

THE \$US700-BILLION RESCUE PLAN IS PASSED INTO LAW

It was a day like no other on equity markets, around the world, last Monday.

Share prices tumbled, one after another, with the key indices of the world's largest equity markets, experiencing the largest, one-day losses in history.

On The New York Stock Exchange, the Dow Jones Industrial Average shed 777.68 points, equivalent to about 6.98 percent, as investors pulled it down to 10,365.45 points.

On The NASDAQ, its Composite Index gave up 199.61 points, or about 9.14 percent, falling back to 1,983.73 points.

Trading on the world's largest equity markets was extremely heavy, with about 2.03 billion shares, changing hands on The New York Stock Exchange, while, on The NASDAQ, about 2.80 billion shares were traded.

The ratio of losing counters to gaining ones was about 30:One on The New York Stock Exchange and about 6:One on The NASDAQ.

Investors, locked into US equity markets, were responding to the failure of the US House of Representatives to pass emergency legislation that would see about \$US700 billion, pumped into the US financial markets.

Dubbed as the US rescue plan, the House of Representatives voted 228:205 against the plan in its present form.

Whether or not the rescue plan will be successful is questionable because it does not appear to attack the root cause of the problems, facing the US economy.

At best, it appears to be a stop-gap measure.

But, as the saying goes, something is better than nothing.

Without the rescue plan, of course, there is nothing.

And nothing is, exactly, what a number of US banks is claiming is the situation, these days, with money, drying up, as many investors pull out their savings – before the banks become unable to meet their commitments as they fall due: Bankruptcy.

And in this respect, a number of US and European banks/mortgage lenders had to be bailed out, last Monday.

News Wise

- **Wachovia Corporation**, the fourth-largest bank in the US, was acquired by **Citigroup Incorporated** in a rescue plan which had the blessings of the US Government. The terms of the rescue package included Citigroup Incorporated, absorbing Wachovia's losses of about \$US42 billion, as well as assuming its loans, amounting to about \$US312 billion. Citigroup Incorporated agreed to buy out the banking operations of the cash-strapped bank for \$US2 billion – satisfied by the issuance of new stock

- of Citigroup Incorporated, only;
- **Fortis N.V.** has been nationalised by the Governments of The Netherlands, Luxembourg and Belgium, with these Governments, pumping in about \$US16.10 billion into the ailing bank;
- **Bradford and Bingley plc**, a major player in the mortgage-lending industry in the United Kingdom, has been taken over by the Government of the United Kingdom, it was confirmed;
- **Glitnir Bank** of Iceland, the third-largest bank of the country, has been acquired by the Icelandic Government in a rescue plan in which the Icelandic Government has taken a 75-percent stake. The cost of that stake was said to be about \$US860 million. Glitnir Bank was said to have been hopelessly insolvent; and,
- **Hypo Real Estate Holdings AG** has secured a line of credit from the German Government because it, too, has run out of cash.

In Europe, investors, noting that which was taking place on Wall Street and Asia, ran for cover, selling scrip as soon as buyers could be found.

European equity markets, as with US equity markets, could well be described as being disaster zones as the following **TARGET** () list illustrates:

Amsterdam's AEX Index	Minus 8.75 percent
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France's CAC 40 Index	Minus 5.04 percent
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Germany's Frankfurt XETRA DAX Index	Minus 4.22 percent
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Great Britain's FTSE 100 Index	Minus 5.30 percent
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Italy's MIBTEL Index	Minus 4.74 percent
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Switzerland's Swiss Market Index	Minus 4.62 percent
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For many European equity markets, last Monday's closing levels of the key indices were standing at their lowest levels of the past 42 months.

On international commodity exchanges, the price of crude oil fell nearly 10 percent.

Investors have come to realise that, as the economies of the world contract, so the requirements for energy will wane, accordingly.

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 \$US96.37, down about 9.84 percent, compared with the closing level of Friday, September 26, 2008.

As for delivery in December, the last settlement for a barrel of light sweet crude oil was \$US96.09, representing a one-day fall of about 9.50 percent, compared with the previous Friday's last settlement.

Led by material falls in the key indices of the 2 equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), other Asian equity markets followed suit, going into reverse gear.

In the HKSAR, both equity markets saw their key indices fall very materially.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index gave up 801.41 points, equivalent to 4.29 percent, exactly, as investors pulled it down to 17,880.68 points.

The Total Turnover was about \$HK54.97 billion.

Losing counters outran gaining ones by the ratio of about 2.20:One.

The Ten Most Active counters were:

China Mobile Ltd (Code: 941)	Down 3.60 percent to \$HK75.00 per share
China Life Insurance Company Ltd (Code: 2628)	Down 4.60 percent to \$HK28.00 per share
HSBC Holdings plc (Code: 5)	Down 1.69 percent to \$HK122.40 per share
Ping An Insurance (Group) Company of China Ltd (Code: 2318)	Down 10.53 percent to \$HK42.50 per share
China Construction Bank Corporation (Code: 939)	Down 6.12 percent to \$HK4.91 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 4.85 percent to \$HK4.51 per share
PetroChina Company Ltd (Code: 857)	Down 6.71 percent to \$HK7.92 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 7.39 percent to \$HK5.89 per share
CNOOC Ltd (Code: 883)	Down 4.96 percent to \$HK9.00 per share
Bank of China Ltd (Code: 3988)	Down 4.22 percent to \$HK2.95 per share

As for the double-digit movers of the day, there was a total of 79 counters whose share prices either rose or fell by 10 percent or more.

