

**PYONGYANG IS WARNED: DO NOT HOLD ANOTHER NUCLEAR TEST !
OPEC CUTS CRUDE-OIL PRODUCTION BY 4.30 PERCENT PER DAY;
THE DOW BREAKS THROUGH THE 12,000-LEVEL**

Last Monday was the first working day of the sanctions, imposed on North Korea by the United Nations (UN), for that country's detonation of its first nuclear weapon, which took place on Monday, October 9, 2006, at 10.36 am.

The determination of the UN to impose sanctions on the very reclusive Communist State came after nearly one week of intense discussions, as one alteration after another, or one refinement after another, was made to the US-sponsored Resolution, calling for definitive and tough action against the Government of North Korea, headed by its leader by divine right of succession, Mr Kim Jong Il.

The UN Resolution calls for:

1. North Korea to eliminate all of its nuclear weapons, weapons of mass destruction, and ballistic missiles;
2. All UN member States to prevent the sale or transfer of materials, relating to Pyongyang's unconventional weapons programmes, as well as large-sized military weapons, such as tanks, missiles and helicopters;
3. All UN members States to freeze funds overseas of people or businesses, connected with North Korea's nuclear and/or ballistic missile programmes;
4. All UN member States to inspect, as required, all cargo, moving into and out of North Korea;
5. All UN member States to ban the export of all luxury goods to North Korea; and,
6. It calls on the North Korean Government to return, without preconditions, to the 6-nation talks on its nuclear programme.

By last Monday, it had been confirmed by US intelligence officials that, in fact, North Korea had detonated a smallish nuclear device on Monday, October 9, 2006: Radioactive particles had been detected at the site of the North Korean test.

It was, also, confirmed that the Government of the People's Republic of China (PRC) had, by last Monday morning, started to inspect all cargo, going into and out of North Korea, across its common land border.

On The New York Mercantile Exchange (NYMEX), last Monday, it was clear that there was some consternation about the North Korea situation, resulting in the price of crude oil to rise, materially.

For November delivery, the last settlement for a barrel of light sweet crude oil came in at \$US59.94, representing an increase of about 2.34 percent, compared with the previous Friday's last settlement.

As for December delivery, the last settlement for a barrel of light sweet crude oil was \$US61.57, up about 2.11 percent on the final quote of Friday, October 13, 2006.

On Wall Street, there was no holding back investors as they continued to push key indices to near record highs.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 20.09 points, equivalent to an increase of about 0.17 percent, coming to rest at 11,980.60 points by the close of the trading day.

Over on The NASDAQ, its Composite Index rose 6.55 points, or about 0.28 percent, ending the day at 2,363.84 points.

For the most part, caution was thrown to the wind as investors determined, despite any suggestions to the contrary, that the US economy was powering ahead – and would continue along that path ... perhaps for ever (!).

Europe followed the lead of Wall Street, but the gains in this part of the world were restricted to small fractions:

Amsterdam's AEX Index	Plus	0.14 percent
France's CAC 40 Index	Plus	0.16 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.20 percent
Great Britain's FTSE 100 Index	Plus	0.24 percent
Italy's MIBTEL Index	Plus	0.27 percent
Switzerland's Swiss Market Index	Minus	0.29 percent

In Asia, with the lone exception of Indonesia, all of the major equity markets scored pluses.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, both equity markets made gains, but, as was the case in Europe, the gains were small fractions.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index put on about 0.12 percent, struggling up to 18,010.20 points on a Total Turnover of about \$HK29.02 billion.

The ratio of declining counters to advancing ones was about 1.30:One.

The Ten Most Active counters were:

China Construction Bank Corporation (Code: 939)	Down 0.82 percent to \$HK3.64 per share
PetroChina Company Ltd (Code: 857)	Up 1.79 percent to \$HK8.52 per share
HSBC Holdings plc (Code: 5)	Down 0.07 percent to \$HK146.50 per share
China Life Insurance Company Ltd (Code: 2628)	Unchanged at \$HK16.12 per share
China Mobile Ltd	Up 0.60 percent to \$HK58.60 per share

(Code: 941)

Bank of China Ltd
(Code: 3988)

Unchanged at percent to \$HK3.42 per share

Hutchison Whampoa Ltd
(Code: 13)

Up 0.21 percent to \$HK70.05 per share

China BlueChemical Ltd
(Code: 3983)

Up 4.44 percent to \$HK2.82 per share

China Merchants Bank Company Ltd
(Code: 3968)

Down 1.19 percent to \$HK11.66 per share

CNOOC Ltd
(Code: 883)

Up 1.25 percent to \$HK6.48 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)
Asia Resources Holdings Ltd	899		11.67	0.53
Asia Zirconium Ltd	395	12.86		0.79
Concepta Investments Ltd	1140		22.03	0.23
Decca Holdings Ltd	997		11.33	1.33
EC-Founder (Holdings) Company Ltd	618		11.30	0.204
Everest International Investments Ltd	204		14.29	0.048
Fulbond Holdings Ltd	1041	80.95		0.038
GFT Holdings Ltd	1003	24.07		0.067
Great Wall Cybertech Ltd	689	28.85		0.335
China Haisheng Juice Holdings Company Ltd	359	11.25		0.89
Mascotte Holdings Ltd	136		10.00	0.45
New Island Printing Holdings Ltd	377	52.11		0.54

Ngai Hing Hong Company Ltd	1047		10.00	0.45
Oriental Investment Corporation Ltd	735		11.84	0.201
Pan Sino International Holding Ltd	502	15.69		0.59
Quam Ltd	2976		12.31	0.57
Shang Hua Holdings Ltd	371		20.00	0.16
Smart Rich Energy Finance (Holdings) Ltd	1051		28.52	0.193
South East Group Ltd	726		10.81	0.066
Wing Shing International Holdings Ltd	850	11.48		0.68
Yardway Group Ltd	646	22.27		0.28

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Market Index gained about 0.31 percent to end the trading day at 1,115.10 points.

The Total Turnover was about \$HK155.45 million, while the ratio of losing counters to gaining ones was about 1.12:One.

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

Wumart Stores Incorporated
(Code: 8277)

Down 0.60 percent to
\$HK24.70 per share

Beijing Jingkelong Company Ltd
(Code: 8245)

Up 0.46 percent to \$HK6.55
per share

Town Health International Holdings Company Ltd
(Code: 8138)

Up 5.38 percent to \$HK0.235
per share

SUNeVision Holdings Ltd (Code: 8008)

Down 1.53 percent to \$HK1.93
per share

Yantai North Andre Juice Company Ltd
(Code: 8259)

Up 9.09 percent to \$HK0.72
per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Ltd	8061		11.76	0.15

BIG Media Group Ltd	8167	38.46		0.18
China Vanguard Group Ltd	8156	20.05		1.00
New Universe International Group Ltd	8068		24.24	0.025
Q9 Technology Holdings Ltd	8129	16.90		0.083
Recruit Holdings Ltd	8073		13.33	1.30
Union Bridge Holdings Ltd	8047	17.65		0.20
Zheda Lande Scitech Ltd	8106	13.33		0.17
Zhejiang Shibao Company Ltd	8331	10.00		0.77

In Japan, all of the country's equity markets recorded material gains in their key indices.

The TOPIX Index, which is the official index of The Tokyo Stock Exchange, rose 18.05 points, equivalent to about 1.11 percent, to end the day 1,646.05 points.

The ratio of advancing counters to declining ones was about 7.83:One.

As for the narrower, more-limited gauge of trading in blue chips, listed on The First Section of The Tokyo Stock Exchange, known as The Nikkei-225 Stock Average, it recorded a gain of 156.22 yen, or about 0.94 percent, rising to 16,692.76 yen.

News Wise

- **Fast Retailing Company** reported that its Group Net Profit Attributable to Shareholders for its Financial Year, ended August 31, 2006, rose about 19.30 percent, Year-On-Year, to 40.40 billion yen.

