

AN IRAQI-U.S.-LED WAR TAKES ANOTHER STEP CLOSER

With the world's 2 largest equity markets not open for business when trading commenced in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), last Monday, it was, just about, every man for himself in the 416-square-mile enclave at the foot of the PRC.

Japan was closed for a national holiday, last Monday, while Wall Street had yet to open for the week of January 13.

The previous Friday (January 10), both the Dow Jones Industrial Average, the gauge of trading on The New York Stock Exchange, and the NASDAQ's Composite Index, which represents, in the main, trading in hi-tech counters, went nowhere, giving little in the way of a definite indication as to the direction of stocks and shares on the world's largest bourse, in the near term.

There was good reason for Wall Street's determination to sit on the fence, so to speak, because, in the Gulf, the build-up of US troops and materiel continued, with another contingent of 35,000 US soldiers, having boarded transports for the Middle East.

There was, as at last Monday, close to 100,000 US servicemen, ready for action in the Middle East.

Whether or not it was the US Government's posturing or the clear indication of the avowed intent of the largest superpower of the world, one had to conjecture, but, at the same time, the US Government, with all of its economic problems on the home-front, is unlikely to be willing to throw away billions of US dollars on a gesture.

Further, unless there is an overwhelming need for such a large contingent of fighting men and materiel, there would appear to be no justification for such an expenditure, which must, by now, have reached tens of billions of US dollars.

It stands to reason that the US is preparing to squeeze the trigger on President Saddam Hussein of Iraq.

Meanwhile, on the Korean Peninsula, there was still no agreement between Pyongyang and Washington over the matter of North Korea's nuclear programme, with the US, being adamant that that Communist country must shelve its plans for the manufacture of any nuclear weapons – or face the consequences of its acts.

The previous Sunday, the Organisation of Petroleum Exporting Countries (OPEC) agreed to boost production and exports of crude oil by 1.50 million barrels, daily.

That is an increase of about 7 percent and more than compensates for the lack of oil exports from Venezuela, a country, which is caught up in domestic political problems, with a general strike, crippling the economy.

In the HKSAR, investors appeared to be in the mood to take a flyer on shares, listed on The Stock Exchange of Hongkong Ltd.

As a result, the Hang Seng Index, the principle index of the Main Board, rose by about 1.16 percent to 9,834.08 points.

The Total Turnover was about \$HK7.31 billion, with gainers, ahead of losers by the ratio of about 2.42:One.

Gains were right across the board.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.85 percent to \$HK89.00 per share
PetroChina Company Ltd (Code: 857)	Up 0.63 percent to \$HK1.59 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.52 percent to \$HK20.10 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.95 percent to \$HK52.25 per share
China Telecom Corporation Ltd (Code: 728)	Up 2.01 percent to \$HK1.52 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.94 percent to \$HK53.50 per share
China Petroleum and Chemical Corporation (Code: 386)	Up 4.20 percent to \$HK1.49 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.64 percent to \$HK47.50 per share
COSCO Pacific Ltd (Code: 1199)	Up 4.20 percent to \$HK7.45 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.29 percent to \$HK85.75 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Bossini International Holdings Ltd	592	11.54		0.29
Chevalier Construction Holdings Ltd	579	18.75		0.095
Chuang's China Investments Ltd	298		11.11	0.16
CIL Holdings Ltd	479	11.11		0.03
Crocodile Garments Ltd	122	10.91		0.122
e-Kong Group Ltd	524		25.32	0.115
Fortuna International Holdings Ltd	530	20.00		0.012
Fulbond Holdings Ltd	1041		12.90	0.027
Hang Ten Group Holdings Ltd	448		10.00	0.018
Hansom Eastern (Holdings) Ltd	279	19.05		0.05
I-Wood International Holdings Ltd	162	12.90		0.35
ING Beijing Investment Company Ltd	1062		16.87	0.069
Joyce Boutique Holdings Ltd	647	12.82		0.088
Magician Industries (Holdings) Ltd	526	25.00		0.11
Mansion Holdings Ltd	547	18.18		0.026
New World Infrastructure Ltd	301	36.36		0.60
Pacific Ports Company Ltd	659	18.33		0.355
Poly Investments Holdings Ltd	263	12.50		0.135
Prime Success International Group Ltd	210	21.95		0.10
Rosedale Hotel Group Ltd	149		10.00	0.18
Shanghai Ming Yuan Holdings Ltd	233	18.37		1.16
Singamas Container Holdings Ltd	716	15.29		2.225
Sinolink Worldwide Holdings Ltd	1168	11.29		0.69
Star East Holdings Ltd	198	10.00		0.022
Swank International Manufacturing Company Ltd	663		14.29	0.03
Tem Fat Hing Fung (Holdings) Ltd	661	20.00		0.36
Vantage International (Holdings) Ltd	15	12.50		0.54

