

**PRESIDENT BUSH TELLS THE WORLD :  
WE ARE READY TO ATTACK IRAQ! AND EQUITY MARKETS FALL**

The world appeared to be gripped by the very real prospects of a war, breaking out between the United States and Iraq.

Oil prices started to rise and equity prices started to fall in Europe as a direct result of such fears.

Europe, of all the places on the earth, knows only too well how a war can devastate a country and can destroy an economy: There lingers, still, poignant reminders in Europe of the 2 World Wars that lay tens of millions of once-fertile miles fallow for years to come, and killed more than 60 million people before peace was restored.

US President George W. Bush was lobbying for support from all of his international friends, with Great Britain's Prime Minister, Mr Tony Blair, clearly stating that Great Britain would come to the *'party'*.

Leaders of the world's strongest nations listened to the Texan President and, no doubt, were weighing up the pros and cons of taking sides with the US Government.

Right is all well and good, but politics makes for strange bedfellows.

Meanwhile, stockpiles of US armaments were being built up in Kuwait in preparation for a US invasion of Saddam Hussein's headquarters in Baghdad.

Only investors in Japan appeared to buck the international trend as its equity markets rose, quite considerably.

But the gains were considered an anomaly that would be short-lived.

Japan, whose 120 million-plus, human population has, traditionally, been insular in its outlook and thinking, looked at Wall Street's close of Friday, September 6, and appeared to brush aside the negative news of the previous Saturday and Sunday.

Wall Street, on Friday, September 6, was bubbling with seemingly positive news, but the gains on major equity markets of the world's largest economy were akin to a man, trying to cling onto a leaf as he slipped on the slate of the roof of his house.

On The New York Stock Exchange, the previous Friday, the Dow Jones Industrial Average gained 143.50 points, equivalent to about 1.73 percent, ending the week at 8,427.20 points.

On the NASDAQ, its Composite Index spurted up 44.30 points, or about 3.54 percent, running back to 1,295.30 points.

A fall in the level of US unemployment in the month of August, a fall of about 3.39 percentile points, Month-on-Month, was said to be the trigger for the gains on Wall Street.

But one swallow, as the saying goes, does not make a spring.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors, by and large, stayed clear of the 2 stock markets.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index ended the session up by about 0.03 percent, limping back to 9,723.67 points, following a morning session that saw the Hang Seng Index drop by about 0.15 percent, compared with the previous Friday's closing level.

However, declining issues swamped advancing ones by the ratio of about 1.50:One.

The Total Turnover was relatively low at about \$HK3.76 billion: It was clear that many investors were giving the market a miss.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 0.29 percent to \$HK85.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.99 percent to \$HK20.35 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.49 percent to \$HK51.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.40 percent to \$HK49.80 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.45 percent to \$HK55.25 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.30 percent to \$HK82.75 per share
CLP Holdings Ltd (Code: 2)	Down 2.45 percent to \$HK31.90 per share
CNOOC Ltd (Code: 883)	Up 3.32 percent to \$HK10.90 per share
The Hongkong and China Gas Company Ltd (Code: 3)	Up 0.95 percent to \$HK10.60 per share
Cathay Pacific Airways Ltd (Code: 293)	Down 3.72 percent to \$HK10.35 per share

Mr Li Ka Shing's counters seemed to get hit hard, last Monday, as one after another of them gave up ground.

The share price of PCCW Ltd, the HKSAR's largest, fixed-line telephone operator, fell to a new low of \$HK1.25, off by about 2.34 percent, compared with the previous closing level.

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
21CN CyberNet Corporation Ltd	241		10.00	0.216
Bestway International Holdings Ltd	718		10.00	0.018
Earnest Investments Holdings Ltd	339	18.75		0.019
Far East Hotels and Entertainment Ltd	37		11.48	0.27
Gold Wo International Holdings Ltd	2966	14.47		0.087
HSBC China Fund Ltd, The	504		18.92	1.50
Kee Shing (Holdings) Ltd	174		10.47	0.385
Mansion Holdings Ltd	547	12.50		0.018
Ming Fung Jewellery Group Ltd	860		10.77	0.29
MUI Hongkong Ltd	542	25.00		0.08
Shougang Concord Grand (Group) Ltd	730		11.59	0.61
Shun Ho Technology Holdings Ltd	219		22.09	0.134

Soundwill Holdings Ltd	878	20.00		0.03
Starbow Holdings Ltd	397		20.00	0.02
Tack Fat Group International Ltd	928	14.61		0.51
Terabit Access Technology International Ltd	491		16.00	0.021
Theme International Holdings Ltd	990		10.81	0.033
Tongda Group Holdings Ltd	698	16.00		0.058
Van Shung Chong Holdings Ltd	1001		10.29	0.305
Vision Tech International Holdings Ltd	922	26.17		0.27
Wah Tak Fung Holdings Ltd	297		10.34	0.13

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 gave up another 0.49 percent of its value, falling to 132.85 points by the time that the closing bell rang.

