

**THE DRUMS OF WAR BEAT LOUDER IN WASHINGTON :
AND THE WORLD WAITS**

Only the 3 stock markets of Japan made any appreciable upward movement in their indices, last Monday, due, in the main, to suggestions of a consideration being given to the effect that the Government of Prime Minister Junichiro Koizumi might reduce the tax burdens on Japanese industry.

Elsewhere, bourses throughout Asia were generally marginally lower.

On Wall Street, the previous Friday, the banking of profits was the order of the day.

On The New York Stock Exchange, on Friday, August 23, The Dow Jones Industrial Average dropped back 180.68 points, equivalent to 2 percent, ending the week at 8,872.96 points.

The NASDAQ's Composite Index shed 42.33 points, or about 2.97 percent, falling back to 1,380.62 points.

News that the New York Attorney General was investigating other possible crooked dealings of companies, listed on The New York Stock Exchange, plus stockbrokerage firms, attached to publicly listed, major banking conglomerates, put the skids under quite a number of companies.

Last Monday, from London, England, it was announced that Siemens of Germany was considering sacking another 4,000 of its employees.

The company said that its struggling, fixed-line telephone business had to do something dramatic in order to stay profitable.

About 17,000 jobs have already been cut from the giant electronics and engineering group.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), trading was especially quiet on the Main Board of The Stock Exchange of Hongkong Ltd.

The Main Board's Hang Seng Index shed about 0.19 percent of its value by the close of trading, while the Total Turnover dropped to one of the lowest levels of the year: About \$HK3.34 billion.

Losers outnumbered gainers, however, by the wide margin of 1.97:One.

The Ten Most Actives of the day were:

HSBC Holdings plc (Code: 5)	Down 0.28 percent to \$HK89.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.45 percent to \$HK22.15 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.92 percent to \$HK53.75 per share
BOC Hong Kong (Holdings) Ltd (Code: 2388)	Unchanged at \$HK8.65 per share

Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK55.00 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.29 percent to \$HK85.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.43 percent to \$HK58.25 per share
Hongkong Electric Holdings Ltd (Code: 6)	Up 0.98 percent to \$HK30.80 per share
CLP Holdings Ltd (Code: 2)	Up 1.27 percent to \$HK31.80 per share
The Hongkong and China Gas Company Ltd (Code: 3)	Up 0.48 percent to \$HK10.50 per share

There were a total of 36, double-digit movers of the day, of which number, 25 counters saw their share prices rise, while 11 counters saw their share prices lose substantial ground.

Great China Holdings Ltd (Code: 141) was the biggest gainer of the day as its share price rose 35.14 percent to 25 cents.

Pacific Plywood Holdings Ltd (Code: 767) was the biggest loser, its share price, dropping back 31.58 percent to 1.30 cents.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, this speculative marketplace was dominated by trading in the shares of Milkyway Image Holdings Ltd (Code: 8130).

On its first day of trading, this film production company saw 123.45 million of its 30-cent shares change hands, with the share price, fluctuating between a high of 33 cents and a low of 29.50 cents.

The turnover on this one counter, at about \$HK37.51 million, represented about 30 percent of the Total Turnover of about \$HK123.63 million.

The Growth Enterprise Index surrendered about one half of a percentage point, coming to rest at 145.07 points by the time that the closing bell rang.

The ratio of losers to gainers was 1.14:One, but trading was very selective, with about 86 percent of all the counters that saw some action in their shares, holding firmly onto previous closing levels.

As for the Li Ka Shing duo of CK Life Sciences International (Holdings) Ltd (Code: 8222) and tom.com Ltd (Code: 8001), they both fell victim to selling pressure as CK Life Sciences shed 2 percent of its market capitalisation, falling to \$HK1.83 per share, while tom.com gave up about one percent of its value, dropping back to \$HK2.775 per share.

There were only 3 big movers of the day:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025	20.00		0.06
Prosperity International Holdings (Hongkong) Ltd	8139		12.28	0.10
WLS Holdings Ltd	8021	10.19		0.173

In Japan, investors were treated to the fifth day of a mild bullish run on The Tokyo Stock Exchange as the key index, the Nikkei-225 Stock Average, gained 200.29 yen, equivalent to about 2.03 percent, running up to 10,067.74 yen.

Suggestions that the Government was about to unleash tax cuts helped the market buck the generally bearish trend, sweeping Asia, last Monday.