Of that number, 58 counters witnessed an erosion of 10 percent or more of their market capitalisations, while the remaining 21 counters bucked the general trend as investors pulled up their share prices by 10 percent or more.

Far East Pharmaceutical Technology Company Ltd (Code: 399) was the biggest gainer of the day with its share price, rising 84.38 percent to 17.70 cents.

Wang Sing International Holdings Group Ltd (Code: 2389) turned out to become the biggest loser of the day, its share price, being felled by 28.21 percent to 14 cents.

Over on The **Growth Enterprise Market (The GEM)** of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shed about 1.06 percent to 555.10 points on a Total Turnover of about \$HK45.03 million.

Declining counters outnumbered advancing ones by the ratio of about 2.03:One.

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

Intelli-Media Group (Holdings) Ltd (Code: 8173)

Down 3.77 percent to \$HK0.51 per share

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

Up 0.17 percent to \$HK11.64 per share

Grand T G Gold Holdings Ltd (Code: 8299)

Down 6.25 percent to \$HK0.045 per share

Prosperity International Holdings (Hongkong) Ltd
(Code: 8139)

Down 6.57 percent to \$HK0.199 per share

Inno-Tech Holdings Ltd (Code: 8202)

Down 1.25 percent to \$HK0.237 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Ltd	8061		22.68	0.075
AGTech Holdings Ltd	8279		20.90	0.265
B.A.L. Holdings Ltd	8079		23.00	0.077
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd	8095	17.02		0.275
B M Intelligence International Ltd	8158		20.00	0.136
Brilliant Arts Multi-Media Holding Ltd	8130	34.62		0.70
China Ground Source Energy Ltd	8128	25.00		0.10
Crosby Capital Ltd	8088		13.70	0.63
Emcom International Ltd	8220	13.33		0.034
Essex Bio-Technology Ltd	8151		12.84	0.19
Excel Technology International Holdings Ltd	8048		17.31	0.043

Finet Group Ltd	8317		16.00	0.105
HC International Incorporated	8292		16.67	0.50
ITE (Holdings) Ltd	8092	20.00		0.06
Melco LottVentures Ltd	8198		24.36	0.59
Netel Technology (Holdings) Ltd	8256		16.67	0.035
Rojam Entertainment Holdings Ltd	8075		18.00	0.041
Shanghai Fudan Microelectronics Company Ltd	8102	13.16		0.43
Soluteck Holdings Ltd	8111		16.67	0.10
Thiz Technology Group Ltd	8119		19.51	0.033

News Wise

- The UK company, **Cadbury plc**, has recalled all of its chocolates, manufactured in the PRC, after tests indicated, conclusively, that Cadbury's PRC-produced chocolates contained the industrial chemical, melamine. Thus far, it has been confirmed that not less than 4 Chinese babies have died from ingesting PRC-produced milk, containing melamine, with more than 50,000 babies, lying in PRC hospital beds.

In Japan, the key indices of the country's 3 equity markets lost ground, but not as much as did the key indices of the HKSAR's equity markets.

On The Tokyo Stock Exchange, which is the premier equity market of Japan, its TOPIX Index lost 20.02 points, or about 1.74 percent, falling back to 1,127.87 points.

The ratio of declining counters to advancing ones was about 2.08:One.

The Nikkei-225 Stock Average, on the other hand, surrendered 149.55 yen, equivalent to about 1.26 percent, ending the trading day at 11,743.61 yen.

(The Nikkei-225 Stock Average is a much-narrower gauge of trading in select stocks and shares, listed on the First Section of The Tokyo Stock Exchange, than is The TOPIX Index.)

News Wise

- The Ministry of Economy, Trade and Industry has reported that **retail sales** in Japan slowed during the month of August due, inter alia, to increases in prices of necessities. Year-On-Year, August's retail sales grew at the rate of about 0.70 percent. In July, retail sales grew by about 2 percent, Year-On-Year; and,
- **Wal-Mart Stores Incorporated**, which owns Seiyu Ltd of Japan, will sack about 350 workers at **Seiyu Ltd** and close down 20 outlets of the Japanese subsidiary.

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

The HKSAR	Hang Seng Index Minus 4.29 percent to 17,880.68 The Growth Enterprise Index Minus 1.06 percent to 555.10
Indonesia	Minus 0.74 percent to 1,832.51
Japan	TOPIX Index Minus 1.74 percent to 1,127.87 Nikkei-225 Stock Average Minus 1.26 percent to 11,743.61
Malaysia	Minus 0.08 percent to 1,019.72
The Philippines	Plus 0.40 percent to 2,607.58
The PRC	Shanghai Composite Index Closed Shenzhen Composite Index Closed
Singapore	Minus 2.08 percent to 2,361.34
South Korea	Minus 1.35 percent to 1,456.36
Taiwan	Closed
Thailand	Minus 2.86 percent to 601.29

Tuesday

Share prices rose smartly on the world's largest equity markets, last Tuesday, as investors determined that the US Government would, in fact, come to the rescue of the US economy and, by extension, come to the rescue of the world with a \$US700-billion injection of cash into the US economy, come what may.