Losing counters were ahead of gaining ones by the ratio of about 1.24:One.

CK Life Sciences International (Holdings) Incorporated (Code: 8222) was the most-active counter of the day, but its share price was marked down by about one percent to \$HK1.74 on a turnover of about \$HK10.97 million.

The volume of activity on this one counter represented about 19.14 percent of the Total Turnover of the day of about \$HK57.31 million.

Another Li Ka Shing listing, tom.com Ltd (Code: 8001), also, received a bit of a drubbing as investors pulled down its share price by about one percent to \$HK2.25.

The double-digit movers on this market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Creative Energy Solutions Holdings Ltd	8109	15.00		0.46
G.A. Holdings Ltd	8126		13.56	0.255
Golding Soft Ltd	8190		10.70	0.192
Panorama International Holdings Ltd	8173		13.11	0.053
Sing Lee Software (Group) Ltd	8076		10.71	0.50
Tradecasy Holdings Ltd	8163		12.50	0.105

In Japan, it was a completely different story to that which was heard on trading floors throughout other major capitals of Asia.

On The Tokyo Stock Exchange, the 'key' index, The Nikkei-225 Stock Average, gained 177.19 yen, equivalent to about 1.94 percent, rising to 9,306.26 yen.

It was reported that the Government of Prime Minister Junichiro Koizumi had agreed to invest some 3 trillion yen (about \$US25 billion) into the 3 equity markets of the country in an attempt to give them a bit of a legs-up.

More cosmetics for the world's second-largest economy, no doubt.

However, the suggestion of such news seemed to outweigh all other negative factors.

Banks/finance houses and stockbrokerage firms were quickly snapped up on the strength of the unconfirmed report in respect of the Japanese Government's new initiative.

However, for the most part, The Tokyo Stock Exchange saw only selective buying of blue chips: There were few speculative buyers, present.

Which did not bode well for Tuesday's market.

The ratio of gainers to losers was 8.27:One.

Here is a list of some of the biggest movers of the day:

Banks/Finance Houses/Stockbrokerages/Securities Companies

Daiwa Bank Holding	Up 6.33 percent to 84 yen per share
Daiwa Securities	Up 3.47 percent to 596 yen per share
Kokusai Securities	Up 2.80 percent to 660 yen per share
Mitsui Trust	Up 2.48 percent to 248 yen per share
Mitsubishi Financial Group	Up 3.89 percent to 774,000 yen per share
Mizuho Holdings	Up 4.40 percent to 237,000 yen per share
New Japan Securities	Up 5.29 percent to 179 yen per share
Nikko Cordial*	Up 6.06 percent to 490 yen per share
Nomura Holdings*	Up 3.05 percent to 1,485 yen per share
Sumitomo Mitsui Banking*	Up 4.66 percent to 561 yen per share
Sumitomo Trust and Bank*	Up 8.57 percent to 494 yen per share

\* Among the most active counters of the day

Electronics

Advantest	Up 3.13 percent to 5,610 yen per share
Canon	Up 2.63 percent to 3,900 yen per share
Casio	Up 4.10 percent to 609 yen per share
Konica	Up 3.52 percent to 765 yen per share
Kyocera	Up 3.95 percent to 8,420 yen per share
Nikon	Up 4.77 percent to 1,033 yen per share
Rohm	Up 5.19 percent to 15,200 yen per share
TDK	Up 3.76 percent to 5,240 yen per share

Tokyo Electron      Up 2.70 percent to 5,330 yen per share

And this is the way that other Asian bourses saw the situation, last Monday night:

Indonesia	Plus    0.58 percent to 430.27
Japan	Plus    1.94 percent to 9,306.26
Malaysia	Minus 1.57 percent to 683.20
The Philippines	Plus    1.08 percent to 1,133.46
Singapore	Minus 1.30 percent to 1,425.89
South Korea	Minus 1.53 percent to 697.89
Taiwan	Plus    1.66 percent to 4,533.27
Thailand	Minus 0.09 percent to 353.23

## Tuesday

The world was on a high-alert status on the eve of the first anniversary of the attacks on the US homeland by Arab madmen.

