

**A WEEK OF EXCITEMENT ON THE WORLD'S MARKETS :
SADDAM HUSSEIN CAPITULATES
ARGENTINA DEFAULTS ON DEBT REPAYMENT
HSBC HOLDINGS PICKS UP A U.S. FINANCE COMPANY
JAPAN'S BANKS BRACE THEMSELVES FOR GOVERNMENT ACTION**

Share prices tumbled on Asia's largest bourses, last Monday, following more news with regard to the growing problems in the US economy and the United Nations' Resolution to force Iraq to disarm.

Every major equity market in the world's most populous region fell.

Undermining Asian stock markets were the falls on equity markets in the US on Friday, November 8.

On The New York Stock Exchange, the previous Friday, the Dow Jones Industrial Average lost 49.11 points, or about 0.57 percent, ending the week at 8,537.13 points.

On the NASDAQ, its Composite Index shed 17.43 points, equivalent to about 1.27 percent, falling to 1,359.28 points.

It seemed to many US investors and analysts alike that the uncertainty over Iraq, following the unanimous approval of the UN's Security Council Resolution, and the possibility of an invasion of that rogue, Middle Eastern State was sufficient reason to send some money to the bank, rather than leave it invested in stocks and shares ... just in case.

Then, halfway into the trading session in New York, on Friday, November 8, McDonald's announced that it would close down outlets in 3 Middle Eastern countries and Latin America.

In total, 175 outlets would be shut down in 10 countries.

What worries the US worries Asia in spades.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), from the first sounds of the opening bell on the Main Board of The Stock Exchange of Hongkong Ltd, it was *Sell! Sell! Sell!*

After 4 hours of trading, the Hang Seng Index stood at 9,580.88 points, a fall of about 1.94 percent compared with the close of trading of the previous Friday.

The Total Turnover was about \$HK5.72 billion, with losers, outrunning gainers by the ratio of 2.69:One.

The Finance Sector of the Main Board bore the brunt of the selling pressure as its Sectorial Index was shaved down by about 1.65 percent.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)

Down 1.98 percent to \$HK86.50 per share

China Mobile (Hongkong) Ltd (Code: 941)	Down 2.04 percent to \$HK19.20 per share
Hutchison Whampoa Ltd (Code: 13)	Down 2.77 percent to \$HK49.10 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.29 percent to \$HK49.60 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 2.33 percent to \$HK52.50 per share
Henderson Land Development Company Ltd (Code: 12)	Down 2.66 percent to \$HK25.65 per share
Hongkong Electric Holdings Ltd (Code: 6)	Unchanged at \$HK31.30 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.88 percent to \$HK84.50 per share
Huaneng Power International Incorporated (Code: 902)	Up 3.31 percent to \$HK6.25 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Up 0.61 percent to \$HK8.20 per share

The biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Boto International Holdings Ltd	585		11.11	0.032
Can Do Holdings Ltd	172		40.00	0.015
Central China Enterprises Ltd	351		11.76	0.03
Century Legend (Holdings) Ltd	79	14.29		0.016
Chi Cheung Investment Company Ltd	112		25.58	0.032
China Motion Telecom International Ltd	989	10.00		0.33
Crocodile Garments Ltd	122	25.71		0.132
Dah Hwa International (Holdings) Ltd	600		10.26	0.07
Credit Card DNA Security System (Holdings) Ltd	1051		13.04	0.04
Earnest Investments Holdings Ltd	339	36.84		0.026
Ezcom Holdings Ltd	312		10.96	0.065
First Asia Capital Investment Ltd	1227	10.14		0.76
Good Fellow Group Ltd	910		17.14	0.29
Magician Industries (Holdings) Ltd	526		25.00	0.06
Prime Investment Holdings Ltd	721		14.52	0.265
Rockapetta Holdings Ltd	1003		20.00	0.16
Star East Holdings Ltd	198	20.00		0.024
Starbow Holdings Ltd	397		12.50	0.035

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index surrendered about 1.37 percent of its value, falling to 111.37 points on a Total Turnover of about \$HK69.52 million.

Declining issues were ahead of advancing ones by the ratio of about 1.95:One.

Mr Li Ka Shing's 2 GEM listings both saw their respective share prices shaved down by more than 4 percent.

CK Life Sciences International (Holdings) Incorporated (Code: 8222) lost 4.26 percent of its market capitalisation as its share price fell to \$HK1.35 while tom.com Ltd (Code: 8001) saw its share price drop to \$HK1.85, a one-day fall of 4.15 percent.

CK Life Sciences brought out its quarterly results, showing that, on a Turnover of about \$HK1.46 million, it had lost about \$HK11.08 million.

For the 9 months to September 30, 2002, this company has lost about \$HK60.45 million, Chairman Victor Li Tzar Kuoi (the Number One Son of Mr Li Ka Shing) told his shareholders.

From Timeless Software Ltd (Code: 8028), it was announced that the computer software company had lost about \$HK61.86 million for the quarter, ended September 30, 2002. The loss was achieved on a Turnover of about \$HK9.16 million.

That result was a slightly larger number than the number for the comparable period in 2001 when the company reported a Net Profit Attributable to Shareholders of about \$HK2.27 million.

The Turnover was very telling because, for the first quarter of 2001, this company had recorded a volume of activity, equal to about \$HK29.29 million. That is a drop of about 69 percent, Year-on-Year.

For the first 9 months of this Financial Year, Timeless has lost about \$HK84.06 million – which is a record for this company.

The share price of Timeless was shaved down by about 2.55 percent to 14.70 cents.

