

**THE U.S. GOVERNMENT CONFIRMS THE WORST:  
THE ECONOMY IS NEARLY STALLED**

In spite of the fact that The Organisation of Petroleum Exporting Countries (OPEC) has advertised its determination to hold crude-oil prices at or above the \$US60 per-barrel level by cutting back its crude-oil exports by 1.20 million barrels per day, effective November 1, 2006 (last Tuesday), and despite threats from OPEC members that it would reduce crude-oil exports by another 500,000 barrels per day, effective December 2006, or thereabouts, the price of the black ooze continued to fall on international commodity exchanges, last Monday.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in December was \$US58.36, down about 3.93 percent, compared with the last settlement of Friday, October 27, 2006.

As for January 2007 delivery, the last settlement for a barrel of light sweet crude oil came in at \$US60.24, representing a fall of about 3.66 percent on the last quote of the previous Friday.

The fall in the price of crude oil, however, did not do much for investors on the world's largest equity markets.

On The New York Stock Exchange, the Dow Jones Industrial Average shed 3.76 points, equivalent to about 0.03 percent, ending the relatively quiet trading day at 12,086.50 points.

On The NASDAQ, its Composite Index rose 13.15 points, or about 0.56 percent, limping up to 2,363.77 points.

That which hurt Wall Street, last Monday, was a report from the world's largest retailer, Wal-Mart Stores Incorporated, which announced weaker-than-expected sales due to one reason or another.

Europe, as is its wont, followed the lead of Wall Street, with key indices of major bourses, losing ground:

Amsterdam's AEX Index	Minus 0.41 percent
France's CAC 40 Index	Minus 0.62 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.06 percent
Great Britain's FTSE 100 Index	Minus 0.55 percent
Italy's MIBTEL Index	Plus 0.09 percent
Switzerland's Swiss Market Index	Minus 0.31 percent

One factor, which hurt Europe, was the lower price of crude oil because European bourses are resplendent in energy counters, the share prices of which started to slide back, quickly, during last Monday's trading session.

In Asia, weakness prevailed on major equity markets.

The 2 stock markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were closed for a public holiday, last Monday.

In Japan, there was blood on the trading floors of the country's 3 stock markets as investors bailed out in a hurry.

On The Tokyo Stock Exchange, which is the premier equity market of the country, its TOPIX Index gave up 30.08 points, equivalent to about 1.82 percent, ending the trading day at 1,620.65 points.

The ratio of losing counters to gaining ones was about 7.27:One.

As for the narrower gauge of trading in select blue chips, listed on The First Section of The Tokyo Stock Exchange, it gave up 317.22 yen, equivalent to about 1.90 percent, dropping back to 16,351.85 yen.

#### News Wise

- The Japanese Government's **Ministry of Economy, Trade and Industry (METI)** announced that **industrial production** in the country fell, during the month of September, suggesting that the recent economic revival may, indeed, have stalled somewhat. Output was off by about 0.70 percent, compared with August, METI announced. In the month of August, industrial production had risen by about 1.80 percent, Month-On-Month;
- **Mitsubishi Motors Corporation** announced a Net Loss Attributable to Shareholders of about 16.10 billion yen for the first 6 months of its Financial Year, ended September 30, 2006. That result compared with the like period in 2005 when the Net Loss Attributable to Shareholders was about 63.80 billion yen;
- **Hokuetsu Paper Mills Ltd** announced a Group Net Profit Attributable to Shareholders of about 1.86 billion yen for the first half of its Fiscal Year, ended September 30, 2006. In the like period of 2005, the company earned about 26.70 percent more;
- **Marubeni Corporation**, a large trading house in Japan, announced that its Group Net Profit Attributable to Shareholders for the first 6 months of 2006 had been 65.60 billion yen, an increase of about 72 percent, Year-On-Year;
- **Oji Paper Company** announced that its Group Net Profit Attributable to Shareholders for the 6 months, ended September 30, 2006, had risen, Year-On-Year, by about 3.40 percent to 5.77 billion yen; and,
- **Mizuho Securities Company** has filed a Writ in The Tokyo District Court, naming **The Tokyo Stock Exchange** as the lone Defendant. The Writ seeks 41.50 billion yen in Damages, allegedly incurred when, last December, The Tokyo Stock Exchange's computer system failed to process, correctly. Management of The Tokyo Stock Exchange declined any comment.

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

The HKSAR	Hang Seng Index Closed The Growth Enterprise Index Closed
Indonesia	Plus 0.47 percent to 1,580.19

Japan	TOPIX Index Minus 1.82 percent to 1,620.65 Nikkei-255 Stock Average Minus 1.90 percent to 16,351.85
Malaysia	Minus 0.39 percent to 986.07
The Philippines	Plus 0.22 percent to 2,708.19
Singapore	Minus 1.41 percent to 2,691.60
South Korea	Minus 0.95 percent to 1,356.11
Taiwan	Minus 1.29 percent to 6,995.20
Thailand	Minus 0.97 percent to 718.74

## **Tuesday**

North Korea buckled under international pressure and agreed to resume 6-party talks.

