

**THE FED REDUCES INTEREST RATES BY 50 BASIS POINTS  
AND UP SCOOTs STOCK-MARKET PRICES**

**But Price-Rises Last For One Day, Only**

While most investors on Wall Street, last Monday, awaited the pleasure of the US Federal Reserve, which was scheduled to convene its Open Market Committee Meeting, the following day, at which meeting, it was well expected that interest rates in the US would be peeled back by at least 25 basis points and could be by as much as 50 basis points, in Europe there was pandemonium in the banking sector of just about every major bourse.

Queues of angry depositors invaded branches of the bank, Northern Rock plc, demanding the immediate withdrawal of their money.

As **TARGET** () Subscribers will recall, The Bank of England, the previous Thursday (September 13, 2007), had been requested by Senior Management of Northern Rock plc to bail out this United Kingdom bank with emergency funding.

Northern Rock plc is (at least, was) one of the largest mortgage lenders of the United Kingdom.

(Please refer to [TARGET Intelligence Report, Volume IX, Number 176](#), published on Monday, September 17, 2007)

The news from the United Kingdom spread, far and wide, and Wall Street became nervous that the Northern Rock problem would spread to the United States and Canada.

Without question, there was the big question on many people's minds: Will investor confidence be chipped away due, in large part, to the crisis at Northern Rock plc?

Whether or not the crisis of investor confidence was justified was one matter, but, when share prices of banking counters fall, one after another, in different parts of the world, not just in the United Kingdom, it is scary for most investors.

On The New York Stock Exchange, the Dow Jones Industrial Average gave up 39.10 points, equivalent to about 0.29 percent, ending the trading day at 13,403.42 points.

As for The NASDAQ, its Composite Index surrendered 20.52 points, or about 0.79 percent, drifting down to 2,581.66 points.

The ratio of losing counters to gaining ones was about 2:One on The New York Stock Exchange and about 2.33:One on The NASDAQ.

Rubbing salt into investors' wounds was news that the price of crude oil on international commodity exchanges had hit another new, record high.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in October was \$US80.57, representing an increase of about 1.86 percent, compared with the final quote of Friday, September 14, 2007.

As for November delivery, the last settlement for a barrel of light sweet crude oil came in at \$US79.38, a one-day, price increase of about 1.65 percent.

During the Open Outcry Trading Session of The NYMEX, the price of crude oil hit a high of \$US80.92 per barrel.

Fears of an oil shortage in the cold winter months to come were said to have been the reason for speculators, taking the view that the price of the black ooze would continue to rise to new record levels.

On major European bourses, there was only red ink, being used to write in the final tally:

Amsterdam's AEX Index	Minus 1.01 percent
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France's CAC 40 Index	Minus 1.79 percent
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Germany's Frankfurt XETRA DAX Index	Minus 0.23 percent
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Great Britain's FTSE 100 Index	Minus 1.69 percent
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Italy's MIBTEL Index	Minus 1.13 percent
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Switzerland's Swiss Market Index	Minus 0.98 percent
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The share price of Northern Rock plc dropped another 35 percent after falling about 31 percent, during the trading session on the previous Friday.

Share prices of other banking and finance companies followed the lead of Northern Rock plc, with material falls.

Here are just some of the big losers:

Alliance and Leicester plc	Down 31 percent
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Bradford and Bingley plc	Down 15 percent
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Anglo Irish Bank Corporation plc	Down 9 percent
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In Asia, investors were awaiting the results of The Fed's Open Market Committee Meeting and, as such, many investors just sat on their hands rather than take any new positions.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the territory's 2 equity markets lost material ground.

The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, shed exactly 1.20 percent, falling back to 24,599.34 points.

The Total Turnover, also, slipped back, dropping to about \$HK81.12 billion.

The ratio of declining counters to advancing ones was about 1.64:One.

The Ten Most Active counters were:

China Life Insurance Company Ltd (Code: 2628)
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Up 0.53 percent to \$HK38.20 per share
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China Mobile Ltd (Code: 941)

Down 1.57 percent to \$HK106.80 per share

Hongkong Exchanges and Clearing Ltd (Code: 388)

Up 0.32 percent to \$HK187.70 per share

HSBC Holdings plc (Code: 5)

Down 0.65 percent to \$HK137.90 per share

PetroChina Company Ltd (Code: 857)

Down 0.52 percent to \$HK11.50 per share

China Construction Bank Corporation (Code: 939)

Down 1.72 percent to \$HK6.87 per share

Hutchison Whampoa Ltd (Code: 13)

Up 0.31 percent to \$HK81.00 per share

Sun Hung Kai Properties Ltd (Code: 16)

Down 4.46 percent to \$HK115.60 per share

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

Up 2.22 percent to \$HK87.65 per share

CNOOC Ltd (Code: 883)

Down 0.19 percent to \$HK10.32 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)
AEON Stores (Hongkong) Company Ltd	984	18.25		16.20
Asia Commercial Holdings Ltd	104	10.75		1.03
Baoye Group Company Ltd	2355		10.53	11.38
Chi Cheung Investment Company Ltd	112		10.91	4.41
China Sci-Tech Holdings Ltd	985	18.97		0.345
Concepta Investments Ltd	1140	57.14		2.20
CASH Retail Management Group Ltd	996	36.76		0.465
G-Vision International (Holdings) Ltd	657		11.36	0.39
Global Flex Holdings Ltd	471		10.78	0.455
The Hongkong Building and Loan Agency Ltd	145		11.50	3.54

The Hongkong Parkview Group Ltd	207	14.29		0.80
Incutech Investments Ltd	356	21.43		0.85
Kingdom Holdings Ltd	528		17.86	1.15
LERADO Group (Holding) Company Ltd	1225		20.00	0.72
Min Xin Holdings Ltd	222	10.22		5.50
Neo-Neon Holdings Ltd	1868		23.59	11.66
Ngai Hing Hong Company Ltd	1047		10.71	0.50
Northern International Holdings Ltd	736	28.89		0.58
Pearl River Tyre (Holdings) Ltd	1187	14.63		2.35
Prime Investments Holdings Ltd	721		15.69	0.86
Rontex International Holdings Ltd	1142	19.61		0.305
SEEC Media Group Ltd	205	22.06		0.415
Shandong Molong Petroleum Machinery Company Ltd	568		10.85	1.89
South East Group Ltd	726		11.50	1.00
Sun Man Tai Holdings Company Ltd	433	11.29		0.138
Tai-I International Holdings Ltd	1808	14.29		1.36
Takson Holdings Ltd	918	21.57		0.62
Tiande Chemical Holdings Ltd	609		18.80	0.95
Tysan Holdings Ltd	687	10.64		1.04
Wing Shing International Holdings Ltd	850	13.89		1.23
Wo Kee Hong (Holdings) Ltd	720		10.22	1.23
Zhaojin Mining Industry Company Ltd	1818	16.81		22.10

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index surrendered about one half of a percentage point, dropping to 1,533.13 points.

The Total Turnover on this speculative market was about \$HK522.56 million.

Losing counters outnumbered gaining ones by the ratio of about 1.54:One.