The biggest movers on The GEM, however, were reserved for the following counters:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Creative Energy Solutions Holdings Ltd	8109	18.33		0.355
E-silkroad Holdings Ltd	8071	23.81		0.052
Golding Soft Ltd	8190		23.24	0.142
Launch Tech Company Ltd	8196	10.13		0.87
Riverhill Holdings Ltd	8127	10.00		0.165

Japanese banking counters took some of the hardest hits, last Monday, with all of the country's 4 megabanks, seeing their share prices felled by what had been considered unimaginable percentages.

Market capitalisations were peeled right back as investors dumped shares on The Tokyo Stock Exchange, whose Nikkei-225 Stock Average lost 230.40 yen, or about 2.65 percent, falling to 8,460.37 yen.

The Nikkei-225 Stock Average was just 20.75 yen off its 19-year low.

The ratio of losers to gainers was about 12.71:One.

Some of the biggest losers included:

Banks/Finance Houses/ Securities Companies

Chiba Bank	Down 3.68 percent to 366 yen per share
Daiwa Securities	Down 4.74 percent to 502 yen per share
Mitsubishi Financial Group	Down 5.59 percent to 743,000 yen per share
Mizuho Holdings	Down 12.43 percent to 148,000 yen per share
Nikko Cordial	Down 7.02 percent to 424 yen per share
Nomura Holdings	Down 5.10 percent to 1,321 yen per share

Shizuoka Bank	Down 3.28 percent to 737 yen per share
Sumitomo Trust and Bank	Down 9.36 percent to 465 yen per share
UFJ Holdings Incorporated	Down 14.65 percent to 134,000 yen per share

Electronics/Telecommunications and Industrials

Advantest	Down 6.34 percent to 4,580 yen per share
Alps Electric	Down 4.63 percent to 1,526 yen per share
Canon	Down 2.42 percent to 4,430 yen per share
Casio	Down 4.59 percent to 644 yen per share
Clarion	Down 3.51 percent to 55 yen per share
Fuji Electric	Down 5.15 percent to 221 yen per share
Fujitsu	Down 6.77 percent to 372 yen per share
Furukawa	Down 6.78 percent to 63 yen per share
Furukawa Electric	Down 8.51 percent to 215 yen per share
Hitachi	Down 5.68 percent to 448 yen per share
KDDI	Down 9.22 percent to 315,000 yen per share
Kyocera	Down 3.09 percent to 7,220 yen per share
Mitsubishi Electric	Down 7.62 percent to 279 yen per share
NEC	Down 4.57 percent to 439 yen per share
NTT Data	Down 6.47 percent to 347,000 yen per share
NTT DoCoMo	Down 6.17 percent to 213,000 yen per share
Oki Electric Industrial	Down 7.73 percent to 167 yen per share
Sanyo Electric	Down 5.56 percent to 306 yen per share
Sharp	Down 4.81 percent to 1,050 yen per share
Sony	Down 5.01 percent to 4,930 yen per share
TDK	Down 5.10 percent to 4,650 yen per share

Tokyo Electron	Down 7.36 percent to 4,910 yen per share
Toshiba Corporation	Down 8.31 percent to 309 yen per share

Motors

Kawasaki Heavy Industrial	Down 3.96 percent to 97 yen per share
Honda	Down 4.87 percent to 4,100 yen per share
Mazda	Down 4.85 percent to 255 yen per share
Mitsubishi Motor	Down 7.23 percent to 231 yen per share
Suzuki Motor	Down 3.36 percent to 1,267 yen per share

In the news was a report from the Japanese Government's Finance Ministry, which released its preliminary findings in respect of the country's first half current account surplus: It had increased to 42.50 percent, Year-on-Year, to 6.96 trillion yen.

Nikon Corporation announced that it had posted a Group Net Loss of about 3.48 billion yen for the first half its Financial Year to September 30, 2002.

That result was in stark contrast to a Group Net Profit of about 3.04 billion yen, recorded in the comparable 2001 half Year.

In other Asian equity markets, this was the way that they ended, last Monday's trading session: \

Indonesia	Minus 0.86 percent to 362.58
Japan	Minus 2.65 percent to 8,460.37
Malaysia	Minus 0.53 percent to 653.17
The Philippines	Minus 1.01 percent to 1,063.31
Singapore	Minus 1.50 percent to 1,404.39
South Korea	Minus 2.53 percent to 657.78
Taiwan	Minus 3.04 percent to 4,664.65
Thailand	Minus 1.31 percent to 350.36

Tuesday

Investors in Asia were shocked to see Wall Street scream lower on its first day of trading, last week, in spite of it, being Veterans Day, the day that the US honours its fallen comrades of past wars.

On The New York Stock Exchange, the Dow Jones Industrial Average lost 178.18 points, equivalent to about 2.09 percent, as investors pushed down the key index to 8,358.95 points.

As for the tech-laden NASDAQ, its Composite Index gave up 40.09 points, or about 2.95 percent, falling back to 1,319.19 points.

US investors were, seemingly, concerned about the build-up of troops and armaments in the Middle East, obviously in preparation for an invasion of Iraq.

President George W. Bush had authorised the mobilisation of a quarter of a million soldiers, all of whom should be prepared to spearhead a coalition force to invade Baghdad, the Capital City of Iraq.

The Iraqi Parliament had unanimously denounced the UN Resolution, but it left the final determination to President Saddam Hussein.

Very democratic!

From Germany came news that Commerzbank, the third largest bank in the world's largest trading country, was to sack one third of its investment bankers.

That means that about 350 people will be given their marching orders in London, England, Tokyo, Japan, Singapore and Frankfurt, Germany.

In Asia, following Monday's falls on all major equity markets, investors took a bit of a break, but there were, still, a great number of material losses in the region.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), there appeared to be some question as to the correct course of action to take in respect of stocks and shares.

On The Stock Exchange of Hongkong Ltd, trading on both the Main Board and The Growth Enterprise Market (The GEM) was relatively quiet, with a fractional gain, being recorded on the Main Board, and a fractional loss, being recorded on The GEM.