The reclusive, Communist country, the pariah of the West, for the most part, came into an agreement with the People's Republic of China (PRC) and the US, with Mr Christopher Hill, the US Assistant Secretary of State, saying that talks would resume as early as December.

No conditions were imposed by North Korea for the resumption of the 6-party talks, which are aimed at persuading North Korea to dismantle its existing nuclear arsenal of weapons and shut down all of its nuclear reactors.

The United Nations imposed sanctions on North Korea due to its intransigence in refusing to bow to international pressure to dismantle its nuclear reactors and cease its bellicose posturing by threatening South Korea and Japan.

The North Korean news was the good news, but there was bad news, too.

The bad news was that there is growing evidence in the US that consumer confidence is waning.

Consumers are concerned about jobs and salaries.

Economic growth in The Land of The Free and The Home of The Brave fell by about 1.60 percent in the quarter, ended September 30, 2006.

The matter of waning US consumer confidence overshadowed the matter of North Korea, agreeing to resume 6-party talks, as far as investors on Wall Street were concerned.

On The New York Stock Exchange, the Dow Jones Industrial Average fell 5.77 points, equivalent to about 0.05 percent, ending the trading day at 12,080.73 points.

Over on The NASDAQ, its Composite Index followed The Dow's lead, dropping back to 2,366.71 points, a one-day fall of about 0.12 percent.

On The New York Mercantile Exchange (NYMEX), in line with other international commodity exchanges, the price of crude oil reversed its course and started to rise, again.

The last settlement for a barrel of light sweet crude oil for delivery in December was \$US58.73, an increase of about 0.63 percent, compared with Monday's last settlement.

As for January 2007 delivery, the last settlement came in at \$US60.61 per barrel of light sweet crude oil, representing an increase of about 0.61 percent, compared with the final quote of Monday.

By and large, European equity markets saw little changes in their key indices, last Tuesday, as investors waited to learn how some of the corporate '*darlings*' of the region had fared, during the past quarter.

This was how the key indices of major European equity markets ended, last Tuesday:

Amsterdam's AEX Index	Minus 0.28 percent
France's CAC 40 Index	Minus 0.25 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.17 percent
Great Britain's FTSE 100 Index	Plus 0.03 percent
Italy's MIBTEL Index	Plus 0.49 percent
Switzerland's Swiss Market Index	Minus 0.86 percent

Fractional changes of key indices, mostly in the black, marked Asian stock markets, last Tuesday.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, its 2 equity markets made gains, but only small improvements.

On the Main Board of The Stock Exchange of Hongkong Ltd, its Hang Seng Index rose about 0.15 percent to 18,324.35 points on a Total Turnover of about \$HK43.54 billion.

The ratio of losers and gainers was neck-to-neck, at about 1.006:One.

The Ten Most Active counters were:

Industrial and Commercial Bank of China Ltd (Code: 1398) Down 1.14 percent to \$HK3.48 per share

China Life Insurance Company Ltd (Code: 2628)	Up 2.25 percent to \$HK16.38 per share
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China Mobile Ltd (Code: 941)	Up 1.36 percent to \$HK63.20 per share
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HSBC Holdings plc (Code: 5)	Unchanged at \$HK146.80 per share
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Shenzhen Investment Ltd (Code: 604)	Down 0.65 percent to \$HK3.06 per share
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China Petroleum and Chemical Corporation (Code: 386)	Up 5.06 percent to \$HK5.40 per share
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China Construction Bank Corporation (Code: 939)      Down 0.85 percent to \$HK3.50 per share

PetroChina Company Ltd (Code: 857)      Down 0.35 percent to \$HK8.57 per share

Bank of China Ltd (Code: 3988)      Up 0.30 percent to \$HK3.35 per share

Hongkong Exchanges and Clearing Ltd (Code: 388)      Down 1.36 percent to \$HK61.60 per share

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

<b>Name of Company</b>	<b>Code</b>	<b>Increase (%)</b>	<b>Decrease (%)</b>	<b>Closing Price (\$HK)</b>
Alltronics Holdings Ltd	833	10.62		1.25
Apex Capital Ltd	905	197.30		0.22
Berjaya Holdings (Hongkong) Ltd	288	22.02		0.205
CASIL Telecommunications Holdings Ltd	1185	11.76		0.57
China Investments Holdings Ltd	132	23.42		0.195
Decca Holdings Ltd	997		10.71	1.25
Fulbond Holdings Ltd	1041	14.71		0.039
Golden Dragon Group (Holdings) Ltd	329	13.89		1.23
Guangdong Tannery Ltd	1058	12.12		0.37
Mei Ah Entertainment Group Ltd	391		10.39	0.345
Panva Gas Holdings Ltd	1083	10.51		3.68
Quam Ltd	952		11.59	0.61
REXCAPITAL Financial Holdings Ltd	555	11.43		0.39
Shanghai Zendai Property Ltd	755	15.52		0.335
Tak Shun Technology Group Ltd	1228	21.82		0.134
Willie International Holdings Ltd	273	17.76		0.126

Zhong Hua International Holdings Ltd	1064	18.27		0.123
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On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, it was a similar situation to that which had transpired on the Main Board, with The Growth Enterprise Index, gaining about 0.52 percent to end the trading day at 1,137.19 points.

The ratio of gainers to losers was, exactly, One:One.

