

**CRUDE OIL PRICES DECLINE, MARKEDLY –  
THE DOW HITS NEW HIGHS –  
WALL STREET BETS ON THE FED, LEAVING WELL-ENOUGH ALONE**

Humility for the US Government is, now, spelled in just 4 letters: I-R-A-Q.

The Democrats, having been in power for less than a week, were flexing their muscles, last Monday, suggesting that the way to resolve the problems in Iraq was to enlist the aid of the governments of both Syria and Iran.

Both of these Middle Eastern countries are far from being bosom friends of the United States of America, but, as the saying goes, necessity makes for strange bedfellows.

The ‘*talk*’ on Capitol Hill, last Monday, was getting US troops out of Iraq in months, not years.

US President George W. Bush was being forced to eat crow.

On Wall Street, however, share prices continued to advance, helped by a decided fall in the price of crude oil on international commodity exchanges.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 23.45 points, equivalent to about 0.19 percent, ending the day at 12,131.88 points.

Over on The NASDAQ, its Composite Index gained 16.66 points, or about 0.70 percent, coming to rest at 2,406.38 points.

If the fighting in Iraq does wind down, as the Democrats claim it may well do so if peace talks can be initiated with the rival factions in the country with the assistance of other Middle Eastern governments, specifically Iran and Syria, then, defense counters on US equity markets could well be targets for sellers as the US Government cuts back spending in this sector of the largest single economy of the world.

The price of crude oil on The New York Mercantile Exchange (NYMEX) came under sustained selling pressure, last Monday, to the delight, no doubt, of transportation companies, from New Zealand to Alaska.

The last settlement for a barrel of light sweet crude oil for delivery in December was \$US58.58, representing a fall of about 1.69 percent, compared with the last settlement of Friday, November 10, 2006.

As for January 2007 delivery, the last settlement for a barrel of light sweet crude oil was \$US60.59, down about 1.54 percent on the final quote of the previous Friday.

The key indices of major European bourses fared reasonably well, last Monday, as investors determined that perhaps things were not all that bad, after all.

But, with crude oil prices, falling sharply, it did not bode well for speculators on international commodity exchanges.

Many of Europe’s bourses are inundated with energy counters, too.

This was how the key indices of the major equity markets of Europe ended, last Monday night:

Amsterdam's AEX Index	Plus	0.25 percent
France's CAC 40 Index	Plus	0.79 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.56 percent
Great Britain's FTSE 100 Index	Minus	0.22 percent
Italy's MIBTEL Index	Plus	0.22 percent
Switzerland's Swiss Market Index	Plus	0.18 percent

### News Wise

- The Italian airline, **Alitalia**, 49 percent of which is owned by the Government of Italy, has reported a Pre-Tax Loss of about 65.80 euros (about \$US84.20 million) in respect of its third quarter, ended September 30, 2006. That result compared with a Net Profit Attributable to Shareholders of about 15.70 million euros (about \$HK20.10 million) for the like 2005 period. Higher fuel prices were given as the reason for the losses.

Weakness prevailed on Asian equity markets, last Monday, as investors waited to see which way the wind was going to blow in Washington, D.C.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets lost ground, but the losses were of a fractional nature.

The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, shed 0.12 percent, exactly, coming to rest at 18,868.54 points by the time that the dinner bell rang.

The Total Turnover was about \$HK57.66 billion, with the ratio of advancing counters to losing ones, being about 1.13:One.

The Ten Most Active counters were:

Henderson Land Development Company Ltd (Code: 12)	Down 6.30 percent to \$HK43.15 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 3.01 percent to \$HK3.77 per share
Agile Property Holdings Ltd (Code: 3383)	Down 5.69 percent to \$HK6.80 per share
China Construction Bank Corporation (Code: 939)	Up 3.28 percent to \$HK3.78 per share
Bank of China Ltd (Code: 3988)	Up 2.93 percent to \$HK3.51 per share
China Life Insurance Company Ltd (Code: 2628)	Up 4.21 percent to \$HK17.84 per share
China Mobile Ltd (Code: 941)	Up 0.08 percent to \$HK65.60 per share
Bank of Communications Company Ltd (Code: 3328)	Up 6.65 percent to \$HK7.22 per share

HSBC Holdings plc (Code: 5)

Down 0.13 percent to \$HK150.40 per share

China Merchants Bank Company Ltd (Code: 3968)

Up 3.39 percent to \$HK14.64 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>
Arnhold Holdings Ltd	102	16.67		0.84
Asia Tele-Net and Technology Corporation Ltd	679	38.57		0.485
Berjaya Holdings (Hongkong) Ltd	288	10.00		0.165
Bestway International Holdings Ltd	718	65.00		0.033
Century Legend (Holdings) Ltd	2983		24.29	0.53
China Investments Holdings Ltd	132	15.46		0.239
China Velocity Group Ltd	149	10.00		0.88
Chun Wo Holdings Ltd	711	10.71		0.93
Fulbond Holdings Ltd	1041	10.61		0.073
Interchina Holdings Company Ltd	202	21.62		0.045
Long Far Pharmaceutical Holdings Ltd	2898	10.00		0.44
Lung Kee (Bermuda) Holdings Ltd	255	10.00		4.40
Rivera (Holdings) Ltd	281	22.73		0.27
Signal Media and Communications Holdings Ltd	2362	18.42		0.18
Sino Technology Investments Company Ltd	1217	18.92		0.044
Sunlink International Holdings Ltd	2336	22.76		0.178
Tidetime Sun (Group) Ltd	307	22.67		0.092
Tonic Industries Holdings Ltd	978	21.39		0.21

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gave up about 0.63 percent of its value, falling back to 1,145.24 points on a Total Turnover of about \$HK198.53 million.

Declining counters outpaced advancing counters by the ratio of about 1.13:One.

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

Town Health International Holdings Company Ltd (Code: 8138) Up 9.00 percent to \$HK0.218 per share

CK Life Sciences International (Holdings) Incorporated (Code: 8222)Down 3.49 percent to \$HK0.83 per share

Beijing Jingkelong Company Ltd (Code: 8245) Down 2.12 percent to \$HK6.92 per share

Century Sunshine Ecological Technology Holdings Ltd (Code: 8276) Up 1.36 percent to \$HK5.20 per share

Chinainfo Holdings Ltd (Code: 8206) Up 1.13 percent to \$HK3.58 per share

As for The GEM's biggest 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>
Asian Information Resources (Holdings) Ltd	8025	17.28		0.095
Armitage Technologies Holding Ltd	8213		23.61	0.055
BIG Media Group Ltd	8167		11.76	0.15
Everpride Biopharmaceutical Company Ltd	8019	22.45		0.12
Shenzhen EVOC Intelligent Technology Company Ltd	8285	10.91		0.61
Excel Technology International Holdings Ltd	8048		14.55	0.094
Golding Soft Ltd	8190	10.00		0.022
GreaterChina Technology Group Ltd	8032	41.94		0.044
ITE (Holdings) Ltd	8092	100.00		0.08
Linefan Technology Holdings Ltd	8166		12.70	0.055
Mobile Telecom Network (Holdings) Ltd	8266		12.50	0.07

Northeast Tiger Pharmaceutical Company Ltd	8197	15.52		0.067
ProSticks International Holdings Ltd	8055	22.22		0.22
Shanghai Fudan Microelectronics Company Ltd	8102	23.68		0.47
Sing Lee Software (Group) Ltd	8076	10.81		0.082
Sino Haijing Holdings Ltd	8065		13.89	0.062
Sungreen International Holdings Ltd	8306		25.00	1.50
SYSCAN Technology Holdings Ltd	8083	13.28		0.145
Tianjin TEDA Biomedical Engineering Company Ltd	8189		10.00	0.18
TeleEye Holdings Ltd	8051	13.54		0.109
Tradeeasy Holdings Ltd	8163		15.00	0.051

In Japan, all of the key indices of the country's stock markets lost ground.

On The Tokyo Stock Exchange, its TOPIX Index gave up 12.61 points, equivalent to about 0.80 percent, as investors pushed down this key gauge of trading in blue chips to 1,568.76 points.

Declining counters outnumbered advancing ones by the ratio of about 4.20:One.

