

Index

- A&W, 201
- Absolute Return Capital Advisors, 3
- Absolute returns, 4
- Accessibility to ports, 15
- Access to markets, 207
- Accountability, corporate, 81
- Accounting:
- fraudulent, 65
 - practices, 65
 - standards, 77
- Acorn International, 227–230
- Active trading, 78
- Advertisements/advertising strategies, 152, 171–172, 211, 256
- Affluence, implications of, 43, 129, 164, 188, 196, 200
- Africa, Chinese investment in, 242
- Aging population, 5, 7, 164, 196
- Agricultural society, shift from, 182
- Air China, 68
- Airline industry, 68–70
- Air pollution, 190
- Alibaba.com, 79, 83, 211
- Alternative energy sources, 115–116
- Aluminum/aluminum market, 67, 97, 100
- American Chinatowns, 21, 199–200
- American culture, influences in China, 198–200
- American depositary receipts (ADRs), 78–79, 89, 91, 207, 210
- American exchanges, 38, 76–77. *See also* American Stock Exchange; New York Stock Exchange (NYSE)
- American International Group, 197
- American Stock Exchange, 76, 79
- Analysts, functions of, 6, 42, 216
- Annual growth rate, 142
- Annual returns, 4
- Apparel makers, 149
- Apple, 148, 150–151, 153–154, 157, 226, 256
- Apprenticeships, 12
- Arbitrage, 82, 89
- A-shares, 77, 80–81, 83, 85–91, 178, 214
- Asia Edge*, 3, 36, 255
- Asian contagion, 241
- Asian economic tigers, 20
- Asian financial crisis, 242–249
- Assembly lines, 149
- ATI Technologies, 156
- Audits/auditing, 77
- Authoritarian rulers, 24
- Auto industry, 173–174, 256
- Auto parts industry, 223
- Aviation, growth rate of, 69

- Baby boomers, 5, 7, 164–165, 190
- Baidu, 209–213
- Banking industry, 90, 188, 210, 214, 243–244
- Bankruptcy, 65, 79
- Barriers to entry, 130
- Bartering, 14–15
- Bear market, 82
- Beijing:
 - characteristics of, 43, 46–53, 60, 68–69, 72, 81, 140, 203, 209–210
 - construction in, 100
 - health care, 194
 - Summer Olympics in, 100, 105, 116, 235, 239
- Beneficiaries, 92
- BHP Billiton, 103–104
- Billionaires, 71–73, 171, 178
- Biofuels, 183
- Birth rates, 165
- Blizzard, 224
- Bond market, 16, 79
- Book of Tao*, 25
- Brand creation, 152
- Branding, 152
- Brand-name products, 148–149, 229
- Brand recognition, 254
- Braun Corporation, 148
- Brazil, 20
- Britain, *see* United Kingdom
 - economic conditions, 2, 19
 - Opium Wars, 15–16
- Broadband technology, 126
- Broadcom, 126
- Brokerage houses, 84, 88
- B-shares, 77–78, 80–82, 84–85, 88–90
- Buffett, Warren, 32, 195
- Bull markets, 99, 105, 213, 230–231
- Bureaucracy, impact of, 36, 65, 73
- Business codes, 15
- Business practices, 57
- Buy-and-hold strategy, 4
- Buy limits, 33
- “Buy on rumor, sell on fact,” 82
- Buy signals, 227, 225, 255
- Canada, 19, 185–186
- Canton. *See* Guangdong province
- Cantonese language, 56, 60
- Cantonese-style food, 199
- Capital, generally:
 - costs, 185
 - flow, 248
 - gains, 83, 88, 234
 - intellectual, 159, 236
 - speculative, 60
- Capitalism, 17, 24
- Car manufacturers, 149. *See also* Auto industry
- Car ownership, 174
- Cargill Crop Nutrition, 186
- Casino gambling, 132
- Cell phones, 121–123, 173–174, 227
- Central banks, 219, 240, 243–244
- Central China, 46, 53, 56–57
- Chang, Morris, 156
- Chengdu, 57
- China, *see specific cities and regions/areas*
 - consumers in, 5
 - exports/imports, *see* Exports; Imports; Trade deficits
 - gross domestic product (GDP), *see* Gross domestic product (GDP)
 - history of, 11–18
 - immigrants, 21–24
 - isolation of, 15–16, 38, 160, 175
 - middle class in, 6, 43, 160, 176, 180
 - people of, *see* Chinese people
 - political parties, 16
 - productivity in, 5
 - provinces, 43–44
 - second-tier cities, 52–53, 131, 138, 142
 - stock market, development of, 16
 - urbanization, 139–145
 - value system, 11, 21, 24–26
- China Aluminum, 36, 38, 67–70, 82, 100–101
- China A Share Fund, 90
- China Daily*, 252
- China Eastern Airlines, 68
- China Fireworks*, 255
- China Life, 36, 38, 67, 82, 196–197
- China Medical Technology, 223
- China Mobile, 36, 67, 211, 123–124, 126–127
- China National Nuclear Corporation, 113
- China National Offshore Oil Corporation (CNOOC), 36, 66, 99, 108–111, 124
- China Petroleum & Chemical Corporation, 36, 38, 67, 110–111, 124
- China Real Estate Information Circle (CRIC) system, 144
- China Real Estate Top 10 Committee, 144
- China Securities Regulatory Commission (CSRC), 82, 92
- China Southern Airlines, 68–70
- China Strategy*, 3, 36, 101, 104, 134, 253