The Total Turnover was about \$HK199.14 million.

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

Beijing Jingkelong Company Ltd (Code: 8245) Up 1.82 percent to \$HK6.72 per share

Galileo Capital Group Ltd (Code: 8029) Up 12.96 percent to \$HK0.61 per share

Chinainfo Holdings Ltd (Code: 8206) Down 0.75 percent to \$HK3.97 per share

Kanstar Environmental Paper Products Holdings Ltd (Code: 8011) Up 1.52 percent to \$HK0.335 per share

TOM Online Incorporated (Code: 8282) Up 6.67 percent to \$HK1.28 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022		23.53	0.091
Capital Publications Ltd	8155		29.82	0.20
Galileo Capital Group Ltd	8029	12.96		0.61
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049		10.91	0.147
Linefan Technology Holdings Ltd	8166		22.00	0.039
Shandong Luoxin Pharmacy Stock Company Ltd	8058	14.29		0.80
North Asia Strategic Holdings Ltd	8080		11.46	0.425
Neolink Cyber Technology (Holding) Ltd	8116	10.24		0.14
ProSticks International Holdings Ltd	8055		15.45	0.186
Soluteck Holdings Ltd	8111	20.59		0.041

Tianjin TEDA Biomedical Engineering Company Ltd	8189		40.00	0.12
Tiger Tech Holdings Ltd	8046	10.81		0.041
Wafer Systems Ltd	8198		30.00	0.063

In Japan, trading was relatively quiet on the country's 3 equity markets, but the quiet always exists before a major storm, a Japanese proverb claims.

On The Tokyo Stock Exchange, its TOPIX Index lost 3.23 points, equivalent to about 0.20 percent, ending up at 1,617.42 points by the close of the day.

Advancing counters outpaced declining ones by the ratio of about 1.40:One.

The Nikkei-225 Stock Average, on the other hand, put on about 0.29 percent, rising to 16,399.39 yen.

#### News Wise

- The Government of Japan announced that the **unemployment rate** rose from 4.10 percent to 4.20 percent in September. Also, the average monthly **household expenditure** fell by about 6 percent in September, compared with the like month in 2005;
- **Toshiba Corporation** announced that its Group Net Profit Attributable to Shareholders for the first half of its Fiscal Year, ended September 30, 2006, was 38.80 billion yen. That result was more than double the earnings of its first 6 months, during the 2005-Year;
- **Mitsubishi Corporation** said that its Consolidated Net Profit Attributable to Shareholders for the 6 months to September 30, 2006, came in at 234.83 billion yen, an increase of about 31.70 percent, Year-On-Year; and,
- **All Nippon Airways Company (ANA)** announced a record level of net earnings for its first half to September 30, 2006. ANA said that its Consolidated Net Profit Attributable to Shareholders for the first 6 months of its Financial Year was 33.29 billion yen, representing an increase, Year-On-Year, of about 68.80 percent.

And, on other Asian equity markets, this was how the situation looked, last Tuesday night:

The HKSAR	Hang Seng Index Plus 0.15 percent to 18,324.35 The Growth Enterprise Index Plus 0.52 percent to 1,137.19
Indonesia	Plus 0.15 percent to 1,582.63
Japan	TOPIX Index Minus 0.20 percent to 1,617.42 Nikkei-255 Stock Average Plus 0.29 percent to 16,399.39
Malaysia	Plus 0.23 percent to 988.30
The Philippines	Plus 0.01 percent to 2,708.50

Singapore	Plus 0.38 percent to 2,701.75
South Korea	Plus 0.62 percent to 1,364.55
Taiwan	Plus 0.37 percent to 7,021.32
Thailand	Plus 0.52 percent to 722.46

### **Wednesday**

More evidence came to light, last Wednesday, in respect of the weakness of the US economy, with more weaknesses, likely to make themselves known in the coming months.

The US Commerce Department and The National Association of Realtors released statistics, indicating, inter alia, that, during the month of September, US builders spent 1.10 percent less, compared with the like month in 2005.

The US housing sector has been displaying abject weakness for the past 6 months; it is the longest period of weakness for more than a decade.

House prices are standing at their lowest levels of the past 35 years.

Construction spending, The Commerce Department noted, fell 0.30 percent in September, Year-On-Year.

At the same time, the problems, in respect of the housing sector of the economy, are affecting US manufacturing growth which edged closed to stagnation, according to the latest statistics.

On The New York Stock Exchange, the Dow Jones Industrial Average surrendered 49.71 points, or about 0.41 percent, falling back to 12,031.02 points.

On The NASDAQ, its Composite Index gave up 32.36 points, equivalent to about 1.37 percent, ending the trading day at 2,334.35 points.

On the Big Board of The New York Stock Exchange, losing counters outnumbered gaining ones by the ratio of about 2:One while, on The NASDAQ, declining counters outran advancing ones by the ratio of about 3:One.

To state that it had not been a good day for the bulls of Wall Street would have been to state the obvious.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in December was \$US58.71, down about 2 cents on Tuesday's last settlement.

As for January 2007 delivery, the last settlement for a barrel of light sweet crude oil came in at \$US60.55, off 6 cents, compared with the last quote on Tuesday night.