As for The Nikkei-225 Stock Average, a narrow gauge of trading, which plots the course of a select number of blue chips, listed on the First Section of The Tokyo Stock Exchange, it ended the trading day at 16,022.49 yen, representing a fall of about 0.56 percent on the previous close of Friday, October 10, 2006.

#### News Wise

- **Industrial production** in Japan fell by the seasonally adjusted figure of about 0.70 percent in September, compared with August, The **Ministry of Economy, Trade and Industry (METI)** announced;
- Japan's **Current Account Surplus** for September was about 2.02 trillion yen, up about 9.40 percent, Year-On-Year, The Finance Ministry released last Monday. It was the third, consecutive month of increases; and,
- **Isuzu Motor Ltd** reported a Net Profit Attributable to Shareholders of about 55.40 billion yen for the 6 months, ended September 30, 2006. It was a record profit for the company.

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

The HKSAR	Hang Seng Index Minus 0.12 percent to 18,868.54 The Growth Enterprise Index Minus 0.63 percent to 1,145.24
Indonesia	Minus 1.54 percent to 1,639.27

Japan	TOPIX Index Minus 0.80 percent to 1,568.76 Nikkei-255 Stock Average Minus 0.56 percent to 16,022.49
Malaysia	Minus 0.24 percent to 1,019.81
The Philippines	Minus 0.61 percent to 2,821.92
Singapore	Plus 0.07 percent to 2,747.24
South Korea	Plus 0.07 percent to 1,396.69
Taiwan	Minus 0.53.percent to 7,136.06
Thailand	Minus 0.48 percent to 736.83

## **Tuesday**

The 'heat' may well be off The (US) Federal Reserve to increase interest rates when it meets again on December 12, 2006, the way that things stand, today.

Various US Government departments brought out statistics, last Tuesday, indicating that, although the largest single economy of the world is in decline, wholesale inflation was on the wane.

According to The Labour Department, an important and much-watched department of the US Government, core inflation in the US fell by about 0.90 percent in October, the largest, one-month fall in the past 13 years.

(Core inflation measures inflation after extracting energy and food prices from calculations, both of which are subject to wide swings)

Overall, however, wholesale prices dropped by about 1.60 percent in October.

(Wholesales prices are the cost of goods, sold to customers, after leaving factories, farms, refineries, etc)

The thinking in respect of the latest statistics, produced by The Labour Department, was that US, motor-vehicle producers assisted in keeping inflation in check by continuously reducing prices of their vehicles, ex-factory, over the past year or so.

The full text of The Labour Department's release of last Tuesday is hereby reproduced, minus the tables and some explanatory notes:

### **'Producer Price Indexes - October 2006**

*'The Producer Price Index for Finished Goods fell 1.6 percent in October, seasonally adjusted, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. This decrease followed a 1.3-percent decline in September and a 0.1-percent advance in August. At the earlier stages of processing, prices received by manufacturers of intermediate goods moved down 1.1 percent in October after falling 1.4 percent in September, and the crude goods index dropped 10.5 percent following a 3.4-percent decrease in the previous month ...*

*'Among finished goods in October, prices for goods other than foods and energy declined 0.9 percent after rising 0.6 percent in September. The index for finished consumer foods also turned down-falling 0.8 percent in October following a 0.7-percent increase in the prior month. Conversely, prices for energy goods decreased 5.0 percent after dropping 8.4 percent in September.*

*'Before seasonal adjustment, the Producer Price Index for Finished Goods moved down 1.2 percent in October to 158.4 (1982 = 100). From October 2005 to October 2006, finished goods prices declined 1.6 percent. Over the same period,*

*the index for finished energy goods fell 10.4 percent, prices for finished consumer foods climbed 1.5 percent, and the index for finished goods other than foods and energy increased 0.6 percent. At the earlier stages of processing, prices received by intermediate goods producers rose 0.4 percent, while the crude goods index decreased 22.0 percent for the 12 months ended in October ...*

#### *'Finished goods*

*'The index for finished goods other than foods and energy declined 0.9 percent in October after rising 0.6 percent in September. Prices for light motor trucks fell 9.7 percent following a 3.5-percent gain in the preceding month. From October 2005 to October 2006, the index for light motor trucks dropped 12.4 percent.*

*Passenger car prices moved down 2.3 percent in October compared with a 2.8-percent advance a month earlier. For the 12 months ended October 2006, the passenger cars index decreased 3.2 percent. In accordance with usual practice, most new-model-year passenger cars and light motor trucks were introduced into the PPI in October. Prices for communication and related equipment, soaps and synthetic detergents, alcoholic beverages, x-ray and electromedical equipment, and printing trades machinery declined in October after increasing in September. The mobile homes index was unchanged following an advance in the prior month, and prices for cosmetics and other toilet preparations rose less than in September. Alternatively, the index for pharmaceutical preparations climbed 0.5 percent after falling 0.2 percent in the previous month. Prices for household appliances, tires, and household furniture also turned up in October. The indexes for sporting and athletic goods and for commercial furniture increased more than they had in September.*

*'Prices for finished consumer foods decreased 0.8 percent in October following a 0.7-percent increase in the prior month. The pork index fell 10.2 percent after rising 8.1 percent in September. Prices for fresh and dry vegetables, beef and veal, and soft drinks also declined in October following advances a month earlier. The indexes for dairy products, finfish and shellfish, and processed fruits and vegetables increased less than they had in September, while prices for processed young chickens decreased more in October than in the previous month. Conversely, the index for confectionery end products fell 0.2 percent after moving down 2.6 percent in September. Prices for fresh fruits and melons and for processed turkeys turned up, while the indexes for bakery products and roasted coffee climbed in October after remaining unchanged in the preceding month.*

*'The index for finished energy goods declined 5.0 percent in October following an 8.4-percent drop in September. Gasoline prices decreased 7.9 percent after dropping 22.2 percent a month earlier. The indexes for liquefied petroleum gas and diesel fuel also fell less than they had in September. Prices for home heating oil and kerosene turned up in October. By contrast, the index for residential natural gas declined 9.3 percent following a 1.8-percent advance in September. Prices for residential electric power fell more in October than they had in the previous month.*

#### *Intermediate goods*

*'The Producer Price Index for Intermediate Materials, Supplies, and Components fell 1.1 percent in October following a 1.4-percent decline in September. Prices for intermediate energy goods decreased less than they had in the prior month.*

*The index for nondurable manufacturing materials turned up after falling in September. By contrast, prices for materials for durable manufacturing and for materials and components for construction turned down following advances a month earlier. The index for intermediate foods and feeds increased less than it had in the previous month. Excluding foods and energy, prices for intermediate goods were unchanged in October after edging up 0.1 percent in September.*

*'The index for intermediate energy goods decreased 5.5 percent in October following a 7.5-percent decline in September. Prices for diesel fuel fell 8.9 percent after dropping 22.3 percent a month earlier. The indexes for gasoline and jet fuel also declined at slower rates than in the previous month. Prices for home heating*

*oil and commercial electric power turned up in October. By contrast, the index for industrial natural gas decreased 12.3 percent after advancing 0.7 percent in September. Prices for commercial natural gas and natural gas to electric utilities also turned down in October.*

*'Prices for materials for nondurable manufacturing edged up 0.2 percent in October subsequent to a 1.5-percent decrease in September. The index for finished fabrics increased 0.6 percent compared with a 0.2-percent decline in the previous month. Prices for primary basic organic chemicals decreased less in October than a month earlier, while the index for plastic resins and materials moved up after no change in September. Conversely, the index for nitrogenates moved down 1.8 percent in October after increasing 4.5 percent in September. The index for intermediate basic organic chemicals declined more than it had in the prior month. Paper prices were unchanged in October following increases in the previous month. The index for stemmed and redried tobacco fell after no change in September, and prices for paint materials rose less than in the prior month.*

*'The index for materials for durable manufacturing inched down 0.1 percent in October compared with a 0.5-percent advance in September. Prices for hot rolled steel sheet and strip fell 2.2 percent subsequent to a 1.1-percent rise a month earlier. The indexes for cold rolled steel sheet and strip and for hot rolled steel bars, plates, and structural shapes increased at slower rates than in September. By contrast, the index for primary aluminum (except extrusion billet) rose 5.6 percent after declining 2.1 percent in September. Prices for cold finished steel bars were unchanged after declining in the prior month. The index for hardwood lumber edged up following a decrease in September, and prices for titanium mill shapes increased more than in the preceding month.*

