

**IT'S OFFICIAL !  
THE U.S. ECONOMY IS RUNNING DOWN THE RECESSION TRAIL**

Share prices collapsed round the world, last Monday, as more and more investors found themselves caught in a bind, with no way to turn and nowhere to run.

Panic selling ensued from one corner of the globe to another.

The selling of stocks and shares was exacerbated when the managements of mutual funds and hedge funds joined in the selling spree in an attempt to find cash in order to meet redemption demands.

This was especially true on US equity markets.

The bleak outlook for the rest of the year was exemplified as many investors turned their backs on equities: Trading was unusually light on both The New York Stock Exchange and The NASDAQ.

On The New York Stock Exchange, the Dow Jones Industrial Average gave up 203.18 points, equivalent to about 2.42 percent, ending the first day of trading of the week at 8,175.77 points.

Over on The NASDAQ, its Composite Index shed 46.13 points, or about 2.97 percent, ending the trading day at 1,505.90 points.

The ratio of losing counters to gaining ones was about 4:One on both of the world's largest stock markets.

On Tuesday and Wednesday (October 28 and 29), the US Federal Reserve Board was scheduled to convene its October Open Market Committee Meeting, at which time, the focus of attention of The Fed's Governors would, naturally, be on the short-term direction of interest rates.

However, it was generally held that no matter what action The Fed should determine to take, whether or not it reduces interest rates by 50 basis points or 100 basis points, it would have little impact on equity trading and give little solace to most investors.

Because the damage had, already, been done.

Many counters on US equity markets were treading water on 66-month lows and there was only the slimmest of possibilities for these counters to recover their entire lost ground before the year is out.

News Wise

- **Avis Budget Group Incorporated**, the motor-vehicle rental company, announced that it would be sacking 700 of its workers. The company's third-quarter result was a Loss Attributable to Shareholders of more than \$US1 billion.

In Europe, the key indices of the most-important bourses dropped almost as soon as the bourses opened their doors for business, mirroring the stock-market action of Asia and the US.

Fears of a prolonged, international economic slowdown frightened the knickers off many an investor,

resulting in the key indices of the biggest bourses to drop to lows, not seen since the middle of 2002.

Banking and financial counters were the chief targets for investors to offload stocks and shares, with losses, ranging from about 16 percent to 24 percent.

This was how the situation looked on major, European equity markets, last Monday night:

Amsterdam's AEX Index	Minus 3.58 percent
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France's CAC 40 Index	Minus 3.95 percent
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Germany's Frankfurt XETRA DAX IndexPlus	0.90 percent
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Great Britain's FTSE 100 Index	Minus 0.79 percent
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Italy's MIBTEL Index	Minus 3.50 percent
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Switzerland's Swiss Market Index	Minus 3.06 percent
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On commodity exchanges, the price of crude oil continued its slide in spite of The Organisation of Petroleum Exporting Countries (OPEC), having made a determination on Friday, October 24, 2008, to reduce the cartel's exports of this strategic commodity by 1.50 million barrels, per day, effective November 1, 2008.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in December was \$US63.22, off about 1.45 percent, compared with the final quote of Friday, October 24, 2008.

It was a 17-month low.

As for delivery in January 2009, the last settlement for a barrel of light sweet crude oil was \$US63.71, representing a fall of about 1.35 percent, compared with the previous Friday's close.

In Asia, there were mostly losers on the major equity markets, with the benchmark of The Stock Exchange of Hongkong Ltd, leading the pack of losers.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), there was mass panic on the territory's equity market.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index sank to 11,015.84 points, off 1,602.54 points, or about 12.70 percent, compared with the close of Friday, October 24, 2008.

It was the biggest, single-day's fall since 1997.

The Total Turnover was about \$HK56.83 billion, with the ratio of losers to gainers, being about 1.79:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)
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Down 14.77 percent to \$HK75.00 per share
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China Life Insurance Company Ltd (Code: 2628)	Down 13.92 percent to \$HK16.70 per share
China Mobile Ltd (Code: 941)	Down 6.43 percent to \$HK53.80 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 11.11 percent to \$HK2.80 per share
China Construction Bank Corporation (Code: 939)	Down 9.97 percent to \$HK2.62 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Down 13.89 percent to \$HK62.00 per share
PetroChina Company Ltd (Code: 857)	Down 15.00 percent to \$HK4.25 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 16.44 percent to \$HK3.76 per share
Bank of China Ltd (Code: 3988)	Down 14.93 percent to \$HK1.71 per share
Ping An Insurance (Group) Company of China Ltd (Code: 2318)	Down 14.59 percent to \$HK24.00 per share

There was a total of 481 Main Board, double-digit movers, last Monday, of which number, only 12 counters bucked the general trend with gains of 10 percent or more.

The biggest loser of the day was OP Financial Investments Ltd (Code: 1140), the share price of which sank 48.57 percent to 36 cents.

The biggest gainer of the day was China Investment Fund Company Ltd (Code: 612), its share price, rising 46.15 percent to 3.80 cents.

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index slipped 26.39 points, equivalent to about 6.92 percent, ending the light trading day at 355.12 points.