While there were a handful of electronic counters that made material gains, it was in banks and motors where most of the action was seen:

Banks/Finance Houses/Stockbrokerage Houses

Daiwa Bank Holdings	Up 1.14 percent to 89 yen per share
Daiwa House	Up 3.18 percent to 713 yen per share
Daiwa Securities*	Up 1.72 percent to 652 yen per share
Kokusai Securities	Up 4.68 percent to 761 yen per share
Mitsubishi Tokyo Financial	Up 3.23 percent to 832,000 yen per share
Mitsui Trust	Up 2.59 percent to 277 yen per share
Mizuho Holdings	Up 2.76 percent to 261,000 yen per share
New Japan Securities	Up 3.05 percent to 203 yen per share
Nikko Cordial	Up 0.95 percent to 529 yen per share
Nomura Holdings*	Up 1.85 percent to 1,651 yen per share
Sumitomo Mitsui Bank*	Up 3.88 percent to 642 yen per share
Sumitomo Trust	Up 4.05 percent to 539 yen per share
UFJ	Up 1.48 percent to 275,000 yen per share

* Among the most active counters of the day

Motors

Daihatsu Motor	Up 4.14 percent to 428 yen per share
Hino Motors	Up 2.01 percent to 304 yen per share
Honda	Up 1.55 percent to 5,230 yen per share
Kawasaki Heavy Industries*	Up 2.38 percent to 129 yen per share
Nissan Motor*	Up 2.73 percent to 904 yen per share
Suzuki Motor	Up 2.08 percent to 1,323 yen per share

Toyota Motor

Up 2.32 percent to 3,090 yen
per share

* Among the most active counters of the day

The ratio of gainers to losers was about 5.44:One.

News wise, Kenwood Corporation, financially troubled for some time, now, said that it planned to unload about 550 of its workers by September 30, 2002.

By that date, Management said that its total workforce would be about 1,740 workers, down from about 2,500 workers of about one year ago.

Kenwood is suffering negative net worth of about 17 billion yen.

In other Asian equity markets, this was the situation, last Monday night:

Indonesia	Minus 0.41 percent to 456.40
Japan	Plus 2.03 percent to 10,067.74
Malaysia	Minus 0.21 percent to 728.49
The Philippines	Plus 0.52 percent to 1,092.86
Singapore	Minus 1.04 percent to 1,516.04
South Korea	Minus 0.77 percent to 734.49
Taiwan	Minus 0.66 percent to 4,935.92
Thailand	Plus 0.55 percent to 369.02

Tuesday

The war drums were beating in Washington, with more and more of the most powerful politicians in the world, demanding to go to war against Iraq.

Aside from US President George W. Bush, beating the drums of war the loudest, his Vice President, Mr Dick Cheney, who had, in the past, mildly advocated going the diplomatic route to try to resolve the problems between Iraq's Saddam Hussein and the United States/United Nations, joined in with his bass drum, too.

Vice President Cheney said that a policy of containment in respect of Iraq was no longer an option because doing nothing was riskier than acting against the Iraqi leader.

He said that time was running out.

In a speech in Nashville, Tennessee, he said: *'What we must not do in the face of a mortal threat is to give in to wishful thinking or willful blindness.'*

Investors in the US sold stocks and shares for most of the first trading day of the week, but an end run ramped up prices in the last hour of trading on most equity markets in the world's largest single economy.

But the run on stocks and shares appeared to lack any real strength: Time would tell whether or not the share-price gains would be maintained.

On The New York Stock Exchange, the Dow Jones Industrial Average gained 46.05 points, equivalent to about 0.52 percent, ending the hectic day at 8,919.01 points.

On the NASDAQ, its Composite Index recovered 11.12 points, or about 0.81 percent, coming to rest at 1,391.74 points by the time that the closing bell rang.

In spite of some fairly bullish reports about some sectors of the US economy, investors were not convinced that the worst was over.

And, if another war should come to pass, equity markets, not only in the US but also around the world, would go into steep declines, without question. Strong suggestions of the US, making a pre-emptive strike against Iraq, were not helping matters, at all.

In Asia, major equity markets were in negative territory, and even those that were in the black were only marginally so.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), share prices tracked lower, for the most part, on both stock exchanges, the Main Board and The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd.

On the Main Board, the premier market of the HKSAR, its Hang Seng Index lost about 0.40 percent of its value, falling to 10,185.52 points.