The Main Board's blue-chip index, the Hang Seng Index, gained 0.34 percent, rising to 9,613.84 points on a Total Turnover of just \$HK4.03 billion.

While the Hang Seng Index had registered a gain, losers outnumbered gainers by the ratio of about 1.23:One.

To state that trading was quiet would have been to state the obvious.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.29 percent to \$HK86.75 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.20 percent to \$HK49.20 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.95 percent to \$HK52.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.40 percent to \$HK49.80 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.78 percent to \$HK19.35 per share
PCCW Ltd (Code: 8)	Up 3.36 percent to \$HK1.23 per share
Hongkong Electric Holdings Ltd (Code: 6)	Up 0.64 percent to \$HK31.50 per share
Hang Seng Bank Ltd (Code: 11)	Up 1.18 percent to \$HK85.50 per share
CLP Holdings Ltd (Code: 2)	Unchanged at \$HK32.00 per share

The biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AV Concept Holdings Ltd	595	17.31		0.305
Can Do Holdings Ltd	172	26.67		0.019
China Bio-Medical Group Ltd	140		10.53	0.085
China Motion Telecom International Ltd	989	15.15		0.38
China Rich Holdings Ltd	1191		14.47	0.065
Credit Card DNA Security System (Holdings) Ltd	1051	10.00		0.044
First Natural Foods Holdings Ltd	1076	18.52		0.32
G-Prop (Holdings) Ltd	286	10.00		0.011
Grand Field Group Holdings Ltd	115	17.07		0.048
Harmony Asset Ltd	428		22.22	0.042
Magician Industries (Holdings) Ltd	526	10.00		0.066
Massive Resources International Corporation Ltd	70		17.24	0.024
MUI Hongkong Ltd	542	15.00		0.069
New Century Group Hongkong Ltd	2987		22.86	0.027
New World CyberBase Ltd	276	13.33		0.017
ONFEM Holdings Ltd	230	10.00		0.33
Prime Investment Holdings Ltd	721		11.32	0.235
SC Industrial Development Company Ltd	554	11.54		0.58
Sino Prosper Holdings Ltd	766	12.68		0.40
Star East Holdings Ltd	198		16.67	0.02
Swank International Manufacturing Company Ltd	663	26.32		0.048
Tai Ping Carpets International Ltd	146	11.11		1.00
TechCap Holdings Ltd	2982	25.61		1.03
Sun's Group Ltd, The	988		10.53	0.017
Theme International Holdings Ltd	990		26.09	0.017
Yue Fung International Group Holdings Ltd	965		10.63	1.43

It was a similar story on The GEM, with the difference, being that The Growth Enterprise Index lost about 0.55 percent of its value, falling to 110.76 points.

As with the Main Board, the ratio of losers to gainers was about 1.19:One.

The Total Turnover was about \$HK91.14 million.

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Multimedia Ltd	8061		12.00	0.022
Argos Enterprise (Holdings) Ltd	8022	15.38		0.30
Goldigit Atom-Tech Holdings Ltd	8059		10.61	0.16
iSteelAsia.com Ltd	8080		10.00	0.045
M Channel Corporation Ltd	8036		21.05	0.03

Panda-Recruit Ltd	8073	47.06		0.025
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News wise, SUNeVision Holdings Ltd (Code: 8008) announced its first-ever profit.

The company said that, in the quarter, ended September 30, 2002, it recorded a Net Profit Attributable to Shareholders of about \$HK16.43 million.

In the comparable 2001 quarter, it recorded a Loss Attributable to Shareholders of about \$HK13.35 million.

The 2002 results were on the back of a reduced Turnover, which dropped from the 2001 figure of about \$HK66.05 million to the 2002 figure of \$HK61.25 million.

Which goes to prove that, if you sack sufficient numbers of workers, one can save money.

No share trading was recorded in SUNeVision Holdings, last Tuesday.

Rupert Murdoch's GEM listing, Phoenix Satellite Television Holdings Ltd (Code: 8002), reported that, for the same quarter as SUNeVision Holdings Ltd, it had logged in a Loss Attributable to Shareholders of about \$HK20.42 million.

And that result contrasted with the 2001 like quarter when this television broadcaster lost about \$HK34.88 million.

The Turnover of this company increased from the 2001 figure of about \$HK156 million to the 2002 figure of about \$HK165.65 million.

Phoenix Satellite Television's share price rose 1.82 percent to 56 cents.

In Japan, things were relatively quiet on the country's 3 stock markets.

On the premier bourse, The Tokyo Stock Exchange, the Nikkei-225 Stock Average squeezed out a 4.40-yen gain, rising to 8,464.77 yen.

Gainers were ahead of losers by the ratio of about 1.47:One.

Japan Telecom Holdings Company, the owner of Japan's third largest telecommunications carrier, told its shareholders that its Consolidated Net Profit for the first half of the year, to September 30, 2002, came in at about 43.52 billion.

The 2002 first half results compared favourably with the 2001 like half year when the company reported a 5.19-billion-yen loss.

Japan Telecom's share price jumped 2.68 percent on the news, rising to 307,000 yen.

Trading house Marubeni Corporation, also, returned to the profit column of the profit and loss account, as it reported that, for the same period as Japan Telecom, it had logged up a Group Net Profit of about 17.80 billion yen.

For the like period in 2001, Marubeni had reported a Loss Attributable to Shareholders of about 107 billion yen.

Marubeni's share price rose to 122 yen, up about 2.52 percent on Monday's closing level.

Japan's largest courier company, Yamato Transport Company, announced that, for the same period, it has recorded a 13.92-billion yen profit, up by about 16.70 percent on the same period in 2001.

Yamato's share price rose by about 1.23 percent on the news, going back to 1,733 yen.