The Total Turnover was about \$HK36.19 million – the lowest volume of activity of the past year.

The ratio of losers to gainers was about 9.60:One.

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

Shandong Weigao Group Medical Polymer Company Ltd (Code: 8199)	Down 11.76 percent to \$HK6.00 per share
Phoenix Satellite Television Holdings Ltd (Code:	Down 10.94 percent to \$HK0.57 per share

8002)

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

Down 16.98 percent to \$HK0.22 per share

China LotSynergy Holdings Ltd (Code: 8161)

Up 3.13 percent to \$HK0.099 per share

Wumart Stores Incorporated (Code: 8277)

Down 11.63 percent to \$HK5.70 per share

As for The GEM's biggest movers of the day, there was a total of 58 counters whose respective share prices moved 10 percent or more, with only 4 of their number, managing to make any headway in the strong gusts of selling pressure throughout most of the trading day.

First China Financial Holdings Ltd (Code: 8123) was the biggest gainer, its share price, rising 27.91 percent to 11 cents.

Ningbo Yidong Electronic Company Ltd (Code: 8249) was the biggest loser as investors marked down its share price by 42.53 percent to 5 cents.

In Japan, the key indices of the country's 3 equity markets lost big time, too.

On The Tokyo Stock Exchange, its TOPIX Index shed 59.65 points, or about 7.40 percent, dropping back to 746.46 points.

The ratio of losers to gainers was about 12.35:One.

The Nikkei-225 Stock Average, which is a much-narrower gauge of trading on select blue chips, listed on The First Section of The Tokyo Stock Exchange, than The TOPIX Index, lost 486.18 yen, equivalent to about 6.36 percent, ending the trading day at 7,162.90 yen.

It was the lowest close of The Nikkei-225 Stock Average since 1982.

#### News Wise

- **Canon Incorporated** announced that it expected its Net Profit Attributable to Shareholders to drop by about 23.20 percent, Year-On-Year, to ¥375 billion for the 2008 Fiscal Year, ending December 31; and,
- Management of **Toyota Motor Corporation** said that sales of its motor vehicles for the quarter, ended September 30, 2008, fell about 4 percent, compared with like period in 2007. At sales of about 2.24 million units, it was the first time in 7 years that there had been a decline in sales in any quarter.

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

The HKSAR	Hang Seng Index Minus 12.70 percent to 11,015.84 The Growth Enterprise Index Minus 6.92 percent to 355.12
Indonesia	Minus 6.30 percent to 1,166.41

Japan	TOPIX Index Minus 7.40 percent to 746.46 Nikkei-225 Stock Average Minus 6.36 percent to 7,162.90
Malaysia	Closed
The Philippines	Minus 12.27 percent to 1,713.83
The PRC	Shanghai Composite Index Minus 6.32 percent to 1,723.35 Shenzhen Composite Index Minus 6.49 percent to 472.99
Singapore	Closed
South Korea	Plus 0.82 percent to 946.45
Taiwan	Minus 4.65 percent to 4,366.87
Thailand	Minus 10.50 percent to 387.43

## **Tuesday**

A number of Wall Street gurus mounted their proverbial high horses, last Tuesday, screaming at the top of their voices: *'See!, I told you so!'*

The Wall Street gurus were taking credit for the complete reversal of the directions of most of the key indices of equity markets, around the world.

On The New York Stock Exchange, the Dow Jones Industrial Average spurted 889.35 points, equivalent to about 10.88 percent, ending the very active trading day at 9,065.12 points.

The Composite Index of The NASDAQ went along with the trend, rising 143.57 points, or about 9.53 percent, to 1,649.47 points.

The ratio of gaining counters to losing ones was about 4:One on The New York Stock Exchange and about 2:One on The NASDAQ.

One of the chief reasons for last Tuesday's massive gains on the world's largest equity markets – the gains, being the second-largest in history – was the widespread belief that The US Federal Reserve Board would recommend a dramatic reduction in interest rates.

The Fed started its Open Market Committee Meeting last Tuesday afternoon and was due to conclude it the following day.

On the world's largest equity markets, there were some huge swings in certain share prices, with the

management of Verizon Communications Incorporated, seeing its share price rise 14.60 percent to \$US31.65, while the management of AT and T Incorporated noted that its share price had risen by 13 percent to \$US27.61.

The share price of The Boeing Company was higher by 15.46 percent at \$US48.91 and the share price of United Technologies Corporation was up by 13.45 percent at \$US51.19.

It was a day that, as the saying goes, warmed the cockles of many hearts.

But did it mean very much?

Would Wall Street be able to hang onto its gains?

#### News Wise

- **Consumer confidence** fell to a record low in October, according to the statistics, compiled by The Conference Board. At the figure of 38 of the Monthly Consumer Confidence Index, it was the lowest point since 1967 when tracking consumer confidence was first initiated.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in December came in at \$US62.73, down about 0.78 percent, compared with the last settlement on Monday.

As for delivery in January 2009, the last settlement for a barrel of light sweet crude oil was \$US63.21, off about 0.78 percent, compared with Monday's final quote.

In Europe, with the lone exception of the premier, Italian equity market, all of the key indices of the most-important bourses rose.