The Total Turnover on this market was about \$HK4.09 billion, with declining issues, outnumbering advancing ones by the ratio of about 2.82:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.28 percent to \$HK89.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 2.15 percent to \$HK57.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.45 percent to \$HK22.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.86 percent to \$HK52.75 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.82 percent to \$HK54.00 per share
BOC Hong Kong (Holdings) Ltd (Code: 2388)	Unchanged at \$HK8.65 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.88 percent to \$HK84.50 per share
Henderson Land Development Company Ltd (Code: 12)	Down 2.59 percent to \$HK26.35 per share
CLP Holdings Ltd (Code: 2)	Up 0.31 percent to \$HK31.90 per share
CITIC Pacific Ltd (Code: 267)	Up 4.40 percent to \$HK17.80 per share

The biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)

Can Do Holdings Ltd	172		25.00	0.036
CCT Technology Holdings Ltd	261		13.33	0.013
Cedar Base Electronic (Group) Ltd	855		11.11	0.024
China Development Corporation Ltd	487	11.11		0.02
China United Holdings Ltd	273		13.04	0.02
Fortuna International Holdings Ltd	530	15.00		0.023
G-Prop (Holdings) Ltd	286		14.29	0.024
Golden Dragon Group (Holdings) Ltd	329		12.82	0.17
Hanny Holdings Ltd	275		10.00	0.045
Kantone Holdings Ltd	1059		10.42	0.043
Kessel International Holdings Ltd	2960		33.33	0.037
Kwong Hing International Holdings (Bermuda) Ltd	1131	10.34		0.032
MUI Hongkong Ltd	542		15.00	0.085
Multifield International Holdings Ltd	898	27.27		0.28
Nam Fong International Holdings Ltd	1176		16.67	0.035
Omnitech Group Ltd	94		11.11	0.032
ONFEM Holdings Ltd	230		12.82	0.34
Winfoong International Ltd	63		12.35	0.149

There were 2 corporate announcements that took some HKSAR investors back a mite since both announcements could be considered somewhat shocking.

From BOC Hong Kong (Holdings) Ltd (Code: 2388), it was announced that the bank's interest income for the first half of its Financial Year, ended June 30, 2002, was off by about 53 percent, Year-on-Year.

The bank's Net Profit Attributable to Shareholders was down by about 18.52 percent, to \$HK3.42 billion, Year-on-Year.

BOC Hong Kong (Holdings) Ltd was only listed on the Main Board of The Stock Exchange of Hongkong Ltd on July 25, 2002.

Another PRC, State-run entity, China Eastern Airlines Corporation Ltd (Code: 670), announced that, on a Turnover of about 5.95 billion renminbi (about \$HK5.71 billion) for the first half of its Financial Year, to June 30, 2002, the airline had recorded a Bottom Line of about 25.52 million renminbi (about \$HK24.50 million).

The Net Profit Attributable to Shareholders, at 25.52 million renminbi, represented a drop of nearly 64 percent, compared with the comparable period in 2001.

Interestingly enough, the Turnover, at about 5.95 billion renminbi, was an increase of about 2.41 percent, Year-on-Year.

The share price of China Eastern Airlines dropped by about 9.40 percent to \$HK1.06.

On The GEM, its Growth Enterprise Index surrendered another 0.94 percent of its value, falling to 143.71 points on a Total Turnover of about \$HK118.54 million.

Losing counters outraced gaining ones by the ratio of about 1.81:One.

Mr Li Ka Shing's CK Life Sciences International (Holdings) Ltd (Code: 8222) raced back to the top of the pops as investors traded about 9.76 million of this company's shares, pushing up the price by about one percent to \$HK1.84.

Milkyway Image Holdings Ltd (Code: 8130), on its second day of trading, saw investors mark down its share price by 15.25 percent to 25 cents per share. It was the third, most-active counter of the day.

The other Li Ka Shing GEM listing, tom.com Ltd (Code: 8001), did not fare as well as CK Life Sciences as investors sold large tranches of shares in this loss-maker, pulling down its share price to \$HK2.725, a one-day drop of 2 percent. And it appeared that more shaving of the share price of tom.com was on the cards.

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025	16.67		0.07
AKuP International Holdings Ltd	8179	38.46		0.18
G.A. Holdings Ltd	8126		15.00	0.255
L.P. Lammas International Ltd	8029		10.00	0.045
Milkyway Image Holdings Ltd	8130		15.25	0.25
ProStricks International Holdings Ltd	8055	13.33		0.068

In The Land of The Rising Sun, the bull mould was broken as investors pulled down share prices on the 3 stock markets of the country.

On The Tokyo Stock Exchange, the premier bourse of Japan, the Nikkei-225 Stock Average lost 160.44 yen, equivalent to about 1.59 percent, ending the session at 9,907.30 yen.

The Nikkei-225 Stock Average had descended, yet again, below the magical 10,000-yen level.

It was noted by chartists: The 5-day advance was over.

Banking counters were hit, losing most of the gains of Monday, while motors took it on the nose, by and large.

Electronics, especially Sony Corporation, were shaved clean, with Sony's share price, losing about 3.60 percent of its value, falling to 5,340 yen.

The ratio of losing counters to gaining ones was about 5.25:One.

