

**THE WORLD WAITS FOR SADDAM HUSSEIN'S PRONOUNCEMENTS :
I'M INNOCENT ! REALLY !**

The most notable thing about last Monday's stock markets of Asia was their lack of any explosive or even interesting news, notwithstanding another United Nations Coalition Forces attack on Iraqi air defences, following Coalition aircraft, fending off anti-aircraft fire in the no-free zone.

The United Nations weapons inspectors were, still, in Iraq, inspecting one site after another and were encountering no interference from the Government of President Saddam Hussein.

Certain international bankers were launching attacks on the Administration of Chief Executive Tung Chee Hwa, demanding that a 'White Paper' be published, one that outlines, exactly, the full extent of the proposed legislation in respect of alleged acts of sedition, perpetrated within the precincts of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

Even a local banker joined in the chorus – which was somewhat of a pleasant change from the usual attitude of the ignominious and much-publicised kowtow.

In the words of Ralph Waldo Emerson (1803–82): *'Courage charms us, because it indicates that a man loves an idea better than all things in the world, that he is thinking neither of his bed, nor his dinner, nor his money, but will venture all to put in act the invisible thought of his mind.'*

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index gained about 1.34 percent, rising to 10,205.16 points.

The Total Turnover was about \$HK6.49 billion, with gainers, ahead of losers by the ratio of 1.93:One.

The gains of the Hang Seng Index were propelled by the activity in the Finance Sector of the market, as its Sectorial Index put on about 0.89 percent.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 1.09 percent to \$HK92.50 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Down 1.73 percent to \$HK8.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 2.42 percent to \$HK21.15 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.91 percent to \$HK55.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.31 percent to \$HK58.00 per share
Swire Pacific Ltd – 'A' Shares (Code: 19)	Up 0.63 percent to \$HK32.20 per share
PCCW Ltd (Code: 8)	Up 2.00 percent to \$HK1.53 per share

Wharf (Holdings) Ltd (Code: 4)	Up 3.65 percent to \$HK17.05 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.95 percent to \$HK53.00 per share
Hang Seng Bank Ltd (Code: 11)	Up 1.77 percent to \$HK86.25 per share

The biggest gainers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Can Do Holdings Ltd	172		14.29	0.012
Central China Enterprises Ltd	351	12.50		0.036
China Bio-Medical Group Ltd	140		20.00	0.072
Ching Hing (Holdings) Ltd	692	18.33		0.071
Dickson Group Holdings Ltd	313	26.09		0.058
Dong Fang Gas Holdings Ltd	432	27.27		0.014
First Dragoncom Agro-Strategy Holdings Ltd	875	13.64		0.10
Fortuna International Holdings Ltd	530	15.38		0.015
Fushan Holdings	639	11.11		0.45
Golden Harvest Entertainment (Holdings) Ltd	1132		10.00	0.36
Good Fellow Group Ltd	910	13.82		0.28
Guangdong Investment Ltd	270	20.78		0.93
Guangdong Tannery Ltd	1058	26.25		0.202
Guangnan (Holdings) Ltd	1203	31.00		0.131
GZITIC Hualing Holdings Ltd	382	14.55		0.315
Kwong Hing International Holdings (Bermuda) Ltd	1131		12.04	0.095
Magician Industries (Holdings) Ltd	526		20.00	0.08
MUI Hongkong Ltd	542	31.37		0.067
Oriental Explorer Holdings Ltd	430	11.43		0.039
Rivera (Holdings) Ltd	281		10.00	0.27
Shougang Concord Century Holdings Ltd	103	15.04		0.26
Shougang Concord Grand (Group) Ltd	730	15.09		0.61
Shougang Concord International Enterprises Company Ltd	697	14.00		0.285
Shougang Concord Technology Holdings Ltd	521	14.81		0.62
Sino Prosper Holdings Ltd	766	10.53		0.63
Star Cruises Ltd	678	10.00		2.475
Star East Holdings Ltd	198	31.25		0.021
Styland Holdings Ltd	211		18.52	0.044
Theme International Holdings Ltd	990	16.67		0.021
U-Cyber Technology Holdings Ltd	91		10.94	0.285
Yardway Group Ltd	646		11.76	0.30

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, gains were of a fractional nature as The Growth Enterprise Index struggled to make an improvement of just 0.21 percent, recouping some lost ground and finishing the day at 114.94 points.

The Total Turnover on this market was about \$HK94.71 million, with losers, outnumbering gainers by the ratio of about 1.23:One.