*'Prices for materials and components for construction declined 0.2 percent in October subsequent to a 0.2-percent advance in September. The softwood lumber index decreased 6.8 percent in October compared with a 0.7-percent increase a month earlier. Prices for treated wood and for air conditioning and refrigeration equipment also moved down following September gains. The indexes for steel mill products and for asphalt felts and coatings rose less than they had in the preceding month. The index for millwork declined in October after no change a month earlier. By contrast, prices for concrete products advanced 0.2 percent after falling 0.4 percent in September. The index for fabricated structural metal products moved up after remaining unchanged in the prior month.*

*'Prices for intermediate foods and feeds rose 0.4 percent in October following a 0.8-percent advance in September. In October, rising prices for prepared animal feeds; flour; fluid milk products; and dry, condensed, and evaporated milk products more than offset declining prices for pork; beef and veal; processed young chickens; natural, processed, and imitation cheese; shortening and cooking oils; and refined sugar and byproducts.*

#### *'Crude goods*

*'The Producer Price Index for Crude Materials for Further Processing fell 10.5 percent in October after decreasing 3.4 percent in September. Prices for crude energy materials fell more than they had in the previous month. The basic industrial materials index turned down in October after increasing a month earlier. Conversely, prices for crude foodstuffs and feedstuffs rose more than they had in September.*

*'The crude energy materials index dropped 23.5 percent in October following an 8.4-percent decline in the previous month. Prices for natural gas plummeted 39.6 percent after falling 5.5 percent in September. The index for coal edged up 0.1 percent after advancing 0.2 percent in the preceding month. By contrast, price declines for crude petroleum slowed from 13.3 percent in September to 9.4 percent in October.*

*'Prices for crude nonfood materials less energy decreased 1.3 percent after advancing 1.0 percent a month earlier. The iron and steel scrap index turned*



down 2.7 percent following a 5.0-percent increase in September. Aluminum base scrap prices also fell in October after rising in the previous month. The indexes for wastepaper and for construction sand, gravel, and crushed stone increased less than they had in September. Prices for copper base scrap and gold ores decreased more than they had in the preceding month. Conversely, the decline in the raw cotton index slowed to 0.6 percent from 2.0 percent a month earlier.

Prices for hides and skins turned up after decreasing in September.

'The crude foodstuffs and feedstuffs index increased 3.1 percent following a 2.3-percent rise in September. Corn prices jumped 32.7 percent after a 1.0-percent advance in the preceding month. The indexes for wheat and slaughter turkeys also rose more in October than they had in September. Prices for soybeans turned up following declines in the previous month. By contrast, slaughter cattle prices fell 1.1 percent after a 3.0-percent increase in the preceding month. The indexes for slaughter hogs and for fresh and dry vegetables also turned down following advances a month earlier. Prices for slaughter broilers and fryers fell more in October than they had in the previous month.

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

'Mining. The Producer Price Index for the Net Output of Total Mining Industries fell 16.4 percent in October after declining 7.4 percent in the preceding month. (Net output price indexes are not seasonally adjusted.) Prices received by the oil and gas extraction industry group moved down 24.7 percent following a 9.8-percent decrease in September. The industry index for gold ore mining also fell more than in the prior month. Prices paid to the industries for crushed and broken limestone mining and quarrying and for bituminous coal and lignite surface mining turned down after increasing a month earlier. The industry index for oil and gas operations support activities rose less than in September. Conversely, declines in prices received for oil and gas well drilling slowed to 2.3 percent in October from 4.9 percent in the previous month. The industry index for bituminous coal underground mining turned up after decreasing in September, and prices received by the industry for crushed and broken granite mining and quarrying rose more than a month earlier. In October, the Producer Price Index for Total Mining Industries was 172.6 (December 1984 = 100), 32.1 percent below its year-ago level.

'Manufacturing. The decline in the Producer Price Index for the Net Output of Total Manufacturing Industries slowed to 0.6 percent in October from 1.9 percent a month earlier. Prices received by the petroleum and coal products manufacturing industry group fell 5.7 percent after decreasing 16.2 percent in September. The industry group index for plastics and rubber products turned up after falling in the prior month, and prices received by the machinery manufacturing industry group rose more than in September. Alternatively, the increase in the industry group index for transportation equipment slowed to 0.3 percent in October from 0.9 percent a month earlier. Prices received by the industry groups for food manufacturing, wood product manufacturing, computer and electronic product manufacturing, and for beverage and tobacco product manufacturing turned down after rising in September. In October, the Producer Price Index for Total Manufacturing Industries was 155.8 (December 1984 = 100), 0.5 percent below its year-ago level.

'Services. Among services in October, higher prices were received by the industries for general medical and surgical hospitals, scheduled passenger air transportation, engineering services, offices of physicians, portfolio management, and for investment banking and securities dealing. Alternatively, lower prices were received by the industries for commercial banking; non-casino hotels and motels; lessors of nonresidential buildings (except miniwarehouses); and long distance, less than truckload, general freight trucking.'

Wall Street investors appeared to be in love with The Labour Department's announcement and persistent buying of select stocks and shares sent key indices on US equity markets to new, historic highs.

On The New York Stock Exchange, the Dow Jones Industrial Average rose another 86.13 points, equivalent to about 0.71 percent, ending the trading session at 12,218.01 points.

On The NASDAQ, its Composite Index went along for the ride, rising 24.28 points, or about 1.01 percent, as investors drove it to 2,430.66 points.

And, adding to the seeming Wall Street euphoria, there was another fall in the price of crude oil on international commodity exchanges.

The New York Mercantile Exchange (NYMEX) was abuzz with activity, last Tuesday, as dealers' books were squared with the result that the last price of a barrel of light sweet crude oil for delivery in near month of December fell back by another 0.51 percent to \$US58.28.

For delivery in January 2007, the last settlement for a barrel of light sweet crude oil was off by about 0.68 percent, being pushed down to \$US60.18.

For Europe, the scenario with regard to equity trading in this part of the world did not make much sense to many institutional investors because, on the one hand, it was confirmed that the US economy was in decline and, on the other hand, although crude-oil prices are considerably lower, now, than earlier in the year, they are, still, knocking on the \$US60 per-barrel mark.

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

Amsterdam's AEX Index	Minus 0.10 percent
France's CAC 40 Index	Minus 0.26 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.09 percent
Great Britain's FTSE 100 Index	Minus 0.12 percent
Italy's MIBTEL Index	Minus 0.32 percent
Switzerland's Swiss Market Index	Minus 0.26 percent

In Asia, following the lead of Wall Street's spurt of Monday, the key indices of the major equity markets of the region rose, some very substantially.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the premier equity market managed a small, fractional gain, but the speculative equity market went in the reverse direction – with a small, fractional loss.

The Hang Seng Index, the key index of The Stock Exchange of Hongkong Ltd, rose about 0.05 percent to 18,878.42 points on a Total Turnover of about \$US58.03 billion.

The ratio of losing counters to gaining ones was 1.09:One, exactly.