Last Wednesday, the cutbacks, promised by The Organisation of Petroleum Exporting Countries (OPEC), came into force: About 1.20 million barrels of light sweet crude oil will not be delivered to the world's oil markets, henceforth.

However, questions are being raised as to whether or not all of the 11 member countries of OPEC will abide by the decision of their Council.

Last Wednesday, Mr Rafael Ramirez, Oil Minister of Venezuela, said that he would call for further cuts in oil production at the next OPEC meeting, scheduled for December.



On European bourses, key indices moved sideways, for the most part:

Amsterdam's AEX Index	Minus 0.10 percent
France's CAC 40 Index	Plus 0.41 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.36 percent
Great Britain's FTSE 100 Index	Plus 0.33 percent
Italy's MIBTEL Index	Plus 0.48 percent
Switzerland's Swiss Market Index	Plus 0.45 percent

European investors were becoming more than a little jittery over the economic situation with regard to the US economy, with Wall Street's antics, starting to bite.

In Asia, the key indices of the most-important equity markets made advances, but the gains were of a fractional nature.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both stock markets' key indices recorded gains on what was considered reasonable turnovers.

The Main Board of The Stock Exchange of Hongkong Ltd, which is the premier equity market of the territory, rose about 0.71 percent to 18,453.65 points on a Total Turnover of about \$HK38.78 billion.

Advancing counters outnumbered declining ones by the ratio of 2.16:One, exactly.

The Ten Most Actives were:

Industrial and Commercial Bank of China Ltd (Code: 1398) Up 0.57 percent to \$HK3.50 per share

HSBC Holdings plc (Code: 5) Up 1.29 percent to \$HK148.70 per share

China Mobile Ltd (Code: 941) Up 0.55 percent to \$HK63.55 per share

China Construction Bank Corporation (Code: 939) Up 1.14 percent to \$HK3.54 per share

PetroChina Company Ltd (Code: 857) Up 1.05 percent to \$HK8.66 per share

China Petroleum and Chemical Corporation (Code: 386) Unchanged at \$HK5.40 per share

China Merchants Bank Company Ltd (Code: 3968) Up 2.31 percent to \$HK12.42 per share

China Life Insurance Company Ltd (Code: 2628) Up 0.49 percent to \$HK16.46 per share

Bank of China Ltd (Code: 3988)

Up 0.60 percent to \$HK3.37 per share

Huaneng Power International Incorporated (Code: 902)

Up 4.58 percent to \$HK6.39 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)
Apex Capital Ltd	905		15.91	0.185
Berjaya Holdings (Hongkong) Ltd	288		13.66	0.177
China HealthCare Holdings Ltd	673		10.53	0.85
China Southern Airlines Company Ltd	1055	12.06		2.88
Coastal Greenland Ltd	1124	13.00		1.13
Cosmopolitan International Holdings Ltd	120	11.11		0.08
Grand Field Group Holdings Ltd	115		19.23	0.084
Grandtop International Holdings Ltd	2309		15.00	0.068
Guangdong Tannery Ltd	1058	37.84		0.51
Heng Tai Consumables Group Ltd	197	17.24		1.02
Lee and Man Holding Ltd	746	13.45		1.35
MACRO-LINK International Holdings Ltd	472	23.08		0.32
Magnum International Holdings Ltd	305	13.11		0.069
One Media Group Ltd	426	21.21		0.60
See Corporation Ltd	2981		24.00	0.76
Teem Foundation Group Ltd	628	11.68		1.53

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index rose, exactly, 0.67 percent to end the day at 1,144.81 points.

The Total Turnover on this speculative market was about \$HK195.52 million.

The ratio of gainers to losers was about 1.67:One.

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

Beijing Jingkelong Company Ltd (Code: 8245) Up 2.23 percent to \$HK6.87 per share

Galileo Capital Group Ltd (Code: 8029) Up 3.28 percent to \$HK0.63 per share

Chinainfo Holdings Ltd (Code: 8206) Down 7.30 percent to \$HK3.68 per share

Century Sunshine Ecological Technology Holdings Ltd (Code: 8276) Up 1.81 percent to \$HK5.05 per share

TOM Online Incorporated (Code: 8282) Up 4.69 percent to \$HK1.34 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022	24.18		0.113
B M Intelligence International Ltd	8158	10.00		0.099
Shanxi Changcheng Microlight Equipment Company Ltd	8286	20.00		0.30
Xi'an Haitian Antenna Technologies Company Ltd	8227		11.76	0.30
MegaInfo Holdings Ltd	8389	14.47		0.435
Prosten Technology Holdings Ltd	8026	11.11		0.35
ProSticks International Holdings Ltd	8055	17.20		0.218
Soluteck Holdings Ltd	8111	29.27		0.053
SYSCAN Technology Holdings Ltd	8083	12.22		0.101
Tianjin TEDA Biomedical Engineering Company Ltd	8189	25.00		0.15
Universal Technologies Holdings Ltd	8091	36.88		0.219
Vodatel Networks Holdings Ltd	8033	10.00		0.132

Wafer Systems Ltd	8198	42.86		0.09
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In Japan, trading was light on the country's 3 equity markets.