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

Xteam Software International Ltd (Code: 8178)

Unchanged at \$HK0.86 per share

Yuxing InfoTech Holdings Ltd (Code: 8005)

Up 22.56 percent to \$HK1.63 per share

Galileo Holdings Ltd (Code: 8029)

Up 7.89 percent to \$HK1.64 per share

Phoenix Satellite Television Holdings Ltd (Code:  
8002)

Unchanged at \$HK1.65 per share

Yantai North Andre Juice Company Ltd (Code: 8259)

Up 8.21 percent to \$HK1.45 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
abc Multiactive Ltd	8131		15.69	0.43
Biosino Bio-Technology and Science Incorporation	8247	10.99		3.13
Core Healthcare Investment Holdings Ltd	8250	10.81		0.41
Glory Future Group Ltd	8071	15.79		0.22
Medical China Ltd	8186	13.73		0.58
SYSCAN Technology Holdings Ltd	8083	11.43		0.39
Sanmenxia Tianyuan Aluminum Company Ltd	8253	14.53		1.34
Ultra Group Holdings Ltd	8203	10.71		0.31
WLS Holdings Ltd	8021	14.61		0.51
Ningbo Yidong Electronic Company Ltd	8249		10.77	0.29
Zhejiang Yonglong Enterprises Company Ltd	8211	12.73		0.62

Yuxing InfoTech Holdings Ltd	8005	22.56		1.63
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The equity markets of Japan were closed for a national holiday, last Monday.

On other Asian equity markets, this was how their respective key indices closed by supper-time, last Monday:

The HKSAR	Hang Seng Index Minus 1.20 percent to 24,599.34 The Growth Enterprise Index Minus 0.50 percent to 1,533.13
Indonesia	Minus 0.11 percent to 2,223.22
Japan	TOPIX Index Closed Nikkei-225 Stock Average Closed
Malaysia	Minus 0.87 percent to 1,278.34
The Philippines	Plus 0.39 percent to 3,307.43
The PRC	Shanghai Composite Index Plus 2.06 percent to 5,421.39 Shenzhen Composite Index Plus 1.99 percent to 1,512.30
Singapore	Minus 1.70 percent to 3,476.31
South Korea	Plus 0.09 percent to 1,871.68
Taiwan	Minus 1.46 percent to 8,899.91
Thailand	Minus 1.15 percent to 802.65

## Tuesday

Trading on the world's largest equity markets turned very bullish, last Tuesday, following the determination of the US Federal Reserve to cut interest rates by 50 basis points.

It was the first time of the previous 4 years that The Fed had cut interest rates.

The Fed put colour back into the cheeks of many a banker, mortgage lender and home builder after it made the following announcement:

*'The Federal Open Market Committee decided today to lower its target for the federal funds rate 50 basis points to 4-3/4 percent.*

*'Economic growth was moderate during the first half of the year, but the tightening of credit conditions has the potential to intensify the housing correction and to restrain economic growth more generally. Today's action is intended to help forestall some of the adverse effects on the broader economy that might otherwise arise from the disruptions in financial markets and to promote moderate growth over time.*

*'Readings on core inflation have improved modestly this year. However, the Committee judges that some inflation risks remain, and it will continue to monitor inflation developments carefully.*

*'Developments in financial markets since the Committee's last regular meeting have increased the uncertainty surrounding the economic outlook. The Committee will continue to assess the effects of these and other developments on economic prospects and will act as needed to foster price stability and sustainable economic growth.*

*'Voting for the FOMC monetary policy action were: Ben S. Bernanke, Chairman; Timothy F. Geithner, Vice Chairman; Charles L. Evans; Thomas M. Hoenig; Donald L. Kohn; Randall S. Kroszner; Frederic S. Mishkin; William Poole; Eric Rosengren; and Kevin M. Warsh.*

*'In a related action, the Board of Governors unanimously approved a 50-basis-point decrease in the discount rate to 5-1/4 percent. In taking this action, the Board approved the requests submitted by the Boards of Directors of the Federal Reserve Banks of Boston, New York, Cleveland, St. Louis, Minneapolis, Kansas City, and San Francisco.'*

On The New York Stock Exchange, the Dow Jones Industrial Average rose 335.97 points, or about 2.51 percent, ending the trading session at 13,739.39 points.

As for The NASDAQ, its Composite Index gained exactly 70 points, equivalent to 2.71 percent, rising to 2,651.66 points.

Gaining stocks beat off losing ones by the ratio of about 10:One on The New York Stock Exchange and by about 4:One on The NASDAQ.

But it was not all good news for the largest and most-important economy of the world.

From The United States Government's Department of Labour came this important department's findings in respect of The Producer Price Indices for August.

The following is a précis of those findings:

### **'Producer Price Indexes – August 2007**

*'The Producer Price Index for Finished Goods fell 1.4 percent in August, seasonally adjusted, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. This decrease followed a 0.6-percent increase in July and a 0.2-percent decline in June. At the earlier stages of processing, prices received by manufacturers of intermediate goods moved down 1.2 percent in August compared with a 0.6-percent advance in July, and the crude goods index dropped 3.0 percent after climbing 1.2 percent in the prior month ...*

*'Accounting for most of the downturn in finished goods prices, the index for energy goods fell 6.6 percent in August following a 2.5-percent rise in the prior month. Prices for consumer foods declined 0.2 percent after inching down 0.1 percent in July. By contrast, slightly counteracting the downturn in finished goods prices, the index for finished goods other than foods and energy moved up 0.2 percent in August compared with a 0.1-percent increase a month earlier.*

*'Before seasonal adjustment, the Producer Price Index for Finished Goods decreased 1.4 percent in August to 165.8 (1982 = 100). From August 2006 to August 2007, finished goods prices advanced 2.2 percent. Over the same period, the index for finished goods other than foods and energy climbed 2.2 percent, prices for finished consumer foods rose 4.7 percent, and the index for finished energy goods was unchanged. At the earlier stages of processing,*

prices received by intermediate goods producers increased 2.4 percent, and the crude goods index moved up 6.9 percent, for the 12 months ended August 2007.

### ***'Finished goods***

*'The index for finished energy goods fell 6.6 percent in August, seasonally adjusted, after rising 2.5 percent in July. Gasoline prices dropped 13.8 percent in August following a 3.2-percent advance a month earlier. Similarly, the indexes for residential natural gas, residential electric power, and diesel fuel also turned down after increasing in July. Prices for home heating oil declined more in August than they had in the previous month, while the index for liquefied petroleum gas moved up less than it had in July. By contrast, slightly counteracting the downturn in prices for finished energy goods, the index for finished lubricants rose 1.3 percent compared with a 1.8-percent decrease in the preceding month ...*

*'The index for finished consumer foods fell 0.2 percent in August after edging down 0.1 percent in July. In August, price declines for fresh and dry vegetables, eggs for fresh use, pork, processed young chickens, fresh fruits and melons, and for finfish and shellfish outweighed price increases for beef and veal, soft drinks, and confectionery end products.*

*'The index for finished goods other than foods and energy climbed 0.2 percent after inching up 0.1 percent in July. In August, higher prices for pharmaceutical preparations, civilian aircraft, passenger cars, alcoholic beverages, and newspaper circulation more than offset lower prices for light motor trucks, electronic computers, heavy motor trucks, and floor coverings.*

### ***'Intermediate goods***

*'The Producer Price Index for Intermediate Materials, Supplies, and Components declined 1.2 percent in August following a 0.6-percent increase in July. Prices for intermediate energy goods, materials for nondurable manufacturing, and materials and components for construction turned down after rising in July. The index for materials for durable manufacturing fell more in August, while prices for intermediate foods and feeds advanced less than they had in July ...*

*'Prices for intermediate energy goods fell 3.7 percent in August after moving up 2.0 percent in July. The diesel fuel index dropped 7.2 percent compared with a 6.8-percent increase a month earlier. Prices for gasoline and jet fuels also turned down after rising in July. The indexes for commercial natural gas, home heating oil, and natural gas to electric utilities decreased more than they had in the previous month. By contrast, partially offsetting the downturn in intermediate energy goods prices, the index for industrial electric power advanced 1.6 percent in August following no change in the prior month. Prices for commercial electric power rose after falling in July ...*