News wise, Cedar Base Electronic (Group) Ltd (Code: 855) announced that its Chairman, Mr Tong Yiu Lun, was planning to sell his stake in the company, amounting to about 21.30 percent of the Issued and Fully Paid-Up Share Capital.

Force majeure?

(Please see [TARGET Intelligence Report, Volume V, Number 12](#), published on January 17, 2003)

From Dah Sing Financial Holdings Ltd (Code: 440), it was announced that some 120 of its staff would be looking for alternate employment.

Over on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the tune, being played, was similar to that of Main Board.

The Growth Enterprise Index gained about 1.11 percent, rising to 119.46 points, on a Total Turnover of about \$HK128.04 million.

The ratio of gainers to losers was about 1.48:One.

The largest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Angels Technology Company Ltd	8112	11.43		0.78
China Medical Science Ltd	8120		11.11	0.24
Era Information and Entertainment Ltd	8043	10.00		0.077
FX Creations International Holdings Ltd	8136		22.73	0.068
Goldigit Atom-Tech Holdings Ltd	8059	13.85		0.148
GP Nano Technology Group Ltd	8152		11.51	0.123
iAsia Technology Ltd	8101		10.00	0.072
IIN International Ltd	8128	17.86		0.066
Media Partners International Holdings Incorporated	8072	14.72		0.265
Q9 Technology Holdings Ltd	8129	20.00		0.048
Rainbow International Holdings Ltd	8079		11.54	0.46
Trasy Gold EX Ltd	8063		18.75	0.013

In other Asian bourses, this was how they finished up, last Monday night:

Indonesia	Minus 0.86 percent to 396.23
Japan	Closed
Malaysia	Plus 2.46 percent to 651.48
The Philippines	Minus 0.31 percent to 1,055.05
Singapore	Plus 2.89 percent to 1,386.05
South Korea	Plus 3.14 percent to 648.06
Taiwan	Plus 2.90 percent to 4,991.26
Thailand	Plus 1.02 percent to 364.05

Tuesday

The uncertainty of it all was taking its toll of investors' nerves.

And this was only too apparent by the pattern of trading on major equity markets, around the world.

In London, England, the Prime Minister made it very clear that Great Britain was willing to back the US Government in a pre-emptive strike on Iraq – with or without the approval of the United Nations Security Council.

The build-up of troops from England and the US continued, unabated, all headed for the Persian Gulf in what appeared to be the final preparations for an invasion of that Middle Eastern country.

The head of the UN weapons inspectors, Mr Hans Blix, told the world in an interview that Western intelligence sources were coming through with important information as to the hiding places of Saddam Hussein's weapons of mass destruction.

Although, as at last Tuesday, no material finds had been made by the UN's weapons inspectors, the consensus was that they were there, but that they had been well hidden.

On Wall Street, last Monday, New York time, trading on the world's largest bourse was quiet and dull.

The Dow Jones Industrial Average, the gauge of trading on The New York Stock Exchange, rose 1.09 points, equivalent to about 0.01 percent, coming to rest at 8,785.98 points when the hammer came down, signifying the end of the day's activities.

The tech-laden Composite Index of the NASDAQ went in the opposite direction to The Dow, losing 1.64 points, or about 0.11 percent, falling back to 1,446.08 points.

Investors, in addition to having grave concerns about the cost of any kind of war with Iraq, were concerned about the results of some of Wall Street's 'darlings', which were due to make profits announcements in the middle and end of the week.

