

**CRUDE-OIL PRICES CRACK \$US90 PER BARREL;
THE U.S. HOUSING MARKET SINKS TO NEW LOWS; AND,
MERRILL LYNCH BITES THE BULLET**

Across Asia and Europe and down to the Antipodes, blood stained the trading floors of every equity market, last Monday, with tens of billions of dollars, being wiped off the market capitalisations of stocks and shares from Tokyo, Japan, to London, England, and down to Wellington, New Zealand.

The losses were very substantial.

The rout was a follow-on from the losses, incurred on Wall Street on Friday, October 19, 2007, when investors, locked into stocks and shares on the world's largest equity markets, rushed to offload scrip after some disappointing US economic news was made public.

On that day of horror, as many an investor saw the situation, the Dow Jones Industrial Average, the key index of The New York Stock Exchange, shed about 2.64 percent of its value while, on The NASDAQ, its Composite Index gave up about 2.65 percent of its former glory.

Last Monday, The Dow squeezed out a gain of 44.95 points, or about one third of a percentage point, ending the day at 13,566.97 points.

The Composite Index of The NASDAQ, however, did better than The Dow, putting on 28.77 points, equivalent to about 1.06 percent, ending the hectic trading day at 2,753.93 points.

Trading was described as being moderate, with the ratio of gainers to losers, being about 1.20:One on The New York Stock Exchange and about 1.50:One on The NASDAQ.

In Europe, it was a completely different story to that, being told on Wall Street.

Every key index of every major bourse, without exception, fell to selling pressure as the following **TARGET** () list of the key indices of the most-important equity markets of the region make only too clear:

Amsterdam's AEX Index	Minus 1.74 percent
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France's CAC 40 Index	Minus 1.37 percent
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Germany's Frankfurt XETRA DAX Index	Minus 1.13 percent
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Great Britain's FTSE 100 Index	Minus 1.05 percent
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Italy's MIBTEL Index	Minus 1.63 percent
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Switzerland's Swiss Market Index	Minus 1.02 percent
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For European investors, it was the third, consecutive trading day of losses.

On international commodity exchanges, the price of crude oil fell back after Turkey agreed to continue diplomatic efforts to resolve its problems with the **Kurdistan Workers Party** (KWP), stationed on the northern edge of Iraq.

The Kurds have been fighting the Turkish Government for a homeland on Turkish soil and, over the weekend of October 20-21, there had been fierce fighting between the 2 factions, with the result that some 13 Turkish soldiers had been killed.

On The **New York Mercantile Exchange** (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in November came in at \$US87.56, representing a reduction of about 1.17 percent, compared with the closing level of Friday, October 19, 2007.

(Last Monday, was the last day for trading in November-denominated crude-oil futures contracts.)

As for delivery in December, the last settlement for a barrel of light sweet crude oil was \$US86.02, a fall of about 1.07 percent on the final quote of the previous Friday.

In Asia, there was only red ink to record the losses on equity markets, but in this part of the world, the losses were much larger than those of Europe.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), both equity markets recorded very material losses, reminding investors of days of yore when many investors' savings were completely wiped out, following a rout on equity markets.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index surrendered about 3.70 percent of its value, dropping back to 28,373.63 points.

The Total Turnover was about \$HK162.62 billion.

The ratio of losing counters to gaining ones was about 4.63:One.

The Ten Most Active counters were:

PetroChina Company Ltd (Code: 857)	Down 0.74 percent to \$HK18.78 per share
China Mobile Ltd (Code: 941)	Down 3.85 percent to \$HK142.20 per share
China Life Insurance Company Ltd (Code: 2628)	Down 3.02 percent to \$HK49.75 per share
HSBC Holdings plc (Code: 5)	Down 3.39 percent to \$HK145.50 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 6.69 percent to \$HK11.44 per share
China Shenhua Energy Company Ltd (Code: 1088)	Down 5.95 percent to \$HK48.20 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 4.26 percent to \$HK6.51 per share
Bank of China Ltd (Code: 3988)	Down 6.33 percent to \$HK4.44 per share

Hongkong Exchanges and Clearing Ltd (Code:
388)

Up 0.08 percent to \$HK252.80 per share

China Telecom Corporation Ltd (Code: 728)

Down 4.26 percent to \$HK6.51 per share

As for the Main Board's double-digit movers of last Monday, there was a total of 37 counters that qualified for that dubious honour, with the share prices of 19 counters, gaining 10 percent or more of their market capitalisations, while the share prices of 18 counters suffered losses of 10 percent or more of their market capitalisations.

Aupu Group Holding Company Ltd (Code: 477) was the biggest gainer of the day as investors pushed up its share price by 40.83 percent to \$HK1.69.

