

**STOCK MARKETS, AROUND THE WORLD,
WAIT FOR THE UNITED NATIONS' DECISION ON IRAQ**

The world was on hold, last Monday, as intense diplomatic efforts were being executed in order to try to avoid a war between a coalition, comprising the US, the United Kingdom, Australia and a handful of European countries, and Iraq.

Russia, the People's Republic of China (PRC), Germany and France were strongly opposed to an armed incursion into Iraq and put forth a plan whereby a war could be averted.

US President George W. Bush, however, was adamant: He wanted to send in the tanks, blazing and blasting into Baghdad.

It was reported that the US and the UK were drawing up plans to give Iraqi's President Saddam Hussein just 48 hours to get out of Baghdad or face war if the United Nations (UN) reported that he is, still, refusing to disarm, fully.

The hawks and the doves were fighting it out on a wide international front.

The previous Friday (February 7), on the world's largest stock market, investors sold stocks and shares due to the uncertainty of the Iraq-US situation.

On The New York Stock Exchange, the Big Board's Dow Jones Industrial Average fell 65.07 points, or about 0.82 percent, ending the week of February 7 at 7,864.23 points.

On the NASDAQ, its Composite Index shed 19.27 points, equivalent to about 1.48 percent, dropping back to 1,282.46 points.

Heightened security alerts and lacklustre profit forecasts from stock-market '*darlings*' did not help put any spunk into US investors, especially in light of jingoistic statements from President George W. Bush.

In Asia, last Monday, major stock markets ended the day mixed: No specific direction was evident.

Investors in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were shocked to learn that PCCW Ltd (Code: 8, Main Board, The Stock Exchange of Hongkong Ltd) was under investigation due to a statement, or statements, that it made, officially, to The London Stock Exchange, but did not make to The Stock Exchange of Hongkong Ltd or inform its shareholders of such statement(s).

Those statements concerned the possibility of a takeover of Cable and Wireless plc, a British company, which is listed on The London Stock Exchange.

Speculation had been rife that a takeover by Mr Li Ka Shing's PCCW of Cable and Wireless was possible/probable, but it was, at first denied by officials of PCCW, then, it was revealed that, in fact, a letter had been sent by PCCW to the Chairman of Cable and Wireless.

Then, it was suggested that PCCW would not be rebuffed in its avowed attempt to take over the UK giant, only to be followed by a final statement that, after all, PCCW would not be making a bid for the British conglomerate.

On Main Board of The Stock Exchange of Hongkong, the Hang Seng Index, the main index of this bourse, which is the second largest in Asia, gained about 0.89 percent, ending the session at 9,232.14 points.

The Total Turnover was about \$HK5.03 billion, with gainers, edging out losers by the ratio of about 1.07: One.

The Ten Most Actives were:

China Mobile (Hongkong) Ltd (Code: 941)	Up 0.56 percent to \$HK17.85 per share
HSBC Holdings plc (Code: 5)	Up 0.91 percent to \$HK82.75 per share
Hutchison Whampoa Ltd (Code: 13)	Up 2.13 percent to \$HK48.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.60 percent to \$HK44.40 per share
PetroChina Company Ltd (Code: 857)	Down 2.37 percent to \$HK1.65 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.88 percent to \$HK48.80 per share
Hongkong Electric Holdings Ltd (Code: 6)	Down 0.85 percent to \$HK29.10 per share
Hongkong and China Gas Company Ltd, The (Code: 3)	Down 1.55 percent to \$HK9.50 per share
China Unicom Ltd (Code: 762)	Up 2.91 percent to \$HK5.30 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.30 percent to \$HK84.00 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Anex International Holdings Ltd	723	13.73		0.058
C.P. Pokphand Company Ltd	43	10.77		0.36
Chuang's China Investments Ltd	298	10.32		0.171
CNT Group Ltd	701	20.41		0.118
Ezcom Holdings Ltd	312		13.33	0.026
First Dragoncom Agro-Strategy Holdings Ltd	875	13.73		0.116
Fulbond Holdings Ltd	1041	38.46		0.018
Hansom Eastern (Holdings) Ltd	279		10.00	0.054
Haywood Investments Ltd	905		12.50	0.035
i100 Ltd	616		14.71	0.029
INNOMAXX Biotechnology Group Ltd	340	10.29		0.15
J.I.C Technology Company Ltd.	987	12.50		0.36
Kiu Hung International Holdings Ltd	381	10.81		0.41
Mansion Holdings Ltd	547	33.33		0.02
Mascotte Holdings Ltd	136		17.39	0.19
Nam Hing Holdings Ltd	986	19.75		0.285
Neo-Tech Global Ltd	563		10.53	0.068
New City (Beijing) Development Ltd	456	16.36		0.32
Sen Hong Resources Holdings Ltd	76		18.37	0.40
Shun Cheong Holdings Ltd	650		14.29	0.06
Starbow Holdings Ltd	397		22.73	0.017
Sunway International Holdings Ltd	58	18.53		0.275
Terabit Access Technology International Ltd	491	18.75		0.019
United Power Investment Ltd	674		20.00	0.08
Wonson International Holdings Ltd	651		13.16	0.033
Yau Lee Holdings Ltd	406		15.00	0.17
Yoshiya International Corporation Ltd	193	15.87		0.073

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover dropped back to about \$HK70.04 million.