In other Asian stock markets, this was how the situation looked, last Tuesday night:

Indonesia	Minus 0.95 percent to 452.06
Japan	Minus 1.59 percent to 9,907.30
Malaysia	Plus 0.03 percent to 728.73
The Philippines	Plus 0.55 percent to 1,098.91
Singapore	Minus 0.43 percent to 1,509.48
South Korea	Minus 1.45 percent to 724.17
Taiwan	Minus 1.16 percent to 4,878.85
Thailand	Plus 0.30 percent to 370.14

Wednesday

Oil prices hardened on international exchanges, US consumer confidence hit the lowest level since November 2001, and the drums of war kept on beating as the US sought support of its trading partners for a pre-emptive attack on Iraq.

Wall Street reacted in typical fashion to a plethora of news, with investors selling stocks and shares as if they had scurvy, thus driving down prices on The New York Stock Exchange and NASDAQ.

On The New York Stock Exchange, the Dow Jones Industrial Average shed 94.60 points, equivalent to 1.06 percent, falling back to 8,824.41 points.

The Composite Index of NASDAQ gave up about 3.16 percent of its value, dropping to 1,347.78.

It looked ominous: More losses were on the cards, to be sure.

Trading on the New York stock exchanges started off, strongly, but when the results of The New York Conference Board, which tracks consumer confidence in the US, became known, the balloon burst.

About 66 percent of all of US economic activity is accounted for by consumer spending: If that is hit in the belly, US manufacturers and importers are hit where it really hurts.

Further, one major company after another was telling its shareholders to expect the worst in the coming months.

The second half of 2002 is not turning out to be the bullish end run that had been predicted by the pundits of Washington and New York.

Asia reacted to what was transpiring in the world's largest economy with all but the stock markets of the Philippines, coming under intense selling pressure.

On The Stock Exchange of Hongkong Ltd, trading was relatively thin as investors traded just \$HK5-billion worth of stocks and shares, pulling down the Main Board's Hang Seng Index by about 0.54 percent to 10,130.25 points.

The ratio of losers to gainers was about 2.18:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.56 percent to \$HK88.75 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.39 percent to \$HK53.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.42 percent to \$HK52.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.32 percent to \$HK56.25 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.59 percent to \$HK84.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.90 percent to \$HK23.05 per share
Henderson Land Development Company Ltd (Code: 12)	Down 1.71 percent to \$HK25.90 per share
BOC Hong Kong (Holdings) Ltd (Code: 2388)	Down 1.16 percent to \$HK8.55 per share
CLP Holdings Ltd (Code: 2)	Unchanged at \$HK31.90 per share
PetroChina Company Ltd (Code: 857)	Down 1.26 percent to \$HK1.57 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
21CN CyberNet Corporation Ltd	241	35.59		0.16
Applied (China) Ltd	472	10.00		0.044
Asia Tele-Net and Technology Corporation Ltd	679	16.67		0.014
Bossini International Holdings Ltd	592	14.71		0.39
Chuang's China Investments Ltd	298	12.58		0.17
CIL Holdings Ltd	479	15.79		0.022
Daiwa Associate Holdings Ltd	1037		18.52	0.44
Everbest Century Holdings Ltd	578	16.67		0.014
Fortuna International Holdings Ltd	530		13.04	0.02
Global Trend Intelligent Technologies Ltd	691	11.54		0.435
Great Wall Cybertech Ltd	689	16.67		0.014
Greater China Sci-Tech Holdings Ltd	431		20.83	0.019
Joyce Boutique Holdings Ltd	647	13.13		0.112
K.P.I. Company Ltd	605	18.75		0.114
KTP Holdings Ltd	645		12.28	0.25
Lai Sun Development Company Ltd	488	11.54		0.087
Millennium Group Ltd	260	12.24		0.11
Multifield International Holdings Ltd	898		32.86	0.188
Nam Fong International Holdings Ltd	1176	14.29		0.04
Pacific Plywood Holdings Ltd	767	50.00		0.021
Peking Apparel International Group Ltd	761		16.47	0.142
Qingling Motors Company Ltd	1122		18.02	0.91
QUAM Ltd	952		23.53	0.013
Sen Hong Resources Holdings Ltd	76	25.00		0.40
Terabit Access Technology International Ltd	491		10.53	0.017
Theme International Holdings Ltd	990	15.15		0.038
Universal Appliances Ltd	419	14.71		0.039
Victory Group Ltd	1139	16.67		0.07
Yu Ming Investments Ltd	666	30.43		0.30
Zhu Kuan Development Company Ltd	908	12.50		0.36

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the volume of activity fell to about \$HK79.62 million, with losing counters, outnumbering gaining ones by the ratio of about 2.19:One.

The Growth Enterprise Index lost about 0.68 percent of its value, falling to 142.73 points.