Asia was watching and waiting.

Some of Asia's second tier markets made reasonable gains, but the main equity markets of Asia saw subdued trading with little in the way of gains.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), selling dominated trading on its 2 equity markets.

The Main Board of The Stock Exchange of Hongkong Ltd saw the Hang Seng Index give up about 0.38 percent of its value, falling to 9,796.31 points.

The Total Turnover was about \$HK6.39 billion, with losing counters, outnumbering gaining ones by the ratio of 1.61:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.56 percent to \$HK88.50 per share
PetroChina Company Ltd (Code: 857)	Up 0.63 percent to \$HK1.60 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.50 percent to \$HK20.00 per share
China Petroleum and Chemical Corporation (Code: 386)	Down 1.34 percent to \$HK1.47 per share
China Telecom Corporation Ltd (Code: 728)	Unchanged at \$HK1.52 per share
Swire Pacific Ltd "A" Shares (Code: 19)	Up 1.66 percent to \$HK30.60 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.48 percent to \$HK52.00 per share
PCCW Ltd (Code: 8)	Unchanged at \$HK6.95 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.42 percent to \$HK47.30 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Unchanged at \$HK53.50 per share

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

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

Bestway International Holdings Ltd	718		16.67	0.015
Chevalier Construction Holdings Ltd	579	15.79		0.11
China Development Corporation Ltd	487	25.00		0.015
CIL Holdings Ltd	479		16.67	0.025
Dickson Group Holdings Ltd	313		10.00	0.036
e-Kong Group Ltd	524	11.30		0.128
ehealthcareasia Ltd	835	13.33		0.085
GR Investment International Ltd	310	14.29		0.04
Graneagle Holdings Ltd	147	14.11		0.186
Heng Fung Holdings Ltd	185	10.00		0.066
Hudson Holdings Ltd	758		30.95	0.29
KTP Holdings Ltd	645	11.86		0.66
Lai Sun Development Company Ltd	488	13.79		0.033
New World Infrastructure Ltd	301	15.00		0.69
Oriental Union Holdings Ltd	1182		13.64	0.095
PacMOS Technologies Holdings Ltd	1010		15.38	0.55
Paladin Ltd	495	46.15		0.038
Peking Apparel International Group Ltd	761		13.14	0.152
Playmates Holdings Ltd	635	16.67		0.35
Sewco International Holdings Ltd	209		10.71	0.50
South China Brokerage Company Ltd	619	18.75		0.038
Swank International Manufacturing Company Ltd	663	20.00		0.036
Tack Hsin Holdings Ltd	611		23.94	0.27
Tomorrow International Holdings Ltd	760	18.18		0.078
Victory Group Ltd	1139	11.11		0.06
Wing Lee Holdings Ltd	876		13.58	0.70

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, sellers dominated the proceedings, pulling down The Growth Enterprise Index by about 1.01 percent on a Total Turnover of about \$HK121.42 million.

The Growth Enterprise Index ended the session at 118.26 points; losing counters outran gaining ones by the ratio of 1.32:One.

Mr Li Ka Shing's 2 listings both lost ground, with tom.com Ltd (Code: 8001), giving up about one percent of its value, falling to \$HK2.175, while CK Life Sciences International (Holdings) Incorporated (Code: 8222) gave up about 3 percent of its market capitalisation, falling back to \$HK1.46 per share.

The biggest movers on this speculative marketplace included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025	11.11		0.05
FX Creations International Holdings Ltd	8136		13.24	0.059
Greencool Technology Holdings Ltd	8056	17.86		0.66
HK6 Holdings Ltd	8206		19.05	0.136
Prosten Technology Holdings Ltd	8026	24.00		0.124
Rainbow International Holdings Ltd	8392		36.36	0.14
Rojam Entertainment Holdings Ltd	8075		10.26	0.07
Wafer Systems Ltd	8198		16.67	0.14

Japan re-opened for business, last Tuesday, with investors, breaking a 4-day losing streak and pushing up the key index of The Tokyo Stock Exchange.

By the close of trading, the Nikkei-225 Stock Average stood at 8,553.06 yen, up by about 0.98 percent on the previous close (Friday, January 10).

