

### **INVESTORS GO ON A ROLLER-COASTER RIDE, BUT THINGS LOOK GRIM, NEVERTHELESS**

All but one of the key indices of the major equity markets of the world rose, spectacularly, last Monday, following confirmation that the US and Europe were moving, swiftly, to try to resolve the international crises that has threatened a meltdown of the economies from one end of the globe to another.

Last Monday, investors were elated to learn that the US Government had stated, definitively, that it wanted to employ its \$US700-billion rescue plan – yesterday!

Meanwhile, in Europe, it was announced that many of the governments of this part of the world were committing about €1.70 trillion (about \$US2.30 trillion) in order to protect the Continent's banks.

On Wall Street, investors looked on in wonderment as the key indices of the world's largest equity markets chalked up the best, single-day's gains in history.

On The New York Stock Exchange, the Dow Jones Industrial Average rose 936.42 points, equivalent to about 11.08 percent, ending the very busy trading day at 9,387.61 points.

Over on The NASDAQ, its Composite Index went along with The Dow's rise, putting on 194.74 points, or about 11.81 percent, rising to 1,844.25 points.

The ratio of gaining counters to losing ones was about 20:One on The New York Stock Exchange and about 7:One on The NASDAQ.

One of the biggest gainers of the day was banking giant, Morgan Stanley, its share price, rising 87 percent to \$US18.10 after it was confirmed that Mitsubishi UFJ Financial Group Incorporated (of Japan) would pump in about \$US9 billion in order to complete its investment in the US bank.

Listening to Wall Street gurus, last Monday, one was given the impression that the world's troubles are, now, over, once and for all.

Many Wall Street gurus talk a great deal and their utterances, more often than not, are not issued from that orifice, just below their noses.

#### News Wise

- **General Motors Corporation**, the largest, motor-vehicle manufacturer in the US, is said to be in negotiations with other Detroit, motor-vehicle manufacturers – Ford Motor Company and Chrysler LLC – with a view to exploring partial merger considerations with either or both competitors. At the same time, General Motors' Management announced that it would shut down its oldest and largest assembly plant at Wisconsin, as well as stamping plant at Grand Rapids, Michigan.

On international commodity exchanges, Wall Street's gains appeared to prompt speculators to get back into the oil-futures market.

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 \$US81.19, representing a rise of about 4.49 percent, compared with the close of Friday, October 10, 2008.

As for delivery in December, the last settlement for a barrel of light sweet crude oil was \$US81.68, a gain of about 4.73 percent on the day.

In Europe, it was a similar story as that, being told on Wall Street, with the key indices of every equity market, rising very materially, as the following **TARGET** () list illustrates:

Amsterdam's AEX Index	Plus	10.54 percent
France's CAC 40 Index	Plus	11.17 percent
Germany's Frankfurt XETRA DAX Index	Plus	11.40 percent
Great Britain's FTSE 100 Index	Plus	8.26 percent
Italy's MIBTEL Index	Plus	10.93 percent
Switzerland's Swiss Market Index	Plus	11.39 percent

European investors were elated to learn that a number of major governments of Europe were committing veritable fortunes to try to turn the tide of the encroaching economic meltdown that is threatening the world.

The estimated amount of money, pledged to fight the financial problems, confronting Europe, is €1,873 trillion (about \$US2,546 trillion).

In Asia, in anticipation of the US and Europe, saving the world from absolute disaster, investors jumped in, boots and all, picking up the '*darlings*' of the day.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the territory's 2 equity markets made gains, but it was on the premier equity market where the large movements took place.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index rose about 10.24 percent to 16,312.16 points on a Total Turnover of about \$HK72.59 billion.

The volume of activity was not high, at all, and **TARGET** cannot help but wonder whether or not the gains were sustainable.

Certainly, a bullish market requires a much larger Turnover than \$HK72.59 billion per day.

The ratio of gaining counters to losing ones was about 1.37:One.

The Ten Most Active counters were:

China Life Insurance Company Ltd (Code: 2628)

Up 16.07 percent to \$HK26.00 per share

HSBC Holdings plc (Code: 5)	Up 4.28 percent to \$HK114.50 per share
China Mobile Ltd (Code: 941)	Up 12.65 percent to \$HK74.80 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 14.13 percent to \$HK4.28 per share
China Construction Bank Corporation (Code: 939)	Up 12.00 percent to \$HK4.20 per share
PetroChina Company Ltd (Code: 857)	Up 11.67 percent to \$HK6.70 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 7.85 percent to \$HK90.00 per share
Bank of China Ltd (Code: 3988)	Up 12.16 percent to \$HK2.86 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 17.46 percent to \$HK5.65 per share
Ping An Insurance (Group) Company of China Ltd (Code: 2318)	Up 15.96 percent to \$HK46.50 per share

There was a total of 169, double-digit movers on the Main Board, last Monday, with 54 losers and 115 gainers.

The biggest gainer of the day was Long Far Pharmaceutical Holdings Ltd (Code: 2898), its share price, rising 76.47 percent to 45 cents.

