

**CRUNCH TIME ON INTERNATIONAL EQUITY MARKETS –  
THE U.S. FEDERAL RESERVE ISSUES A GLOOMY PROGNOSIS –  
ANOTHER RECESSION SEEMS INEVITABLE !**

The key indices of equity markets, around the world, fell, last Monday, as investors, once again, became more than a little concerned as to what would happen should Greece default on its international financial commitments.

Further, if Greece should default – which seemed likely, probably sooner than later – would it be a messy affair and was it likely that there would be a cascading effect on other member states of the European Union – and, possibly, to other countries, such as the US?

On The New York Stock Exchange, which is the world's largest and most-influential equity market, the Dow Jones Industrial Average lost 108.08 points, equivalent to about 0.94 percent, ending the light trading day at 11,401.01 points.

The Composite Index of The NASDAQ shed 9.48 points, or about 0.36 percent, ending the trading day at 2,612.83 points.

Declining counters outnumbered advancing ones on The New York Stock Exchange and The NASDAQ by the ratio of about 3.46:One and 3.68:One, respectively.

Last Monday's closes of the world's largest equity markets were a small respite from earlier trading conditions, especially in respect of the morning session when the key indices had fallen to much lower levels, compared with the previous Friday's markets.

News Wise

- **President Barack Hussein Obama** unleashed his plan to reduce the US deficit by about \$US3 trillion over the next decade. He is proposing, among other things, slashing healthcare benefits for the elderly by about \$US250 billion, and raising taxes, with emphasis on the rich.

On European bourses, only red ink was used to fill in the closing figures of the key indices of the largest and most-important ones:

Amsterdam's AEX Index                      Minus 2.52 percent

France's CAC 40 Index                      Minus 3.00 percent

Germany's Frankfurt XETRA DAX Index   Minus 2.82 percent

Great Britain's FTSE 100 Index           Minus 2.02 percent

Italy's MIBTEL Index

Minus 3.11 percent

Switzerland's Swiss Market Index

Minus 2.01 percent

As with US investors, Europeans were worried as to the likely effects should Greece default on its financial obligations.

The Government of Greece announced that it needs cash in a hurry or, by the middle of October, the country would be unable to meet its financial obligations – in other words, the country would be completely insolvent.

Quite a number of banks and finance companies are known to be heavily exposed to Greek debt and, in the event that the worst comes to the worst, these enterprises will have to bite their proverbial bullets, with their investors, having to suffer, materially, too.

#### News Wise

- Standard and Poor's, a US financial services company, has chopped off a chunk from **Italy's previous credit rating**: From A+/A-1+ to A/A-1. The outlook for Italy, Standard and Poor's said, was '*negative*.'

#### Currencies

Currency	Last	High	Low	Change	Bid	Ask
EUR/USD	1.3640	1.3688	1.3603	-0.31%	1.3640	1.3645
GBP/USD	1.5679	1.5704	1.5660	-0.15%	1.5679	1.5683
USD/JPY	76.510	76.75	76.550	-0.08%	76.510	76.570
USD/CHF	0.88440	0.88670	0.88190	+0.29%	0.88440	0.88490
USD/CAD	0.99040	0.99410	0.98990	-0.01%	0.99040	0.99090
AUD/USD	1.0226	1.0235	1.0152	+0.06%	1.0226	1.0232

On The New York Mercantile Exchange (NYMEX), the last settlement of a barrel of light sweet crude oil for delivery in October came in at \$US85.70, down about 2.57 percent, compared with the final quote of Friday, September 16, 2011.

As for delivery in November, the last settlement of a barrel of light sweet crude oil was \$US85.81, representing a fall of about 2.69 percent from the last settlement of the previous Friday.

All of the key indices of the equity markets of Asia were in negative territory by the close of trading, last Monday.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key indices of both of the equity markets were deeply down, compared with their closes of the previous Friday.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index, which is the benchmark index of this, the premier equity market of the territory, lost about 2.76 percent, dropping back to 18,917.95 points.

The Total Turnover, however, dropped to about \$HK53.55 billion, a fall of about 25 percent, compared with the volume of activity of Friday, September 16, 2011.

The ratio of losing counters to gaining ones was about 3.44:One.

The Ten Most Active counters were:

China Mobile Ltd (Code: 941)	Down 0.13 percent to \$HK79.15 per share
China Construction Bank Corporation (Code: 939)	Down 2.82 percent to \$HK5.52 per share
Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 4.19 percent to \$HK4.57 per share
HSBC Holdings plc (Code: 5)	Down 2.63 percent to \$HK62.90 per share
Bank of China Ltd (Code: 3988)	Down 3.42 percent to \$HK2.82 per share
CNOOC Ltd (Code: 883)	Down 4.04 percent to \$HK13.30 per share
Anhui Conch Cement Company Ltd (Code: 914)	Down 11.98 percent to \$HK22.40 per share
China Petroleum and Chemical Corporation (Code: 386)	Unchanged at \$HK7.55 per share
China Coal Energy Company Ltd (Code: 1898)	Down 16.82 percent to \$HK8.26 per share
Hutchison Whampoa Ltd (Code: 13)	Down 5.42 percent to \$HK63.70 per share

The biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Coal Energy Company Ltd	1898		16.80	8.26
China Kingstone Mining Holdings Ltd	1380		16.20	0.98
Esprit Holdings Ltd	330		19.80	9.80

Fook Woo Group Holdings Ltd	923		15.10	1.41
Haier Electronics Group Company Ltd	1169		16.20	5.85
Lansen Pharmaceutical Holdings Ltd	503		17.40	1.90
NVC Lighting Holding Ltd	2222		17.80	2.64
Skyworth Digital Holdings Ltd	751		15.00	3.41
World Houseware (Holdings) Ltd	713	17.90		0.33

On The **Growth Enterprise Market (The GEM)** of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index shed about 2.16 percent, dropping to 515.83 points.