The Frankfurt XETRA DAX Index was the star performer of the day as the **TARGET** list of the main, European equity markets of the region makes only too plain.

For this region of the world, last Tuesday's gains on the biggest bourses were the first gains in 5 trading days of falls.

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

Amsterdam's AEX Index	Plus	0.36 percent
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France's CAC 40 Index	Plus	1.55 percent
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Germany's Frankfurt XETRA DAX Index	Plus	11.27 percent
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Great Britain's FTSE 100 Index	Plus	1.91 percent
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Italy's MIBTEL Index	Minus	1.47 percent
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Switzerland's Swiss Market Index	Plus	0.68 percent
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In Asia, it was the massive jump in the benchmark index of the Main Board of The Stock Exchange of

Hongkong Ltd that set this part of the world on fire, as far as investors were concerned.

The Main Board of The Stock Exchange of Hongkong Ltd is the premier equity market of the territory.

The Hang Seng Index rose about 14.35 percent to 12,596.29 points on a Total Turnover of about \$HK66.05 billion.

It was the biggest, one-day gain since 1997.

Share prices that had been beaten down on Monday made dramatic recoveries on Tuesday.

But not for every counter.

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

The Ten Most Active counters were:

China Life Insurance Company Ltd (Code: 2628)	Up 13.89 percent to \$HK19.02 per share
HSBC Holdings plc (Code: 5)	Up 20.00 percent to \$HK90.00 per share
China Mobile Ltd (Code: 941)	Up 12.45 percent to \$HK60.50 per share
China Construction Bank Corporation (Code: 939)	Up 23.28 percent to \$HK3.23 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 16.43 percent to \$HK3.26 per share
China Merchants Bank Company Ltd (Code: 3968)	Up 7.03 percent to \$HK10.50 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 7.26 percent to \$HK66.50 per share
PetroChina Company Ltd (Code: 857)	Up 9.41 percent to \$HK4.65 per share
Bank of China Ltd (Code: 3988)	Up 22.22 percent to \$HK2.09 per share
China Shenhua Energy Company Ltd (Code: 1088)	Up 18.91 percent to \$HK10.00 per share

As for the Main Board's double-digit movers of the day, there was a total of 234 such counters, of which number, the share prices of 157 counters made gains of 10 percent or more, while the share prices of 77 counters continued to fall, their respective prices, dropping 10 percent or more.

Omnicorn Ltd (Code: 94) was the biggest gainer of the day, its share price, rising 103.49 percent to 35 cents.

Kowloon Development Company Ltd (Code: 34) had the distinction of being the biggest loser of the Main Board as investors marked down its share price by 41.73 percent to \$HK1.55.

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, unlike its '*big brother*' on the Main Board, its lone index, The Growth Enterprise Index, gave up another 2.50 percent of its value, falling to 346.24 points.

The Total Turnover on this market was about \$HK69.54 million, while the ratio of losers to gainers was about 1.19:One.

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

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

Up 11.50 percent to \$HK6.69 per share

Wumart Stores Incorporated (Code: 8277)

Up 1.75 percent to \$HK5.80 per share

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

Down 4.55 percent to \$HK0.21 per share

International Entertainment Corporation (Code:  
8118)

Down 4.94 percent to \$HK0.77 per share

Honbridge Holdings Ltd (Code: 8137)

Unchanged at \$HK0.415 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
B M Intelligence International Ltd	8158		20.83	0.095
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd	8095	11.11		0.15
Capinfo Company Ltd	8157		10.34	0.13
Cardlink Technology Group Ltd	8066		31.37	0.70
CCID Consulting Company Ltd	8235	14.29		0.08
Changmao Biochemical Engineering Company Ltd	8208		12.00	0.66
China Asean Resources Ltd	8186		12.00	0.044
China Bio Cassava Holdings Ltd	8129	21.05		0.023
China Chief Cable TV Group Ltd	8153	23.08		0.112
China.com Incorporated	8006		19.16	2.70



Crosby Capital Ltd	8088	29.41		0.22
Dahe Media Company Ltd	8243		18.75	0.13
Emcom International Ltd	8220		16.67	0.015
First China Financial Holdings Ltd	8123	21.82		0.134
Goldmond Holdings Ltd	8190	15.79		0.022
GreaterChina Technology Group Ltd	8032	21.74		0.028
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049	37.50		0.165
M Dream Inworld Ltd	8100		13.33	0.13
Ming Kei Energy Holdings Ltd	8239		10.00	0.135
Mobile Telecom Network (Holdings) Ltd	8266		23.08	0.05
Neolink Cyber Technology (Holding) Ltd	8116	19.05		0.025
North Asia Strategic Holdings Ltd	8080	11.61		0.25
Qianlong Technology International Holdings Ltd	8015	37.50		0.33
Shandong Weigao Group Medical Polymer Company Ltd	8199	11.50		6.69
Shanghai Tonva Petrochemical Company Ltd	8251	42.86		0.40
ThinSoft (Holdings) Incorporated	8096	10.00		0.66
Tianjin Tianlian Public Utilities Company Ltd	8290		14.29	0.60
Vodatel Networks Holdings Ltd	8033	14.29		0.08
Zheda Lande Scitech Ltd	8106		20.00	0.08
Zhongyu Gas Holdings Ltd	8070		10.34	0.39

On The Tokyo Stock Exchange, which is the largest and most-important equity market of Asia, its TOPIX Index rose about 5.03 percent to 784.03 points.