- China Sunenergy, 117
- China Unicom, 124
- China Yuchai, 223
- Chinese economy:
- consumer analysis, 42–43, 121
 - expansion of, 107–108
 - growth rate, 59–60, 63, 73, 153, 208
 - growth trends, 2, 4–5, 10, 17–18, 26, 36, 50
 - historical perspective, 9–18
 - influential factors, 5–6
 - momentum in, 6–7
 - stagnation in, 24
- Chinese exchanges, 76–77, 79–82. *See also specific exchanges*
- Chinese food, types of, 199–200
- Chinese people:
- Chuppies, *see* Chuppies
 - overseas Chinese, 23
 - personality description, 11, 18–24
- Chongqing, 56, 131
- Chrysler, 174
- Chuppies:
- case illustrations, 176–180
 - cell phones, 173
 - characteristics of, 50, 129–131, 152
 - credit/credit cards, 188
 - dining patterns, 173
 - disposable income, 168–169
 - economic shifts and, 161–162, 176
 - Focus Media, 170–172
 - housing, 168
 - income, 162–163
 - lifestyle, 163–164
 - personal finance, 169–170
 - on political issues, 174–175
 - population growth of, 163
 - spending patterns, 174–175, 179–180, 189
 - survey of, 167–168, 174
 - transportation, 173–174
 - trendiness of, 175, 189, 208
 - value system, 174
- Citic Securities, 197
- Citicorp, 254
- Citigroup, 188, 197
- Citizenship, significance of, 22–23
- CitySearch, 53
- Closed-end funds, 90
- Closer Economic Partnership Agreement (CEPA), 60
- Coal:
- demand for, 104
 - mining industry, 57, 101
- Coca-Cola, 42, 202, 228
- Cold War, 234
- Commercial shipping, 12, 21
- Commodities:
- agricultural, 121, 183, 216
 - industrial, 216
 - inflation, 214
 - market, influential factors, 3, 95–96, 99, 105, 118, 240–241
 - price increases and, 150, 213
 - selection factors, 253
- Communication buildup, 122. *See also* Cell phones; Wireless communications
- Communism, 59, 212, 234
- Communist Party, 16, 64
- Compal, 159
- Companhia Vale do Rio Doce (CVRD), 107
- Competition, impact of, 66, 98, 130, 139
- Competitive advantage, sources of, 109, 144, 150, 185, 193, 225, 254
- Computers:
- chip manufacturing, 156
 - production of, 159
 - software piracy, 236–237
- Comtech Group, 126
- Confucianism, 24
- Confucius, 24
- Construction boom, 50
- Consumer class, *see* Middle class
- global, 164–165
 - growth of, 75
- Consumer confidence index, 208
- Consumer culture, growth of, 61
- Consumerism:
- American-style, 167, 203
 - communication, 122–127
 - education, 135–138
 - gambling, 131–135
 - must-have strategy, 127
 - significance of, 174–175
 - spending patterns, 42–43, 108, 165, 189
 - travel/tourism, 128–131
 - trends in, 179, 255
 - Western-style, 57, 121–122
- Consumer price index (CPI), 4
- Consumer sentiment, 31
- Consumption, increase of, 209. *See also* Consumerism
- Contaminated products, 237–238

- Contract manufacturers, 149, 155
- Cooperatives, 55
- Copper:
 - demand for, 101–103
 - imports, 103–104
- Copycatting, 153, 225, 254
- Copyright protection, 236–237
- Corn, commodity inflation, 214
- Corporate bonds, 79
- Corporate governance, 65–66, 110
- Corruption, economic impact of, 65, 174
- Costco, 151
- Counterfeit goods, 236. *See also* Copycatting; Knockoff products
- Courtis, Ken, 110
- Cowboys, 73
- Credit/credit cards, 187–189, 198, 204, 210, 256
- Credit Suisse Group, 211
- Crude oil, 108, 111
- Ctrip, 73, 79, 129–130, 131, 177
- Cultural differences, significance of, 207
- Cultural drivers, 6
- Cultural Revolution, 73
- Currencies, *see specific currencies*
 - Asian financial crisis, 241
 - strength/weakness of, 215. *See also specific currencies*
 - undervalued, 216
 - valuation, 3, 59, 70, 238–242
- Customer needs assessment, 138–139, 181