The double-digit movers on this market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Computech Holdings Ltd	8081		10.71	0.25
Excel Technology International Holdings Ltd	8048		26.00	0.074
Grandy Applied Environment Technology Corporation	8143		16.26	0.103
HK6 Holdings Ltd	8206	13.16		0.172
IIN International Ltd	8128		16.08	0.12
Inno-Tech Holdings Ltd	8202	12.99		0.435
Inworld Group Ltd	8100	11.22		0.119
M Channel Corporation Ltd	8036		13.33	0.039
New Chinese Medicine Holdings Ltd	8085		14.44	0.231
PINE Technology Holdings Ltd	8013		24.17	0.091
Prosperity International Holdings (Hongkong) Ltd	8139		14.29	0.024
ProSticks International Holdings Ltd	8055	12.50		0.045

News wise, a former '*hong*' of the HKSAR, Wheelock and Company Ltd (Code: 20, Main Board), reported that, for the 6-month period, ended September 30, 2002, it had recorded a Net Profit Attributable to Shareholders of about \$HK158.30 million.

That result represented a 65.60-percent decline, compared with the like period in 2001.

On a Turnover of about \$HK3.33 billion, the company enjoyed an Operating Loss of about \$HK529.30 million.

The reason that the company was able to present a profit to shareholders was due to profits, logged in by associated companies, which were consolidated into the figures of the parent company.

This company is controlled by Mr Peter Woo.

In Japan, trading was, also, quiet on the country's 3 stock markets.

On the premier bourse of Japan, The Tokyo Stock Exchange, the Nikkei-225 Stock Average slipped by about 0.45 percent to come to rest at 9,174.47 yen.

The ratio of losers to gainers was about 1.50:One.

There was little in the way of direction to the market since Tokyo was still waiting to see what the Government of Prime Minister Junichiro Koizumi would do to help the faltering economy, which is the second largest in the world.

In other Asian markets, this was how investors saw the situation, last Monday:

Indonesia	Minus 0.30 percent to 389.27
Japan	Minus 0.45 percent to 9,174.47
Malaysia	Minus 0.79 percent to 624.26
The Philippines	Plus 0.27 percent to 1,050.04
Singapore	Plus 0.38 percent to 1,396.81
South Korea	Plus 0.74 percent to 730.16
Taiwan	Plus 0.79 percent to 4,683.18
Thailand	Plus 0.49 percent to 366.67

Tuesday

Asian stock markets differed little from those of Monday, with notable exceptions in respect of some Asian bourses, which were reacting to parochial considerations.

Wall Street looked exceedingly weak on the first day of trading, and that had a bearing on Asia, of course.

There was some hype that Christmas shopping in the US might not be as bad as some people had predicted, earlier in November, but hype is hype: Reality is reality.

On The New York Stock Exchange, last Monday, New York time, the Dow Jones Industrial Average lost 33.52 points, equivalent to about 0.38 percent, coming to rest at 8,862.57 points.

On the NASDAQ, its Composite Index rose by about 0.41 percent, closing out the day at 1,484.80 points.

A market that cannot rise must fall, as TARGET has stated, many, many times in the past.

What was evident about Wall Street, last Monday, was that investors were looking for any excuse to proclaim that the US economy was no longer faltering.

Dreams have only the pigmentation of fact.

(Please see last Wednesday's [TARGET Intelligence Report, Volume IV, Number 230](#), Second Report)

US President George W. Bush continued his tirade against Iraq's President Saddam Hussein, suggesting this and that while massing tens of thousands of troops for an invasion of the Middle Eastern country.

Though Wall Street may have been seen to be hesitant as to near-term direction, in Europe, there was no wishy-washy determination: The direction was down.

This was how major European bourses fared, last Tuesday night:

Amsterdam's AEX	Down 3.30 percent
Germany's DAX	Down 2.95 percent
Great Britain's FTSE100	Down 1.90 percent
Italy's MIBTel	Down 2.44 percent
Paris CAC40	Down 2.32 percent
Zurich's SMI	Down 2.84 percent

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), it was suggested that commercial property prices would drop by about 60 percent within the next few years.

The suggestion was coming from a Singapore stockbrokerage firm.

A former HKSAR Government bigwig, Mrs Anson Chan, came out, stating that people of the territory should not trust the Government of Chief Executive Tung Chee Hwa with regard to the proposed anti-subversion ordinance.

When the former Chief Secretary was in power, she was singing a slightly different tune, as TARGET recalls.

If she had made such statements, or even implied them, after the proposed legislation was in place, she could have been nobbled by the Attorney General for spouting such statements.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gained about 0.21 percent, ending the day at 10,227.01 points.

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

The Total Turnover rose to about \$HK7.05 billion in what was, in essence, a directionless market.