The Ten Most Active counters were:

Industrial and Commercial Bank of China Ltd (Code: 1398) Up 2.92 percent to \$HK3.88 per share

China Construction Bank Corporation (Code: 939) Up 2.65 percent to \$HK3.88 per share

HSBC Holdings plc (Code: 5)

Down 1.46 percent to \$HK148.20 per share

Bank of China Ltd (Code: 3988)

Up 1.42 percent to \$HK3.56 per share

China Life Insurance Company Ltd (Code: 2628)

Up 0.22 percent to \$HK17.88 per share

China Mobile Ltd (Code: 941)

Up 1.60 percent to \$HK66.65 per share

Bank of Communications Company Ltd (Code: 3328)

Unchanged at \$HK7.22 per share

Hutchison Whampoa Ltd (Code: 13)

Up 0.14 percent to \$HK71.50 per share

China Merchants Bank Company Ltd (Code: 3968)

Up 0.27 percent to \$HK14.68 per share

PetroChina Company Ltd (Code: 857)

Unchanged at \$HK9.03 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Arnhold Holdings Ltd	102		11.90	0.74
Asia Commercial Holdings Ltd	104	11.69		0.86
Asia Tele-Net and Technology Corporation Ltd	679	15.46		0.56
Buildmore International Ltd	108		14.29	0.36
Century Legend (Holdings) Ltd	2983		12.26	0.465
China Agrotech Holdings Ltd	1073	14.29		0.88
China Elegance (Holdings) Ltd	476	18.37		0.058
China Rich Holdings Ltd	1191		11.11	0.128
DBA Telecommunication (Asia) Holdings Ltd	3335		24.53	0.80
Everest International Investments Ltd	204	18.75		0.057
Fortuna International Holdings Ltd	530	16.67		0.014
G-Vision International (Holdings) Ltd	657	449.38		0.445

GFT Holdings Ltd	1003	25.58		0.054
Great China Holdings Ltd	141	11.54		0.58
Greater China Holdings Ltd	431	10.41		0.244
Guangdong Tannery Ltd	1058	11.63		0.48
Karce International Holdings Company Ltd	1159		10.71	0.25
Man Sang International Ltd	938	13.73		0.29
Qualipak International Holdings Ltd	1224		19.32	0.355
Shenzhen International Holdings Ltd	152	10.00		0.44
Softbank Investment International (Strategic) Ltd	648	15.63		0.074
Tidetime Sun (Group) Ltd	307	17.39		0.108
Vantage International (Holdings) Ltd	15		11.33	0.133
Wo Kee Hong (Holdings) Ltd	720	15.15		0.38

The Growth Enterprise Index, which is the lone index of The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, gave up about 0.15 percent of its value, falling back to 1,143.49 points.

The Total Turnover on this speculative market was about \$HK230.09 million, while the ratio of declining counters to advancing ones was about 1.93:One.

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

Chinasoft International Ltd (Code: 8216)

Up 9.42 percent to \$HK1.51 per share

Beijing Jingkelong Company Ltd (Code: 8245)

Up 0.29 percent to \$HK6.94 per share

CK Life Sciences International (Holdings) Incorporated (Code: 8222) Down 2.41 percent to \$HK0.81 per share

Shandong Weigao Group Medical Polymer Company Ltd (Code: 8199) Up 6.57 percent to \$HK7.30 per share

Town Health International Holdings Company Ltd (Code: 8138)

Up 3.21 percent to \$HK0.225 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
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China LotSynergy Holdings Ltd	8161	11.49		0.97
China Medical Science Ltd	8120		20.00	0.08
China Primary Resources Holdings Ltd	8117	10.94		0.355
China Vanguard Group Ltd	8156		16.04	0.445
Everpride Biopharmaceutical Company Ltd	8019		26.67	0.088
FlexSystem Holdings Ltd	8050	13.64		0.075
FX Creations International Holdings Ltd	8136		13.61	0.127
GreaterChina Technology Group Ltd	8032		11.36	0.039
Info Communication Holdings Ltd	8082		10.00	0.072
Medical China Ltd	8186	17.78		0.053
North Asia Strategic Holdings Ltd	8080		14.00	0.43
Northeast Tiger Pharmaceutical Company Ltd	8197		10.45	0.06
Qianlong Technology International Holdings Ltd	8015	11.11		0.20
Sing Lee Software (Group) Ltd	8076		14.63	0.07
Sys Solutions Holdings Ltd	8182		21.43	0.22
SYSCAN Technology Holdings Ltd	8083	51.72		0.22
Tianjin TEDA Biomedical Engineering Company Ltd	8189	11.11		0.20
Thiz Technology Group Ltd	8119		13.33	0.065
Tradeeasy Holdings Ltd	8163	17.65		0.06

In Japan, there was considerable excitement after the Government's Cabinet Office reported that the second-largest economy of the world is powering ahead. (Please see [News Wise](#), below)

On The Tokyo Stock Exchange, which is the premier equity market of the country, its TOPIX Index gained 27.66 points, equivalent to about 1.76 percent, rising to 1,596.42 points.

Gainers outpaced losers by the ratio of about 7.58:One.

As for The Nikkei-225 Stock Average, it rose by about 1.67 percent to end the day at 16,289.55 yen.

### News Wise

- During the 3 months, ended September 30, 2006, **Japan's economy** grew by about 2 percent on an annualised basis, The Cabinet Office announced. However, weak private consumption continued to dog the economy of The Land of The Rising Sun. The Gross Domestic Product grew by about 0.50 percent in the quarter, compared with the previous quarter. It was the seventh consecutive quarterly rise, the Government said; and,
- **Honda Motor Company** intends to buy about 51.14 percent of the Issued and Fully Paid-Up Share Capital of **Yachiyo Industry Company**, a motor-vehicle parts producer. The intended acquisition will cost Honda about 10.42 billion yen.

In other Asian stock markets, this was how their respective key indices fared, last Tuesday:

The HKSAR	Hang Seng Index Plus 0.05 percent to 18,878.42 The Growth Enterprise Index Minus 0.15 percent to 1,143.49
Indonesia	Plus 2.00 percent to 1,672.07
Japan	TOPIX Index Plus 1.76 percent to 1,596.42 Nikkei-255 Stock Average Plus 1.67 percent to 16,289.55
Malaysia	Plus 1.01 percent to 1,030.09
The Philippines	Minus 0.71 percent to 2,801.79
Singapore	Plus 0.46 percent to 2,759.88
South Korea	Plus 0.76 percent to 1,407.37
Taiwan	Plus 0.95 percent to 7,204.04
Thailand	Minus 0.40 percent to 733.87

### Wednesday

Key indices of US equity markets continued to hit new, historic highs, last Wednesday.

Investors threw caution to the wind as they stayed aboard the stock-market's roller-coaster for a record-breaking ride.

On The New York Stock Exchange, the Dow Jones Industrial Average ended the record-breaking day at 12,251.71 points, a one-day improvement of about 0.28 percent.

Over on The NASDAQ, its Composite Index gained about one half of a percentage point, running up to 2,442.75 points.

Sparking a fire under airline stocks was a bid by US Airways Group Incorporated for Delta Air Lines Incorporated.

The deal, worth about \$US8 billion if it comes off, was said to have been immediately repulsed by the Board of Directors of Delta Air Lines.

On The New York Mercantile Exchange (NYMEX), crude oil prices regained some of the losses of Tuesday.

The last settlement for a barrel of light sweet crude oil for delivery in December came in at \$US58.76, up about 0.82 percent on Tuesday's closing level.

As for delivery in January 2007, the last settlement for a barrel of light sweet crude oil was \$US60.72, representing an increase of about 0.90 percent on Tuesday's last settlement.

In Europe, the concerns of Tuesday was put on the bookshelf, to a great extent, as investors determined that they wanted to play the Wall Street '*game*', after all.

As a result, every key index of every major European bourse made gains, albeit, fractional gains, only:

Amsterdam's AEX Index	Plus	0.66 percent
France's CAC 40 Index	Plus	0.64 percent
Germany's Frankfurt XETRA DAX Index	Plus	0.68 percent
Great Britain's FTSE 100 Index	Plus	0.69 percent
Italy's MIBTEL Index	Plus	0.69 percent
Switzerland's Swiss Market Index	Plus	0.63 percent

The key indices of the 2 equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) led the winners throughout Asia, last Wednesday, as some of the key indices hit record-breaking highs.

Banking counters led the advancers on the Main Board of The Stock Exchange of Hongkong Ltd, with PRC-domiciled, banking counters, being the apples of many investors.

The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, rose to 19,093.00, exactly, a new record high for this index.

The 1.14-percent gain of the Hang Seng Index was on a Total Turnover of about \$HK54.94 billion.

Gaining counters outnumbered losing ones by the ratio of about 2.17:One.