There were a few bright spots in this market, which is the largest in Asia. Generally, gains were of a fractional nature.

Some of the hi-tech counters, listed on US equity markets, were due to make announcements within about 48 hours of the close of The Tokyo Stock Exchange, last Tuesday, and so many Japanese investors determined to sit on their hands, rather than take the chance of finding themselves flat-footed and unable to scramble for the ball.

In other Asian markets, this was how they ended the day of January 14, 2003:

Indonesia	Plus 2.76 percent to 407.18
Japan	Plus 0.98 percent to 8,553.06
Malaysia	Plus 1.52 percent to 661.41
The Philippines	Plus 0.60 percent to 1,061.33
Singapore	Plus 1.11 percent to 1,401.37
South Korea	Plus 0.31 percent to 650.05
Taiwan	Plus 0.02 percent to 4,992.42
Thailand	Plus 2.55 percent to 373.33

Wednesday

Weak retail sales in the US for December and the shocking news that Kmart Corporation would be sacking some 37,000 of its workers and closing down 326 of its stores tended to put the damper on trading on The New York Stock Exchange, last Tuesday.

The Kmart announcement was made in response to Management's attempts to keep the company going and emerge from bankruptcy by April 30.

But 37,000 workers is a great number of people, walking the streets of the US, seeking alternate employment.

The company closed 283 of its stores in the 2002 year: The fall of a titan.

Trading on the Big Board of The New York Stock Exchange continued to be dull, with the key index, the Dow Jones Industrial Average, gaining 56.64 points, or about 0.64 percent, rising to 8,842.62 points.

Over on the NASDAQ, a modest rally took the Composite Index to 1,461.01 points, a one-day gain of about 1.04 percent.

The troop build-up in The Gulf continued, with the White House, stating that, by the end of February, there could be as many as 250,000 US troops, ready to attack Iraq if that pariah of a Middle Eastern country did not come to heel.

In Asia, equity markets were mixed, but there were few major jumps, nevertheless.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the Hang Seng Index, the key index of the Main Board, nudged up about 0.78 percent, ending the session at 9,873.49 points.

The market was, generally, very quiet with the Total Turnover at about \$HK6.78 billion.

The ratio of gainers to losers was about 1.15:One.

The Ten Most Active counters were:

Dah Sing Financial Holdings Ltd (Code: 440)	Down 3.07 percent to \$HK37.90 per share
HSBC Holdings plc (Code: 5)	Up 0.56 percent to \$HK89.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.25 percent to \$HK20.50 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.44 percent to \$HK52.75 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.93 percent to \$HK54.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.85 percent to \$HK47.70 per share
CNOOC Ltd (Code: 883)	Up 0.48 percent to \$HK10.50 per share
CLP Holdings Ltd (Code: 2)	Unchanged at \$HK31.40 per share
Swire Pacific Ltd “A” Shares (Code: 19)	Up 0.65 percent to \$HK30.80 per share
China Telecom Corporation Ltd (Code: 728)	Unchanged at \$HK1.52 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Resources Holdings Ltd	899	27.27		0.014
Central China Enterprises Ltd	351	11.43		0.039
Chaoda Modern Agriculture (Holdings) Ltd	682	11.18		1.69
Cheung Tai Hong Holdings Ltd	199	26.67		0.038
China Development Corporation Ltd	487		13.33	0.013
ehealthcareasia Ltd	835	10.59		0.094
GR Investment International Ltd	310		12.50	0.035
Hudson Holdings Ltd	758		13.79	0.25
HyComm Wireless Ltd	499	29.11		0.102
Kiu Hung International Holdings Ltd	381	10.11		0.207
Lai Fung Holdings Ltd	1125	13.04		0.13
Millennium Group Ltd	260	11.45		0.185
Rosedale Hotel Group Ltd	149	11.11		0.20
Sino-i.com Ltd	250	11.36		0.147
Stelux Holdings International Ltd	84		13.04	0.20
Tak Shun Technology Group Ltd	1228	18.57		0.415
Victory Group Ltd	1139		10.00	0.054
Vision Tech International Holdings Ltd	922	46.67		0.066
Water Oasis Group Ltd	1161		11.86	0.52

The pattern of trading on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd mirrored the activities of the Main Board.