The President of the US, Mr George W. Bush, went on record as stating, inter alia, that the US economy was facing '*painful and lasting damage*' should the US Congress fail to pass the rescue package.

He said:

'We are in an urgent situation and the consequences will grow worse each day if we do not act. It matters little what path a bill takes to become law. What matters is that we get a law. We're at a critical moment in our economy ...'.

On The New York Stock Exchange, the Dow Jones Industrial Average gained about 4.68 percent, ending the trading session at 10,850.66 points.

Over on The NASDAQ, its Composite Index rose about 4.97 percent to 2,082.33 points.

The ratio of gainers to losers was about 4:One on The New York Stock Exchange and nearly 2:One on The NASDAQ.

Financials led the pack of winners, with the leaders, recording double-digit gains in their share prices.

Tuesday's trading session did not wipe out, totally, all of Monday's record-breaking losses, but it was, nevertheless, a welcome relief from the bloodbath that was witnessed on the first day of trading of the week.

News Wise

- **Lehman Brothers Holdings Incorporated** announced that it would be culling its European Division by about 750 workers – with immediate effect. Lehman Brothers Holdings Incorporated, under the administration of PricewaterhouseCoopers LLP, announced that all avenues had been investigated to try to save the jobs, but to no avail. Most of the jobs will be lost in London where Lehman Brothers Holdings Incorporated employs some 5,000 people.

European investors warmed to the gains of Wall Street, resulting in the key indices of the most-important equity markets, making very material improvements.

The consensus among European fund managers was that the US Congress had little to no alternative in the matter of the rescue plan and that something had to be done to try to save the US economy – because the alternative was unthinkable.

This was how the situation looked on the largest and most-influential equity markets of Europe, last Tuesday night:

Amsterdam's AEX Index	Plus	2.44 percent
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France's CAC 40 Index	Plus	1.98 percent
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Germany's Frankfurt XETRA DAX Index	Plus	0.41 percent
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Great Britain's FTSE 100 Index	Plus	1.73 percent
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Italy's MIBTEL Index	Minus	0.56 percent
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Switzerland's Swiss Market Index	Plus	2.38 percent
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News Wise

- **The Government of Ireland** has guaranteed all bank deposits in the country for the next 2 years; and,
- The Governments of Belgian, France and Luxembourg have agreed to a rescue plan for **Dexia Group**, a Belgian-French bank, by consigning the sum of about \$US9 billion to be pumped into the bank in order to keep it solvent. Dexia Group is one of the world's largest lenders to local European

governments, but it has incurred substantial losses in its US operations of late.

On The New York Mercantile Exchange (NYMEX), the price of crude oil rebounded from Monday's sell-off.

The last settlement for a barrel of light sweet crude oil for delivery in November came in at \$US100.64, up about 4.43 percent on Monday's final quote.

As for delivery in December, the last settlement for a barrel of light sweet crude oil was \$US100.26, representing a one-day gain of about 4.34 percent.

In Asia, the key indices of all equity markets, with the lone exception of the Main Board of The Stock Exchange of Hongkong Ltd, continued to suffer losses, last Tuesday, with the premier equity market of Japan, making the biggest loss of all.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, rose about 0.76 percent to 18,016.21 points on a Total Turnover of about \$HK71.81 billion.

Even though the key index was in positive territory by the close of the trading day, losing counters outnumbered gaining ones by the ratio of 1.25:One, exactly.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 0.49 percent to \$HK121.80 per share
China Mobile Ltd (Code: 941)	Up 2.53 percent to \$HK76.90 per share
China Life Insurance Company Ltd (Code: 2628)	Up 1.96 percent to \$HK28.55 per share
China Construction Bank Corporation (Code: 939)	Up 2.65 percent to \$HK5.04 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 1.55 percent to \$HK4.58 per share
Ping An Insurance (Group) Company of China Ltd (Code: 2318)	Up 3.41 percent to \$HK43.95 per share
China Merchants Bank Company Ltd (Code: 3968)	Down 2.77 percent to \$HK18.22 per share
Bank of China Ltd (Code: 3988)	Unchanged at \$HK2.95 per share
PetroChina Company Ltd (Code: 857)	Up 1.01 percent to \$HK8.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 3.33 percent to \$HK78.40 per share

As for the Main Board's double-digit movers of the day, there was a total of 70 counters that qualified for that distinction, with exactly half of their number, making gains of 10 percent or more in their market capitalisations, while the remaining half lost 10 percent or more of their market capitalisations.

Sino Resources Group Ltd (Code: 223) was the biggest gainer of the day, its share price, rising 34.09 percent to 59 cents.

PacMOS Technologies Holdings Ltd (Code: 1010) turned out to become the biggest loser, last Tuesday, as investors marked down its share price by 30.56 percent to 12.50 cents.

On The **Growth Enterprise Market (The GEM)** of The Stock Exchange of Hongkong Ltd, it was a slightly different story to that, being told in the Main Board.

The Growth Enterprise Index shed about 0.57 percent, falling back to 551.92 points on a Total Turnover of about \$HK109.35 million.

The ratio of losing counters to gaining ones was about 3.04:One.