Advancing counters beat off declining ones by the ratio of about 4.52:One.

The Nikkei-225 Stock Average put on about 6.41 percent, rising to 7,621.92 yen.

## News Wise

- **Nomura Holdings Incorporated** announced that it had suffered a Group Net Loss Attributable to Shareholders of about ¥72.90 billion for the quarter, ended September 30, 2008. For the like quarter in 2007, Japan's largest brokerage house posted a Group Net Loss Attributable to Shareholders of about ¥11.70 billion.

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

The HKSAR	Hang Seng Index Plus 14.35 percent to 12,596.29 The Growth Enterprise Index Minus 2.50 percent to 346.24
Indonesia	Minus 4.72 percent to 1,111.39
Japan	TOPIX Index Plus 5.03 percent to 784.03 Nikkei-225 Stock Average Plus 6.41 percent to 7,621.92
Malaysia	Minus 3.10 percent to 832.44
The Philippines	Minus 0.55 percent to 1,704.41
The PRC	Shanghai Composite Index Plus 2.81 percent to 1,771.82 Shenzhen Composite Index Plus 2.18 percent to 483.27
Singapore	Plus 4.14 percent to 1,666.49
South Korea	Plus 5.57 percent to 999.16
Taiwan	Plus 0.76 percent to 4,399.97
Thailand	Plus 2.74 percent to 398.04

## Wednesday

The US Federal Reserve did its '*thing*', as expected, and, as expected, it had little effect on the key indices of the world's largest equity markets.

The Fed lowered its key interest rate by 50 basis points to one percent, a 5-year low.

The following is a verbatim transcript of The Fed's statement:

*'The Federal Open Market Committee decided today to lower its target for the federal funds rate 50 basis points to 1 percent.*

*'The pace of economic activity appears to have slowed markedly, owing importantly to a decline in consumer expenditures. Business equipment spending and industrial production have weakened in recent months, and slowing economic activity in many foreign economies is damping the prospects for U.S. exports. Moreover, the intensification of financial market turmoil is likely to exert additional restraint on spending, partly by further reducing the ability of households and businesses to obtain credit.*

*'In light of the declines in the prices of energy and other commodities and the weaker prospects for economic activity, the Committee expects inflation to moderate in coming quarters to levels consistent with price stability.*

*'Recent policy actions, including today's rate reduction, coordinated interest rate cuts by central banks, extraordinary liquidity measures, and official steps to strengthen financial systems, should help over time to improve credit conditions and promote a return to moderate economic growth. Nevertheless, downside risks to growth remain. The Committee will monitor economic and financial developments carefully and will act as needed to promote sustainable economic growth and price stability.*

*'Voting for the FOMC monetary policy action were: Ben S. Bernanke, Chairman; Timothy F. Geithner, Vice Chairman; Elizabeth A. Duke; Richard W. Fisher; Donald L. Kohn; Randall S. Kroszner; Sandra Pianalto; Charles I. Plosser; Gary H. Stern; and Kevin M. Warsh.*

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

Wall Street, however, did not warm to the interest-rate cut.

On The New York Stock Exchange, the Dow Jones Industrial Average lost 74.16 points, about 0.82 percent of its value, dropping back to 8,990.96 points.

Over on The NASDAQ, its Composite Index managed a gain of about 0.47 percent, rising to 1,657.21 points.

The ratio of advancing counters to declining ones was about 2:One on The New York Stock Exchange and about 1.33:One on The NASDAQ.

Prior to the close of proceedings on the world's largest equity markets, all indices were deep in positive territory, but, in the final 12 minutes of trading, The Dow shed about 300 points.

Once again, it was reported that repatriation of funds by investors, locked into hedge funds and mutual funds had been mainly responsible for the fast turnabout situation on The New York Stock Exchange.

Hedge funds and mutual funds have been pressured, hard, for some weeks now, by investors who just want out – while there is still some value left in their investments.

On major European bourses, with one exception, the key indices zoomed higher as the following **TARGET** list illustrates:

Amsterdam's AEX Index                      Plus    9.08 percent

France's CAC 40 Index                      Plus    9.23 percent

Germany's Frankfurt XETRA DAX Index Minus 0.30 percent

Great Britain's FTSE 100 Index           Plus    8.05 percent

Italy's MIBTEL Index                      Plus    8.48 percent

Switzerland's Swiss Market Index       Plus    6.17 percent

The gains, of course, were in anticipation of the move by The Fed as investors in this part of the world determined that Wall Street would rally to the interest-rate cut.

European investors got their sums wrong.

Banks carried the key indices higher, to a very great extent:

HBOS plc                      Up 28.20 percent

Grupo Santander           Up 14.00 percent

UBS AG                      Up 15.80 percent

Standard Chartered Bank Up 30.00 percent

Energy counters were, also, in demand as the price of crude oil, internationally, suddenly spurted materially higher.