The Ten Most Actives were:

China Construction Bank Corporation (Code: 939)	Up 6.44 percent to \$HK4.13 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 3.09 percent to \$HK4.00 per share
HSBC Holdings plc (Code: 5)	Down 0.34 percent to \$HK147.70 per share
Bank of China Ltd (Code: 3988)	Up 2.53 percent to \$HK3.65 per share
China Mobile Ltd (Code: 941)	Up 2.55 percent to \$HK68.35 per share
China Life Insurance Company Ltd (Code: 2628)	Up 0.11 percent to \$HK17.90 per share

Hongkong Exchanges and Clearing Ltd (Code: 388) Up 3.35 percent to \$HK67.95 per share

Hutchison Whampoa Ltd (Code: 13) Up 0.70 percent to \$HK72.00 per share

PetroChina Company Ltd (Code: 857) Up 0.22 percent to \$HK9.05 per share

Road King Infrastructure Ltd (Code: 1098) Down 2.43 percent to \$HK11.26 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Tele-Net and Technology Corporation Ltd	679		10.71	0.50
Benefun International Holdings Ltd	1130	14.55		0.063
Berjaya Holdings (Hongkong) Ltd	288		12.12	0.145
China National Resources Development Holdings Ltd	661	13.60		0.142
China Velocity Group Ltd	149		11.46	0.85
Far East Technology International Ltd	36	12.38		1.18
Fortuna International Holdings Ltd	2985		11.79	0.247
G-Prop (Holdings) Ltd	286	11.03		0.161
G-Vision International (Holdings) Ltd	657	57.30		0.70
The Hongkong Parkview Group Ltd	207		11.50	0.10
Incutech Investments Ltd	356		15.09	0.90
Massive Resources International Corporation Ltd	70	10.00		0.022
Min Xin Holdings Ltd	222	14.48		2.53
PME Group Ltd	379	10.61		0.073
Seapower Resources International Ltd	269		12.96	0.094
Shang Hua Holdings Ltd	371	12.00		0.28



Shenzhen High-Tech Holdings Ltd	106	44.00		0.036
SIM Technology Group Ltd	2000	10.34		3.20
Theme International Holdings Ltd	990	15.38		0.03
Tidetime Sun (Group) Ltd	307	19.44		0.129
Tongda Group Holdings Ltd	698	13.98		0.53
Universe International Holdings Ltd	1046	14.93		0.077
Wai Yuen Tong Medicine Holdings Ltd	897	14.44		0.214
Wing Hong (Holdings) Ltd	745	20.00		0.036
ZTE Corporation	763	10.62		37.50

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its lone index, The Growth Enterprise Index, rose by about 1.06 percent to 1,155.57 points on a Total Turnover of about \$HK239.43 million.

Advancing counters only just outdistanced declining ones by the ratio of about 1.04:One.

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

China Fire Safety Enterprise Group Holdings Ltd (Code: 8201)      Down 8.77 percent to \$HK0.52 per share

Century Sunshine Ecological Technology Holdings Ltd (Code: 8276)      Up 7.65 percent to \$HK5.63 per share

Beijing Jingkelong Company Ltd (Code: 8245)      Down 0.43 percent to \$HK6.91 per share

Shandong Weigao Group Medical Polymer Company Ltd (Code: 8199)      Up 5.62 percent to \$HK7.71 per share

MegaInfo Holdings Ltd (Code: 8279)      Down 8.43 percent to \$HK0.76 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131	15.38		0.075
Yantai North Andre Juice Company Ltd	8259	14.29		0.88
BIG Media Group Ltd	8167		24.03	0.117

B M Intelligence International Ltd	8158		20.17	0.095
Global Digital Creations Holdings Ltd	8271		12.00	0.22
Global Link Communications Holdings Ltd	8060	10.00		0.055
GreaterChina Technology Group Ltd	8032		10.26	0.035
Launch Tech Company Ltd	8196	13.64		2.50
Linefan Technology Holdings Ltd	8166	13.21		0.06
Medical China Ltd	8186	16.98		0.062
New Universe International Group Ltd	8068	16.67		0.035
Recruit Holdings Ltd	8073	11.20		1.39
Sino Haijing Holdings Ltd	8065		11.29	0.055
Sys Solutions Holdings Ltd	8182		29.09	0.156

In Japan, quiet trading conditions prevailed on the country's 3 equity markets for the entire trading day.

On The Tokyo Stock Exchange, its TOPIX Index lost about 0.28 percent of its value, edging back to 1,592.00 points, exactly.

Declining counters outnumbered advancing ones by the ratio of about 1.70:One.

The Nikkei-225 Stock Average lost about 0.28 percent of its value, also, ending the day at 16,243.47 yen.

#### News Wise

- **Taisei Corporation**, a Japanese construction company, announced a Group Net Profit Attributable to Shareholders of about 7.10 billion yen for the first 6 months of its Fiscal Year, ended September 30, 2006; and,
- **Corporate insolvencies** in Japan fell by about 0.40 percent in October, compared with the like month in 2005. A total of 1,166 filings for insolvency were recorded in October, according to Japanese Government statistics. The trail of debts from those companies, which filed for insolvency, was about 616.77 billion yen.

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

The HKSAR	Hang Seng Index Plus 1.14 percent to 19,093.00 The Growth Enterprise Index Plus 1.06 percent to 1,155.57
Indonesia	Minus 0.12 percent to 1,670.11
Japan	TOPIX Index Minus 0.28 percent to 1,592.00

	Nikkei-255 Stock Average Minus 0.28 percent to 16,243.47
Malaysia	Minus 0.17 percent to 1,028.38
The Philippines	Minus 0.37 percent to 2,791.49
Singapore	Plus 0.64 percent to 2,777.62
South Korea	Plus 0.37 percent to 1,412.54
Taiwan	Plus 0.46 percent to 7,236.85
Thailand	Plus 0.02 percent to 734.05

### **Thursday**

Prior to Wall Street, opening its doors for business, last Thursday, The US Labour Department brought out its Consumer Price Index for the month of October.

It was good news; and, it was bad news.

The good news was that it appeared that The (US) Federal Reserve would be inclined to leave well-enough alone at its next Open Market Committee Meeting, scheduled for December 12, 2007, considering the latest data.

The bad news was that the statistics were indicative of a continued slump in the US economy as consumers continued to tighten belts by another notch or so.

This is the full text of the release of the US Labour Department, minus the tables and some explanatory notes:

### **'CONSUMER PRICE INDEX: OCTOBER 2006**

*'The Consumer Price Index for All Urban Consumers (CPI-U) decreased 0.5 percent in October, before seasonal adjustment, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. The October level of 201.8 (1982-84=100) was 1.3 percent higher than in October 2005.*

*'The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) decreased 0.7 percent in October, prior to seasonal adjustment. The October level of 197.0 (1982-84=100) was 0.9 percent higher than in October 2005.*

*'The Chained Consumer Price Index for All Urban Consumers (C-CPI-U) decreased 0.3 percent in October on a not seasonally adjusted basis. The October level of 117.2 (December 1999=100) was 1.6 percent higher than in October 2005 ...*

#### **'CPI for All Urban Consumers (CPI-U)**

*'On a seasonally adjusted basis, the CPI-U declined 0.5 percent in October, the same as in September. Energy prices, which declined 7.2 percent in September, fell 7.0 percent in October. Within energy, the index for petroleum-based energy decreased 10.7 percent and the index for energy services declined 2.5 percent. The food index increased 0.3 percent in October. The index for all items less food and energy rose 0.1 percent in October, following increases of 0.2 percent in each of the three preceding months. Declines in the indexes for apparel and for lodging while away from home were largely responsible for the smaller advance in October.*

*'During the first ten months of 2006, the CPI-U rose at a 2.4 percent seasonally adjusted annual rate (SAAR). This compares with an increase of 3.4 percent for all of 2005. The index for energy, which increased 17.1 percent in 2005, decreased at a 1.5 percent SAAR in the first ten months of 2006. Petroleum-based energy costs were*

unchanged on average, while charges for energy services fell at a 3.1 percent annual rate. The food index has increased at a 2.7 percent rate thus far in 2006, following a 2.3 percent rise for all of 2005. Excluding food and energy, the CPI-U advanced at a 2.8 percent SAAR in the first ten months of 2006 after increasing 2.2 percent in 2005.

