

**THE WORLD HOLDS ITS BREATH:
WILL THE WAR START, THIS WEEK ?**

With the exception of the Wall Street, which was closed, last Monday, when Europe and Asia were trading, share prices retreated across the world, as investors waited to hear what the United Nations Chief Weapons Inspector, Mr Hans Blix, would tell the UN's Security Council in his Preliminary Report on the situation in Iraq, to be delivered in New York on Monday, and whether or not that report would lead to the United States, sending in the troops, with or without a mandate from the UN.

In Europe, it was a bloodbath for investors, exacerbating the slide of indices on major bourses, which occurred the previous Friday (January 24).

Tens of billions of US dollars were wiped off investors' portfolios, within hours of the opening of European stock markets.

Here are just some of the big European losers of last Monday, London time:

Amsterdam's AEX Index	Down 3.89 percent
Great Britain's FTSE 100 Index	Down 3.41 percent
Germany's Frankfurt XETRA DAX Index	Down 2.72 percent
France's CAC40 Index	Down 3.55 percent
Switzerland's Swiss Market Index	Down 3.64 percent
Italy's MIBTEL Index	Down 1.58 percent

Rising concerns over Iraq and what was generally accepted as the Regime of Saddam Hussein's intransigent stand in respect of its promise to comply, fully, with UN Resolution 1441, led to some major European bourses, touching 7-year lows.

Great Britain's FTSE 100 Index hit its lowest level since October 1995 as investors pushed down the key index to 3,480.80 points. It was the eleventh, consecutive day of losses for Europe's most important and most prestigious stock market.

In Asia, red ink blotted the books of all of the major markets in the world's most-populous area.

Asia's stock markets opened, last Monday, knowing, full well, that it was more than likely that Wall Street would open much softer.

The previous Friday, the Dow Jones Industrial Average, the key index of stocks, traded on the Big Board, had lost 238.46 points, equivalent to about 2.85 percent, ending the week of January 24 at 8,131.01 points.

It was well expected that The Dow would sink below the 8,000-level on Monday, January 27.

As for the NASDAQ, its Composite Index had shed 46.14 points, or about 3.32 percent, ending the week of January 24 at 1,342.13 points.

For the week of January 20-24, The Dow had surrendered about 5.30 percent of its value while the NASDAQ's Composite Index had had to give up about 2.50 percent of its value.

The stage was set for more losses for the week of January 27-31.

Of great concern to many investors, around the world, was what US President George W. Bush would tell the American people in his State of The Union Speech, scheduled to be delivered to Congress on Wednesday, Washington time.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China, the lunar year was coming to a close: The Year of the Horse was fast galloping away, ushering in the Year of the Goat/Ram/Sheep (there is no consensus as to which animal is the correct one).

(The HKSAR stock markets were only open for 4 days, last week, last Friday, being Chinese New Year eve)

On The Stock Exchange of Hongkong Ltd, last Monday, the Main Board saw its Hang Seng Index give up about 1.71 percent of its value, falling back to 9,298.67 points on a Total Turnover of about \$HK5.94 billion.

Losers outran gainers by the ratio of 4.11:One.

It was in the Finance Sector of the Main Board that the biggest losers were found as the Finance Sectorial Index lost about 1.32 percent of its value in double-quick time.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 1.47 percent to \$HK83.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.58 percent to \$HK18.65 per share
Hutchison Whampoa Ltd (Code: 13)	Down 2.20 percent to \$HK48.80 per share
China Telecom Corporation Ltd (Code: 728)	Unchanged at \$HK1.52 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 2.43 percent to \$HK50.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.11 percent to \$HK44.50 per share
PetroChina Company Ltd (Code: 857)	Unchanged at \$HK1.61 per share
BYD Company Ltd (Code: 1211)	Down 4.23 percent to \$HK12.45 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.89 percent to \$HK83.25 per share
Swire Pacific Ltd – "A" Shares (Code: 19)	Down 1.54 percent to \$HK32.00 per share