On The **New York Mercantile Exchange (NYMEX)**, the last settlement for a barrel of light sweet crude oil for delivery in December was \$US67.50, up 7.60 percent, exactly, compared with Tuesday's closing level.

As for delivery in January 2009, the last settlement for a barrel of light sweet crude oil came in at \$US67.99, representing an increase of about 7.56 percent on the final quote of Tuesday.

In Asia, investors appeared not to be too sure of their investment footing, with many of them, sitting pat for the day.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), only fractional gains were recorded on the key indices by the close of the trading day on the territory's 2 equity markets.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index rose 0.84 percent, exactly, ending the moderately active trading day at 12,702.07 points.

The Total Turnover was about \$HK59.23 billion, while declining counters outnumbered advancing ones by the ratio of about 1.04:One.

The Ten Most Active counters were:

China Mobile Ltd (Code: 941)	Down 0.58 percent to \$HK60.15 per share
HSBC Holdings plc (Code: 5)	Down 4.28 percent to \$HK86.15 per share
China Life Insurance Company Ltd (Code: 2628)	Down 0.21 percent to \$HK18.98 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 0.92 percent to \$HK3.23 per share
China Construction Bank Corporation (Code: 939)	Down 1.55 percent to \$HK3.18 per share
CNOOC Ltd (Code: 883)	Up 10.84 percent to \$HK5.01 per share
PetroChina Company Ltd (Code: 857)	Up 5.81 percent to \$HK4.92 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 5.00 percent to \$HK4.41 per share
China Shenhua Energy Company Ltd (Code: 1088)	Up 11.60 percent to \$HK11.16 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 2.26 percent to \$HK68.00 per share

Of the 146, double-digit movers of the Main Board, 38 of their number managed to record positive results by the close of business, their share prices, rising 10 percent or more.

As for the remaining 108, double-digit movers, their respective share prices lost 10 percent or more.

The biggest gainer of the day was Mongolia Energy Corporation Ltd (Code: 276) as investors pushed up its share price by 96.43 percent to \$HK2.20.

China Oriental Group Company Ltd (Code: 581) was the biggest loser of the day, its share price, dropping 34.46 percent to 97 cents.

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index tagged on about 0.61 percent to 348.35 points on a Total Turnover of about \$HK50.42 points.

The ratio of gainers to losers was about 1.28:One.

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

Wumart Stores Incorporated (Code: 8277)	Down 6.90 percent to \$HK5.40 per share
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Shandong Weigao Group Medical  
Polymer Company Ltd (Code: 8199)

Up 10.61 percent to \$HK7.40 per share

G.A. Holdings Ltd (Code: 8126)

Up 16.07 percent to \$HK0.325 per share

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

Down 5.71 percent to \$HK0.198 per share

BIG Media Group Ltd (Code: 8167)

Up 0.65 percent to \$HK0.155 per share

On this speculative equity market of The Stock Exchange of Hongkong Ltd, there was a total of 35 big movers, with 14 gainers and 21 losers.

Venturepharm Laboratories Ltd (Code: 8225) was the biggest gainer of the day, its share price, rising 178.79 percent to \$HK1.38.

International Elite Ltd (Code: 8313) was the biggest GEM loser of the day as its share price skidded to a close at 17 cents, down exactly 33.33 percent on the day.

On The Tokyo Stock Exchange, its TOPIX Index put on about 5.90 percent to 830.32 points.

The ratio of gainers to losers was about 5.56:One.

The Nikkei-225 Stock Average rose 7.74 percent, exactly, ending the hectic trading day at 8,211.90 yen.

#### News Wise

- **Softbank Corporation** announced that its Group Net Profit Attributable to Shareholders was ¥180 billion for the 6-month period, ended September 30, 2008. That result represented a gain, Year-On-Year, of about 7.30 percent, the company said;
- **Sony Corporation** announced that its Group Net Profit Attributable to Shareholders for the quarter, ended September 30, 2008, was ¥20.80 billion, down about 71.80 percent, compared with the like period in 2007; and,
- **Toshiba Corporation** reported that it had suffered a Loss Attributable to Shareholders for the quarter, ended September 30, 2008, of about ¥38.45 billion.

In other parts of Asia, this was how the situation looked on the key equity markets:

The HKSAR	Hang Seng Index Plus 0.84 percent to 12,702.07 The Growth Enterprise Index Plus 0.61 percent to 348.35
Indonesia	Plus 0.20 percent to 1,113.62
Japan	TOPIX Index Plus 5.90 percent to 830.32 Nikkei-225 Stock Average Plus 7.74 percent to 8,211.90

Malaysia	Minus 0.36 percent to 829.41
The Philippines	Plus 4.47 percent to 1,780.64
The PRC	Shanghai Composite Index Minus 2.94 percent to 1,719.81 Shenzhen Composite Index Minus 2.26 percent to 472.36
Singapore	Plus 0.28 percent to 1,671.20
South Korea	Minus 3.02 percent to 968.97
Taiwan	Plus 0.15 percent to 4,406.52
Thailand	Minus 3.49 percent to 384.15

### **Thursday**

Despite very negative news about the largest and most-important economy of the world, Wall Street share prices moved up, very materially, last Thursday.