Daiwa Associate Holdings Ltd (Code: 1037) was the biggest loser, as investors marked down its share price to 18 cents, off about 48.57 percent, compared with the closing price of Friday, October 10, 2008.

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index managed a fractional gain of about 0.13 percent, rising to 457.19 points.

The Total Turnover was about \$HK53.27 million.

Again, such a low Total Turnover is hardly the hallmark of bullishness.

However, even though The Growth Enterprise Index was in positive territory at the close of the trading day, losing counters outnumbered gaining ones by the ratio of about 1.38:One.

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

Shandong Weigao Group Medical Polymer Company Ltd (Code: 8199)	Down 0.11 percent to \$HK9.18 per share
Golden Meditech Company Ltd (Code: 8180)	Up 2.42 percent to \$HK1.27 per share

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

Up 3.57 percent to \$HK0.435 per share

Wumart Stores Incorporated (Code: 8277)

Up 2.95 percent to \$HK6.28 per share

Phoenix Satellite Television Holdings Ltd (Code:  
8002)

Down 2.56 percent to \$HK0.76 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Ltd	8061		14.29	0.03
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd	8095		23.40	0.18
Byford International Ltd	8272		12.50	0.35
CCID Consulting Company Ltd	8235	22.22		0.11
Changan Minsheng APLL Logistics Company Ltd	8217		11.11	1.60
China Asean Resources Ltd	8186		16.67	0.08
China Ground Source Energy Ltd	8128	16.67		0.07
China LotSynergy Holdings Ltd	8161		15.00	0.17
China Metal Resources Holdings Ltd	8071	48.00		0.074
CIG Yangtze Ports PLC	8233		25.71	0.26
Core Healthcare Investment Holdings Ltd	8250	25.71		0.088
Crosby Capital Ltd	8088	18.00		0.295
Enviro Energy International Holdings Ltd	8182	36.36		0.09
Excel Technology International Holdings Ltd	8048	36.59		0.056
Global Link Communications Holdings Ltd	8060		28.18	0.079
HC International Incorporated	8292	20.83		0.58
Inno-Tech Holdings Ltd	8202		16.85	0.148

PINE Technology Holdings Ltd	8013		12.50	0.14
Prosperity International Holdings (Hongkong) Ltd	8139		10.50	0.179
Shaanxi Northwest New Technology Industry Company Ltd	8258	20.79		0.122
Shenzhen Neptunus Interlong Bio-technique Company Ltd	8329	50.00		0.75
SYSCAN Technology Holdings Ltd	8083		10.00	0.045
Tianjin TEDA Biomedical Engineering Company Ltd	8189	16.00		0.116
Zheda Lande Scitech Ltd	8106		15.38	0.11

Japan's markets were closed, last Monday, but, over the weekend, investors in this part of world were treated to a bit of a shock:

- **Yamato Life Insurance Company** filed for bankruptcy due to losses, relating to the US, subprime, mortgage-lending industry. Yamato Life Insurance Company leaves behind debts, aggregating not less than ¥269.50 billion.

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

The HKSAR	Hang Seng Index Plus 10.24 percent to 16,312.16 The Growth Enterprise Index Plus 0.13 percent to 457.19
Indonesia	Plus 0.70 percent to 1,461.87
Japan	TOPIX Index Closed Nikkei-225 Stock Average Closed
Malaysia	Plus 1.79 percent to 950.76
The Philippines	Plus 1.00 percent to 2,118.75
The PRC	Shanghai Composite Index Plus 3.65 percent to 2,073.57 Shenzhen Composite Index Plus 1.86 percent to 541.32
Singapore	Plus 6.57 percent to 2,076.35

South Korea	Plus 3.79 percent to 1,288.53
Taiwan	Minus 2.15 percent to 5,020.44
Thailand	Plus 5.39 percent to 476.33

## Tuesday

After Monday's record-setting gains on The New York Stock Exchange, it was something of an anticlimax, last Tuesday, when share prices started to wilt, once again, under the very able hands of the bears of Wall Street.

The Dow Jones Industrial Average, the key index of The New York Stock Exchange, lost only about 0.82 percent of its value, ending the trading session at 9,310.99 points, but, on The NASDAQ, its Composite Index was forced to surrender 3.54 percent of its value, dropping back to 1,779.01 points.

The ratio of gaining counters to losing ones on The New York Stock Exchange was about 1.13:One, but, on the NASDAQ, losers beat off gainers by the ratio of about 2:One.

The reason for the change of heart on Wall Street was due to the fact that, with all of those hundreds of millions of dollars, being pumped into equity markets, around the world, it had not changed the economic situation, at all, because the rampant economic problems were still there – little had changed the elements of the periodic table, talking on a macroeconomic plane.

The fear that the world could tumble into a deep and long-lived recession prevailed, from one corner of the globe to another.

## News Wise

- The US Government announced that it would be pumping **\$US250 billion** into the economy by buying up equity stakes in select, US banks in order to try to restore confidence in this industry. US President George W. Bush, in announcing the cash injection, said, inter alia: *'This is an essential short-term, measure to ensure the viability of America's banking system. This is not intended to take over the free market, but to preserve it ...'*.