Mitsubishi Motors Corporation said that its Consolidated Net Profit for the same period was about 6.64 billion yen.

That result contrasted markedly with the like 2001 half year when the company reported a Loss Attributable to Shareholders of about 31.50 billion yen.

Mitsubishi Motors lost one yen in its share price as investors marked it down to 230 yen.

Lastly, Mazda Motor Corporation announced that, for the same half year, it had recorded a Group Net Profit of about 5.58 billion yen, a 400-percent increase on the like 2001 period.

Mazda's share price lost 7 yen on the news, falling to 248 yen, a one-day loss of about 2.7 percent.

Some people are never satisfied!

And, in other parts of Asia, this was the situation in those equity markets:

Indonesia	Plus 2.35 percent to 371.09
Japan	Plus 0.05 percent to 8,464.77
Malaysia	Minus 0.23 percent to 651.70
The Philippines	Minus 0.75 percent to 1,055.29
Singapore	Plus 0.11 percent to 1,405.99
South Korea	Minus 0.51 percent to 654.43
Taiwan	Plus 0.25 percent to 4,676.47
Thailand	Minus 1.51 percent to 345.07

Wednesday

It was a wild ride on The New York Stock Exchange, last Tuesday, as the Dow Jones Industrial Average rose by about 150 points in early trading, equivalent to nearly 2 percent, only to be shot down by intra-day punters, who took their profits and ran for the nearest bank with their quick money.

By the close of the day, The Dow stood at 8,386, up 27.05 points, or about 0.32 percent, compared with Monday's closing level.

On the NASDAQ, trading was not as hectic as had taken place on the Big Board of The New York Stock Exchange.

By the end of the day, NASDAQ's Composite Index stood at 1,349.56 points, representing a gain of about 2.30 percent on Monday's close.

Charles Schwab, one of the largest stockbrokerage houses in the US, announced that it would be sacking about 1,750 of its employees in the coming months.

The news did not appear to excite or worry anybody: People are getting quite used to such announcements.

From Iraq, everybody and his cat were waiting to hear what President Saddam Hussein would do about the UN Resolution 1441 – disarming the rogue, Middle-Eastern State. (Please see Monday's report)

There was, also, the matter of what Dr Alan Greenspan, the Chairman of the US Federal Reserve Board, would say when he appeared before Congress in order to brief the Congressmen as to the state of the largest single

economy of the world, today.

Dr Greenspan's testimony would be given on Wednesday, Washington time.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), Chief Executive Tung Chee Hwa announced a freeze on land sales for the next 13 months.

Mr Tung Chee Hwa said: *'The measures are aimed to restore public confidence in property ownership and, in the end, to speed up the recovery of our economy.'*

Such twaddle!

With property sales, having been halted for the next 13 months or so, it will mean, of course, that the HKSAR Government will have to find other ways to raise revenue.

That could well mean other direct, or indirect, taxes.

This would appear to be further proof that the HKSAR is, today, a plutocracy – a Government of the wealthy, for the wealthy, by the wealthy.

Meanwhile, WorldCom, the struggling international telecommunications company, now under investigation by the US Authorities, having declared that it is unable to pay its debts as they fall due, announced that it would be sacking 60 of its staff in the HKSAR, and another 390 workers, throughout Asia.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index hardly moved, during the entire 4-hour trading session.

By the close of the day, at 4 pm, the Hang Seng Index stood at 9,616.62 points, representing a gain of 0.03 percent on Tuesday's close.

The Total Turnover was about \$HK4.75 billion, with losers, outnumbering gainers by the ratio of about 1.48:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.86 percent to \$HK87.50 per share
CLP Holdings Ltd (Code: 2)	Down 1.56 percent to \$HK31.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.78 percent to \$HK19.20 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK49.20 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.40 percent to \$HK50.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.96 percent to \$HK52.50 per share
China Unicom Ltd (Code: 762)	Up 0.95 percent to \$HK5.30 per share
Hongkong Electric Holdings Ltd (Code: 6)	Down 1.59 percent to \$HK31.00 per share
Wing Shing Chemical Holdings Ltd (Code: 850)	Unchanged at 51 cents per share
Hang Seng Bank Ltd (Code: 11)	Down 0.29 percent to \$HK85.25 per share

The biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Bestway International Holdings Ltd	718		15.79	0.016
Can Do Holdings Ltd	172		15.79	0.016
Century Legend (Holdings) Ltd	79	11.76		0.019
Cheong Ming Investments Ltd	1196	11.54		0.29
China Fair Land Holdings Ltd	169	10.71		0.31
China Rich Holdings Ltd	1191	20.00		0.078
Dynamic Global Holdings Ltd	231	17.39		0.081
EC-Founder (Holdings) Company Ltd	618		17.14	0.29
First Natural Foods Holdings Ltd	1076	15.63		0.37
Harmony Asset Ltd	428		42.86	0.024
Hop Hing Holdings Ltd	47	14.81		0.31
Kantone Holdings Ltd	1059	18.75		0.038
Karce International Holdings Company Ltd	1159	11.11		0.14
Kwong Hing International Holdings (Bermuda) Ltd	1131	40.35		0.08
Lai Sun Development Company Ltd	488		20.63	0.05
Mascotte Holdings Ltd	136	21.43		0.255
Multifield International Holdings Ltd	898	18.99		0.094
Playmates Holdings Ltd	635		10.48	0.205
Prosper eVision Ltd	979	18.18		0.13
Sun Hung Kai and Company Ltd	86	31.25		1.05
Sun's Group Ltd, The	988		17.65	0.014
Theme International Holdings Ltd	990	17.65		0.02
Tomorrow International Holdings Ltd	760		13.43	0.058
United Power Investment Ltd	674		23.08	0.10
Yardway Group Ltd	646	14.29		0.32
Yue Da Holdings Ltd	629	12.50		0.54
Yugang International Ltd	613	12.00		0.028

On The GEM – The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd – The Growth Enterprise Index hit 110.76 points after investors shaved off another 0.65 percent from The Index.