The Ten Most Actives were:

China Mobile (Hongkong) Ltd (Code: 941)	Up 2.84 percent to \$HK21.75 per share
HSBC Holdings plc (Code: 5)	Down 0.54 percent to \$HK92.00 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.45 percent to \$HK55.00 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Unchanged at \$HK8.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.94 percent to \$HK52.50 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.43 percent to \$HK57.75 per share
Swire Pacific Ltd – ‘A’ Shares (Code: 19)	Unchanged at \$HK32.20 per share
CITIC Pacific Ltd (Code: 267)	Down 1.26 percent to \$HK15.65 per share
China Unicom Ltd (Code: 762)	Up 1.63 percent to \$HK6.25 per share
Beijing Datang Power Generation Company Ltd (Code: 991)	Up 0.94 percent to \$HK2.675 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Bestway International Holdings Ltd	718	12.50		0.018
Cheung Tai Hong Holdings Ltd	199		12.50	0.035
Chi Cheung Investment Company Ltd	112	15.38		0.03
China Bio-Medical Group Ltd	140	11.11		0.08
China Development Corporation Ltd	487		13.33	0.013
China Rich Holdings Ltd	1191	14.71		0.078
Dah Hwa International (Holdings) Ltd	600		26.92	0.038
Fushan Holdings Ltd	639	11.11		0.50
Golden Dragon Group (Holdings) Ltd	329	10.77		0.144
Good Fellow Group Ltd	910	10.71		0.31
Haywood Investments Ltd	905		28.24	0.061
I-Wood International Holdings Ltd	162		21.05	0.30
KEL Holdings Ltd	681	11.43		0.078
Matsunichi Communication Holdings Ltd	283	10.00		0.33
MUI Hongkong Ltd	542		10.45	0.06
New World CyberBase Ltd	276	15.79		0.022
Oriental Explorer Holdings Ltd	430	10.26		0.043
Same Time Holdings Ltd	451	17.46		0.074
Theme International Holdings Ltd	990	42.86		0.03
U-Cyber Technology Holdings Ltd	91	14.04		0.325
UDL Holdings Ltd	620	17.86		0.033
Wah Nam International Holdings Ltd	159		13.46	0.18
Wonson International Holdings Ltd	651		16.67	0.035

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index ran back to 116.41 points, a one-day gain of about 1.28 percent.

It appears to be having trouble, reaching the 100-level.

In spite of the gains, losing counters outnumbered gaining ones by the ratio of 1.14:One.

The Total Turnover on this market was about \$HK131.31 million.

The biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Multimedia Ltd	8061	18.18		0.026
AGL MediaTech Holdings Ltd	8192	20.90		0.405
Asian Information Resources (Holdings) Ltd	8025		18.75	0.026
Changmao Biochemical Engineering Company Ltd	8208		10.42	0.43
Chengdu Top Sci-Tech Company Ltd	8135	11.34		0.54
China Medical Science Ltd	8120	13.07		0.225
E-silkroad Holdings Ltd	8071	11.54		0.058
iSteelAsia.com Ltd	8080	14.29		0.04
Kanstar Environmental Technology Holdings Ltd	8011	10.20		0.54
M Channel Corporation Ltd	8036	15.38		0.045
New Chinese Medicine Holdings Ltd	8085		27.27	0.168
ProSticks International Holdings Ltd	8055		11.11	0.04

In Japan, it was a similar story on the country's 3 stock markets, with the key indices on The Tokyo Stock Exchange, hardly moving at all.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average gained one third of a percentage point, hitting a 2-month high of 9,205.11 yen.

Gainers outran losers by the ratio of about 1.12:One.

The market hit an intra-day high of 9,320.11 yen, but selling pressure pulled down the value of the lead *'barometer'* of this equity market, which is the largest in Asia.

There was continued widespread concern in Japan as to the efficaciousness of the Government's plans to reform, or rework, or to do anything that would ameliorate the present weak situation in respect of the economy.

News wise:

- **Mitsui Sumitomo Insurance Company** announced that it logged in a Consolidated Net Profit of 29.50 billion yen for the 6-month period, ended September 30, 2002. That result was a 235.90-percent increase, Year-on-Year;
- **Millea Holdings Incorporation**, which is the holding company of Tokio Marine and Fire Insurance Company and Nichido Fire and Marine Insurance Company, said that it had posted a Consolidated Net Profit of 83.25 billion yen for the same period; and,
- **Finance Minister Masujuro Shiokawa** said that he would like to raise taxes on tobacco, low-malt beer and in certain other areas in order to raise extra revenue in the 2003 Fiscal Year.