The US Government's '*propaganda ministry*' was churning out one report after another, all aimed at raising the morale of the US citizenry, where-ever they may be.

From Blackpool, England, Prime Minister Tony Blair labelled Saddam Hussein of Iraq as '*an international outlaw*' and suggested that the United Nations take definitive action – now.

In a speech to the Trades Union Congress, the United Kingdom Prime Minister said that Baghdad's weapons of mass destruction '*pose a real threat*' to the world.

The Prime Minister said, inter alia: '*... we cannot stand by and do nothing ... We should do everything we can to stop (Saddam Hussein), using weapons he has and getting weapons he wants.*'

Wall Street, on its first day of trading, last week, saw the Dow Jones Industrial Average, the '*barometer*' of trading on The New York Stock Exchange, rise by 92.18 points, or about 1.09 percent, ending the session at 8,519.38 points.

NASDAQ's Composite Index did not fare as well as The Dow, but still managed to make a gain of about 0.23 percent, rising to 1,304.60 points.

However, the volume of activity on these 2, major equity markets – the biggest in the world, by the way – was sluggish, relative to previous sessions.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the activity on its 2 stock markets was slow, with the volume of trading, remaining light.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index added about 1.67 percent to its value, rising to 9,885.77 points.

However, the Total Turnover was only \$HK5.10 billion, which is not the level of activity that one would expect from a rising market.

The ratio of gainers to losers was 1.85:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 1.76 percent to \$HK86.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.23 percent to \$HK20.60 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.96 percent to \$HK52.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.90 percent to \$HK55.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.91 percent to \$HK50.75 per share
Shanghai Land Holdings Ltd (Code: 67)	Up 1.16 percent to 87 cents per share
Hang Seng Bank Ltd (Code: 11)	Up 1.21 percent to \$HK83.75 per share
Hongkong Electric Holdings Ltd (Code: 6)	Up 0.94 percent to \$HK32.10 per share
PetroChina Company Ltd (Code: 857)	Up 2.45 percent to \$HK1.67 per share
CNOOC Ltd (Code: 883)	Up 1.83 percent to \$HK11.10 per share

The biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
21CN CyberNet Corporation Ltd	241	22.69		0.265
China Treasure (Greater China) Investments Ltd	810		10.00	0.405
Companion Building Material International Holdings Ltd	432	23.53		0.021
Cosmos Machinery Enterprises Ltd	118		19.08	0.14
Dan Form Holdings Company Ltd	271		10.00	0.18
Digital World Holdings Ltd	2970		72.88	0.217
Greenfield Chemical Holdings Ltd	582	13.10		0.475
Guo Xin Group Ltd	1215	14.29		0.016
Haier-CCT Holdings Ltd	1169	10.81		0.123
J.I.C. Technology Company Ltd	987		11.11	0.32
Joyce Boutique Holdings Ltd	647	10.89		0.112
Magnificent Estates Ltd	201	13.33		0.017
Mansion Holdings Ltd	547	27.78		0.023
MUI Hongkong Ltd	542		30.00	0.056
Nam Fong International Holdings Ltd	1176		10.53	0.034
RNA Holdings Ltd	501	10.00		0.022
Shun Ho Technology Holdings Ltd	219	17.91		0.158
Soundwill Holdings Ltd	878	10.00		0.033
Star East Holdings Ltd	198	10.00		0.022
Starbow Holdings Ltd	397	25.00		0.025
Sun Group Ltd, The	988	12.50		0.027
Theme International Holdings Ltd	990	21.21		0.04

Top Form International Ltd	333	10.45		0.37
Van Shung Chong Holdings Ltd	1001	11.48		0.34
Veeko International Holdings Ltd	1173	11.11		0.10
Wai Yuen Tong Medicine Holdings Ltd	897	10.53		0.042

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index regained about 1.48 percent of its value, rising to 134.82 points.

The Total Turnover on this market was about \$HK72.79 million, with gainers, outrunning losers by the ratio of about 1.41:One.

For a change, Mr Li Ka Shing's counters were not particularly prominent in the pattern of trading, last Tuesday.