- Dalian, 54
- Danger signs, 207–225
- Day trading, 231
- Declining market, 4
- Defensive environment, 208
- Dell, 150–151, 159, 183, 229
- Demand analysis, 104
- Demographic research, 5, 41, 164, 166, 171, 176, 190
- Designer products, 174. *See also* Luxury goods
- Desire, identification of, 138–139, 175, 181
- Diagnostic testing, health care needs, 191
- Diesel engine manufacturing, 223
- Dietary habits, 182. *See also* Dining patterns
- Dining patterns, 172–173, 199–200
- Disclosure, financial, 76
- Distribution methods:
 - historical perspectives, 12, 21
 - types of, 147–148
- Diversification, 31, 198

- Dividends, 108
- Domestic consumption, 167
- Domestic investors, 80
- Dot-com boom, 53, 88
- Double-cropping, 183
- Dow Jones Industrial Average, 4
- Down markets, 82

- Earnings:
 - estimates, 172
 - growth, 89, 225, 254
 - reports, 171–172
 - significance of, 34, 83, 160
- East Asia, 242
- Eastern China, 54–55
- Eating habits. *See* Dining patterns
- E-commerce, 211
- Economic development, 210
- Economic drivers, 150
- Economic growth, rate of, 59–60, 63, 73, 153, 208, 235, 241
- Economic reform, influential factors, 166
- Economic sanctions, 58
- Economies of scale, 116, 154, 156, 194
- Economist*, 252
- Education, as cultural priority, 152, 175, 211–212
- E-House, 143–145
- Electrical grid, 101
- Electronics manufacturing, 149, 154
- eLong, 130
- Emerging economies, 236
- Emerging markets, 2, 19–20, 33–34
- Emigration, 55
- Employment:
 - cheap labor, 5, 17, 150–151, 235
 - hiring rate, 150
 - outsourcing, 96, 151, 156–158, 235–236
 - U.S. trends, 236
- Endorsements, 152
- Energy market reforms, 111
- Energy sector, investment opportunities, 108–113, 124
- Entrepreneurial business, strength of, 63–64
- Entrepreneurs/entrepreneurship
 - Asian financial crisis, 244
 - characteristics of, 5–6, 17–18, 23, 36, 48, 54, 58, 64
 - overview of, 72–73
 - success factors, 73–74
- Entry points, 32. *See also* Buy signals

- Equipment, technological advances, 156–157
- Equity market, 3
- Ethnicity, 22
- Europe/European Union, *see specific European countries*
- exports to China, 95
 - semiconductor market, 154
- Exchange-traded funds (ETFs), 63, 90–91, 240
- Exchanges, avoidance of, 38–39. *See also specific stock exchanges*
- Exit strategies, 6, 225–231, 255–256
- Expatriates, 73, 171
- Exports:
- Asian financial crisis, 241
 - cargo shipments, 148
 - economic benefits of, 148, 151–153, 193
 - implications of, 5, 15, 17, 59, 95, 99, 147, 214, 240
 - value of, 148, 150
- Exxon Mobil Corporation, 86–87, 124
- Farming industry, 182–183, 211–213
- Fast food, 173, 199–204
- Federal Reserve, 59, 208, 215–216
- Feng, Lei, 174
- Fertilizers/fertilizer products, 182–186, 216
- Financial advisers, functions of, 223
- Financial systems, overview of, 58–60
- Financial websites, 254–255
- Finished goods, 241
- First-tier cities, 140
- Focus Media, 49, 72, 170–172
- Food and Drug Administration, 193
- Food industry:
- characteristics of, 236
 - food prices, 212–213
 - food sources, 182–187
 - investment opportunities, 182–187, 198–205
- Foreign aid, 242
- Foreign exchange reserves, 2, 17, 84, 214, 240
- Foreign investment, 209–210
- Foreign investors, 16, 52, 80–81
- Foxconn, 150–151, 246
- France, 2, 19, 196
- Franklin Templeton, 198
- Fraudulent practices, 65
- Free enterprise economics, 58
- Free market system, 65, 71, 88, 208
- Friedman, Milton, 58
- Fu, Chengyu, 110
- Fujian province, 12, 21
- Full-service brokerages, 84, 88
- Fundamentals/fundamental analysis, 34, 39, 60, 107–108, 254
- Fund management, 64. *See also* Hedge funds; Mutual funds
- Futures market, 16, 99
- Fuzhou, 55
- Gambling, 131–135
- Gas reserves, 66
- Gates, Bill, 174
- Gateway, 183
- GEICO, 195
- General Electric, 124
- General Motors, 137, 159, 256
- Generic goods, 151–152
- Germany, 2, 19, 196
- Ginseng, 212
- Globalization, 5
- Global market, characteristics of, 2
- Gobi Desert, 14
- Gold/gold prices, 216, 240
- Gold-backed certificates, 16
- Golden rules of investing, 29–40
- Goldman Sachs, 3, 192, 239
- GOME Electrical Appliances, 72
- Goodwill, 242
- Google, 211
- Gou, Terry, 150
- Governance, significance of, 39, 65–66, 110
- Government bonds, 16
- Government roles, 207, 209, 214
- “Go with the flow,” 25–26
- Great Wall of China, 128
- Gross domestic product (GDP), 17, 20, 52, 58, 65, 69, 208, 235, 248
- Growth companies, 172
- Growth drivers, types of, 6–7, 10
- Growth industries, identification of, 253
- Growth stocks, 255
- G7 countries, 19
- Guandong-style food, 199
- Guangdong Development Bank, 188, 197
- Guangdong province, 12, 21, 55, 73
- Guangyu, Huang, 72
- Guangzhou, 69
- Hang Seng Index, 60, 84
- Hang, Xu, 192
- Hangzhou, 21, 131, 140