The double-digit movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Applied (China) Ltd	472		11.11	0.048
Cedar Base Electronic (Group) Ltd	855		13.04	0.02
Central China Enterprises Ltd	351		10.00	0.036
China Development Corporation Ltd	487		16.67	0.01
China Everbright Technology Ltd	256	12.73		0.31
Daido Group Ltd	544		15.00	0.034
First Sign International Holdings Ltd	933		11.80	0.142
Harmony Asset Ltd	2910	37.86		0.335
Haywood Investments Ltd	905		27.03	0.054
Hudson Holdings Ltd	758		11.29	0.22
Innovative International (Holdings) Ltd	729		60.00	0.04
J.I.C Technology Company Ltd	987		14.14	0.249
Kiu Hung International Holdings Ltd	381	18.48		0.25
Magician Industries (Holdings) Ltd	526	10.77		0.072
Mansion Holdings Ltd	547		15.00	0.017

Orient Resources Group Company Ltd	467	10.17		0.065
Oriental Explorer Holdings Ltd	430		10.87	0.041
S.A.S. Dragon Holdings Ltd	1184		15.45	0.465
Star East Holdings Ltd	198		10.53	0.017
Starbow Holdings Ltd	397		36.00	0.016
Tem Fat Hing Fung (Holdings) Ltd	2998		10.34	0.26
Theme International Holdings Ltd	990	15.00		0.023
U-Cyber Technology Holdings Ltd	91		10.34	0.26
Universal Holdings Ltd	419		12.50	0.028
Vision Tech International Holdings Ltd	922		14.75	0.052
Wing Shing Chemical Holdings Ltd	850		34.55	0.36
Xin Corporation Ltd	1141		19.47	0.153

Over on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, investors got a good dubbing as The Growth Enterprise Index shed about 2.42 percent of its value, falling to 114.30 points.

The Total Turnover on this speculative marketplace was about \$HK69.06 million, with losers counters, outgunning gaining ones by the ratio of 3.47:One.

Both of Mr Li Ka Shing's 2 GEM listings, tom.com Ltd (Code: 8001) and CK Life Sciences International (Holdings) Incorporated (Code: 8222), lost 4 percent, each, with tom.com, ending the day at \$HK1.96 per share, and CK Life Sciences, running back to \$HK1.37 per share.

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
EVI Education Asia Ltd	8090	47.62		0.031
IIN International Ltd	8128		10.00	0.054
Inworld Group Ltd	8100		18.03	0.05
M Channel Corporation Ltd	8036		22.22	0.035
New Chinese Medicine Holdings Ltd	8085		14.55	0.094
Panda-Recruit Ltd	8073		10.00	0.018
Prosperity International Holdings (Hongkong) Ltd	8139	21.05		0.046
ProSticks International Holdings Ltd	8055	15.00		0.046
Sonavox International Holdings Ltd	8226		11.67	0.265

In The Land of The Rising Sun, exporters of hi-tech goods got it in the neck as a general erosion of share prices took hold on the premier market of Japan: The Tokyo Stock Exchange.

On this bourse, the Nikkei-225 Stock Average was forced to give up 122.18 yen, equivalent to about 1.40 percent, falling to 8,609.47 yen.

Investors on Japan's 3 stock markets were very concerned about the effects of a war between Iraq and the US/UK/UN, the rising prices of crude oil, and the knock-on effects on the value of the yen vis-à-vis the US dollar.

Some of the biggest losers in a stock market that saw losers outpace gainers by the ratio of about 2.12:One, included:

Electronics/Industrials/Telecommunications

Advantest	Down 3.95 percent to 5,840 yen per share
Alps Electric	Down 3.19 percent to 1,395 yen per share
Canon Incorporated	Down 2.59 percent to 4,140 yen per share
Fuji Electric	Down 4.27 percent to 224 yen per share
Fujikura	Down 5.28 percent to 341 yen per share