Everest International Investments Ltd (Code: 204) turned out to become the biggest loser of the Main Board as its share price surrendered about 16 percent to end the trading session at \$HK3.36.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index fell back to 1,473.16 points, a drop of about 2.38 percent, compared with the previous close of Thursday, October 18, 2007.

(The previous Friday had been a public holiday in the HKSAR)

The GEM's Total Turnover, last Monday, was about \$HK501.08 million.

Declining counters outnumbered advancing ones by the ratio of about 2.36:One.

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

International Financial Network Holdings Ltd
(Code: 8123)

Up 10.26 percent to \$HK0.86 per share

China LotSynergy Holdings Ltd (Code: 8161)

Down 4.35 percent to \$HK1.10 per share

Wafer Systems Ltd (Code: 8198)

Up 24.85 percent to \$HK2.06 per share

Town Health International Holdings Company Ltd
(Code: 8138)

Up 0.87 percent to \$HK0.116 per share

Golden Meditech Company Ltd (Code: 8180)

Down 5.22 percent to \$HK3.27 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		18.37	0.40
Armitage Technologies Holding Ltd	8213	11.61		0.125
China Medical and Bio Science Ltd	8120		12.07	0.51

ePRO Ltd	8086	10.00		0.33
Global Solution Engineering Ltd	8192	13.95		1.96
International Financial Network Holdings Ltd	8123	10.26		0.86
M Dream Inworld Ltd	8388		10.61	0.59
Prosten Technology Holdings Ltd	8026	11.76		0.95
Tai Shing International (Holdings) Ltd	8103		10.47	0.77
Wafer Systems Ltd	8198	24.85		2.06

In Japan, investors were treated to another day of falling share prices on the country's 3 equity markets.

The TOPIX Index, which is the key gauge of trading on The Tokyo Stock Exchange, lost 28.21 points, equivalent to about 1.77 percent, dropping back to 1,563.07 points.

Losing counters outran gaining ones by the ratio of about 8.02:One.

The Nikkei-225 Stock Average, which is a much-narrower 'barometer' of trading in select stocks and shares, listed on the First Section of The Tokyo Stock Exchange than The TOPIX Index, gave up 375.90 yen, or about 2.24 percent, ending the day at 16,438.47 yen.

News Wise

- **Wal-Mart Stores Incorporated** announced that it would be launching a ¥100-billion, takeover offer for all of the shares, not already owned by it, of **Seiyu Ltd.** Wal-Mart said that it would make a tender offer of ¥140 per Seiyu Share from October 23, 2007, through to December 4, 2007.

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

The HKSAR	Hang Seng Index Minus 3.70 percent to 28,373.63 The Growth Enterprise Index Minus 2.38 percent to 1,473.16
Indonesia	Minus 4.31 percent to 2,453.21
Japan	TOPIX Index Minus 1.77 percent to 1,563.07 Nikkei-225 Stock Average Minus 2.24 percent to 16,438.47
Malaysia	Minus 1.41 percent to 1,350.81
The Philippines	Minus 3.98 percent to 3,667.87

The PRC	Shanghai Composite Index Minus 2.59 percent to 5,667.33 Shenzhen Composite Index Minus 2.79 percent to 1,452.78
Singapore	Minus 2.81 percent to 3,642.64
South Korea	Minus 3.36 percent to 1,903.81
Taiwan	Minus 2.61 percent to 9,360.63
Thailand	Minus 1.80 percent to 860.09

Tuesday

Share prices rallied on equity markets, around the world, last Tuesday, led by material gains on the world's largest stock markets of the US.

All kinds of reasons were given by Wall Street gurus for the gains, but, if truth be known, it was just a matter of day-traders, taking the opportunity to try to make a quick turn.

And they succeeded.

Also, in the wings, so to speak, there was the question as to what action, if any, the US Federal Reserve would take with regard to interest rates at its 2-day, Open Market Committee Meeting, scheduled for tomorrow and Wednesday (October 30-31).

On The New York Stock Exchange, the Dow Jones Industrial Average rose 109.26 points, equivalent to about 0.81 percent, ending the trading day at 13,676.23 points.

Over on The NASDAQ, its Composite Index outdid The Dow with a gain of 45.33 points, or about 1.65 percent, rising to 2,799.26 points.

Gaining counters outran losing counters by the ratio of about 2:One on The New York Stock Exchange and by about 1.50:One on The NASDAQ.

One positive factor that may have helped to sooth investors, somewhat at least, was a continued retreat in crude-oil prices on the world's commodity exchanges.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in December was \$US85.21, an increase of about 0.87 percent on Monday's closing level.