The Growth Enterprise Index put on about 0.69 percent, rising to 119.08 points.

The Total Turnover on this speculative marketplace was about \$HK119.35 million.

Gainers edged out losers by the ratio of about 1.14:One.

The largest movers on this market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGL MediaTech Holdings Ltd	8192	11.54		0.58
FX Creations International Holdings Ltd	8136	15.25		0.068
Golding Soft Ltd	8190	22.58		0.19
HK6 Holdings Ltd	8206	15.44		0.157
Jessica Publications Ltd	8137	15.38		0.30
M Channel Corporation Ltd	8036	25.00		0.05
Rainbow International Holdings Ltd	8392		33.57	0.093

Rojam Entertainment Holdings Ltd	8075	11.43		0.078
Satellite Devices Corporation	8172		15.29	0.144
Wanyou Fire Safety Technology Holdings Ltd	8201	11.11		0.30

In Japan, the run for higher levels continued on The Tokyo Stock Exchange as its Nikkei-225 Stock Average gained 58.69 yen, running back to 8,611.75 yen, a gain of about 0.69 percent over Tuesday's closing level.

Banks and financial houses were the targets of Japanese investors, who shunned hi-tech counters for fear that things would not pan out in the US when the majority of US-based hi-techs announced their last quarter results, many of which were due before the week was out.

There were unconfirmed reports that senior management of certain megabanks were considering asking US banks to invest in them in order to obtain injections of much-needed cash.

Although the gains on the Nikkei-225 Stock Average were of a modest nature, the ratio of gainers to losers was material, at about 2.97:One.

News wise:

- The Japanese Government's Cabinet Office announced that private-sector machinery orders in November fell by about 0.20 percent, seasonally adjusted, Month-on-Month. Year-on-Year, November's statistic means that there had been a deterioration of about 7.20 percent, the Cabinet Office pointed out; and,
- **Seibu Department Stores Ltd** said that it would request about 230 billion yen in financial assistance from its 6 major creditor banks and another 10 billion yen from consumer credit company, Credit Saison. The creditor banks are:
 - Bank of Tokyo-Mitsubishi
 - Asahi Bank
 - Mitsubishi Trust and Banking
 - Mitsui Trust and Banking Company
 - Sumitomo Mitsui Banking Corporation
 - Mizuho Corporate Bank

And, in other Asian equity markets, this was how they fared, last Wednesday:

Indonesia	Minus 0.39 percent to 405.60
Japan	Plus 0.69 percent to 8,611.75
Malaysia	Plus 1.03 percent to 668.21
The Philippines	Plus 1.33 percent to 1,075.47
Singapore	Minus 1.05 percent to 1,386.62
South Korea	Minus 0.27 percent to 648.29
Taiwan	Plus 0.51 percent to 5,017.70
Thailand	Minus 0.40 percent to 371.82

Thursday

Lacklustre trading conditions on Wall Street, brought about by one '*hit*' after another, caused equity markets, around the world, to shudder and shake.

On The New York Stock Exchange, last Wednesday, the Dow Jones Industrial Average shed 119.44 points, equivalent to about 1.35 percent, dropping back to 8,723.18 points.

NASDAQ's Composite Index gave up 22.19 points, or about 1.52 percent, retreating to 1,438.80 points.

Wall Street was stung by a number of corporate '*wasps*', including but not limited to earnings reports from Apple Computer Incorporated, DuPont Company and Intel Corporation.

Apple reported a second quarterly loss of \$US8 million. In the like 2002 first quarter, Apple reported a Net Profit of about \$US38 million.

DuPont, the Number One chemical company of the US, announced what it called '*disappointing*' fourth-quarter earnings; and, Intel said that it would be cutting back all capital expenditure for this year.

The outlook continued to look bleak for the US economy; this was reflected in the volume and quality of trading on Wall Street.

Wall Street's determinations were echoed throughout equity markets, worldwide.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), selling dominated trading conditions on the territory's 2 stock markets.