Fujitsu Ltd	Down 3.18 percent to 365 yen per share
Furukawa Electric	Down 4.32 percent to 310 yen per share
KDDI	Down 2.41 percent to 364,000 yen per share
Konica Corporation	Down 2.19 percent to 804 yen per share
Kyocera Corporation	Down 2.95 percent to 6,900 yen per share
Matsushita Electrical Industrial	Down 2.97 percent to 1,177 yen per share
Mitsumi Electric	Down 2.59 percent to 1,127 yen per share
NEC Corporation	Down 4.47 percent to 470 yen per share
Nikon Corporation	Down 2.64 percent to 957 yen per share
Nippon Telephone and Telegraph	Down 4.97 percent to 421,000 yen per share
NTT DoCoMo	Down 3.66 percent to 237,000 yen per share
Oki Electrical Industrial	Down 5.38 percent to 211 yen per share
Sanyo Electric	Down 2.52 percent to 348 yen per share
Sharp Corporation	Down 2.41 percent to 1,216 yen per share
Sumitomo Electric	Down 3.48 percent to 831 yen per share
TDK	Down 4.00 percent to 5,040 yen per share
Tokyo Electron	Down 3.36 percent to 5,760 yen per share
Toshiba Corporation	Down 3.10 percent to 406 yen per share

Banks/Finance Houses/Brokerages

Mitsubishi Financial Group	Down 4.49 percent to 681,000 yen per share
Mitsui Trust Holding	Down 4.70 percent to 223 yen per share
Mizuho Asset	Down 4.35 percent to 44 yen per share
Mizuho Holdings	Down 1.50 percent to 131,000 yen per share
Nikko Cordial	Down 3.38 percent to 458 yen per share
Nomura Holdings	Down 3.27 percent to 1,477 yen per share
Shinko Securities	Down 3.52 percent to 137 yen per share
Sumitomo Trust and Bank	Down 4.89 percent to 506 yen per share
UFJ Holdings	Down 4.49 percent to 149,000 yen per share

News wise:

- **The Finance Ministry** said that the surplus in merchandise trade was 51.30 percent for calendar 2002;
- **The Nippon Electric Big-Stores Association** announced that sales of electrically operated home appliances at big retailers totalled about 2.46 trillion yen for 2002. This is a reduction of about 8.50 percent, Year-on-Year. It was the second consecutive year of falling sales;
- **Takarabune Corporation** announced that it was crippled with debts, amounting to about 25.53 billion yen, and that it was filing for bankruptcy. This company is a seller of confectionaries and has about 1,100 retail stores throughout Japan; and,
- **The Japan Chain Store Association** announced that sales at supermarkets slipped by about 2.10 percent in 2002, Year-on-Year.

In other Asian bourses, this is the way that they ended the day of Monday, January 27:

Indonesia	Minus 2.91 percent to 393.56
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Japan	Minus 1.40 percent to 8,609.47
Malaysia	Minus 0.63 percent to 664.62
The Philippines	Minus 1.12 percent to 1,038.67
Singapore	Minus 1.97 percent to 1,331.25
South Korea	Minus 2.68 percent to 593.09
Taiwan	Minus 1.68 percent to 4,672.59
Thailand	Minus 1.46 percent to 370.80

Tuesday

Mr Hans Blix, the Chief Weapons Inspector, appointed by the Security Council of the United Nations, delivered a blistering attack on Iraq and the Regime of President Saddam Hussein, last Monday, New York time.

Talking to the 15-member Security Council, the good doctor said, inter alia: *'Iraq appears not to have come to a genuine acceptance – not even today – of the disarmament which was demanded of it.'*

US Secretary of State, Mr Colin Powell, said that Dr Blix's statement was *'the essence of the problem* (with the Regime of Saddam Hussein) *'*.

Mr Powell warned that there was limited time left for Iraq to comply, fully, with the demands of the UN.

An aspect of this situation is that, if President Saddam Hussein, suddenly, declared that, in fact, his country had weapons of mass destruction, or banned substances that could be used to manufacture weapons of mass destruction, the implications, clearly, would be that he had been prevaricating for the past 4 months – at least.

And that would mean that, only when cornered, is this rogue, Middle Eastern State, willing to come clean.

That being the case, the US/UN would be fully justified in not giving credence to much that Iraq uttered, after its full and frank declaration had been squeezed out of it.

War would, almost certainly, follow.

On the other hand, if the UN's inspectors suddenly find the *'light switch'* which illumines Iraq's weapons of mass destruction, or Iraq's banned materials that could be used to manufacture weapons of mass destruction, then, it would be a foregone conclusion that war would be sanctioned by the UN.

However, the Inspectors Preliminary Report to the Security Council made it clear that no *'smoking gun'* had been discovered – yet.