In other Asian stock markets, this was the way that those investors saw the situation, last Tuesday night:

Indonesia	Plus 2.18 percent to 397.74
Japan	Plus 0.33 percent to 9,205.11
Malaysia	Minus 1.25 percent to 616.46
The Philippines	Minus 0.71 percent to 1,042.54
Singapore	Minus 1.07 percent to 1,381.87
South Korea	Plus 0.88 percent to 736.57
Taiwan	Plus 2.36 percent to 4,793.93
Thailand	Minus 0.68 percent to 364.19

Wednesday

Share prices collapsed in Asia, last Wednesday, following the *'haircuts'* that US investors gave to stocks and shares, listed on US equity markets.

For a change, the closing level of the Hang Seng Index, the *'barometer'* of trading on the Main Board of The Stock Exchange of Hongkong, fell a greater amount than the losses of Japan's premier stock market: The Tokyo Stock Exchange.

On The New York Stock Exchange, last Tuesday, New York time, the Big Board's Dow Jones Industrial Average, the key index of blue chips, shed 119.64 points, equivalent to about 1.35 percent, dropping back to 8,742.93 points.

As for the tech-laden NASDAQ, its Composite Index surrendered about 2.41 percent of its value, falling to 1,448.96 points.

It appeared, last Tuesday, that the Wall Street rally of the previous few weeks had burned itself out.

Some of the big names on the Big Board announced that things were not well, at all.

UAL Corporation, the parent company of United Airlines, the second-largest carrier of its kind in the US, announced that it was teetering on the precipice of insolvency, being unable to pay its debts as they fell due.

And the US Government was declining to bail out the airline without certain changes made to the structure of the carrier.

That was enough: US investors joined the queue to sell scrip, the moment that buyers could be located.

Then, the world's second-largest manufacturer of motor vehicles, Ford Motor Company, announced that sales in November were off by about 21 percent, Year-on-Year.

The run on motor-car stocks was on, with the share price of Ford, dropping by 13 percent within minutes of the announcement, being known.

Asia had to take note of what was happening to *'big brother'*.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), things were glum.

The Hang Seng Index, the key, blue-chip index of the Main Board of The Stock Exchange of Hongkong Ltd, lost about 2.26 percent of its value, falling below the 10,000-level.

By the close of trading at 4 pm, the Hang Seng Index stood at 9,995.73 points.

The Total Turnover was about \$HK7.41 billion, with losers, outracing gainers by the ratio of 2.91:One.

The Finance Sector of the market was the biggest loser of the day as its Sectorial Index gave up about 1.60 percent of its value.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 1.90 percent to \$HK90.25 per share
Hutchison Whampoa Ltd (Code: 13)	Down 4.09 percent to \$HK52.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 3.45 percent to \$HK21.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 3.33 percent to \$HK50.75 per share
PCCW Ltd (Code: 8)	Down 6.54 percent to \$HK1.43 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 3.46 percent to \$HK55.75 per share
CITIC Pacific Ltd (Code: 267)	Down 2.24 percent to \$HK15.30 per share
Swire Pacific Ltd - "A" Share (Code: 19)	Down 3.42 percent to \$HK31.10 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.87 percent to \$HK85.50 per share
Henderson Land Development Company Ltd (Code: 12)	Down 4.21 percent to \$HK26.15 per share

There were, in total, 33, double-digit movers of the day, with 18 of them, rising, and 15 of them, dropping by 10 percent or more.

The biggest loser of the day was Everbest Century Holdings Ltd (Code: 578), the share price of which fell 21.43 percent to 1.10 cents per share.

Winton Holdings (Bermuda) Ltd (Code: 510) was the biggest gainer as its share price rose 40 percent to 6.30 cents per share.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, there was a big sell-off, as one GEM counter after another became the target of worried investors.

By the close of the day, The Growth Enterprise Index was down by about 2.55 percent, falling back to 113.44 points.

The Total Turnover on this speculative marketplace was about \$HK102.42 million.

Losers counters were ahead of gaining ones by the ratio of 1.61:One.

Mr Li Ka Shing's 2 counters, tom.com Ltd (Code: 8001) and CK Life Sciences International (Holdings) Incorporated (Code: 8222), both had bad days.

The share price of tom.com lost 6.59 percent of its value, falling to \$HK2.125, while CK Life Sciences gave up 6.41 percent of its market capitalisation, dropping back to \$HK1.46 per share.

The Great Man's counters, however, were not the biggest losers of the day, not by a long shot.