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

The HKSAR	Hang Seng Index Plus 0.12 percent to 18,010.20 The Growth Enterprise Index Plus 0.31 percent to 1,115.10
Indonesia	Minus 0.66 percent to 1,561.79
Japan	TOPIX Index Plus 1.11 percent to 1,646.05 Nikkei-255 Stock Average Plus 0.94 percent to 16,692.76
Malaysia	Plus 0.03 percent to 983.79
The Philippines	Plus 1.05 percent to 2,584.20

Singapore	Plus 0.11 percent to 2,669.55
South Korea	Plus 0.60 percent to 1,356.72
Taiwan	Plus 1.05 percent to 7,151.42
Thailand	Plus 0.71 percent to 717.11

Prior to the opening of Wall Street, last Tuesday, The Bureau of Labour Statistics released its findings in respect of its Producer Price Indices for the month of September 2006.

In a nutshell, that which this important department of the US Government released indicated, once again, that the US economy had slowed, appreciably.

This is the full text of that release, minus some tables and explanatory notes:

'Producer Price Indexes - September 2006

The Producer Price Index for Finished Goods fell 1.3 percent in September, seasonally adjusted, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. This decline followed increases of 0.1 percent in both August and July. At the earlier stages of processing, prices received by manufacturers of intermediate goods moved down 1.4 percent in September after increasing 0.4 percent in the preceding month, and the crude goods index dropped 3.4 percent following a 2.2-percent gain in August ...

'Among finished goods in September, prices for energy goods declined 8.4 percent compared with a 0.3-percent increase in August. The finished consumer foods index rose 0.7 percent after advancing 1.4 percent in the prior month. By contrast, prices for finished goods other than foods and energy climbed 0.6 percent in September following a 0.4-percent decline in August.

'During the third quarter of 2006, prices for finished goods decreased at a seasonally adjusted annual rate (SAAR) of 4.4 percent after moving up at a 6.4-percent SAAR during the second quarter of 2006. Excluding prices for foods and energy, the finished goods index edged down at a 0.3-percent SAAR for the 3 months ended September 2006 subsequent to rising at a 2.3-percent SAAR for the 3 months ended June 2006. Among prices for raw and partially processed goods, the intermediate goods index fell at a 1.9-percent SAAR in the third quarter of 2006 after climbing at a 10.3-percent SAAR from March to June 2006. The crude goods index moved up at an 8.0-percent SAAR for the 3 months ended September 2006 following a 6.4-percent rate of increase during the previous quarter.

'Before seasonal adjustment, the Producer Price Index for Finished Goods decreased 1.1 percent in September to 160.3 (1982 = 100). From September 2005 to September 2006, prices for finished goods rose 0.9 percent. Over the same period, the index for finished goods other than foods and energy went up 1.2 percent, prices for finished consumer foods climbed 2.2 percent, and the finished energy goods index declined 1.8 percent. For the 12 months ended September 2006, intermediate goods prices advanced 4.7 percent, and the crude goods index decreased 7.8 percent

'Finished goods

'The index for finished energy goods declined 8.4 percent in September following a 0.3-percent gain in August. Over half of this downturn was due to gasoline prices, which dropped 22.2 percent in September subsequent to a 2.2-percent decrease in the previous month. The indexes for home heating oil, liquefied petroleum gas, residential electric power, and diesel fuel turned down after rising in August. By contrast, the index for residential natural gas advanced 1.8 percent in September following a 1.6-percent increase in the prior month. During the third quarter of 2006, prices for finished energy goods fell at a 24.7-percent SAAR after moving up at a 22.3-percent SAAR during the second quarter of 2006.

'The rate of increase in the index for finished consumer foods slowed from 1.4 percent in August to 0.7 percent in September. Prices for fresh and dry vegetables rose 3.5 percent after jumping 20.7 percent in the previous month. The index for eggs for fresh use also rose less than it had in August. The indexes for fresh fruits and melons, processed young chickens, and processed turkeys turned down in September following increases a month earlier. Prices for confectionery end products decreased after remaining unchanged in the preceding month. Alternatively, finfish and shellfish prices advanced 6.7 percent in September following a 9.1-percent decline in August. Prices for beef and veal also turned up after falling in August, and the index for pork rose at a faster rate than it had in the prior month. From June to September 2006, the index for finished consumer foods advanced at a 7.6-percent SAAR after increasing at a 3.7-percent SAAR for the 3 months ended June 2006 ...

'Prices for finished consumer goods other than foods and energy increased 0.5 percent in September after falling at the same rate in the previous month. The light motor trucks index climbed 3.5 percent following a 3.4-percent decline in August. Prices for passenger cars, alcoholic beverages, and mobile homes also turned up in September after decreasing a month earlier. The index for pharmaceutical preparations fell less than it had in the prior month, while prices for soaps and synthetic detergents rose after remaining unchanged in August. By contrast, the index for household appliances moved down 1.4 percent subsequent to a 0.7-percent gain in the preceding month. Prices for men's and boys' apparel increased at slower rates in September compared with the previous month. The index for women's, girls', and infants' apparel was unchanged following an increase in August. During the third quarter of 2006, the index for finished consumer goods other than foods and energy decreased at a 1.0-percent SAAR after advancing at a 2.2-percent SAAR from March to June 2006.

'Capital equipment prices increased 0.6 percent in September after falling 0.3 percent in August. The index for passenger cars moved up 2.8 percent following a 2.6-percent decline in the prior month. Prices for light motor trucks, communication and related equipment, commercial furniture, and for x-ray and electromedical equipment also turned up in September after declining a month earlier. By contrast, the civilian aircraft index was unchanged following a 0.4-percent gain in August. Prices for industrial material handling equipment advanced less in September than they had in the preceding month. The index for truck trailers turned down after increasing in August. For the 3 months ended September 2006, capital equipment prices rose at a 0.5-percent SAAR after climbing at a 2.5-percent SAAR for the 3 months ended June 2006.

'Intermediate goods

'The Producer Price Index for Intermediate Materials, Supplies, and Components decreased 1.4 percent in September following a 0.4-percent increase in August. Most of this downturn can be traced to prices for intermediate energy goods, which fell after rising in the prior month. The index for materials for nondurable manufacturing also turned down, while prices for materials and components for construction advanced less in September than they had a month earlier. Alternatively, the index for intermediate foods and feeds moved up following a decline in the prior month, and prices for materials for

durable manufacturing increased more than they had in August. Excluding foods and energy, prices for intermediate goods edged up 0.1 percent in September after rising 0.4 percent in the preceding month.

'The index for intermediate energy goods decreased 7.5 percent in September following a 0.7-percent advance in August. Diesel fuel prices dropped 22.3 percent after increasing 2.7 percent in the prior month. The indexes for jet fuel, home heating oil, liquefied petroleum gas, and residual fuel also moved down in September following advances a month earlier. Gasoline prices fell more than in August, while the indexes for industrial natural gas and natural gas to electric utilities increased less in September than they had in the previous month. Conversely, the index for commercial natural gas climbed 3.0 percent in September compared with a 1.8-percent gain in August. Prices for commercial electric power decreased less than they had in the preceding month. The intermediate energy goods index declined at a 24.8-percent SAAR during the third quarter of 2006 after advancing at an 18.2-percent SAAR during the second quarter of 2006.

'The index for materials for nondurable manufacturing fell 1.5 percent in September following a 0.2-percent increase in August. Leading this downturn, prices for basic organic chemicals decreased 4.0 percent after rising 2.0 percent in the prior month. The indexes for inedible fats and oils and for gray fabrics also moved down in September following advances a month earlier. Prices for plastic resins and materials and for stemmed and redried tobacco were unchanged after rising in August, while the indexes for paperboard and paper increased less than in the previous month. By contrast, prices for nitrogenates climbed 4.5 percent in September following a 6.0-percent drop in the preceding month. The index for synthetic fibers also turned up after falling in August. Prices for materials for nondurable manufacturing declined at a 4.4-percent SAAR for the 3 months ended in September after moving up at a 10.8-percent SAAR for the 3 months ended in June.