'The food and beverages index increased 0.3 percent in October. The index for food at home rose 0.3 percent in October, following a 0.5 percent increase in September. The index for fruits and vegetables, which increased 3.0 percent in September, was virtually unchanged in October. A 0.8 percent increase in the index for fresh vegetables was offset by declines in the indexes for fresh fruits and for processed fruits and vegetables--down 0.7, and 0.2 percent, respectively. The index for meats, poultry, fish, and eggs increased 0.2 percent in October. Beef prices increased 0.6 percent and the index for pork rose 0.3 percent. These increases were partially offset by declines in the indexes for poultry and for eggs. The index for dairy products rose 0.7 percent, reflecting a 1.3 percent increase in the index for milk. Despite the advance in October, milk prices are 1.0 percent lower than in October 2005. The indexes for cereal and bakery products and for nonalcoholic beverages each rose 0.3 percent, and the index for other food at home increased 0.2 percent. The other two components of the food and beverages index -- food away from home and alcoholic beverages -- increased 0.3 and 0.2 percent, respectively.

'The index for housing was virtually unchanged in October. A decline in the index for fuels and utilities offset an increase in shelter costs; the index for household furnishings and operations was unchanged. The index for fuels and utilities registered its first decline in four months -- down 2.2 percent. Each of the three major household fuels contributed to the decline. The index for natural gas decreased 7.7 percent in October and is 24.0 percent lower than a year ago. The index for fuel oil declined 6.1 percent in October and is 7.6 percent lower than in October 2005. The index for electricity decreased 0.2 percent, but charges for electricity are 10.4 percent higher than a year earlier. The index for shelter rose 0.3 percent, the same as in September. Within shelter, the indexes for rent and owners' equivalent rent each increased 0.4 percent, while the index for lodging away from home declined 0.5 percent. (Prior to seasonal adjustment, the index for lodging away from home increased 0.5 percent.)

'The transportation index declined 3.1 percent in October, reflecting price decreases for gasoline, for new and used motor vehicles, and for airline fares. The index for gasoline declined 11.1 percent, accounting for about 95 percent of the decline in the overall transportation group. The index for new vehicles declined 0.1 percent in October. (As of October, about 42 percent of the new vehicle sample consisted of 2007 models. The 2007 models will continue to be phased in, with appropriate adjustments for quality change, over the next several months as they replace old models at dealerships. For a report on quality changes for the 2007 vehicles represented in the Producer Price Index sample, see news release USDL-06-1973, dated November 14, 2006.) New vehicle prices are 0.2 percent lower than in October 2005. The index for used cars and trucks decreased 1.2 percent in October and was 0.9 percent lower than in October 2005. The index for public transportation declined 1.0 percent, reflecting a 1.4 percent drop in airline fares. Airline fares have declined 5.5 percent in the last three months after advancing 12.6 percent in the first seven months of the year.

'The index for apparel, which rose 0.6 percent in September, decreased 0.7 percent in October. (Prior to seasonal adjustment, apparel prices rose 1.3 percent, reflecting the continued introduction of fall-winter wear.) During the last 12 months, the index for apparel has increased 0.5 percent, with increases in prices for women's and girls' clothing more than offsetting declines in prices for men's and boys' clothing and for footwear.

'Medical care costs rose 0.3 percent in October and were 4.0 percent higher than a year ago. The index for medical care commodities -- prescription drugs, nonprescription drugs, and medical supplies -- was unchanged. The index for medical care services rose 0.4 percent in October. The indexes for professional services and for hospital and related services increased 0.3 and 0.4 percent, respectively.

*'The index for recreation was unchanged in October. A 0.6 percent decline in the index for video and audio products and services was largely offset by increases in the indexes for admissions, for sporting goods, and for recreational reading materials.*

*'The index for education and communication increased 0.2 percent in October. Educational costs rose 0.6 percent, while the index for communication declined 0.2 percent. Within the former group, the index for college textbooks rose 1.0 percent. Within the communication group, the index for telephone services rose 0.7 percent, largely reflecting a 2.2 percent increase in charges for long distance land-line telephone services. This advance was more than offset by a 3.3 percent decline in the index for information technology, hardware, and services. The index for internet services and electronic information providers declined 6.6 percent.*

*'The index for other goods and services rose 0.3 percent in October. The index for miscellaneous personal services rose 0.5 percent, reflecting increases in the indexes for legal services and for financial services – each up 0.8 percent.*

#### *'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 October ...*

No sooner had The Labour Department put out its release in respect of the October figures for the Consumer Price Index than the US Federal Reserve brought out its findings with regard to industrial production and capacity utilisation in the US.

The following is the complete text of The Fed's release, again minus tables and explanatory notes:

### **'INDUSTRIAL PRODUCTION AND CAPACITY UTILIZATION**

*'Industrial production rose 0.2 percent in October after having decreased 0.6 percent in September; production in August was revised up to show a gain of 0.3 percent. At 113.7 percent of its 2002 average, the index in October was 4.9 percent higher than its year-earlier level. Manufacturing output declined 0.2 percent in October; excluding motor vehicles and parts, manufacturing output rose 0.1 percent. The index for mining increased 0.6 percent, and the index for utilities bounced up 4.1 percent after having fallen 4.6 percent in September. The rate of capacity utilization for total industry rose 0.1 percentage point, to 82.2 percent, a level 1.2 percentage points above its 1972-2005 average ...*

#### *'Market Groups*

*'The output of consumer goods declined 0.5 percent in October. The index for durable consumer goods fell 2.6 percent; a drop of 4.6 percent in the production of automotive products accounted for most of the decrease. The index for automotive products stood 11.5 percent below its year-earlier level. The decrease in automotive products in October resulted from another decrease in light truck assemblies and a strike at a major producer of tires. Light truck assemblies stood at an annual rate of 5.6 million units in October, compared with a rate of 7.0 million units in the fourth quarter of 2005. The output of home electronics increased 1.0 percent in October, while the production indexes for miscellaneous goods and for appliances, furniture, and carpeting declined modestly. The output of consumer non-energy nondurables edged up, as increases in the indexes for clothing and for paper products slightly more than offset a small decline in the index for foods and tobacco; the output of chemical products was unchanged. The index for consumer energy products rose 0.8 percent after having fallen sharply in September.*

*'The output of business equipment increased 0.7 percent in October; all major categories registered gains and remained well above their year-earlier levels. The production of defense and space equipment moved up 0.4 percent to a level 5-1/4 percent higher than its level of a year earlier. The index for construction supplies increased 0.2 percent and was only slightly above its year-earlier level; the index for business supplies posted a gain of 1.1 percent.*

*Materials output increased 0.4 percent in October; the output of non-energy materials was unchanged, but the production of energy materials rose 1.3 percent.*

### 'Industry Groups

*'Manufacturing output decreased 0.2 percent in October. The production of both durable and nondurable goods decreased, but the output of non-NAICS manufacturing (logging and publishing) rose. Capacity utilization in manufacturing declined 0.3 percentage point, to 80.7 percent, a level that was 0.9 percentage point above its 1972-2005 average. Among durable goods categories, the changes in output were mixed. The production of motor vehicles and parts, primary metals, and wood products recorded large drops, while substantial gains were reported in the output of computer and electronic products and of aerospace and miscellaneous transportation equipment. Among nondurables, which declined 0.4 percent in October, the largest drops were in the indexes for petroleum and coal products, plastics and rubber products, and textile and product mills. Elsewhere in nondurables, the indexes for apparel and leather and for printing and support registered substantial output gains.*

*'The increase of 4.1 percent in output at utilities in October largely reflected colder-than-normal conditions following mild temperatures in September. The output at mines moved up 0.6 percent in October and was 13.8 percent above its hurricane-related trough in October 2005.*

*'Capacity utilization for industries at the crude stage of processing increased 0.3 percentage point, to 89.6 percent. The utilization rate for industries at the primary and semifinished stages increased 0.3 percentage point, to 83.2 percent, and the utilization rate for finished goods producers declined 0.4 percentage point, to 79.3 percent.'*

Clearly, cheaper oil has helped the largest single economy of the world over the past few months and, last Thursday, there was another material drop in the price of the black ooze on world markets.

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

Clearly, many oil speculators got badly mauled.

The last settlement for a barrel of light sweet crude oil for delivery in December was \$US56.26, down about 4.25 percent, compared with Wednesday's closing level.

For delivery in January 2007, the last settlement for a barrel of light sweet crude oil was \$US58.57, representing a one-day fall of about 3.54 percent.