On The New York Stock Exchange, the Dow Jones Industrial Average rose about 2.11 percent to 9,180.69 points while, over on The NASDAQ, its Composite Index gained 2.49 percent, ending the trading session at 1,698.52 points.

The ratio of advancing counters to declining ones was about 4:One on The New York Stock Exchange and about 3:One on The NASDAQ.

While the key indices of major European equity markets did not fare as well as did Wall Street's, in Asia, there was a burst of activity, a burst that sent the key indices of every equity market, screaming to much-higher levels.

The reason for last Thursday's gains on Asian equity markets was that the US Federal Reserve, in addition to cutting interest rates by 50 basis points on Wednesday (Please see Wednesday's report), the US Central Bank, also, made available \$US120 billion to South Korea, Mexico, Singapore and Brazil.

The reasoning behind The Fed's loans to these 4 economies was in order to try to thaw the freeze on credit, especially in US dollar-denominated purchases.

In The Land of The Free and The Home of The Brave, the economy was showing more and more signs of beginning to fall into a recession.

In the third quarter, the US economy suffered its fastest contraction of the past 7 years, the US Government's Commerce Department reported.

US Gross Domestic Product fell by about 0.30 percent on an annualised basis.

Ms Janet Yellen, President, Federal Reserve Bank of San Francisco, said, inter alia:

*‘For the fourth quarter, it appears that the economy (of the US) is contracting significantly ... the bottom is not yet in sight ...’.*

Ms Janet Yellen described the situation as being ‘*deeply worrisome*’.

In the past 9 months, the US economy has shed not less than 750,000 jobs, statistics, supplied by the US Government, indicated.

Last Thursday, it was announced that American Express would be sacking 7,000 of its workers while Motorola Incorporated said that it would be letting go about 3,000 of its workers.

And, yet, Wall Street investors were charging into equities as though they could go out of style in a hurry.

In other negative news:

- CBS Corporation announced that it had lost about \$US12.64 billion in the quarter, ended September 30, 2008;
- Motorola Incorporated announced that it had lost \$US397 million for the like quarter, ended September 30, 2008; and,
- International Paper reported a Year-On-Year, 31-percent fall in its Net Profit Attributable to Shareholders for the July-September quarter, coming in at \$US149 million.

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

Amsterdam’s AEX Index	Minus 0.74 percent
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France’s CAC 40 Index	Plus 0.15 percent
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Germany’s Frankfurt XETRA DAX Index	Plus 1.26 percent
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Great Britain’s FTSE 100 Index	Plus 1.15 percent
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Italy’s MIBTEL Index	Plus 1.36 percent
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Switzerland’s Swiss Market Index	Minus 0.65 percent
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On international commodity exchanges, the price of crude oil fell back.

On The New York Mercantile Exchange (NYMEX), the last settlement for a barrel of light sweet crude oil for delivery in December was \$US65.96, down about 2.28 percent, compared with the last settlement of Wednesday.

As for delivery in January 2009, the last settlement for a barrel of light sweet crude oil was \$US66.54, off about 2.13 percent on Wednesday’s closing level.

In Asia, the benchmark index of the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People’s Republic of China (PRC) led the long list of gainers.

The Hang Seng Index, which is the key index of the Main Board of The Stock Exchange of Hongkong Ltd,



rose about 12.82 percent, rushing up to 14,329.85 points.

The volume of activity reached about \$HK75.12 billion, while the ratio of gainers to losers was about 1.60:One.

The Ten Most Active counters were:

China Life Insurance Company Ltd (Code: 2628)	Up 12.22 percent to \$HK21.30 per share
HSBC Holdings plc (Code: 5)	Up 10.74 percent to \$HK95.40 per share
China Mobile Ltd (Code: 941)	Up 13.22 percent to \$HK68.10 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Up 13.00 percent to \$HK3.65 per share
China Construction Bank Corporation (Code: 939)	Up 19.18 percent to \$HK3.79 per share
PetroChina Company Ltd (Code: 857)	Up 19.92 percent to \$HK5.90 per share
Ping An Insurance (Group) Company of China Ltd (Code: 2318)	Up 18.93 percent to \$HK31.10 per share
Hongkong Exchanges and Clearing Ltd (Code: 388)	Up 14.04 percent to \$HK77.85 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 16.78 percent to \$HK5.15 per share
Bank of China Ltd (Code: 3988)	Up 13.86 percent to \$HK2.30 per share

As for the Main Board's double-digit movers, there was a total of 332 such counters, of which number, only 24 counters ended the trading day in the red.

The biggest gainer was Artel Solutions Group Holdings Ltd (Code: 931) as investors pushed up its share price by 114.29 percent to 12 cents.

L.K. Technology Holdings Ltd (Code: 558) was the biggest loser of the day, its share price, falling 38.89 percent to 27.50 cents.

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index rose about 2.48 percent to 356.97 points.

The Total Turnover was about \$HK64.80 million, while the ratio of advancing counters to declining ones was about 1.66:One.