(So, the partial nationalisation of select banks is not to be misconstrued as interfering with the free market economy of The Land of The Free and The Home of The Brave?)

In Europe, investors appeared to be somewhat elated with their lot, however, resulting in the key indices of the most-important equity markets, making very material gains:

Amsterdam's AEX Index                      Minus 0.26 percent

France's CAC 40 Index                      Plus 2.74 percent

Germany's Frankfurt XETRA DAX Index Plus 2.70 percent

Great Britain's FTSE 100 Index           Plus 3.22 percent

Italy's MIBTEL Index                      Plus    3.46 percent

Switzerland's Swiss Market Index    Plus    5.10 percent

The actions, taken by many European governments, had had a very positive effect on investors, most of whom looked at equity purchases as being the way forward. (Please see Monday's report on Europe)

#### News Wise

- **Daimler AG**, the producer of some of the world's largest lorries, is to sack 3,500 of its workers and to close 2 factories in Canada and the US. The company's sales of lorries in North America fell by about 18 percent in the first 8 months of this year, the company had announced.

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

For delivery in November, the last settlement for a barrel of light sweet crude oil was \$US78.63, down about 3.15 percent, compared with Monday's close.

For delivery in December, the last settlement for a barrel of light sweet crude oil came in at \$US78.95, representing a one-day fall of about 3.34 percent.

In Asia, only the 2 equity markets of the People's Republic of China (PRC) did not go with the flow – all of the other equity markets of this region of the world continued to indicate a very bullish bent.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, the key indices of both equity markets continued to power away.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index rose about 3.19 percent to 16,832.88 points on a Total Turnover of about \$HK81.66 billion.

The ratio of gaining counters to losing ones was about 1.38:One.

The Ten Most Active counters were:

China Mobile Ltd (Code: 941)

Up 2.87 percent to \$HK76.95 per share

China Life Insurance Company Ltd (Code: 2628)

Up 1.92 percent to \$HK26.50 per share

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

Up 3.04 percent to \$HK4.41 per share

HSBC Holdings plc (Code: 5)

Up 0.35 percent to \$HK114.90 per share

China Construction Bank Corporation (Code: 939)

Up 3.57 percent to \$HK4.35 per share

Sun Hung Kai Properties Ltd (Code: 16)

Up 11.45 percent to \$HK74.00 per share

PetroChina Company Ltd (Code: 857)

Up 2.99 percent to \$HK6.90 per share

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

Down 3.66 percent to \$HK44.80 per share

CNOOC Ltd (Code: 883)

Up 13.81 percent to \$HK7.17 per share

Hongkong Exchanges and Clearing Ltd (Code:  
388)

Up 2.78 percent to \$HK92.50 per share

The biggest movers of the Main Board numbered 146 counters in all, with the managements of 105 counters, seeing their share prices rise by 10 percent or more, while the managements of the remaining 41 counters noted that their companies' market capitalisations had fallen by 10 percent or more.

The biggest gainer of the day was Daiwa Associate Holdings Ltd (Code: 1037), its share price, gaining 88.89 percent as investors pushed it to 34 cents.

The biggest losers of the day was eForce Holdings Ltd (Code: 943) with its share price, dropping back to 12.40 cents, a one-day fall of about 38 percent.

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index put on 2.40 percent, ending the trading day at 468.18 points.

The Total Turnover was about \$HK74.61 million.

Although The Growth Enterprise Index was deep into positive territory, nevertheless, losing counters outnumbered gaining ones by the ratio of about 1.04:One.

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

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

Up 12.64 percent to \$HK0.49 per share

Cardlink Technology Group Ltd (Code: 8066)

Up 1.01 percent to \$HK1.00 per share

China LotSynergy Holdings Ltd (Code: 8161)

Up 1.76 percent to \$HK0.173 per share

Golden Meditech Company Ltd (Code: 8180)

Up 6.30 percent to \$HK1.35 per share

AGTech Holdings Ltd (Code: 8279)

Down 15.63 percent to \$HK0.135 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGTech Holdings Ltd	8279		15.63	0.135
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd	8095	11.11		0.20



Byford International Ltd	8272		14.29	0.30
China Asean Resources Ltd	8186	12.50		0.09
China Bio Cassava Holdings Ltd	8129	16.67		0.035
China Ground Source Energy Ltd	8128		10.00	0.063
Crosby Capital Ltd	8088		15.25	0.25
Inno-Tech Holdings Ltd	8202	16.89		0.173
International Elite Ltd	8313		13.79	0.25
Intcera High Tech Group Ltd	8041	15.38		0.03
Intelli-Media Group (Holdings) Ltd	8173	12.64		0.49
Jiangsu Nandasoft Company Ltd	8045		12.86	0.21
North Asia Strategic Holdings Ltd	8080	56.00		0.39
Neolink Cyber Technology (Holding) Ltd	8116	18.75		0.038
Rojam Entertainment Holdings Ltd	8075		18.92	0.03
Shen Nong China (Group) Ltd	8175		18.75	0.065
SYSCAN Technology Holdings Ltd	8083		31.11	0.031
ThinSoft (Holdings) Incorporated	8096	11.43		0.78
WLS Holdings Ltd	8021	21.12		0.195
Wumart Stores Incorporated	8277	11.31		6.99
Zhejiang Yonglong Enterprises Company Ltd	8211		17.65	0.084

On The Tokyo Stock Exchange, after Monday's public holiday when all markets in the country were closed, it was all stops out as investors played the game of catch-up-if-we-can.