The Growth Enterprise Index lost about 0.15 percent of its value, ending the day at 116.49 points.

The ratio of losers to gainers was 1.64:One.

Thin trading conditions marked this market.

The biggest movers on The GEM were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AGL MediaTech Holdings Ltd	8192		10.59	0.76
Blu Spa Holdings Ltd	8176		16.00	0.021
Cardlink Technology Group Ltd	8066	28.00		0.128
Cyber On-Air Group Company Ltd	8118	29.87		0.10
M Channel Corporation Ltd	8036	14.29		0.04
Rainbow International Holdings Ltd	8079	11.11		0.11
Thiz Technology Group Ltd	8119		14.10	0.067
Trasy Gold Ex Ltd	8063		11.11	0.016
WLS Holdings Ltd	8021		24.81	0.10

News wise, Timeless Software Ltd (Code: 8028) announced that it had lost about \$HK103.48 million during the first 9 months of its Financial Year, ended December 31, 2002.

It was a very poor showing since this computer software company had earned a Net Profit Attributable to Shareholders of about \$HK9.26 million, during the comparable period in 2001.

The Turnover for the first 9 months of this Financial Year had, also, fallen, from \$HK76.75 million, recorded for the first 9 months of the 2001 Year, to about \$HK22.52 million for the first 9 months of this Financial Year.

In Japan, the situation on The Tokyo Stock Exchange was very quiet as the Nikkei-225 Stock Average rose 0.44 percent, ending the first day of trading of the week at 8,484.93 yen.

Tuesday was a holiday in Japan so that many people were more interested in making plans for the one-day holiday.

Also, the situation in Iraq was tending to keep Japanese investors at bay.

In other Asian markets, this was how they fared, last Monday:

Indonesia	Plus 0.66 percent to 397.22
Japan	Plus 0.44 percent to 8,484.93
Malaysia	Minus 0.42 percent to 658.46
The Philippines	Minus 0.28 percent to 1,038.89
Singapore	Minus 0.21 percent to 1,282.73
South Korea	Minus 0.04 percent to 577.25
Taiwan	Minus 1.93 percent to 4,643.87
Thailand	Minus 0.92 percent to 375.48

Tuesday

The Iraqi situation continued to hug the headlines, internationally: The world waited to learn whether or not an attack by a US-led coalition on Baghdad would take place; or, whether the coalition of Russia, France, the People's Republic of China (PRC) and Germany would win the day, thereby averting an armed conflict. (Please see Monday's report)

There was, also, the expected report of Dr Alan Greenspan, the Chairman of the US Federal Reserve Board, who was due to address the Senate Banking Committee and the House of Representatives Financial Services Panel on Tuesday and Wednesday, respectively (Washington time), about the state of the national economy.

What the good doctor pontificates often affects trading on international bourses.

Dr Greenspan's statements, no doubt, would explain how the situation with regard to Iraq would affect the strongest economy of the world.

Meanwhile, in Baghdad, it was reported that there had been a slight change of heart and that President Saddam Hussein would, after all, permit unconditional overflights of US spy aeroplanes over all parts of Iraq, including Baghdad.

It was a consolation prize for the UN weapons inspectors, no doubt, but the US claimed that it was too little too late.

Wall Street saw Baghdad's change of heart as being a definite sign that, perhaps, war could be averted, after all.

On The New York Stock Exchange, last Monday, the Dow Jones Industrial Average gained 55.88 points, equivalent to about 0.71 percent, ending the first day of trading at 7,920.11 points.

On the NASDAQ, its Composite Index did even better than The Dow, rising 14.22 points, or about 1.11 percent, ending the day at 1,296.69 points.

In Asia, trading was much more subdued, however, with investors on most Asian markets, playing it very cool.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index lost about 0.40 percent, falling back to 9,194.91 points.

The Total Turnover was about \$HK6.47 billion, with losers, outracing gainers by the ratio of about 1.29: One.

The Finance Sector of the market was the biggest loser, shedding about 0.87 percent of its value.

