Prime Minister, a member of the Hamas (terrorist) Party, Mr Ismail Haniya, appealed for calm, urging the killing to stop.

While The New York Stock Exchange's key index hit a new record high, last Tuesday, in Europe, it was a completely different story as key indices of major bourses continued to fall to lower levels for the second, consecutive day:

Amsterdam's AEX Index	Minus 0.25 percent
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France's CAC 40 Index	Minus 0.44 percent
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Germany's Frankfurt XETRA DAX Index	Minus 0.12 percent
Great Britain's FTSE 100 Index	Minus 0.34 percent
Italy's MIBTEL Index	Minus 0.21 percent
Switzerland's Swiss Market Index	Minus 0.28 percent

Ironically, it was the substantial drop in the price of crude oil on international commodity exchanges, which was primarily responsible for many of the falls of key European indices since European bourses are studded with energy counters.

In addition, the threat from North Korea did not sit well with many a European fund manager.

In Asia, only the key indices of the equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) and Indonesia managed to record plus scores, last Tuesday.

But one had to bear in mind that last Saturday, October 7, 2006, was the Mid-Autumn Festival when, traditionally, lovers meet (for one reason or another) so that many people in Asia were not very interested in playing equity markets, their minds, concentrating on '*other things*'.

On the Main Board of The Stock Exchange of Hongkong Ltd, its Hang Seng Index managed a gain of about 0.36 percent, ending the trading day at 17,606.53 points.

The Total Turnover was about \$HK39.96 billion.

The ratio of losing counters to gaining ones was about 1.06:One.

The Ten Most Active counters were:

China Construction Bank Corporation (Code: 939)	Up 2.97 percent to \$HK3.47 per share
China Merchants Bank Company Ltd (Code: 3968)	Up 6.74 percent to \$HK11.72 per share
Great Eagle Holdings Ltd (Code: 41)	Down 1.23 percent to \$HK28.05 per share
HSBC Holdings plc (Code: 5)	Down 0.21 percent to \$HK141.80 per share
Bank of China Ltd (Code: 3988)	Up 0.90 percent to \$HK3.38 per share
China Mobile Ltd (Code: 941)	Up 1.63 percent to \$HK55.95 per share
China Life Insurance Company Ltd (Code: 2628)	Up 0.66 percent to \$HK15.34 per share
PetroChina Company Ltd (Code: 857)	Down 0.60 percent to \$HK8.33 per share

China BlueChemical Ltd (Code: 3983)

Up 7.08 percent to \$HK2.42
per share

BOC Hongkong (Holdings) Ltd (Code: 2388)

Up 0.69 percent to \$HK17.62
per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Build King Holdings Ltd	240	10.47		0.19
Century Legend (Holdings) Ltd	79		14.29	0.042
China Elegance (Holdings) Ltd	476		11.76	0.06
China Fair Land Holdings Ltd	169		10.77	0.29
China Golden Development Holdings Ltd	162	17.78		0.265
China Motion Telecom International Ltd	989		14.52	0.53
Ching Hing (Holdings) Ltd	692	22.81		0.07
E. Bon Holdings Ltd	599	17.89		0.56
Easyknit Enterprises Holdings Ltd	616		10.00	0.45
Easyknit International Holdings Ltd	1218	11.36		0.049
Everest International Investments Ltd	204	32.00		0.066
Fushan International Energy Group Ltd	639	14.04		1.30
Greater China Holdings Ltd	431		17.24	0.24
Green Energy Group Ltd	979	13.18		1.46
Hua Lien International (Holding) Company Ltd	969	10.00		0.165
Kwang Sung Electronics Hongkong Company Ltd	2310	11.11		1.40
Kwong Hing International Holdings (Bermuda) Ltd	1131	15.79		0.22
Lung Cheong International Holdings Ltd	348		10.00	0.27

Mei Ah Entertainment Group Ltd	391		12.20	0.36
Morning Star Resources Ltd	542		13.92	0.068
Poly Investments Holdings Ltd	263		16.47	0.071
Qualipak International Holdings Ltd	1224	23.08		0.40
Shanghai Merchants Holdings Ltd	1104	12.07		0.325
Tak Sing Alliance Holdings Ltd	126	11.58		1.06
Takson Holdings Ltd	918	11.88		0.226
Tan Chong International Ltd	693	10.81		2.05
Wing Hong (Holdings) Ltd	745		13.79	0.025
Yeebo (International Holdings) Ltd	259		10.67	0.67

Over on The (speculative) **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, this market burst into a life of its own, last Tuesday, with its lone index, The Growth Enterprise Index, rising about 1.07 percent to hit 1,114.32 points by the close of the day.