(Last Tuesday, December, crude-oil futures contracts became the near month)

As for delivery in January 2008, the last settlement for a barrel of light sweet crude oil came in at \$US84.46.

Noting the turn of events on Wall Street, European investors determined to join in the fun, resulting in the key indices of the most-important bourses, recording useful gains:

Amsterdam's AEX Index Plus 0.91 percent

France's CAC 40 Index Plus 0.77 percent

Germany's Frankfurt XETRA DAX IndexPlus 0.61 percent

Great Britain's FTSE 100 Index Plus 0.84 percent

Italy's MIBTEL Index Plus 0.67 percent

Switzerland's Swiss Market Index Plus 0.65 percent

For European investors, last Tuesday's gains were the first such gains in 3 trading sessions.

In Asia, investors witnessed almost a complete recovery from Monday's losses on the most-important equity markets of the region.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), its 2 equity markets made what could only be considered very material gains.

The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, rose about 3.54 percent to 29,376.86 points.

The Total Turnover, however, was on the low side, at about \$HK135.70 billion.

Such a Turnover is not reminiscent of a bullish market.

The ratio of advancing counters to declining ones was 3.32:One, on the nose.

The Ten Most Active counters were:

PetroChina Company Ltd (Code: 857)

Up 3.51 percent to \$HK19.44 per share

China Life Insurance Company Ltd (Code: 2628)

Up 3.12 percent to \$HK51.30 per share

China Mobile Ltd (Code: 941)

Up 5.27 percent to \$HK149.70 per share

Bank of Communications Company Ltd (Code:
3328)

Up 19.42 percent to \$HK13.16 per share

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

Up 5.99 percent to \$HK6.90 per share

China Petroleum and Chemical Corporation (Code:
386)

Up 3.67 percent to \$HK11.86 per share

Bank of China Ltd (Code: 3988)

Up 3.38 percent to \$HK4.59 per share

China Shipping Container Lines Company Ltd
(Code: 2866)

Up 16.17 percent to \$HK10.42 per share

China Construction Bank Corporation (Code: 939)

Up 3.40 percent to \$HK7.29 per share

CNOOC Ltd (Code: 883)

Up 5.36 percent to \$HK14.54 per share

In respect of the Main Board's double-digit movers of last Tuesday, there was a total of 37 counters that qualified for this honour, with only 2 of their number, losing ground.

eCyberChina Holdings Ltd (Code: 254) was the biggest gainer of the day, its share price, rising 71.83 percent to 61 cents.

The biggest loser of the day was Fortune Telecom Holdings Ltd (Code: 110) as investors marked down its share price by 15.83 percent to \$HK1.17.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index put on about 1.27 percent, ending the moderately active trading day at 1,491.81 points.

The Total Turnover on this speculative market was about \$HK516.96 million.

Gainers outran losers by the ratio of about 1.82:One.

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

International Financial Network Holdings Ltd
(Code: 8123)

Down 8.14 percent to \$HK0.79 per share

China.com Incorporated (Code: 8006)

Up 12.77 percent to \$HK0.53 per share

China Railway Logistics Ltd (Code: 8089)

Down 3.51 percent to \$HK7.70 per share

China LotSynergy Holdings Ltd (Code: 8161)

Up 4.55 percent to \$HK1.15 per share

Town Health International Holdings Company Ltd
(Code: 8138)

Up 3.45 percent to \$HK0.12 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	15.00		0.46
Armitage Technologies Holding Ltd	8213	20.00		0.15
Capinfo Company Ltd	8157	14.81		0.62
Changmao Biochemical Engineering Company Ltd	8208	19.35		3.70
China.com Incorporated	8006	12.77		0.53
IIN International Ltd	8128	10.70		0.238

iMerchants Ltd	8009	15.38		1.50
Jessica Publications Ltd	8137	12.24		1.10
Medical China Ltd	8186	14.47		0.435
Powerleader Science and Technology Company Ltd	8236		10.81	0.33
Qianlong Technology International Holdings Ltd	8015	14.52		1.42
Sau San Tong Holdings Ltd	8200	15.11		0.16
SYSCAN Technology Holdings Ltd	8083		19.17	0.485
TeleEye Holdings Ltd	8051	16.67		0.35
Zheda Lande Scitech Ltd	8106	13.33		0.425

In Japan, there were gains, recorded on the country's 3 equity markets, but the gains were nowhere near those of the HKSAR.

On The Tokyo Stock Exchange, The TOPIX Index ended the day at 1,570.55 points, representing a one-day gain of about 0.48 percent.

Advancing counters were ahead of declining ones by the ratio of about 1.69:One.

The Nikkei-225 Stock Average rose 12.11 yen, equivalent to an increase of about 0.07 percent.