The Hang Seng Index, the '*barometer*' of trading on the Main Board of The Stock Exchange of Hongkong Ltd, lost about 1.32 percent of its value, falling back to 9,743.23 points.

The Total Turnover was about \$HK6.23 billion, with losing counters, outnumbering gaining ones by the ratio of about 2.98:One.

It was in the Finance Sector of the market that the most harm was done, as its Sectorial Index shed about 1.16 percent of its value.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 1.40 percent to \$HK87.75 per share
Hutchison Whampoa Ltd (Code: 13)	Down 2.37 percent to \$HK51.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.50 percent to \$HK19.75 per share
Denway Motors Ltd (Code: 203)	Down 4.39 percent to \$HK2.725 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 2.78 percent to \$HK52.50 per share
PetroChina Company Ltd (Code: 857)	Up 1.25 percent to \$HK1.62 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.68 percent to \$HK46.90 per share
Johnson Electric Holdings Ltd (Code: 179)	Down 1.02 percent to \$HK9.75 per share
Swire Pacific Ltd "A" Shares (Code: 19)	Up 0.97 percent to \$HK31.10 per share
China Telecom Corporation Ltd (Code: 728)	Down 0.66 percent to \$HK1.51 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Resources Holdings Ltd	899		14.29	0.012
Celestial Asia Securities Holdings Ltd	1049		12.50	0.35
Chuang's China Investments Ltd	298		11.05	0.161

Earnest Investments Holdings Ltd	339		10.00	0.018
Ezcom Holdings Ltd	312		10.34	0.052
Fortuna International Holdings Ltd	530		16.67	0.01
Hudson Holdings Ltd	758	16.00		0.29
Oriental Explorer Holdings Ltd	430	11.63		0.048
Pioneer Global Group Ltd	224		23.53	0.13
Star East Holdings Ltd	198		11.54	0.023
Swank International Manufacturing Company Ltd	663	12.12		0.037
Topsearch International (Holdings) Ltd	2323		19.54	0.70
Wah Nam International Holdings Ltd	159	12.68		0.16
Wo Kee Hong (Holdings) Ltd	720		12.50	0.042
Xip Corporation Ltd	1141		11.06	0.209
Yau Lee Holdings Ltd	406	13.94		0.188
Yoshiya International Corporation Ltd	193		31.07	0.071
Zhong Hua International Holdings Ltd	1064	13.64		0.125

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the volume of activity shrunk to about \$HK79.55 million.

The reduced Total Turnover was on a falling market, which saw The Growth Enterprise Index give up about 1.53 percent of its value, ending the day at 117.26 points.

Declining counters were ahead of advancing ones by the ratio of about 2.43:One.

The biggest movers on this market included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AkuP International Holdings Ltd	8179		10.45	0.12
Era Information and Entertainment Ltd	8043	23.53		0.105
Fortune Telecom Holdings Ltd	8040		10.81	0.66
Jilin Province Huinan Changlong Bio-pharmacy Company Ltd	8049	10.71		0.31
Media Partners International Holdings Incorporated	8072		10.74	0.241
Universal Technologies Holdings Ltd2	8091	15.00		0.138

In Japan, the equity markets were flat.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average was off by about 2.58 yen, equivalent to about 0.03 percent, ending the day at 8,609.17 yen.

Very few counters were on the move, either way, as investors determined to stay clear of stocks and shares.

The potential for war between the US/UN and Iraq, the poor earnings' reports of US corporations, listed on The New York Stock Exchange, and the general malaise with regard to the US economy, generally, all conspired to bring down share prices on Asia's largest bourse.

News wise:

- Supermarket operator **Daiei Incorporated** announced that it would be selling 4 hotels to US investment bank, Goldman Sachs Group Incorporated, for about 45.40 billion yen. Daiei needs cash;
- **Sumitomo Mitsui Financial Group Incorporated** said that it would be issuing 150.30 billion worth of Preferred Shares to Goldman Sachs Group in order to bolster its flagging cash resources;

and,

- **Oracle Corporation, Japan**, said that its unconsolidated profits for the half year, ended November 30, 2002, fell by about 36 percent, Year-on-Year, to about 6.08 billion yen.