On The Tokyo Stock Exchange, its TOPIX Index rose 0.31 percent to 1,622.51 points.

Gaining counters were ahead of losing ones by the ratio of about 1.26:One.

The Nikkei-225 Stock Average, on the other hand, fell back by about 0.15 percent to 16,375.26 yen.

In other areas of Asia, this was how the major equity markets' respective key indices fared, last Wednesday:

The HKSAR	Hang Seng Index Plus 0.71 percent to 18,453.65 The Growth Enterprise Index Plus 0.67 percent to 1,144.81
Indonesia	Plus 0.46 percent to 1,589.87
Japan	TOPIX Index Plus 0.31 percent to 1,622.51 Nikkei-255 Stock Average Minus 0.15 percent to 16,375.26
Malaysia	Plus 0.11 percent to 989.34
The Philippines	Closed
Singapore	Plus 1.33 percent to 2,737.78
South Korea	Plus 0.72 percent to 1,374.35
Taiwan	Minus 0.10 percent to 7,013.99
Thailand	Plus 1.16 percent to 730.87

### **Thursday**

The US economy appears to be grinding to a halt.

Last Thursday, statistics, released by US Government agencies, appeared to suggest this, most strongly.

For the 3 months, ended September 30, 2006, labour productivity in The Land of The Free and The Home of The Brave was at a standstill, according to The Labour Department.

(Labour productivity is defined by The Labour Department as productivity in terms of output per man hour)

As for labour costs, they were up about 5.30 percent, Year-On-Year, the largest rise, annualised, in the past 24 years.

Shades of inflation creeping higher while the US Federal Reserve is on inflation watch.

Back in the last week of October, this medium reported that the housing slump in the US was taking chunks out of the largest single economy of the world, with the US economy, having slowed to an annual rate of about 1.60 percent in the third quarter, to September 30, 2006.

That statistic represented the lowest level for the previous 3 years.

Last Thursday came more confirmation in support of TARGET's earlier determination.

On Wall Street, last Thursday, investors took careful note of the latest economic statistics.

The Dow Jones Industrial Average, the key index of The New York Stock Exchange, fell for the fifth consecutive day: Down about one tenth of a percentage point to 12,018.54 points.

On The NASDAQ, its Composite Index shed about 0.01 percent, edging back to 2,334.02 points.

But there was some positive news, too.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in December dropped back to \$US57.88, down about 1.41 percent on the last quote of Wednesday.

As for delivery in January 2007, the last settlement for a barrel of light sweet crude oil was \$US59.62, representing a fall of about 1.54 percent, compared with Wednesday's last settlement.

European investors were worried, last Thursday, about (a) the flagging state of the US economy and (b) the probability that the problems in the US could be exported and visited upon countries of the European Union.

As a direct result of the above, key indices of major European bourses suffered losses, some very material ones:

Amsterdam's AEX Index	Minus 0.41 percent
France's CAC 40 Index	Minus 1.13 percent
Germany's Frankfurt XETRA DAX Index	Minus 1.08 percent
Great Britain's FTSE 100 Index	Unchanged
Italy's MIBTEL Index	Minus 0.29 percent
Switzerland's Swiss Market Index	Plus 0.24 percent

Asia appeared to be defying the rest of the world with key indices of some of the largest equity markets making very useful gains.

In the Hongkong Special Administrative Region (HKSAR) of The People's Republic of China (PRC), the key indices of both stock markets made gains of more than one percent, each.

The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd,

rose about 1.42 percent to end the trading day at 18,714.78 points.

The Total Turnover was about \$HK39.06 billion, with the ratio of advancing counters to declining ones, being about 1.84:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5) Up 1.01 percent to \$HK150.20 per share

Industrial and Commercial Bank of China Ltd (Code: 1398) Unchanged at \$HK3.50 per share

China Mobile Ltd (Code: 941) Up 3.70 percent to \$HK65.90 per share

China Construction Bank Corporation (Code: 939) Up 1.69 percent to \$HK3.60 per share

PetroChina Company Ltd (Code: 857) Up 0.23 percent to \$HK8.68 per share

Hutchison Whampoa Ltd (Code: 13) Up 0.79 percent to \$HK69.75 per share

China Petroleum and Chemical Corporation (Code: 386) Unchanged at \$HK5.40 per share

China Life Insurance Company Ltd (Code: 2628) Up 0.61 percent to \$HK16.56 per share

Bank of Communications Company Ltd (Code: 3328) Up 2.53 percent to \$HK6.07 per share

Cheung Kong (Holdings) Ltd (Code: 1) Up 1.01 percent to \$HK84.95 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Apex Capital Ltd	905		10.81	0.165
Baoye Group Company Ltd	2355	12.15		12.00
Bestway International Holdings Ltd	718		18.18	0.018
Century Legend (Holdings) Ltd	79	22.86		0.043
China Motion Telecom International Ltd	989	21.82		0.67
China State Construction International Holdings Ltd	3311	10.62		4.48

China Velocity Group Ltd	149	24.00		0.62
CITIC Resources Holdings Ltd	1205	14.20		1.93
Easyknit International Holdings Ltd	1218	12.50		0.405
Fulbond Holdings Ltd	1041	13.16		0.043
GFT Holdings Ltd	1003		10.00	0.045
Global Bio-chem Technology Group Company Ltd	809	18.37		2.90
Galaxy Semi-Conductor Holdings Ltd	527	10.00		0.66
MAXX Bioscience Holdings Ltd	512		11.20	0.111
Polytec Asset Holdings Ltd	208	13.81		2.72
See Corporation Ltd	2981		15.79	0.64
Wo Kee Hong (Holdings) Ltd	720	11.11		0.35
Wonson International Holdings Ltd	651	15.20		0.144
Zhongda International Holdings Ltd	909	11.11		0.20

On The (very speculative) **Growth Enterprise Market** (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index put on about 1.12 percent, rising to 1,157.62 points.