The Total Turnover on this market was about \$HK114.51 million.

Declining counters outpaced advancing ones by exactly 3.00:One.

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

SUNeVision Holdings Ltd (Code: 8008)

Up 4.76 percent to \$HK1.10 per share

ZMAY Holdings Ltd (Code: 8085)

Unchanged at \$HK0.085 per share

Honbridge Holdings Ltd (Code: 8137)

Down 1.06 percent to \$HK1.86 per share

Gayety Holdings Ltd (Code: 8179)

Down 1.71 percent to \$HK2.30 per share

China Leason Investment Group Company Ltd  
(Code: 8270)

Down 21.88 percent to \$HK0.25 per share

The GEM's double-digit movers included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Leason Investment Group Company Ltd	8270		21.90	0.25
China Primary Resources Holdings Ltd	8117		12.50	0.042
Global Energy Resources International Group Ltd	8192	14.30		0.192
Hongkong Life Group Holdings Ltd	8212		10.70	0.375

Media Asia Group Holdings Ltd	8075		10.80	0.165
Ningbo Yidong Electronic Company Ltd	8249		13.90	0.155
Timeless Software Ltd	8028		10.10	0.125
Unlimited Creativity Holdings Ltd	8079		35.30	0.55
WLS Holdings Ltd	8021		10.60	0.084

The equity markets of Japan were closed for a national holiday, last Monday.

This was how things looked on other Asian stock markets, last Monday night:

The HKSAR	Hang Seng Index Minus 2.76 percent to 18,917.95 The Growth Enterprise Index Minus 2.16 percent to 515.83
Indonesia	Minus 2.09 percent to 3,755.05
Japan	TOPIX Index Closed Nikkei-225 Stock Average Closed
Malaysia	Minus 1.24 percent to 1,413.12
The Philippines	Plus 0.42 percent to 4,307.99
The PRC	Shanghai Composite Index Minus 1.79 percent to 2,437.80 Shenzhen Composite Index Minus 2.07 percent to 1,067.48
Singapore	Minus 1.14 percent to 2,757.23
South Korea	Minus 1.04 percent to 1,820.94
Taiwan	Minus 1.27 percent to 7,480.88
Thailand	Minus 1.56 percent to 1,017.19

## Tuesday

After what appeared, initially, as though it were the beginnings of a bullish day on the world's largest equity markets, there was a change of heart in the majority of investors and the key indices started to slide ... down, down, down.

On The New York Stock Exchange, the Dow Jones Industrial Average lost about 0.07 percent, ending the trading day at 11,408.66 points.

The Composite Index of The NASDAQ shed about 0.86 percent, coming to rest at 2,590.24 points.

The closing figures were diametrically opposed to early trading conditions when all of the key indices had recorded gains of one percent or more.

The volume of activity was equivalent to about 84 percent of the average daily turnover of 2010.

The ratio of losing counters to gaining ones was about 1.72:One on The New York Stock Exchange and about 2.60:One on The NASDAQ.

Last Tuesday was the first day of the Open Market Committee Meeting of the Federal Reserve and investors, the world over, were anxious to learn of any and all determinations, forthcoming from this important meeting: The Fed is, de facto, The Central Bank of the United States of America.

## News Wise

- The **I**nternational **M**onetary **F**und (**IMF**) has gone on record, stating that the world had entered a dangerous new phase. The IMF warned that the economies of the US and eurozone could well fall back into another recession. It, also, stated that 2012 would be worse than 2011, with international economic growth, being about 4 percent, a 20-percentile fall from the forecast of 2011.

On European bourses, things looked a great deal better than they did on Monday.

The situation with regard to Greece was that negotiations between the European Union and the IMF and with the Government of this cash-strapped country were ongoing and it appeared, last Tuesday, that things were well on the road to an amicable solution for this country, which was the cradle of democracy.

Greece, it appeared, would not be going to the wall, after all – at least, not at this juncture.

Investors in this part of the world, as with their US counterparts, were awaiting the results of the 2-day, Open Market Committee Meeting of The Fed.

This was how the key indices of **TARGET**'s select list of the largest and most-important equity markets of Europe fared, last Tuesday:

Amsterdam's AEX Index	Plus	1.78 percent
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France's CAC 40 Index	Plus	1.49 percent
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Germany's Frankfurt XETRA DAX Index	Plus	2.87 percent
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Great Britain's FTSE 100 Index	Plus	1.98 percent
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Italy's MIBTEL Index                      Plus    1.69 percent

Switzerland's Swiss Market Index       Plus    1.82 percent

### Currencies

Currency	Last	High	Low	Change	Bid	Ask
EUR/USD	1.3715	1.3721	1.3682	+0.09%	1.3715	1.3720
GBP/USD	1.5727	1.5745	1.5729	-0.04%	1.5727	1.5731
USD/JPY	76.320	76.510	76.150	-0.12%	76.320	76.380
USD/CHF	0.88610	0.88840	0.88530	-0.15%	0.88610	0.88660
USD/CAD	0.99380	0.99440	0.99150	+0.13%	0.99380	0.99430
AUD/USD	1.0261	1.0277	1.0236	-0.14%	1.0261	1.0267

On The New York Mercantile Exchange (NYMEX), the last settlement of a barrel of light sweet crude oil for delivery in October came in at \$US86.89, up about 1.39 percent on Monday's close.

For delivery in November, the last settlement of a barrel of light sweet crude oil was \$US86.92, representing a one-day, price-improvement of about 1.29 percent.

