

**THE WORLD WAITS, WONDERS ... AND WORRIES:
WHEN WILL THE SHOOTING WAR START ?**

There was more blood, spilled on stock market floors, throughout the US and the European Union (EU), last Tuesday, following a weekend that saw horrendous news shake bourses, round the globe.

In Asia, following the long, Chinese New Year festivities – many stock markets were closed from Friday, January 31, until Tuesday, February 4, while still others, remained closed as principals of companies, continued to frolic in order to celebrate the coming of the Year of the various, usually horned ruminant mammals of the genus, Ovis, in the family, Bovidae, also known as sheep/ram/goat (nobody is quite certain which of the 3 animals is the correct one).

Those Asian bourses that did open for business, last Tuesday, did not do well, however, losses, by and large, were fractional in nature.

Over the weekend of January 31 to February 3, there had been wide swings in indices on stock markets, throughout the US and Europe, for a number of very valid reasons.

On Friday, January 31, on The New York Stock Exchange, the Dow Jones Industrial Average, the key index of the world's largest bourse, rose by about 1.37 percent to end that week at 8,053.81 points.

On the NASDAQ, its Composite Index shed about 1.43 points, about 0.11 percent, to close out the week at 1,320.92 points.

On Monday, February 3, The Dow gained 56.01 points, equivalent to about 0.70 percent, coming to rest at 8,109.82 points, while the Composite Index of NASDAQ rose by about 2.88 points, or about 0.22 percent, ending the session at 1,323.79 points.

In Europe, the situation was much worse than in the US, as the following **TARGET** list of losers indicates:

Amsterdam's AEX Index	Down 4.50 percent*
Great Britain's FTSE 100 Index	Down 2.69 percent
Germany's Frankfurt XETRA DAX Index	Down 4.32 percent
France's CAC40 Index	Down 3.19 percent
Switzerland's Swiss Market Index	Down 2.63 percent
Italy's MIBTEL Index	Down 2.58 percent

* The biggest loser in the EU of the day

There were numerous and very valid reasons for the losses on stock markets in the US and the EU, but the overriding considerations continued to be the very real threat of war between the US and its friends, with or without a mandate from the United Nations, and the political regime of President Saddam Hussein of Iraq.

In addition, over the 3-day period of January 31 through to February 3, the following events had unfolded:

- Coca-Cola announced that it would be sacking about 1,000 of its workers;
- WorldCom announced that it would be culling its staff by about 5,000 employees;

- Ericsson, the Swedish manufacturer of mobile network technology, announced a Pre-Tax Loss of about \$US257 million for the final quarter of 2002;
- The US Conference Board's Consumer Confidence Index dipped nearly 2 points in January (Please see [TARGET Intelligence Report, Volume V, Number 23, published last Wednesday](#), Second Report: **WORDS AND PHRASES, ECONOMICALLY DEFINED BY THE TEXAN IN THE WHITE HOUSE**);

UK Prime Minister, Mr Tony Blair, insisted that there is unmistakable evidence that Iraq is failing to cooperate with the UN weapons inspectors; and,

German retail sales fell in 2002 for the first time that there had been such a loss since 1997.

In Asia, trading was relatively quiet, last Tuesday, the first day of trading for many markets, which had been shut down tightly in order to allow Asians the chance to enjoy the Lunar New Year celebrations.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), trading on both the Main Board and The Growth Enterprise Market (The GEM) was especially quiet.

On the Main Board, the key Hang Seng Index lost about 0.07 percent, falling to 9,252.71 points on a Total Turnover of about \$HK5.46 billion.

Gaining counters outnumbered losing ones by the ratio of 1.16:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.61 percent to \$HK82.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.09 percent to \$HK18.20 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 2.00 percent to \$HK44.00 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.82 percent to \$HK48.60 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.47 percent to \$HK50.25 per share
China Telecom Corporation Ltd (Code: 728)	Down 0.66 percent to \$HK1.50 per share
Hongkong Electric Holdings Ltd (Code: 6)	Down 0.51 percent to \$HK29.30 per share
Huaneng Power International Incorporated (Code: 902)	Up 3.10 percent to \$HK6.65 per share
Brilliance China Automotive Holdings Ltd (Code: 1114)	Down 3.01 percent to \$HK1.61 per share
CLP Holdings Ltd (Code: 2)	Up 0.32 percent to \$HK31.50 per share

There were a total of 34, double-digit movers of the day, with 18 of their number, rising, while the rest fell by 10 percent or more.