*'The materials for nondurable manufacturing index declined 1.1 percent in August after increasing by the same rate in July. Prices for primary basic organic chemicals dropped 7.0 percent following a 2.8-percent rise in the preceding month. The index for inedible fats and oils also turned down in August. Ethanol prices decreased more than they had in July, and the index for plastic resins and materials was unchanged in August after increasing a month earlier. By contrast, prices for intermediate basic organic chemicals rose 0.6 percent following a 5.6-percent decline in July. The indexes for finished fabrics and synthetic fibers also turned up in August. Prices for phosphates increased at faster rates than they had in July.*

*'The index for materials for durable manufacturing decreased 1.5 percent in August after falling 0.5 percent in July. The cold rolled steel sheet and strip index dropped 17.4 percent in August following no change a month earlier. Prices for copper cathode and refined copper; copper and brass mill shapes; hot rolled steel bars, plates, and structural shapes; softwood lumber; and building paper and board turned down after rising in July. By contrast, prices for hot rolled steel sheet and strip advanced 11.6 percent in August after declining 12.9 percent in the previous month. The index for secondary aluminum also turned up following a decline in July, and prices for semifinished steel mill products fell less in August than they had a month earlier.*

*'The index for materials and components for construction decreased 0.1 percent in August*



following a 0.2-percent gain in July. The index for nonferrous wire and cable fell 1.6 percent after increasing 4.3 percent a month earlier. Prices for softwood lumber, cast iron pressure and soil pipe fittings, treated wood, building paper and board, and plywood also turned down subsequent to rising in the preceding month. Conversely, the index for asphalt felts and coatings advanced 2.3 percent following a 2.5-percent decline in July. Prices for fabricated structural metal products, concrete products, and wiring devices also turned up in August ...

‘The rate of increase in prices for intermediate foods and feeds slowed from 0.8 percent in July to 0.3 percent in August. The index for fluid milk products rose 2.3 percent following a 6.5-percent advance in the previous month. Prices for shortening and cooking oils also moved up less than in July. Prepared animal feeds prices were unchanged in August after increasing a month earlier.

‘The indexes for dry milk products; natural, processed, and imitation cheese; and processed young chickens turned down following advances in July. Prices for refined sugar and byproducts fell more than in the previous month. By contrast, beef and veal prices climbed 2.3 percent in August after dropping 8.4 percent in the prior month. The index for snack chips also turned up in August, and pork prices fell less than in July.

### **‘Crude goods**

‘The Producer Price Index for Crude Materials for Further Processing fell 3.0 percent in August compared with a 1.2-percent advance in July. Prices for crude energy materials declined after rising in the previous month. The index for crude foodstuffs and feedstuffs also turned down in August. By contrast, slightly counteracting the downturn in crude goods prices, the index for basic industrial materials increased following no change a month earlier ...

‘The index for crude energy materials fell 5.6 percent in August compared with a 1.1 percent gain in the preceding month. Natural gas prices dropped 12.4 percent after declining 6.4 percent in the prior month. The crude petroleum index rose 1.3 percent following an 11.8-percent rise in July. Prices for coal advanced 1.2 percent subsequent to a 1.7-percent increase a month earlier ...

‘The crude foodstuffs and feedstuffs index decreased 1.5 percent in August following a 2.1-percent advance in the previous month. Fluid milk prices declined 1.0 percent after rising 9.7 percent in July. Similarly, the indexes for soybeans, slaughter broilers and fryers, slaughter cattle, and fresh and dry vegetables also turned down in August. Prices for slaughter hogs were unchanged after rising in the preceding month, and the index for slaughter turkeys increased less than it had a month earlier. By contrast, corn prices declined 5.5 percent subsequent to a 12.8-percent decrease in July. The fresh fruits and melons index also fell less than it had in the prior month, and wheat prices advanced more than they had a month earlier.

‘The index for crude nonfood materials less energy rose 1.3 percent in August following no change in July. Prices for iron and steel scrap moved up 1.3 percent compared with a 4.7-percent decrease in the previous month. The indexes for hides and skins and for gold ores also turned up in August. Prices for construction sand, gravel, and crushed stone rose more than they had a month earlier. By contrast, the wastepaper index edged up 0.2 percent after advancing 11.1 percent in July. Prices for copper base scrap and raw cotton turned down in August. The softwood logs, bolts, and timber index declined following no change in the prior month.

### **‘Net output price indexes**

**‘Mining, Utilities, and Manufacturing Industries.** The Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries turned down 1.0 percent in August after climbing 0.8 percent in July. (Net output price indexes are not seasonally adjusted.) Most of this downturn can be attributed to prices received by petroleum and coal products manufacturers, which declined 8.6 percent after jumping 5.0 percent a month earlier. The industry indexes for oil and gas extraction and for wood product manufacturing also turned down after increasing in July. Prices received by natural gas distributors fell more in August, and the index for electric power distribution moved up less than in July. By contrast, partially offsetting the downturn in overall mining, utility, and manufacturing

prices, the index for the transportation manufacturing industry group was unchanged after decreasing 0.3 percent in July. Prices received by electric power generators advanced more in August than in the previous month, and the index for the beverage and tobacco industry group turned up after falling in July.

**'Trade Industries.** The increase in the Producer Price Index for the Net Output of Total Trade Industries accelerated to 1.0 percent from 0.7 percent in July. (Trade indexes measure changes in margins received by wholesalers and retailers.) Margins received by merchant wholesalers of nondurable goods rose 4.5 percent after moving up 0.7 percent a month earlier. The margin index for wholesalers of durable goods also rose more than in July. Margins received by electronic shopping and mail order houses and by department stores turned up after dropping in the prior month. The margin index for gasoline stations was unchanged after decreasing in July. By contrast, the margin index for grocery stores turned down 1.0 percent after advancing 2.1 percent in the preceding month. Margins for miscellaneous general merchandise stores and for electronics and appliances stores also fell following July increases.

**'Transportation and Warehousing Industries.** The rise in the Producer Price Index for the Net Output of Total Transportation and Warehousing Industries slowed to 0.4 percent in August after climbing 1.3 percent in July. The industry index for couriers advanced 0.2 percent following a 0.5-percent rise in the previous month. Prices received by the industries for scheduled passenger air transportation and for long distance, general freight trucking (less than truckload) turned down after increasing in July. The industry index for pipeline transportation of refined petroleum products was unchanged in August after advancing in the prior month. Conversely, the industry index for line-haul railroads jumped 1.7 percent after no change in July. Prices received by the water transportation industry group and the industry for freight transportation arrangement moved up more in August than in the previous month. The industry index for local, general-freight trucking turned up after falling in July.

**'Traditional Service Industries.** The Producer Price Index for the Net Output of Total Traditional Service Industries turned up 0.4 percent in August after decreasing 0.2 percent in July. The index for the depository credit intermediation industry group rose 4.0 percent following a 4.5-percent drop in the prior month. Prices received by offices of lawyers and non-internet broadcasters also turned up in August. The index for the investment banking and securities dealing industry moved up following no change in July. By contrast, the index for general medical and surgical hospitals turned down 0.3 percent in August after increasing 0.4 percent in the previous month. Prices received by the telecommunications industry group, as well as, by the industries for non-casino hotels and motels, offices of real estate agents and brokers, and securities brokerages also fell following July advances.'

Then, there was the matter of crude-oil prices.

The world watched as the price of the black ooze rose to another record high.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in October came in at \$US81.51, representing a one-day increase in the price of about 1.17 percent.

As for delivery in November, the last settlement for a barrel of light sweet crude oil was \$US80.23, equivalent to an increase of about 1.07 percent, compared with the final quote of Monday.