The Total Turnover was about \$HK81.32 million, with declining counters, outpacing advancing ones by the ratio of 2.57:One.

The biggest movers on this speculative market included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
EVI Education Asia Ltd	8090		13.33	0.026
Greencool Technology Holdings Ltd	8056		10.71	0.50
ITE (Holdings) Ltd	8092		11.11	0.08
LOULAN Holdings Ltd	8039	11.11		0.40
Systek Information Technology (Holdings) Ltd	8103	12.82		0.044

For a pleasant change, a GEM company announced good news.

It came from Kingdee International Software Group Company Ltd (Code: 8133) whose Management told shareholders that, on a Turnover of about \$HK212.67 million, the company had recorded a Net Profit Attributable to Shareholders of about \$HK15.54 million.

That result was for the first 6 months of the company's Financial Year, ended September 30, 2002.

For the comparable 2001 first half, Kingdee recorded a Net Profit of about \$HK14.42 million.

In The Land of The Rising Sun, credit worries of some of the largest companies dogged investors on Asia's largest equity market.

The Tokyo Stock Exchange's Nikkei-225 Stock Average skirted the 19-year low, touching 8,438.52 yen by the close of the day, down about 0.31 percent.

It was the lowest level since April 8, 1983.

The Nikkei-225 close of last Wednesday meant that it had seen an erosion of about 20 percent in a period of 11 months.

Losers outran gainers by the ratio of about 3.99:One.

The share price of Kumagai Gumi Company Ltd, one of the former stalwarts of the construction industry of Japan, was shot down to the extent of 25 percent to a record low of 9 yen.

Kumagai Gumi has sought, and obtained, a waiver of its massive debts.

There is a word for that at law: Insolvency.

Japan's 2 top trading houses, Mitsubishi Corporation and Mitsui and Company, both reported positive results for the first half of their respective Financial Years, ended September 30, 2002.

Mitsubishi Corporation reported a 43.95-billion yen Bottom Line, up 4.80 percent, Year-on-Year, and Mitsui and Company said that it had earned 24.79 billion yen, up 5.90 percent, compared with the like 2001 half year.

Mitsubishi Heavy Industries Ltd announced that, in the same period, it had earned 602 million yen, which was a turnabout when compared with the Loss Attributable to Shareholders of about 8.26 billion yen for the 2001 first half.

In other Asian bourses, this is the way that they ended, last Wednesday night:

Indonesia	Minus 1.08 percent to 367.10
Japan	Minus 0.31 percent to 8,438.52
Malaysia	Minus 0.73 percent to 646.94
The Philippines	Plus 0.39 percent to 1,059.45
Singapore	Minus 0.80 percent to 1,394.75
South Korea	Minus 0.09 percent to 653.85
Taiwan	Minus 0.10 percent to 4,671.77
Thailand	Minus 0.41 percent to 343.67

Thursday

President Saddam Hussein of Iraq capitulated.

And the world expressed relief in a display of buying on major bourses, around the world.

For the time being, at least, the world would not go to war against Iraq.

Iraq told the United Nations, via its Ambassador to the UN, Mr Mohammed al-Douri, that it accepted UN Resolution Number 1441 '*without conditions*' and '*despite its bad contents*'.

Thus ended another crisis, which could have been very costly.

But how many more such crises will pop up in the next few months as the UN's weapons inspectors poked around the desert of Iraq?

Wall Street was euphoric on hearing the decision of President Saddam Hussein, but the euphoria was short-lived when Dr Alan Greenspan, the Chairman of the US Federal Reserve Board, delivered his testimony to the US Congress – and it was not all good.

Dr Greenspan said that the bear market and the worries of a war with Iraq had dimmed growth prospects in the US, the economy, today, moving at a snail's pace.

Speaking to the Joint Economic Committee, also, Dr Greenspan said that corporate accounting scandals, business's reluctance to invest further, and geopolitical risks were all adding to the problems of the US economy and holding back any real growth.

On The New York Stock Exchange, the Dow Jones Industrial Average gained 75.74 points, equivalent to about 0.90 percent, rising to 8,474.23 points.

As for the Composite Index of NASDAQ, it gained another 1.98 percent, rising to 1,388.29 points.

The fading sounds of the drums of war had given Wall Street a new lease on life, it appeared, even if it be only a temporary reprieve.

Europe followed the Wall Street push of 2 days of buoyant trading, which was driving up indices on the world's largest equity markets.

Major European equity markets saw their indices run to much higher levels.

Some of the gainers included:

Amsterdam's AEX	Up 2.91 percent
Germany's DAX	Up 3.98 percent
Great Britain's FTSE100	Up 0.59 percent
Italy's MIBTel	Up 2.48 percent
Paris CAC40	Up 3.75 percent
Zurich's SMI	UP 2.99 percent

But in Germany, it was not '*Deutschland Uber Alles*', as far as business was concerned.

Deutsche Telekom racked up a record loss, the largest such loss in the corporate history books of Germany: About \$US24.60 billion for the first 9 months of its Financial Year.

The Government of the Federal Republic of Germany is a 43-percent shareholder of this telecommunication carrier, which, in the past, had attracted a great many small investors in the world's largest trading nation.

In Asia, there was some concern that Argentina might, once again, default on its debt repayment to the World Bank, indicating that that country, which is a large exporter of oil to the US, was in trouble, yet again.

Many Asian countries export goods to this country.

Asian stock markets were mixed, for the most part, although Japan took quite a drubbing.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), there was a great deal of excitement over the Government's decision to cave into pressure from big business and freeze land sales for the next 13 months.