The biggest gainer of the day was Surge Recreation Holdings Ltd (Code: 703), as investors pushed up its share price to 10 cents, a one-day gain of 25 percent.

(Please see [TARGET Intelligence Report, Volume V, Number 25, published last Friday](#), third story: **'SURGE RECREATION HOLDINGS LTD: HEY ! THIS IS NOT FUN, AT ALL !'**)

The biggest loser of the day was Fulbond Holdings Ltd (Code: 1041) as its share price fell to 1.10 cents, following a bit of a run on the counter, which resulted in the share price, being pared by 35.29 percent.

It was announced from India that PCCW Ltd (Code: 8) would be selling about 25 percent of the Issued and Fully Paid-Up Share Capital in Data Access India. That will reduce PCCW's stake in this Indian telecommunications carrier to about 24 percent.

The report came via Mr Siddhartha Ray, the Managing Director of Data Access India. PCCW's Management stayed mute on the subject of it, divesting itself of more family jewels, if, indeed, they are/were such.

PCCW, a Li Ka Shing company, continues to sell assets in order to reduce its heavy debt load.

Over on The GEM, the speculative marketplace of The Stock Exchange of Hongkong Ltd, The Growth Enterprise Index surrendered about 0.26 percent of its value, ending the first day of trading for the week at 116.09 points.

The Total Turnover on this market was about \$HK50.16 million, with advancing counters, outnumbering declining counters by about 1.63:One.

The biggest movers on this market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Cyber On-Air Group Company Ltd	8118	42.86		0.05
Shanghai Fudan-Zhangjiang Bio – Pharmaceutical Company Ltd	8231	12.50		0.72
G.A. Holdings Ltd	8126	16.00		0.29
iSteelAsia.com Ltd	8080	10.00		0.055
Thiz Technology Group Ltd	8119	21.43		0.085
Trasy Gold Ex Ltd	8063	26.67		0.019

In Japan, even though the Japanese do not celebrate the Chinese Lunar New Year, the premier marketplace of The Land of The Rising Sun was very quiet.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average shed about 0.19 percent of its value, ending the day at 8,484.90 yen.

War news continued to dominate investor climate on Asia's largest bourse.

The ratio of gainers to losers was about 3.20:One.

News wise:

- **Mitsubishi Electric Corporation** announced that the company had posted a Net Profit of 1.10 billion yen for the last quarter of 2002, ended December 31, 2002. That result represented a turnabout, compared with the like 2001 quarter when the company turned in a Net Loss of about 38.40 billion yen;
- **Hitachi Ltd** said that it had logged in a Group Net Profit of 1.30 billion yen for the October-December 2002 quarter, in stark contrast to the like period, one year earlier, when the company reported to its shareholders that it had lost 115.80 billion yen;
- **Sharp Corporation** delighted its shareholders by announcing that the electronics manufacturer had turned in a Group Net Profit of 36.87 billion yen for the April-December 2002 period. That result represented a 77.10 percent increase, Year-on-Year;
- **KDDI Corporation**, Japan's second largest telecommunications carrier, said that it had chalked up a Consolidated Net Profit of 51.32 billion yen, during the first 9 months of 2002. For the Year-on-Year comparison, the company said that, for the entire 2001 Financial Year, it earned 38.34 billion yen;
- **Sumitomo Corporation** announced a Group Net Profit of 36.62 billion yen for the April-December 2002 period, up 24.4 percent from the same period a year earlier; and,
- **The average monthly pay** in all industries of Japan fell by about 2.30 percent in 2002, Year-on-Year, the Government said.

And, in other Asian stock markets, this was how they ended the day of Tuesday, February 4, the fourth day of the Year of the Ram/Goat/Sheep:

Indonesia	Plus 1.01 percent to 394.15
Japan	Minus 0.19 percent to 8,484.90

Malaysia	Closed
The Philippines	Minus 0.80 percent to 1,049.67
Singapore	Plus 0.39 percent to 1,296.59
South Korea	Plus 0.56 percent to 603.78
Taiwan	Closed
Thailand	Plus 0.26 percent to 373.37

Wednesday

The world waited to see what evidence the US Government would present to the United Nations Security Council in its attempts to prove its allegations that military force was, absolutely, necessary with regard to Iraq.