The TOPIX Index, which is the key index of this market and the most-important index of equity trading in Asian, rose 13.73 percent to 956.30 points.

The ratio of gaining counters to losing ones was about 67.12:One – there were only 25 losing counters out of the 1,703 counters.

The Nikkei-225 Stock Average, one the other hand, rose 1,171.14 yen, equivalent to a gain of about 14.15 percent, rushing up to 9,477.57 yen.

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

#### News Wise

- **J Front Retailing Company, Takashimaya Company and Millennium Retailing Incorporated**, 3 of the most-important, departmental store operators in Japan, reported that, during the 6 months, ended August 31, 2008, Operating Profits had fallen, Year-On-Year, by about 10 percent.

On other Asian equity markets, this was how their respective key indices fared, last Tuesday:

The HKSAR	Hang Seng Index Plus 3.19 percent to 16,832.88 The Growth Enterprise Index Plus 2.40 percent to 468.18
Indonesia	Plus 6.44 percent to 1,555.97
Japan	TOPIX Index Plus 13.73 percent to 956.30 Nikkei-225 Stock Average Plus 14.15 percent to 9,447.57
Malaysia	Plus 1.61 percent to 966.06
The Philippines	Plus 7.31 percent to 2,273.65
The PRC	Shanghai Composite Index Minus 2.71 percent to 2,017.32 Shenzhen Composite Index Minus 2.16 percent to 529.62
Singapore	Plus 2.50 percent to 2,128.31
South Korea	Plus 6.14 percent to 1,367.69
Taiwan	Plus 5.40 percent to 5,291.56
Thailand	Plus 5.13 percent to 500.77

#### Wednesday

Quite a number of the gurus of Wall Street had a great deal of egg on their faces, last Wednesday, as the key indices of the world's largest equity markets fell through the proverbial floor.

On Tuesday, one was told by certain Wall Street gurus that the worst was over and, if one was not fully invested, one has missed the Wall Street '*boat*'.

For those who missed that boat, they were lucky because they, still, have some money left.

For those who listened to those Wall Street gurus, one wonders whether or not one could take those '*experts*' to task for being completely irresponsible in respect of their duty of fidelity.

On The New York Stock Exchange, last Wednesday, the Dow Jones Industrial Average suffered its worst, single-day's losses since the stock-market crash of 1987: Down 7.87 percent to 8,577.91 points.

As for the Composite Index of The NASDAQ, it lost about 8.47 percent to end the trading day at 1,628.33 points.

The gains of the previous Monday were, just about, completely wiped out.

Declining counters led advancing ones by the ratio of about 9:One on The New York Stock Exchange and by about 8:One on The NASDAQ.

The strong probability of a global recession has been dogging equity markets for some months and, last Wednesday, the Chairman of the US Federal Reserve, Dr Ben S. Bernanke, added more fuel to the generally held belief, stating, inter alia, that the US economy faced '*significant threats*' in respect of the paralysed credit markets.

Then, the US Commerce Department put in its 2 cents' worth, as the saying goes, stating that the value of retail sales in the US fell about 1.20 percent in September, compared with August's figures, and one percent lower than the figures for September of 2007.

It was hardly any wonder that the bears were out in force on Wall Street, last Wednesday.

In Europe, it was a similar situation as was seen on Wall Street, with every key index of every major bourse, dropping smartly, as the following **TARGET** table illustrates:

Amsterdam's AEX Index	Minus 7.56 percent
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France's CAC 40 Index	Minus 6.81 percent
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Germany's Frankfurt XETRA DAX Index	Minus 6.49 percent
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Great Britain's FTSE 100 Index	Minus 7.15 percent
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Italy's MIBTEL Index	Minus 4.95 percent
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Switzerland's Swiss Market Index	Minus 5.57 percent
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European investors were running scared.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil

for delivery in November was \$US74.54, representing a fall of about 5.20 percent on Tuesday's close.

As for December delivery, the last settlement for a barrel of light sweet crude oil was \$US74.88, off about 5.16 percent on the final quote of Tuesday.

In Asia, there were only losers on the most-important equity markets in the region.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), significant losses were recorded on both equity markets.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index shed about 4.96 percent, dropping back to 15,998.30 points.

The Total Turnover dropped back to about \$HK52.21 billion.