The Total Turnover on this market stayed low, at about \$HK151.18 million.

Gaining counters outdistanced losing ones by the ratio of about 1.36:One.

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

Beijing Jingkelong Company Ltd (Code: 8245)

Up 2.77 percent to \$HK7.06 per share

Century Sunshine Ecological Technology Holdings Ltd (Code: 8276)

Unchanged at \$HK5.05 per share

Chinainfo Holdings Ltd (Code: 8206)

Down 2.17 percent to \$HK3.60 per share

MegaInfo Holdings Ltd (Code: 8389)

Up 26.44 percent to \$HK0.55 per share

CK Life Sciences International (Holdings) Incorporated (Code: 8222) Up 5.19 percent to \$HK0.81 per share

The GEM's biggest movers of the day included:

<b>Name of Company</b>	<b>Code</b>	<b>Increase (%)</b>	<b>Decrease (%)</b>	<b>Closing Price (\$HK)</b>
Asian Information Resources (Holdings) Ltd	8025	41.33		0.106
BIG Media Group Ltd	8167		34.44	0.118
Capital Publications Ltd	8155	27.50		0.255
Shanxi Changcheng Microlight Equipment Company Ltd	8286		21.67	0.235
FlexSystem Holdings Ltd	8050	10.77		0.072
Linefan Technology Holdings Ltd	8166	53.85		0.06
Medical China Ltd	8186		10.53	0.051
MegaInfo Holdings Ltd	8389	26.44		0.55
North Asia Strategic Holdings Ltd	8080	12.94		0.48
New Chinese Medicine Holdings Ltd	8085		15.00	0.17
QUASAR Communication Technology Holdings Ltd	8171	21.65		0.118
Soluteck Holdings Ltd	8111		13.21	0.046
Tianjin TEDA Biomedical Engineering Company Ltd	8189	31.33		0.197
Tradeeasy Holdings Ltd	8163	10.00		0.055
Vodatel Networks Holdings Ltd	8033	51.52		0.20

In Japan, it was a completely different story to that, being told on equity markets of the HKSAR.

On The Tokyo Stock Exchange, its TOPIX Index shed about 0.22 percent, edging back to 1,619.02 points.

Declining stocks led advancing ones by the ratio of about 1.32:One.

As for The Nikkei-225 Stock Average, it lost about 0.15 percent of its value, drifting back to 16,350.02 yen.

News Wise



- **Takefuji Corporation**, a finance company in Japan, reported a Group Net Loss Attributable to Shareholders of about 144.23 billion yen for the first half of its Financial Year, ended September 30, 2006; and,
- **Mazda Motor Corporation** announced that, for the first 6 months of its Financial Year, to September 30, 2006, it had enjoyed a Profit Attributable to Shareholders of about 272.21 billion yen, down about 12.50 percent, compared with the like period in 2005.

This was how the situation looked on other Asian equity markets, last Thursday night:

The HKSAR	Hang Seng Index Plus 1.42 percent to 18,714.78 The Growth Enterprise Index Plus 1.12 percent to 1,157.62
Indonesia	Plus 1.12 percent to 1,607.70
Japan	TOPIX Index Minus 0.22 percent to 1,619.02 Nikkei-255 Stock Average Minus 0.15 percent to 16,350.02
Malaysia	Plus 0.60 percent to 995.25
The Philippines	Plus 0.49 percent to 2,721.78
Singapore	Minus 0.25 percent to 2,730.98
South Korea	Plus 0.68 percent to 1,383.73
Taiwan	Plus 0.91 percent to 7,078.10
Thailand	Minus 0.25 percent to 729.03

### **Friday**

Just prior to Wall Street, opening its doors for business, last Friday morning, The Bureau of Labour Statistics, a division of The Labour Department, brought out its findings in respect of the labour situation in the US for the month of October.

The statistics indicated, inter alia, that 92,000 new, non-farm jobs had been created in the month, but that figure hardly kept up with the number of new workers, entering the workplace on a monthly basis.

Also, the 92,000 new jobs, created in October, represented a drop of about 56,000 new jobs, created in September, and about 138,000 new jobs less than in the month of August.

New job creation in the US, on a monthly basis, therefore, is retreating – which is in line with a slowing economy.

The unemployment rate, according to The Bureau's statistics, stood at about 4.40 percent, which compared with 4.60 percent in the month of September.

Again, government figures, any government figures, can be terribly misleading because, in the case of The Labour Department of the US Government, this department can only record the numbers of people, lining up for work and/or receiving unemployment benefits.