News Wise

- **Nissan Food Products Company**, which manufactures Cup Noodles, among other things, announced that, for its Financial Year, ending March 31, 2008, it expects its Bottom Line to come in at about ¥13.50 billion, down from the company's previous forecast of about ¥21.50 billion; and,
- Management of **Hitachi Ltd** said that it is discontinuing the manufacture of **Personal Computers** (PCs), but will continue to build computers for corporate customers.

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

The HKSAR	Hang Seng Index Plus 3.54 percent to 29,376.86 The Growth Enterprise Index Plus 1.27 percent to 1,491.81
Indonesia	Plus 4.10 percent to 2,553.80
Japan	TOPIX Index Plus 0.48 percent to 1,570.55 Nikkei-225 Stock Average Plus 0.07 percent to 16,450.58

Malaysia	Plus 0.48 percent to 1,357.33
The Philippines	Plus 0.80 percent to 3,697.17
The PRC	Shanghai Composite Index Plus 1.87 percent to 5,773.39 Shenzhen Composite Index Plus 0.60 percent to 1,461.43
Singapore	Plus 1.45 percent to 3,695.30
South Korea	Plus 2.32 percent to 1,947.98
Taiwan	Plus 1.51 percent to 9,502.39
Thailand	Closed

Wednesday

Wall Street investors received one shock after another, last Wednesday, leaving many of them, wondering whether or not the bad news would ever stop coming.

From The National Association of Realtors came news that the US housing recession had entered a new phase: A record low ... and, still, falling.

Sales of existing homes, The National Association reported, indicated the largest fall since records were first collected.

For the month of September, sales of pre-existing homes fell by about 8 percent to an annualised level of about 5 million units.

From Merrill Lynch and Company Incorporated, it was officially reported that the world's largest stockbroker has suffered a third-quarter loss of about \$US2.30 billion, compared with a profit of about \$US3 billion for the like quarter in 2006.

It was the first loss in the previous 5 years.

Merrill Lynch, also, informed its shareholders that it had written off about \$US7.90 billion in bad debts.

Then, from Bank of America Corporation, it was announced that the second-largest US bank was planning to cull about 3,000 of its employees, following a disastrous quarter when the bank announced a 32-percent drop in profits.

On The New York Stock Exchange, after an immediate reaction to the negative news, which saw investors pull down key indices very steeply, there was a bit of buyback activity.

By the close of the day, the Dow Jones Industrial Average was standing at 13,675.25 points, a fall of about 0.01 percent on the closing level of Tuesday.

On The NASDAQ, its Composite Index ended the day at 2,774.76 points, or about 0.88 percent on the day.

As expected, the share price of Merrill Lynch was telling as investors lopped off about 5.80 percent from its market capitalisation.

Losing counters outnumbered gaining ones by the ratio of about 1.67:One on The New York Stock Exchange and by about 2:One on The NASDAQ.

That was not the only bad news, however, because over on The New York Mercantile Exchange (NYMEX), the price of crude oil reversed its course, rising sharply once again.

For delivery in December, the last settlement for a barrel of light sweet crude oil was \$US87.10, representing an increase of about 1.91 percent on Tuesday's closing level.

As for delivery in January 2008, the last settlement for a barrel of light sweet crude oil was \$US86.13, up about 1.98 percent on the day.

Fears that there could well be supply shortages for the cold winter months were said to have been the main reason for the gains in the price of the black ooze.

The news with regard to Merrill Lynch shook up European investors, also: Which other bank would be next to admit its failures?

Every key index of every major European bourse suffered losses as the following **TARGET** list illustrates:

Amsterdam's AEX Index	Minus 0.55 percent
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France's CAC 40 Index	Minus 0.53 percent
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Germany's Frankfurt XETRA DAX Index	Minus 0.17 percent
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Great Britain's FTSE 100 Index	Minus 0.49 percent
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Italy's MIBTEL Index	Minus 0.53 percent
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Switzerland's Swiss Market Index	Minus 0.58 percent
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Most banking counters suffered losses of between one percent and 2 percent in their market capitalisations.

In Asia, the most-important equity markets saw their key indices fall off.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key index of the premier equity market of The Stock Exchange of Hongkong Ltd recorded a fractional loss while the speculative Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd enjoyed a fractional gain.

The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, shed about 0.15 percent, falling back to 29,333.53 points.

The Total Turnover on this market was about \$HK161.09 billion.

The ratio of declining counters to advancing ones was about 1.09:One.