The ratio of losers to gainers was 2:One, exactly.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 2.79 percent to \$HK111.70 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 5.90 percent to \$HK4.15 per share
China Mobile Ltd (Code: 941)	Down 5.91 percent to \$HK72.40 per share
China Life Insurance Company Ltd (Code: 2628)	Down 4.53 percent to \$HK25.30 per share
China Construction Bank Corporation (Code: 939)	Down 6.67 percent to \$HK4.06 per share
PetroChina Company Ltd (Code: 857)	Down 6.52 percent to \$HK6.45 per share
Ping An Insurance (Group) Company of China Ltd (Code: 2318)	Down 7.37 percent to \$HK41.50 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 6.83 percent to \$HK5.46 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 4.32 percent to \$HK70.80 per share
Bank of China Ltd (Code: 3988)	Down 5.76 percent to \$HK2.78 per share

As for the Main Board's double-digit movers of the day, there was a total of 111 counters that qualified for that dubious honour, with the share prices of 92 counters, falling 10 percent or more, while the managements of 19 counters witnessed their respective share prices rise by 10 percent or more.

The biggest gainer of the day was Ocean Grand Chemicals Holdings Ltd (Code: 2882), its share price, rising 35.63 percent to 59 cents.

The Hongkong Parkview Group Ltd (Code: 207) turned out to become the biggest loser of the day, its share price, falling back to 64 cents, off about 35.35 percent on the day.

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shed about 2.14 percent, falling to 458.15 points.

The Total Turnover on this market was about \$HK77.14 million.

Declining counters outpaced advancing ones by the ratio of about 2.41:One.

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

Golden Meditech Company Ltd (Code: 8180)  
Up 0.74 percent to \$HK1.36 per share

Intelli-Media Group (Holdings) Ltd (Code: 8173)  
Down 10.20 percent to \$HK0.44 per share

A and K Educational Software Holdings Ltd  
(Code: 8053)  
Up 9.09 percent to \$HK0.54 per share

Wumart Stores Incorporated (Code: 8277)  
Up 1.14 percent to \$HK7.07 per share

Sau San Tong Holdings Ltd (Code: 8200)  
Unchanged at \$HK0.059 per share

The GEM's biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Ltd	8061		18.75	0.026
Byford International Ltd	8272		26.67	0.22
China Chief Cable TV Group Ltd	8153		12.73	0.24
China Vanguard Group Ltd	8156		11.76	0.45
Chinasoft International Ltd	8216		13.73	0.44
CIG Yangtze Ports PLC	8233	15.38		0.30
Era Information and Entertainment Ltd	8043		25.29	0.127
Everpride Biopharmaceutical Company Ltd	8019		13.33	0.065

Global Link Communications Holdings Ltd	8060	17.65		0.10
Goldmond Holdings Ltd	8190		17.24	0.024
Hua Xia Healthcare Holdings Ltd	8143		25.00	0.036
Intelli-Media Group (Holdings) Ltd	8173		10.20	0.44
Mobile Telecom Network (Holdings) Ltd	8266		25.00	0.06
Polyard Petroleum International Group Ltd	8011	11.76		0.038
QUASAR Communication Technology Holdings Ltd	8171		39.39	0.10
Soluteck Holdings Ltd	8111		15.38	0.11
SYSCAN Technology Holdings Ltd	8083	12.90		0.035
Trasy Gold Ex Ltd	8063		12.68	0.31
Venturepharm Laboratories Ltd	8225		19.35	0.50

On The Tokyo Stock Exchange, its TOPIX Index gave up about 0.08 percent of its value, dropping back to 955.51 points.

Gainers outran losers by the ratio of about 1.17:One.

The Nikkei-225 Stock Average, a much-narrower gauge of trading on this equity market than The TOPIX Index, moved up about 1.06 percent to 9,547.47 yen.

#### News Wise

- Japan's Current Account Surplus fell about 52.50 percent in August, Year-On-Year, according to the preliminary statistics, compiled by The Finance Ministry. August's statistics represent the sixth, consecutive month of declines. The balance of trade in goods and services shrank into deficit in August – for the first time since January 2005.

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

The HKSAR	Hang Seng Index Minus 4.96 percent to 15,998.30 The Growth Enterprise Index Minus 2.14 percent to 458.15
Indonesia	Minus 2.29 percent to 1,520.41

Japan	TOPIX Index Minus 0.08 percent to 955.51 Nikkei-225 Stock Average Plus 1.06 percent to 9,547.47
Malaysia	Minus 1.67 percent to 949.88
The Philippines	Minus 1.55 percent to 2,238.41
The PRC	Shanghai Composite Index Minus 1.12 percent to 1,994.67 Shenzhen Composite Index Minus 0.93 percent to 524.70
Singapore	Minus 3.24 percent to 2,059.39
South Korea	Minus 2.00 percent to 1,340.28
Taiwan	Minus 0.86 percent to 5,246.26
Thailand	Minus 3.85 percent to 481.50

### **Thursday**

Share prices rebounded somewhat on the world's largest equity markets, last Thursday, but in no way did the resultant gains erase the very material losses of Wednesday.

To a great extent, the gains were put down to the covering of short positions, taken on Monday and Wednesday, as well as speculation that many share prices had fallen too low too quickly and that there would be a rebound.

Post Hoc, Ergo Procter Hoc.

The world's largest equity market resembled a casino, with the key indices, swinging in and out of a 700-point range for most of the trading day.

By the close of trading on The New York Stock Exchange, the Dow Jones Industrial Average stood at 8,979.26 points, a one-day improvement of about 4.68 percent.