'The index for materials and components for construction rose 0.2 percent in September following a 0.4-percent increase in August. Prices for fabricated structural metal products were unchanged after climbing 1.0 percent in the prior month. The nonferrous wire and cable index moved up less in September than it had a month earlier. Prices for concrete products, gypsum products, paving mixtures and blocks, hardwood lumber, and plastic construction products turned down following advances in August. Conversely, the softwood lumber index moved up 0.7 percent in September after dropping 5.6 percent in the previous month. Prices for treated wood also turned up following declines in August. The plywood index fell less in September than it had in the preceding month, while prices for steel mill products and for air conditioning and refrigeration equipment increased more than in the prior month. The index for materials and components for construction rose at a 5.2-percent SAAR in the third quarter of 2006 after advancing at a 7.8-percent SAAR in the second quarter of 2006.

'The index for intermediate foods and feeds increased 0.8 percent in September compared with a 0.2-percent decrease in August. Flour prices moved up 1.7 percent after falling 5.1 percent in the prior month. The beef and veal index also turned up in September following a decline a month earlier. Prices for pork and for natural, processed, and imitation cheese rose more than they had in August, while the indexes for prepared animal feeds and for refined sugar and byproducts fell less than in the previous month. By contrast, prices for processed young chickens decreased 0.6 percent in September after advancing 4.6 percent in August. The index for dry, condensed, and evaporated milk products increased less than it had in the preceding month. Prices for intermediate foods and feeds climbed at a 3.9-percent SAAR for the 3 months ended in September after moving down at a 0.9-percent SAAR for the 3 months ended in June.

'The index for materials for durable manufacturing advanced 0.5 percent in September following a 0.4-percent gain in August. In September, rising prices for

cold rolled steel sheet and strip; hot rolled steel sheet and strip; hot rolled steel bars, plates, and structural shapes; softwood lumber; prepared paint; and cement outweighed falling prices for aluminum mill shapes, primary aluminum (except extrusion billet), cold finished steel bars, building paper and board, and hardwood lumber. The index for materials for durable manufacturing increased at a 13.4-percent SAAR in the third quarter of 2006 after surging at a 29.6-percent SAAR in the second quarter of 2006.

'Crude goods

'The Producer Price Index for Crude Materials for Further Processing fell 3.4 percent in September following a 2.2-percent increase in August. Prices for crude energy materials turned down after rising in the previous month. Conversely, the basic industrial materials index increased after declining in August. The index for crude foodstuffs and feedstuffs rose more than in the prior month.

'Prices for crude energy materials dropped 8.4 percent in September following a 5.9-percent rise in the preceding month. Leading this downturn, natural gas prices fell 5.5 percent after climbing 15.7 percent in the previous month. The crude petroleum index dropped 13.3 percent following a 1.9-percent decrease in August. Alternatively, prices for coal advanced 0.2 percent after declining 1.4 percent in the prior month. During the third quarter of 2006, the crude energy materials index increased at a 7.2-percent SAAR after falling at a 10.3-percent SAAR in the second quarter of 2006.

'The index for crude nonfood materials less energy advanced 1.0 percent after decreasing 2.8 percent in August. Iron and steel scrap prices rose 5.0 percent following a 14.7-percent drop in the previous month. Prices for aluminum base scrap also turned up in September following declines in the preceding month. Conversely, prices for nonferrous metal ores fell 5.3 percent after increasing 4.8 percent in August. The raw cotton index also turned down following an advance in the previous month. Prices for construction sand, gravel, and crushed stone and for wastepaper rose less in September than in August. The index for copper base scrap fell after remaining unchanged in the previous month, and the index for pulpwood was unchanged after increasing a month earlier. For the 3 months ended September 2006, the basic industrial materials index decreased at a 1.9-percent SAAR after rising at a 59.4-percent SAAR in the 3 months ended June 2006.

'The index for crude foodstuffs and feedstuffs increased 2.3 percent in September following a 0.1-percent gain in the previous month. Corn prices turned up 1.0 percent after dropping 13.9 percent in August. The fluid milk, wheat, and unprocessed finfish indexes also rose after declining in the prior month. Prices for slaughter hogs increased more in September than in the preceding month. By contrast, the slaughter broilers and fryers index declined 2.5 percent after increasing 3.2 percent in August. Prices for fresh fruits and melons also turned down following increases in the prior month. The indexes for fresh and dry vegetables and for slaughter cattle advanced less in September than in the previous month. The crude foodstuffs and feedstuffs index increased at an 18.0-percent SAAR during the third quarter of 2006 after rising at a 4.6-percent SAAR in the prior quarter.

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

'Mining. The Producer Price Index for the Net Output of Total Mining Industries turned down 7.4 percent in September after rising 4.7 percent in August. (Net output price indexes are not seasonally adjusted.) The index for the oil and gas extraction industry group declined 9.8 percent following a 6.2-percent gain in August. Prices received for copper ore and nickel ore mining, oil and gas well drilling, gold ore mining, and bituminous coal underground mining also turned down after increasing a month earlier. The industry index for

phosphate rock mining fell more than in the previous month. By contrast, the index for bituminous coal and lignite surface mining increased 0.1 percent following a 1.5-percent decrease in August. Prices received for oil and gas operation support activities rose in September after remaining unchanged in the previous month. For the 3 months ended September 2006, the Producer Price Index for the Net Output of Total Mining Industries advanced at a 7.7-percent annualized rate, compared to a 1.4-percent annualized rate of increase in the second quarter of 2006. In September, the Producer Price Index for Total Mining Industries was 206.5 (December 1984 = 100), 11.4 percent below its year-ago level.

'Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries turned down 1.9 percent in September after rising 0.1 percent a month earlier. The industry group index for petroleum and coal products declined 16.2 percent after increasing 0.7 percent in August. Prices received by the plastics and rubber products and by the medical equipment and supplies industry groups also turned down after rising in the previous month. The industry group index for electrical equipment and appliances rose less than in August. Alternatively, the industry group index for transportation equipment increased 0.9 percent in September after falling 1.2 percent a month earlier. Prices received by the wood products and by the computer and electronic products industry groups also rose after August declines. The food industry group index rose more than in the prior month. For the third quarter of 2006, the Producer Price Index for the Net Output of Total Manufacturing Industries fell at an annualized rate of 6.6 percent, compared with a 12.1-percent annualized rate of increase in the prior quarter. In September, the Producer Price Index for Total Manufacturing Industries was 156.8 (December 1984 = 100), 1.7 percent above its year-ago level.

'Services. Among services industries, prices received for scheduled passenger air transportation turned down 10.8 percent in September after rising 1.0 percent in August. The industry indexes for general medical and surgical hospitals and for cellular and other wireless carriers also decreased in September after increasing in the previous month. By contrast, prices paid to commercial bankers rose 3.1 percent after advancing 2.0 percent in the prior month. The industry indexes for investment advice, casino hotels, passenger car rental, and newspaper publishing turned up after declining in August. Prices paid to Internet service providers decreased less than a month earlier ...'

Following the release from The Bureau, the US Federal Reserve published its findings in respect of industrial production and capacity utilisation for the month of September.

In summary, The Fed's findings added more fuel to the fire: The US economy is contracting ... and contracting faster than many people had anticipated.

This is a full copy of The Fed's release, minus some statistical tables:

'INDUSTRIAL PRODUCTION AND CAPACITY UTILIZATION

'Industrial production decreased 0.6 percent in September after having been unchanged in August. For the third quarter as a whole, industrial production rose at an annual rate of 3.6 percent, down from the rapid pace of gains in the previous three quarters. Nonetheless, production at the end of the quarter was about 5-1/2 percent above its year-earlier level. Output in the manufacturing sector declined 0.3 percent in September, a decrease that slightly more than reversed its upwardly revised gain of 0.2 percent in August. The output of utilities plunged 4.4 percent in September, while the output at mines expanded 0.7 percent.

'Capacity utilization for total industry declined 0.6 percentage point, to 81.9 percent. Even so, this rate of capacity utilization was higher than the rates recorded from mid-2000 to early 2006 ...