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

Intelli-Media Group (Holdings) Ltd (Code: 8173)

Up 29.41 percent to \$HK0.66 per share

Wumart Stores Incorporated (Code: 8277)

Down 0.80 percent to \$HK6.20 per share

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

Down 1.20 percent to \$HK11.50 per share

Golden Meditech Company Ltd (Code: 8180)

Down 5.29 percent to \$HK1.79 per share

Sun International Group Ltd (Code: 8029)

Up 2.73 percent to \$HK1.13 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Ltd	8061		29.33	0.053
Asian Capital Resources (Holdings) Ltd	8025		11.76	0.15
BIG Media Group Ltd	8167	14.68		0.25
China Fire Safety Enterprise Group Holdings Ltd	8201	10.00		0.33
Eco-Tek Holdings Ltd	8169	12.50		0.18
Enviro Energy International Holdings Ltd	8182		14.89	0.16

Everpride Biopharmaceutical Company Ltd	8019		11.90	0.074
Excel Technology International Holdings Ltd	8048	16.28		0.05
G.A. Holdings Ltd	8126	16.39		0.355
iMerchants Ltd	8009		16.67	0.165
Intelli-Media Group (Holdings) Ltd	8173	29.41		0.66
Melco LottVentures Ltd	8198	35.59		0.80
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231		16.13	0.26
Shanghai Jiada Withub Information Industrial Company Ltd	8205		13.79	0.25
Shanxi Changcheng Microlight Equipment Company Ltd	8286		16.67	0.50
Sing Lee Software (Group) Ltd	8076	11.76		0.19
Soluteck Holdings Ltd	8111	30.00		0.13
Sungreen International Holdings Ltd	8306		10.67	0.67
Tiger Tech Holdings Ltd	8046		11.11	0.40
Timeless Software Ltd	8028		10.00	0.054
WLS Holdings Ltd	8021	19.48		0.184
Zhejiang Shibao Company Ltd	8331	10.00		0.99

In Japan, there were mostly losers on the country's 3 equity markets.

On The Tokyo Stock Exchange, which is the premier stock market of Japan and the largest equity market in Asia, its TOPIX Index surrendered about 3.59 percent, dropping to 1,087.41 points.

The ratio of losing counters to gaining ones was about 5.20:One.

The Nikkei-225 Stock Average gave up about 4.12 percent of its value, ending the trading day at 11,259.86 yen.

News Wise

- The **Ministry of Economy, Trade and Industry (METI)** released its findings in respect of **Japanese economy** for August. METI said that factory output fell about 3.50 percent in August, compared with July;
- **The Internal Affairs and Communications Ministry** reported that the unemployment rate rose to about 4.20 percent in August. Household spending fell about 4 percent, Year-On-Year; and,

- **The Japan Automobile Manufacturers Association** announced that Japan's output of motor cars, lorries and buses fell by about 10.90 percent in August, Year-On-Year, the first decline in 13 months.

And this was how the situation looked on other Asian equity markets at the close of business, last Tuesday:

The HKSAR	Hang Seng Index Plus 0.76 percent to 18,016.21 The Growth Enterprise Index Minus 0.57 percent to 551.92
Indonesia	Closed
Japan	TOPIX Index Minus 3.59 percent to 1,087.41 Nikkei-225 Stock Average Minus 4.12 percent to 11,259.86
Malaysia	Minus 0.10 percent to 1,018.68
The Philippines	Minus 1.45 percent to 2,569.65
The PRC	Shanghai Composite Index Closed Shenzhen Composite Index Closed
Singapore	Minus 0.10 percent to 2,358.91
South Korea	Minus 0.57 percent to 1,448.06
Taiwan	Minus 3.55 percent to 5,719.28
Thailand	Minus 0.79 percent to 596.54

Wednesday

Wall Street notched up losses, last Wednesday, as investors started to fret, once again, about the state of the US economy and the uncertain situation with regard to the US Government's rescue plan for the economy.

On The New York Stock Exchange, the Dow Jones Industrial Average lost about 0.18 percent, edging down to 10,831.07 points.

On The NASDAQ, its Composite Index shed about 1.07 percent as investors marked down the key index of this market to 2,069.40 points.

The ratio of declining counters to advancing ones was about 1.10:One on The New York Stock Exchange and about 2:One on The NASDAQ.

News Wise

- **Sales of motor vehicles** in the US declined, markedly, during the month of September, according to statistics. The following are the official sales' figures on Year-On-Year comparisons:

Toyota Motor Corporation	Down 37 percent
Ford Motor Company	Down 34 percent
Nissan Motor Company	Down 33 percent
Chrysler LLC	Down 33 percent
Honda Motor Company	Down 24 percent
General Motors Corporation	Down 16 percent

On The **New York Mercantile Exchange (NYMEX)**, the price of crude oil collapsed, somewhat, probably to the delight of many people.

For delivery in November, the last settlement for a barrel of light sweet crude oil came in at \$US98.53, down about 2.10 percent on Tuesday's closing level.

The last settlement for a barrel of light sweet crude oil for delivery in December was \$US97.92, representing a price contraction of about 2.33 percent on the Tuesday's final quote.