Milkyway Image Holdings Ltd (Code: 8130), which was only listed the previous Monday, lost another 17.60 percent of its market capitalisation as investors marked down the share price to 20.60 cents.

A total to 19.64 million, Milkyway Image shares were traded, during the session.

Mr Li Ka Shing's CK Life Sciences International (Holdings) Ltd (Code: 8222) was the most-active counter of the day as investors pulled down its share price to a new low of \$HK1.80, a fall of 2 percent, compared with Tuesday's close.

tom.com Ltd (Code: 8001), another of Mr Li Ka Shing's GEM companies, lost one percent of its value, falling to \$HK2.70 per share.

But the biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Multimedia Ltd	8061		16.67	0.05

E-silkroad Holdings Ltd	8071		26.47	0.025
Milkyway Image Holdings Ltd	8130		17.60	0.206
Prosperity International Holdings (Hongkong) Ltd	8139	16.00		0.116
Rojam Entertainment Holdings Ltd	8075	12.61		0.125

In Japan, Nippon Electronic Big-Stores Association reported that sales of personal computers fell by about 32.20 percent in July, Year-on-Year.

It was the second largest decline in sales of personal computers ever.

The July statistics marked the eighteenth consecutive month of declines in such sales.

That little gem, coupled with everything else that was happening in the world, was enough to send icy fingers, running down the spines of Japanese investors.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average lost another 1.42 percent of its value as investors marked it down to 9,766.73 yen.

Losing counters outpaced gaining ones by the ratio of about 1.96:One.

Electronics and select motors were among the hardest hit counters.

The following is a partial list of some of the largest losers of the day:

Electronics

Advantest	Down 4.35 percent to 5,930 yen per share
Canon	Down 3.27 percent to 4,140 yen per share
Casio	Down 2.46 percent to 635 yen per share
Fujitsu*	Down 3.74 percent to 643 yen per share
Furukawa Electric*	Down 4.20 percent to 342 yen per share
Hitachi*	Down 3.82 percent to 655 yen per share
JVC	Down 4.24 percent to 790 yen per share
Kyocera	Down 2.73 percent to 8,540 yen per share
Mitsubishi Electric	Down 2.31 percent to 422 yen per share
NEC*	Down 3.09 percent to 658 yen per share
Nikon	Down 5.10 percent to 1,041 yen per share
Olympus	Down 3.10 percent to 1,628 yen per share
Ricoh	Down 3.70 percent to 2,080 yen per share

Rohm	Down 3.42 percent to 15,820 yen per share
Sharp*	Down 3.08 percent to 1,291 yen per share
TDK	Down 4.84 percent to 5,500 yen per share
Toshiba Corporation*	Down 3.26 percent to 415 yen per share

* Among the most active counters of the day

Motors

Hino Motors	Down 3.64 percent to 291 yen per share
Honda	Down 2.52 percent to 5,030 yen per share

Finally, the US Government informed the Government of Prime Minister Junichiro Koizumi that it would keep the country abreast of the situation in respect of Iraq and, in the event of an invasion, Japan would be told in good time.

Hallelujah!

And, in other Asian stock markets, this was how those bourses fared, last Wednesday:

Indonesia	Minus 2.01 percent to 442.96
Japan	Minus 1.42 percent to 9,766.73
Malaysia	Minus 0.55 percent to 724.72
The Philippines	Plus 0.93 percent to 1,109.11
Singapore	Minus 0.30 percent to 1,504.90
South Korea	Minus 0.02 percent to 724.05
Taiwan	Minus 1.83 percent to 4,789.63
Thailand	Minus 1.35 percent to 365.13

Thursday

Stock markets, around the world, buckled under the heavy weight of gruesome news, pouring out of major publicly listed companies in the US and Europe, plus the ever-growing war clouds, grouping in clumps in the West.

In England, it was proposed to give Iraq a deadline for allowing United Nations's inspectors back into the country, governed by Saddam Hussein – or Iraq would suffer the (unspecified) consequences.

The US Government threatened North Korea with regard to its sales of weapons of mass destruction, suggesting that it would cut off aid to the country unless it curtailed its activities.

From Canada, Nortel Networks, the biggest bust of the hi-tech collapse of a few years ago, announced that it would be sacking another 7,000 of its workers in the next few months.

The company has, now, cut its staff from about 95,500 workers of just 2 years ago to about 35,000 workers.

Nortel's Management, also, said that its revenue for the July-September quarter would be off by about 10 percent, compared with previous forecasts.

Nortel's share price fell to about \$US1.23, down from about \$US85 of July 2000.

On The New York Stock Exchange, the Dow Jones Industrial Average lost 130.32 points, equivalent to about 1.48 percent, dropping back to 8,694.09 points.