On Wall Street, on the first day of trading, last week, the price of stocks and shares sagged, notably, as the Dow Jones Industrial Average lost 141.45 points, or about 1.74 percent, dropping back to 7,989.56 points.

On the NASDAQ, its Composite Index gave up 16.87 points, equivalent to about 1.26 percent, falling to 1,325.27 points.

The prospects of a war between Iraq and the US/UK/UN put the skids under many a stock.

In Asia, last Tuesday, there was a bit of a respite from the losses of Monday, but only a bit, mind you.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors were very cautious.

On a Total Turnover of about \$HK5.39 billion, the Hang Seng Index, the key index of stocks and shares, traded on the Main Board of The Stock Exchange of Hongkong Ltd, gained exactly 0.29 percent, rising to 9,325.60 points.

Gainers outnumbered losers by the ratio of 1.70:One.

There was little news, locally, to stimulate trading on the premier stock market of the HKSAR.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.30 percent to \$HK83.25 per share
Hutchison Whampoa Ltd (Code: 13)	Up 1.02 percent to \$HK49.30 per share
China Mobile (Hongkong) Ltd (Code: 941)	Unchanged at \$HK18.65 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 2.43 percent to \$HK50.25 per share
Swire Pacific Ltd – “A” Shares (Code: 19)	Up 2.50 percent to \$HK32.80 per share
BYD Company Ltd (Code: 1211)	Up 8.03 percent to \$HK13.45 per share
CLP Holdings Ltd (Code: 2)	Up 0.32 percent to \$HK31.80 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.67 percent to \$HK44.80 per share
Brilliance China Automotive Holdings Ltd (Code: 1114)	Down 4.26 percent to \$HK1.80 per share
Hang Seng Bank Ltd (Code: 11)	Unchanged at \$HK83.25 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Resources Holdings Ltd	899	10.00		0.011
Can Do Holdings Ltd	172	78.57		0.025
China Development Corporation Ltd	487	20.00		0.012
Daido Group Ltd	544	17.65		0.04
e-Kong Group Ltd	524	16.13		0.144
eCyberChina Holdings Ltd	254	10.00		0.011
Enerchina Holdings Ltd	622	26.09		0.029
First Sign International Holdings Ltd	933	12.68		0.16
Fulbond Holdings Ltd	1041		19.05	0.017
Golden Harvest Entertainment (Holdings) Ltd	1132		17.86	0.23
Hang Ten Group Holdings Ltd	448		13.33	0.013
Hansom Eastern (Holdings) Ltd	279		11.67	0.053
Harmony Asset Ltd	2910	16.42		0.39
Hua Lien International (Holding) Company Ltd	969		11.27	0.63
Hudson Holdings Ltd	758		17.27	0.182
International Bank of Asia Ltd	636	13.46		2.95
KG NextVision Company Ltd	516		14.29	0.06
Lai Sun Development Company Ltd	488	10.34		0.032
Mansion Holdings Ltd	547	17.65		0.02
MUI Hongkong Ltd	542		12.50	0.07
Poly Investments Holdings Ltd	263	11.30		0.128
S.A.S. Dragon Holdings Ltd	1184	11.83		0.52
Soundwill Holdings Ltd	878	17.24		0.034
South China Brokerage Company Ltd	619		12.90	0.027
Starbow Holdings Ltd	397		31.25	0.011
Surge Recreation Holdings Ltd	703		14.14	0.085
Tem Fat Hing Fung (Holdings) Ltd	2998	11.54		0.29
Theme International Holdings Ltd	990		13.04	0.02
U-Cyber Technology Holdings Ltd	91	15.38		0.30
Vision Tech International Holdings Ltd	922		11.54	0.046
Yoshiya International Corporation Ltd	193		13.70	0.063

Zhongda International Holdings Ltd	909	11.54		0.29
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It was a similar story on The GEM – The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd – as was being told in the Main Board. The Growth Enterprise Index put on about 0.59 percent, running back to 114.97 points.

The Total Turnover on this speculative marketplace was about \$HK61.73 million, with gainers, just easing out losers by the ratio of about 1.03:One.