'Market Groups

'Production in all major market groups declined between August and September. The output of consumer goods fell 0.9 percent; the decrease was led by a weather-related pullback in the output of consumer energy products and by a drop of 1.8 percent in the output of consumer durables. Among durable consumer goods, the production indexes for automotive products and for appliances, furniture, and carpeting both fell about 2-1/2 percent. The production of miscellaneous durable goods edged down, while the output of home electronics rose 1.0 percent. The output of non-energy nondurable consumer goods posted a small gain, as a step-up in the production of foods and tobacco slightly more than offset lower output of chemical products and a second month of declines in the output of clothing and of paper products.

'The output of business equipment slipped 0.2 percent in September. The production of industrial and other equipment fell 1.2 percent, which more than offset increases in the output of transit equipment and of information processing equipment. For the third quarter as a whole, business equipment rose 11.7 percent (annual rate), the fourth consecutive quarterly gain in excess of 10 percent. The output of defense and space equipment moved higher in September, but the increase for the quarter--a gain of 3.9 percent (annual rate) -- marked a third quarter of decelerating production.

'The output of construction supplies declined for a second month, to a level about the same as that of four months earlier. The production of business supplies also moved lower for a second month. Materials output turned down in September after having been unchanged in August; outside of equipment parts, which continued to climb steeply, all major categories of materials declined.

'Industry Groups

'The declines in manufacturing production during September were broadly based. Durable manufacturing production decreased 0.4 percent. Industries for which output fell 1 percent or more included wood products, nonmetallic mineral products, machinery, motor vehicles and parts, furniture and related products, and electrical equipment, appliances, and components. Primary metals declined 0.5 percent, and fabricated metal products edged down 0.1 percent. In contrast, the output of computer and electronic products increased 1.1 percent, and the output indexes for aerospace and miscellaneous transportation equipment and for miscellaneous manufacturing both posted gains of 0.5 percent. Nondurable manufacturing edged down 0.2 percent, as the output of chemicals, plastics and rubber products, textile and product mills, and apparel and leather all decreased significantly. However, the output of petroleum and coal products turned up sharply, and the production of food, beverage, and tobacco products advanced.

'Mining output also turned up in September and increased 1.8 percent (annual rate) for the third quarter as a whole. The increase in September reflected a higher rate of crude oil extraction as well as a pickup in mined construction supplies, such as stone, sand, and gravel.

'In September, the manufacturing utilization rate declined 0.4 percentage point, to 80.8 percent, a rate that is 1 percentage point above its 1972-2005 average. By stage of process, the operating rate for industries at the crude stage climbed 0.2 percentage point, to 89.0 percent. In contrast, the operating rate for industries at the primary and semifinished stages fell 1 percentage point, to 82.6 percent, just 0.5 percentage point above the long-run average for this group. The operating rate for industries at the finished stage moved down 0.4 percentage point, to 79.6 percent ...'

Wall Street did not appreciate the fact that, while inflation in the world's largest single economy appeared to be benign, at the same time, the economy was in decline: Not a particularly healthy state of affairs.

In addition, there were growing fears, based in reliable intelligence, that North Korea was preparing for another nuclear test of its weapons of mass destruction.

The prospects of the creation of another major battlefield, this time on the Korean Peninsula, appeared to be

looming.

The West was watching North Korea, closely, while the Government of the People's Republic of China (PRC) was trying to keep the lid on the boiling cauldron of North Korean 'oil'.

On The New York Stock Exchange, the Dow Jones Industrial Average shed 30.58 points, equivalent to about 0.26 percent, ending the trading day at 11,950.02 points.

On The NASDAQ, its Composite Index gave up 18.89 points, or about 0.80 percent, dropping back to 2,344.95 points.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in November was \$US58.93, down about 1.69 percent, compared with Monday's closing level.

As for December delivery, the last settlement for a barrel of light sweet crude oil came in at \$US60.66, equivalent to a fall of about 1.48 percent on Monday's close.

In Europe, it was losers as far as the eye could see on major bourses:

Amsterdam's AEX Index	Minus 1.29 percent
France's CAC 40 Index	Minus 1.09 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.15 percent
Great Britain's FTSE 100 Index	Minus 1.03 percent
Italy's MIBTEL Index	Minus 1.20 percent
Switzerland's Swiss Market Index	Minus 1.27 percent

The losses in the value of key indices of major European bourses were a result of a number of factors, but profit-taking, following a winning streak, which had lasted for 9, consecutive trading days, was by far a major reason for the widespread sell-off.

In Asia, the North Korea problem was the major reason for key indices of the most-important equity markets to fall back to lower levels.

There were suggestions in certain quarters that North Korea might get a little frisky and start popping off some weaponry in the direction of South Korea.

As far as Pyongyang, the Capital City of North Korea, is concerned, the sanctions, imposed by the United Nations, those sanctions, having been orchestrated by the United States, the original sponsor of the Resolution, leading to the adoption of the sanctions, was a declaration of war.

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

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index ended the day at 18,014.84 points, representing an increase over Monday's close of about 0.03 percent.

The Total Turnover was about \$HK33.66 billion, but losing counters outnumbered gaining ones by the ratio of about 1.08:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 0.20 percent to \$HK146.80 per share
China Construction Bank Corporation (Code: 939)	Up 0.27 percent to \$HK3.65 per share
China Mobile Ltd (Code: 941)	Up 0.34 percent to \$HK58.80 per share
PetroChina Company Ltd (Code: 857)	Up 0.12 percent to \$HK8.53 per share
China Life Insurance Company Ltd (Code: 2628)	Up 0.50 percent to \$HK16.20 per share
Bank of China Ltd (Code: 3988)	Down 0.29 percent to \$HK3.41 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 0.40 percent to \$HK5.00 per share
CNOOC Ltd (Code: 883)	Up 0.62 percent to \$HK6.52 per share
Swire Pacific Ltd (Code: 19)	Down 1.72 percent to \$HK82.70 per share
China Merchants Bank Company Ltd (Code: 3968)	Up 0.69 percent to \$HK11.74 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Elegance (Holdings) Ltd	476		19.70	0.053
China Motion Telecom International Ltd	989	11.29		0.69
Ching Hing (Holdings) Ltd	692	64.38		0.12
GFT Holdings Ltd	1003		14.93	0.057
Good Friend International Holdings Incorporated	2398	10.00		0.88
Greater China Holdings Ltd	431	10.87		0.255

Heritage International Holdings Ltd	412	16.67		0.021
Junefield Department Store Group Ltd	758		12.50	0.07
LERADO Group (Holding) Company Ltd	1225	10.59		0.94
Magnum International Holdings Ltd	305	39.29		0.078
New Times Group Holdings Ltd	166	15.79		0.22
Oriental Explorer Holdings Ltd	430	11.36		0.049
South East Group Ltd	726	18.18		0.078
Swank International Manufacturing Company Ltd	663	10.00		0.099
Tak Sing Alliance Holdings Ltd	126	10.78		1.13
Wah Yuen Holdings Ltd	2349	10.53		0.105
Wonderful World Holdings Ltd	109	13.40		0.11
Xin Corporation Ltd	1141		14.97	0.125

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index put on about 0.34 percent, ending the day at 1,118.87 points.

The Total Turnover on this market was about \$HK158.56 million.

Declining counters led advancing ones by the ratio of about 1.61:One.

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

Wumart Stores Incorporated (Code: 8277)	Up 2.63 percent to \$HK25.35 per share
Beijing Jingkelong Company Ltd (Code: 8245)	Down 0.46 percent to \$HK6.52 per share
Town Health International Holdings Company Ltd (Code: 8138)	Up 1.28 percent to \$HK0.238 per share
Techpacific Capital Ltd (Code: 8088)	Unchanged at \$HK0.51 per share
Galileo Capital Group Ltd (Code: 8029)	Unchanged at \$HK0.53 per share

The GEM's biggest movers included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Ltd	8061	16.67		0.175
Capital Publications Ltd	8155		28.57	0.05
China Leason Investment Group Company Ltd	8270	12.73		0.124
Excel Technology International Holdings Ltd	8048		21.35	0.07
Northeast Tiger Pharmaceutical Company Ltd	8197	11.11		0.06
Q9 Technology Holdings Ltd	8129		13.25	0.072
T S Telecom Technologies Ltd	8003		16.20	0.15
TeleEye Holdings Ltd	8051		20.67	0.119
Thiz Technology Group Ltd	8119		10.29	0.061

On The Tokyo Stock Exchange, The TOPIX Index surrendered about 0.49 percent of its value, retreating to 1,637.95 points.