The myopia of investors of the HKSAR is legend.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index shot up by about 1.29 percent to 9,740.84 points on an increased Total Turnover of about \$HK6.33 billion.

The ratio of gainers to losers was about 2.26:One.

Naturally, the Property Sector of the market was the recipient of a large portion of the gains, as its Sectorial Index rose by about 2.48 percent.

The Ten Most Actives were:

Sun Hung Kai Properties Ltd (Code: 16)	Up 3.50 percent to \$HK51.75 per share
HSBC Holdings plc (Code: 5)	Up 0.29 percent to \$HK87.75 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 2.86 percent to \$HK54.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.30 percent to \$HK19.45 per share
Hutchison Whampoa Ltd (Code: 13)	Up 2.13 percent to \$HK50.25 per share
China Unicom Ltd (Code: 762)	Up 4.72 percent to \$HK5.55 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.88 percent to \$HK86.00 per share
Henderson Land Development Company Ltd (Code: 12)	Up 1.89 percent to \$HK26.90 per share
CLP Holdings Ltd (Code: 2)	Up 0.63 percent to \$HK31.70 per share
PCCW Ltd (Code: 8)	Up 5.69 percent to \$HK1.30 per share

The biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Development Corporation Ltd	487	15.38		0.015
China Treasure (Greater China) Investments Ltd	810		17.39	0.38
EC-Founder (Holdings) Company Ltd	618		18.97	0.235
Ezcom Holdings Ltd	312		10.29	0.061
First Asia Capital Investment Ltd	1227	11.39		0.88
Hop Hing Holdings Ltd	47	12.90		0.35
ING Beijing Investment Company Ltd	1062		16.67	0.10
Kwong Hing International Holdings (Bermuda) Ltd	1131	10.00		0.088

Lai Sun Development Company Ltd	488		16.00	0.042
Mansion Holdings Ltd	547	10.00		0.022
Massive Resources International Corporation Ltd	70	12.00		0.028
Paladin Ltd	495	11.11		0.03
Paliburg Holdings Ltd	617	10.77		0.072
renren Holdings Ltd	59		14.58	0.041
Swank International Manufacturing Company Ltd	663	17.02		0.055
Yue Fung International Group Holdings Ltd	965	13.33		1.53

In the news was HSBC Holdings plc, one of the largest banks in the world, which announced a \$US14.20-billion deal to take over Household International of the US.

Household International is the second-largest consumer finance company in the US, a close second to Citigroup.

It provides consumer loans, issues credit cards, approves loans for second-hand motor cars, and leans heavily on lending to the lower-to-middle-income sector workers.

The deal was consummated by HSBC Holdings, issuing shares to Household International and taking over the company at a price, equivalent to about 1.80 times the Book Value.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, since property prices mean little to GEM-listed companies, most of which have little in the way of bricks and mortar, or anything else, for that matter, The Growth Enterprise Index lost another 0.16 percent, falling to 109.86 points.

The Total Turnover on this speculative marketplace was about \$HK62.66 million, with losers ahead of gainers by the ratio of about 1.45:One.

There was little news of any note, regarding GEM companies, the share prices of which continued to fall, some more than others.

The double-digit movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Medical Science Ltd	8120		18.99	0.145
Essex Bio-Technology Ltd	8151		13.45	0.103
Excel Tech International Holdings Ltd	8048		10.00	0.081
iSteelAsia.com Ltd	8080	11.11		0.05
Kinetana International Biotech Pharma Ltd	8031	11.88		0.113
LOULAN Holdings Ltd	8039		25.00	0.30
M Channel Corporation Ltd	8036		10.00	0.027
Media Partners International Holdings Incorporated	8072		18.04	0.159
Systek Information Technology (Holdings) Ltd	8103	11.36		0.049
Thiz Technology Group Ltd	8119		19.35	0.05

Suggestions that the Japanese Government's plans to reform the banking sector would lead to turmoil sent share prices falling on the country's 3 stock markets.

The Nikkei-225 Stock Average, the '*barometer*' of trading on The Tokyo Stock Exchange, fell 135.13 yen, or about 1.60 percent, ending the session at a new, 19-year low of 8,303.39 yen.

Mr Hiroshi Okuda, the Chairman of Japanese Business Federation, was reported to have stated that it was likely that the Government of Japan would have to nationalise one of the country's 4 megabanks, within the next month or so.

Whether or not the report was correct, it was enough to put the skids under the markets of the country, with banking counters, falling out of bed in a great hurry.

Some of the biggest losers on this market, the largest of its kind in Asia, included:

Banks/Finance Houses/ Securities Companies

Chiba Bank	Down 8.45 percent to 336 yen per share
Credit Saison	Down 12.01 percent to 1,861 yen per share
Daiwa Securities	Down 4.75 percent to 461 yen per share
Mitsui Trust	Down 6.86 percent to 190 yen per share
Mizuho Asset	Down 8.70 percent to 42 yen per share
Mizuho Holdings	Down 14.08 percent to 122,000 yen per share
Nikko Cordial	Down 3.99 percent to 409 yen per share
Nomura Holdings	Down 2.78 percent to 1,259 yen per share
Shinko Securities	Down 9.09 percent to 130 yen per share
Sumitomo Mitsui	Down 9.95 percent to 362 yen per share
Sumitomo Trust and Bank	Down 5.51 percent to 446 yen per share
UFJ	Down 15.15 percent to 112,000 yen per share

Electronics/Telecommunications and Industrials

Advantest	Down 6.78 percent to 4,260 yen per share
Aeon	Down 3.11 percent to 2,800 yen per share
Clarion	Down 3.77 percent to 51 yen per share
Fuji Electric	Down 3.76 percent to 205 yen per share
Furukawa	Down 6.67 percent to 56 yen per share
Furukawa Electric	Down 3.77 percent to 204 yen per share
Hitachi	Down 3.35 percent to 404 yen per share
Nikon Corporation	Down 4.44 percent to 753 yen per share
NTT Data	Down 7.56 percent to 318,000 yen per share
Sanyo Electric	Down 4.97 percent to 287 yen per share