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

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

Up 13.78 percent to \$HK8.42 per share

Grand T G Gold Holdings Ltd (Code: 8299)

Up 35.00 percent to \$HK0.027 per share

Cardlink Technology Group Ltd (Code: 8066)

Up 1.15 percent to \$HK0.88 per share

China Information Technology Development Ltd  
(Code: 8178)

Down 8.77 percent to \$HK0.052 per share

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

Up 13.13 percent to \$HK0.224 per share

As for The GEM's biggest movers of the day, there was a total of 40 such counters that qualified, with 8 losers and 32 gainers.

Netel Technology (Holdings) Ltd (Code: 8256) was the biggest gainer of the day as investors pushed up its share price by 50 percent, exactly, to 3 cents.

Brilliant Arts Multi-Media Holding Ltd (Code: 8130) was the biggest loser of the day, its share price, falling 25.88 percent to 31.50 cents.

On The Tokyo Stock Exchange, its TOPIX Index gained about 8.32 percent, running up to 899.37 points.

Advancing counters led declining ones by the ratio of about 8.48:One.

The Nikkei-225 Stock Average rose about 9.96 percent to 9,029.76 yen.

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

The HKSAR	Hang Seng Index Plus 12.82 percent to 14,329.85 The Growth Enterprise Index Plus 2.48 percent to 356.97
Indonesia	Plus 5.41 percent to 1,173.86
Japan	TOPIX Index Plus 8.32 percent to 899.37 Nikkei-225 Stock Average Plus 9.96 percent to 9,029.76
Malaysia	Plus 2.91 percent to 853.56
The Philippines	Plus 4.73 percent to 1,864.93
The PRC	Shanghai Composite Index Plus 2.55 percent to 1,763.61 Shenzhen Composite Index

	Plus 1.15 percent to 477.77
Singapore	Plus 7.82 percent to 1,801.91
South Korea	Plus 11.95 percent to 1,084.72
Taiwan	Plus 6.29 percent to 4,683.64
Thailand	Plus 6.29 percent to 408.31

### **Friday**

In spite of more negative economic news, flowing from numerous, US Government departments, investors on the world's largest and most-important equity markets continued to plough into stocks and shares.

On The New York Stock Exchange, the Dow Jones Industrial Average rang up a gain of another 1.57 percent as investors determined that the final figure of the week should be 9,325.01 points.

As for The NASDAQ, its Composite Index went along for the ride with a gain of about 1.32 percent, ending the trading day – and the month of October – at 1,720.95 points.

The ratio of gainers to losers was about 3:One on both equity markets.

The tally for the week in respect of the world's largest and, unquestionably, most-important equity markets was:

The Dow Jones Industrial Average Plus 11.29 percent  
The NASDAQ's Composite Index Plus 10.88 percent

On the news front, statistics, compiled by the US Commerce Department, showed that US consumers are spending much less, tightening budgets wherever possible and causing financial concerns in many quarters on the High Street.

The fourth quarter of the US economy, therefore, is almost guaranteed to show another contraction, the way that things stand, today, and, if this should come to pass, then, officially, the US economy would have entered into a state of recession.

On European equity markets, investors followed Wall Street's lead: All of the key indices on the most-popular bourses rose, some very materially.

With the US Federal Reserve Board, making credit more accessible, around the world, the thinking of European investors was that everything will come out in the wash.

The share prices of banks bounced up, pulling up the key indices of many a bourse:

Barclay plc Up 12.80 percent  
Anglo Irish Bank Corporation plc Up 23.10 percent  
Bank of Ireland Up 40.00 percent  
Grupo Santader Up 5.40 percent  
Credit Agricole S.A. Up 8.90 percent

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

Amsterdam's AEX Index	Plus	3.89 percent
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France's CAC 40 Index	Plus	2.32 percent
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Germany's Frankfurt XETRA DAX Index	Plus	2.43 percent
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Great Britain's FTSE 100 Index	Plus	1.99 percent
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Italy's MIBTEL Index	Plus	2.57 percent
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Switzerland's Swiss Market Index	Plus	5.32 percent
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On international commodity exchanges, the price of crude oil rose.

The last settlement for a barrel of light sweet crude oil for delivery in December came in at \$US67.81 on The New York Mercantile Exchange (NYMEX), representing a one-day improvement of about 2.80 percent.

As for delivery in January 2009, the last settlement for a barrel of light sweet crude oil was \$US68.48, an increase on Thursday's last quote of about 2.92 percent.

In Asia, there was good news and there was bad news: Investors appeared to be undecided as to what action to take.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors booked profits, where possible, and went home, waiting to see what the weekend would bring.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index shed 2.52 percent of its value, dropping back to 13,968.67 points on a Total Turnover of about \$HK58.47 billion.

Even so, gaining counters outdistanced losing ones by the ratio of about 1.39:One.