- Health care:
 characterized, 119, 152, 175, 187
 investment opportunities, 190–195, 198, 204
- Hedge funds, 25
- Hedges, 216
- Heilongjiang province, 54, 73
- Henan province, 53, 101
- Hewlett-Packard, 159, 183, 229
- High-end consumers, 49
- High-profit businesses, 152
- High-tech manufacturing, 158
- Ho, Stanley, 133
- Home Inns & Hotels Management, 36, 131
- Hong Kong:
 Asian financial crisis, 243–246
 cell phone market, 123, 127
 characteristics of, 16, 20–21, 34–35, 38, 45, 51, 55, 58–61, 68–69, 73, 83, 85–86, 143
 dollar, valuation of, 85
 exchange, 79–80, 87, 89, 110, 209
 Hang Seng H-shares, 78, 84
 ports of, 147–148
 QDII program, 210, 212
- Hospitals:
 health care costs, 191, 194
 technological advances, 191–192
- Housing, 168, 214. *See also* Real estate investments
- H-shares, 77–78, 85, 88–90
- Hsu, Robert:
 professional development, 2–3, 25
 speaking engagements, 25–26
 wealth accumulation strategies, 3–6
- Hsu, Wen, 20
- Huaneng Power, 67, 111–114
- Huang, Jen-Hsun, 227–228
- Huang, Qin Shi, 128
- Human factor. *See* Chinese people
- Hunan province, 57
- Husky Energy, 109
- Hydroelectric power, 102
- IAC/InterActive Corp, 53
- IMC Global, 186
- Immigrants/immigration, 21–24, 49
- Imports, types of, 5, 59, 97, 103, 108–109, 119, 159, 184, 214–215
- Income, disposable, 42–43, 56, 121–122, 137
- India, 23
- Individual investors, 48, 48, 68, 81, 89, 207
- Individual stock risk, 31
- Indonesia, 21–22, 243–244
- Industrial and Commercial Bank of China, 79
- Industrialization, impact of, 182
- Industry leaders:
 characterized, 225
 selection factors, 253–255
- Industry regulation, 36
- Inflation/inflationary pressures, 4, 31, 84, 150–151, 153, 208, 212–224
- Information Age, 24, 211
- Information-gathering guidelines, 251–253
- Information resources:
 books, 25, 32
 earnings reports, 171–172
 magazines, 252
 newsletters, 3, 100, 104, 134, 177, 253
 newspapers, 3, 252–253
 news media, 252
 periodicals, 3
 subscriber services, 36
 surveys, 167–168, 174–175
 websites, 78, 252, 254–255
- Infrastructure:
 build-out, 122
 inferiority of, 57
 investing, 46, 99–105, 119
 lack of, 96
 support for, 97
 wireless communication, 211
- Initial public offerings (IPOs), 36, 70–71, 79, 82, 86–87, 117–118, 145, 171, 196–197, 210, 223, 226
- Inspections, 159
- Institutional investors, 68, 77, 80, 93, 194, 210
- Insurance, investment opportunities, 195–198, 204. *See also* Life insurance
- Integrity, 24
- Intel, 156
- Intellectual capital, 159, 236
- Intellectual property, 227, 236, 239
- Interest rates, 3, 59, 82, 214–215
- International banks, 189
- International investment, 96. *See also* Foreign investment; Foreign investors
- Internet protocol (IP), 126
- Investment decisions:
 buy limits, 33
 buy parameters, 35–38
 buy signals, 225
 danger signs, 207–224
 exit strategies, 225–231

- fundamentals, 34, 39, 60
- influential factors, 39
- private entrepreneurs *vs.* SOEs, 63–67
- risk management strategies, 30–31
- sell signals, 227
- stock selection, 32, 35–36
- success factors, 179–180
- trait analysis, 153–154
- Investment dynamics, 207
- Investment essentials:
 - China's history, 11–18
 - people of China, 18–24
 - value system, 24–26
- Investment opportunities:
 - credit/credit cards, 187–189, 198, 204, 256
 - food, 182–187, 198–205
 - health care, 190–195, 198, 204
 - identification guidelines, 256–257
 - insurance, 195–198, 204
- Investment strategy:
 - buy signals, 255
 - exit strategy, 255–256
 - growth industries identification, 253
 - importance of, 76
 - industry leaders, selection factors, 253–255
 - information-gathering, 251–253
- Investor's Business Daily, 252
- Invisible hand, 208
- In-vitro diagnostics (IVD), 191
- iPods, 122. *See also* Apple
- Iron ore production, 104, 107
- iShares MSCI Hong Kong Index, 90
- ISO 9001 certification, 192
- Isolationism, 15–16, 38, 160, 175
- Italy, 2, 19