The biggest losers of the day were reserved for:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025		23.08	0.02
Blu Spa Holdings Ltd	8176		26.42	0.039
Cardlink Technology Group Ltd	8066		11.76	0.15
Creative Energy Solutions Holdings Ltd	8109	11.11		0.50
iSteelAsia.com Ltd	8080	10.00		0.044
Media Partners International Holdings Incorporated	8072	11.61		0.173
PINE Technology Holdings Ltd	8013		10.00	0.09
Techwayson Holdings Ltd	8098	10.96		0.81
Thiz Technology Group Ltd	8119	13.95		0.049
Trasy Gold Ex Ltd	8063		10.53	0.017
Vertex Communications and Technology Group Ltd	8228		10.00	0.45
WLS Holdings Ltd	8021		13.04	0.12

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average lost 198.38 yen, equivalent to about 2.16 percent, dropping back to 9,006.73 yen.

Many counters experienced extraordinarily large falls, brought about by fear of the near-term prospects of the economy and the very real prospects of the US, going to war against Iraq and the consequences that would cascade down to The Land of The Rising Sun – which is, already, on the edge of a financial cliff, in any event.

The ratio of losers to gainers was about 3.12:One.

Some of the biggest losers of the day included:

Banks/Finance Houses/Securities Companies

Chiba Bank	Down 4.16 percent to 346 yen per share
Daiwa Securities Group	Down 5.27 percent to 521 yen per share
Mizuho Holdings	Down 6.25 percent to 120,000 yen per share
Nikko Cordial	Down 5.82 percent to 437 yen per share
Nippon Shinpan	Down 4.42 percent to 108 yen per share
Nomura Holdings	Down 3.07 percent to 1,450 yen per share
Shinko Securities	Down 5.10 percent to 149 yen per share
Shizuoka Bank	Down 1.16 percent to 767 yen per share

Sumitomo Mitsui Financial	Down 2.33 percent to 420,000 yen per share
Sumitomo Trust and Bank	Down 5.12 percent to 500 yen per share
Takefuji Corporation	Down 8.84 percent to 6,190 yen per share
UFJ Holdings	Down 6.90 percent to 108,000 yen per share

Electronics/Telecommunications and Industrials

Advantest	Down 7.82 percent to 6,010 yen per share
Alps Electric	Down 4.03 percent to 1,570 yen per share
Clarion	Down 4.84 percent to 59 yen per share
Fanuc	Down 2.44 percent to 5,590 yen per share
Fuji Electric	Down 2.59 percent to 226 yen per share
Fujikura	Down 4.67 percent to 306 yen per share
Fujitsu	Down 4.82 percent to 415 yen per share
Furukawa Electric	Down 5.19 percent to 292 yen per share
Hitachi	Down 3.96 percent to 509 yen per share
KDDI	Down 5.36 percent to 406,000 yen per share
Kyocera	Down 3.28 percent to 7,950 yen per share
NEC	Down 5.89 percent to 495 yen per share
Nikon	Down 5.67 percent to 949 yen per share
Nippon Telegraph and Telephone (NTT)	Down 4.08 percent to 470,000 yen per share
NTT Data	Down 5.00 percent to 361,000 yen per share
NTT DoCoMo	Down 2.77 percent to 246,000 yen per share
Pioneer	Down 5.92 percent to 2,305 yen per share
Sanyo Electric	Down 7.76 percent to 333 yen per share
Sharp	Down 6.30 percent to 1,220 yen per share
Sony	Down 3.45 percent to 5,310 yen per share
Sumitomo Heavy Industries	Down 5.26 percent to 72 yen per share
TDK	Down 2.76 percent to 5,290 yen per share
Tokyo Electron	Down 8.96 percent to 5,890 yen per share
Toshiba Corporation	Down 3.53 percent to 383 yen per share

Motors

Honda Motor	Down 1.70 percent to 4,630 yen per share
Isuzu Motors	Down 4.76 percent to 40 yen per share
Nissan Motor	Down 2.06 percent to 949 yen per share

News wise:

- **Sumitomo Mitsui Financial Group Incorporated** said that it is considering buying a majority stake in Aozora Bank. Aozora Bank owns about 49 percent of Softbank Corporation; and,
- **Direct foreign investment** in Japan totalled about 634.20 billion yen in the first half of this year, to September 30. This is a fall of about 58.70 percent, compared with the like 2001 first half.