The biggest movers included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025		12.28	0.05
Fortune Telecom Holdings Ltd	8040		10.00	0.63
IA International Holdings Ltd	8047	13.21		0.60
Infoserve Technology Corporation	8077	12.50		0.18
Inworld Group Ltd	8100		10.00	0.045
L.P. Lammas International Ltd	8029		28.00	0.018
Milkyway Image Holdings Ltd	8130		12.35	0.149
PINE Technology Holdings Ltd	8013	30.77		0.119
ProSticks International Holdings Ltd	8055		13.04	0.04
Rainbow International Holdings Ltd	8079		30.00	0.35
Wanasports Holdings Ltd	8020		32.31	0.044

In Japan, share prices continued to decline, with the premier stock market, The Tokyo Stock Exchange, losing 0.98 percent, ending the second day of the week's trading at 8,525.39 yen.

Decliners outnumbered gainers by the ratio of exactly 3:One.

It was the third consecutive day of losses for Japan's 3 stock markets – and it appeared that more losses would follow on Wednesday.

News wise

- **Fujitsu Ltd**, the largest producer of personal computers in Japan, said that its Group Net Losses had been pared in the October-December (2002) quarter, primarily due to cost-cutting measures and not due to any material increase in business. The Net Loss for the company for the final quarter of 2002 was about 24.90 billion yen. That result compared with a Net Loss of about 106.10 billion for the like quarter in 2001; and,
- **The Japanese Government** announced that domestic wholesale and retail sales fell a combined 3.70 percent, Year-on-Year, in 2002, to 582.27 trillion yen. It marked the eleventh consecutive year of falling sales.

In other parts of Asia, this was how those equity markets ended the day:

Indonesia	Plus 0.42 percent to 395.21
Japan	Minus 0.98 percent to 8,525.39
Malaysia	Plus 1.05 percent to 671.63
The Philippines	Minus 0.30 percent to 1,035.57
Singapore	Plus 0.63 percent to 1,339.69
South Korea	Plus 1.26 percent to 600.56
Taiwan	Plus 0.86 percent to 5,015.16
Thailand	Plus 1.07 percent to 374.76

Wednesday

It was not, exactly, a declaration of war, but US President George W. Bush's State of the Union Address, delivered in Washington, last Tuesday, was just a hair short of such a declaration.

The world held its breath as it listened to the world's most powerful man issue his monologue.

He said, *inter alia*:

1. Fresh evidence would be made known, publicly, this week, about Iraq's weapons programme;
2. The US would, if required, go it alone to invade Iraq if President Saddam Hussein did not disarm;
3. The US would seek a determination of the Security Council on Wednesday, February 5;
4. The US had international terrorists on the run;
5. The US would not be blackmailed by North Korea;
6. \$US15 billion will be spent over the next 5 years to help the African Continent and the Caribbean fight AIDS;
7. The Bush Administration would try to push through lower taxes in order to stimulate the economy; and,
8. Assistance would be given to faith-based charities, which are known to be helping the poor.

One of the many statements, uttered by President George W. Bush and meant to put the fear of God into President Saddam Hussein, was *'some crucial hours may lie ahead.'*

That was a very clear suggestion that, all things being equal, the US would not hesitate to push that red button, launching another war against Iraq.

He added, during his hour-long address: *'If war is forced upon us, we will fight with the full force and might of the United States military – and we will prevail.'*

Adding his weight to the President's statement on the matter of Iraq, the US Ambassador to the UN, Mr John Negroponte, said: *'The time for diplomatic action is narrowing. The diplomatic window is closing ... We feel that the time for decision-making is fast approaching. We don't have a specific timetable in mind, but the situation is pressing.'*

The world was on tenterhooks.

On The New York Stock Exchange, last Tuesday, the prospects of war took centre stage, of course, but investors had had enough of falling share prices; they looked for any suggestion that things could turn on a dime, as the saying goes.

On the Big Board of The New York Stock Exchange, the Dow Jones Industrial Average gained 99.49 points, equivalent to about 1.25 percent, running back to 8,089.05 points.

On the NASDAQ, the Composite Index put on 17.05 points, or about 1.29 percent, recovering to 1,342.32 points.

In truth, there was little to recommend the US economy and, if anything, with war with Iraq, just round the corner, so to speak, the largest stock market in the world should have gone into reverse.

And, adding weight to this suggestion was a report from the US Congressional Budget Office, a report which said that the Bush Administration is headed for a record budget deficit, which could reach just below \$US200 billion for the 2003-2004 Fiscal Year.