On Asian equity markets, the key indices of the majority of them were in the black by the close of the day, but there were some big losers in this region of the world, also.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the benchmark index of the premier equity market rose, fractionally, but the lone index of the secondary market fell out of bed, once more.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index gained about 0.51 percent to 19,014.80 points on a Total Turnover of about \$HK63.77 billion.

The ratio of declining counters to advancing ones was about 1.39:One.

The Ten Most Active counters were:

China Mobile Ltd (Code: 941)

Up 1.26 percent to \$HK80.15 per share

HSBC Holdings plc (Code: 5)

Up 0.95 percent to \$HK63.50 per share

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

Down 0.22 percent to \$HK4.56 per share

China Coal Energy Company Ltd (Code: 1898)

Up 4.24 percent to \$HK8.61 per share

China Construction Bank Corporation (Code:  
939)

Up 0.36 percent to \$HK5.54 per share

Bank of China Ltd (Code: 3988)

Up 0.71 percent to \$HK2.84 per share

China National Building Material Company Ltd  
(Code: 3323)

Down 5.07 percent to \$HK7.87 per share

CNOOC Ltd (Code: 883)

Down 0.30 percent to \$HK13.26 per share

Tencent Holdings Ltd (Code: 700)

Down 0.87 percent to \$HK171.90 per share

PetroChina Company Ltd (Code: 857)

Down 0.10 percent to \$HK9.52 per share

The biggest movers on this market included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Addchance Holdings Ltd	3344		16.20	0.62
Asia Coal Ltd	835	15.80		0.11
China Financial Leasing Group Ltd	2312	18.60		0.14
Man Wah Holdings Ltd	1999		15.00	3.74
Qianlong Technology International Holdings Ltd	1236		24.40	0.68
Radford Capital Investment Ltd	901		21.40	0.44
Solartech International Holdings Ltd	1166	16.20		0.208

On The **Growth Enterprise Market (The GEM)** of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index surrendered about 2.48 percent, dropping back to 503.02 points.

The Total Turnover on this (speculative) market was about \$HK126.87 million, while the ratio of losing counters to gaining ones was about 2.27:One.

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

Global Energy Resources International Group Ltd

Up 8.33 percent to \$HK0.208 per share



(Code: 8192)

SUNeVision Holdings Ltd (Code: 8008)

Down 4.55 percent to \$HK1.05 per share

Ruifeng Petroleum Chemical Holdings Ltd (Code:  
8096)

Down 3.80 percent to \$HK0.76 per share

Seamless Green China (Holdings) Ltd (Code:  
8150)

Unchanged at \$HK1.11 per share

Credit China Holdings Ltd (Code: 8207)

Down 12.86 percent to \$HK0.61 per share

The GEM's double-digit movers included:

<b>Name of Company</b>	<b>Code</b>	<b>Increase (%)</b>	<b>Decrease (%)</b>	<b>Closing Price (\$HK)</b>
Asian Capital Resources (Holdings) Ltd	8025	11.60		0.48
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd	8095	12.50		0.36
Brilliance Worldwide Holdings Ltd	8312		13.10	0.113
China Electric Power Technology Holdings Ltd	8053	20.30		0.071
China Leason Investment Group Company Ltd	8270		16.40	0.209
China Post E-Commerce (Holdings) Ltd	8041		11.30	0.134
Credit China Holdings Ltd	8207		12.90	0.61
Directel Holdings Ltd	8337	16.90		0.187
Epicurean and Company Ltd	8213	10.50		0.095
Global Link Communications Holdings Ltd	8060		11.80	0.105
GreaterChina Professional Services Ltd	8193	19.70		0.249
Hongkong Life Group Holdings Ltd	8212	12.00		0.42
Sing Lee Software (Group) Ltd	8076		19.60	0.39
Unlimited Creativity Holdings Ltd	8079		32.70	0.37

Venturepharm Laboratories Ltd	8225		18.00	0.50
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On The Tokyo Stock Exchange, which is the largest equity market of Asia and the second-largest equity market of the world, its TOPIX Index gave up about 1.70 percent, dropping to 755.04 points.

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, moved down ¥142.92, or about 1.61 percent, ending the trading day at ¥8,721.24, compared with the closing level of Friday, September 16, 2011.

The ratio of losing counters to gaining ones was about 7.44:One.

This was how the situation looked on other Asian stock markets, last Tuesday night:

The HKSAR	Hang Seng Index Plus 0.51 percent to 19,014.80 The Growth Enterprise Index Minus 2.48 percent to 503.02
Indonesia	Minus 0.08 percent to 3,752.11
Japan	TOPIX Index Minus 1.70 percent to 755.04 Nikkei-225 Stock Average Minus 1.61 percent to 8,721.24
Malaysia	Minus 0.18 percent to 1,410.64
The Philippines	Minus 2.05 percent to 4,219.82
The PRC	Shanghai Composite Index Plus 0.41 percent to 2,447.75 Shenzhen Composite Index Plus 0.39 percent to 1,071.60
Singapore	Plus 0.86 percent to 2,780.84
South Korea	Plus 0.94 percent to 1,837.97
Taiwan	Plus 0.16 percent to 7,492.85
Thailand	Plus 0.89 percent to 1,026.28

**Wednesday**

The US Federal Reserve was blamed for the crunch on US equity markets, last Wednesday.

The Fed announced what has come to be known as its 'Operation Twist', which, in essence, is switching medium-term, maturing bonds for longer-term debt products.

It is hoped that this operation will help to keep interest rates low and, perhaps, boost mortgage lending and lending to businesses and, at the same time, create more liquidity in the money markets.