The Total Turnover continued on the low side, however, at about \$HK167.59 million.

In spite of The Growth Enterprise Index, being substantially higher, losing counters outraced gaining ones by the ratio of about 1.42:One.

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

Beijing Jingkelong Company Ltd (Code: 8245)	Up 2.78 percent to \$HK5.54 per share
Techpacific Capital Ltd (Code: 8088)	Up 8.33 percent to \$HK0.52 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Up 9.33 percent to \$HK0.82 per share
Golden Meditech Company Ltd (Code: 8180)	Up 4.06 percent to \$HK2.05 per share
Wumart Stores Incorporated (Code: 8277)	Up 1.30 percent to \$HK27.35 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131		14.12	0.073
Capital Publications Ltd	8155	13.64		0.05
FX Creations International Holdings Ltd	8136	17.22		0.211
New Chinese Medicine Holdings Ltd	8085	16.67		0.42
New Universe International Group Ltd	8068	10.00		0.033
Northeast Tiger Pharmaceutical Company Ltd	8197	29.17		0.062
Soluteck Holdings Ltd	8111		26.00	0.037
TeleEye Holdings Ltd	8051	14.13		0.105
Tiger Tech Holdings Ltd	8046		10.64	0.042
Timeless Software Ltd	8028		10.98	0.073
Zhejiang Prospect Company Ltd	8273	12.50		0.90

In Japan, the country's equity markets' key indices all fell.

On The Tokyo Stock Exchange, its TOPIX Index shed about 0.45 percent of its value, falling back to 1,617.84 points.

Losers outnumbered gainers by the ratio of about 2.17:One.

The Nikkei-225 Stock Average lost 12.20 yen, equivalent to about 0.08 percent, ending the quiet trading session at 16,242.09 yen.

This was how the key indices of other Asian equity markets closed their respective trading days, last Tuesday:

The HKSAR	Hang Seng Index Plus 0.36 percent to 17,606.53 The Growth Enterprise Index Plus 1.07 percent to 1,114.32
Indonesia	Plus 0.58 percent to 1,537.71

Japan	TOPIX Index Minus 0.45 percent to 1,617.84 Nikkei-255 Stock Average Minus 0.08 percent to 16,242.09
Malaysia 967.56	Minus 0.22 percent to
The Philippines	Minus 0.79 percent to 2,522.50
Singapore	Minus 0.26 percent to 2,593.27
South Korea	Closed
Taiwan	Minus 0.06 percent to 6,956.88
Thailand	Minus 0.29 percent to 681.84

Wednesday

The US Government sent a stern warning to the Government of North Korea, last Wednesday, in the form of a not-so veiled ultimatum, issued by Mr Chris Hill, Assistant Secretary of State, who told the US-Korea Institute, which is part of Johns Hopkins University:

‘We are not going to live with a nuclear North Korea; we are not going to accept it ... it (North Korea) can have a future, or, it can have these weapons. It cannot have both ...’.
(Please refer to Tuesday’s report on this subject)

The world waited to learn of the reaction from North Korea which claims to be ready to test a nuclear weapon.

While Asia shuddered at the thought of another war, on Wall Street, investors piled into stocks and shares, sending some indices to new record highs.

On The New York Stock Exchange, the Dow Jones Industrial Average gained 123.27 points, equivalent to about 1.05 percent, pushing up to 11,850.61 points.

The NASDAQ’s Composite Index put on 47.30 points, or about 2.11 percent, ending the trading day at 2,290.95 points.

There appeared to be little rationale to the hefty gains on the world’s largest equity markets ... but who was complaining?

Meanwhile, on The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in November was \$US59.41, representing an increase of about 1.23 percent, compared with Tuesday’s closing level.

As for December delivery, the last settlement for a barrel of light sweet crude oil came in at \$US60.74, an

increase of about 1.15 percent on the last settlement of Tuesday.

Europe followed Wall Street's lead with every key index of every major bourse, making useful gains:

Amsterdam's AEX Index	Plus	0.57 percent
France's CAC 40 Index	Plus	0.70 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.90 percent
Great Britain's FTSE 100 Index	Plus	0.49 percent
Italy's MIBTEL Index	Plus	0.68 percent
Switzerland's Swiss Market Index	Plus	0.80 percent

Asia was a different story, altogether, as key indices of most of the major equity markets in the world's most-populous region groaned under the threat of a war between North Korea and the West.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), while the Total Turnover on the Main Board of The Stock Exchange of Hongkong Ltd hit a new record of about \$HK43.19 billion, the Hang Seng Index, which is the key index of this equity market, hardly moved, throughout the entire trading day.