Losing counters outpaced advancing ones by the ratio of about 1.83:One.

The Nikkei-225 Stock Average followed the lead of The TOPIX Index with a loss of 0.49 percent as investors pushed this index down to 16,611.59 yen.

This was how the key indices of other Asian equity markets ended, last Tuesday night:

The HKSAR	Hang Seng Index Plus 0.03 percent to 18,014.84 The Growth Enterprise Index Plus 0.34 percent to 1,118.87
Indonesia	Plus 0.32 percent to 1,566.82
Japan	TOPIX Index Minus 0.49 percent to 1,637.95 Nikkei-255 Stock Average Minus 0.49 percent to 16,611.59
Malaysia	Minus 0.67 percent to 977.23

The Philippines	Minus 1.58 percent to 2,543.48
Singapore	Minus 1.19 percent to 2,637.70
South Korea	Minus 0.40 percent to 1,351.30
Taiwan	Minus 1.07 percent to 7,075.13
Thailand	Minus 0.89 percent to 710.74

Wednesday

The US Government made its position, very clear, last Wednesday, with the Secretary of State, Dr Condoleezza Rice, telling the governments of South Korea, Japan, the People's Republic of China (PRC) and Russia in respect of the imminent threat of an outbreak of fighting from North Korea, inter alia:

'I want to make sure that everybody understands that the US will fully act on our defence obligations under the mutual defence treaty.'

North Korea has claimed that the sanctions, imposed by the United Nations on it, were, de facto, a declaration of war.

The reclusive Communist State is thought to be preparing for another nuclear test.

Should such a test take place, it is well expected that the shooting may well start because, North Korea has been told, repeatedly: It may not have a nuclear arsenal.

Wall Street continued to be oblivious to the potentially tense situation in Asia and investors went on their merry way.

On The New York Stock Exchange, the Dow Jones Industrial Average ended the trading day at 11,992.68 points, representing a gain of 42.66 points, or about 0.36 percent.

As for The NASDAQ, its Composite Index lost 7.80 points, equivalent to about one third of a percentage point, dropping back to 2,337.15 points.

As is the wont of The Bureau of Labour Statistics, a division of The Department of Labour of the US Government, just before Wall Street opened for business, last Wednesday, it released its findings with regard to the Consumer Price Index for the month of September.

Before seasonal adjustments, The Consumer Price Index (CPI) for September 2006 for all urban consumers was down about 0.50 percent, The Bureau determined, but The Index, compared with September 2005, recorded an increase of about 2.10 percent.

A decrease in the price of oil between August and September brought down The Index, without question, but, disregarding this factor, the CPI continued to rise.

This is the full text of The Bureau's findings, minus the statistical tables and some explanatory notes:

'CONSUMER PRICE INDEX: SEPTEMBER 2006

'The Consumer Price Index for All Urban Consumers (CPI-U) decreased 0.5 percent in September, before seasonal adjustment, the Bureau of Labor Statistics of the U.S. Department of Labor reported

today. The September level of 202.9 (1982-84=100) was 2.1 percent higher than in September 2005.

'The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) decreased 0.6 percent in September, prior to seasonal adjustment. The September level of 198.4 (1982-84=100) was 1.7 percent higher than in September 2005.

'The Chained Consumer Price Index for All Urban Consumers (C-CPI-U) decreased 0.3 percent in September on a not seasonally adjusted basis. The September level of 117.6 (December 1999=100) was 2.2 percent higher than in September 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 declined 0.5 percent in September, following an increase of 0.2 percent in August. Energy prices, which rose 0.3 percent in August, declined 7.2 percent in September. Within energy, the index for petroleum based energy decreased 12.9 percent, while the index for energy services rose 1.2 percent. The food index increased 0.3 percent in September. The index for all items less food and energy rose 0.2 percent in September, the same as in August. Increases in the shelter and apparel components accounted for over 80 percent of the September advance...

'Consumer prices increased at a seasonally adjusted annual rate (SAAR) of 0.8 percent in the third quarter of 2006, following increases in the first and second quarters at annual rates of 4.3 and 5.1 percent, respectively. This brings the year-to-date annual rate to 3.4 percent, the same as for all of 2005. The index for energy, which advanced at annual rates of 21.8 and 23.8 percent in the first two quarters, declined at a 15.6 percent rate in the third quarter of 2006. Thus far this year, energy costs have risen at an 8.3 percent SAAR after increasing 17.1 percent in all of 2005. In the first nine months of 2006, petroleum-based energy costs increased at a 16.3 percent rate while charges for energy services decreased at a 0.1 percent rate. The food index rose at a 2.6 percent SAAR in the first nine months of 2006. The index for grocery store food prices increased at a 2.2 percent rate. Among the six major grocery store food groups, the index for fruits and vegetables registered the largest increase during this span--up at a 7.9 percent rate. The index for dairy products recorded the largest decline -- down at a 2.0 percent annual rate.

'The CPI-U excluding food and energy advanced at a 2.7 percent SAAR in the third quarter, following increases at rates of 2.8 and 3.6 percent in the first two quarters of 2006. The advance at a 3.0 percent SAAR for the first nine months of 2006 compares with a 2.2 percent rise in all of 2005. Almost 80 percent of the overall acceleration was accounted for by the larger increase in the index for shelter. Shelter costs, which rose 2.6 percent in all of 2005, have risen at a 4.1 percent annual rate in the first nine months of 2006. An upturn in the index for apparel accounted for about 18 percent of the acceleration thus far in 2006...

'The food and beverages index increased 0.4 percent in September. The index for food at home rose 0.5 percent in September, following a 0.4 percent increase in August. A 3.0 percent increase in the index for fruits and vegetables accounted for about 90 percent of the September advance in grocery store food prices. The indexes for fresh vegetables, for fresh fruits and for processed fruits and vegetables increased 6.6, 0.8, and 0.2 percent, respectively. The index for meats, poultry, fish, and eggs increased 0.5 percent in September. Beef

prices, which increased 1.4 percent in August, fell 0.2 percent in September. This decline was more than offset by increases in the prices for pork, other meats, poultry, fish and seafood, and eggs. The index for nonalcoholic beverages rose 0.2 percent in September after increasing 0.8 percent in August, reflecting declines in the indexes for carbonated drinks and for coffee. The index for cereal and bakery products increased 0.1 percent in September, while the indexes for dairy products and other food at home were unchanged and declined 0.5 percent, respectively. The other two components of the food and beverages index -- food away from home and alcoholic beverages -- each increased 0.1 percent.

'The index for housing increased 0.3 percent in September. The index for shelter rose 0.3 percent, following a 0.2 percent rise in August. Within shelter, the indexes for rent and owners' equivalent rent increased 0.4 and 0.3 percent, respectively, the same as in August. The index for lodging away from home, which fell 0.4 percent in August, rose 0.7 percent in September. (Prior to seasonal adjustment, the index for lodging away from home declined 4.3 percent.) The index for fuels and utilities -- up 0.7 percent in September -- increased for the third consecutive month after registering declines in each of the preceding five months. The index for natural gas increased for the second consecutive month -- up 2.9 percent in September. The index for electricity increased 0.5 percent. The index for fuel oil registered its first decline in six months -- down 6.1 percent in September. During the last 12 months, the index for electricity increased 11.8 percent while the indexes for natural gas and for fuel oil have decreased 6.1 and 1.9 percent, respectively. The index for household furnishings and operations, which rose 0.2 percent in August, increased 0.1 percent in September.