In other parts of Asia, this was how those equity markets ended, last Thursday:

Indonesia	Minus 2.09 percent to 397.11
Japan	Minus 0.03 percent to 8,609.17
Malaysia	Plus 0.29 percent to 670.14
The Philippines	Minus 0.09 percent to 1,074.45
Singapore	Minus 0.51 percent to 1,379.52
South Korea	Plus 0.06 percent to 648.69
Taiwan	Minus 1.48 percent to 4,943.29
Thailand	Minus 0.36 percent to 370.48

Friday

The prospects for a war between the US/UN and Iraq moved a step closer, last Thursday, as Mr Hans Blix, the United Nations Chief Weapons Inspector, briefed French President Jacques Chirac over his 200-member team's latest find.

The UN's team discovered 11 empty warheads, said to be designed to carry chemical weapons, in excellent condition.

This suggests that they could have been used, at any time that the panic button was pushed by the Iraqi Government.

The find was made at the Ukhaider Military Storage facility, just outside Baghdad, the Capital City of Iraq.

Mr Blix went on record as saying that President Saddam Hussein needed to be *'more sincere and pro-active'* in respect of his cooperation with the UN.

He described the situation as being *'very tense and very dangerous.'*

President Saddam Hussein countered, stating that anybody who tried to invade Iraq would be defeated.

In a speech to mark the 12th Anniversary of the beginning of the Gulf War, President Saddam Hussein said that any new invading force would *'commit suicide'* at the gates of Baghdad.

President Saddam Hussein said: *Baghdad, its people and leadership, is determined to force the Mongols of our age to commit suicide at its gates,'*

The rhetoric was lost on US President George W. Bush, who has gone on record as saying that he is sick and tired of Saddam Hussein and his tricks.

On Wall Street, however, the updated situation with regard to the finds of the UN weapons inspectors took its toll of trading.

The New York Stock Exchange's Big Board saw its Dow Jones Industrial Average drop by 25.03 points, or about 0.29 percent, ending the day at 8,697.87 points.

The NASDAQ, however, did not get off as lightly as did The Dow as its Composite Index had to surrender 15.03 points, equivalent to about 1.04 percent, coming to rest at 1,423.77 points when the doors of the NASDAQ closed for the day.

It looked as though Friday would be a horror day for investors of the US.

In addition to the fears of a shooting war, breaking out at any moment, multi-nationals, whose shares are listed on The New York Stock Exchange or on the NASDAQ, continued to treat investors to more bad news.

There was some good news from a handful of corporations, but investors looked only at announcements, such as the one, emanating from General Electric Company (GE).

GE announced that fourth-quarter earnings had slipped by about 21 percent, Year-on-Year.

And the company went on record as saying that 2003 would see a further deterioration in earnings, most likely.

In Asia, the prospects of war were frightening since the backlash would affect all of the Asian 'tigers'.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), losses were extended on the Main Board of The Stock Exchange of Hongkong Ltd for the second consecutive day.

The Hang Seng Index gave up another 1.32 percent of its value, bringing it back to 9,614.59 points.

The Total Turnover for last Friday was about \$HK5.71 billion.

Declining issues outnumbered advancing ones by the ratio of about 1.89:One.

All but one of the sectors of the Main Board lost ground.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 0.57 percent to \$HK87.25 per share
Hutchison Whampoa Ltd (Code: 13)	Down 2.43 percent to \$HK50.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 2.53 percent to \$HK19.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 2.38 percent to \$HK51.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 2.13 percent to \$HK45.90 per share
Denway Motors Ltd (Code: 203)	Up 4.59 percent to \$HK2.85 per share
Swire Pacific Ltd "A" Shares (Code: 19)	Unchanged at \$HK31.10 per share
Hang Seng Bank Ltd (Code: 11)	Down 1.75 percent to \$HK84.25 per share
China Unicom Ltd (Code: 762)	Unchanged at \$HK5.85 per share
China Telecom Corporation Ltd (Code: 728)	Down 1.99 percent to \$HK1.48 per share

The largest movers of the day, however, were the following:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Anex International Holdings Ltd	723	17.50		0.047
Applied (China) Ltd	472	12.50		0.054
Bestway International Holdings Ltd	718	26.67		0.019
CCT Technology Holdings Ltd	261		13.33	0.013