At the close of the day, the Hang Seng Index stood at 17,629.21 points, representing a gain of about 0.13 percent on Tuesday's close.

Declining counters outran advancing ones by the ratio of about 1.36:One.

The Ten Most Actives were:

China Mobile Ltd (Code: 941)	Up 1.88 percent to \$HK57.00 per share
*Shui On Land Ltd (Code: 272)	\$HK5.90 per share
China Construction Bank Corporation (Code: 939)	Up 0.58 percent to \$HK3.49 per share
PetroChina Company Ltd (Code: 857)	Down 2.52 percent to \$HK8.12 per share
HSBC Holdings plc (Code: 5)	Unchanged at \$HK141.80 per share
China Merchants Bank Company Ltd (Code: 3968)	Up 1.37 percent to \$HK11.88 per share
Bank of China Ltd (Code: 3988)	Up 0.89 percent to \$HK3.41 per share
CNOOC Ltd (Cod: 883)	Down 3.55 percent to \$HK6.24 per share

China Life Insurance Company Ltd (Code: 2628)

Up 1.69 percent to
\$HK15.60 per share

Hutchison Whampoa Ltd (Code: 13)

Down 0.07 percent to
\$HK68.40 per share

* First Day of Trading

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Berjaya Holdings (Hongkong) Ltd	288		22.22	0.07
Celestial Asia Securities Holdings Ltd	1049		10.59	0.38
Easyknit International Holdings Ltd	1218		10.20	0.044
EC-Founder (Holdings) Company Ltd	618	12.82		0.22
Great Wall Cybertech Ltd	689	45.74		0.188
K.P.I. Company Ltd	605		12.00	0.176
Kenfair International (Holdings) Ltd	223	22.22		0.77
New Capital International Investment Ltd	1062	12.63		0.214
Pacific Plywood Holdings Ltd	767	12.28		0.128
Pan Sino International Holding Ltd	502	11.34		0.54
Pearl River Tyre (Holdings) Ltd	1187	11.11		0.50
Quam Ltd	2976	10.00		0.55
Shanghai Allied Cement Ltd	1060	11.11		0.25
Same Time Holdings Ltd	451		12.12	1.45
Shang Hua Holdings Ltd	371		10.94	0.285
Shanghai Merchants Holdings Ltd	1104		12.31	0.285
SUNDAY Communications Ltd	866	18.87		0.63

Sunlink International Holdings Ltd	2336		13.67	0.12
Tak Sing Alliance Holdings Ltd	126	17.92		1.25
U-RIGHT International Holdings Ltd	627	11.84		0.255
Zhong Hua International Holdings Ltd	1064	19.05		0.125

Over on The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, this market reversed Tuesday's direction as its lone index, The Growth Enterprise Index, shed about 1.03 percent, falling back to 1,102.88 points.

Losing counters outnumbered gaining ones by the ratio of about 1.90:One.

The Total Turnover was about \$HK120.61 million.

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

Beijing Jingkelong Company Ltd (Code: 8245)	Down 0.54 percent to \$HK5.51 per share
CK Life Sciences International (Holdings) Incorporated (Code: 8222)	Down 1.22 percent to \$HK0.81 per share
Wumart Stores Incorporated (Code: 8277)	Down 0.18 percent to \$HK27.30 per share
Aptus Holdings Ltd (Code: 8212)	Down 9.05 percent to \$HK2.01 per share
Golden Meditech Company Ltd (Code: 8180)	Unchanged at \$HK2.05 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025		12.71	0.103
Armitage Technologies Holding Ltd	8213		16.67	0.03
Capital Publications Ltd	8155	40.00		0.07
Eco-Tek Holdings Ltd	8169	10.85		0.235

Everpride Biopharmaceutical Company Ltd	8019		30.77	0.027
Shenzhen Mingwah Aohan High Technology Corporation Ltd	8301		21.05	0.30
Northeast Tiger Pharmaceutical Company Ltd	8197		22.58	0.048
Rojam Entertainment Holdings Ltd	8075	13.04		0.26
Sino Haijing Holdings Ltd	8065		10.77	0.058
Soluteck Holdings Ltd	8111	16.22		0.043
SYSCAN Technology Holdings Ltd	8083		11.70	0.083
TeleEye Holdings Ltd	8051	18.10		0.124

In Japan, investors continued to lose heart as key indices of the country's equity markets endured more losses.