The double-digit movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Multimedia Ltd	8061	10.00		0.044
Asian Information Resources (Holdings) Ltd	8025	11.11		0.05
Kinetana International Biotech Pharma Ltd	8031		10.34	0.13
Mudan Automobile Shares Company Ltd	8188		10.67	0.67
Panda-Recruit Ltd	8073		10.34	0.026
Sing Lee Software (Group) Ltd	8076	16.00		0.58

In Japan, after a strong opening on The Tokyo Stock Exchange, the premier bourse of the country, investors cashed in their yen-denominated chips lest *'something'* should transpire on September 11 in the US.

The main index of The Tokyo Stock Exchange, the Nikkei-225 Stock Average, ended the session at 9,309.31 yen, up 0.03 percent, compared with Monday's close.

It was confirmed from The Office of the Prime Minister that consideration was being given to another economic stimulus package, but there had been some opposition from some ministers to certain proposals.

Gains on The Tokyo Stock Exchange were held, by and large, to fractions, in most counters, although there were some exciting moments in select issues.

The tally for the day was that gainers were ahead of losers by the ratio of about 2.37:One.

The Bank of Japan, the Central Bank of the country, announced that lending by Japanese banks had fallen by about 4.50 percent in August, compared with the like month in 2001.

The contraction of lending in the second-largest economy of the world, adjusted for special factors, such as loan securitisation, exchange-rate fluctuations, allocation of loan-loss reserves, etc, has been consistent – and has lasted for nearly 4 years, now.

It would appear, *prima facie*, that Japan's industrialists are holding their fire rather than considering, taking on any new financial commitments.

In other parts of Asia, this was the situation on major bourses, last Tuesday:

Indonesia	Minus 0.22 percent to 429.33
Japan	Plus 0.03 percent to 9,309.31
Malaysia	Plus 0.68 percent to 687.82

The Philippines	Plus	0.01 percent to 1,133.59
Singapore	Plus	1.68 percent to 1,447.88
South Korea	Plus	2.21 percent to 713.30
Taiwan	Plus	2.97 percent to 4,668.01
Thailand	Plus	2.09 percent to 360.61

### Wednesday

The world held its proverbial breath, last Wednesday, in expectation that members of the al Qaeda Movement, led by archfiend Osama bin Laden, or some other terrorist organisation of a similar ilk, would take the opportunity on the first anniversary of the attacks on the US homeland to organise a repeat performance of the September 11, 2001 devastation on both New York and Washington, D.C.

US embassies in many parts of the world were shut down; the US homeland went on a high-alert status.

Meanwhile, US President George W. Bush continued to lobby for support for an all-out invasion of Iraq or, alternatively, the assassination of its leader, President Saddam Hussein.

From South Africa, however, Mr Nelson Mandela, the man who successfully led the country to revolt against the oppressive governments of the white minority, governments that had been in power since about 1650, blasted President Bush, suggesting that he was threatening world peace with his bellicose utterings.

As the first black president of South Africa and a man who sacrificed some 30 years of his life for his beliefs (26 years of that time, being in prisons in South Africa), it is, generally, believed that the words that trip from his lips are statements, which have issued forth from an infallible, hominoid entity.

However, in this case, at least, Mr Mandela slipped on a South African banana peel because he gave President George W. Bush much more credit than that gentleman appears to possess, or with which he is endowed.

Mr Mandela said, among other things, that the US Government should not attack Iraq because of its potential to lead to widespread instability in the world, as well as set an unfortunate precedent.

He, also, stated, definitively, that President Bush was only trying to appease American arms manufacturers and the oil industry of the US.

He called President Bush and Vice President Dick Cheney '*dinosaurs*'.

Other leaders of the world, no doubt, would agree that such a suggestion, of appeasing industrialists in the US, never entered President George Bush's little mind – because it is highly unlikely that he has the intellectual perspicacity to consider such a notion.

As for the notion of Mr Mandela that an attack on Iraq would be unsettling on the rest of the world, that would appear to be very logical, but the alternative, allowing Iraq to blow up huge parts of the Middle East, or holding the world to ransom with the threat of blowing up huge parts of the Middle East, would, without question, be even more unsettling.

The question appeared to revolve around 2, seemingly conflicting opinions:

1. President George W. Bush's opinion that the world must be proactive with regards to President Saddam Hussein of Iraq and his weapons of mass destruction; and,



2. Mr Nelson Mandela's opinion that the US/the world should continue to talk to President Saddam Hussein in an effort to negotiate a compromise solution to the problems, being reactive about the matter of weapons of mass destruction and waiting to see whether or not common sense could be instilled in the leader of oil-producing Iraq.

Meanwhile, Wall Street, last Tuesday, tried to play the terrorist game with a British, stiff-upper lip, with the US Government, telling the people to go about their business in a normal manner.