Since October, this year, crude oil prices have retreated by about 7 percent, according to the statistics, collated by **TOLFIN** () (The Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider).

Wall Street investors, putting all of the facts on the table, so to speak, came to the conclusion that (a) corporate America stood in good stead to make more profits, thanks to the drop in energy prices, and (b) The Fed was unlikely to increase interest rates at the next Open Market Committee Meeting, the way that things stood, today.

On The New York Stock Exchange, the Dow Jones Industrial Average rose about 54.11 points, or about 0.44 percent, ending the trading day at 12,305.82 points.

The Dow had hit another historic high.

As for The NASDAQ, its Composite Index added 6.31 points, equivalent to about 0.26 percent, edging up to 2,449.06 points.

Key indices of major European bourses did not fare well, last Thursday, however, as investors wondered as to the prospects of European companies to be able to meet, or better, their 2005 financial results.

Also, there was some scepticism with regard to the continued strength of Wall Street.

This was how the key indices of major equity markets of Europe ended their respective trading days, last Thursday:

Amsterdam's AEX Index	Minus 0.19 percent
France's CAC 40 Index	Minus 0.10 percent
Germany's Frankfurt XETRA DAX Index	Plus 0.18 percent
Great Britain's FTSE 100 Index	Plus 0.40 percent
Italy's MIBTEL Index	Plus 0.05 percent
Switzerland's Swiss Market Index	Minus 0.03 percent

On Asian equity markets, it was 50:50 – half of the key indices of the markets rose while the other half fell.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the volume of activity remained high, buoyed by investors continued interest in PRC-domiciled banks, in the main.

But the key index of the Main Board of The Stock Exchange of Hongkong Ltd only just managed a fractional gain.

The Hang Seng Index finished the day at 19,154.07 points, an increase of exactly 0.32 percent, compared with Wednesday's closing level.

The Total Turnover was about \$HK57.53 billion, while the ratio of gaining counters only just managed to squeeze out losing ones by about 1.006:One.

The Ten Most Active counters were:

Bank of China Ltd (Code: 3988)	Up 4.93 percent to \$HK3.83 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 0.75 percent to \$HK4.03 per share
China Construction Bank Corporation (Code: 939)	Down 0.73 percent to \$HK4.10 per share
HSBC Holdings plc (Code: 5)	Down 0.74 percent to \$HK146.60 per share
China Mobile Ltd (Code: 941)	Up 1.54 percent to \$HK69.40 per share
China Telecom Corporation Ltd (Code: 728)	Up 8.41 percent to \$HK3.74 per share
China Merchants Bank Company Ltd (Code: 3968)	Down 0.53 percent to \$HK14.92 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.28 percent to \$HK71.80 per share

Bank of Communications Company Ltd (Code: 3328)      Down 0.41 percent to \$HK7.34 per share

China Life Insurance Company Ltd (Code: 2628)      Up 0.67 percent to \$HK18.02 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Anex International Holdings Ltd	723	18.68		0.108
Chinese People Gas Holdings Company Ltd	681	11.39		0.44
Ching Hing (Holdings) Ltd	692	17.00		0.117
Compass Pacific Holdings Ltd	1188	10.00		0.099
Daido Group Ltd	544	27.59		0.074
G-Vision International (Holdings) Ltd	657		14.29	0.60
Genesis Energy Holdings Ltd	702	20.47		0.206
Jackin International Holdings Ltd	630	16.44		0.17
Magnum International Holdings Ltd	305	54.43		0.122
New Capital International Investment Ltd	1062		10.00	0.18
Oriental Explorer Holdings Ltd	430	12.28		0.064
Pak Tak International Ltd	2668		28.10	0.151
Premium Land Ltd	164	10.71		0.465
Shang Hua Holdings Ltd	371	28.57		0.36
Shenzhen High-Tech Holdings Ltd	106		11.11	0.032
Signal Media and Communications Holdings Ltd	2362		11.24	0.15
Sino Gas Group Ltd	260	17.31		0.61
Smart Rich Energy Finance (Holdings) Ltd	1051		13.78	0.169



Takson Holdings Ltd	918	10.34		0.32
Termbray Industries International (Holdings) Ltd	93		13.79	0.50
The Sun's Group Ltd	2977		12.23	1.65
UDL Holdings Ltd	620		10.00	0.027
Wah Nam International Holdings Ltd	159		17.78	0.111
Wang Sing International Holdings Group Ltd	2389	10.00		0.22
Wing Hing International (Holdings) Ltd	621	12.38		1.18
Xin Corporation Ltd	1141	19.48		0.184

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, it was a completely different story to that, being told on the Main Board.

The Growth Enterprise Index lost 0.95 percent of its value, exactly, dropping back to 1,144.59 points.

The Total Turnover was about \$HK184.12 million while the ratio of declining counters to gaining ones was about 1.12:One.

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

Century Sunshine Ecological Technology Holdings Ltd (Code: 8276) Up 7.64 percent to \$HK6.06 per share

Beijing Jingkelong Company Ltd (Code: 8245) Down 1.45 percent to \$HK6.81 per share

Shandong Weigao Group Medical Polymer Company Ltd (Code: 8199) Up 0.13 percent to \$HK7.72 per share

Town Health International Holdings Company Ltd (Code: 8138) Down 0.43 percent to \$HK0.229 per share

CMA Logistics Company Ltd (Code: 8217) Down 2.44 percent to \$HK3.60 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Ltd	8061		10.05	0.179
Armitage Technologies Holding Ltd	8213	20.00		0.06
China Leason Investment Group Company Ltd	8270		13.04	0.12

Global Link Communications Holdings Ltd	8060		16.36	0.046
Glory Future Group Ltd	8071		13.64	0.095
GreaterChina Technology Group Ltd	8032	11.43		0.039
Launch Tech Company Ltd	8196		30.00	1.75
Linefan Technology Holdings Ltd	8166		10.00	0.054
Medical China Ltd	8186	25.81		0.078
MegaInfo Holdings Ltd	8279	10.53		0.84
Mobile Telecom Network (Holdings) Ltd	8266	11.43		0.078
New Universe International Group Ltd	8068	168.57		0.094
Recruit Holdings Ltd	8073		10.07	1.25
Sino Haijing Holdings Ltd	8065	14.55		0.063
Tiger Tech Holdings Ltd	8046	42.86		0.06
Timeless Software Ltd	8028	16.67		0.098

In Japan, the key indices of the country's 3 equity markets continued to lose ground.

On The Tokyo Stock Exchange, The TOPIX Index gave up about 0.63 percent, falling back to 1,582.04 points.

Losing counters outnumbered gaining ones by the ratio of about 2.05:One.

The Nikkei-225 Stock Average shed 0.49 percent, exactly, ending the day at 16,163.87 yen.

On other Asian equity markets, their key indices ended the day's trading as follows:

The HKSAR	Hang Seng Index Plus 0.32 percent to 19,154.07 The Growth Enterprise Index Minus 0.95 percent to 1,144.59
Indonesia	Minus 0.08 percent to 1,668.82
Japan	TOPIX Index Minus 0.63 percent to 1,582.04 Nikkei-255 Stock Average Minus 0.49 percent to 16,163.87
Malaysia	Plus 0.90 percent to 1,037.60
The Philippines	Plus 0.97 percent to 2,818.59

Singapore	Plus 0.75 percent to 2,798.45
South Korea	Minus 0.13 percent to 1,410.75
Taiwan	Plus 0.29 percent to 7,257.48
Thailand	Minus 0.12 percent to 733.14

## **Friday**

The number of new homes, being built in the US during the month of October, fell to a 6-year low, according to The Commerce Department of the US Government.

The numbers came in at 1.48 million houses, having been started in October, down about 14 percent, compared with the month of September.

Also, the number of permits for new housing projects to be started in the future fell to their lowest level since 1997.

The US housing market continues to bleed, of that there can be no question.

And the question is, of course: When will the problems of the US housing market start to make a material impact on other parts of the US economy?

On Wall Street, however, the news from The Commerce Department was brushed off with a '*So what?*' – and the Dow Jones Industrial Average hit another new high.

Nothing, it appeared last Friday, was going to slow down this bull ... even though it may well turn out to be bull s..t.

On The New York Stock Exchange, The Dow rose another 36.74 points, or about 0.30 percent, ending the week at 12,342.56 points.