'The transportation index declined 4.1 percent in September, reflecting price decreases for gasoline, for new and used motor vehicles, and for airline fares. The index for gasoline declined 13.5 percent, accounting for about 98 percent of the decline in the overall transportation group. The index for new vehicles declined 0.1 percent in September. (About 25 percent of the new car sample in September was represented by 2007 models.) New vehicle prices are 0.4 percent higher than in September 2005. The index for used cars and trucks decreased 1.0 percent in September and was 0.4 percent lower than in September 2005. The index for public transportation declined 0.7 percent, reflecting a 2.3 percent drop in airline fares. Airline fares have declined 4.1 percent in the last two months after advancing 12.6 percent in the first seven months of the year.

'The index for apparel, which increased 0.9 percent in August, rose 0.6 percent in September to a level 1.0 percent higher than in September 2005. (Reflecting price increases associated with the introduction of fall-winter wear, apparel prices advanced 4.8 percent in September, prior to seasonal adjustment; prices for women's and girls' clothing increased 8.4 percent.)

'Medical care costs rose 0.3 percent in September and were 4.2 percent higher than a year ago. The index for medical care commodities -- prescription drugs, nonprescription drugs, and medical supplies -- increased 0.2 percent. The index for medical care services rose 0.4 percent in August. The indexes for professional services and for hospital and related services each increased 0.3 percent.

'The index for recreation was unchanged in September. A 1.6 percent decline in the index for sporting goods was largely offset by increases of 1.0 percent in the index for toys, and 0.5 percent in the indexes for admissions, and for pets, pet products and services.

‘The index for education and communication increased 0.1 percent in September. Educational costs rose 0.2 percent, while the index for communication declined 0.1 percent. Within the former group, the index for college textbooks rose 0.8 percent while the index for college tuition was virtually unchanged. (Prior to seasonal adjustment, charges for college tuition and fees rose 1.9 percent in September and were 6.5 percent higher than a year ago.) Within the communication group, the index for telephone services rose 0.2 percent, reflecting increases in charges for local and long distance land-line telephone services and for wireless telephone services – up 0.5, 0.1, and 0.2 percent – respectively. This advance was more than offset by a 1.6 percent decline in the index for information technology, hardware, and services. The index for personal computers and peripheral equipment declined 0.9 percent.

‘The index for other goods and services rose 0.5 percent in September. Increases in the indexes for personal care products and for financial services – up 1.0 and 2.7 percent, respectively – more than offset a 0.1 percent decline in the index for tobacco and smoking products.

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

‘On a seasonally adjusted basis, the CPI for Urban Wage Earners and Clerical Workers declined 0.7 percent in September...’.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in November was \$US57.65, down about 2.27 percent, compared with Tuesday’s last settlement.

For December delivery, the last settlement was \$US59.30 per barrel of light sweet crude oil, representing a fall of about 2.24 percent, compared with the last quote on Tuesday.

In Europe, investors in this part of the world seemed to be happy to follow the lead of Wall Street, with every key index of every major European bourse, rising materially:

Amsterdam’s AEX Index	Plus	0.63 percent
France’s CAC 40 Index	Plus	1.09 percent
Germany’s Frankfurt XETRA DAX Index	Plus	1.10 percent
Great Britain’s FTSE 100 Index	Plus	0.68 percent
Italy’s MIBTEL Index	Plus	0.96 percent
Switzerland’s Swiss Market Index	Plus	0.84 percent

In Asia, investors were a little more circumspect than their counterparts in both the US and Europe, with gains and losses, being restricted to small fractions, for the most part.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, the volume of activity on the premier equity market fell back to about \$HK28.19 billion while the Main Board’s key index of The Stock Exchange of Hongkong Ltd, the Hang Seng Index, rose about 0.19 percent to 18,048.09 points.

The ratio of gaining counters to losing ones was about 1.11:One.

The Ten Most Actives were:

China Life Insurance Company Ltd
(Code: 2628)

Up 2.47 percent to
\$HK16.60 per share

HSBC Holdings plc
(Code: 5)

Unchanged at \$HK146.80
per share

China Mobile Ltd
(Code: 941)

Up 0.26 percent to
\$HK58.95 per share

China Construction Bank Corporation
(Code: 939)

Down 0.27 percent to
\$HK3.64 per share

Bank of China Ltd
(Code: 3988)

Down 0.59 percent to
\$HK3.39 per share

PetroChina Company Ltd
(Code: 857)

Up 0.23 percent to
\$HK8.55 per share

China Everbright Ltd
(Code: 165)

Up 18.11 percent to
\$HK6.39 per share

BOC Hongkong (Holdings) Ltd
(Code: 2388)

Up 2.05 percent to
\$HK17.88 per share

CNOOC Ltd
(Code: 883)

Up 0.46 percent to
\$HK6.55 per share

Ping An Insurance (Group) Company of China, Ltd
(Code: 2318)

Up 2.51 percent to
\$HK28.60 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)
A-Max Holdings Ltd	959	12.22		0.101
China Chengtong Development Group Ltd	217	16.48		0.53
China Everbright Ltd	165	18.11		6.39
China Velocity Group Ltd	149	11.11		0.50
Cosmos Machinery Enterprises Ltd	118	13.73		0.58

Fulbond Holdings Ltd	1041		25.64	0.029
Great China Holdings Ltd	141		11.29	0.55
Hop Hing Holdings Ltd	47	10.00		0.33
Jiaoda Kunji High-Tech Company Ltd	300	15.19		3.26
New Times Group Holdings Ltd	166	18.18		0.26
Omnicorp Ltd	94		10.00	0.315
Jilin Qifeng Chemical Fiber Company Ltd	549	15.66		0.96
Shanghai Merchants Holdings Ltd	1104	20.31		0.385
Shougang Concord Century Holdings Ltd	103	10.34		0.64
Sky Hawk Computer Group Holdings Ltd	1129	12.73		0.31
Sunlink International Holdings Ltd	2336	11.48		0.136
Sunny Global Holdings Ltd	1094	13.75		0.091
Sunway International Holdings Ltd	58	13.74		0.24
Swank International Manufacturing Company Ltd	663		10.10	0.089
Theme International Holdings Ltd	990	13.04		0.026
Tysan Holdings Ltd	687	10.53		0.42
Wonderful World Holdings Ltd	109		27.27	0.08
Yardway Group Ltd	646		26.79	0.205

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index lost about 0.05 percent of its value, edging back to 1,118.31 points.

The Total Turnover on this speculative market was about \$HK181.68 million, while the ratio of gainers and losers was, exactly, even, at One:One.

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

Beijing Jingkelong Company Ltd
(Code: 8245)

Down 0.77
percent to
\$HK6.47 per
share

Wumart Stores Incorporated
(Code: 8277)

Up 3.55 percent
to \$HK26.25 per
share

Galileo Capital Group Ltd
(Code: 8029)

Up 13.21 percent
to \$HK0.60 per
share

Century Sunshine Ecological Technology Holdings Ltd
(Code: 8276)

Down 0.61
percent to
\$HK4.90 per
share

Xinjiang Tianye Water Saving Irrigation System Company Ltd
(Code: 8280)

Down 3.64
percent to
\$HK1.59 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		11.50	0.10
B M Intelligence International Ltd	8158		35.86	0.093
EMER International Group Ltd	8149	15.73		1.03
Galileo Capital Group Ltd	8029	13.21		0.60
MegaInfo Holdings Ltd	8279	24.26		1.69
Mobile Telecom Network (Holdings) Ltd	8266	16.00		0.058
Prosten Technology Holdings Ltd	8026		15.38	0.33
TeleEye Holdings Ltd	8051		11.76	0.105
Union Bridge Holdings Ltd	8047	10.58		0.23

Trading was quiet on the 3 equity markets of Japan.

On The Tokyo Stock Exchange, its TOPIX Index rose about 0.05 percent to 1,638.74 points.

Losing counters outnumbered gaining ones by the ratio of about 1.03:One.

The Nikkei-225 Stock Average, on the other hand, rose about one quarter of a percentage point to 16,653.00 yen.

News Wise

- **Sapporo Holdings Ltd** has acquired 95.83 percent of the Issued and Fully Paid-Up Share Capital of Sleeman Breweries Ltd, the third-largest brewery in Canada.