There are known to be many millions of people who have given up, trying to find jobs or have been unable to register for unemployment insurance/benefits for one reason or another.

In short, the statistics, produced by The Labour Department, were far from being positive.

The following is the verbatim statement of Mr Philip L. Rones, Acting Commissioner, The Bureau of Labour Statistics, released last Friday at 8:30 am:

*'Employment rose in October and the unemployment rate declined to 4.4 percent. The number of nonfarm payroll jobs increased by 92,000 in October, following gains of 148,000 in September and 230,000 in August (as revised). Employment continued to trend up in several service-providing industries, while manufacturing and construction lost jobs over the month. Average hourly earnings increased 6 cents, or 0.4 percent.'*

*'Job growth continued in professional and business services, with a gain of 43,000 in October. Employment increased over the month in management and technical consulting services and in business support services.'*

*'Health care added 23,000 jobs in October, as gains occurred in hospitals and in nursing and residential care facilities. Employment in the health care industry has risen by 302,000 over the year. Employment continued to grow over the month in food services and drinking places (+27,000). Mining employment rose by 5,000 in October; the industry has added 54,000 jobs over the year.'*

*'Manufacturing employment fell by 39,000 over the month. In October, job losses continued in wood products, and employment in motor vehicles and parts manufacturing decreased by 15,000. In plastics and rubber products, employment was down by 14,000 over the month, largely due to a strike. The factory workweek rose by 0.1 hour to 41.2 hours; overtime was unchanged at 4.3 hours.'*

*'Construction lost 26,000 jobs in October. Employment among residential specialty trade contractors fell by 31,000 over the month and has decreased by 99,000 since February, reflecting weakness in home building and remodeling.'*

*'Average hourly earnings for private production and nonsupervisory workers rose 6 cents in October to \$16.91, a gain of 0.4 percent. Over the year, average hourly earnings were up 3.9 percent.'*

*'Turning now to data from the survey of households, total employment rose and unemployment declined in October. The number of unemployed persons edged down to 6.7 million over the month, and the unemployment rate declined from 4.6 to 4.4 percent. Jobless rates were down for adult women and Hispanics. The number of persons unemployed for 27 weeks or more fell to 1.1 million in October, as compared to 1.4 million a year earlier. At 63.3 percent in October, the employment-population ratio was half a percentage point higher than a year earlier.'*

*'October 2006 was the final month that information was collected in the household survey about persons who evacuated from their homes, even temporarily, due to Hurricane Katrina. Special questions were added in October 2005 to provide a snap-shot of the labor market activity of Katrina evacuees in the immediate aftermath of the storm. While the number of evacuees represented in the survey varied from month to month, some patterns regarding their labor force status were evident. Evacuees who returned to live at their pre-hurricane residences were more likely to be employed and less likely to be unemployed than evacuees who were living elsewhere.'*

*'For example, information gathered in October 2006 represented 1.1 million persons age 16*

*and over who had evacuated from their August 2005 residences due to Hurricane Katrina. About 6 in 10 evacuees were again living in their pre-hurricane residences at the time they were surveyed. Some 60 percent of these returnees were employed, while 50 percent of those who were not living in their pre-hurricane residences held jobs. The unemployment rate of those living in their pre-hurricane residences (7.0 percent) was lower than the rate for those who were living elsewhere (17.9 percent).*

*'In summary, payroll employment increased by 92,000 in October, and the unemployment rate declined to 4.4 percent.'*

Wall Street, certainly, was not enthusiastic over the findings of The Labour Department, with key indices of major equity markets, finding new low levels for the week.

On The New York Stock Exchange, the Dow Jones Industrial Average lost about 0.27 percent of its value, dropping to 11,986.04 points.

As for The NASDAQ, its Composite Index gave up about 0.14 percent, ending the trading day at 2,330.79 points.

For The Dow, it had enjoyed its longest, consecutive period of falls for more than one year; last Friday's closing level was the first time that The Dow had dipped below the 12,000-mark since October 18, 2005.

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

The Dow Jones Industrial Average	Minus 0.86 percent
The NASDAQ's Composite Index	Minus 0.84 percent

Contributing to that sinking feeling was an increase in the price of crude oil on international commodity exchanges.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in December came in at \$US59.14, representing an increase of about 2.17 percent on Thursday's closing level.

As for delivery in January 2007, the last settlement was \$US60.88 per barrel of light sweet crude oil, a jump of about 2.11 percent, compared with Thursday's last settlement.

In Europe, however, things appeared to be a little more upbeat than on Wall Street, with many of the major bourses, seeing their key indices head for higher ground.

Ironically, it was the increase in the price of crude oil that did the trick for investors in this part of the world because European bourses are inundated with energy counters – which suddenly became the flavour of the day.

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

Amsterdam's AEX Index	Plus 0.80 percent
France's CAC 40 Index	Plus 0.49 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.28 percent
Great Britain's FTSE 100 Index	Minus 0.01 percent
Italy's MIBTEL Index	Plus 0.57 percent

Switzerland's Swiss Market Index                      Plus    0.59 percent

In Asia, things continued to pop, with the key indices of some of the region's equity markets, reaching for new record highs.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), only the premier equity market recorded gains.