The NASDAQ's Composite Index, on the other hand, gave up about 0.13 percent of its value, dropping to 2,445.86 points.

The tally for the week for the world's largest equity markets was:

The Dow Jones Industrial Average	Plus 1.93 percent
The NASDAQ's Composite Index	Plus 2.35 percent

And, on The New York Mercantile Exchange (NYMEX), the crude oil price for the near month of December continued to fall.

The last settlement for a barrel of light sweet crude oil for delivery in December was \$US55.81, representing a fall of about 0.80 percent, compared with Thursday's closing level.

As for delivery in January 2007, the last settlement for a barrel of light sweet crude oil came in at \$US58.97, up about 0.68 percent on Thursday's last settlement.

In Europe, however, investors in this part of the world were not following Wall Street any more.

There was widespread selling of equities on all of the region's major bourses.

Ironically, it was the fall in the price of crude oil on international commodity exchanges that was partially responsible for the falls in the values of key indices due to the fact that many bourses are inundated with energy counters.

This was how the situation looked on major European bourses, last Friday night:

Amsterdam's AEX Index

Minus 0.67 percent

France's CAC 40 Index	Minus 1.19 percent
Germany's Frankfurt XETRA DAX Index	Minus 0.47 percent
Great Britain's FTSE 100 Index	Minus 1.00 percent
Italy's MIBTEL Index	Minus 0.51 percent
Switzerland's Swiss Market Index	Minus 0.46 percent

Things were relatively quiet in Asia, last Friday, with many of the key indices of major equity markets, slipping to lower levels.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), there was little to stimulate trading on the territory's 2 equity markets.

The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, rose 0.15 percent, exactly, ending the day at 19,182.71 points.

The Total Turnover was about \$HK50.77 billion; the ratio of advancing counters to declining ones was about 1.09:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.41 percent to \$HK147.20 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 0.74 percent to \$HK4.00 per share
Bank of China Ltd (Code: 3988)	Down 1.31 percent to \$HK3.78 per share
China Life Insurance Company Ltd (Code: 2628)	Up 2.33 percent to \$HK18.44 per share
China Construction Bank Corporation (Code: 939)	Down 0.98 percent to \$HK4.06 per share
China Mobile Ltd (Code: 941)	Down 1.08 percent to \$HK68.65 per share
PetroChina Company Ltd (Code: 857)	Down 0.55 percent to \$HK8.99 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 2.11 percent to \$HK5.82 per share
Bank of Communications Company Ltd (Code: 3328)	Down 2.18 percent to \$HK7.18 per share
China Merchants Bank Company Ltd (Code: 3968)	Up 3.75 percent to \$HK15.48 per share

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

Name of Company	Code	Increase	Decrease	Closing Price
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		(%)	(%)	(\$HK)
Aurora Global Investment Holdings Ltd	353		12.07	0.51
Bestway International Holdings Ltd	718		10.00	0.027
Chi Cheung Investment Company Ltd	112	20.71		1.69
China Elegance (Holdings) Ltd	476	28.33		0.077
China Financial Industry Investment Fund Ltd	1227	60.92		0.14
China Investment Fund Company Ltd	612	26.92		0.33
China Motion Telecom International Ltd	989	15.15		0.76
China National Resources Development Holdings Ltd	661	11.69		0.172
DBA Telecommunication (Asia) Holdings Ltd	3335	14.12		0.97
EPI (Holdings) Ltd	689	10.34		0.32
G-Vision International (Holdings) Ltd	657		13.33	0.52
Hongkong Construction (Holdings) Ltd	190	18.27		1.23
HKC International Holdings Ltd	248		11.11	0.20
Hua Han Bio-Pharmaceutical Holdings Ltd	587	10.13		1.74
Junefield Department Store Group Ltd	758	42.86		0.10
Magnum International Holdings Ltd	305	13.93		0.139
Mexan Ltd	22	18.00		0.59
Nam Hing Holdings Ltd	986		11.24	0.158
Neo-China Group (Holdings) Ltd	563	10.20		1.08
New World China Land Ltd	917	16.42		4.68
Northern International Holdings Ltd	736	13.04		0.39

Pak Tak International Ltd	2668	32.45		0.20
Qualipak International Holdings Ltd	1224	11.11		0.40
See Corporation Ltd	491	26.15		0.82
Shang Hua Holdings Ltd	371	25.00		0.45
Sino Technology Investments Company Ltd	1217	170.00		0.108
Sky Hawk Computer Group Holdings Ltd	1129		13.69	0.208
Tidetime Sun (Group) Ltd	307	25.93		0.17
UBA Investments Ltd	768		10.89	0.09
UDL Holdings Ltd	620	11.11		0.03
V.S. International Group Ltd	1002	18.97		0.345
Wing Hing International (Holdings) Ltd	621	16.10		1.37
Wonson International Holdings Ltd	651	12.67		0.169

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gave up about 0.51 percent of its value, dropping back to 1,138.79 points.

Losing counters outnumbered gaining ones by the ratio of about 1.23:One.

The Total Turnover fell to about \$HK137.15 million.

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

Century Sunshine Ecological Technology Holdings Ltd (Code: 8276) Down 0.83 percent to \$HK6.01 per share

Beijing Jingkelong Company Ltd (Code: 8245) Up 1.03 percent to \$HK6.88 per share

Tong Ren Tang Technologies Company Ltd (Code: 8069) Down 3.88 percent to \$HK12.40 per share

Techpacific Capital Ltd (Code: 8088) Down 2.13 percent to \$HK0.46 per share

Ko Yo Ecological Agrotech (Group) Ltd (Code: 8042) Down 1.89 percent to \$HK0.52 per share

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

Name of Company	Code	Increase	Decrease	Closing Price
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		(%)	(%)	(\$HK)
Armitage Technologies Holding Ltd	8213		11.67	0.053
Capital Publications Ltd	8155		10.43	0.206
China Leason Investment Group Company Ltd	8270		12.50	0.105
DeTeam Company Ltd	8112	40.00		0.77
Excel Technology International Holdings Ltd	8048		11.11	0.08
IIN International Ltd	8128	13.33		0.034
Inno-Tech Holdings Ltd	8202	26.32		0.168
Launch Tech Company Ltd	8196		10.86	1.56
Medical China Ltd	8186		14.10	0.067
New Universe International Group Ltd	8068		26.60	0.069
Northeast Tiger Pharmaceutical Company Ltd	8197	39.13		0.096
Panorama International Holdings Ltd	8173		10.17	0.053
Sungreen International Holdings Ltd	8306	27.33		1.91
SYSCAN Technology Holdings Ltd	8083		10.00	0.18
Tianjin TEDA Biomedical Engineering Company Ltd	8189		10.00	0.18
Tiger Tech Holdings Ltd	8046		15.00	0.051
Zhejiang Prospect Company Ltd	8273		16.67	0.75

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

The Hang Seng Index	Plus 1.54 percent
The Growth Enterprise Index	Minus 1.19 percent

In Japan, the bears took possession of the country's 3 equity markets.

On The Tokyo Stock Exchange, The TOPIX Index gave up about 0.54 percent to fall back to 1,573.54 points.

The losers outraced the gainers by the ratio of about 3.11:One.

The Nikkei-225 Stock Average shed about 0.45 percent, falling back to 16,091.73 yen.

The tally for the week for Asia's most-important equity market was:

The TOPIX Index	Minus 0.50 percent
The Nikkei-225 Stock Average	Minus 0.13 percent

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

The HKSAR	Hang Seng Index Plus 0.150 percent to 19,182.71 The Growth Enterprise Index Minus 0.507 percent to 1,138.79
Indonesia	Plus 0.20 percent to 1,672.11
Japan 3	TOPIX Index Minus 0.54 percent to 1,573.54 Nikkei-255 Stock Average Minus 0.45 percent to 16,091.7
Malaysia	Plus 0.31 percent to 1,040.79
The Philippines	Plus 0.85 percent to 2,842.54
Singapore	Plus 0.53 percent to 2,813.18
South Korea	Plus 0.10 percent to 1,412.22
Taiwan	Plus 0.03 percent to 7,259.54
Thailand	Plus 0.11 percent to 733.92

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