Somewhere down the line, the record-high price of crude oil will take its toll of the economies of the West, to be sure, unless something can be done to alleviate the situation.

Airlines and transportation companies can only pass on additional recurrent costs up to a certain extent – and, then, consumers will balk.

In Europe, on learning of the determination of The Fed, the key indices of every bourse made dramatic gains as the following **TARGET** list illustrates:

Amsterdam's AEX Index	Plus	1.53 percent
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France's CAC 40 Index	Plus	2.02 percent
Germany's Frankfurt XETRA DAX Index	Plus	1.27 percent
Great Britain's FTSE 100 Index	Plus	1.62 percent
Italy's MIBTEL Index	Plus	1.59 percent
Switzerland's Swiss Market Index	Plus	1.03 percent

Helping share prices, greatly, in the United Kingdom was an announcement from the Government to the effect that all deposits, held by Northern Rock plc, would be fully guaranteed.

The announcement appeared to allay the fears of investors, locked into banking and financial-services counters ... at least, for the time being.

In Asia, the key indices of the most-important equity markets fell, led by Japan's markets whose key indices came down with a bang.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the territory's 2 stock markets saw their key indices shed fractions.

On The Stock Exchange of Hongkong Ltd, the Hang Seng Index, which is the key index of the Main Board, gave up about 0.09 percent, dropping back to 24,576.85 points.

The Total Turnover was about \$HK80.50 billion, while the ratio of declining counters to advancing ones was about 1.38:One.

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China Life Insurance Company Ltd (Code: 2628)	Up 0.13 percent to \$HK38.25 per share
China Mobile Ltd (Code: 941)	Down 0.56 percent to \$HK106.20 per share
PetroChina Company Ltd (Code: 857)	Up 0.87 percent to \$HK11.60 per share
HSBC Holdings plc (Code: 5)	Down 0.15 percent to \$HK137.70 per share
PICC Property and Casualty Company Ltd (Code: 2328)	Up 10.31 percent to \$HK11.98 per share
China Shenhua Energy Company Ltd (Code: 1088)	Down 1.25 percent to \$HK39.50 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 1.45 percent to \$HK8.15 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 0.27 percent to \$HK188.20 per share

China Construction Bank Corporation (Code:  
939)

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Up 3.29 percent to \$HK10.66 per share

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<b>Name of Company</b>	<b>Code</b>	<b>Increase (%)</b>	<b>Decrease (%)</b>	<b>Closing Price (\$HK)</b>
Aupu Group Holding Company Ltd	477		15.00	1.70
BEP International Holdings Ltd	2326		12.50	6.30
C Y Foundation Group Ltd	1182	10.11		0.98
Carico Holdings Ltd	729	10.00		0.275
CATIC Shenzhen Holdings Ltd	161	11.34		8.15
China Gas Holdings Ltd	384	10.00		3.52
China HealthCare Holdings Ltd	673	15.00		0.92
China Sci-Tech Holdings Ltd	985	15.94		0.40
China Strategic Holdings Ltd	235	18.18		0.78
Dream International Ltd	1126		11.11	0.32
Enric Energy Equipment Holdings Ltd	3899	14.29		10.96
Four Seas Food Investment Holdings Ltd	60	22.69		1.46
Global Tech (Holdings) Ltd	143	29.10		0.173
Lo's Enviro-Pro Holdings Ltd	309	15.43		2.02
MACRO-LINK International Holdings Ltd	472		10.00	1.44
Mascotte Holdings Ltd	136	10.53		0.63
Min Xin Holdings Ltd	222	10.55		6.08
Neo-Neon Holdings Ltd	1868		12.52	10.20

PacMOS Technologies Holdings Ltd	1010	21.67		0.73
Pearl River Tyre (Holdings) Ltd	1187		11.49	2.08
Peking Apparel International Group Ltd	761	12.41		1.63
PICC Property and Casualty Company Ltd	2328	10.31		11.98
Pyxis Group Ltd	516	13.21		0.30
Rontex International Holdings Ltd	1142	26.23		0.385
Shang Hua Holdings Ltd	371	23.66		1.62
Smart Rich Energy Finance (Holdings) Ltd	1051	13.73		0.58
Sunway International Holdings Ltd	58		11.69	0.34
UBA Investments Ltd	768	11.03		0.161
V.S. International Group Ltd	1002	10.81		0.41
Zhong Hua International Holdings Ltd	1064	14.52		0.355

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China Primary Resources Holdings Ltd (Code:  
8117)

Up 18.57 percent to \$HK0.415 per share

Trasy Gold Ex Ltd (Code: 8063)

Down 5.92 percent to \$HK0.143 per share

Beijing Jingkelong Company Ltd (Code: 8245)

Down 2.60 percent to \$HK7.87 per share

Shandong Weigao Group Medical  
Polymer Company Ltd (Code: 8199)

Down 0.66 percent to \$HK17.98 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
BIG Media Group Ltd	8167		11.76	0.45
China Primary Resources Holdings Ltd	8117	18.57		0.415
CIG Yangtze Ports PLC	8233	12.00		0.84
Glory Future Group Ltd	8071	38.64		0.305
Shanghai Jiaoda Withub Information Industrial Company Ltd	8205		11.11	0.32
Longlife Group Holdings Ltd	8037	11.76		0.38
Rojam Entertainment Holdings Ltd	8075		12.80	0.143
Sonavox International Holdings Ltd	8226		10.29	0.305
SYSCAN Technology Holdings Ltd	8083		12.82	0.34

In Japan, last Tuesday was the first trading day of the week, Monday's markets, all being closed for a national holiday.

Investors scrambled in order to try to unload stocks and shares on the country's equity markets in view of the absolute chaos in the United Kingdom, brought about by the problems of Northern Rock plc and its bailout by The Bank of England.

The target of selling pressure was on banks and financial-services companies.

On The Tokyo Stock Exchange, The TOPIX Index surrendered 33.76 points, equivalent to a fall of about 2.19 percent, compared with the closing level of Friday, September 14, 2007.

The ratio of losers to gainers was about 7.13:One.

As for The Nikkei-225 Stock Average, which is a much-narrower gauge of trading of blue chips, listed on The First Section of The Tokyo Stock Exchange, than is The TOPIX Index, it gave up 325.62 yen, equivalent to about 2.02 percent, dropping to 15,801.80 yen.

#### News Wise

- **Seiyu Ltd** announced that it foresaw a Net Loss Attributable to Shareholders for the Current Financial Year, ending December 31, 2007, of about ¥10.40 billion; and,
- **Fullcast Company** announced that it expected to record a Net Loss Attributable to Shareholders for the Financial Year, ending September 30, 2007, of about ¥700 million.

This was how things looked at the end of the trading day on other Asian equity markets, last Tuesday:

The HKSAR	Hang Seng Index Minus 0.09 percent to 24,576.85 The Growth Enterprise Index
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	Minus 0.49 percent to 1,525.70
Indonesia	Plus 0.75 percent to 2,239.86
Japan	TOPIX Index Minus 2.19 percent to 1,510.95 Nikkei-225 Stock Average Minus 2.02 percent to 15,801.80
Malaysia	Minus 0.08 percent to 1,277.33
The Philippines	Minus 0.53 percent to 3,289.75
The PRC	Shanghai Composite Index Plus 0.07 percent to 5,425.21 Shenzhen Composite Index Minus 0.23 percent to 1,508.82
Singapore	Plus 0.04 percent to 3,477.75
South Korea	Minus 1.77 percent to 1,838.61
Taiwan	Closed
Thailand	Minus 0.01 percent to 802.54

### **Wednesday**

Investors, worldwide, responded positively to the determination of the US Federal Reserve to cut interest rates by 50 basis points (Please see Tuesday's report), with the key indices of most equity markets, rising smartly.