US Secretary of State, Mr Colin Powell, was widely expected to present circumstantial evidence to prove, indirectly, that the Regime of President Saddam Hussein of Iraq had been hoodwinking the UN's inspection team and was in flagrant breach of UN Resolution 1441.

The US Government has, over the past month or so, been building up a formidable array of men and materiel, with the obvious purpose of launching a pre-emptive attack on Iraq.

It was confirmed that more than 200,000 US military personnel were in the Persian Gulf, awaiting jumping-off orders.

Whether or not the US would '*go it alone*' was the question that everybody was pondering because, in addition to the evidence that the US Secretary of State might present to the Security Council, the US intelligence agencies were, quite likely, to have other important snippets of evidence that US Government departments are loath to release to the world for fear of compromising its covert agents in the field.

On Tuesday, February 4, the Dow Jones Industrial Average, the '*barometer*' of trading on the Big Board of The New York Stock Exchange, went into steep reverse, losing about 1.19 percent of its value, falling back to 8,013.01 points, after falling, earlier in the day, to 7,959.27 points.

The Composite Index of the NASDAQ was forced to surrender about 1.34 percent of its value, ending the second day of the trading week at 1,306.00 points, after touching 1,299.58 points, halfway through the morning session.

While it was well known that the US economy is, still, in trouble, in Germany, it was announced that the unemployment rate had risen to 11.10 percent.

This is its highest level, during the Government of Chancellor Gerhard Schröder.

A knock-on effect was bound to come since Germany accounts for at least 33 percent of Eurozone industrial output.

One scenario was a run on the euro, whose value could well be eroded, vis-à-vis the US dollar.

Over in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the waiting game with regard to the impending report to the UN's Security Council by the US Secretary of State worried investors.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index lost another 0.78 percent of its value, falling to 9,180.47 points.

The Total Turnover on this market was about \$HK6.25 billion, with declining issues, outpacing advancing ones by the ratio of about 1.13:One.

The Ten Most Active counters were:

Hutchison Whampoa Ltd (Code: 13)	Down 2.67 percent to \$HK47.30 per share
HSBC Holdings plc (Code: 5)	Down 0.60 percent to \$HK82.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 1.10 percent to \$HK18.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.89 percent to \$HK49.30 per share
CNOOC Ltd (Code: 883)	Up 3.94 percent to \$HK10.55 per share
Aluminum Corporation of China Ltd (Code: 2600)	Up 11.28 percent to \$HK1.48 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.45 percent to \$HK43.80 per share
CLP Holdings Ltd (Code: 2)	Up 0.95 percent to \$HK31.80 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.90 percent to \$HK82.50 per share
Yanzhou Coal Mining Company Ltd (Code: 1171)	Up 4.35 percent to \$HK3.60 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Applied International Holdings Ltd	519		10.23	0.079
BALtrans Holdings Ltd	562	11.43		2.925
Cedar Base Electronic (Group) Ltd	855	17.65		0.02
Century City International Holdings Ltd	355	10.00		0.022
Aluminum Corporation of China Ltd	2600	11.28		1.48
Chen Hsong Holdings Ltd	57	10.53		2.625
Chevalier iTech Holdings Ltd	508	41.60		0.177
China Development Corporation Ltd	487	20.00		0.012
E-LIFE International Ltd	370		11.90	0.111
Hanny Holdings Ltd	275		13.64	0.019
Hansom Eastern (Holdings) Ltd	279		15.52	0.049
Harmony Asset Ltd	2910	20.00		0.48
HKC International Holdings Ltd	248		10.00	0.18
INNOMAXX Biotechnology Group Ltd	340	10.37		0.149
Jiangxi Copper Company Ltd	358	12.10		1.39
KTP Holdings Ltd	645	13.33		0.68
Luoyang Glass Company Ltd	1108	10.59		0.94
Man Yue International Holdings Ltd	894	21.74		0.14
MAXX Bioscience Holdings Ltd	512		16.93	0.157
MUI Hongkong Ltd	542	20.00		0.084
Nam Hing Holdings Ltd	986	15.49		0.246
New Island Printing Holdings Ltd	377		15.52	0.49
Pacific Ports Company Ltd	659	12.70		0.275
Starbow Holdings Ltd	397	13.33		0.017
Tack Hsin Holdings Ltd	611		10.17	0.265
U-Cyber Technology Holdings Ltd	91	30.00		0.325
Universal Holdings Ltd	419	10.71		0.031
Yew Sang Hong (Holdings) Ltd	290		12.62	2.25