As for the tech-laden NASDAQ, its Composite Index shed another 33.40 points, or about 2.48 percent, hitting 1,314.38 points by the close of trading.

What affects the US, affects Asia in spades, as the saying goes.

On the 2 stock exchanges of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), it was another bad day for those pundits, who had been promising a turnabout in share trading by this time of the year.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index shed about 0.68 percent of its value, falling to 10,061.15 points by the time that the closing bell had sounded.

However, at the luncheon break, at 12:30 pm, the Hang Seng Index was off by about 1.32 percent, to 9,996.39 points, compared with Wednesday's closing level.

Last Thursday's losses represented the fourth consecutive day of losses on the Main Board.

The Total Turnover of the day was about \$HK5.24 billion, with losers, ahead of gainers by the ratio of about 1.72:One.

Losses were right across the board: No single sector was spared.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK88.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 2.88 percent to \$HK50.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.59 percent to \$HK21.70 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.94 percent to \$HK52.75 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.89 percent to \$HK55.75 per share
BOC Hong Kong (Holdings) Ltd (Code: 2388)	Unchanged at \$HK8.55 per share
CLP Holdings Ltd (Code: 2)	Up 0.94 percent to \$HK32.20 per share
Hang Lung Properties Ltd (Code: 101)	Down 5.49 percent to \$HK7.75 per share

Hang Seng Bank Ltd (Code: 11)

Unchanged at \$HK84.00 per share

CITIC Pacific Ltd (Code: 267)

Up 0.28 percent to \$HK17.95 per share

The biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Ananda Wing On Travel (Holdings) Ltd	1189	12.50		0.027
Asia Resources Transportation Holdings Ltd	899	11.76		0.019
Beauforte Investors Corporation Ltd	21		15.56	3.80
Can Do Holdings Ltd	172	11.43		0.039
Century Legend (Holdings) Ltd	79		27.78	0.013
China Sci-Tech Holdings Ltd	985		11.54	0.046
G-Prop (Holdings) Ltd	286		13.04	0.02
Gay Giano International Group Ltd	686		14.00	0.086
i100 Ltd	616	12.68		0.08
Joyce Boutique Holdings Ltd	647	19.64		0.314
Kamboat Group Company Ltd	318		33.91	0.152
KTP Holdings Ltd	645	20.00		0.30
Magician Industries (Holdings) Ltd	526		28.89	0.096
Mansion House Group Ltd	376		14.29	0.24
Mei Ah Entertainment Group Ltd	391		16.85	0.148
New City (Beijing) Development Ltd	456		25.00	0.21
Oriental Explorer Holdings Ltd	430		10.00	0.036
Pacific Plywood Holdings Ltd	767		23.81	0.016
Paliburg Holdings Ltd	617		10.42	0.086
Shanghai Allied Cement Ltd	1060		13.33	0.013
Sino Technology Investments Company Ltd	1217		10.14	0.31
Starbow Holdings Ltd	397		16.67	0.02
Sun's Group Ltd, The	988	22.73		0.027
Vision Tech International Holdings Ltd	922		38.75	0.245
Wonson International Holdings Ltd	651		16.00	0.042
Yu Ming Investments Ltd	666		18.33	0.245
Zhu Kuan Development Company Ltd	908		11.11	0.32

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, it was a similar story to that, being told on the Main Board.

The Growth Enterprise Index lost another 0.74 percent of its value, falling to 141.68 points.

The Total Turnover on this speculative stock market fell to about \$HK81.61 million, with losers, outpacing gainers by the ratio of about 2.36:One.

An interesting statistic, indicating just how thin was this market, last Thursday, was that 82 securities out of 83 securities, having been traded, held onto previous levels, with no movement, at all.

The double-digit movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025		14.29	0.06
Chengdu Top Sci-Tech Company Ltd	8135		14.93	0.57
Inworld Group Ltd	8100		11.11	0.16

Neolink Cyber Technology (Holdings) Ltd	8116		10.65	0.151
ProSticks International Holdings Ltd	8055		11.76	0.06

In Japan, investors braced themselves, at the opening of The Tokyo Stock Exchange, for another bearish day of trading.

They were not disappointed.

The Nortel announcement was enough to frighten the kimono off any reasonable Japanese lady, or turn any sashimi rancid.

The key index of The Tokyo Stock Exchange, the Nikkei-225 Stock Average, lost exactly 1.50 percent of its value, falling back to 9,620.14 yen.

The ratio of losers to gainer was 10.63:One – about the largest chasm between winners and losers, ever seen by this medium.

The losses on The Tokyo Stock Exchange were the largest in Asia, last Thursday.