On The New York Stock Exchange, the Dow Jones Industrial Average gained 76.17 points, or about 0.55 percent, as investors pushed it to 13,815.56 points.

On The NASDAQ, its Composite Index rose 14.82 points, equivalent to about 0.56 percent, coming to rest at 2,666.48 points by the close of the trading day.

The ratio of gainers to losers on both of the world's largest equity markets was about 2:One.

But the volume of activity on both markets was far from being such that one could state that the market had entered a bullish phase.

Prior to the opening of The New York Stock Exchange and The NASDAQ, the US Government's Department of Labour released its findings in respect of The Consumer Price Index for the month of August.

The statistics, supplied by The Labour Department, suggested, inter alia, that inflation was in check in The Land of The Free and The Home of The Brave.

The following is a précis of the findings of this important division of the US Government, minus the tables:

### **‘CONSUMER PRICE INDEX: AUGUST 2007**

*‘The Consumer Price Index for All Urban Consumers (CPI-U) declined 0.2 percent in August, before seasonal adjustment, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. The August level of 207.917 (1982-84=100) was 2.0 percent higher than in August 2006.*

*‘The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) also decreased 0.2 percent in August prior to seasonal adjustment. The August level of 203.199 (1982-84=100) was 1.8 percent higher than in August 2006.*

*‘The Chained Consumer Price Index for All Urban Consumers (C-CPI-U) decreased 0.1 percent in August on a not seasonally adjusted basis. The August level of 120.077 (December 1999=100) was 1.8 percent higher than in August 2006. Please note that the indexes for the post-2005 period are subject to revision.*

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

*‘On a seasonally adjusted basis, the CPI-U declined 0.1 percent in August, the first decline since a 0.4 percent decrease in October 2006. The index for energy declined for the third consecutive month, down 3.2 percent in August. The index for petroleum-based energy decreased 4.6 percent. The index for energy services fell 1.3 percent, resulting from a 4.2 percent decline in the index for natural gas. The food index rose 0.4 percent in August. The index for food at home also rose 0.4 percent, reflecting another large increase in the index for dairy products. The index for all items less food and energy advanced 0.2 percent in August, the same as in July ...*

*‘During the first eight months of 2007, the CPI-U rose at a 3.7 percent seasonally adjusted annual rate (SAAR). This compares with an increase of 2.5 percent for all of 2006. The larger advance thus far this year was due to larger increases in the energy and food indexes. Despite registering declines in each of the last three months, the index for energy increased at a 12.7 percent SAAR through August. Petroleum-based energy led the acceleration with a 22.7 percent increase at an annual rate. Last year the overall energy index rose 2.9 percent. The food index also increased much more so far this year compared with last year, a 5.6 percent SAAR compared with a 2.1 percent rise for all of 2006. Excluding food and energy, the CPI-U advanced at a 2.3 percent SAAR in the first eight months, following a 2.6 percent rise for all of 2006.*

*‘The food and beverages index rose 0.4 percent in August. The index for food at home, which increased 0.1 percent in July, rose 0.4 in August. Another sharp increase in the index for dairy products, coupled with upturns in the indexes for nonalcoholic beverages and for meats, poultry, fish, and eggs, accounted for most of the August advance. The index for dairy products increased 1.7 percent, following increases of 3.2 and 2.7 percent in the preceding two months. Milk prices rose 1.0 percent and have risen 18.1 percent since the beginning of the year. The index for nonalcoholic beverages, which fell 0.1 percent in July, rose 1.2 percent in August. The index for meats, poultry, fish, and eggs increased 0.1 percent after declining 0.4 percent in July. Beef prices, which declined 0.7 percent in July, increased 0.1 percent in August. The indexes for poultry and for pork increased 0.2 and declined 0.8 percent, respectively. The index for eggs rose 2.4 percent in August and was 34.9 percent higher than a year ago. The index for fruits and vegetables declined for the fourth consecutive month--down 0.2 percent in August. A 1.7 percent decrease in the indexes for fresh vegetables more than offset increases in the indexes for fresh fruits and for processed fruits and vegetables--up 1.0 and 0.3 percent, respectively. The indexes for cereal and bakery products and for other food at home increased 0.4 and 0.1 percent, respectively. The other two components of the food and beverages index--food away from home and alcoholic beverages--increased 0.4 and 0.3 percent, respectively.*

*‘The index for housing was virtually unchanged in August, following a 0.2 percent increase in July. The index for shelter rose 0.2 percent, the same as in July. Within shelter, the indexes for rent and for owners' equivalent rent each rose 0.2 percent; while the index for lodging away from home, declined 0.6 percent. The index for household energy decreased 1.2 percent*



as a 4.2 percent decline in the index for natural gas more than offset an increase of 0.4 percent in the index for fuel oil; the index for electricity was virtually unchanged for the second consecutive month. The index for household furnishings and operations decreased 0.2 percent in August.

*'The transportation index declined for the third consecutive month -- down 1.2 percent in August -- reflecting another decline in the index for motor fuels. The index for gasoline declined 4.9 percent. (Prior to seasonal adjustment, gasoline prices fell 5.9 percent in August and were 9.0 percent lower than their peak level recorded in May.) The index for new vehicles rose 0.1 percent. (Prior to seasonal adjustment, new vehicle prices declined for the seventh consecutive month, down 0.2 percent in August.) The index for used cars and trucks increased 0.8 percent. During the last 12 months, new vehicle prices have declined 0.9 percent and prices for used cars and trucks, 3.7 percent. The index for public transportation increased 0.5 percent in August, reflecting a 0.6 percent increase in the index for airline fares. (Prior to seasonal adjustment, airline fares declined 1.7 percent.)*

*'The index for apparel, which increased 0.4 percent in July, declined 0.5 percent in August. (Prior to seasonal adjustment, apparel prices rose 0.8 percent, as price increases associated with the introduction of fall-winter wear more than offset the decline in prices for discounted spring-summer clothing. Prices for women's and girls' apparel rose 1.9 percent, while prices for men's and boys' apparel declined 0.5 percent.)*

*'Medical care costs rose 0.5 percent in August. The index for medical care commodities -- prescription drugs, nonprescription drugs, and medical supplies--increased 0.4 percent. The index for medical care services rose 0.5 percent. The indexes for professional services and for hospital and related services each increased 0.5 percent.*

*'The index for recreation declined 0.1 percent in August. Decreases in the indexes for video and audio, for sporting goods, and for admissions to movies, theaters, concerts and sporting events -- each down 0.4 percent -- more than offset a 0.5 percent increase in the index for pets, pet products and services.*

*'The index for education and communication increased 0.3 percent in August. The index for education rose 0.5 percent, reflecting increases of 2.2 percent for college textbooks and 0.4 percent for college tuition and fees. (Prior to seasonal adjustment, charges for college tuition and fees rose 2.6 percent in August and were 6.0 percent higher than a year ago.) The index for communication rose 0.1 percent in August. Within this group, the index for telephone services rose 0.2 percent, reflecting increases for land-line local charges and for land-line long distance charges of 0.4 and 0.2 percent, respectively. The indexes for personal computers and peripheral equipment and for computer software and accessories declined 0.8 and 2.7 percent, respectively, while charges for internet services and electronic information providers rose 0.3 percent.*

*'The index for other goods and services increased 0.1 percent in August. The index for tobacco and smoking products rose 0.2 percent and has increased 6.5 percent during the last 12 months. The index for personal care was virtually unchanged as a decline in prices for personal care products was offset by increases in charges for personal care services and miscellaneous personal services.*

#### **'CPI for Urban Wage Earners and Clerical Workers (CPI-W)**

*'On a seasonally adjusted basis, the CPI for Urban Wage Earners and Clerical Workers decreased 0.2 percent in August.'*

In Europe, the key indices of the most-important bourses shot up, somewhat spectacularly, as the following **TARGET** list illustrates:

Amsterdam's AEX Index	Plus	2.36 percent
France's CAC 40 Index	Plus	3.27 percent

Germany's Frankfurt XETRA DAX IndexPlus 2.31 percent

Great Britain's FTSE 100 Index Plus 2.81 percent

Italy's MIBTEL Index Plus 2.10 percent

Switzerland's Swiss Market Index Plus 2.63 percent

Investors in Europe, aside from being elated by the actions of The Fed and the buying up scrip of the *'darlings'*, were, also, *'playing'* on energy counters as the price of crude oil hit yet another record high.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in October rose about 0.52 percent to \$US81.93.

