

## Duo trapped in a web of deceit

Two Chinese are allegedly set up by undercover US agent in Hungary.  
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## Biggest stock drop in more than a year

Fears of further tightening policies trigger massive sell-offs by investors.  
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## Chinese vase fetches \$69 million, smashes record

Treasure was discovered during a routine house clearance in London suburb.  
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# CHINADAILY

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The Asian Games flame bursts into life during the opening ceremony in Guangzhou on Friday.

FAN JUN / XINHUA

# ASIAN GAMES FIRE UP

### Opening ceremony a celebration of harmony, Guangzhou's rich history

By LEI LEI  
CHINA DAILY

GUANGZHOU — Two years ago, 2,008 drummers told the world with thunderous noise and virtuosity that Beijing was ready for the big party that was the Olympic Games. In Guangzhou on Friday evening, everything started with a drop of water. Unlike the display of raw power seen during the opening ceremony of the Beijing Olympic Games, the southern city of Guangzhou displayed that region's distinctive character with beautiful and delicate performances that incorporated water and flowers during the celebration on Haixinsha Island in the center of the city to mark the beginning of the 16th Asian Games.

It is the second time a Chinese city

has hosted the Asian Games — the first time, the capital hosted the event in 1990.

The Guangzhou Asian Games, which will run from Nov 12 to Nov 27, have attracted athletes from all 45 members of the Olympic Council of Asia (OCA).

The Guangzhou Asian Games have attracted 9,704 athletes, 184 more than participated in the Doha Asian Games four years ago and a new record.

The event will also break another record — the 476 gold medals up for grabs in 42 sports are the most ever.

Six new sports have been added, including cricket, dance sport, wushu and dragon boat racing.

"After six years of diligent preparations, the city of Guangzhou in the People's Republic of China is about to show us the fruit of all of their hard work and effort in

SEE "GAMES" PAGE 2



CHEN XIAOWEI / XINHUA

Diving gold medalist He Chong and two children light a firecracker to ignite the Asian Games flame.

## Changes aimed at cooling the flow of 'hot money'

By HU YUANYUAN  
CHINA DAILY

BEIJING — Foreign institutions with a presence in China will only be allowed to buy commercial property for their own use and it must be in the city in which they are registered.

According to Shenzhen-based Securities Times, the government is about to make the move to prevent the influx of so-called hot money.

The Ministry of Housing and Urban-Rural Development and the State Administration of Foreign Exchange have issued a notice outlining the rules that will also only allow foreign citizens living in China to buy one home for their own use, the paper said on Friday, citing unnamed sources.

The newspaper did not say when the anticipated policies will take effect.

Neither ministry commented on the story on Friday.

Analysts said the measures are likely being introduced to curb the flow of hot money into the real estate market.

Hot money refers to funds that flow into a country to take advantage of such things as a favorable interest rates and the resulting higher returns. Such speculative money is believed to make economies more volatile.

Expectations of a stronger yuan and a higher interest rate have fueled the flow

of foreign capital into China, analysts said.

Emerging economies need controls to manage the flow of such money to ensure economic stability in the wake of the United States' ultra-easy monetary policy, said Joseph Stiglitz, a Nobel Prize-winning economist was quoted by Reuters as saying on Tuesday.

SEE "REALTY" PAGE 2

# G20 echoes Hu's call for stable forex policies

By DING QINGFEN, WANG BO AND WU JIAO  
CHINA DAILY

SEOUL — President Hu Jintao urged the world's major reserve currency nations to maintain the stability of their exchange rates, as the world's leaders vowed at the G20 summit to avoid the competitive devaluation of their currencies.

Hu made the remarks during his keynote speech at the G20 gathering on Friday, a few days after the United States announced it would buy \$600 billion in long-term government bonds to revive its economy.

Many developing and developed nations are concerned the move will push up the price of assets and the value of the currency.

"The major reserve currency economies should adopt responsible policies, thus easing and gradually removing the fundamental problems behind foreign exchange liquidity risks," Hu told the summit.

After two days of heated discussions among leaders, the G20 Seoul Summit Leaders' Declaration was released on Friday.

Echoing what Hu has called for, the declaration pointed out "advanced economies, including those with reserve currencies, will be vigilant against excess volatility and disorderly movements in exchange rates". These actions will "help mitigate the risk of excessive volatility in capital flows facing some emerging countries".

Shi Yinong, an expert on international politics with Beijing-based Renmin University of China, said the G20 Seoul Summit has come out with a declaration that most members would like to see.

The "mistake" Washington made in announcing its massive bond purchase right before the summit is the reason behind the declaration, he said.

Jim O'Neill, chairman of Goldman Sachs Asset Management, told China Daily on Friday: "I think the G20 summit was helpful, but it might take time for the results to be seen."

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