In Europe, other than the principal equity market of Germany, the key indices of the most-influential stock markets of the region made gains, albeit some of those gains were small:

Amsterdam's AEX Index	Plus	0.84 percent
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France's CAC 40 Index	Plus	0.55 percent
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Germany's Frankfurt XETRA DAX Index	Minus	0.42 percent
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Great Britain's FTSE 100 Index	Plus	1.16 percent
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Italy's MIBTEL Index	Plus	0.05 percent
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Switzerland's Swiss Market Index	Plus	1.09 percent
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European investors have seen many false starts in the past and, with the US rescue package, still to be resolved by the US Congress, many investors were sitting on their hands.

The equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) and of the PRC, proper, were closed last Wednesday for National Day.

All PRC markets will be closed for 5 days, starting Monday, September 29, 2008.

Many Asian equity markets were closed for religious holidays, also.

In Japan, investors in this part of the world took the view that all will come out in the wash and that the US rescue plan would go ahead, one way or another.

On The Tokyo Stock Exchange, its TOPIX Index rose about 1.26 percent to 1,101.13 points.

The ratio of advancing counters to declining ones was about 1.44:One.

The Nikkei-225 Stock Average gained about 0.96 percent as investors nudged it up to 11,368.26 yen.

This was how other Asian equity markets fared, last Wednesday, at the close of the trading day:

The HKSAR	Hang Seng Index Closed The Growth Enterprise Index Closed
Indonesia	Closed
Japan	TOPIX Index Plus 1.26 percent to 1,101.13 Nikkei-225 Stock Average Plus 0.96 percent to 11,368.26
Malaysia	Closed
The Philippines	Closed
The PRC	Shanghai Composite Index Closed Shenzhen Composite Index Closed
Singapore	Closed
South Korea	Minus 0.58 percent to 1,439.67
Taiwan	Plus 0.78 percent to 5,764.01
Thailand	Minus 0.35 percent to 594.45

Thursday

Investors, locked into stocks and shares, listed on US equity markets, received another jolt, last Thursday, as prices collapsed, in some cases to multi-year lows.

On The New York Stock Exchange, the Dow Jones Industrial Average shed about 3.22 percent, falling to 10,482.85 points, while, on The NASDAQ, its Composite Index gave up about 4.48 percent, ending the very bearish trading session at 1,976.72 points.

For the closing level of the Composite Index of The NASDAQ, it represented a 42-month low.

The ratio of losers to gainers was about 5:One on both equity markets.

The US Congress had yet to agree on a rescue package for the US economy, but investors realised that, on the assumption that the \$US700-billion, bailout plan would be approved, it did not, necessarily, follow that things would return to normal.

Far from it because nothing would change in the short term or even the intermediate term:

- There would, still, be a credit crunch, internationally;
- Banks would continue to have their many problems;
- Consumers would continue to suffer;
- Home-owners would continue to find it difficult to make ends meet;
- Equities would continue to come under pressure; and,
- Etc, etc, etc.

Share prices on US equity markets were in free-fall and there appeared to be little that anybody could do about the situation in the short term.

The US Government had, clearly, failed to be proactive with regard to safeguarding the largest single economy of the world despite clear signals that the US housing market had been in dire straits at least 2 years before the balloon went up.

The value of real estate is the backbone of any economy.

And so, when the backbone of an economy is broken, the entire economy is in trouble: It is a well-known fact.

It was a sad day for equity investors, last Thursday – and they knew it.

On The **New York Mercantile Exchange (NYMEX)**, the price of crude oil continued to fall.

For the month of November, the last settlement for a barrel of light sweet crude oil came in at \$US93.97, representing a fall of about 4.63 percent on Wednesday's closing level.

As for delivery in December, the last settlement for a barrel of light sweet crude oil was \$US93.29, down about 4.73 percent on the final quote of Wednesday.

In Europe, investors followed the example of Wall Street: The key indices of the most-important equity markets lost substantial ground:

Amsterdam's AEX Index	Minus 1.02 percent
France's CAC 40 Index	Minus 2.25 percent

Germany's Frankfurt XETRA DAX Index Minus 2.50 percent

Great Britain's FTSE 100 Index Minus 1.79 percent

Italy's MIBTEL Index Minus 1.44 percent

Switzerland's Swiss Market Index Plus 0.04 percent

News Wise

- **The European Central Bank (ECB)** left interest rates unchanged. The following is the official announcement from the ECB:

'At today's meeting the Governing Council of the ECB decided that the minimum bid rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 4.25%, 5.25% and 3.25% respectively.' and,

- **Ireland**, officially, has fallen into recession.

In Asia, about half of the equity markets that were trading, last Thursday, made moderate gains, but the others took hard hits.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key indices of the territory's 2 stock markets recorded useful gains, but the volume of activity suggested that the gains were, probably, not sustainable.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index rose about 1.08 percent to 18,211.11 points on a Total Turnover of about \$HK69.66 billion.