The Ten Most Actives were:

PetroChina Company Ltd (Code: 857)

Down 0.21 percent to \$HK19.40 per share
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Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 1.88 percent to \$HK7.03 per share
China Life Insurance Company Ltd (Code: 2628)	Up 0.29 percent to \$HK51.45 per share
China Mobile Ltd (Code: 941)	Up 0.20 percent to \$HK150.00 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 0.51 percent to \$HK11.80 per share
China Shipping Container Lines Company Ltd (Code: 2866)	Up 4.41 percent to \$HK10.88 per share
HSBC Holdings plc (Code: 5)	Down 0.75 percent to \$HK145.20 per share
China Construction Bank Corporation (Code: 939)	Up 0.55 percent to \$HK7.33 per share
Bank of Communications Company Ltd (Code: 3328)	Down 2.13 percent to \$HK12.88 per share
China COSCO Holdings Company Ltd (Code: 1919)	Up 2.47 percent to \$HK39.45 per share

Of the 41, double-digit movers of the Main Board of The Stock Exchange of Hongkong Ltd, 5 of their number lost, respectively, 10 percent or more of their market capitalisations while the managements of 36 counters watched as their respective share prices rose by 10 percent or more.

National Investments Fund Ltd (Code: 1227) was the biggest gainer of the day as its share price rose 102.13 percent to 47.50 cents.

Everest International Investments Ltd (Code: 204) turned out to be the biggest loser of last Wednesday as investors pulled down its share price by 17.61 percent to \$HK2.62.

On The GEM, its lone index, The Growth Enterprise Index, gained about 0.48 percent, rising to 1,498.95 points.

The Total Turnover on this market was about \$HK643.12 million.

Gainers outran losers by the ratio of about 1.33:One.

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

Golding Soft Ltd (Code: 8190)	Down 18.60 percent to \$HK0.232 per share
Glory Future Group Ltd (Code: 8071)	Down 3.03 percent to \$HK0.32 per share
Town Health International Holdings Company Ltd (Code: 8138)	Up 3.33 percent to \$HK0.124 per share

China.com Incorporated (Code: 8006)

Down 3.77 percent to \$HK0.51 per share

HC International Incorporated (Code: 8292)

Unchanged at \$HK1.40 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B.A.L. Holdings Ltd	8079		10.17	0.053
ePRO Ltd	8086		10.77	0.29
Global Digital Creations Holdings Ltd	8271	10.80		2.77
Golding Soft Ltd	8190		18.60	0.232
Hua Xia Healthcare Holdings Ltd	8143	18.00		0.295
Lee's Pharmaceutical Holdings Ltd	8221	11.11		0.55
Northeast Tiger Pharmaceutical Company Ltd	8197	19.68		0.225
Prosten Technology Holdings Ltd	8026		11.58	0.84
SYSCAN Technology Holdings Ltd	8083		19.59	0.39
TeleEye Holdings Ltd	8051	14.29		0.40
ThinSoft (Holdings) Incorporated	8096		13.89	0.31
Tiger Tech Holdings Ltd	8046	10.40		1.38
Tradeeasy Holdings Ltd	8163		10.71	0.25
Venturepharm Laboratories Ltd	8225	11.11		1.80
Wafer Systems Ltd	8198		12.12	1.74
Zheda Lande Scitech Ltd	8106		10.59	0.38

In Japan, the key indices of the 3 equity markets of the country lost ground.

On The Tokyo Stock Exchange, its TOPIX Index dropped about 0.43 percent to 1,563.86 points.

The ratio of declining counters to advancing ones was about 1.42:One.

The Nikkei-225 Stock Average was felled to the extent of 92.19 yen, equivalent to about 0.56 percent, coming to rest at the end of the trading day at 16,358.39 yen.

On other Asian equity markets, this was how the situation looked, last Wednesday night:

The HKSAR	Hang Seng Index Minus 0.15 percent to 29,333.53 The Growth Enterprise Index Plus 0.48 percent to 1,498.95
Indonesia	Minus 1.13 percent to 2,524.98
Japan	TOPIX Index Minus 0.43 percent to 1,563.86 Nikkei-225 Stock Average Minus 0.56 percent to 16,358.39
Malaysia	Plus 0.18 percent to 1,359.83
The Philippines	Plus 1.79 percent to 3,763.47
The PRC	Shanghai Composite Index Plus 1.21 percent to 5,843.11 Shenzhen Composite Index Minus 0.57 percent to 1,453.05
Singapore	Minus 1.25 percent to 3,649.12
South Korea	Minus 0.75 percent to 1,933.36
Taiwan	Minus 0.63 percent to 9,442.62
Thailand	Plus 0.69 percent to 866.03

Thursday

Crude-oil prices hit a record high on international commodity exchanges, last Thursday, as investors and speculators worried about supplies of distillates, the potential (political) inflammable situation on the Iraq-Turkish border (Please refer to Monday's report) and US stockpiles of crude-oil stocks.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in December rose to \$US90.46 after touching a high of \$US90.60.