The Fed, also, painted a rather gloomy picture of the US economy, however.

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

*'Information received since the Federal Open Market Committee met in August indicates that economic growth remains slow. Recent indicators point to continuing weakness in overall labor market conditions, and the unemployment rate remains elevated. Household spending has been increasing at only a modest pace in recent months despite some recovery in sales of motor vehicles as supply-chain disruptions eased. Investment in nonresidential structures is still weak, and the housing sector remains depressed. However, business investment in equipment and software continues to expand. Inflation appears to have moderated since earlier in the year as prices of energy and some commodities have declined from their peaks. Longer-term inflation expectations have remained stable.*

*Consistent with its statutory mandate, the Committee seeks to foster maximum employment and price stability. The Committee continues to expect some pickup in the pace of recovery over coming quarters but anticipates that the unemployment rate will decline only gradually toward levels that the Committee judges to be consistent with its dual mandate. Moreover, there are significant downside risks to the economic outlook, including strains in global financial markets. The Committee also anticipates that inflation will settle, over coming quarters, at levels at or below those consistent with the Committee's dual mandate as the effects of past energy and other commodity price increases dissipate further. However, the Committee will continue to pay close attention to the evolution of inflation and inflation expectations.*

*'To support a stronger economic recovery and to help ensure that inflation, over time, is at levels consistent with the dual mandate, the Committee decided today to extend the average maturity of its holdings of securities. The Committee intends to purchase, by the end of June 2012, \$400 billion of Treasury securities with remaining maturities of 6 years to 30 years and to sell an equal amount of Treasury securities with remaining maturities of 3 years or less. This program should put downward pressure on longer-term interest rates and help make broader financial conditions more accommodative. The Committee will regularly review the size and composition of its securities holdings and is prepared to adjust those holdings as appropriate.*

*'To help support conditions in mortgage markets, the Committee will now reinvest principal payments from its holdings of agency debt and agency mortgage-backed securities in agency mortgage-backed securities. In addition, the Committee will maintain its existing policy of rolling over maturing Treasury securities at auction.*

*'The Committee also decided to keep the target range for the federal funds rate at 0 to 1/4 percent and currently anticipates that economic conditions -- including low rates of resource utilization and a subdued outlook for inflation over the medium run--are likely to warrant exceptionally low levels for the federal funds rate at least through mid-2013.*

*'The Committee discussed the range of policy tools available to promote a stronger economic recovery in a context of price stability. It will continue to assess the economic outlook in light of incoming information and is prepared to employ its tools as appropriate.*

*'Voting for the FOMC monetary policy action were: Ben S. Bernanke, Chairman; William C. Dudley, Vice Chairman; Elizabeth A. Duke; Charles L. Evans; Sarah Bloom Raskin; Daniel K. Tarullo; and Janet L. Yellen. Voting against the action were Richard W. Fisher, Narayana Kocherlakota, and Charles I. Plosser, who did not support additional policy accommodation at this time.'*

On Wall Street, investors did not like what they heard.

On The New York Stock Exchange, the Dow Jones Industrial Average gave up about 2.49 percent, dropping back to 11,124.84 points.

The Composite Index of The NASDAQ shed about 2.01 percent, ending the heavy trading day at 2,538.19 points.

The volume of activity was about 110 percent of the average daily turnover of 2010.

The ratio of losing counters to gaining ones on The New York Stock Exchange and The NASDAQ was about 5.90:One and 4.87:One, respectively.

#### News Wise

- The **International Monetary Fund (IMF)**, in its latest Global Financial Stability Report, has gone on record, stating, inter alia, that the international financial system is more vulnerable today than it has been since 2008. The IMF said that a number of European banks '*urgently need to bolster their capital levels.*' The IMF said that time was running out; and,
- Moody's Corporation has cut the **debt ratings** of Bank of America Corporation, Wells Fargo and Company and Citigroup Incorporated.

On European bourses, there was pandemonium among many investors.

With the lone exception of the Swiss Market Index, all of the other indices of the major equity markets fell in sympathy to that which was transpiring on Wall Street.

Also, the IMF statement that a number of European banks needed refinancing did not sit well with many investors.

In addition, the price of crude oil came off, once again, and, since the largest equity markets of Europe are encrusted with a goodly number of commodity counters, that situation, also, did not sit well among the investment community.

This was how the key indices of **TARGET's** select list of the largest and most-important equity markets of this part of the world fared, last Wednesday:

Amsterdam's AEX Index	Minus 1.38 percent
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France's CAC 40 Index	Minus 1.61 percent
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Germany's Frankfurt XETRA DAX Index	Minus 2.47 percent
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Great Britain's FTSE 100 Index	Minus 1.40 percent
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Italy's MIBTEL Index	Minus 1.37 percent
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Switzerland's Swiss Market Index	Plus 0.21 percent
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## Currencies

Currency	Last	High	Low	Change	Bid	Ask
<b>EUR/USD</b>	1.3551	1.3600	1.3556	-0.15%	1.3551	1.3556
<b>GBP/USD</b>	1.5475	1.5517	1.5478	-0.15%	1.5475	1.5479
<b>USD/JPY</b>	76.880	76.940	76.440	+0.60%	76.880	76.930
<b>USD/CHF</b>	0.90060	0.90150	0.89800	+0.09%	0.90060	0.90110
<b>USD/CAD</b>	1.0095	1.0097	1.0056	+0.15%	1.0095	1.0100
<b>AUD/USD</b>	1.0013	1.0077	1.0018	-0.27%	1.0013	1.0018

On The New York Mercantile Exchange (NYMEX), which is the largest commodity exchange in the world, the price of crude oil for delivery in November, which became the new front month, last Wednesday, fell about 1.15 percent to \$US85.92 per barrel.