And, in other Asian bourses, this was how their respective stock-market indices ended, last Wednesday night:

Indonesia	Minus 0.16 percent to 397.08
Japan	Minus 2.16 percent to 9,006.73
Malaysia	Plus 0.31 percent to 618.37
The Philippines	Minus 0.60 percent to 1,036.26
Singapore	Minus 1.15 percent to 1,366.00
South Korea	Minus 3.00 percent to 714.50
Taiwan	Minus 1.39 percent to 4,727.49
Thailand	Plus 0.21 percent to 364.94

Thursday

Fears about the ever-weakening economy of the **European Union (EU)** prompted the **European Central Bank (ECB)** to cut key interest rates by one half of a percentage point to 2.75 percent, last Thursday.

It was the first interest-rate reduction in more than 12 months.

The move was a clear-cut indication that things were not well in Eurozone, as it is known in some quarters.

But the rate cut, announced after the EU equity markets had gone to bed, was too late to make much difference to key indices since, among other things, the rate cut had been widely tipped.

It was conjectured that the ECB had to do something to pump up the juices of the EU.

On major European bourses, this was how they closed, last Thursday:

Amsterdam's AEX	Down 1.15 percent
Germany's DAX	Down 2.89 percent
Great Britain's FTSE100	Down 0.40 percent
Italy's MIBTel	Down 1.95 percent
Paris CAC40	Down 1.31 percent
Zurich's SMI	Down 1.19 percent

On Wall Street, last Wednesday, technology counters took a pounding, following what was considered to be a disappointing profit forecast from Hewlett-Packard Company.

The giant, computer-software-and-hardware company's share price surrendered about 4.50 percent, following the announcement from the company's Chairlady.

The Dow Jones Industrial Average, the key index of The New York Stock Exchange, lost ground on the news, but only fractionally. The Dow came to rest at 8,737.37 points by the close of trading. That represented a loss of about 0.06 percent on the day.

On the NASDAQ, it was another story, however, as the Composite Index gave up about 1.28 percent, falling to 1,430.37 points.

In Asia, things almost came to a standstill on some equity markets.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the controversy over the proposed anti-subversion legislation, under Article 23 of The Basic Law of the HKSAR, continued. (Please see Tuesday's report)

It was reported that some international banks were concerned as to the direction of the HKSAR Administration, with the veiled threat that would be inherent when the proposed legislation was promulgated.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index gained about 0.14 percent, ending the day at 10,009.88 points on a Total Turnover of about \$HK4.93 billion.

Though the Hang Seng Index was in positive territory, losing counters outnumbered gaining ones by the ratio of about 1.19:One.

There appeared to be few bright spots in the market, which is the second largest in Asia.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.28 percent to \$HK90.50 per share
Yue Yuen Industrial (Holdings) Ltd Code: 551)	Down 0.65 percent to \$HK23.05 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.42 percent to \$HK52.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Unchanged at \$HK21.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.45 percent to \$HK56.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.49 percent to \$HK51.00 per share
Henderson Land Development Company Ltd (Code: 12)	Down 0.96 percent to \$HK25.90 per share
Swire Pacific Ltd – 'A' Shares (Code: 19)	Unchanged at \$HK31.10 per share
Hang Seng Bank Ltd (Code: 11)	Unchanged at to \$HK85.50 per share
Giordano International Ltd (Code: 709)	Down 5.97 percent to \$HK3.15 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
401 Holdings Ltd	2993	20.43		0.112
Arts Optical International Holdings Ltd	1120	10.96		2.075
Can Do Holdings Ltd	172		16.67	0.01
China Land Group Ltd	149	11.11		0.20

Continental Mariner Investment Company Ltd	119		11.32	0.47
Dickson Group Holdings Ltd	313		10.34	0.052
Dong Fang Gas Holdings Ltd	432	15.38		0.015
e-New Media Company Ltd	128	10.00		0.22
eCyberChina Holdings Ltd	254	21.43		0.017
Harmony Asset Ltd	428		16.00	0.021
Hua Lien International (Holdings) Company Ltd	969	11.43		0.39
Kwong Hing International Holdings (Bermuda) Ltd	1131		29.81	0.073
Minglun Group (Hongkong) Ltd	346		15.52	0.98
MUI Hongkong Ltd	542	23.53		0.084
Pricerite Group Ltd	996		10.00	0.09
Sun Man Tai Holdings Company Ltd	433	11.64		0.163
SunCorp Technologies Ltd	1063	14.04		0.325
TechCap Holdings Ltd	673	13.64		0.75
Sun's Group Ltd, The	988	10.00		0.011
Theme International Holdings Ltd	990		11.54	0.023
USI Holdings Ltd	369	15.38		0.75

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index gained about 0.55 percent, rising to 114.06 percent.

The Total Turnover on this speculative market was about \$HK104.23 million, but declining counters, outraced advancing ones by the ratio of 1.25:One.