For November delivery, the last settlement for a barrel of light sweet crude oil gained 0.77 percent to end the Open Outcry Session at \$US80.85.

Asian investors climbed aboard the world's fast-moving, equity trains, with the key indices of the major equity markets of the region, making substantial jumps.

The 2 exceptions to the predominantly bullish trend were the key indices of The Shanghai Stock Exchange and The Shenzhen Stock Exchange, both of which indices suffered losses.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key indices of the territory's 2 equity markets made gains, but it was the premier equity market that was the main emphasis of investors.

The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, rose about 977.79 points, equivalent to about 3.98 percent, with investors, driving this key index up to 25,554.64 points.

The Total Turnover was a whopping \$HK138.74 billion.

Advancing counters outnumbered declining counters by the ratio of about 3.54:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5) Up 2.69 percent to \$HK141.40 per share

China Life Insurance Company Ltd (Code: 2628) Up 2.35 percent to \$HK39.15 per share

PetroChina Company Ltd (Code: 857) Up 3.10 percent to \$HK11.96 per share

China Mobile Ltd (Code: 941) Up 4.52 percent to \$HK111.00 per share

China Petroleum and Chemical Corporation (Code: 386) Up 4.29 percent to \$HK8.50 per share

China Construction Bank Corporation (Code: 939) Up 4.09 percent to \$HK7.12 per share

CNOOC Ltd (Code: 883) Up 12.38 percent to \$HK11.98 per share

PICC Property and Casualty Company Ltd (Code:  
2328)

Up 9.18 percent to \$HK13.08 per share

Industrial and Commercial Bank of China Ltd  
(Code: 1398)

Up 1.79 percent to \$HK5.12 per share

Hongkong Exchanges and Clearing Ltd (Code: 388)

Up 2.55 percent to \$HK193.00 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>
Agile Property Holdings Ltd	3383	11.55		17.00
Beijing Enterprises Holdings Ltd	392	14.58		39.30
C Y Foundation Group Ltd	1182	10.20		1.08
Chinese Estates Holdings Ltd	127	10.31		11.98
CNOOC Ltd	883	12.38		11.98
Concepta Investments Ltd	1140		10.68	1.84
Dream International Ltd	1126	12.50		0.36
Goldlion Holdings Ltd	533	14.80		2.56
Hang Lung Properties Ltd	101	10.75		34.00
Harbour Centre Development Ltd	51	19.46		16.94
Hongkong Economic Times Holdings Ltd	423	12.23		2.57
Incutech Investments Ltd	356		11.11	0.72
Mandarin Entertainment (Holdings) Ltd	9	19.12		0.81
Mitsumaru East Kit (Holdings) Ltd	2358		10.92	1.06
Neo-Neon Holdings Ltd	1868	11.37		11.36
Ports Design Ltd	589	16.30		23.90

Shui On Land Ltd	272	10.12		8.92
Sun Man Tai Holdings Company Ltd	433	18.46		0.154
Sunway International Holdings Ltd	58	11.76		0.38
Wo Kee Hong (Holdings) Ltd	720		10.08	1.07

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gained about 0.80 percent, rising to 1,537.85 points.

The Total Turnover was about \$HK657.99 million, while the ratio of gainers to losers was tiny, at about 1.02:One.

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

Enviro Energy International Holdings Ltd (Code:  
8182)

Up 6.92 percent to \$HK3.09 per share

Xteam Software International Ltd (Code: 8178)

Down 5.43 percent to \$HK0.87 per share

China Primary Resources Holdings Ltd (Code:  
8117)

Unchanged at \$HK0.415 per share

Phoenix Satellite Television Holdings Ltd (Code:  
8002)

Up 5.49 percent to \$HK1.73 per share

Yuxing InfoTech Holdings Ltd (Code: 8005)

Up 1.32 percent to \$HK1.54 per share

As for The GEM's double-digit movers of the day, there were only 5 counters that qualified for this nomenclature:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Armitage Technologies Holding Ltd	8213	12.61		0.134
BIG Media Group Ltd	8167	11.11		0.50
Core Healthcare Investment Holdings Ltd	8250	12.20		0.46
SYSCAN Technology Holdings Ltd	8083	14.71		0.39
Sanmenxia Tianyuan Aluminum Company Ltd	8253	10.00		1.43

In The Land of The Rising Sun, the situation on the country's 3 equity markets could be described as being bubbly, in direct contrast to the very bearish situation that existed on Tuesday's trading session.

On The Tokyo Stock Exchange, its TOPIX Index rose 56.63 points, equivalent to about 3.75 percent, rising to 1,567.58 points.

The ratio of gaining counters to losing ones was about 23.23:One.

The Nikkei-223 Stock Average rose 579.74 yen, or about 3.67 percent, rising to 16,381.54 yen.

#### News Wise

- **The Bank of Japan** determined, last Wednesday, to keep its key interest rate at 0.50 percent.

This was how things looked on other Asian equity markets, last Wednesday:

The HKSAR	Hang Seng Index Plus 3.98 percent to 25,554.64 The Growth Enterprise Index Plus 0.80 percent to 1,537.85
Indonesia	Plus 3.28 percent to 2,313.34
Japan	TOPIX Index Plus 3.75 percent to 1,567.58 Nikkei-225 Stock Average Plus 3.67 percent to 16,381.54
Malaysia	Plus 1.55 percent to 1,297.16
The Philippines	Plus 2.23 percent to 3,362.98
The PRC	Shanghai Composite Index Minus 0.55 percent to 5,395.27 Shenzhen Composite Index Minus 1.26 percent to 1,489.83
Singapore	Plus 3.35 percent to 3,594.36
South Korea	Plus 3.48 percent to 1,902.65
Taiwan	Plus 0.30 percent to 8,926.38
Thailand	Plus 1.15 percent to 811.79

#### Thursday

The US Federal Reserve ushered in an early Christmas, last Wednesday, but the early Boxing Day turned out to be a discordant clanger.

The price of crude oil rose to a fresh, record high, last Thursday, and this intelligence helped to stir up past

thoughts of the fears of inflationary pressures, worldwide, because, surely, the higher cost of energy, ultimately, will have to be passed on to consumers.

The key indices of the North American and European equity markets fell as the euphoria of Wednesday waned, markedly, on Thursday.

On The New York Stock Exchange, the Dow Jones Industrial Average fell 48.86 points, equivalent to about 0.35 percent, dropping back to 13,766.70 points.

On The NASDAQ, its Composite Index shed 12.19 points, or about 0.46 percent, as investors pulled it back to 2,654.29 points.