The ratio of advancing counters to declining ones was about 1.40:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)

Up 1.48 percent to \$HK123.60 per share

China Mobile Ltd (Code: 941)

Up 3.64 percent to \$HK79.70 per share

China Life Insurance Company Ltd (Code: 2628)

Up 3.33 percent to \$HK29.50 per share

Hang Seng Bank Ltd (Code: 11)

Down 8.87 percent to \$HK131.50 per share

Sun Hung Kai Properties Ltd (Code: 16)

Down 2.23 percent to \$HK76.65 per share

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

Down 1.09 percent to \$HK4.53 per share

Ping An Insurance (Group) Company of China

Up 13.77 percent to \$HK50.00 per share

Ltd (Code: 2318)

China Construction Bank Corporation (Code:
939)

Down 0.40 percent to \$HK5.02 per share

PetroChina Company Ltd (Code: 857)

Up 1.75 percent to \$HK8.14 per share

CNOOC Ltd (Code: 883)

Unchanged at \$HK8.85 per share

As for the Main Board's double-digit movers of the day, there was a total of 76 counters whose share prices either rose or fell by 10 percent or more.

There were 18 gainers.

The biggest gainer of the day was BYD Electronic (International) Company Ltd (Code: 285) as investors pushed up its share price by 76.47 percent to \$HK4.50.

The biggest loser of the day was China Sciences Conservational Power Ltd (Code: 351), its share price, diving 83.61 percent to 11.80 cents.

Over on The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index put on about 1.06 percent, rising to 557.78 points.

But the Total Turnover, however, dropped to about \$HK61.50 million – a 2008 low.

The ratio of gainers to losers was about 1.18:One.

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

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

Down 1.74 percent to \$HK11.30 per share

Golden Meditech Company Ltd (Code: 8180)

Down 1.12 percent to \$HK1.77 per share

Wumart Stores Incorporated (Code: 8277)

Up 3.55 percent to \$HK6.42 per share

Grand T G Gold Holdings Ltd (Code: 8299)

Up 9.76 percent to \$HK0.045 per share

Sun International Group Ltd (Code: 8029)

Up 6.19 percent to \$HK1.20 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
A and K Educational Software Holdings Ltd	8053	19.05		1.00

Asian Capital Resources (Holdings) Ltd	8025	13.33		0.17
Byford International Ltd	8272	13.04		0.52
China Chief Cable TV Group Ltd	8153	11.59		0.385
China Leason Investment Group Company Ltd	8270		22.54	0.275
China Medical and Bio Science Ltd	8120		10.00	0.045
China Metal Resources Holdings Ltd	8071	13.51		0.084
Core Healthcare Investment Holdings Ltd	8250	20.21		0.113
FlexSystem Holdings Ltd	8050		23.81	0.16
GreaterChina Technology Group Ltd	8032		20.00	0.048
HC International Incorporated	8292	10.00		0.55
Jinheng Automotive Safety Technology Holdings Ltd	8293		10.26	0.70
Long Success International (Holdings) Ltd	8017	21.21		0.04
Melco LottVentures Ltd	8198		12.50	0.70
Ningbo Yidong Electronic Company Ltd	8249		21.82	0.086
Rojam Entertainment Holdings Ltd	8075		11.11	0.04
Shaanxi Northwest New Technology Industry Company Ltd	8258		11.18	0.135
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231	15.38		0.30
Universal Technologies Holdings Ltd	8091		11.72	0.128
Yuxing InfoTech Holdings Ltd	8005		10.71	0.25

In Japan, it was crunch time, again, as share prices fell, fast and furiously.

On The Tokyo Stock Exchange, its TOPIX Index shed about 2.19 percent to 1,076.97 points.

Losers outpaced gainers by the ratio of about 4.83:One.

The Nikkei-225 Stock Average lost about 1.88 percent, dropping back to 11,154.76 yen.

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

The HKSAR	Hang Seng Index Plus 1.08 percent to 18,211.11 The Growth Enterprise Index Plus 1.06 percent to 557.78
Indonesia	Closed
Japan	TOPIX Index Minus 2.19 percent to 1,076.97 Nikkei-225 Stock Average Minus 1.88 percent to 11,154.76
Malaysia	Closed
The Philippines	Plus 1.68 percent to 2,612.89
The PRC	Shanghai Composite Index Closed Shenzhen Composite Index Closed
Singapore	Plus 0.20 percent to 2,363.60
South Korea	Minus 1.39 percent to 1,419.65
Taiwan	Minus 1.05 percent to 5,703.72
Thailand	Plus 0.55 percent to 597.69

Friday

Congress voted 263-171 (1.54:One) in favour of the \$US700-billion rescue plan for the US economy.

This will empower the US Government to purchase, inter alia, failing Wall Street financial institutions as well as what are, today, termed '*toxic assets*'.

Other elements of the historic new law include:

1. Increasing protection of bank accounts from \$US100,000 to \$US250,000;
2. Increased child tax credits; and,
3. Tax concessions for renewable energy.

But by the passing of the new law, it does not mean that the US economy will be saved, but it is fervently hoped, by the US Government and lawmakers, that it will ameliorate the current crisis situation, at least, somewhat.

On Wall Street, however, investors sold a part of their holdings ... and they sold in droves.

On The New York Stock Exchange, the Dow Jones Industrial Average fell about 1.50 percent to 10,325.70 points.

Over on The NASDAQ, its Composite Index shed about 1.48 percent, ending the trading week at 1,947.39 points.

Declining counters outpaced advancing ones by about 2:One on The New York Stock Exchange and by about 3:One on The NASDAQ.