Some of the biggest losers included:

Banks/Finance Houses/Securities Companies

Daiwa Bank Holdings	Down 4.55 percent to 84 yen per share
Daiwa Securities*	Down 3.82 percent to 604 yen per share
Kokusai Securities	Down 4.06 percent to 686 yen per share
Nikko Cordial	Down 2.76 percent to 494 yen per share

* Among the most active counters of the day

Electronics

Advantest	Down 2.53 percent to 5,780 yen per share
Casio	Down 2.20 percent to 621 yen per share
Furukawa Electric*	Down 3.80 percent to 329 yen per share
Hitachi*	Down 2.90 percent to 636 yen per share
JVC	Down 3.67 percent to 761 yen per share
Kyocera	Down 3.16 percent to 8,270 yen per share
Mitsubishi Electric*	Down 3.08 percent to 409 yen per share
Oki Electrical Industrial*	Down 3.60 percent to 241 yen per share

Pioneer	Down 2.56 percent to 2,090 yen per share
Sanyo Electric*	Down 4.47 percent to 470 yen per share
Sony	Down 3.18 percent to 5,180 yen per share
Sumitomo Electric	Down 3.18 percent to 760 yen per share
TDK	Down 2.36 percent to 5,370 yen per share

* Among the most active counters of the day

Motors

Daihatsu Motor	Down 3.76 percent to 409 yen per share
Isuzu Motors	Down 4.35 percent to 66 yen per share
Mazda	Down 1.89 percent to 311 yen per share
Mitsubishi Motors	Down 4.76 percent to 280 yen per share
Toyota Motor	Down 2.84 percent to 2,910 yen per share
Yamaha Motor	Down 1.85 percent to 901 yen per share

* Among the most active counters of the day

Japan appeared to be standing by for more losses in the coming trading sessions.

In other parts of Asia, the major markets finished generally lower:

Indonesia	Minus 0.91 percent to 438.92
Japan	Minus 1.50 percent to 9,620.14
Malaysia	Minus 1.32 percent to 715.14
The Philippines	Minus 0.28 percent to 1,105.96
Singapore	Minus 0.97 percent to 1,490.35
South Korea	Plus 0.12 percent to 724.94
Taiwan	Plus 0.23 percent to 4,800.63
Thailand	Minus 0.82 percent to 362.14

Friday

Listless trading dominated Asia, last Friday, with investors, generally, continuing to be pessimistic about the immediate future – and the US economy was still going to be a key factor in determining which way the world's

economies would move, notwithstanding the prospects of an invasion into Iraq.

Wall Street held out little hope of a worldwide economic recovery, however; and, last Thursday's trading pattern appeared to be ominous.

On The New York Stock Exchange, the Dow Jones Industrial Average lost another 23.10 points, or about 0.27 percent, ending the session at 8,670.99 points.

The NASDAQ's Composite Index, however, went in the other direction, tacking on 21.39 points, or about 1.63 percent, running back to 1,335.77 points.

The US Government's Commerce Department confirmed that which most economists already knew: The US economy was not moving apace.

Helping to constrain the economy were rumblings from US workers, who did not appreciate, being asked to take pay cuts, voluntarily.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), it was another day of falling prices.

For the fifth consecutive day, the Main Board's key index of The Stock Exchange of Hongkong Ltd suffered a loss.

For the 5 trading days, last week, the Hang Seng Index, the '*barometer*' of trading on the premier stock market of the HKSAR, had lost about 184.54 points, equivalent to 1.80 percent – dead on.

The Hang Seng Index finished the week at 10,043.87 points, down about 0.17 percent, compared with Thursday's closing level.

The Total Turnover, last Friday, was about \$HK4.35 billion, but gainers outperformed losers by the ratio of 1.18:One.

The Ten Most Actives were:

BOC Hong Kong (Holdings) Ltd (Code: 2388)	Down 1.75 percent to \$HK8.40 per share
HSBC Holdings plc (Code: 5)	Down 0.28 percent to \$HK88.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Unchanged at \$HK50.50 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK52.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.69 percent to \$HK21.55 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Unchanged at \$HK55.75 per share
Henderson Land Development Company Ltd (Code: 12)	Down 0.39 percent to \$HK25.50 per share
CLP Holdings Ltd (Code: 2)	Down 1.32 percent to \$HK31.40 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.30 percent to \$HK83.75 per share
PetroChina Company Ltd (Code: 857)	Up 0.63 percent to \$HK1.59 per share