Tokyo Electron

Down 3.61 percent to 4,800 yen per share

News wise:

- **Nippon Yusen KK**, Japan's largest shipping company, said that its Group Net Profits had slipped by about 49.70 percent in the first half, to September 30, 2002, compared with the like 2001 half year, to 7.79 billion yen
- **Kawasaki Kisen Kaisha Ltd**, a rival shipping company to Nippon Yusen KK, announced that, for the same period, its Group Net Profit had fallen by about 34.70 percent, Year-on-Year, to 4.92 billion yen.
- **Tomen Corporation**, a trading house that is struggling to stay afloat, said that its Group Net Profit for the first half year, to September 30, 2002, had been about 2.25 billion yen, down 45.80 percent, compared with the 2001 half year. The company has asked Toyota Motor Corporation for financial assistance.
- **Culture Convenience Club Company**, the operator of the popular Tsutaya Video Rental Chain, said that it had posted record earnings for the first half: Group Net Profit was 810 million yen, up about 3 percent, Year-on-Year.

In other Asian stock markets, this was the way that they saw the story, last Thursday night:

Indonesia	Plus 1.13 percent to 371.25
Japan	Minus 1.60 percent to 8,303.39
Malaysia	Minus 0.12 percent to 646.15
The Philippines	Plus 0.23 percent to 1,061.86
Singapore	Minus 0.30 percent to 1,391.16
South Korea	Minus 0.26 percent to 652.15
Taiwan	Minus 0.13 percent to 4,665.56
Thailand	Plus 1.54 percent to 348.95

Friday

It was confirmed: Argentina had defaulted on an \$US800-million, debt-repayment instalment to the World Bank.

In a statement, the World Bank said, officially: *The World Bank, today (last Friday), confirmed that it has received a partial payment of \$US79.20 million from the Government of Argentina against a scheduled payment of \$US805 million.*

Now, the fun begins.

The knock-on effects of the non-payment by Argentina to the World Bank are far more reaching than many people may realise because many banks in Europe have invested in that South American country, which is one of the most developed in Latin America.

It is, also, a member of OPEC – The Organisation of Petroleum Exporting Countries – and is an important trading partner with North America.

But Wall Street was not concerned about the failure of Argentina to pay its debts to the World Bank, being more interested in the here and the now in the largest single economy of the world.

The excitement, generated by the sale of Household International to HSBC Holdings plc (Code: 5, Main Board, The Stock Exchange of Hongkong Ltd) took centre stage on The New York Stock Exchange as Household International's share price shot up at the opening by more than 6 percent.

By the end of the day, the blue-chip gauge of trading on The New York Stock Exchange, the Dow Jones Industrial Average, was registering a gain of about 1.71 percent over Wednesday's close, at 8,542.13 points.

Over on the NASDAQ, its Composite Index went along for the ride and gained 3.69 percent, rising to 1,411.52 points.

There had been, what some people claimed, encouraging economic data from certain US Government agencies; and, that appeared to be all that was necessary for investors to plough back into the market, buying, mainly, blue chips and hi-flyers.

On Asia, indices on every major stock market went up.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors were still applauding the Government's decision to freeze land sales of the next 13 months or so. (Please see Wednesday's report)

On The Stock Exchange of Hongkong Ltd, both the Main Board and The Growth Enterprise Market (The GEM) saw their respective indices rise, with the Main Board, surprising stockbrokers due to its relatively high volume of activity.

On a Total Turnover of about \$HK10.28 billion, the Hang Seng Index, the blue-chip guide to trading on the Main Board, rose by about 1.28 percent to 9,865.65 points.

The closing level of last Friday meant that the Hang Seng Index had gained about 0.97 percent for the week.

The ratio of gainers to losers was about 2.09:One.

HSBC Holdings plc (Code: 5) was the most-active counter of the day as investors traded about 31.96 million of this bank's shares, the aggregate cash value of those transactions, being about \$HK2.75 billion.

In terms of the Total Turnover, trading in the shares of HSBC Holdings represented about 27 percent.

The reason for the interest in this counter was the takeover of Household International of the US for HSBC Holdings's stock. (Please see Thursday's report)

The Ten Most Active Counters were:

HSBC Holdings plc (Code: 5)	Down 1.14 percent to \$HK86.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 3.86 percent to \$HK20.20 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.75 percent to \$HK53.50 per share
Hutchison Whampoa Ltd (Code: 13)	Up 3.48 percent to \$HK52.00 per share
China Telecom (Hongkong) Ltd (Code: 728)	Unchanged at \$HK1.45 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 2.31 percent to \$HK55.25 per share
China Unicom Ltd (Code: 762)	Up 6.31 percent to \$HK5.90 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.87 percent to \$HK85.25 per share
Hongkong Electric Holdings Ltd (Code: 6)	Down 0.64 percent to \$HK31.00 per share
Henderson Land Development Company Ltd (Code: 12)	Up 2.79 percent to \$HK27.65 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Arnhold Holdings Ltd	102		20.00	0.36
Asia Standard Hotel Group Ltd	292		19.64	0.135
Asia Tele-Net and Technology Corporation Ltd	679	10.00		0.011
Benefun International Holdings Ltd	1130	11.11		0.04
Bestway International Holdings Ltd	718	12.50		0.018
Boto International Holdings Ltd	585		11.11	0.032
CASIL Telecommunications Holdings Ltd	1185	11.11		0.25
Century City International Holdings Ltd	355	13.04		0.026
Century Legend (Holdings) Ltd	79	10.53		0.021
Cheung Tai Hong Holdings Ltd	199		13.04	0.02
China Fair Land Holdings Ltd	169	16.95		0.345
China Treasure (Greater China) Investments Ltd	810	10.53		0.42
CIG-WH International (Holdings) Ltd	621	10.00		0.088
Dickson Group Holdings Ltd	313	12.28		0.064
Ezcom Holdings Ltd	312	11.48		0.068
Karrie International Holdings Ltd	1050	11.98		1.87
Lee and Man Handbag International Ltd	746	10.61		0.73
Lai Sun Development Company Ltd	488		11.90	0.037
Lai Sun Garment (International) Ltd	191		20.71	0.111
Man Yue International Holdings Ltd	894	10.89		0.112
Massive Resources International Corporation Ltd	70	14.29		0.032
SC Industrial Development Company Ltd	554	13.79		0.66
Shang Hua Holdings Ltd	371		11.76	0.06
South East Group Ltd	726		22.22	0.07
Takson Holdings Ltd	918	13.46		0.295
Tonic Industries Holdings Ltd	978	11.98		0.215
Yew Sang Hong (Holdings) Ltd	290		12.85	3.90