- Jade, 12
- Japan:
 - Asian financial crisis, 243–245
 - characterized, 19, 58, 141, 236, 239–240
 - currency valuation, 240
 - declining market, 5
 - economic conditions, 2
 - semiconductor market, 154
- JA Solar Holdings Company, 36, 209–210, 212–213
- JDS Uniphase, 126
- Jiabao, Wen, 67–68, 70, 208, 230
- Jiang, Jason, 72, 171
- Jiangsu, 144
- Jin, Baofang, 212
- Jinglong Group, 212
- Jin Mao Tower, 100
- Jintao, Hu, 108, 247
- Jun, Zhu, 73, 178–180, 224

- Kentucky Fried Chicken (KFC), 173, 200–201, 204, 256
- Khan, Kublai, 46
- Knockoff products, 153–154
- Korea, 158. *See also* South Korea

- Labor costs, 5, 17, 150–151, 235
- Language:
 - barriers to, 135, 137
 - types of, 56, 60, 138
- Lao-tzu, 25
- Las Vegas Sands, 133–135
- LDK Solar, 117
- Leadership position, 34, 58, 240–241, 244
- Legal systems, 58–59
- Li, Robert, 211
- Liang, James, 73, 129
- Life insurance, 67, 187, 196–198
- Lifestyle:
 - American, 203
 - Chuppies, 163–164
 - trends, 138
- Liquidity, 85, 209
- Livestock imports, 119
- Lockup period, 82, 117
- Lodging industry, 131
- Logs, 148
- London Stock Exchange, 79, 110
- Long John Silvers', 201
- Long-term investments, 6, 172
- Low-profit businesses, 152
- Lucky generation, 166
- Luxury goods, 49–50, 54, 122, 176–177, 179
- Lynch, Peter, 41

- Macau, 21, 55, 69, 131–135
- Mainland China:
 - Asian financial crisis, 243–246
 - avoidance of exchanges, 38–39, 84–90
 - banking industry, 188
 - cell phones, 127
 - characterized, 22–24, 39, 45–46, 58–61, 77–78, 143
 - exchanges/markets, 80, 209, 231
 - ports of, 148
 - production facilities, 148–149

- Malaysia, 21–22, 243–244
- Mandarin language, 23, 56, 60
- Manufacturing industry in China:
 - capabilities of, 149–150, 159
 - characterized, 56, 96
 - cheap labor, 150–151
 - contract manufacturers, 149, 155
 - domestic market, 153
 - efficiency of, 156
 - equipment, 156–157
 - global economic benefits, 151–153, 158
 - low-cost, 236, 241
 - outsourcing from U.S., 96, 151, 156–159, 233–234
 - production facilities, 148–149
 - profit point, 151
 - regulation of, 154
 - tariffs, 160
 - utilization rate, 157
 - Wall Street perspectives, 154–155
- Market capitalization, 87
- Market entry, barriers to, 130. *See also* Buy signals; Entry points
- Marketing strategy, 151. *See also* Advertisements/Advertising strategies
- Market position, 34, 180, 193
- Market reforms, 65, 71, 82
- Market risk, 31
- Market share, 123–124, 153, 183, 189, 194, 196, 224
- Market strategy, 35
- Markowitz, Harry, 31
- Match.com, 53
- Matsushita, 126
- Mattel, 235
- McDonald's, 201, 203–204, 226
- Meat consumption, 182–183, 204
- Medical care. *See* Diagnostic testing; Health care; Hospitals
- Medical devices/equipment, 148, 192
- Men-yuen, Kou, 178–180
- Mercantile culture, 58
- Metal investments, 100, 106–108
- Mexico, 158
- Microsoft, 53, 174, 224, 229, 237
- Middle class:
 - affluent segment of, 163–164
 - credit industry and, 188
 - growth of, 6, 43, 160, 176, 180, 195–196
- Migrant workers, 57, 211
- Military conflict, China-Taiwan, 248. *See also* Warfare
- Millionaires, 71, 73
- Mindray Medical, 36, 148, 192–194
- Mining industry, 185–186, 253
- Mobile phoning, 123
- Modern portfolio theory (MPT), 31
- Molybdenum, demand for, 102
- Momentum:
 - implications of, 208
 - influential factors, 33, 208
 - sources of, 69–70, 85, 172, 186
- Momentum-driven stocks, 33
- Momentum investing, 6–7, 67, 254
- Monetary policy, 59, 215
- Money-losing companies, 230–231
- Mongolia, bartering, 14–15
- Monopolies, 48, 63, 66–67, 81, 96, 100, 108, 114, 124, 133
- Mosaic Company, 184, 186
- Motorola, 127, 150, 153, 173, 211, 226
- Multinational companies, 151, 154, 253
- Multinationals, defined, 73
- Mutual funds:
 - characterized, 31, 36–37, 76, 83, 90
 - domestic, 178
 - emerging-market, 243–244
 - management strategies, 63
 - natural resources, 98
 - QDII, 212
- Nanjing, 131
- NASDAQ, 3, 36, 76, 78–79, 90, 117, 210, 231
- National health care, 191
- Nationalists, 16
- National People's Congress (NPC), 208
- National Semiconductor, 155
- Natural resources, 20, 104, 216, 241
- Needs analysis:
 - credit/credit cards, 187–189
 - food, 182–187, 198–205
 - future needs, 205
 - health care, 190–195
 - insurance, 195–198
- Netease, 224
- New Oriental Education & Technology Group, 36, 72, 136–138, 211, 255
- Newsletters, 3, 100, 104, 134, 177
- New York Stock Exchange (NYSE), 36, 76, 78–79, 83, 89–91, 110, 115, 185, 193, 209, 226