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, although the market was in the black, so to speak, declining counters edged out advancing ones by the ratio of about 1.06:One.

The Total Turnover was about \$HK72.18 million, as The Growth Enterprise Index rose about 0.17 percent to end the session at 116.29 points.

The biggest movers on this market, numbering just 3 counters, were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Cyber On-Air Group Company Ltd	8118	40.00		0.07
FX Creations International Holdings Ltd	8136	13.33		0.068

Prosperity International Holdings (Hongkong) Ltd	8139		16.67	0.03
--	------	--	-------	------

In Japan, investors, like those of other parts of Asia, were waiting to see whether or not a shooting war would start between the US/UN and Iraq.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average rose by 64.95 yen, equivalent to about 0.77 percent, ending the session at 8,549.85 yen.

But the gains, by and large, were the result of short covering since many Japanese investors had gone '*short*' in previous sessions and needed to cover positions in order to lock in gains, or to limit their downside risks.

The ratio of gainers to losers was 1.51:One.

News wise:

- **Toyota Motor Corporation** announced a Group Net Profit of 216.10 billion yen for the last quarter of 2002, ended December 31. That result was an increase of about 93.90 percent, Year-on-Year; and,
- **Ricoh Company** said that its Group Net Profit for the same period rose by about 19.50 percent, Year-on-Year, to 17.80 billion yen.

In other parts of Asia, this was how those bourses fared, last Wednesday:

Indonesia	Minus 0.47 percent to 392.31
Japan	Plus 0.77 percent to 8,549.85
Malaysia	Plus 0.51 percent to 668.18
The Philippines	Minus 1.18 percent to 1,037.26
Singapore	Minus 0.36 percent to 1,291.89
South Korea	Minus 0.51 percent to 600.68
Taiwan	Closed
Thailand	Minus 0.02 percent to 373.28

Thursday

A mixture of circumstantial evidence and hearsay evidence was all that the US Secretary of State, Mr Colin Powell, presented to the Security Council of the United Nations (UN), last Wednesday, in defense of the US Government's stance in respect of Iraq.

No '*smoking guns*' and no evidence, prima facie, to substantiate the allegations of the US Government that Iraq had access to, or was about to have access to, weapons of mass destruction and/or any other type of banned weapons.

And the consensus of the members of the Security Council was that the evidence of Iraq's suggested obfuscation of facts, its apparent lack of cooperation with the UN's weapons inspector team, and its alleged refusal to disarm were not proven.

So, it was back to the drawing board for the US Government, which had failed to cause the Security Council to swerve along the path to war.

On The New York Stock Exchange, the Dow Jones Industrial Average lost its early gains, ending the historic day with a loss of about 0.35 percent as The Dow fell to 7,985.18 points.

As for the tech-laden NASDAQ's Composite Index, it was forced to surrender about 0.36 percent of its value, dropping back to 1,301.48 points.

That was Wednesday, in New York, but in Asia, on Thursday, a far-greater threat reared up as North Korea warned the US that any decision to send more troops to the Asian-Pacific Region could result in Pyongyang, sending in its big guns and attacking US armed forces, without any warning.

The North Korean Government, also, warned that any attack against its nuclear facilities at Yongbyon would trigger *'full scale war'*.

Whether or not North Korea was bluffing, nobody but the heads of the Government of that communist country could say, but, considering that this communist nation has a well-disciplined militia, that is known to number more than one million men (TARGET's information is that it is closer to 5 million men and women, who could don the khaki of the militia of that country, within a very short space of time), the threat had to be taken, seriously.

Down came shares prices on all but 2 of the stock markets of the most populous area of the world.