On The New York Stock Exchange, the Dow Jones Industrial Average gained 83.23 points, rising to 8,602.61 points, while, on the NASDAQ, the Composite Index put on 15.49 points, running back to 1,320.09 points.

The fact that The Dow made a 0.98-percent gain and the NASDAQ's Composite Index managed a 1.19-percent improvement seemed to indicate that the markets' strength was more of a patriotic bent than very much genuine buying by investors.

The price of crude oil topped \$US30 per barrel as some people determined to hedge their bets lest al Qaeda attack oil tankers in The Gulf.

The talk of war was all-pervasive among investors in most parts of the civilised world, in spite of everything.

In Asia, the second-largest stock market was closed down, not by terrorists, but by the vagaries of the weather.

The approach of storms to within 400 nautical miles of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) requires the hoisting of Storm Signals, the value of such Storm Signals, depending on the strength of the winds and the extent of the rain-bands, accompanying such storms.

Tropical Storm Hagupit hit the HKSAR, last Wednesday, and up went the Number 8 Storm Signal, just prior to noon: Number 8 is one of the highest values.

As a result, everybody rushed to his or her homes to sit out the storm, thus closing down the 416 square miles, tightly.

The half-day trading session on The Stock Exchange of Hongkong Ltd meant very little to analysts, due to the apprehension of investors – who were more interested in catching available transportation in order to reach their homes rather than in trading in stocks and shares.

Saddam Hussein, al Qaeda, and Osama bin Laden were put on the back burner: Home was everything.

The Main Board's Hang Seng Index ended the 150-minute trading session at 9,882.35 points, down by about 0.04 percent, compared with Tuesday's close, while, on The Growth Enterprise Market, its lone index, The Growth Enterprise Index, gave up 0.17 percent of its value, falling back to 134.59 points.

The Total Turnovers on the 2 markets, half-day sessions, only, were about \$HK2.12 billion and \$HK48.38 million, respectively.

In Japan, trading was thin on all 3 bourses, due to international fears as to what may happen before the close of the day in New York.

The Tokyo Stock Exchange's Nikkei-225 Stock Average ended the day in the plus column, to the surprise of many market watchers.

By the close of the session in Japan's Capital City, the Nikkei-225 Stock Average stood at 9,400.08 yen, a gain, which was just short of one percent.

The ratio of gainers to losers was about 1.22:One.

Most counters were up only fractionally, but some of the banking counters made gains of between one percent and 2 percent.

In other parts of Asia, this was situation, last Tuesday:

Indonesia	Plus 0.18 percent to 430.12
Japan	Plus 0.98 percent to 9,400.08
Malaysia	Plus 0.27 percent to 689.70
The Philippines	Plus 1.75 percent to 1,153.41
Singapore	Plus 0.04 percent to 1,448.48
South Korea	Plus 1.60 percent to 724.71
Taiwan	Minus 0.16 percent to 4,660.53
Thailand	Plus 0.21 percent to 361.35

### **Thursday**

Asia remained apprehensive, last Thursday, in spite of the fact that September 11 had passed without any incidents from any of the terrorists about whom the world has grown to hate.

Wall Street saw the prices of equities, generally flat, as US investors were more interested in attending ceremonies, held in many parts of the country, as a mark of respect for the dead, following the attacks of the World Trade Center in New York and The Pentagon in Washington, D.C.

The New York Stock Exchange's Dow Jones Industrial Average ended the first anniversary of the attacks on the US homeland with a negative 21.44 points, equal to about one quarter of a percentage point, falling back to 8,581.17 points.

On the tech-laden NASDAQ, its Composite Index shed 4.64 points, equivalent to about 0.35 percent, ending the session at 1,315.45 points.

Flags flew at half-mast, throughout most of North America – Canada included.

It was patriotic attempt at '*business as usual*', for the most part, but both the US Government and the Canadian Government were reminding their respective citizenry: Do not forget the events of September 11, 2001!

Also, regardless of Osama bin Laden and Saddam Hussein, there was still an upcoming speech from the world's leading economic guru: Dr Alan Greenspan, the Chairman of the US Federal Reserve Board.

Dr Greenspan was due to make a speech to the US Congress in Washington, D.C. on the state of the US economy, last Thursday.

Dr Greenspan would have to tell the world that, in fact, the US economy was not as hot as he and his fellows had been hoped, or expected.

And, there was, also, that speech that US President George W. Bush was scheduled to deliver to the United Nations.