- Nickel, demand for, 106–107
 Nike, 151–152, 157
 Nine Dragons Paper, 73–74
 Nintendo, 150
 Nitrogen fertilizers, 184–185
 Nokia, 150, 173
 Non-state-owned enterprises, 17
 Northern China, 54
 N-shares, 77–79, 89
 Nuclear energy, 113
 Nuclear power plants, 101–102
 Nvidia Corporation, 156, 227–229
- Oil, *see* Crude oil; Gas prices
 exploration and production, 108–111
 price increases, 150, 214
 Online gaming industry, 224
 Open-ended funds, 90
 Open market, 17, 86, 234
 Operating margins, 35–36
 Operating profits, 203
 Opium Wars, 15, 19, 49
 Optimism, 49–50
 Organization of Petroleum Exporting Countries (OPEC), 20, 215
 Outsourcing, 96, 151, 156–159, 235–236
 Over-the-counter (OTC) listings, 79
- Panic selling, 34, 105
 Partnerships, 96, 150–151, 156, 174, 235
 Paulson, Henry, 239
 Pay-for-service health care, 191
 Pearl River Capital Management, 3
 People's Republic of China, 16, 58, 61, 77, 245.
 See also China
 Peters, Will, 243–244
 PetroChina, 79, 83, 86–87, 91, 110, 124
 Phelps Dodge, 102–103
 Philippines, 21–22, 243–244
 Phosphate fertilizers, 184
 Piggybacking, Asian financial crisis, 244
 Pink Sheets, 70, 79
 Piracy, 153–154, 236–239
 Pizza Hut, 173, 200–203
 Planned economy, 76
 Political parties, 16
 Political power, impact of, 47–48, 66,
 234–238
 Pollution, 113–114, 118, 154, 190, 239
 Polo, Marco, 15, 21
 Porcelain, 12
 Portfolio management, 6, 31
 Potash Corporation of Saskatchewan Inc.,
 184–186
 Potash fertilizers, 184–185
 Poultry imports, 118
 Poverty, 17, 43, 56, 174, 182, 217
 Power consumption, 101–102
 Premiums, life insurance, 197
 Price-earnings (P/E) ratio, 83, 254
 Price increases, impact of, 212–214
 Princelings, 47–48, 112
 Private business, 63
 Private label products, 151
 Procter & Gamble, 153
 Product design, 148–149, 151
 Product innovation, 151, 194, 253–254
 Production/production facilities, *see*
 Manufacturing industry in China
 characterized, 97, 147–148
 historical perspectives, 64
 outsourcing, *see* Outsourcing
 volume of, 151
 Productivity, influential factors, 25
 Product life cycle, 155
 Product recalls, 236–238
 Product safety, 237–238
 Profit margins, 35–36, 193, 224
 Profit-taking, timing of, 6, 67, 102, 172, 255–256
 Profits, sources of, 153
 Prosperity, implications of, 176
 Protectionism, 159–160
 Pudong/Pudong New Area (Shanghai), 100,
 178–179
 Pullbacks, 33, 99, 172
- Qingdao, 54, 131
 Qing dynasty, 16, 19
 Qinghai-Tibet Railway, 210
 Qualified Domestic Institutional Investors (QDII) program, 67–68, 92–93, 209–210,
 207–208
 Quality, importance of, 152, 159, 194
 Quality assurance, 192–193
 Quality control, 160
 Quanta, 158–159, 246
- Rallies, types of, 141, 171–172, 230–231
 Raw materials, availability of, 17–18, 95–97, 101,
 118–119, 241
 Real annual returns, 4
 Real estate agents/agencies, 144