The Composite Index of The NASDAQ went along for the ride, with a gain of 5.49 percent, running up to 1,717.71 points.

The ratio of gainers to losers was about 2:One on both equity markets.

While the key indices of both markets were in the black by the close of the day, financials did not fare well, at all.

Trade statistics, pouring out of various, US Government's departments, continued to paint a terribly

depressing picture of the US economy, with September's figures for industrial production, suffering the largest monthly decline since 1974.

To analyse such statistics is, pretty much, a waste of time since nobody, really, cares: Most people know and realise the situation, without having to be told of the nitty-gritty by the US Government.

Good news came from the world's commodity markets, however, as the price of crude oil fell very materially.

On The **New York Mercantile Exchange (NYMEX)**, which is the world's largest commodity exchange, the last settlement for a barrel of light sweet crude oil for delivery in November came in at \$US69.85, down about 6.29 percent on Wednesday's closing level.

For delivery in December, the last settlement for a barrel of light sweet crude oil was \$US70.26, representing a one-day fall of about 6.17 percent.

No doubt, some commodity traders were hurting.

As the economies of the Western World sink deeper and deeper into the economic mire, so the requirement for energy will, undoubtedly, wane and, consequently, the price of crude oil will be forced to fall.

In Europe, investors did not believe that which was taking place on Wall Street and continued to offload stocks and shares in droves as the following **TARGET** list illustrates:

Amsterdam's AEX Index	Minus 5.68 percent
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France's CAC 40 Index	Minus 5.91 percent
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Germany's Frankfurt XETRA DAX Index	Minus 4.91 percent
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Great Britain's FTSE 100 Index	Minus 5.34 percent
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Italy's MIBTEL Index	Minus 5.75 percent
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Switzerland's Swiss Market Index	Minus 3.25 percent
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Financials were hit especially hard, but the losses were held, by and large, to single-digit falls.

#### News Wise

- **UBS AG**, the largest bank in Switzerland, is raising 6 billion Swiss francs (about \$US5.30 billion) from the Government of Switzerland. UBS, also, will transfer up to \$US60-billion worth of distressed assets to a fund, established by The Swiss National Bank, the Central Bank of the country. UBS is the one bank of the country that suffered the largest losses in the subprime, mortgage-lending crisis.

In Asia, there was blood on trading floors.

Every key index of every equity market suffered very large losses.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the



key indices of the 2 equity markets surrendered material amounts of their past values.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index gave up about 4.80 percent, dropping back to 15,230.52 points.

The Total Turnover was about \$HK64.33 billion, while the ratio of losing counters to gaining ones was 2:One, exactly.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 2.86 percent to \$HK108.50 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 8.19 percent to \$HK3.81 per share
China Life Insurance Company Ltd (Code: 2628)	Down 5.34 percent to \$HK23.95 per share
China Mobile Ltd (Code: 941)	Down 3.59 percent to \$HK69.80 per share
China Construction Bank Corporation (Code: 939)	Down 7.64 percent to \$HK3.75 per share
PetroChina Company Ltd (Code: 857)	Down 2.33 percent to \$HK6.30 per share
Bank of China Ltd (Code: 3988)	Down 7.19 percent to \$HK2.58 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Down 3.68 percent to \$HK85.00 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 4.21 percent to \$HK5.23 per share
Ping An Insurance (Group) Company of China Ltd (Code: 2318)	Down 7.71 percent to \$HK38.30 per share

As for the biggest movers of the Main Board, there was a total of 162 counters that qualified, with 12 of their number, managing to stay in the black by the close of the trading day, while the managements of the remaining 150 counters noted their market capitalisations shaved down by 10 percent or more.

Amax Entertainment Holdings Ltd (Code: 959) was the biggest gainer of the day, its share price, rising 96.97 percent to 19.50 cents.

Dickson Group Holdings Ltd (Code: 313) became the biggest loser, its share price, falling to 6.20 cents, off about 43.64 percent on the day.

On The **Growth Enterprise Market (The GEM)** of The Stock Exchange of Hongkong Ltd, The Growth

Enterprise Index gave up about 2.76 percent, ending the trading session at 445.51 points.

The Total Turnover on this market fell to about \$HK44.05 million.

Declining counters outpaced advancing ones by the ratio of about 3.95:One.

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

Wumart Stores Incorporated (Code: 8277)

Down 5.37 percent to \$HK6.69 per share

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

Down 9.09 percent to \$HK0.40 per share

Yantai North Andre Juice Company Ltd (Code:  
8259)

Down 4.55 percent to \$HK0.315 per share

Phoenix Satellite Television Holdings Ltd (Code:  
8002)

Down 3.90 percent to \$HK0.74 per share

Grand T G Gold Holdings Ltd (Code: 8299)

Down 14.81 percent to \$HK0.023 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Capital Resources (Holdings) Ltd	8025		13.04	0.10
B.A.L. Holdings Ltd	8079		21.15	0.041
Byford International Ltd	8272		18.18	0.18
CCID Consulting Company Ltd	8235		13.64	0.095
Changmao Biochemical Engineering Company Ltd	8208		13.33	0.78
China Chief Cable TV Group Ltd	8153		12.50	0.21
China Ground Source Energy Ltd	8128		13.56	0.051
China LotSynergy Holdings Ltd	8161		10.00	0.144
China Vanguard Group Ltd	8156	10.00		0.495
Chinasoft International Ltd	8216		11.36	0.39