In addition, pressure was applied on the foreign-exchange markets as investors determined to fly away from the US greenback in favour of the euro, the Japanese yen and/or the Canadian dollar.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in October was \$US83.32, representing an increase of about 1.70 percent on Wednesday's closing level.

As for November delivery, the last settlement for a barrel of light sweet crude oil came in at \$US81.78, equivalent to an increase of 1.15 percent, exactly, on Wednesday's final quote.

Speculators, knowing full well that many oil refineries in The Gulf of Mexico had shut down due to the approach of some threatening inclement weather, which could graduate into cyclonic storms, determined to buy into oil futures contracts in order to ride the great, dapple-grey horse to the top of the oil-price hill.

In Europe, investors had grave thoughts about the prospects of the US economy in spite of The Fed's 50, basic-point cut in interest rates on Wednesday.

The Chief Executive of Germany's largest bank, Deutsche Bank A.G., sounded the warning that the liquidity crisis, internationally, would take its toll of the bank's third-quarter profits.

Meanwhile, in the United Kingdom, the share price of Northern Rock plc lost 30 percent of its market capitalisation as investors decided that there was little sense in trying to flog a dead horse.

As at last Thursday, since the first trading day of September, the share price of Northern Rock plc had lost about 76 percent.

Banking counters were fair game for sellers on all of the major European bourses, last Thursday.

This was how the situation looked at the end of the trading days of the most-important European bourses:

Amsterdam's AEX Index	Minus 0.20 percent
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France's CAC 40 Index	Minus 0.73 percent
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Germany's Frankfurt XETRA DAX Index	Minus 0.20 percent
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Great Britain's FTSE 100 Index	Minus 0.47 percent
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Italy's MIBTEL Index	Minus 0.67 percent
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Switzerland's Swiss Market Index	Minus 1.22 percent
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For More About The Situation With Regard To Northern Rock plc, et al,  
Please Refer To:

**TARGET Intelligence Report, Volume IX, Number 180,**

Published Last Friday, Headlined:

**‘NORTHERN ROCK PLC WAS NUMBER ONE:  
WHICH BANK/FINANCIAL-SERVICES COMPANY WILL BE NEXT IN LINE’**

In Asia, for the most part, the key indices of the most-important equity markets were in positive territory by the close of business, last Thursday.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), reduced volumes of activity were the order of the day on The Stock Exchange of Hongkong Ltd, with the key index of the premier equity market, rising, fractionally, while the lone index of the speculative, secondary market shed the best part of one percent.

The Main Board's Hang Seng Index rose about 0.57 percent to 25,701.13 points on a Total Turnover of about \$HK118.91 billion.

Advancing counters outpaced declining ones by the ratio of about 1.57:One.

The Ten Most-Active counters were:

Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 3.32 percent to \$HK5.29 per share
China Mobile Ltd (Code: 941)	Up 1.53 percent to \$HK112.70 per share
PetroChina Company Ltd (Code: 857)	Up 3.51 percent to \$HK12.38 per share
China Life Insurance Company Ltd (Code: 2628)	Up 0.13 percent to \$HK39.20 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 2.71 percent to \$HK8.73 per share
China Construction Bank Corporation (Code: 939)	Up 3.37 percent to \$HK7.36 per share
HSBC Holdings plc (Code: 5)	Unchanged at \$HK141.40 per share
Bank of China Ltd (Code: 3988)	Up 1.53 percent to \$HK3.97 per share
CNOOC Ltd (Code: 883)	Down 3.17 percent to \$HK11.60 per share
Hutchison Whampoa Ltd (Code: 13)	Up 2.75 percent to \$HK84.20 per share

The biggest movers on this market included:

<b>Name of Company</b>	<b>Code</b>	<b>Increase (%)</b>	<b>Decrease (%)</b>	<b>Closing Price (\$HK)</b>
Air China Ltd	753	13.20		11.66
Beiren Printing Machinery Holdings Ltd	187	32.30		3.85
C Y Foundation Group Ltd	1182		11.11	0.96
Chengdu PUTIAN Telecommunications Cable Company Ltd	1202	11.27		2.37
China Eastern Airlines Corporation Ltd	670	23.22		8.65
China Oriental Group Company Ltd	581	11.41		4.20
China Zenith Chemical Group Ltd	362	10.42		0.53
C.P. Pokphand Company Ltd	43	12.90		0.35
Daido Group Ltd	544		14.58	0.082
Golik Holdings Ltd	1118		11.11	0.40
Hopefluent Group Holdings Ltd	733	10.74		6.91
Kenfair International (Holdings) Ltd	223	14.10		1.78
Kwong Hing International Holdings (Bermuda) Ltd	1131	11.11		0.80
LeRoi Holdings Ltd	221		10.96	0.65
Lippo China Resources Ltd	156	11.48		0.34
Lung Cheong International Holdings Ltd	348		15.00	0.68
Nanjing Panda Electronics Company Ltd	553	13.24		4.02
Northeast Electric Development Company Ltd	42	15.08		2.90
Orient Resources Group Company Ltd	467	10.71		2.48
Ports Design Ltd	589	12.29		26.65



Shandong Xinhua Pharmaceutical Company Ltd	719	13.95		3.35
Sino Technology Investments Company Ltd	1217		25.00	1.80
Smart Rich Energy Finance (Holdings) Ltd	1051		14.66	0.495
South East Group Ltd	726	32.61		1.22
Spread Prospects Holdings Ltd	572		11.01	0.97
Universe International Holdings Ltd	1046	19.51		0.245
Winfair Investment Company Ltd	287	10.54		3.88
Wing Hong (Holdings) Ltd	745	11.70		2.10
Wo Kee Hong (Holdings) Ltd	720		11.22	0.95
Yardway Group Ltd	646	14.06		1.46
Yue Da Holdings Ltd	629	19.05		4.00
Zhaojin Mining Industry Company Ltd	1818	15.81		28.20

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its lone index, The Growth Enterprise Index, shed about 0.92 percent as investors pulled it down to 1,523.71 points.

The Total Turnover was about \$HK748.38 million.

The ratio of losing counters to gaining ones was about 2.20:One.

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

Wumart Stores Incorporated (Code: 8277)

Up 15.89 percent to \$HK7.89 per share

Town Health International Holdings Company Ltd  
(Code: 8138)

Down 7.75 percent to \$HK0.131 per share

Core Healthcare Investment Holdings Ltd (Code:  
8250)

Up 8.70 percent to \$HK0.50 per share

Yuxing InfoTech Holdings Ltd (Code: 8005)

Up 3.90 percent to \$HK1.60 per share

Enviro Energy International Holdings Ltd (Code:  
8182)

Down 1.94 percent to \$HK3.03 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Yantai North Andre Juice Company Ltd	8259	12.32		0.72
BIG Media Group Ltd	8167	16.00		0.58
Everpride Biopharmaceutical Company Ltd	8019		12.00	0.22
HC International Incorporated	8292		11.20	1.11
Soluteck Holdings Ltd	8111	12.50		0.45
Wumart Stores Incorporated	8277	15.89		7.89
Zheda Lande Scitech Ltd	8106		11.90	0.37

In Japan, the equity markets turned quiet, following the bullish run on Wednesday.

The TOPIX Index, which is the key gauge of trading on The Tokyo Stock Exchange, fell back about 0.05 percent to 1,566.84 points.

Declining counters outpaced advancing ones by the ratio of about 1.49:One.

The Nikkei-225 Stock Average ended the trading day at 16,413.79 yen, a one-day fall of about 0.20 percent.