In other Asian equity markets, this was how their respective key indices ended, last Wednesday night:

The HKSAR	Hang Seng Index Plus 0.19 percent to 18,048.09 The Growth Enterprise Index Minus 0.05 percent to 1,118.31
Indonesia	Minus 0.15 percent to 1,564.55
Japan	TOPIX Index Plus 0.05 percent to 1,638.74 Nikkei-255 Stock Average Plus 0.25 percent to 16,653.00
Malaysia	Minus 0.14 percent to 975.89
The Philippines	Plus 0.12 percent to 2,546.53
Singapore	Plus 0.18 percent to 2,642.42
South Korea	Plus 0.22 percent to 1,354.26
Taiwan	Minus 0.81 percent to 7,017.60
Thailand 718.74	Plus 1.13 percent to

Thursday

The **O**rganisation of **P**etroleum **E**xporting **C**ountries (OPEC) determined to cut crude-oil production by 1.20 million barrels per day.

Meeting in Doha, the Capital City of Qatar, the oil cartel said that, come November 1, 2006, crude-oil production would be 26.30 million barrels per day, a 4.30-percent reduction from the September output.

More cuts are likely when OPEC reconvenes again in December, according to OPEC members.

OPEC is desirous of pushing up the price of crude oil on international markets to their former, near-record levels.

On commodity exchanges, around the world, the price of crude oil rose – which was, exactly that which OPEC wanted to happen: More money in the Arab till.

On The **N**ew **Y**ork **M**ercantile **E**xchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in November was \$US58.50, up about 1.47 percent on the last quote of Wednesday.

As for December delivery, the last settlement for a barrel of light sweet crude oil was \$US60.50, equivalent to an increase of about 2.02 percent, compared with Wednesday's last settlement.

On Wall Street, the fact that the price of crude oil was rising, once again, appeared not to faze investors, at all – because the key index of The New York Stock Exchange was making history as it passed through the magic 12,000-level.

The Dow Jones Industrial Average ended last Thursday's trading session at 12,011.73 points, representing a one-day increase of about 0.16 percent, but, nevertheless, an historic, record level.

On The NASDAQ, its Composite Index rose exactly the same amount as The Dow – 0.16 percent – to end the trading day at 2,340.94 points.

One has to bear in mind, however, that The Dow represents only 30 constituent company counters – some of the biggest names in the corporate world, too – and, as such, it is a rather narrow gauge of trading in stocks and shares on the world's largest equity market.

But a record high is a record high: Nobody seemed to be complaining, at least, not last Thursday.

For a change, however, Europe did not follow the example set by The Dow, with the key indices of the major European bourses, ending their respective trading days with small fractional gains or losses.

Amsterdam's AEX Index	Plus 0.05 percent
France's CAC 40 Index	Minus 0.02 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.08 percent
Great Britain's FTSE 100 Index	Plus 0.09 percent
Italy's MIBTEL Index	Minus 0.01 percent
Switzerland's Swiss Market Index	Plus 0.11 percent

In Asia, major equity markets' key indices zigzagged back and forth through positive and negative levels for most of the day.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the premier equity market of the territory lost about 0.34 percent of its value, edging back to 17,986.97 points.

The Total Turnover remained at the very respectable level of about \$HK32.91 billion.

Declining counters outpaced advancing ones by the ratio of about 1.48:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 0.27 percent to \$HK146.40 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.24 percent to \$HK16.56 per share
China Mobile Ltd (Code: 941)	Down 0.51 percent to \$HK58.65 per share

NagaCorp Ltd
(Code: 3918)

\$HK1.72 per share*

China Construction Bank Corporation
(Code: 939)

Unchanged at \$HK3.64 per share

PetroChina Company Ltd
(Code: 857)

Down 0.47 percent to \$HK8.51
per share

Hutchison Whampoa Ltd
(Code: 13)

Down 0.29 percent to \$HK69.55
per share

China Petroleum and Chemical Corporation
(Code: 386)

Up 1.20 percent to \$HK5.08 per
share

China Merchants Bank Company Ltd
(Code: 3968)

Up 1.54 percent to \$HK11.86 per
share

Sun Hung Kai Properties Ltd
(Code: 16)

Down 0.42 percent to \$HK83.90
per share

* First Day of Trading

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Elegance (Holdings) Ltd	476	11.32		0.059
Chitaly Holdings Ltd	1198	26.53		1.24
Climax International Company Ltd	439		10.19	0.194
E2-Capital (Holdings) Ltd	378	10.11		0.98
Easyknit Enterprises Holdings Ltd	616	13.95		0.49
Frankie Dominion International Ltd	704	34.62		0.175
Great China Holdings Ltd	141	12.73		0.62
Guo Xin Group Ltd	1215	19.05		0.025
Interchina Holdings Company Ltd	202	21.88		0.039

Mayer Holdings Ltd	1116		10.71	0.50
New Capital International Investment Ltd	1062	16.67		0.21
New Times Group Holdings Ltd	166	15.38		0.30
Oriental Press Group Ltd	18	10.42		1.59
Poly Investments Holdings Ltd	263	11.11		0.08
Shang Hua Holdings Ltd	371	23.46		0.20
Sino-i Technology Ltd	250	17.65		0.12
Swank International Manufacturing Company Ltd	663	10.11		0.098
UBA Investments Ltd	768		33.33	0.06
Universe International Holdings Ltd	1046	30.61		0.064
Wong's Kong King International (Holdings) Ltd	532		13.43	1.16

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index managed a gain of about 1.12 percent, rising to 1,130.84 points.

The Total Turnover was about \$HK135.30 million.

The ratio of advancing counters to declining ones was about 1.22:One.

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

Beijing Jingkelong Company Ltd (Code: 8245)	Up 2.32 percent to \$HK6.62 per share
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Wumart Stores Incorporated (Code: 8277)	Up 2.86 percent to \$HK27.00 per share
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Galileo Capital Group Ltd (Code: 8029)	Down 3.33 percent to \$HK0.58 per share
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MegaInfo Holdings Ltd (Code: 8279)	Up 10.06 percent to \$HK1.86 per share
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Tong Ren Tang Technologies Company Ltd (Code: 8069)	Down 2.99 percent to \$HK13.00 per share
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As for The GEM's double-digit movers of the day, they included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022	20.00		0.12
B M Intelligence International Ltd	8158		35.48	0.06
FlexSystem Holdings Ltd	8050	12.31		0.073
Glory Future Group Ltd	8071		13.33	0.13
International Entertainment Corporation	8118	10.26		2.15
Kanstar Environmental Paper Products Holdings Ltd	8011	15.63		0.37
MegaInfo Holdings Ltd	8279	10.06		1.86
ProSticks International Holdings Ltd	8055	10.00		0.22
Soluteck Holdings Ltd	8111		14.29	0.036
International Financial Network Holdings Ltd	8123		20.75	0.042

In Japan, all of the country's equity markets saw their key indices pull back.

On The Tokyo Stock Exchange, its TOPIX Index shed about 0.18 percent to end the trading day at 1,635.77 points.

Advancing counters outran declining counters by the ratio of about 1.89:One.

The Nikkei-225 Stock Average lost about 0.61 percent to fall back to 16,551.36 yen.

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

The HKSAR	Hang Seng Index Minus 0.34 percent to 17,986.97 The Growth Enterprise Index Plus 1.12 percent to 1,130.84
Indonesia	Plus 0.26 percent to 1,568.60
Japan	TOPIX Index Minus 0.18 percent to 1,635.77 Nikkei-255 Stock Average Minus 0.61 percent to 16,551.36
Malaysia	Plus 0.30 percent to 978.77

The Philippines	Plus 1.99 percent to 2,597.15
Singapore	Plus 0.95 percent to 2,667.58
South Korea	Minus 0.01 percent to 1,354.06
Taiwan	Minus 0.31 percent to 6,995.83
Thailand	Plus 0.30 percent to 720.87

Friday

The Paramount Leader of North Korea, Mr Kim Jong Il, has informed a visiting envoy from the People's Republic of China (PRC) that North Korea had no intention of exploding another nuclear device.