As for delivery in December, the last settlement of a barrel of light sweet crude oil was \$US86.18, representing a one-day, price-fall of about 1.14 percent.

On Asian equity markets, generally investors were up-market about the near-term prospects for stocks and shares.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key indices of both stock markets lost traction.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index, which is the benchmark index of the premier equity market of the territory, lost exactly one percent of its value, ending the trading day at 18,824.17 points.

The Total Turnover was about \$HK65.72 billion.

The ratio of losing counters to gaining ones was about 1.54:One.

The Ten Most Active counters were:

China Construction Bank Corporation (Code:  
939)

Down 2.17 percent to \$HK5.42 per share

China Mobile Ltd (Code: 941)

Down 0.44 percent to \$HK79.80 per share

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

Down 1.54 percent to \$HK4.49 per share

Bank of China Ltd (Code: 3988)

Down 1.41 percent to \$HK2.80 per share

China National Building Material Company Ltd  
(Code: 3323)

Down 0.38 percent to \$HK7.84 per share

China Life Insurance Company Ltd (Code: 2628)

Up 1.61 percent to \$HK18.98 per share

Tencent Holdings Ltd (Code: 700)

Down 2.04 percent to \$HK168.40 per share

HSBC Holdings plc (Code: 5)

Down 0.94 percent to \$HK62.90 per share

CNOOC Ltd (Code: 883)

Down 2.26 percent to \$HK12.96 per share

AIA Group Ltd (Code: 1299)

Down 3.07 percent to \$HK23.70 per share

The biggest movers of this market included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Financial Leasing Group Ltd	2312	96.40		0.275
China Gogreen Assets Investment Ltd	397	16.90		0.076
CNNC International Ltd	2302	18.60		2.49
Dore Holdings Ltd	628	15.00		0.069
IDT International Ltd	167		18.00	0.114
Jinchuan Group International Resources Company Ltd	2362		19.00	2.00
Oriental Ginza Holdings Ltd	996	17.60		0.40
Radford Capital Investment Ltd	901	20.50		0.53
Wo Kee Hong (Holdings) Ltd	720	17.60		0.30

On The **Growth Enterprise Market (The GEM)** of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gave up about 0.62 percent, dropping to 499.90 points.

The Total Turnover on this market was about \$HK108.04 million, with losing counters, outnumbering gaining ones by the ratio of about 1.37:One.

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

Credit China Holdings Ltd (Code: 8207)

Unchanged at \$HK0.61 per share

Sage International Group Ltd (Code: 8082)

Down 6.33 percent to \$HK0.37 per share

Seamless Green China (Holdings) Ltd (Code: 8150)

Up 0.90 percent to \$HK1.12 per share

China E-Learning Group Ltd (Code: 8055)

Unchanged at \$HK0.305 per share

China Leason Investment Group Company Ltd  
(Code: 8270)

Up 29.19 percent to \$HK0.27 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Beijing Beida Jade Bird Universal Sci-Tech Company Ltd	8095		13.90	0.31
China Leason Investment Group Company Ltd	8270	29.20		0.27
China Public Healthcare (Holding) Ltd	8116		16.30	0.041
Directel Holdings Ltd	8337		12.80	0.163
MelcoLot Ltd	8198	10.60		0.104
Sanmenxia Tianyuan Aluminum Company Ltd	8253	19.30		0.068
Shaanxi Northwest New Technology Industry Company Ltd	8258		11.10	0.144
Timeless Software Ltd	8028	10.30		0.15
TLT Lottotainment Group Ltd	8022	11.10		0.09
Viva China Holdings Ltd	8032		12.00	0.081

On The Tokyo Stock Exchange, which is the largest equity market of Asia, its TOPIX Index rose about 0.28 percent to 757.13 points.

The Nikkei-225 Stock Average gained about 0.23 percent to ¥8,741.16.

Declining counters outpaced advancing ones by the ratio of about 1.69:One.

And this was how things panned out on other Asian equity markets, last Wednesday night:

The HKSAR	Hang Seng Index Minus 1.00 percent to 18,824.17 The Growth Enterprise Index Minus 0.62 percent to 499.90
Indonesia	Minus 1.46 percent to 3,697.49
Japan	TOPIX Index Plus 0.28 percent to 757.13 Nikkei-225 Stock Average Plus 0.23 percent to 8,741.16
Malaysia	Plus 0.60 percent to 1,419.04
The Philippines	Minus 0.37 percent to 4,204.29
The PRC	Shanghai Composite Index Plus 2.66 percent to 2,512.96 Shenzhen Composite Index Plus 2.86 percent to 1,102.29
Singapore	Plus 0.39 percent to 2,791.79
South Korea	Plus 0.89 percent to 1,854.28
Taiwan	Plus 0.57 percent to 7,535.88
Thailand	Plus 0.32 percent to 1,029.59

### **Thursday**

Crunch!

The key indices of just about every major equity market, the world over, fell as utter panic gripped equity investors.

On The New York Stock Exchange, the Dow Jones Industrial ended the Thursday trading session at 10,733.83 points, down about 3.51 percent on Wednesday's closing level.

But, earlier in trading day, The Dow was off more than 4.70 percent!

On The NASDAQ, its Composite Index surrendered 3.25 percent as investors pulled it back to 2,455.67 points.

The volume of activity on the world's largest equity markets was about 157 percent of the average daily



turnover of 2010.

A high volume of activity on a rapidly falling market is never a healthy sign.

The ratio of declining counters to advancing ones on The New York Stock Exchange and The NASDAQ was about 7.94:One and 6.32:One, respectively.