That was not all, however, because, from Germany came news that that country's third largest bank, Commerzbank, has lost 300 million euros in the 2002 year.

It was the first time in the history of this bank that it had ever lost money.

Such was the state of play in Germany.

(Please see Wednesday report, also, about Germany and its economy)

Europe buckled under the weight of the news about Commerzbank, what was happening in the UN, and the suggestion of war between the US and North Korea.

Some of the major European bourses to lose ground were:

Amsterdam's AEX Index	Down 2.24 percent
Great Britain's FTSE 100 Index	Down 2.22 percent
Germany's Frankfurt XETRA DAX Index	Down 2.82 percent
France's CAC40 Index	Down 1.68 percent
Switzerland's Swiss Market Index	Down 2.91 percent
Italy's MIBTEL Index	Down 1.12 percent

Investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) observed the various parts of the international *'play'* and determined that it was better to wait in order to see what the near-term future would bring.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gave up about 0.59 percent, falling back to 9,126.15 points.

The Total Turnover was about \$HK6.36 billion, with declining issues, outpacing advancing ones by the ratio of about 1.60:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Down 0.61 percent to \$HK81.75 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.63 percent to \$HK47.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.83 percent to \$HK17.85 per share
China Telecom Corporation Ltd (Code: 728)	Up 0.67 percent to \$HK1.51 per share
China Unicom Ltd (Code: 762)	Up 2.80 percent to \$HK5.20 per share
Sun Hung Kai Properties Ltd (Code: 16)	Unchanged at \$HK43.80 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.01 percent to \$HK48.80 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.30 percent to \$HK82.25 per share

CNOOC Ltd (Code: 883)
CLP Holdings Ltd (Code: 2)

Unchanged at \$HK10.55 per share
Up 0.31 percent to \$HK31.90 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Anex International Holdings Ltd	723	11.11		0.05
Applied International Holdings Ltd	519	11.39		0.088
Cedar Base Electronic (Group) Ltd	855		15.00	0.017
Chen Hsong Holdings Ltd	57		14.29	2.25
Chevalier iTech Holdings Ltd	508		18.08	0.145
China Development Corporation Ltd	487	50.00		0.018
China Star Entertainment Ltd	326	15.79		0.44
CIL Holdings Ltd	479	15.38		0.015
CNT Group Ltd	701		13.27	0.098
Deson Development International Holdings Ltd	262	10.53		0.021
Hang Ten Group Holdings Ltd	448	16.67		0.014
Hanny Holdings Ltd	275	15.79		0.022
Hansom Eastern (Holdings) Ltd	279	14.29		0.056
Hudson Holdings Ltd	758		16.84	0.158
ING Beijing Investment Company Ltd	1062	41.43		0.099
Kiu Hung International Holdings Ltd	381	13.56		0.335
Sa Sa International Holdings Ltd	178	10.39		0.85
Sky Hawk Computer Group Holdings Ltd	1129		11.11	0.16
Soundwill Holdings Ltd	878		14.29	0.03
Takson Holdings Ltd	918	11.11		0.20
Theme International Holdings Ltd	990		10.53	0.017
U-Cyber Technology Holdings Ltd	91		16.92	0.27

Over on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, while gainers and losers were, exactly, even, at One:One, The Growth Enterprise Index gained about 0.71 percent, rising to 117.12 points.

There appeared to be no reason for the gains, but, since the Total Turnovers of the past few years has been averaging below \$HK100 million per day, it does not take too much money to push up or pull down The Growth Enterprise Index by one point or more.

The GEM's Total Turnover, last Thursday, was about \$HK97.59 million.

The biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Blu Spa Holdings Ltd	8176	22.73		0.027
Cardlink Technology Group Ltd	8066	16.67		0.105
Cyber On-Air Group Company Ltd	8118	10.00		0.077
First Mobile Group Holdings Ltd	8110		10.71	0.25
Fortune Telecom Holdings Ltd	8040	11.11		0.70
iSteelAsia.com Ltd	8080	32.73		0.073
Kinetana International Biotech Pharma Ltd	8031		10.00	0.09
Soluteck Holdings Ltd	8111	20.48		0.10

In Japan, things were sluggish on the premier bourse of that country.