Celestial Asia Securities Holdings Ltd	1049	11.43		0.39
Central China Enterprises Ltd	351		28.21	0.028
Cheung Tai Hong Holdings Ltd	199	18.42		0.045
Daiwa Associate Holdings Ltd	1037		20.83	0.38
Deson Development International Holdings Ltd	262		13.64	0.019
Dickson Group Holdings Ltd	313	19.44		0.043
Fortuna International Holdings Ltd	530	20.00		0.012
Fulbond Holdings Ltd	1041		17.86	0.023
Global Tech (Holdings) Ltd	143	10.55		0.22
i100 Ltd	616		16.67	0.04
Innovative International (Holdings) Ltd	2903		59.35	0.126
Karl Thomson Holdings Ltd	7		10.29	0.122
Magician Industries (Holdings) Ltd	526		20.00	0.088
MUI Hongkong Ltd	542		12.50	0.07
Orient Resources Group Company Ltd	467	28.24		0.109
Paladin Ltd	495	45.00		0.058
Peking Apparel International Group Ltd	761		10.34	0.13
Poly Investments Holdings Ltd	263		13.85	0.112
Starbow Holdings Ltd	397	14.29		0.024
Sunway International Holdings Ltd	58	10.76		0.175
Surge Recreation Holdings Ltd	703		39.39	0.10
Universal Holdings Ltd	419	16.00		0.029
USI Holdings Ltd	369	18.97		0.69
Wo Kee Hong (Holdings) Ltd	720	11.90		0.047
Wonson International Holdings Ltd	651		10.00	0.036
Zhong Hua International Holdings Ltd	1064		12.00	0.11

Cedar Base Electronic (Group) Ltd (Code: 855) asked for a suspension of trading in its shares, pending an announcement, which was judged to be of a price-sensitive nature by Management.

(Please see [TARGET Intelligence Report, Volume V, Number 12](#), published on Friday, January 17, 2003, for more about this company)

On The GEM – The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd – trading was very quiet for the entire trading session.

The Growth Enterprise Index ended the week at 117.27 points, almost unchanged from Thursday's close.

The Total Turnover on this speculative market was about \$HK78.71 million, with losers, outrunning gainers by the ratio of about 1.21:One.

The double-digit movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Fortune Telecom Holdings Ltd	8040	12.12		0.74
GP NanoTechnology Group Ltd	8152		11.29	0.11
IIN International Ltd	8128		11.43	0.062
ITE (Holdings) Ltd	8092		13.33	0.052
M Channel Corporation Ltd	8036		18.37	0.04
Systek Information Technology (Holdings) Ltd	8103		13.75	0.069

For the week, therefore, the tally for the 2 equity markets of the HKSAR was:

The Hang Seng Index

Down 1.10 percent

In Japan, early losses on The Tokyo Stock Exchange were whittled away during the day so that, by the close of the week, the key index, The Nikkei-225 Stock Average, stood at 8,690.25 yen, a one-day gain of about 0.94 percent.

Japanese investors were concerned about a great number of factors, local and international: The domestic economy (which continues to flounder); the value of the yen, vis-à-vis the US dollar; the sagging US economy and its affects, internationally; the high price of oil; and, of course, the prospects of the US/UN, going to war with Iraq.

For the 4-day trading week of The Tokyo Stock Exchange, therefore, the Nikkei-225 Stock Average gained about 0.62 percent.

And, in other Asian bourses, this was how they ended the week of January 17, 2003:

Indonesia	Plus 1.14 percent to 401.65
Japan	Plus 0.94 percent to 8,690.25
Malaysia	Plus 0.06 percent to 670.53
The Philippines	Plus 0.67 percent to 1,081.60
Singapore	Minus 0.92 percent to 1,366.83
South Korea	Minus 1.89 percent to 636.46
Taiwan	Minus 0.72 percent to 4,907.78
Thailand	Minus 0.90 percent to 367.16

-- E N D --

While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.

If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to editor@targetnewspapers.com or targnews@hkstar.com. TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.