The TOPIX Index, which is the key index of The Tokyo Stock Exchange, fell about 0.98 percent to 1,601.99 points.

The ratio of losing counters to gaining ones was about 7.80:One.

The Nikkei-225 Stock Average following the TOPIX Index, also with a loss of about 0.98 percent, ending the day at 16,082.55 yen.

News Wise

- **Toshiba Corporation** has agreed to purchase 77 percent of the Issued and Fully Paid-Up Share Capital of **Westinghouse Electric Company**, the US manufacturer of atomic, power-plant equipment, for about \$US4.16 billion.

This was how the situation looked in other Asian equity markets at the close of trading, last Wednesday:

The HKSAR	Hang Seng Index Plus 0.13 percent to 17,629.21 The Growth Enterprise Index Minus 1.03 percent to 1,102.88
Indonesia	Minus 0.04 percent to 1,537.09
Japan	TOPIX Index Minus 0.98 percent to 1,601.99 Nikkei-255 Stock Average Minus 0.98 percent to 16,082.55
Malaysia	Minus 0.36 percent to 964.06

The Philippines	Minus 1.41 percent to 2,486.82
Singapore	Plus 0.37 percent to 2,602.92
South Korea	Minus 1.62 percent to 1,352.00
Taiwan	Minus 1.18 percent to 6,874.98
Thailand	Plus 0.90 percent to 687.96

Thursday

North Korea was, just about, isolated, last Thursday, as every major world power, including the People's Republic of China (PRC), lambasted the reclusive Communistic State for its intention to test a nuclear weapon.

As at last Thursday, Russia's Foreign Minister, Mr Sergio Lavrov, was in direct talks with what was described as the North Korean leadership.

The talks were aimed at dissuading Pyongyang to carry out its intentions.

Mr Sergio Lavrov said, inter alia:

'We are all very worried about this (situation) ... We are talking about moves we can take and working directly with the leaders of North Korea to try to convince them to hold back from committing any act which could worsen the situation ...'.

If the North Korean Government's announcement with regard to its intentions to explode a nuclear weapon was intended to grab the world's headlines, it achieved that goal.

But if the country's leadership is determined to carry out its threat, the consequences will, most certainly, be considered unconscionable, internationally, and may well result in disastrous (and explosive) retaliation from the world most-powerful nations.

But, on Wall Street, once again, key indices leapt, breaking previous record highs, during intra-day trading as investors determined that the North Korean threat was little more than bravado.

By the close of trading on The New York Stock Exchange, the Dow Jones Industrial Average was standing at 11,866.69 points, representing a gain of about 0.14 percent on Wednesday's closing level.

During the day, however, The Dow hit a record high of 11,870.06 points.

Over on The NASDAQ, its Composite Index put on another 15.39 points, equivalent to about 0.67 percent, ending the hectic trading day at 2,306.34 points.

The ratio of gaining counters to losing ones was, on both equity markets, about 2:One.

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

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in November was \$US60.03, up about 1.04 percent on Wednesday's closing level.

For December delivery, the last settlement for a barrel of light sweet crude oil was \$US61.34, equivalent to an increase of about 0.99 percent on Wednesday's last settlement.

European investors climbed aboard the Wall Street '*wagon*', resulting in every key index of every major bourse, rising appreciably:

Amsterdam's AEX Index	Plus	0.36 percent
France's CAC 40 Index	Plus	0.60 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.47 percent
Great Britain's FTSE 100 Index	Plus	0.63 percent
Italy's MIBTEL Index	Plus	0.65 percent
Switzerland's Swiss Market Index	Plus	0.58 percent

Nothing of any real note was taking place in Europe to cause investors in this part of the world to push indices to near, record-high levels, it was just a positive reaction to Wall Street's fervour.

In Asia, with the weekend holiday looming (it was the Mid-Autumn Festival, last Saturday), investors determined to play '*follow the Wall Street leader*': Every key index of every equity market in the world's most-populous area shot up, with many stock markets, recording double-digit gains.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, both stock markets put on very useful gains.

On the Main Board of The Stock Exchange of Hongkong Ltd, its Hang Seng Index rose by 1.58 percent, exactly, ending the very busy trading session at 17,907.67 points.

The Total Turnover was about \$HK43.37 billion, with trading in the scrip of HSBC Holdings plc, representing about 15 percent of the entire volume of activity.