The Ten Most Active counters were:

China Life Insurance Company Ltd (Code: 2628)

Down 4.46 percent to \$HK20.35 per share

HSBC Holdings plc (Code: 5)

Down 3.56 percent to \$HK92.00 per share

China Mobile Ltd (Code: 941)

Down 0.44 percent to \$HK67.80 per share

China Construction Bank Corporation (Code: 939)

Down 2.37 percent to \$HK3.70 per share

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

Down 3.01 percent to \$HK3.54 per share

PetroChina Company Ltd (Code: 857)

Down 3.39 percent to \$HK5.70 per share

China Petroleum and Chemical Corporation  
(Code: 386)

Down 2.33 percent to \$HK5.03 per share

CNOOC Ltd (Code: 883)

Up 2.77 percent to \$HK6.30 per share

China Shenhua Energy Company Ltd (Code:  
1088)

Up 4.48 percent to \$HK14.00 per share

Hongkong Exchanges and Clearing Ltd (Code:  
388)

Down 2.32 percent to \$HK75.75 per share

There was a total of 195 double-digit movers on the Main Board, last Friday, with 167 winners and 28 losers.

The biggest winner of the day was Shun Ho Technology Holdings Ltd (Code: 219), its share price, rising 85.19 percent to 50 cents, exactly.

The biggest loser of the day was National Investments Fund Ltd (Code: 1227), its share price, falling 37.50 percent to 3 cents.

On The **G**rowth **E**nterprise **M**arket (**The GEM**) of The Stock Exchange of Hongkong Ltd, its lone index, known as The Growth Enterprise Index, put on about 2.12 percent, rising to 364.53 points.

The Total Turnover on this market was about \$HK65.89 million, while the ratio of gaining counters to losing ones was about 1.04:One.

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

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

Up 9.26 percent to \$HK9.20 per share

Melco LottVentures Ltd (Code: 8198)

Down 25.71 percent to \$HK0.26 per share

Grand T G Gold Holdings Ltd (Code: 8299)

Up 25.93 percent to \$HK0.034 per share

Wumart Stores Incorporated (Code: 8277)

Up 8.73 percent to \$HK6.10 per share

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

Down 5.36 percent to \$HK0.212 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
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AGTech Holdings Ltd	8279		15.38	0.11
Byford International Ltd	8272		13.04	0.20
Changmao Biochemical Engineering Company Ltd	8208	18.42		0.90
China Asean Resources Ltd	8186	18.18		0.065
China LotSynergy Holdings Ltd	8161	18.81		0.12
CIG Yangtze Ports PLC	8233		13.33	0.13
Core Healthcare Investment Holdings Ltd	8250	18.57		0.083
Crosby Capital Ltd	8088	16.67		0.21
Essex Bio-Technology Ltd	8151	14.29		0.16
Everpride Biopharmaceutical Company Ltd	8019	20.00		0.06
FAVA International Holdings Ltd	8108		10.91	0.098
Grand T G Gold Holdings Ltd	8299	25.93		0.034
Hua Xia Healthcare Holdings Ltd	8143	10.20		0.054
Long Success International (Holdings) Ltd	8017		13.79	0.025
M Dream Inworld Ltd	8100	15.38		0.15
Melco LottVentures Ltd	8198		25.71	0.26
Ming Kei Energy Holdings Ltd	8239		12.50	0.14
Neolink Cyber Technology (Holdings) Ltd	8116	36.00		0.034
Prosten Technology Holdings Ltd	8026	12.50		0.36
Sanmenxia Tianyuan Aluminum Company Ltd	8253	35.85		0.36
Shaanxi Northwest New Technology Industry Company Ltd	8258		27.97	0.085
Soluteck Holdings Ltd	8111		12.24	0.086
SYSCAN Technology Holdings Ltd	8083		17.50	0.033

ThinSoft (Holdings) Incorporated	8096	14.29		0.80
Tianjin Binhai Teda Logistics (Group) Corporation Ltd	8348	14.86		0.85
Venturepharm Laboratories Ltd	8225		46.55	0.62
Xi'an Haitian Antenna Technologies Company Ltd	8227		10.00	0.09

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

The Hang Seng Index Plus 10.70 percent  
The Growth Enterprise Index Minus 4.45 percent

On The Tokyo Stock Exchange, its TOPIX Index lost about 3.59 percent, sinking to 867.12 points.

Declining counters outpaced advancing ones by the ratio of about 1.19:One.

The Nikkei-225 Stock Average gave up about 5.01 percent of its value, ending the week at 8,576.98 yen.

The tally for the largest and most-important equity market of Asia was:

The TOPIX Index Plus 7.57 percent  
The Nikkei-225 Stock Average Plus 12.13 percent

In other parts of Asia, this was how the key indices of other equity markets fared on the last day of October 2008:

The HKSAR	Hang Seng Index Minus 2.52 percent to 13,968.67 The Growth Enterprise Index Plus 2.12 percent to 364.53
Indonesia	Plus 7.06 percent to 1,256.70
Japan	TOPIX Index Minus 3.59 percent to 867.12 Nikkei-225 Stock Average Minus 5.01 percent to 8,576.98
Malaysia	Plus 1.18 percent to 863.61
The Philippines	Plus 4.62 percent to 1,951.09
The PRC	Shanghai Composite Index Minus 1.97 percent to 1,728.79 Shenzhen Composite Index Minus 1.44 percent to 470.91
Singapore	Minus 0.43 percent to 1,794.20

South Korea	Plus 2.61 percent to 1,113.06
Taiwan	Plus 3.99 percent to 4,870.66
Thailand	Plus 2.01 percent to 416.53

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