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

The Dow Jones Industrial Average Minus 7.34 percent

The Composite Index of The NASDAQ Minus 10.81 percent

News Wise

- **UBS AG**, the largest bank in Switzerland, confirmed that it would be sacking a further 2,000 of its employees.

Hurting sentiment on Wall Street, last Friday, also, was a report from the US Labour Department.

Prior to Wall Street, opening its doors for business, last Friday, Mr Keith Hall, Commissioner, The Bureau of Labour Statistics, giving testimony before the Joint Economic Committee of The United States Congress, delivered the bad tidings about the September labour situation:

- Job losses continued apace in manufacturing, construction and the retail trade;
- Non-farm payroll employment was whittled down by 159,000 jobs; and,
- The US unemployment rate continued at 6.10 percent.

The following is a verbatim transcript of Commissioner Keith Hall's testimony:

'Nonfarm payroll employment declined by 159,000 in September. By comparison, from January through August, payroll employment decreased by 75,000 a month on average. In September, job losses continued in manufacturing, construction, and retail trade. Mining and health care employment continued to trend up. The unemployment rate was unchanged at 6.1 percent, following an increase of 0.4 percentage point in August.'

'Manufacturing job losses continued in September (-51,000), with employment declines occurring throughout much of the sector. In particular, motor vehicle and parts manufacturers shed 18,000 jobs; over the past 12 months, employment in this industry has fallen by 140,000. In September, manufacturing hours and overtime declined by 0.2 hour and 0.1 hour, respectively.'

'Construction employment was down by 35,000 over the month. Since its peak in September 2006, employment in this industry has fallen by 607,000. Eighty-five percent of the job losses over this 2-year period have occurred in residential building and residential specialty trades.'

'Mining employment continued to expand, with an increase of 8,000 in September. Mining has added 241,000 jobs since April 2003, with most of the growth in oil and gas extraction and support activities.

'In the service-providing sector, retail employment fell by 40,000 over the month, with the largest job losses occurring among department stores and motor vehicle and parts dealers. Over the past 4 months, auto and parts dealerships have shed an average of 12,000 jobs per month, four times the average decline in the first 5 months of the year (-3,000).

'Elsewhere in the service-providing sector, employment in financial activities declined by 17,000 in September; securities and investment firms accounted for 8,000 of the loss. The employment services industry, which includes temporary help agencies, continued to contract in September and has lost 303,000 jobs thus far this year.

'Health care employment continued to trend up over the month. However, the September increase of 17,000 was only about half the average monthly gain for the prior 12 months (30,000).

'Average hourly earnings for production and nonsupervisory workers in the private sector edged up by 3 cents, or 0.2 percent, in September. Over the past 12 months, average hourly earnings have increased by 3.4 percent. From August 2007 to August 2008, the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) rose by 5.9 percent.

'Although Hurricane Ike struck the east coast of Texas and portions of coastal Louisiana during the September reference period for the establishment survey, we believe the storm did not substantially impact the payroll employment estimates that we released today. For weather conditions to have affected payroll employment, people would have had to be off work for the entire pay period and not paid for the time missed.

'Turning to labor market measures from the survey of households, the unemployment rate held at 6.1 percent in September; it is 1.4 percentage points higher than a year earlier. Among the major worker groups, the jobless rate for adult men rose by 0.5 percentage point over the month to 6.1 percent, and the rate for blacks increased to 11.4 percent. The unemployment rate for adult women declined to 4.9 percent in September, partially offsetting a sharp increase in August.

'Approximately 9.5 million persons were unemployed in September, little changed from August. Two million of these individuals had been unemployed for 27 weeks or more, an increase of 167,000 over the month and 728,000 over the past 12 months.

'Both the labor force participation rate, at 66.0 percent, and the employment-population ratio, at 62.0 percent, were little changed over the month. Labor force participation has shown virtually no movement over the past 12 months, while the employment-population ratio has declined by 0.9 percentage point.

'The number of persons working part time who would have preferred full-time employment increased by 337,000 in September to nearly 6.1 million. Over the last 12 months, the number of such workers has grown by 1.6 million.

'In keeping with standard practice, this month we are providing a preliminary estimate of the next benchmark revision to nonfarm payroll employment. Each year the Bureau revises, or benchmarks, the payroll survey's sample-based employment estimates to reflect comprehensive employment counts derived primarily from state unemployment insurance tax reports.

‘Preliminary tabulations of employment from the state tax reports indicate the March 2008 payroll employment will require a small downward revision of 21,000. The final benchmark will be incorporated into the establishment survey data released on February 6, 2009.

‘In summary, nonfarm payroll employment declined by 159,000 in September, and the unemployment rate was unchanged at 6.1 percent.’

On The New York Mercantile Exchange (NYMEX), there was continued pressure on the price of crude oil.

For delivery in November, the last settlement for a barrel of light sweet crude oil came in at \$US93.88, down about one tenth of a percentage point on Thursday’s close.

As for December delivery, the last settlement for a barrel of light sweet crude oil was \$US93.01, representing a one-day fall of about 0.30 percent.

On European equity markets, the passage of the US bailout bill caused a flurry of activity as investors charged into equities, pushing up prices, very materially.

It was as though the US rescue package was a panacea for what ails the largest, single economy of the world.