Mr Kim Jong Il made these statements to Mr Tang Jia Xuan, whose mandate to Pyongyang was to try to persuade North Korea, in the American lingo: *'Cool it! Follow the rules!'*

Words are cheap.

On Wall Street, last Friday, investors continued to disregard the North Korea situation and, instead, started to take a breather in order to consider what it meant to have the key index of the largest equity market of the world hit a record high.

Many of their number appeared to be getting cold feet and took their profits to the bank, resulting in the Dow Jones Industrial Average, the key index of The New York Stock Exchange, falling back to 12,002.37 points, a one-day fall of about 0.08 percent.

Over on The NASDAQ, its Composite Index, however, continued to power ahead with a gain of 0.06 percent, ending the day at 2,342.30 points.

For the week, for all of the hullabaloo about The Dow, hitting a record high, the gains on the world's largest and most-influential equity markets were small fractions, the tally being:

The Dow Jones Industrial Average	Up 0.35 percent
The NASDAQ's Composite Index	Up 0.64 percent

On The New York Mercantile Exchange (NYMEX), despite the decision of The Organisation of Petroleum Exporting Countries (OPEC) to cut oil production on November 1, 2006 (Please see Thursday's report), the price of crude oil continued to fall.

The last settlement for a barrel of light sweet crude oil for delivery in November was \$US56.82, down about 2.87 percent, compared with Thursday's closing level.

As for December delivery, the last settlement for a barrel of light sweet crude oil came in at \$US59.33, representing a fall of about 1.93 percent on the last settlement of Thursday.

Major equity markets of Europe ended the week on a flat note, with gains and losses, being limited to very small fractions, as the following **TARGET** list of the key indices of major European bourses indicates:

Amsterdam's AEX Index	Minus 0.21 percent
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France's CAC 40 Index	Plus 0.29 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.41 percent
Great Britain's FTSE 100 Index	Minus 0.01 percent
Italy's MIBTEL Index	Plus 0.15 percent
Switzerland's Swiss Market Index	Plus 0.20 percent

In Asia, investors were spurred on by the record levels of key indices on US equity markets.

For the most part, key indices of major stock markets in the Asia-Pacific region were broadly higher.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, both equity markets made gains, but fractional gains, only.

The Main Board of The Stock Exchange of Hongkong Ltd saw its Hang Seng Index rise about 0.70 percent to end the week at 18,113.55 points.

The Total Turnover was relatively high at about \$HK37.44 billion.

The ratio of gaining counters to losing ones was about 2.12:One.

The Ten Most Actives were: Up 0.77 percent to \$HK59.10 per share

HSBC Holdings plc (Code: 5)	Up 0.55 percent to \$HK147.20 per share
China Construction Bank Corporation (Code: 939)	Up 1.10 percent to \$HK3.68 per share
China Life Insurance Company Ltd (Code: 2628)	Up 0.72 percent to \$HK16.68 per share
PetroChina Company Ltd (Code: 857)	Up 1.41 percent to \$HK8.63 per share
CNOOC Ltd (Code: 883)	Down 0.61 percent to \$HK6.48 per share
China Merchants Bank Company Ltd (Code: 3968)	Up 2.19 percent to \$HK12.12 per share
NagaCorp Ltd (Code: 3918)	Up 19.19 percent to \$HK2.05 per share

Zijin Mining Group Company Ltd
(Code: 2899)

Up 6.14 percent to \$HK4.67 per
share

Hongkong Exchanges and Clearing Ltd
(Code: 388)

Up 1.85 percent to \$HK60.45 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)
Asia Tele-Net and Technology Corporation Ltd	679	12.50		0.315
CEC International Holdings Ltd	759		11.24	0.15
China Everbright Ltd	165	11.37		7.05
Compass Pacific Holdings Ltd	1188		18.37	0.08
Fortuna International Holdings Ltd	530	27.27		0.014
Frankie Dominion International Ltd	704		20.57	0.139
Fulbond Holdings Ltd	1041		13.33	0.026
Greater China Holdings Ltd	431		13.73	0.22
Heritage International Holdings Ltd	412		16.00	0.021
Kwang Sung Electronics Hongkong Company Ltd	2310		10.16	1.15
Mei Ah Entertainment Group Ltd	391	11.11		0.40
NagaCorp Ltd	3918	19.19		2.05
New Heritage Holdings Ltd	95	10.00		0.66
New Times Group Holdings Ltd	166	25.00		0.375
Oriental Press Group Ltd	18		15.09	1.35
Peking Apparel International Group Ltd	761	23.81		0.39
Rontex International Holdings Ltd	1142	30.43		0.03

Shanghai Allied Cement Ltd	1060	10.91		0.305
The Sun's Group Ltd	2977		70.20	2.98
Tianjin Capital Environmental Protection Company Ltd	1065	12.38		2.36
UBA Investments Ltd	768	13.33		0.068
Wonson International Holdings Ltd	651	15.74		0.125
Yardway Group Ltd	646	11.90		0.235

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index rose by about 0.26 percent to 1,133.82 points on a Total Turnover of about \$HK147.09 million.

Advancing counters outran declining ones by the ratio of about 1.12:One.

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

Beijing Jingkelong Company Ltd
(Code: 8245)

Down 0.15 percent to
\$HK6.61 per share

Wumart Stores Incorporated
(Code: 8277)

Down 2.22 percent to
\$HK26.40 per share

Kanstar Environmental Paper Products Holdings Ltd
(Code: 8011)

Unchanged at \$HK0.37
per share

Town Health International Holdings Company Ltd
(Code: 8138)

Up 0.84 percent to
\$HK0.239 per share

Chinainfo Holdings Ltd
(Code: 8206)

Unchanged at \$HK4.00
per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B M Intelligence International Ltd	8158	75.00		0.105
DeTeam Company Ltd	8112		11.11	0.44
GreaterChina Technology Group Ltd	8032	13.33		0.034

Inno-Tech Holdings Ltd	8202	15.00		0.092
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049	12.67		0.169
Shenzhen Neptunus Interlong Bio-technique Company Ltd	8329		16.67	0.50
New Universe International Group Ltd	8068	20.00		0.03
Q9 Technology Holdings Ltd	8129	10.53		0.084
Recruit Holdings Ltd	8073	10.24		1.40
Sino Haijing Holdings Ltd	8065		13.79	0.05
International Financial Network Holdings Ltd	8123	19.05		0.05
Tai Shing International (Holdings) Ltd	8103	16.67		0.70
Thiz Technology Group Ltd	8119		18.03	0.05
Universal Technologies Holdings Ltd	8091	15.89		0.175

The tally for Asia's second, most-important equity markets was:

The Hang Seng Index	Plus	0.69 percent
The Growth Enterprise Market	Plus	1.99 percent

In Japan, the country's 3 stock markets ended on a positive note, with all of the major indices, making material gains.

On The Tokyo Stock Exchange, The TOPIX Index recorded a gain of about 0.51 percent, running up to 1,644.15 points.

The ratio of gaining counters to losing ones was about 1.29:One.

The Nikkei-225 Stock Average outdid The TOPIX with a spurt of about 0.61 percent, ending the week at 16,651.63 yen.

The tally for Asia's largest equity market was:

The TOPIX Index	Plus	0.99 percent
The Nikkei-225 Stock Average	Plus	0.70 percent

In other Asian equity markets, this was how their key indices ended the week of October 20, 2006:

The HKSAR	Hang Seng Index Plus 0.70 percent to 18,113.55 The Growth Enterprise Index Plus 0.26 percent to 1,133.82
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Indonesia	Plus 0.27 percent to 1,572.85
Japan	TOPIX Index Plus 0.51 percent to 1,644.15 Nikkei-255 Stock Average Plus 0.61 percent to 16,651.63
Malaysia	Plus 0.04 percent to 979.19
The Philippines	Plus 0.78 percent to 2,617.41
Singapore	Plus 0.71 percent to 2,686.43
South Korea	Plus 0.75 percent to 1,364.24
Taiwan	Plus 0.62 percent to 7,039.37
Thailand	Plus 0.57 percent to 724.98

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