- Real estate investments, 84, 140–143, 178–179, 214
- Real estate market, 145
- Renewable energy, 113–116, 239
- Republic of China, creation of, 16. *See also* China
- Research, importance of, 35, 75, 98, 226, 251–253
- Research and development (R&D), 155, 194
- Retail products, 151–152
- Retirement planning, 7, 164
- Retirement plans, 4, 196
- Revenue analysis, 225
- Rio Tinto, 103–104
- Risk analysis, 31–32
- Risk management strategies, 30–31, 37, 91
- Risk tolerance, 37
- Rural areas, development/improvement of, 197, 210–211, 213
- Rushang*, 24
- Russia, 14, 53, 86
- Sales growth, 34
- S&P 500 index, 4, 32, 83
- Sarbanes-Oxley legislation, 81
- Schultz, Howard, 200
- Seasonality, 172
- Secondary offerings, 118
- Second-generation (2G) technology, 125
- Second-tier cities, 52–53, 131, 138, 142, 197
- Securities and Exchange Commission (SEC), 38, 76
- Securities trading, historical perspective, 16–17
- Selling pressure, 172
- Sell-offs, 34, 60, 83, 171–172
- Sell signals, case illustration, 225–231. *See also* Exit strategy
- Semiconductor industry, 154–155, 157
- Semiconductor Manufacturing International Corporation, 155
- Senior management, functions of, 50, 66
- Sequoia Capital, 145
- Severe acute respiratory syndrome (SARS) crisis, 60, 119, 190–191
- Shandong province, 54
- Shandong-style food, 199
- Shanghai:
 - characterized, 1, 6, 43, 49–54, 57, 69, 79, 144, 203
 - construction in, 100
 - exchange, 16–17, 38, 77–87, 89, 110, 229
 - market, 231, 244
 - port of, 148
 - real estate developments, 178–179
- Shanxi province, trading practices, 12, 14–15, 18, 21
- Shareholders:
 - characterized, 194, 197
 - rights, 10, 207
- Shen, Neil, 145
- Shenzhen:
 - characterized, 21, 56
 - exchange, 55–56, 77–78, 80–81, 85, 131, 140, 142, 229
 - market, 126, 231
 - port of, 147–148
- Shortages, types of, 99, 112
- Short sales, 243, 256
- Shui-bian, Chen, 246–247
- Sichuan province, 56–57
- Sichuan-style food, 199
- Sideways market, 4
- Silicon Valley, 230
- Silk, 11–12, 15, 18
- Silk Market, 237
- Silk Road, 12–13, 21
- Singapore, 20, 148, 244
- Sinopec, *see* China Petroleum & Chemical Corporation
- Siwei, Cheng, 83
- Size of investment, guidelines for, 30
- Social Harmony campaign (Beijing), 194
- Social mobility, 176, 182, 187
- Social stability, 24
- Socioeconomic status, 182, 211–212
- Software piracy, 236–237
- Solar energy, 114–116
- Solar power, 209, 239
- Sony, 148, 150–151, 229
- South China Morning Post*, 252
- Southeast Asia, 236
- Southern China, 55–56
- Southern Power, 197
- South Korea, 20, 243–244
- Sovereignty, 241–242
- Soviet Union, 234
- Soybeans, commodity inflation, 214
- Speculation, 85, 132, 141
- Speculative bubbles, 83, 230–231
- Speculators:
 - companies, 79
 - groups, 55

- types, 59–60, 244
- Spending habits/patterns, implications of, 42–43, 108, 165, 174–176, 179, 189, 231
- Sponsorship, 193
- Standard of living, 160, 166, 241
- Standards:
 - accounting, 60, 77
 - international, 57
 - ISO certification, 192
 - legal, 60
- Starbucks, 200, 226
- State-Owned Assets Supervision and Administration Commission (SASAC), 65
- State-owned enterprises (SOEs):
 - avoidance of, 63–64, 174, 207, 223
 - bankruptcy, 65, 79
 - characteristics of, 16, 36, 43, 47–50, 54, 67, 73, 76–77, 81
 - China Life, 196–198
 - competition for, 130
 - consolidation of, 65
 - development of, 64
 - investment opportunities, 66–67, 119
 - in manufacturing industry, 154
 - private entrepreneurs *vs.*, 64–67, 73
 - publicly traded, 66, 79–80
 - regulation of, 65
 - state-controlled utilities, 123
- Steel:
 - investment in, 96, 98
 - production, 106
- Stock(s):
 - monitoring, 76
 - picking, 32, 35–36, 75–76
 - prices, influential factors, 216
 - rallies, 171–172
 - valuations, 178, 230
- Stock exchanges, characterized, 65, 76. *See also specific stock exchanges*
- Stock market:
 - bubbles, 230
 - Chinese, 16, 26, 80
 - historical performance, 4
- Stop losses, 37–38
- StreetTracks Gold Shares ETF, 240
- Study of the Way. *See* Taoism
- Success factors, 73–74, 153, 179–180
- Suharto, 242
- Summer Olympics 2008, 100, 105, 116, 235, 239
- Suntech Power Holdings Co., Ltd., 72, 115–116, 179, 212, 239
- Supply and demand, 86, 99, 102, 140
- Suzhou, 54, 140
- Taco Bell, 173, 201–202
- Taipei, 123, 132
- Taiwan:
 - Asian financial crisis, 243–246
 - cell phones, 127
 - characterized, 16, 20–21, 49, 123, 141, 158
 - gross domestic product (GDP), 248
 - relationship with China, 247–248
 - stock market bubble, 230–231
- Taiwan Semiconductor, 154–156
- Taizhou, 101
- Taizidong*, 47
- Taoism, 25
- Target, 151
- Target market, identification of, 44, 171
- Tariffs, 15, 60, 160. *See also* Taxation
- Taxation, 21, 58, 83, 88, 111, 140, 234
- TD-SCDMA (Time Division-Synchronous Code Division Multiple Access), 125
- Tea, 12, 15, 18, 21
- Tech booms and busts, 157
- Technocrats, 73
- Technological advances, 156
- Technology stock:
 - bubble, 230–231
 - characterized, 3, 46
- Texas Instruments, 156
- Thailand, 22, 244
- The9, 73, 177–179, 224
- Third-generation (3G) technology, 124–127, 173
- Third-tier adapters, 45
- Three Gorges Dam, 102
- Tiananmen Square, 34, 235
- Tianjin, 131
- Tiered growth, 45
- Toronto Stock Exchange, 185
- Tourism industry, 59
- Toy industry, 236–237
- Trade barriers, 15
- Trade deficits, 15, 17, 147
- Trademarks, 225
- Trade surplus, 2, 15, 17, 238, 240
- Trading partners, 16–17, 235. *See also* Partnerships
- Traditional Chinese medicine, 212