That speech would be an attempt to get that world body sufficiently stirred to do something about the perceived threat from Iraq and to force Iraq to abide by previous UN Resolutions.

President Bush had made it only too clear that he would like to have the United Nations General Assembly support his plan to invade Iraq and to dislodge its President, Mr Saddam Hussein.

Or else, the US would go it, alone.

While President Bush was talking war, the US Central Command announced plans to send about 600 of its headquarters staff to the Gulf State of Qatar for a '*training exercise*' in November.

The signs were ominous: Only a fool would mistake them for what they meant.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors were nervous ahead of events, which were about to unfold in the US.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index managed to squeeze out a 0.14-percent gain, rising to 9,896.33 points on a Total Turnover of about \$HK4.88 billion.

The ratio of gainers to losers was about 1.30:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.29 percent to \$HK87.50 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.48 percent to \$HK52.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.97 percent to \$HK20.40 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.45 percent to \$HK55.50 per share
CNOOC Ltd (Code: 883)	Down 1.38 percent to \$HK10.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Unchanged at \$HK50.50 per share
The Hongkong and China Gas Company Ltd (Code: 3)	Up 0.47 percent to \$HK10.60 per share
Hongkong Electric Holdings Ltd (Code: 6)	Up 0.31 percent to \$HK32.20 per share
BYD Company Ltd (Code: 1211)	Up 5.79 percent to \$HK16.45 per share
PetroChina Company Ltd (Code: 857)	Down 0.63 percent to \$HK1.59 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Kessel International Holdings Ltd	959	29.73		0.048
China Rich Holdings Ltd	1191	18.18		0.078
Companion Building Material International Holdings Ltd	432		10.00	0.018
Guo Xin Group Ltd	1215	13.33		0.017
INNOMAXX Biotechnology Group Ltd	340	11.27		0.079
MUI Hongkong Ltd	542	11.94		0.075
Multifield International Holdings Ltd	898	74.05		0.275

Ocean Grand Holdings Ltd	1220	10.28		0.118
renren Holdings Ltd	2964	15.09		0.061
SC Industrial Development Company Ltd	554	10.53		0.42
Soundwill Holdings Ltd	878	33.33		0.04
Starbow Holdings Ltd	397		32.00	0.017
Sun Group Ltd, The	988	11.11		0.03
Theme International Holdings Ltd	990	12.50		0.045
Universal Appliances Ltd	419	15.15		0.038
Vision Tech International Holdings Ltd	922		13.20	0.217

On The GEM – The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd – it was a similar situation as that, which was being played out on the Main Board, with The Growth Enterprise Index hardly moving the entire session.

By the close of the day, The Growth Enterprise Index stood at 134.44 points, about 0.11 percent down on Wednesday's half-day session close.

Declining issues were ahead of advancing ones by the ratio of 1.23:One.

The Total Turnover for the day was about \$HK98.93 million.

The biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Grandmass Enterprise Solution Ltd	8108		13.33	0.026
Kinetana International Biotech Pharma Ltd	8031		16.36	0.138
Mudan Automobile Shares Company Ltd	8188	22.06		0.83
Prosperity International Holdings (Hongkong) Ltd	8139		11.76	0.09
Rojam Entertainment Holdings Ltd	8075	12.57		0.188

Rainbow International Holdings Ltd (Code: 8079) unleashed its results for the 8-month period, ended July 31, 2002.

The report dovetailed that which TARGET had indicated, in earlier reports (Please see [TARGET Intelligence Report, Volume IV, Number 159](#), published on August 23, 2002), with a Loss Attributable to Shareholders of about \$HK41.18 million.

The Loss was a 554-percent '*improvement*' over the like period of 2001 when the company reported a Loss Attributable to Shareholders of about \$HK6.30 million.

The Turnover for the 2002, 8-month period dropped to about \$HK46 million, a decrease of about 46 percent, Year-on-Year.

The company's shares have been suspended from trading on The Stock Exchange of Hongkong Ltd since August 7, with most of the retail shops, having been shut down.

In Japan, trading on the premier stock market of The Land of The Rising Sun was light, as investors appeared to continue to be apprehensive as to what might happen, following President George W. Bush's speech to the United Nations and Dr Alan Greenspan's speech on the State of the Nation.

The Tokyo Stock Exchange's Nikkei-225 Stock Average moved up 15.15 yen, or about 0.16 percent, to 9,434.31 yen.

As an indication of the thin trading conditions, a total of 587 million shares changed hands, during the day, down from about 723 million shares that were traded the previous Thursday.