Wall Street investors were reacting to the determinations of the US Federal Reserve as well as its stated concerns for the US economy in the near future.

Also, the contents of the Global Financial Stability Report of The International Monetary Fund (IMF) did not make for pleasant reading. (Please refer to Wednesday's report)

On the major European bourses, it was a similar story to that, being told on Wall Street, with the added problem of the rapidly falling price of crude oil.

This was how the situation looked on **TARGET's** select list of the most-important equity markets of this part of the world:

Amsterdam's AEX Index                      Minus 4.43 percent

France's CAC 40 Index                      Minus 5.25 percent

Germany's Frankfurt XETRA DAX Index   Minus 4.96 percent

Great Britain's FTSE 100 Index           Minus 4.63 percent

Italy's MIBTEL Index                      Minus 4.62 percent

Switzerland's Swiss Market Index       Minus 3.32 percent

#### News Wise

- For the first time in 24 months, eurozone's private sector contracted in September, according to **Markit's Purchasing Managers' Index**. And things are expected to deteriorate further in the coming months. Factory output in the 17 member states of eurozone – those that have adopted the euro as their common currency – contracted for the second month in succession.

#### Currencies

Currency	Last	High	Low	Change	Bid	Ask
EUR/USD	1.3520	1.3565	1.3458	+0.44%	1.3520	1.3525
GBP/USD	1.5393	1.5433	1.5336	+0.35%	1.5393	1.5397
USD/JPY	76.190	76.330	76.220	-0.04%	76.190	76.25

<b>USD/CHF</b>	0.90600	0.90870	0.90490	-0.26%	0.90600	0.90650
<b>USD/CAD</b>	1.0254	1.0296	1.0228	-0.29%	1.0254	1.0259
<b>AUD/USD</b>	0.97850	0.98600	0.97270	+0.45%	0.97850	0.97900

On The New York Mercantile Exchange (NYMEX), the last settlement of a barrel of light sweet crude oil for delivery in November came in at \$US80.51, down about 6.30 percent on Wednesday's final quote.

As for delivery in December, the last settlement of a barrel of light sweet crude oil was \$US80.75, off also about 6.30 percent, compared with Wednesday's last settlement.

On Asian equity markets, it was a day that many an investor would like to forget: Every key index of every equity market dropped more than one percent, led by the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), its benchmark index, losing in excess of 4 percent.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index fell back about 4.85 percent to 17,911.95 points on a Total Turnover of about \$HK82.98 billion.

The ratio of losing counters to gaining ones was about 3.69:One.

The Ten Most Active counters, all of which were material losers, were:

China Mobile Ltd (Code: 941)

Down 2.76 percent to \$HK77.60 per share

China Construction Bank Corporation (Code: 939)

Down 5.35 percent to \$HK5.13 per share

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

Down 7.57 percent to \$HK4.15 per share

HSBC Holdings plc (Code: 5)

Down 3.58 percent to \$HK60.65 per share

AIA Group Ltd (Code: 1299)

Down 8.86 percent to \$HK21.60 per share

Bank of China Ltd (Code: 3988)

Down 6.43 percent to \$HK2.62 per share

Tencent Holdings Ltd (Code: 700)

Down 7.01 percent to \$HK156.60 per share

CNOOC Ltd (Code: 883)

Down 7.72 percent to \$HK11.96 per share

China Life Insurance Company Ltd (Code: 2628)

Down 2.11 percent to \$HK18.58 per share

PetroChina Company Ltd (Code: 857)

Down 3.70 percent to \$HK9.10 per share

As for the biggest movers of this market, they included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Beijing North Star Company Ltd	588		15.70	1.13
Chevalier Pacific Holdings Ltd	508		17.40	0.181
China New Economy Fund Ltd	80		27.00	0.46
China Railsmedia Corporation Ltd	745		15.70	0.07
Enterprise Development Holdings Ltd	1808		17.30	0.211
Global Bio-chem Technology Group Company Ltd	809		15.20	1.34
Global Tech (Holdings) Ltd	143	28.00		0.032
Greentown China Holdings Ltd	3900		16.20	4.49
Joyce Boutique Holdings Ltd	647		16.70	0.65
Ming Fung Jewellery Group Ltd	860		17.90	0.435
New Capital International Investment Ltd	1062		25.00	0.69
Radford Capital Investment Ltd	901		15.10	0.45
Renhe Commercial Holdings Company Ltd	1387		18.60	0.92
Sino Resources Group Ltd	223		19.40	0.25
SmarTone Telecommunications Holdings Ltd	315		17.50	13.70
TC Interconnect Holdings Ltd	515		19.60	0.90
Telefield International (Holdings) Ltd	1143		24.10	0.44
V.S. International Group Ltd	1002		22.90	0.064

On The **Growth Enterprise Market (The GEM)** of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index gave up about 4.61 percent, dropping to 476.85 points.

The Total Turnover on this (speculative) market was about \$HK125.83 million.

Declining counters outnumbered advancing ones by the ratio of about 5.53:One.