#### News Wise

- **Mitsubishi UFJ Nicos Company**, a large, financial-services company of Japan, specialising in the issue of credit-cards, etc, announced that it well expected to post a Net Loss Attributable to Shareholders of about ¥111.80 billion for the Financial Year, ending March 31, 2008. The company, also, announced that it would be reducing its staff level by about 2,300 workers.

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

The HKSAR	Hang Seng Index Plus 0.57 percent to 25,701.13 The Growth Enterprise Index Minus 0.92 percent to 1,523.71
Indonesia	Minus 0.38 percent to 2,304.63
Japan	TOPIX Index Minus 0.05 percent to 1,566.84 Nikkei-225 Stock Average Plus 0.20 percent to 16,413.79
Malaysia	Plus 0.89 percent to 1,308.67
The Philippines	Plus 2.36 percent to 3,442.38

The PRC	Shanghai Composite Index Plus 1.39 percent to 5,470.07 Shenzhen Composite Index Plus 1.07 percent to 1,505.77
Singapore	Minus 1.17 percent to 3,552.46
South Korea	Plus 0.33 percent to 1,908.97
Taiwan	Plus 0.63 percent to 8,983.03
Thailand	Plus 0.45 percent to 815.43

### **Friday**

The key indices of the world's largest equity markets continued their upward thrusts of Tuesday, following the interest-rate cuts, announced by the US Federal Reserve.

The gains of last Friday, however, were relatively small.

On The New York Stock Exchange, the Dow Jones Industrial Average ended the week at 13,820.19 points, a one-day gain of about 0.39 percent.

The NASDAQ's Composite Index rose about 0.64 percent as investors nudged it to 2,671.22 points.

All things considered, last Friday's trades on Wall Street were comparatively tame, with the ratio of gaining counters to losing ones, being about 1.67:One on The New York Stock Exchange and about 1.14:One on The NASDAQ.

For the week, the tally for these 2 equity markets, which, normally, set the daily pace for the world, was:

The Dow Jones Industrial Average Plus 2.81 percent

The NASDAQ's Composite Index Plus 2.65 percent

In Europe, it was a similar story to that, told on Wall Street.

For the most part, the key indices of European bourses made gains, but the gains were, in the main, small fractions as the following **TARGET** list illustrates:

Amsterdam's AEX Index Plus 0.40 percent

France's CAC 40 Index Plus 0.20 percent

Germany's Frankfurt XETRA DAX Index Plus 0.76 percent

Great Britain's FTSE 100 Index Plus 0.43 percent

Italy's MIBTEL Index Plus 0.10 percent

Switzerland's Swiss Market Index

Unchanged

On the world's commodity markets, the price of crude oil fell, but the fall was very small.

It had been confirmed, by last Friday, that about 25 percent of the refining capacity in The Gulf of Mexico had been shut down due to the approach of a tropical storm.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in November was \$US81.62, representing a fall of about 0.20 percent, compared with Thursday's closing level.

(Thursday was the last day for trading in October crude-oil futures)

As for December delivery, the last settlement for a barrel of light sweet crude oil was \$US80.64.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), it was almost a repeat performance, compared with Thursday's stock-market's movements.

The morning started off with widespread losses, followed by a full recovery by the late afternoon.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index rose about 0.56 percent, ending the trading day at 25,843.78 points.

The Total Turnover was about \$HK132.28 billion.

Advancing counters beat off declining ones by the ratio of 1.24:One, exactly.

The Ten Most Actives were:

PetroChina Company Ltd (Code: 857)	Up 4.69 percent to \$HK12.96 per share
Hidili Industry International Development Ltd (Code: 1393)	\$HK12.12 per share*
Kerry Properties Ltd (Code: 683)	Down 3.85 percent to \$HK59.95 per share
Beijing Enterprises Holdings Ltd (Code: 392)	Down 3.94 percent to \$HK37.75 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.64 percent to \$HK38.95 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 12.01 percent to \$HK219.20 per share
China Mobile Ltd (Code: 941)	Down 0.98 percent to \$HK111.60 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 2.08 percent to \$HK5.40 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 2.18 percent to \$HK8.92 per share

Bank of China Ltd (Code: 3988)

Unchanged at \$HK3.97 per share

\*First Day of Trading

There was a total of 37, double-digit movers of the day, of which number, the share prices of 23 counters rose by 10 percent or more while the managements of the remaining 14 counters witnessed their share prices fall by 10 percent or more.

Lung Cheong International Holdings Ltd (Code: 348) was the biggest gainer of the day, its share price, rising 33.82 percent to 91 cents.

China Motion Telecom International Ltd (Code: 989) had the privilege of being the biggest loser of the day as investors knocked down its share price by 24.36 percent to 59 cents.

Over on The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shed about 0.72 percent of its former value, ending the week at 1,512.77 points.

The Total Turnover continued to be on the low side, at about \$HK710.13 million.

Declining counters outran advancing ones by the ratio of 2.50:One, exactly.

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

Wumart Stores Incorporated (Code: 8277)

Down 7.48 percent to \$HK7.30 per share

Enviro Energy International Holdings Ltd (Code:  
8182)

Down 9.24 percent to \$HK2.75 per share

Shandong Weigao Group Medical  
Polymer Company Ltd (Code: 8199)

Up 3.19 percent to \$HK18.78 per share

Town Health International Holdings Company Ltd  
(Code: 8138)

Down 5.34 percent to \$HK0.124 per share

Zhejiang Yonglong Enterprises Company Ltd  
(Code: 8211)

Up 68.85 percent to \$HK1.03 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Shanxi Changcheng Microlight Equipment Company Ltd	8286	15.00		1.15
China Leason Investment Group Company Ltd	8270		11.48	1.08
HC International Incorporated	8292	10.81		1.23

Intelli-Media Group (Holdings) Ltd	8173		12.00	0.11
Techpacific Capital Ltd	8088	13.92		0.27
Zhejiang Yonglong Enterprises Company Ltd	8211	68.85		1.03

### News Wise

- **HSBC Holdings plc** announced that it would be closing down part of its subprime, mortgage-lending unit for the loss of about 750 jobs. The losses will all be in the US.

For the week, the tally for the second, most-important equity market of Asia was:

The Hang Seng Index    Plus    3.80 percent  
The Growth Enterprise Index Minus    1.82 percent

In Japan, it was only losers on the country's 3 equity markets.

Exporters foresaw a rough time ahead as the yen strengthened against the US dollar.

This would come to mean lower profit margins for exporters if the situation persisted for too long a period of time.

On The Tokyo Stock Exchange, its TOPIX Index gave up about 0.94 percent, falling back to 1,552.07 points.

The ratio of losers to gainers was 2.34:One, exactly.

The Nikkei-225 Stock Average was down about 0.62 percent as investors pushed it back to 16,312.61 yen.

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

The TOPIX Index    Plus    0.48 percent  
The Nikkei-225 Stock Average Plus    0.98 percent

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

The HKSAR	Hang Seng Index Plus    0.55 percent to 25,843.78 The Growth Enterprise Index Minus    0.72 percent to 1,512.77
Indonesia	Plus    1.34 percent to 2,335.49
Japan	TOPIX Index Minus    0.94 percent to 1,552.07 Nikkei-225 Stock Average Minus    0.62 percent to 16,312.61
Malaysia	Minus    0.21 percent to 1,305.94
The Philippines	Minus    0.54 percent to 3,423.73

The PRC	Shanghai Composite Index Minus 0.28 percent to 5,454.67 Shenzhen Composite Index Minus 0.45 percent to 1,499.01
Singapore	Minus 0.29 percent to 3,542.22
South Korea	Plus 0.54 percent to 1,919.26
Taiwan	Plus 1.36 percent to 9,105.28
Thailand	Plus 1.97 percent to 831.51

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