For the current Fiscal Year, the Budget Office said the deficit would, most likely, be about \$US158 billion.

Not factored into the Budget Office's forecasts, of course, was the cost of a war with Iraq, which TARGET estimates to be about \$US700 billion if it should last 6 months or longer.

(Please see [TARGET Intelligence Report, Volume V, Number 15](#), published on January 22: **WHERE WILL PRESIDENT GEORGE W. BUSH GO FOR HONEY ?**)

Then, as though that was not enough, AOL Time Warner Incorporated posted a Net Loss for the Financial Year, ended December 31, 2002, of nearly \$US100 billion.

It was the largest annual loss of any US corporation in history.

AOL Time Warner is the largest media company in the world: The bigger they come, the harder they fall.

Lastly, from the US, the US Federal Reserve Board that the Federal Funds Rate would remain unchanged at 1.25 percent.

Which confirms TARGET's prognostication of a week prior.

The next meeting of The Fed, when short-term interest rates will be reviewed, will be on March 18.

In Asia, the Presidential State of the Union Address caused widespread selling, especially in Japan.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the coming Chinese New Year celebrations were on most people's minds even though, officially, the 4-day holiday was not due to start before Friday, January 31.

On The Stock Exchange of Hongkong Ltd, both the Main Board and The Growth Enterprise Market (The GEM) shed fractions, with the Main Board, dropping about 0.91 percent, falling to 9,240.79 points, while The Growth Enterprise Index gave up about 0.55 percent, ending the day at 114.34 points.

The Total Turnover of the Main Board was about \$HK6.31 billion with losers, outrunning gainers by the ratio of 1.50:One.

On The GEM, the Total Turnover was about \$HK77.38 million, with declining counters, outnumbering advancing ones by the ratio of 1.48:One.

The Main Board's Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 1.20 percent to \$HK82.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.34 percent to \$HK18.40 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.81 percent to \$HK48.90 per share
Huaneng Power International Incorporated (Code: 902)	Down 3.05 percent to \$HK6.35 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.67 percent to \$HK44.50 per share
China Telecom Corporation Ltd (Code: 728)	Unchanged at \$HK1.50 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.30 percent to \$HK83.00 per share
Brilliance China Automotive Holdings Ltd (Code: 1114)	Down 1.11 percent to \$HK1.78 per share
PetroChina Company Ltd (Code: 857)	Up 1.23 percent to \$HK1.64 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 0.98 percent to \$HK50.50 per share

There were a total of 36, double-digit movers on the Main Board, last Wednesday, with 22 of their number, falling 10 percent or more, while 14, double-digit movers moved against the grain.

Nam Fong International Holdings Ltd (Code: 1176) was the biggest gainer of the day as its share price doubled to 5 cents.

ehealthcareasia Ltd (Code: 835) was the biggest loser of the day as investors pushed down its share price to 4.50 cents, a one-day loss of 57.14 percent.

On The GEM, the biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AkuP International Holdings Ltd	8179		12.00	0.11
Blu Spa Holdings Ltd	8176	20.00		0.03
Cardlink Technology Group Ltd	8066		16.67	0.10
EVI Education Asia Ltd	8090	32.26		0.041
G.A. Holdings Ltd	8126	13.64		0.25
IIN International Ltd	8128		10.17	0.053
Milkyway Image Holdings Ltd	8130	10.74		0.165
Panorama International Holdings Ltd	8173	25.00		0.12
Prosperity International Holdings (Hongkong) Ltd	8139		21.74	0.036
Rainbow International Holdings Ltd	8079		11.43	0.31
Soluteck Holdings Ltd	8111		26.32	0.07
Wanasports Holdings Ltd	8020		27.27	0.032
Xteam Software International Ltd	8178		15.56	0.152

In the news was Rainbow International Holdings Ltd (Code: 8079, The GEM) which reported its biggest loss to date of about \$HK58.20 million for the Financial Year, ended October 31, 2002.

In Japan, it was another story, completely.

On The Tokyo Stock Exchange, the key index of blue chips, the Nikkei-225 Stock Average, lost 2.28 percent of its value, falling to 8,331.08 yen.