The Main Board of The Stock Exchange of Hongkong Ltd had its Hang Seng Index, standing at 18,749.69 points by the close of the trading day, representing an increase of about 0.19 percent on Thursday's closing level.

The Total Turnover was about \$HK42.75 billion.

However, losing counters outnumbered gaining ones by the ratio of about 1.10:One.

The Ten Most Actives were:

Industrial and Commercial Bank of China Ltd (Code: 1398)    Up 2.57 percent to \$HK3.59 per share

HSBC Holdings plc (Code: 5)    Down 0.20 percent to \$HK149.90 per share

China Mobile Ltd (Code: 941)    Up 0.91 percent to \$HK66.50 per share

China Petroleum and Chemical Corporation (Code: 386)    Down 0.19 percent to \$HK5.39 per share

China Life Insurance Company Ltd (Code: 2628)              Down 0.36 percent to \$HK16.50 per share

China Construction Bank Corporation (Code: 939)              Down 0.28 percent to \$HK3.59 per share

Sun Hung Kai Properties Ltd (Code: 16)                              Up 1.33 percent to \$HK87.55 per share

Cheung Kong (Holdings) Ltd (Code: 1)                              Up 1.71 percent to \$HK86.40 per share

Hutchison Whampoa Ltd (Code: 13)                                      Unchanged at \$HK69.75 per share

Bank of China Ltd (Code: 3988)                                      Down 0.30 percent to \$HK3.37 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Berjaya Holdings (Hongkong) Ltd	288		25.56	0.134
Bestway International Holdings Ltd	718		11.11	0.016

China Water Affairs Group Ltd	855	10.48		2.53
Genesis Energy Holdings Ltd	702	32.08		0.07
Grand Field Group Holdings Ltd	115	13.10		0.095
Hans Energy Company Ltd	554	10.47		0.475
Imagi International Holdings Ltd	585	14.55		3.07
Jiwa Bio-Pharm Holdings Ltd	2327		10.00	0.27
MACRO-LINK International Holdings Ltd	472	11.48		0.34
Magician Industries (Holdings) Ltd	526	15.79		0.11
Mei Ah Entertainment Group Ltd	391	15.94		0.40
New Times Group Holdings Ltd	166	11.11		0.40
Ngai Hing Hong Company Ltd	1047		10.64	0.42
O2Micro International Ltd	457	13.27		1.11
Paul Y. Engineering Group Ltd	577	10.11		0.98
Rontex International Holdings Ltd	1142	15.38		0.03
Shanghai Allied Cement Ltd	1060	25.00		0.40
Shanghai International Shanghai Growth Investment Ltd	770	10.00		2.20
Sino Prosper Holdings Ltd	766	10.61		0.73
South China Holdings Ltd	265		10.00	0.27
Tak Shun Technology Group Ltd	1228	18.92		0.176
TCL Multimedia Technology Holdings Ltd	1070		14.10	0.67
Wo Kee Hong (Holdings) Ltd	720	14.29		0.40
Yardway Group Ltd	646		15.22	0.195

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, the situation was

almost the reverse of that which had transpired on the Main Board.

The Growth Enterprise Index lost about 0.02 percent, falling back to 1,157.41 points.

The Total Turnover was about \$HK180.31 million.

Gainers and losers were even, at One:One, exactly.

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

MegaInfo Holdings Ltd (Code: 8389) Up 54.55 percent to \$HK0.85 per share

Beijing Jingkelong Company Ltd (Code: 8245) Down 0.42 percent to \$HK7.03 per share

Techpacific Capital Ltd (Code: 8088) Unchanged at \$HK0.52 per share

Chinainfo Holdings Ltd (Code: 8206) Up 1.11 percent to \$HK3.64 per share

Shandong Weigao Group Medical Polymer Company Ltd (Code: 8199) Up 0.62 percent to \$HK6.50 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
ePRO Ltd	8086	27.63		0.097
International Financial Network Holdings Ltd	8123		11.11	0.04
MegaInfo Holdings Ltd	8389	54.55		0.85

The tally for the 4-day trading week for the equity markets of the HKSAR was:

The Hang Seng Index Plus 2.47 percent  
The Growth Enterprise Market Plus 2.31 percent

The equity markets of Japan were closed for a public holiday, last Friday.

The tally for Asia's largest and most-important equity market for its 4-day trading week was:

The TOPIX Index Minus 1.92 percent  
The Nikkei-225 Stock Average Minus 1.91 percent

And this was how things looked on other Asian stock markets, last Friday night:

The HKSAR	Hang Seng Index Plus 0.19 percent to 18,749.69 The Growth Enterprise Index Minus 0.02 percent to 1,157.41
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Indonesia	Plus 0.33 percent to 1,612.92
Japan	TOPIX Index Closed Nikkei-255 Stock Average Closed
Malaysia	Plus 0.28 percent to 998.02
The Philippines	Plus 1.66 percent to 2,766.86
Singapore	Minus 0.32 percent to 2,722.31
South Korea	Plus 0.01 percent to 1,383.88
Taiwan	Plus 1.18 percent to 7,161.61
Thailand	Plus 0.45 percent to 732.30

-- E N D --

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