The closing level represented an increase of about 3.86 percent, compared with Wednesday's final quote.

As for January 2008 delivery, the last settlement for a barrel of light sweet crude oil came in at \$US89.24, up exactly 3.61 percent on the last settlement of Wednesday.

But there was more-disturbing news to follow.

From the US Commerce Department, it was released that sales of new homes in the US, during the month of September, had fallen by about 23 percent, Year-On-Year.

That statistic, coupled with Wednesday's release of existing home sales (Please refer to Wednesday's report) gave many a Wall Street guru the willies.

On The New York Stock Exchange, the Dow Jones Industrial Average fell back about 0.02 percent to 13,671.92 points.

On The NASDAQ, however, the losses were much more pronounced: Down about 0.86 percent to 2,750.86 points.

The scuttlebutt on trading floors was that **American International Group Incorporated (AIG)** would have to bite the proverbial bullet and admit that it has been forced to make provisions/write-offs in respect of its holdings in securities.

AIG is the world's largest insurer.

In Europe, investors were counting on interest-rates cuts within the next week in view of the fact that the US Federal Reserve had a scheduled meeting of its Open Market Committee, starting tomorrow (Tuesday, October 30, 2007).

And, with crude-oil prices, going through the roof, so to speak, it caused the key indices of the most-important European bourses to recover much of their former losses, during the earlier part of the week:

Amsterdam's AEX Index	Plus	0.47 percent
France's CAC 40 Index	Plus	1.50 percent
Germany's Frankfurt XETRA DAX Index	Plus	1.32 percent
Great Britain's FTSE 100 Index	Plus	1.45 percent
Italy's MIBTEL Index	Plus	1.16 percent
Switzerland's Swiss Market Index	Plus	0.75 percent

In Asia, while the majority of the key indices of the largest equity markets of the region were in positive territory by the close of the trading day, there was some trepidation when it was noted that the key indices of the 2 equity markets of the People's Republic of China (PRC) had fallen deeply in the red.

Investors, locked into stocks and shares, listed on The Shanghai Stock Exchange and The Shenzhen Stock Exchange, saw their key indices drop like proverbial stones in a well, following an official release by the PRC Government, a release which showed that the economy of the world's most-populous country was continuing to be red hot.

What this is likely to mean is that the PRC Government will consider further financial restraints in order to tame the economy before it gets completely out of hand.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, the premier equity market of The Stock Exchange of Hongkong Ltd registered a useful gain while, on The **Growth Enterprise Market (The GEM)** of The Stock Exchange of Hongkong Ltd, its lone index registered a somewhat unexpected fall.

The Hang Seng Index, the main gauge of trading on the Main Board on The Stock Exchange of Hongkong Ltd, logged in a gain of about 1.78 percent on a Total Turnover of about \$HK165.18 billion.

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

The Ten Most Actives were:

China Construction Bank Corporation (Code: 939)	Up 6.28 percent to \$HK7.79 per share
PetroChina Company Ltd (Code: 857)	Down 1.44 percent to \$HK19.12 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.49 percent to \$HK51.20 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 0.28 percent to \$HK7.01 per share
China Mobile Ltd (Code: 941)	Up 1.87 percent to \$HK152.80 per share
HSBC Holdings plc (Code: 5)	Up 0.14 percent to \$HK145.40 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 1.36 percent to \$HK11.64 per share
Bank of China Ltd (Code: 3988)	Up 2.44 percent to \$HK4.62 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 8.44 percent to \$HK147.70 per share
Sino-Ocean Land Holdings Ltd (Code: 3377)	Up 11.22 percent to \$HK13.88 per share

There was a total of 53, double-digit movers on the Main Board, with investors noting that the share prices of 46 counters rose by 10 percent or more, while the share prices of 7 counters fell by 10 percent or more.

LeRoi Holdings Ltd (Code: 221) was the biggest gainer of the day, its share price, rising 68.75 percent to 54 cents.

National Investments Fund Ltd (Code: 1227) turned out to become the biggest loser as investors marked down its share price by 18.95 percent to 38.50 cents.

On The GEM, its Growth Enterprise Index fell about 0.66 percent to 1,489.09 points on a Total Turnover of about \$HK750.81 million.

In spite of the lone index of this market, being in negative territory by the close of the session, advancing counters outpaced declining counters by the ratio of about 1.26:One.