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

ZMAY Holdings Ltd (Code: 8085)

Down 7.61 percent to \$HK0.085 per share

SUNeVision Holdings Ltd (Code: 8008)

Down 8.41 percent to \$HK0.98 per share

Gayety Holdings Ltd (Code: 8179)

Down 3.48 percent to \$HK2.22 per share

China Post E-Commerce (Holdings) Ltd (Code:  
8041)

Up 3.97 percent to \$HK0.131 per share

China AU Group Holdings Ltd (Code: 8176)

Up 1.33 percent to \$HK0.153 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China 3D Digital Entertainment Ltd	8078		16.70	0.01
China Railway Logistics Ltd	8089		10.00	0.36
Eternite International Company Ltd	8351		19.40	0.54
FlexSystem Holdings Ltd	8050		14.30	0.30
Global Digital Creations Holdings Ltd	8271		12.60	0.215
Global Link Communications Holdings Ltd	8060		11.90	0.089
Hua Xia Healthcare Holdings Ltd	8143		11.40	0.14
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049		11.90	0.74
Long Success International (Holdings) Ltd	8017		14.40	0.095
MelcoLot Ltd	8198		11.50	0.092
Neo Telemedia Ltd	8167		10.80	0.223
Netel Technology (Holdings) Ltd	8256	10.00		0.077

Ningbo Yidong Electronic Company Ltd	8249		11.00	0.138
North Asia Strategic Holdings Ltd	8080		10.80	0.033
Pan Asia Mining Ltd	8173		10.70	0.25
Sanmenxia Tianyuan Aluminum Company Ltd	8253		16.20	0.057
Trasy Gold Ex Ltd	8063		10.00	0.72
Unlimited Creativity Holdings Ltd	8079		60.00	0.152
Venturepharm Laboratories Ltd	8225		23.10	0.40
Xi'an Haitian Antenna Technologies Company Ltd	8227	13.80		0.239
Zhejiang Prospect Company Ltd	8273	32.70		1.30

On the equity markets of The Land of The Rising Sun, the key indices, also, collapsed, but the situation would have been even worse had it not been for a typhoon that had struck the country, causing havoc.

On The Tokyo Stock Exchange, its TOPIX Index lost about 1.66 percent, ending the trading session at 744.54 points.

The Nikkei-225 Stock Average shed about 2.07 percent, coming to rest at supertime at ¥8,560.26.

Losing counters outpaced advancing ones by the ratio of about 3.00:One.

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

The HKSAR	Hang Seng Index Minus 4.85 percent to 17,911.95 The Growth Enterprise Index Minus 4.61 percent to 476.85
Indonesia	Minus 8.88 percent to 3,369.14
Japan	TOPIX Index Minus 1.66 percent to 744.54 Nikkei-225 Stock Average Minus 2.07 percent to 8,560.26
Malaysia	Minus 2.20 percent to 1,387.81
The Philippines	Minus 2.57 percent to 4,096.10

The PRC	Shanghai Composite Index Minus 2.78 percent to 2,443.06 Shenzhen Composite Index Minus 2.86 percent to 1,070.79
Singapore	Minus 2.55 percent to 2,720.53
South Korea	Minus 2.90 percent to 1,800.55
Taiwan	Minus 3.06 percent to 7,305.50
Thailand	Minus 3.79 percent to 990.59

## Friday

Short covering, probably, saved the bacon, so to speak, last Friday, as the key indices on the world's largest equity markets rose.

On The New York Stock Exchange, the Dow Jones Industrial Average gained about 0.35 percent, ending the trading session at 10,771.02 points.

The Composite Index of The NASDAQ rose about 1.12 percent to 2,483.23 points.

The ratio of gaining counters to losing ones was about 1.71:One on The New York Stock Exchange and about 2.12:One on The NADAQ.

The volume of activity was equivalent to about 105 percent of the average daily turnover of 2010.

Materially, nothing had transpired between Thursday and Friday and, in truth, there was no apparent reason for the world's 2 largest equity markets to record gains. But nobody was complaining, especially after the key indices had chalked up some of the biggest losses in 5 trading days since 2008.

The tally for the week was:

The Dow Jones Industrial Average	Minus 6.41 percent
The Composite Index of The NASDAQ	Minus 5.30 percent

## News Wise

- Mr David Lawrence et al has issued a lawsuit against **Bank of America Corporation**, the largest bank in the US, claiming unspecified damages against the bank. This is a class action. The basis for the Action is that the bank did not disclose that it, potentially, owes about \$US10 billion to **American International Group Incorporated** in respect of mortgage-backed securities.

On European bourses, the key indices, for the most part, were described as being flat by the close of their respective trading days: There were only fractional changes.

As with their American counterparts, there was a great deal of short-covering and that was seen, especially, in the banking sector of the markets.

This was how the key indices of the most-important bourses ended, last Friday night:

Amsterdam's AEX Index                      Plus    0.48 percent

France's CAC 40 Index                      Plus    1.02 percent

Germany's Frankfurt XETRA DAX Index   Plus    0.62 percent

Great Britain's FTSE 100 Index           Plus    0.20 percent

Italy's MIBTEL Index                      Plus    1.02 percent

Switzerland's Swiss Market Index       Plus    0.20 percent

### Currencies

Currency	Last	High	Low	Change	Bid	Ask
<b>EUR/USD</b>	1.3499	1.3565	1.3422	+0.28%	1.3499	1.3504
<b>GBP/USD</b>	1.5456	1.5489	1.5336	+0.76%	1.5456	1.5460
<b>USD/JPY</b>	76.580	76.860	76.180	+0.47%	76.580	76.640
<b>USD/CHF</b>	0.90470	0.90870	0.89990	-0.41%	0.90470	0.90520
<b>USD/CAD</b>	1.0280	1.0347	1.0228	-0.04%	1.0280	1.0285
<b>AUD/USD</b>	0.97780	0.98640	0.96720	+0.38%	0.97780	0.97830

On The New York Mercantile Exchange (NYMEX), the last settlement of a barrel of light sweet crude oil for delivery in November was \$US79.85, down another 0.82 percent.

As for delivery in December, the last settlement of a barrel of light sweet crude oil came in at \$US80.12, representing a one-day, price-fall of about 0.78 percent.

On Asian equity markets, their respective key indices continued to fall, last Friday: There was little respite.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the key indices of the territory's stock markets lost more ground.