The ratio of gaining counters to losing ones was about 1.76:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 2.40 percent to \$HK145.20 per share
China Mobile Ltd (Code: 941)	Up 2.11 percent to \$HK58.20 per share
China Construction Bank Corporation (Code: 939)	Unchanged at \$HK3.49 per share

China Life Insurance Company Ltd (Code: 2628)

Up 1.15 percent to
\$HK15.78 per share

Sun Hung Kai Properties Ltd (Code: 16)

Up 2.36 percent to
\$HK86.80 per share

Hongkong Exchanges and Clearing Ltd (Code: 388)

Up 2.12 percent to
\$HK57.80 per share

PetroChina Company Ltd (Code: 857)

Up 1.11 percent to
\$HK8.21 per share

Shui On Land Ltd (Code: 272)

Up 6.78 percent to
\$HK6.30 per share

China Merchants Bank Company Ltd (Code: 3968)

Down 2.19 percent to
\$HK11.62 per share

Bank of China Ltd (Code: 3988)

Unchanged at \$HK3.41
per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Century Legend (Holdings) Ltd	79	37.50		0.055
Coastal Greenland Ltd	1124	11.76		0.76
COL Capital Ltd	383	10.90		3.46
Cosmopolitan International Holdings Ltd	120	10.26		0.129
Extrawell Pharmaceutical Holdings Ltd	858	13.21		0.30
Far East Technology International Ltd	36	10.00		1.10
Fortuna International Holdings Ltd	530		22.22	0.014
Grand Field Group Holdings Ltd	115		11.11	0.08
Interchina Holdings Company Ltd	202	10.00		0.033
See Corporation Ltd	491		15.38	0.011
Shang Hua Holdings Ltd	371		10.53	0.255
Sino Katalytics Investment Corporation	2324		15.38	0.33
Tak Sing Alliance Holdings Ltd	126		16.00	1.05

Vongroup Ltd	318		14.94	0.74
Warderly International Holdings Ltd	607		12.28	0.25
Wonderful World Holdings Ltd	109		25.45	0.082
Yunnan Enterprises Holdings Ltd	455	16.13		0.36

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, the lone index – The Growth Enterprise Index – rose by about 0.38 percent to close the day at 1,107.02 points.

The Total Turnover on this market was about \$HK186.57 million, but losing counters outnumbered gaining ones by the ratio of about 1.08:One.

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

Beijing Jingkelong Company Ltd (Code: 8245)	Up 4.36 percent to \$HK5.75 per share
Wumart Stores Incorporated (Code: 8277)	Up 2.01 percent to \$HK27.85 per share
Town Health International Holdings Company Ltd (Code: 8138)	Up 0.83 percent to \$HK0.242 per share
Golden Meditech Company Ltd (Code: 8180)	Up 0.98 percent to \$HK2.07 per share
Century Sunshine Ecological Technology Holdings Ltd (Code: 8276)	Up 4.22 percent to \$HK4.69 per share

The GEM's double-digit movers included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025	11.65		0.115
Everpride Biopharmaceutical Company Ltd	8019	66.67		0.045
Golding Soft Ltd	8190		15.79	0.016
Jiangsu Nandasoft Company Ltd	8045		16.03	0.11
Mobile Telecom Network (Holdings) Ltd	8266		10.34	0.052
North Asia Strategic Holdings Ltd	8080	17.65		0.50
New Chinese Medicine Holdings Ltd	8085		17.95	0.32

Sau San Tong Holdings Ltd	8200		13.08	0.113
Tai Shing International (Holdings) Ltd	8103	10.00		0.55
TeleEye Holdings Ltd	8051		22.58	0.096

In Japan, investors were treated to booming equity markets as key indices rose, quite spectacularly.

On The Tokyo Stock Exchange, the TOPIX Index recorded a gain of about 1.95 percent, rising to 1,633.20 points.

Advancing counters outraced declining ones by the ratio of about 6.49:One.

The Nikkei-225 Stock Average rose about 2.28 percent to 16,449.33 yen.

And this was how other Asian equity markets fared, last Thursday:

The HKSAR	Hang Seng Index Plus 1.58 percent to 17,907.67 The Growth Enterprise Index Plus 0.38 percent to 1,107.02
Indonesia	Plus 0.51 percent to 1,544.98
Japan	TOPIX Index Plus 1.95 percent to 1,633.20 Nikkei-255 Stock Average Plus 2.28 percent to 16,449.33
Malaysia	Plus 0.50 percent to 968.89
The Philippines	Plus 2.99 percent to 2,561.06
Singapore	Plus 1.48 percent to 2,641.48
South Korea	Closed
Taiwan	Plus 1.78 percent to 6,997.24
Thailand	Plus 1.13 percent to 695.72

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