Chinasoft International Ltd	8233		16.67	0.25
Grand T G Gold Holdings Ltd	8299		14.81	0.023
HC International Incorporated	8292		45.45	0.30
Hua Xia Healthcare Holdings Ltd	8143	11.11		0.04
ITE (Holdings) Ltd	8092		13.04	0.04
Mobile Telecom Network (Holdings) Ltd	8266	33.33		0.08
Neolink Cyber Technology (Holding) Ltd	8116		15.79	0.032
New Universe International Group Ltd	8068		16.08	0.12
Ningbo Yidong Electronic Company Ltd	8249	25.71		0.088
PINE Technology Holdings Ltd	8013		16.67	0.125
Polyard Petroleum International Group Ltd	8011		13.16	0.033
QUASAR Communication Technology Holdings Ltd	8171		27.00	0.073
Sing Lee Software (Group) Ltd	8076	12.50		0.18
South China Land Ltd	8155		47.54	0.32
Tai Shing International (Holdings) Ltd	8103		11.76	0.15
Thiz Technology Group Ltd	8119		14.29	0.03

Japan's 3 equity markets were disaster stories.

On the premier equity market of the country, namely, The Tokyo Stock Exchange, its TOPIX Index was forced to give up about 9.52 percent of its value, dropping back to 864.52 points.

Losing counters outran gaining ones by the ratio of about 18.52:One.

The Nikkei-225 Stock Average lost about 11.41 percent, ending the trading day at 8,458.45 yen.

For this equity market, last Thursday's losses were the biggest, one-day losses since 1987.

Since the beginning of this year, the key indices of The Tokyo Stock Exchange have shed about 45 percent of their values.

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

The HKSAR	Hang Seng Index Minus 4.80 percent to 15,230.52 The Growth Enterprise Index Minus 2.76 percent to 445.52
Indonesia	Minus 3.76 percent to 1,463.25
Japan	TOPIX Index Minus 9.52 percent to 864.52 Nikkei-225 Stock Average Minus 11.41 percent to 8,458.45
Malaysia	Minus 3.14 percent to 920.02
The Philippines	Minus 5.18 percent to 2,122.37
The PRC	Shanghai Composite Index Minus 4.25 percent to 1,909.94 Shenzhen Composite Index Minus 4.65 percent to 500.30
Singapore	Minus 5.25 percent to 1,951.20
South Korea	Minus 9.44 percent to 1,213.78
Taiwan	Minus 3.25 percent to 5,075.97
Thailand	Minus 0.78 percent to 477.73

## **Friday**

Shock waves reverberated throughout Wall Street, last Friday, following the release of more dramatic statistics from the US Government, statistics that indicated that the economy was deteriorating at a very fast rate.

It was reported that consumer confidence for the month of October enjoyed its steepest drop on record.

New home construction starts had fallen to a 210-month low.

Further, it was reported that the US Government's Housing Report showed that permits for new homes had fallen to a 27-year low.

The Dow Jones Home Construction Index shed about 2.20 percent.

Equity markets reacted to the US Government statistics as one would expect: Key indices fell.

On The New York Stock Exchange, the Dow Jones Industrial Average shed 1.41 percent to 8,852.22 points while, over on The NASDAQ, its Composite Index dropped about 0.37 percent to 1,711.29 points.

On The New York Stock Exchange, advancing counters, nevertheless, beat off declining ones by the ratio of about 1.21:One.

In contrast to The New York Stock Exchange, on The NASDAQ, declining counters outpaced advancing ones by the ratio of about 1.33:One.

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

The Dow Jones Industrial Average	Plus	4.75 percent
The Composite Index of The NASDAQ	Plus	3.75 percent

In Europe, the equity markets were generally upbeat as investors appeared to be determined to load up on select scrip, the price of which appeared to have fallen too low.

Of course, due to the time differential, European investors had not been privy to some of the disastrous economic news, about to be issued by the US Government.

This was how the key indices of the most-important bourses of Europe fared, last Friday:

Amsterdam's AEX Index	Plus	1.70 percent
France's CAC 40 Index	Plus	4.68 percent
Germany's Frankfurt XETRA DAX Index	Plus	3.42 percent
Great Britain's FTSE 100 Index	Plus	5.22 percent
Italy's MIBTEL Index	Plus	4.16 percent
Switzerland's Swiss Market Index	Plus	6.66 percent

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in November was \$US71.85, up about 2.86 percent on Thursday's final quote.

As for delivery in December, the last settlement for a barrel of light sweet crude oil came in at \$US72.13, representing a one-day gain of about 2.66 percent.

In Asia, it was a mixed bag with some of the key indices of major equity markets, coming off badly, while others made useful gains.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key index of the premier equity market fell very materially, while the secondary market's lone index made impressive gains.