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

Century Sunshine Ecological Technology Holdings Ltd (Code: 8276)	Down 38.67 percent to \$HK0.46 per share
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Town Health International Holdings Company Ltd
(Code: 8138)

Up 12.90 percent to \$HK0.14 per share

Trasy Gold Ex Ltd (Code: 8063)

Up 59.15 percent to \$HK0.113 per share

Wumart Stores Incorporated (Code: 8277)

Down 0.28 percent to \$HK7.05 per share

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

Down 1.73 percent to \$HK18.14 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B.A.L. Holdings Ltd	8079	11.32		0.059
Century Sunshine Ecological Technology Holdings Ltd	8276		38.67	0.46
Golife Concepts Holdings Ltd	8172	15.74		0.125
Jian ePayment Systems Ltd	8165		27.42	0.45
Kanstar Environmental Paper Products Holdings Ltd	8011	26.49		0.191
Midland IC and I Ltd	8090	13.79		0.099
Neolink Cyber Technology (Holding) Ltd	8116	19.83		0.29
PINE Technology Holdings Ltd	8013	16.48		0.53
Richfield Group Holdings Ltd	8136	15.28		0.415
Town Health International Holdings Company Ltd	8138	12.90		0.14
Trasy Gold Ex Ltd	8063	59.15		0.113
Universal Technologies Holdings Ltd	8091	10.61		0.365

In Japan, there were only losers on the country's equity markets as the key indices fell to the mounting pressure of the bears.

On The Tokyo Stock Exchange, its TOPIX Index gave up about 1.01 percent, dropping back to 1,548.07 points.

The ratio of losers to gainers was about 2.81:One.

The Nikkei-225 Stock Average shed about 0.45 percent to 16,284.17 yen.

By and large, trading was relatively thin, last Thursday.

News Wise

- **Sony Corporation**, the world's second-largest producer of consumer electronics, has raised its forecast for its profits for its Financial Year, ending March 31, 2008, to ¥330 billion. That is equivalent to an increase of about 8.20 percent, compared with previous forecasts;
- **Nomura Holdings Incorporated**, a major stockbroker in Japan, reported its first loss in the past 4 years. The figure for the quarter, ended September 30, 2007, came in at a Loss Attributable to Shareholders of about ¥10.50 billion. That compared with the like quarter in 2006 when the company reported a Net Profit Attributable to Shareholders of about ¥43.50 billion; and,
- **Honda Motor Company** reported that, for the 6 months, ended September 30, 2007, its Net Profit Attributable to Shareholders was about ¥374.60 billion, an increase of about 38.10 percent, Year-On-Year. It was the seventh, consecutive year of record profits for this motor-vehicle producer.

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

The HKSAR	Hang Seng Index Plus 1.78 percent to 29,854.49 The Growth Enterprise Index Minus 0.66 percent to 1,489.09
Indonesia	Plus 2.84 percent to 2,596.66
Japan	TOPIX Index Minus 1.01 percent to 1,548.07 Nikkei-225 Stock Average Minus 0.45 percent to 16,284.17
Malaysia	Plus 1.36 percent to 1,378.27
The Philippines	Plus 0.11 percent to 3,767.78
The PRC	Shanghai Composite Index Minus 4.80 percent to 5,562.39 Shenzhen Composite Index Minus 5.43 percent to 1,374.12
Singapore	Plus 1.59 percent to 3,707.14
South Korea	Plus 2.24 percent to 1,976.75
Taiwan	Plus 1.33 percent to 9,568.26

Thailand	Plus 3.17 percent to 893.45
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Friday

On intraday trading, the price of a barrel of light sweet crude oil for delivery in December hit yet another record high, last Friday: \$US92.22 per barrel.

On The New York Mercantile Exchange (NYMEX), after the price of the black ooze hit \$US92.22 per barrel for delivery in December, speculators starting taking profits, dragging back the crude-oil price to \$US91.86 at the last settlement, up about 1.55 percent on the day.

And that was where December delivery ended up at the close of trading on the world's largest commodity exchange, last Friday.

In 5 trading days on The NYMEX, the price of a barrel of light sweet crude oil for delivery in December had risen by about 5.66 percent.

For delivery in January 2008, the last settlement for a barrel of light sweet crude oil was \$US90.74, representing an increase of 1.68 percent, exactly, compared with Thursday's last settlement.

Investors on the world's largest equity markets, however, appeared to be unconcerned about record-high, energy prices and pushed up key indices, very materially.

On The New York Stock Exchange, the Dow Jones Industrial Average rose about 0.99 percent to 13,806.70 points while, over on The NASDAQ, its Composite Index shot up about 1.94 percent to 2,804.19 points.

The ratio of gainers to losers on The New York Stock Exchange was about 3:One and, on The NASDAQ, gainers outnumbered losers by the ratio of about 2:One.

The gains on Wall Street were despite some pretty horrific news, the rapid increase in the price of crude oil, being only one factor.