The Tokyo Stock Exchange recorded a loss of 0.77 percent on its key Nikkei-225 Stock Average, as it fell back to 8,484.19 yen.

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

There was little else to report from The Land of The Rising Sun as investors in the largest and most powerful economy of Asia sat on their hands in order to watch what the morrow would bring.

And this was how things came to an end, last Thursday, on Asian stock markets:

Indonesia	Plus 0.55 percent to 394.46
Japan	Minus 0.77 percent to 8,484.19
Malaysia	Minus 0.48 percent to 664.95
The Philippines	Minus 0.07 percent to 1,036.56
Singapore	Minus 0.33 percent to 1,287.63
South Korea	Minus 1.86 percent to 589.50
Taiwan	Minus 3.62 percent to 4,833.58
Thailand	Plus 1.56 percent to 379.10

Friday

President George W. Bush may not be a very good public speaker, and he appears to have the memory of a dying oyster, forgetting, most of the time, the names of the leaders of countries, such as North Korea and the People's Republic of China (PRC), among other things, but, when it comes to declaring the intentions of the US Government in respect of Iraq and North Korea, the world holds its breath – and listens, attentively.

On Thursday, New York time, President Bush made it very clear that the US would not be intimidated by threats from North Korea with regard to its suggestions of a *'total war'* against US installations in the Asian-Pacific Region.

North Korea continued its aggressive stance, stating, inter alia, that *'pre-emptive attacks are not the exclusive right of the US.'*

Pyongyang had determined that the contingency plans of the US, to strengthen its troop levels in the Western Pacific, during hostilities against Iraq, was, potentially, foreshadowing an attack, at a later date, against North Korea.

The North Korean Committee for The Peaceful Reunification of the Fatherland, said:

'If the US moves to bolster aggression troops are unchecked, the whole land of Korea will be reduced to ashes and the Koreans will not escape horrible nuclear disasters.'

It was very clear that North Korea would not shrink for waging a nuclear war against the US, or anybody else, for that matter – which is the one thing that frightens the US and the West because such a war would be disastrous for the entire world.

While the North Korean-US, heated rhetoric continued, US President George W. Bush warned Iraqi President Saddam Hussein that Iraq must act, now, if its wants to avoid an American-led attack on that Middle-Eastern country, which is the third-largest producer of oil in the world, today, and the world's eighth largest export of crude oil (at least, it used to be so).

He went on to state that, if the Security Council of the UN did not act, then, the US and a growing number of its friends, around the world, would take whatever action was deemed necessary in order to disarm Iraq and depose President Saddam Hussein.

It was confirmed, last Thursday, that the US had in excess of 200,000 troops in The Persian Gulf and that there were not less than 40,000 British troops in the hottest region on the planet.

On Wall Street, last Thursday, the selling of stocks and shares continued, but in subdued fashion.

On The New York Stock Exchange, the Dow Jones Industrial Average fell by 55.88 points, equivalent to about 0.70 percent, ending the session at 7,929.30 points.

On the NASDAQ, its Composite Index mirrored trading on the Big Board of The New York Stock Exchange, losing about 0.23 percent of its value, falling to 1,301.73 points.

Meanwhile, the price of oil shot up, again, with March delivery, peaking at \$US32.50, during the day.

In Europe, there was a shock announcement from The Bank of England: The short-term interest rate was pared by one quarter of one percent to 3.75 percent, taking borrowing costs to their lowest levels since 1955.

It was the first change in interest rates of the previous 14 months.

The Bank of England cited its reason for the interest-rate cut on gloomy prospects for the economy.

European bourses reacted to the announcement of The Bank of England:

Amsterdam's AEX Index	Down 1.80 percent
Great Britain's FTSE 100 Index	Up 0.06 percent
Germany's Frankfurt XETRA DAX Index	Down 3.01 percent
France's CAC40 Index	Down 1.39 percent
Switzerland's Swiss Market Index	Down 0.81 percent
Italy's MIBTEL Index	Up 0.02 percent

In Asia, it was quiet on most stock markets as investors continued to adopt a wait-and-see approach to equity trading.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, the Main Board of The Stock Exchange of Hongkong Ltd saw its Hang Seng Index gain 0.27 percent, ending the week at 9,150.95 points.