It represented an 11-week low for the Nikkei-225 Stock Average.

The losses were due, in large part, to the looming prospects of war between the US and Iraq.

Declining issues outnumbered advancing ones by the ratio of 11.43:One.

Some of the biggest losers of the day included:

Electronics/Industrials/Telecommunications

Advantest	Down 4.75 percent to 5,420 yen per share
Alps Electric	Down 5.18 percent to 1,337 yen per share
Clarion	Down 5.56 percent to 136 yen per share
Fanuc	Down 5.27 percent to 5,030 yen per share
Fuji Electric	Down 2.34 percent to 209 yen per share
Fujikura	Down 4.17 percent to 322 yen per share
Fujitsu	Down 8.68 percent to 326 yen per share
Furukawa	Down 4.92 percent to 58 yen per share
Furukawa Electric	Down 5.18 percent to 293 yen per share
Hitachi	Down 3.76 percent to 486 yen per share
Kyocera	Down 2.52 percent to 6,580 yen per share
Mitsubishi Corporation	Down 3.07 percent to 757 yen per share

Mitsubishi Electric	Down 2.54 percent to 307 yen per share
Mitsumi Electric	Down 2.89 percent to 1,076 yen per share
NEC	Down 6.22 percent to 437 yen per share
Nikon Corporation	Down 2.59 percent to 902 yen per share
Oki Electrical Industrial	Down 5.53 percent to 205 yen per share
Sanyo Electrical	Down 2.94 percent to 330 yen per share
Sumitomo Electric	Down 3.00 percent to 808 yen per share
Takashimaya	Down 4.10 percent to 491 yen per share
TDK Corporation	Down 2.42 percent to 4,830 yen per share
Tokyo Electron	Down 4.58 percent to 5,420 yen per share
Toshiba Corporation	Down 4.25 percent to 383 yen per share

Banks/Finance Houses/Brokerages

Bank of Yokohama	Down 2.27 percent to 431 yen per share
Chiba Bank	Down 3.29 percent to 353 yen per share
Credit Saison	Down 1.68 percent to 2,050 yen per share
Daiwa Securities Group	Down 2.98 percent to 554 yen per share
Mitsubishi Financial Group	Down 4.15 percent to 646,000 yen per share
Mitsui Trust Holding	Down 3.65 percent to 211 yen per share
Mizuho Asset	Down 4.76 percent to 40 yen per share
Mizuho Holdings	Down 4.84 percent to 118,000 yen per share
Nikko Cordial	Down 2.51 percent to 427 yen per share
Nomura Holdings	Down 1.18 percent to 1,427 yen per share
Shinko Securities	Down 3.82 percent to 126 yen per share
Shizuoka Bank	Down 3.79 percent to 737 yen per share
Sumitomo Trust and Bank	Down 4.36 percent to 461 yen per share
UFJ Holdings	Down 3.52 percent to 137,000 yen per share

Motors

Hino Motors	Down 1.16 percent to 427 yen per share
Honda Motor	Down 3.16 percent to 3,980 yen per share
Isuzu Motors	Down 3.57 percent to 54 yen per share
Kawasaki Heavy Industries	Down 1.96 percent to 100 yen per share
Nissan Motor	Down 3.29 percent to 911 yen per share
Suzuki Motor	Down 1.54 percent to 1,280 yen per share
Toyota Motor	Down 1.70 percent to 2,895 yen per share

News wise:

- **Sony Corporation** announced that its Net Profit rose by about 96 percent in the third quarter, to 125.43 billion yen; and,
- **Toshiba Corporation** announced that its Net Loss for its third quarter was about 6.90 billion yen, marking the seventh straight quarterly loss for this competitor of Sony.

And, in other Asian stock markets, this was how they ended this historic day:

Indonesia	Minus 0.93 percent to 391.53
Japan	Minus 2.28 percent to 8,331.08
Malaysia	Minus 0.92 percent to 665.44
The Philippines	Plus 0.36 percent to 1,039.26
Singapore	Minus 2.75 percent to 1,302.85
South Korea	Minus 2.87 percent to 583.35
Taiwan	Closed
Thailand	Minus 1.35 percent to 369.69

**This is the last stock market report for the week, ended January 29,
due to the start of the Chinese New Year celebrations.**

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