This was how the key indices of the most-important equity markets fared, last Friday:

Amsterdam’s AEX Index	Plus	3.98 percent
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France’s CAC 40 Index	Plus	2.96 percent
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Germany’s Frankfurt XETRA DAX Index	Plus	2.40 percent
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Great Britain’s FTSE 100 Index	Plus	2.25 percent
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Italy’s MIBTEL Index	Plus	1.82 percent
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Switzerland’s Swiss Market Index	Plus	2.21 percent
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In Asia, there was a great deal of red ink, used to write in the final figures of the key indices of the largest equity markets of the region.

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 suffered, badly.

The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd, lost about 2.90 percent of its value, dropping back to 17,682.40 points.

The volume of activity was on the very low side of about \$HK53.28 billion.

The ratio of losing counters to gaining ones was exactly 1.70:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.32 percent to \$HK123.20 per share
Hang Seng Bank Ltd (Code: 11)	Down 5.93 percent to \$HK123.70 per share
China Life Insurance Company Ltd (Code: 2628)	Down 3.22 percent to \$HK28.55 per share
China Mobile Ltd (Code: 941)	Down 3.26 percent to \$HK77.10 per share
China Construction Bank Corporation (Code: 939)	Down 4.38 percent to \$HK4.80 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 3.75 percent to \$HK4.36 per share
China Railway Group Ltd (Code: 390)	Up 6.97 percent to \$HK5.83 per share
PetroChina Company Ltd (Code: 857)	Down 5.28 percent to \$HK7.71 per share
Ping An Insurance (Group) Company of China Ltd (Code: 2318)	Unchanged at \$HK50.00 per share
CNOOC Ltd (Code: 883)	Down 5.88 percent to \$HK8.33 per share

On the Main Board, there was a total of 53 counters whose share prices moved either up or down by 10 percent or more.

Of that number of 53 counters, gainers and losers were nearly even.

The biggest gainer of the day was Shun Cheong Holdings Ltd (Code: 650) as investors pushed up its share price by 40.63 percent to 45 cents.

The biggest loser of the day was Ocean Grand Chemicals Holdings Ltd (Code: 2882), its share price, diving 84.68 percent to 95 cents.

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index surrendered about 1.92 percent, falling to 547.08 points.

The Total Turnover on this speculative market was about \$HK77.76 million, while the ratio of losers to gainers was about 2.78:One.

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

Shandong Weigao Group Medical Polymer Company Ltd (Code: 8199)	Down 2.12 percent to \$HK11.06 per share
Wumart Stores Incorporated (Code: 8277)	Down 0.16 percent to \$HK6.41 per share

A and K Educational Software Holdings Ltd
(Code: 8053)

Down 9.00 percent to \$HK0.91 per share

Golden Meditech Company Ltd (Code: 8180)

Down 5.65 percent to \$HK1.67 per share

Sun International Group Ltd (Code: 8029)

Up 4.17 percent to \$HK1.25 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Ltd	8061	11.76		0.057
Cardlink Technology Group Ltd	8066		11.50	1.00
CCID Consulting Company Ltd	8235		15.63	0.108
China Chief Cable TV Group Ltd	8153		12.99	0.335
China Primary Resources Holdings Ltd	8117		10.14	0.062
Crosby Capital Ltd	8088		15.00	0.51
Honbridge Holdings Ltd	8137		10.71	0.50
Melco LottVentures Ltd	8198		14.29	0.60
Ming Kei Energy Holdings Ltd	8239		13.04	0.30
Mobile Telecom Network (Holdings) Ltd	8266		11.11	0.08
Yuxing InfoTech Holdings Ltd	8005	12.00		0.28
Zhejiang Yonglong Enterprises Company Ltd	8211		17.86	0.115

For Asia's second-largest equity market, the tally for the week, ended October 3, 2008, was:

The Hang Seng Index Minus 5.35 percent
The Growth Enterprise Index Minus 2.49 percent

In Japan, the rot continued on the country's 3 equity markets.

On the premier stock market of The Land of The Rising Sun, The Tokyo Stock Exchange, its TOPIX Index gave up a further 2.69 percent, dropping back to 1,047.97 points.

Losing counters outran gaining ones by the ratio of 4.43:One, exactly.

The Nikkei-225 Stock Average lost about 1.94 percent of its value, ending the trading session at 10,938.14 yen.

For the week, the tally for Asia's largest and most-important equity market was:

The TOPIX Index Minus 8.70 percent

The Nikkei-225 Stock AverageMinus 6.86 percent

This was how the situation looked on other Asian equity markets at the conclusion of the week's activities on equity markets:

The HKSAR	Hang Seng Index Minus 2.903 percent to 17,682.40 The Growth Enterprise Index Minus 1.918 percent to 547.08
Indonesia	Closed
Japan	TOPIX Index Minus 2.69 percent to 1,047.97 Nikkei-225 Stock Average Minus 1.94 percent to 10,938.14
Malaysia	Minus 0.19 percent to 1,016.70
The Philippines	Minus 1.79 percent to 2,566.21
The PRC	Shanghai Composite Index Closed Shenzhen Composite Index Closed
Singapore	Minus 2.81 percent to 2,297.12
South Korea	Closed
Taiwan	Plus 0.68 percent to 5,742.23

Thailand	Minus 1.28 percent to 590.05
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