There was no special news on this market other than that which was published last Friday in [TARGET Intelligence Report, Volume IV, Number 232](#), in respect of Wanasports Holdings Ltd (Code: 8020).

There was no trading in this counter's scrip, last Thursday.

The biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Multimedia Ltd	8061	30.77		0.034
Blu Spa Holdings Ltd	8176		17.95	0.032
Creative Energy Solutions Holdings Ltd	8109	12.00		0.56
Golden Meditech Company Ltd	8180	13.08		1.21
iSteelAsia.com Ltd	8080		11.36	0.039
Media Partners International Holdings Incorporated	8072	25.43		0.217
Neolink Cyber Technology (Holdings) Ltd	8085	42.77		0.237
T S Telecom Technologies Ltd	8003		10.71	0.10
Trasy Gold Ex Ltd	8063		29.41	0.012
Universal Technologies Holdings Ltd	8091		17.89	0.078
Wafer Systems Ltd	8198	14.29		0.16
WLS Holdings Ltd	8021	16.67		0.14

In Japan, the pounding that US technology counters had taken on the NASDAQ on Wednesday was noted; with the result that their Japanese counterparts came under pressure on The Tokyo Stock Exchange.

The Nikkei-225 Stock Average, the key index of The Tokyo Stock Exchange, lost 0.99 percent of its value, falling back to 8,917.57 yen.

The Chairman of the Japan Business Federation (Nippon Keidanren) came out, stating that the Financial Services Minister's plan to accelerate the disposals of banks' bad and doubtful debts could make matters worse.

Mr Hiroshi Okuda said: *'If the Takenaka (Financial Services Minister Heizo Takenaka) plan is implemented as it is, it could put us (Japan) in a grave situation where corporate failures and unemployment soar.'*

While quite a number of electronics counters came under selling pressure, most share prices did not get pounded to the extent of Wednesday's trouncing.

The ratio of losers to gainers was 1.67:One.

In other Asian equity markets, this was how investors determined the situation:

Indonesia	Closed
Japan	Minus 0.99 percent to 8,917.57
Malaysia	Closed
The Philippines	Minus 0.44 percent to 1,031.75
Singapore	Minus 0.03 percent to 1,365.54
South Korea	Plus 1.16 percent to 722.76
Taiwan	Plus 0.59 percent to 4,755.40
Thailand	Closed

Friday

With just a few days before Iraq was due to tell the world that it was innocent of all charges of harbouring weapons of mass destruction, and with just a few days left before the second-largest US airline was due to file for the protection of the Court in respect of its inability to pay its debts as they fall due, Wall Street went into a bit of a tailspin.

Share prices dropped as investors bailed out.

The result: The Dow Jones Industrial Average lost 1.31 percent of its value, falling to 8,623.28 points; and, the Composite Index of NASDAQ gave up 1.37 percent, dropping back to 1,410.78 points.

Many US investors were nonplussed that Wall Street could do a 180-degree turn in 5 trading days.

From Chicago, Illinois, the Chief Executive of UAL Corporation, the holding company of United Airlines, told the world that it *'was more than likely'* that the company would have to file for Chapter 11 of the US Bankruptcy Laws.

The share price of UAL fell to \$US1, down 68 percent on the day.

The market capitalisation of the company, at \$US1, was just about sufficient to purchase one new 747 jet airliner.

The end had come.

One never quite becomes phlegmatic to such news; Asian investors looked at what was happening in the largest economy of the world and wondered what else was on the cards.

First, it was corporate dishonesty.

Then, it was some of the largest bankruptcies that the world had ever witnessed.

And, now, one of the world's largest airliners was, literally, bust.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), there was still public disquiet for the Administration's determination to pass the anti-subversion legislation, under Article 23 of The Basic Law of the HKSAR. (Please see Tuesday's report)

One Government official after another was closing ranks with Chief Executive Tung Chee Hwa, who appeared to be rather surprised that anybody would not trust his style of Government and that of the Central Government of Beijing!

BOC Hongkong (Holdings) Ltd (Code: 2388, Main Board, The Stock Exchange of Hongkong Ltd), part of the mighty PRC, State-run banking conglomerate of Bank of China, announced that it would be sacking about 5 percent of its staff in the HKSAR.

It was clear that this PRC giant banking group, which employs about 700 people in the territory, was taking capitalism to heart.

On The Stock Exchange of Hongkong Ltd, both the Main Board and The Growth Enterprise Market (The GEM) lost ground, but, in both cases, the losses were of a fractional nature.

The Main Board's Hang Seng Index shed about 0.36 percent of its value, falling to 9,973.75 points on a Total Turnover of about \$HK5.06 billion.