Courtywide Financial Corporation, for instance, announced a \$US1.20-billion loss for its third quarter, its first loss in 25 years.

The news was well expected and its share price reflected as much.

For the week, the tally for the largest equity markets in the world was:

The Dow Jones Industrial Average	Plus	2.11 percent
The NASDAQ's Composite Index	Plus	2.90 percent

European investors needed very little encouragement to jump aboard the Wall Street, fast-moving train and quickly rushed in, buying blue chips in what appeared to be a desperate hurry to load up.

Energy counters were the flavour of the day, however, as the price of crude oil appeared to have no ceiling in sight.

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

Amsterdam's AEX Index	Plus	0.22 percent
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France's CAC 40 Index	Plus	0.60 percent
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Germany's Frankfurt XETRA DAX Index	Plus	0.21 percent
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The biggest loser of the day was Golden 21 Investment Holdings Ltd (Code: 2312) as investors pulled down its share price by 17.50 percent to 13.20 cents.

On The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shed about 0.01 percent to end the trading day at 1,488.91 points.

The Total Turnover on this speculative market was about \$HK846.98 million.

Advancing counters were ahead of declining ones by the ratio of about 1.52:One.

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

Trasy Gold Ex Ltd (Code: 8063)

Up 16.81 percent to \$HK0.132 per share

Everpride Biopharmaceutical Company Ltd (Code: 8019)

Up 45.24 percent to \$HK0.61 per share

Town Health International Holdings Company Ltd (Code: 8138)

Up 0.71 percent to \$HK0.141 per share

China Primary Resources Holdings Ltd (Code: 8117)

Up 1.43 percent to \$HK0.355 per share

Century Sunshine Ecological Technology Holdings Ltd (Code: 8276)

Down 13.04 percent to \$HK0.40 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B.A.L. Holdings Ltd	8079	15.25		0.068
BIG Media Group Ltd	8167	45.00		1.16
Capinfo Company Ltd	8157		10.17	0.53
Century Sunshine Ecological Technology Holdings Ltd	8276		13.04	0.40
CIG Yangtze Ports PLC	8233	15.38		0.75
Espco Technology Holdings Ltd	8299	13.97		3.10
Everpride Biopharmaceutical Company Ltd	8019	45.24		0.61
Galileo Holdings Ltd	8029	10.53		1.47

International Financial Network Holdings Ltd	8123		13.51	0.64
Intelli-Media Group (Holdings) Ltd	8173	38.71		0.129
Launch Tech Company Ltd	8196		12.00	1.54
Neolink Cyber Technology (Holding) Ltd	8116	17.24		0.34
Tai Shing International (Holdings) Ltd	8103	28.79		0.85
Tradeeasy Holdings Ltd	8163		10.64	0.21
Trasy Gold Ex Ltd	8063	16.81		0.132
Ultra Group Holdings Ltd	8203	16.13		0.36
Vodatel Networks Holdings Ltd	8033	12.50		0.225
Wafer Systems Ltd	8198	10.11		2.07

The tally for Asia's second, most-important stock market was:

The Hang Seng Index Plus 3.19 percent
The Growth Enterprise Index Minus 1.34 percent

In The Land of The Rising Sun, it was winners, winners ... and more winners.

On The Tokyo Stock Exchange, its TOPIX Index rose about 1.67 percent to end the day at 1,573.97 points.

Advancing counters beat off declining counters by the ratio of about 2.09:One.

The Nikkei-225 Stock Average ended the day at 16,505.63 yen, equivalent to a one-day improvement of about 1.36 percent.

For the largest and most-important equity market of Asia, the tally was:

The TOPIX Index Minus 1.09 percent
The Nikkei-225 Stock Average Minus 1.84 percent

News Wise

- **Nova Corporation**, Japan's largest language school, has closed its doors, leaving debts behind of about ¥43.90 billion. The company has filed for bankruptcy.

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

The HKSAR	Hang Seng Index Plus 1.85 percent to 30,405.22 The Growth Enterprise Index Minus 0.01 percent to 1,488.91
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Indonesia	Plus 1.07 percent to 2,624.43
Japan	TOPIX Index Plus 1.67 percent to 1,573.97 Nikkei-225 Stock Average Plus 1.36 percent to 16,505.63
Malaysia	Plus 1.46 percent to 1,398.35
The Philippines	Plus 0.45 percent to 3,784.88
The PRC	Shanghai Composite Index Plus 0.49 percent to 5,589.63 Shenzhen Composite Index Plus 0.29 percent to 1,378.06
Singapore	Plus 1.74 percent to 3,771.55
South Korea	Plus 2.60 percent to 2,028.06
Taiwan	Plus 0.66 percent to 9,631.51
Thailand	Plus 0.13 percent to 894.57

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