- Traditional virtues, 24
- Trailing stops, 37
- Transparency, 48, 65
- Transportation industry:
 - characterized, 174
 - railway system, 210
- Travel:
 - popularity of, 50, 122
 - restrictions, 60
- Trend analysis, 179, 189
- Trina Solar, 36, 117–118
- Triple-cropping, 183
- Tulip bubble, 230
- Tyson Foods, 99

- Underlying securities, 89
- Underperforming markets, 32
- Undervalued currencies, 216
- United Kingdom, Asian financial crisis, 243
- United States:
 - commerce centers, 45
 - culture, 45
 - dollar, *see* U.S. dollar
 - economic trends, 2, 4, 7, 19
 - exchanges, 76–77
 - exports to China, 95, 186
 - fast food, 173, 200–204
 - fertilizer industry, 186
 - housing bubble, 214
 - job trends, 236
 - monetary policy, 59, 214
 - outsourcing, 96, 151, 156–158, 235–236
 - protectionism, 159
 - relationship with China, 249
 - semiconductor market, 154
- U.S. dollar:
 - characterized, 4, 85
 - currencies pegged to, 59, 70, 78, 239
 - weakness of, 220, 239
- Upscale consumers, 152
- Uptrends, 105, 230
- Urbanization, 139–145, 176, 196
- Utilization rate, 157

- Valuation, 38, 87, 123, 177
- Vesting, 117
- Volatility, impact of, 2, 37

- Wal-Mart, 151, 157, 226
- Wang, Roger, 52

- Warfare:
 - civil wars, 16, 245
 - Korean War, 58
 - Opium Wars, 15–16, 19
 - Vietnam War, 58
 - World War II, 16, 58
- Warlords, 16
- Water:
 - pollution, 190
 - shortages, 119
- Weak markets, 4–5
- Wealth:
 - accumulation, 3–6, 47, 175
 - creation, 176, 216, 251
 - generation, 22
- Wenzhou, 21, 54–55
- Western China, development of, 210
- Wheat, commodity inflation, 214
- Windfall profits, 59–60, 11
- Wireless communications network, 124–125, 211
- Wireless industry, 67
- Work ethic, 22
- World-class:
 - brands, 152
 - companies, 35
- World Expo Shanghai 2010, 100
- World of Warcraft (WoW), 73
- World Trade Organization (WTO), 78, 236–237
- World War II, 16, 58
- Wuhan, 131
- Wuxi, 115
- Wynn Resorts, Ltd., 133

- Xi'an, 56–57, 98, 128, 131, 203
- Xiang Mei Garden, 179
- Xiao-chuan, Zhou, 48, 240
- Xiaopeng, Li, 112
- Xiaoping, Deng, 16–17, 71, 234
- Xinhau News Agency, 91
- Xinjiang, 210

- Yangshan, 102, 148
- Yen, 238
- Yimou, Zhang, 19
- Yin, Zhang, 72–73
- Yin-Jo, Ma, 247
- Yingli Green Energy, 117
- Yu, Michael, 72, 136
- Yuan:
 - float, 238, 240
 - pegged to U.S. dollar, 239

- valuation of, 59, 173, 189, 215–216, 239–240
- Yuan dynasty, 46
- Yum! Brands, 173, 200–204
- Yunfan, Zhou, 48
- Zedong, Mao, 16–17, 58, 174
- Zhe-min, Jiang, 178
- Zhejiang province, 12, 21, 55, 144
- Zhejiang-style food, 199
- Zhengrong, Shi, Dr., 72, 115, 179
- Zhengzhou, 53
- Zhou, Xin, 143–144
- Zhuhai region, 21, 131
- Zu, Eric, 211