Losing counters outnumbered gaining ones by the ratio of about 1.29:One.

The Ten Most Actives were:

Hutchison Whampoa Ltd (Code: 13)	Down 0.48 percent to \$HK51.75 per share
HSBC Holdings plc (Code: 5)	Down 0.83 percent to \$HK89.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Unchanged at \$HK21.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.45 percent to \$HK55.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.49 percent to \$HK51.25 per share
CNOOC Ltd (Code: 883)	Up 1.53 percent to \$HK9.95 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.29 percent to \$HK85.25 per share
TCL International Holdings Ltd (Code: 1070)	Down 5.15 percent to \$HK2.30 per share
Henderson Investment Ltd (Code: 97)	Down 1.34 percent to \$HK7.35 per share
Li and Fung Ltd (Code: 494)	Down 3.43 percent to \$HK8.45 per share

The largest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Alpha General (Holdings) Ltd	73	21.05		0.023
Benefun International Holdings Ltd	1130		18.92	0.03

C.P. Pokphand Company Ltd	43	11.29		0.345
Can Do Holdings Ltd	172	10.00		0.011
Dickson Group Holdings Ltd	313		11.54	0.046
e-New Media Company Ltd	128	12.73		0.248
FT Holdings International Ltd	559		10.71	0.10
Harmony Asset Ltd	428	19.05		0.025
Jackley Holdings Ltd	353	18.64		0.35
Kamboat Group Company Ltd	318	10.28		0.118
KTP Holdings Ltd	645		12.50	0.28
Lai Fung Holdings Ltd	1125	28.21		0.10
MUI Hongkong Ltd	542		20.24	0.067
Pacific Challenge Holdings Ltd	166		10.61	0.59
renren Holdings Ltd	59		11.11	0.04
Takson Holdings Ltd	918		15.79	0.24
Wong's Kong King International (Holdings) Ltd	532	13.21		0.30
Wonson International Holdings Ltd	651	12.50		0.045

On The GEM, its Growth Enterprise Index surrendered about 0.18 percent, falling to 113.86 points.

The Total Turnover on this market was about \$HK72.31 million, with gaining counters, edging out losing ones by the slim ratio of 1.03:One.

The biggest movers on this market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Across Asia Multimedia Ltd	8061		11.76	0.03
Blu Spa Holdings Ltd	8176	18.75		0.038
First Mobile Group Holdings Ltd	8110	10.34		0.32
Infoserve Technology Corporation	8077	11.76		0.19
Inno-Tech Holdings Ltd	8202	10.00		0.495
Prosten Technology Holdings Ltd	8026	11.27		0.158
T S Telecom Technologies Ltd	8003		10.00	0.09
Trasy Gold Ex Ltd	8063	16.67		0.014

For the week, therefore, the tally was:

The Hang Seng Index	Down 0.95 percent
The Growth Enterprise Index	Down 0.94 percent

In Japan, for the third consecutive day, key indices on the country's premier equity market dropped.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average surrendered 0.61 percent of its value, falling to 8,863.26 yen.

The ratio of declining stocks to gaining ones was about 2.91:One.

The closing level of last Friday meant that the Nikkei-225 Stock Average had lost about 3.82 percent of its value in 5 trading days.

Domestic weakness and, what appeared to be a never-ending barrage of poor economic news from the country's largest customers, both conspired against prices of stocks and shares on the largest equity markets in Asia.

News wise:

- **McDonald's Holdings Company (Japan) Ltd**, Japan's largest restaurant chain operator, saw its share price tumble by 6.39 percent, ending the day at 2,060 yen. The operator of some 3,900 fast-food shops announced that it had slashed earnings projections for its Financial Year, ending December 31, 2002. Management, now, thinks that profits will be about 530 million yen, down by about 91.40 percent from a previous August profits projection.
- **Seibu Department Stores Ltd** announced that Management was in negotiations with labour to proceed with a plan to introduce another early retirement programme. It unloaded about 500 people in September when it introduced a similar plan and, if all goes well for Management, another 2,000 Seibu workers will hit the streets of Japan.

Throughout Asia, things were very quiet on equity markets, as investors appeared to be waiting and watching to learn what would happen next.

This was how other Asian stock markets ended last week's trading session:

Indonesia	Closed
Japan	Minus 0.61 percent to 8,863.26
Malaysia	Closed
The Philippines	Closed
Singapore	Closed
South Korea	Minus 0.65 percent to 718.09
Taiwan	Minus 0.35 percent to 4,738.98
Thailand	Plus 0.04 percent to 365.09

-- E N D --

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