The ratio of gainers to losers was about 1.62:One.

Hitachi Ltd announced that it was revising its earnings forecast for the first half of its Financial Year – to a break-even situation, only.

Previously, the company had suggested that its Net Profit Attributable to Shareholders for the period, ended September 30, 2002, would be about 5 billion yen.

Victor Company of Japan announced that it would be closing down its Fukushima plant in December.

In other parts of Asia, this was the state of play on those equity markets:

Indonesia	Minus 0.45 percent to 428.18
Japan	Plus 0.16 percent to 9,415.23
Malaysia	Plus 0.64 percent to 694.11
The Philippines	Minus 0.69 percent to 1,145.43
Singapore	Minus 1.04 percent to 1,433.43
South Korea	Plus 2.00 percent to 739.22
Taiwan	Minus 0.28 percent to 4,647.37
Thailand	Plus 0.04 percent to 361.49

## **Friday**

US President George W. Bush told the United Nations: Shit or get off the pot, boys!

The outspoken Texan told the UN that the United States had waited for 11 years for Saddam Hussein to abide by various Resolutions of the UN and, since the UN would not take definitive action to impose its joint will on Iraq, the US Government would not hesitate to do that which it feels is correct and proper: Attack Iraq.

About invading Iraq, President Bush said, inter alia: *'We're talking days and weeks, not months and years ...'*

Plainer words could not have been spoken by a man, who has, under his control, the largest and most-powerful military force that the world has ever seen.

Iraq, it appears, remains defiant.

Wall Street took stock of the President's remarks to the UN – and reacted, as expected.

On The New York Stock Exchange, last Thursday, the Dow Jones Industrial Average lost about 201.76 points, equivalent to about 2.35 percent, falling to 8,379.41 points.

On the NASDAQ, its Composite Index shed 35.77 points, or about 2.72 percent, dropping back to 1,279.68 points.

Wall Street, however, was hit by another '*shock*' when Dr Alan Greenspan told the US Congress that the economy of the largest single economy of the world was far from being out of the economic woods.

It was of interest to some – including this medium – that the good doctor did not make mention of the fact that the US economy had stalled. (Please see [TARGET Intelligence Report, Volume IV, Number 172](#), of Wednesday, September 11)

Meanwhile, as TARGET had forecast, the number of unemployed in the US, for the week, ended September 7, 2002, jumped by about 19,000 workers to about 426,000 workers, all of whom were seeking unemployment insurance from the US Government.

The creation of new jobs, clearly, is not keeping up with the sackings and business failures, the latter, pushing people onto the pavements, looking for alternative employment opportunities.

In Asia, equity markets reacted to the war news and the US economic news in expected fashion: All but one major stock market lost material ground.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index shed about 2.48 percent of its value, ending the week at 9,650.97 points.

The Total Turnover was about \$HK6.42 billion, while the ratio of losers to gainers was about 3.96:One.

The Ten Most Active counters, all of which were marked down, considerably, were:

HSBC Holdings plc (Code: 5)	Down 2.29 percent to \$HK85.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 2.21 percent to \$HK19.95 per share
Hutchison Whampoa Ltd (Code: 13)	Down 2.38 percent to \$HK51.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 2.25 percent to \$HK54.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 3.96 percent to \$HK48.50 per share
Hang Seng Bank Ltd (Code: 11)	Down 1.47 percent to \$HK83.50 per share
Henderson Land Development Company Ltd (Code: 12)	Down 4.31 percent to \$HK24.40 per share
CNOOC Ltd (Code: 883)	Down 4.19 percent to \$HK10.30 per share
CLP Holdings Ltd (Code: 2)	Down 1.24 percent to \$HK31.90 per share
Hongkong Electric Holdings Ltd (Code: 6)	Unchanged at \$HK32.20 per share

The largest movers of the day, however, were reserved for the following counters:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Anex International Holdings Ltd	723		14.81	0.046
Asia Resources Transportation Holdings Ltd	899	12.50		0.018
Chevalier Construction Holdings Ltd	579	112.70		0.134
China Agrotech Holdings Ltd	1073		10.26	1.05
Companion Building Material International Holdings Ltd	432	11.11		0.02
Earnest Investments Holdings Ltd	339	10.53		0.021

Frankie Dominion International Ltd	704		10.34	0.156
G-Prop (Holdings) Ltd	286		17.65	0.014
Guo Xin Group Ltd	1215		11.76	0.015
I-Wood International Holdings Ltd	162		14.29	0.36
MUI Hongkong Ltd	542	10.67		0.083
Paladin Ltd	495		18.18	0.045
Sincere Company Ltd, The	244	11.57		0.27
Soundwill Holdings Ltd	878		12.50	0.035
Theme International Holdings Ltd	990		15.56	0.038
U-Right International Holdings Ltd	627		10.96	0.325
Van Shung Chong Holdings Ltd	1001		11.76	0.30
Wing On Company International Ltd	289	17.91		3.95

For the week, therefore, the Hang Seng Index had lost about 0.72 percent of its value.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index hit a new low of 132.36 points, off by about 1.55 percent, compared with Thursday's close.