The double-digit movers of last Friday included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Beauforte Investors Corporation Ltd	21		13.16	3.30
Boto International Holdings Ltd	585	51.35		0.056
Century Legend (Holdings) Ltd	79	30.77		0.017
China Land Group Ltd	149	22.45		0.30
China Sci-Tech Holdings Ltd	985	15.22		0.053
China United Holdings Ltd	273	14.29		0.024
Companion Building Material International Holdings Ltd	432		10.00	0.018
Daiwa Associate Holdings Ltd	1037	13.04		0.52
Dickson Group Holdings Ltd	313	13.33		0.068
e2-Capital (Holdings) Ltd	378	10.00		0.242
Grand Hotel Holdings Ltd "A"	195	110.59		1.79
Grand Hotel Holdings Ltd "B"	196	108.14		0.179
Graneagle Holdings Ltd	147	10.53		0.21
Harbin Brewery Group Ltd	249	14.11		1.86
Magician Industries (Holdings) Ltd	526	10.42		0.106
MUI Hongkong Ltd	542	18.82		0.101
Oriental Explorer Holdings Ltd	430	11.11		0.04
renren Holdings Ltd	2964		62.00	0.095
Rising Development Holdings Ltd	1004	11.54		0.29
Sen Hong Resources Holdings Ltd	76	18.42		0.45
Shanghai International Shanghai Growth Investment Ltd	770	14.29		3.00
Theme International Holdings Ltd	990		26.32	0.028
Vision Century Corporation Ltd	535	13.19		0.206
Vision Tech International Holdings Ltd	922		11.02	0.218
Zhejiang Glass Company Ltd	739		28.40	1.21

PCCW Ltd (formerly known as Pacific Century CyberWorks Ltd) (Code: 8) saw its share price fall to a record low of \$HK1.40, down 2.10 percent on the day, following about 56.04 million shares, changing hands.

This Li Ka Shing company has lost much of its investor support, unlike other Li Ka Shing loss-makers.

There were a couple of interesting corporate announcements, last Friday, one seemingly very positive, on the surface, at least, and one definitely very negative.

From the Li Ka Shing 'stable' of publicly listed companies, Pacific Century Insurance Holdings Ltd (Code: 65), it was announced that, for the first half of its Financial Year, to June 30, 2002, it had logged in a Net Profit Attributable to Shareholders of about \$HK84.03 million.

That result represented a gain of about 22 percent, compared with the like period in 2001.

However, that Bottom Line was achieved on a declining volume of activity, with the Turnover, falling from the 2001 half Year of about \$HK957.53 million, to the 2002 like period of about \$HK837.72 million, a drop of about 12.51 percent, Year-on-Year.

From PetroChina Company Ltd (Code: 857), it was announced that that company's Net Profit Attributable to Shareholders had fallen by about 19.58 percent, during the first half of its Financial Year, to June 30, 2002, from the 2001 figure of about 27.17 billion renminbi to the comparable 2002 figure of about 19.58 billion renminbi (from about \$HK26.08 billion to about \$HK18.80 billion).

The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd eked out its first gain of the week, but it was only about 0.45 percent of a percentage point on the single index of The GEM.

The Growth Enterprise Index ended the quiet trading session at 142.31 points, representing a loss for the week of about 2.39 percent, Week-on-Week.

The Total Turnover was about \$HK92.10 million, with gainers, outpacing losers by the ratio of about 1.52:One.

The biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Billybala Holdings Ltd	8117		13.58	0.35
G.A. Holdings Ltd	8126	11.32		0.295
Info Communication Holdings Ltd	8082	13.51		0.042
Systek Information Technology (Holdings) Ltd	8103	28.57		0.063

In The Land of The Rising Sun, investors were treated to a stock market that went nowhere, very fast.

After a material sell-off, earlier in the trading session on The Tokyo Stock Exchange, short-sellers covered their positions lest something untoward should take place over the weekend.

The Nikkei-225 Stock Average ended the week at 9,619.13 yen, a loss of just 0.01 percent, compared with Thursday's close.

For the week, therefore, the Nikkei-225 Stock Average had lost 244.33 yen, or about 2.48 percent of its value.

Fears that a stall in the US economy's growth would adversely affect Japan's economy took precedence over all else.

Further, it was becoming only too apparent that the US was hatching plans to invade Iraq or, alternatively, *'take out'* (which is a polite way of saying *'assassinate'*) Iraq's leader Saddam Hussein.

In other parts of Asia, this was how those bourses fared, last Friday night:

Indonesia	Plus 1.08 percent to 443.67
Japan	Minus 0.01 percent to 9,619.13
Malaysia	Minus 0.53 percent to 711.36
The Philippines	Minus 0.24 percent to 1,103.36
Singapore	Minus 0.12 percent to 1,488.50
South Korea	Plus 1.58 percent to 736.40
Taiwan	Minus 0.74 percent to 4,764.94
Thailand	Minus 0.27 percent to 361.16

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