On the Main Board of The Stock Exchange of Hongkong Ltd, The Hang Seng Index finished the week at 17,668.83 points, representing a fall of about 1.36 percent on Thursday's closing level.

The Total Turnover on this market was about \$HK97.12 billion.

The ratio of losing counters to gaining ones was about 1.48:One.

The Ten Most Active counters were:

Industrial and Commercial Bank of China Ltd (Code: 1398)	Down 4.58 percent to \$HK3.96 per share
China Mobile Ltd (Code: 941)	Down 2.77 percent to \$HK75.45 per share
China Construction Bank Corporation (Code: 939)	Down 2.14 percent to \$HK5.02 per share
HSBC Holdings plc (Code: 5)	Down 1.90 percent to \$HK59.50 per share
Bank of China Ltd (Code: 3988)	Down 3.05 percent to \$HK2.54 per share
China Life Insurance Company Ltd (Code: 2628)	Down 3.23 percent to \$HK17.98 per share
Ping An Insurance (Group) Company of China Ltd (Code: 2318)	Down 6.28 percent to \$HK49.25 per share
Hutchison Whampoa Ltd (Code: 13)	Up 3.67 percent to \$HK62.15 per share
CNOOC Ltd (Code: 883)	Down 1.00 percent to \$HK11.84 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 3.01 percent to \$HK93.50 per share

The biggest movers on this, the second-largest equity market of Asia, included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Environmental Energy Investment Ltd	986	15.80		0.154
China Investment Fund Company Ltd	612	35.30		0.28
China Wireless Technologies Ltd	2369	19.00		1.19
Decca Holdings Ltd	997		25.00	1.02
Fortune Sun (China) Holdings Ltd	352		20.40	0.43
Jinchuan Group International Resources Company Ltd	2362	15.80		2.20



Ko Yo Chemical (Group) Ltd	827		16.90	0.113
Matrix Holdings Ltd	1005		15.80	0.85
Qianlong Technology International Holdings Ltd	1236	27.90		0.87
Samling Global Ltd	3938		30.70	0.395
Sino Haijing Holdings Ltd	1106		20.70	0.119
Tack Fat Group International Ltd	928	33.30		0.16
TCL Communication Technology Holdings Ltd	2618		15.70	3.06
UBA Investments Ltd	768	17.30		0.088
V.S. International Group Ltd	1002	20.30		0.077
World Houseware (Holdings) Ltd	713		15.30	0.25

On The **Growth Enterprise Market (The GEM)** of The Stock Exchange of Hongkong Ltd, its Growth Enterprise Index lost about 2.50 percent of its value, dropping back to 464.92 points.

The Total Turnover on this market was about \$HK141.69 million.

The ratio of losers to gainers was about 3.32:One.

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

ZMAY Holdings Ltd (Code: 8085)

Down 2.35 percent to \$HK0.083 per share

SUNeVision Holdings Ltd (Code: 8008)

Unchanged at \$HK0.98 per share

Credit China Holdings Ltd (Code: 8207)

Down 1.75 percent to \$HK0.56 per share

Long Success International (Holdings) Ltd (Code:  
8017)

Up 2.11 percent to \$HK0.097 per share

China Post E-Commerce (Holdings) Ltd (Code:  
8041)

Up 19.08 percent to \$HK0.156 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
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Advanced Card Systems Holdings Ltd	8210		10.00	0.27
Bingo Group Holdings Ltd	8220		14.50	0.094
China 33 Media Group Ltd	8087		25.40	0.50
China AU Group Holdings Ltd	8176	13.10		0.173
China Leason Investment Group Company Ltd	8270	11.50		0.29
China Post E-Commerce (Holdings) Ltd	8041	19.10		0.156
China Primary Resources Holdings Ltd	8117	10.30		0.043
DIGITALHONGKONG.COM	8007		13.20	0.92
Global Digital Creations Holdings Ltd	8271		11.60	0.19
Honbridge Holdings Ltd	8137		10.50	1.53
Ming Kei Holdings Ltd	8239	13.50		0.84
Netel Technology (Holdings) Ltd	8256		11.70	0.068
Shaanxi Northwest New Technology Industry Company Ltd	8258		14.30	0.114
Tai Shing International (Holdings) Ltd	8103		19.70	0.057
TLT Lottotainment Group Ltd	8022		10.60	0.076
Venturepharm Laboratories Ltd	8225		25.00	0.30
Zhi Cheng Holdings Ltd	8130		10.30	0.175

For the week, ended September 23, 2011, the tally was:

The Hang Seng Index	Minus 9.18 percent
The Growth Enterprise Index	Minus 11.81 percent

The equity markets of Japan were closed, last Friday.

The tally for the 3-day trading week for The Tokyo Stock Exchange was:

The TOPIX Index	Minus 3.45 percent
The Nikkei-225 Stock Average	Minus 3.43 percent

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

The HKSAR	Hang Seng Index Minus 1.36 percent to 17,668.83 The Growth Enterprise Index Minus 2.50 percent to 464.92
Indonesia	Plus 1.70 percent to 3,426.35
Japan	TOPIX Index Closed Nikkei-225 Stock Average Closed
Malaysia	Minus 1.58 percent to 1,365.94
The Philippines	Minus 5.13 percent to 3,885.96
The PRC	Shanghai Composite Index Minus 0.41 percent to 2,433.16 Shenzhen Composite Index Minus 0.94 percent to 1,060.67
Singapore	Minus 0.80 percent to 2,698.80
South Korea	Minus 5.73 percent to 1,697.44
Taiwan	Minus 3.55 percent to 7,046.22
Thailand	Minus 3.27 percent to 958.16

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