The Total Turnover was about \$HK76.84 million, while the ratio of losers to gainers was about 2.94:One.

There were many losers on this speculative marketplace, last Friday, but standing out of them all was tom.com Ltd (Code: 8001), the share price of which shed another 4 percent of its value, falling back to \$HK2.20.

tom.com Ltd has been putting out one announcement after another about its various acquisitions ... but the company has yet to turn a dollar.

Investors have grown tired of all the hype – and little else.

For the week, ended September 13 (Black Friday), The Growth Enterprise Index registered a loss of 0.86 percent.

The double-digit movers were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Argos Enterprise (Holdings) Ltd	8022		13.20	0.217
Changmao Biochemical Engineering Company Ltd	8208		11.76	0.45
Emperor Entertainment Group Ltd	8078		10.96	0.65
Grandmass Enterprise Solution Ltd	8108	15.38		0.03
Info Communication Holdings Ltd	8082		12.20	0.036
Intcera High Tech Group Ltd	8041	27.36		0.135
Prosperity International Holdings (Hongkong) Ltd	8139	14.44		0.103
Thiz Technology Group Ltd	8119		25.73	0.153

In Japan, the 4-days of rising prices on the country's 3 stock markets came to a halt.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average, the key index of that marketplace, lost 173.30 yen, equivalent to 1.84 percent, ending the week at 9,241.93 yen.

The closing figures of last Friday, however, still meant that the Nikkei-225 Stock Average had gained about 1.24 percent over the 5-day trading week, ended September 13.

(Tokyo will be closed, today, for a national holiday)

Japan was reacting, negatively, to the international news, with the US-Iraq war news, weighing heavily on the economies of the world: War benefits few people.

Electronics and select motors were the biggest losers of the day, as the following TARGET list indicates:

<u>Electronics</u>	
Advantest	Down 6.64 percent to 5,200 yen per share
Casio	Down 4.13 percent to 603 yen per share
Fujitsu*	Down 4.87 percent to 567 yen per share
Hitachi*	Down 2.34 percent to 627 yen per share
JVC	Down 4.88 percent to 779 yen per share
Kyocera	Down 3.28 percent to 8,250 yen per share
Mitsubishi Electric	Down 3.69 percent to 392 yen per share
NEC*	Down 3.53 percent to 601 yen per share
Pioneer	Down 2.77 percent to 1,998 yen per share
Ricoh	Down 2.10 percent to 2,095 yen per share
Rohm	Down 5.67 percent to 14,970 yen per share
Sanyo Electric	Down 2.63 percent to 444 yen per share
Sharp	Down 2.73 percent to 1,178 yen per share
Sony	Down 3.77 percent to 5,110 yen per share
TDK	Down 2.53 percent to 5,010 yen per share
Toshiba Corporation*	Down 2.24 percent to 393 yen per share
Tokyo Electron	Down 6.96 percent to 5,210 yen per share

\* Among the most active counters of the day

<u>Motors</u>	
Hino Motors	Down 4.69 percent to 264 yen per share
Honda	Down 3.00 percent to 4,850 yen per share



Nissan Motor*	Down 1.98 percent to 893 yen per share
Toyota*	Down 1.82 percent to 2,965 yen per share
Yamaha Motor	Down 2.44 percent to 921 yen per share

\* Among the most active counters of the day

And, in other Asian bourses, this is how they ended the week of September 13, 2002:

Indonesia	Minus 1.68 percent to 421.00
Japan	Minus 1.84 percent to 9,241.93
Malaysia	Minus 0.84 percent to 688.29
The Philippines	Plus 0.88 percent to 1,155.49
Singapore	Minus 0.10 percent to 1,432.00
South Korea	Minus 2.85 percent to 718.17
Taiwan	Minus 1.45 percent to 4,580.17
Thailand	Minus 1.20 percent to 357.15

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