On The GEM, while The Growth Enterprise Index registered a gain of about 2.10 percent, rising to 112.17 points, the volume of activity was such as to deny the possibility of a continued push to higher levels.

Last Friday's positive market was the first gain that had been recorded on The GEM in previous 4 trading sessions: And, it cut the losses of the week to about 0.66 percent.

The Total Turnover was about \$HK111 million.

The ratio of gainers to losers was about 1.12:One.

The biggest movers on this bourse included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Blu Spa Holdings Ltd	8176	24.00		0.062
Creative Energy Solutions Holdings Ltd	8109	20.90		0.405
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Company Ltd	8231		19.35	0.50
Inworld Group Ltd	8100	10.91		0.122
LOULAN Holdings Ltd	8039	26.67		0.38

SUNeVision Holdings Ltd	8008	10.48		1.16
Thiz Technology Group Ltd	8119	16.00		0.058
WLS Holdings Ltd	8021	10.77		0.144

In Japan, the Tokyo Stock Exchange's Nikkei-225 Stock Average clawed back some of its losses of the previous 2 sessions, ending the week at 8,503.59 yen, a one-day gain of about 2.41 percent.

The claw-back, however, was only a knee-jerk reaction to the falls of Wednesday and Thursday, and the seeming strength of Wall Street, during those days.

For the week, the Nikkei-225 Stock Average had surrendered another 2.15 percent of its value and stood at just a whisker above its 19-year low.

The ratio of gainers to losers, last Friday, was 1.91:One.

Even though the Nikkei-225 Stock Average was in the black, so to speak, banking counters, for the most part, were in the red.

UFJ Holdings's share price dropped to a record low, intra-day trading, of 97,000 yen, down more than 13 percent on Thursday's close, before it recovered to end the week at 108,000 yen, which was still down about 3.57 percent on Thursday's closing price.

On the other side of the coin, however, the share price of Mizuho Holdings rose by about 9.84 percent to hit 134,000 yen, after it had been pulled down to 114,000 yen by intra-day traders, earlier in the afternoon session.

Motors were hotly sought after, with all the leaders, ending the day at much higher levels.

Many hi-tech counters benefitted from the rally of last Friday, although not all benefitted, as the following list indicates:

Banks/Finance Houses/ Securities Companies

Daiwa Securities	Up 2.60 percent to 473 yen per share
Mitsui Trust	Down 2.11 percent to 186 yen per share
Nomura Holdings	Up 3.65 percent to 1,305 yen per share
Shinko Securities	Down 2.31 percent to 127 yen per share
Sumitomo Trust and Bank	Up 3.59 percent to 462 yen per share

Electronics/Telecommunications and Industrials

Advantest	Up 9.15 percent to 4,650 yen per share
Alps Electric	Up 3.22 percent to 1,572 yen per share
Canon	Up 3.26 percent to 4,750 yen per share
Clarion	Down 15.69 percent to 43 yen per share
Fanuc	Up 7.95 percent to 5,430 yen per share
Konica	Up 4.07 percent to 843 yen per share

Kyocera	Up 6.08 percent to 6,980 yen per share
NTT Data	Up 5.03 percent to 334,000 yen per share
NTT DoCoMo	Up 2.71 percent to 227,000 yen per share
Pioneer	Up 3.93 percent to 2,250 yen per share
Ricoh	Up 5.13 percent to 2,150 yen per share
Sanyo Company Ltd	Up 3.26 percent to 1,363 yen per share
Sony	Up 4.04 percent to 5,150 yen per share
Tokyo Electron	Up 6.67 percent to 5,120 yen per share
Toshiba Corporation	Up 5.64 percent to 337 yen per share
UBE Industries	Down 5.22 percent to 109 yen per share

Motors

Hino Motors	Up 3.70 percent to 364 yen per share
Honda Motor	Up 4.51 percent to 4,400 yen per share
Isuzu Motors	Up 2.78 percent to 37 yen per share
Kawasaki Heavy Industries	Up 2.22 percent to 92 yen per share
Suzuki Motor	Up 3.76 percent to 1,298 yen per share
Toyota Motor	Up 3.58 percent to 3,180 yen per share

In other Asian bourses, this is the way that things came to a close, last Friday night:

Indonesia	Plus 0.78 percent to 374.15
Japan	Plus 2.41 percent to 8,503.59
Malaysia	Plus 0.27 percent to 647.88
The Philippines	Minus 0.30 percent to 1,058.71
Singapore	Plus 1.7 percent to 1,414.85
South Korea	Plus 3.19 percent to 672.95
Taiwan	Plus 3.17 percent to 4,813.53
Thailand	Plus 2.09 percent to 356.24

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