The Total Turnover fell to about \$HK5.78 billion, with losers, outpacing gainers by the ratio of 1.21: One.

The Ten Most actives were:

HSBC Holdings plc (Code: 5)	Up 0.31 percent to \$HK82.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.84 percent to \$HK47.90 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK47.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.56 percent to \$HK17.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.23 percent to \$HK43.70 per share
Hang Seng Bank Ltd (Code: 11)	Up 1.82 percent to \$HK83.75 per share
PetroChina Company Ltd (Code: 857)	Down 0.59 percent to \$HK1.69 per share
CLP Holdings Ltd (Code: 2)	Up 0.63 percent to \$HK32.10 per share
CNOOC Ltd (Code: 883)	Up 1.42 percent to \$HK10.70 per share

The largest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
401 Holdings Ltd	401	15.91		0.051
FT Holdings International Ltd	559	10.53		0.105
Guangdong Brewery Holdings Ltd	124	12.31		0.73
Guangdong Tannery Ltd	1058	11.83		0.208
Hudson Holdings Ltd	758		11.39	0.14
i100 Ltd	616		38.18	0.034

J.I.C Technology Company Ltd	987	25.49		0.32
Kenfair International (Holdings) Ltd	223	10.09		1.20
Kiu Hung International Holdings Ltd	381	10.45		0.37
Magician Industries (Holdings) Ltd	526	11.11		0.10
Mansion Holdings Ltd	547		25.00	0.013
Pico Far East Holdings Ltd	752	10.34		0.32
Qualipak International Holdings Ltd	1224		10.71	0.25
QUAM Ltd	952		10.71	0.25
Starbow Holdings Ltd	397	22.22		0.022
Sunway International Holdings Ltd	58	11.54		0.232
Tack Hsin Holdings Ltd	611		13.79	0.25
Wing Lee Holdings Ltd	876	12.31		0.73

It was announced that The Stock Exchange of Hongkong Ltd would be investigating PCCW Ltd (Code: 8) with regard to allegations that this Li Ka Shing company, by design or accident, had misled investors over a potential \$HK30-billion takeover of Cable and Wireless plc of England.

PCCW denied the suggestion, but there were others with a contrary view of the situation – thus The Stock Exchange probe.

With Mr Li Ka Shing, being one of the richest men in the world, it was a foregone conclusion that he was right and that the powers-that-be at The Stock Exchange of Hongkong Ltd would see the light and come to the correct conclusion.

On The Growth Enterprise Market (The GEM), The Growth Enterprise Index lost 0.39 percent, falling back to 116.66 points on a Total Turnover of about \$HK59.78 million.

The ratio of losers to gainers on this speculative market was about 1.10; One.

The double-digit movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
G.A. Holdings Ltd	8126	13.79		0.33
Grandmass Enterprise Solution Ltd	8108		14.29	0.024
Jiangsu Nandasoft Company Ltd	8045		10.78	0.455
Kinetana International Biotech Pharma Ltd	8031	16.67		0.105
Prosperity International Holdings (Hongkong) Ltd	8139	40.00		0.042

The tally for the week – 4 days, only – was:

Hang Seng Index	Dow 1.67 percent
The Growth Enterprise Index	Up 0.75 percent

In Japan, the Nikkei-225 Stock Average lost about 0.42 percent of its value, ending the last day of trading at 8,448.16 yen in quiet trading conditions.

Investors on Asia's largest stock market were told by The Ministry of Economy, Trade and Industry that Japan's service industry saw a 6.50-percent decline in billing at advertising agencies for the 2002-year, ended December 31.

The tally for The Tokyo Stock Exchange was:

The Nikkei-225 Stock Average	Down 0.62 percent
------------------------------	-------------------

And, in other Asian stock markets, this was how they fared for the week, ended February 8, 2003:

Indonesia	Plus 0.04 percent to 394.63
-----------	-----------------------------

Japan	Minus 0.42 percent to 8,448.16
Malaysia	Minus 0.56 percent to 661.25
The Philippines	Plus 0.51 percent to 1,041.83
Singapore	Minus 0.17 percent to 1,285.41
South Korea	Minus 2.04 percent to 577.48
Taiwan	Minus 2.03 percent to 4,735.37
Thailand	Minus 0.04 percent to 378.95

-- 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.