The Hang Seng Index, which is the benchmark of the Main Board of The Stock Exchange of Hongkong Ltd, surrendered 4.44 percent of its value, ending the week at 14,554.21 points on a Total Turnover of about \$HK59.35 billion.

Declining counters outnumbered advancing ones by the ratio of about 1.29:One.

The Ten Most Active counters were:

Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 5.25 percent to \$HK3.61 per share
HSBC Holdings plc (Code: 5)	Down 3.04 percent to \$HK105.20 per share
China Mobile Ltd (Code: 941)	Down 5.30 percent to \$HK66.10 per share
China Life Insurance Company Ltd (Code: 2628)	Down 5.85 percent to \$HK22.55 per share
PetroChina Company Ltd (Code: 857)	Down 6.03 percent to \$HK5.92 per share
China Construction Bank Corporation (Code: 939)	Down 6.67 percent to \$HK3.50 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 0.38 percent to \$HK5.21 per share
China Unicom (Hongkong) Ltd (Code: 762)	Down 6.67 percent to \$HK9.80 per share
Bank of China Ltd (Code: 3988)	Down 7.75 percent to \$HK2.38 per share
Ping An Insurance (Group) Company of China Ltd (Code: 2318)	Down 7.31 percent to \$HK35.50 per share

There was a total of 95, double-digit movers on the Main Board, last Friday, with 65 losers and 30 gainers.

The biggest gainer of the day was China Automation Group Ltd (Code: 569), its share price, rising 56.14 percent to 89 cents.

Pak Tak International Ltd (Code: 2668) was the biggest loser, as investors marked down its share price to 18.90 cents, off about 37 percent, compared with the closing price of Thursday, October 16, 2008.

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index rose about 2.61 percent 457.16 points.

The Total Turnover fell to another, new 2008 low of about \$HK37.36 million.

Advancing counters, however, only just managed to beat off declining ones by the ratio of about 1.05:One.

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

Intelli-Media Group (Holdings) Ltd (Code: 8173)	Down 7.50 percent to \$HK0.37 per share
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Golden Meditech Company Ltd (Code: 8180)

Up 30.43 percent to \$HK1.80 per share

Byford International Ltd (Code: 8272)

Unchanged at \$HK0.18 per share

Wumart Stores Incorporated (Code: 8277)

Up 3.14 percent to \$HK6.90 per share

Tong Ren Tang Technologies Company Ltd (Code:  
8069)

Down 4.38 percent to \$HK5.02 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Ltd	8061	16.00		0.029
AGTech Holdings Ltd	8279	10.34		0.16
Armitage Technologies Holding Ltd	8213		25.00	0.027
BIG Media Group Ltd	8167	10.06		0.175
China Chief Cable TV Group Ltd	8153	26.19		0.265
China Ground Source Energy Ltd	8128	25.49		0.064
Computech Holdings Ltd	8081		12.50	0.35
Era Information and Entertainment Ltd	8043		20.00	0.096
Golden Meditech Company Ltd	8180	30.43		1.80
GreaterChina Technology Group Ltd	8032		25.00	0.03
Hua Xia Healthcare Holdings Ltd	8143	20.00		0.048
Inno-Tech Holdings Ltd	8202		10.90	0.139
ITE (Holdings) Ltd	8092	20.00		0.048
Polyard Petroleum International Group Ltd	8011	15.15		0.038
Qianlong Technology International Holdings Ltd	8015		22.22	0.35
SYSCAN Technology Holdings Ltd	8083		16.67	0.03

Thiz Technology Group Ltd	8119		13.33	0.026
Timeless Software Ltd	8028	13.95		0.049
Yuxing InfoTech Holdings Ltd	8005		13.56	0.255

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

The Hang Seng Index Minus 1.64 percent

The Growth Enterprise Index Plus 0.13 percent

In Japan, the country's equity markets enjoyed bullish trading sessions.

On The Tokyo Stock Exchange, its TOPIX Index moved up about 3.44 percent to 894.29 points.

Advancing counters outpaced declining counters by the ratio of about 5.12:One.

The Nikkei-225 Stock Average chalked up a 2.78-percent rise, ending the week's proceedings at 8,693.82 yen.

For Asia's largest equity market, the tally for the 4-day trading week was:

The TOPIX Index Plus 6.35 percent

The Nikkei-225 Stock Average Plus 5.04 percent

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

The HKSAR	Hang Seng Index Minus 4.440 percent to 14,554.21 The Growth Enterprise Index Plus 2.613 percent to 457.16
Indonesia	Minus 4.36 percent to 1,399.42
Japan	TOPIX Index Plus 3.44 percent to 894.29 Nikkei-225 Stock Average Plus 2.78 percent to 8,693.82
Malaysia	Minus 1.61 percent to 905.23
The Philippines	Minus 1.14 percent to 2,098.26
The PRC	Shanghai Composite Index Plus 1.08 percent to 1,930.65 Shenzhen Composite Index Plus 0.84 percent to 504.52



Singapore	Minus 3.73 percent to 1,878.51
South Korea	Minus 2.73 percent to 1,180.67
Taiwan	Minus 2.28 percent to 4,960.40
Thailand	Minus 1.34 percent to 471.31

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