The Ten Most Active counters were:

China Mobile (Hongkong) Ltd (Code: 941)	Up 0.28 percent to \$HK17.90 per share
HSBC Holdings plc (Code: 5)	Down 0.60 percent to \$HK82.25 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK48.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.90 percent to \$HK44.80 per share
Hang Seng Bank Ltd (Code: 11)	Down 1.79 percent to \$HK82.50 per share
Hongkong Electric Holdings Ltd (Code: 6)	Down 0.69 percent to \$HK28.90 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Unchanged at \$HK48.80 per share
CLP Holdings Ltd (Code: 2)	Up 0.31 percent to \$HK32.10 per share
Bank of East Asia Ltd, The (Code: 23)	Down 4.76 percent to \$HK14.00 per share
Swire Pacific Ltd – "A" Shares (Code: 19)	Down 1.49 percent to \$HK33.10 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Cheung Tai Hong Holdings Ltd	199		10.00	0.036
China Rich Holdings Ltd	1191	13.46		0.059
City e-Solution Ltd	557	12.90		0.70
Guangdong Brewery Holdings Ltd	124	17.81		0.86
Guangdong Tannery Ltd	1058	10.58		0.23
Hanny Holdings Ltd	275	10.00		0.022
Hansom Eastern (Holdings) Ltd	279	11.11		0.06
Harmony Asset Ltd	2910	17.65		0.60
Haywood Investments Ltd	905	20.00		0.042
Jackin International Holdings Ltd	630	14.10		0.178
J.I.C. Technology Company Ltd	987		11.11	0.32

Kamboat Group Company Ltd	318	11.02		0.131
KTP Holdings Ltd	645	11.11		0.70
Lippo China Resources Ltd	156	16.67		0.07
Mansion Holdings Ltd	547		10.00	0.018
Moiselle International Holdings Ltd	130	11.54		0.58
Neo-Tech Global Ltd	563		11.76	0.06
Oriental Explorer Holdings Ltd	430		16.28	0.036
Oriental Metals (Holdings) Company Ltd	1208	12.26		0.119
Oxford Properties and Finance Ltd	220	15.58		8.90
Rockapetta Holdings Ltd	1003		23.33	0.092
Soundwill Holdings Ltd	878	17.24		0.034
Star East Holdings Ltd	198	11.11		0.02
Starbow Holdings Ltd	397		11.76	0.015
Tack Hsin Holdings Ltd	611		16.96	0.191
Theme International Holdings Ltd	990	10.53		0.021
Tse Sui Luen Jewellery (International) Ltd	417		10.00	0.045
United Power Investment Ltd	674	12.50		0.09
Wonson International Holdings Ltd	651		18.18	0.027

After the market closed, The Bank of East Asia Ltd (Code: 23) announced that its Net Profits Attributable to Shareholders for its Financial Year, ended December 31, 2002, had fallen by about 19.50 percent, Year-on-Year, to about \$HK1.29 billion.

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, it was a similar story to that, being told on the Main Board: The Growth Enterprise Index lost about 0.14 percent of its value, falling back to 116.33 points.

However, it was noted that gainers outperformed losers by the ratio of about 1.18:One.

The Total Turnover on this speculative marketplace was about \$HK72.21 million.

The biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Inworld Group Ltd	8100		11.11	0.04
M Channel Corporation Ltd	8036	12.50		0.045
MediaNation Incorporated	8160		39.29	0.085
Prosperity International Holdings (Hongkong) Ltd	8139		33.33	0.028
WLS Holdings Ltd	8021	10.00		0.11
Xteam Software International Ltd	8178	12.42		0.172

Japan was closed for a national holiday.

In other parts of Asia, this was how those markets fared, last Tuesday:

Indonesia	Minus 0.42 percent to 395.56
Japan	Closed
Malaysia	Plus 0.23 percent to 659.95
The Philippines	Plus 0.57 percent to 1,044.77
Singapore	Plus 1.03 percent to 1,295.97
South Korea	Minus 0.22 percent to 575.98
Taiwan	Minus 0.54 percent to 4,618.98

Wednesday

The self-proclaimed, international leader of suicide bombers and other terrorist killers, who uses religion as his rallying call for their murders of innocent people, called on Arab nations to support Iraq in its coming war against a US coalition.

However, Osama bin Laden labelled the President of Iraq, Mr Saddam Hussein, as an infidel – an unbeliever of the teachings of Mohammed and a profaner of the word of Allah.

Osama bin Laden called on the Muslim faithful to engage in suicide attacks against Americans and Israelis, brandishing the flag of Islam in his rallying call.

He, also, said that any Arab country, supporting the US, or providing logistical support for a war on Iraq, would be *'an apostate whose blood should be spilled.'*

The taped message, broadcast via the Arab-language television station, al-Jazeera, was interpreted by the US Government as proof that the Government of Iraq is in cahoots with Osama bin Laden and his terrorist forces.

The Secretary of State, Mr Colin Luther Powell, had said as much one week prior in his address to the Security Council of the United Nations.

The US and the United Kingdom were, already, on a high state of alert, but the taped warning was considered to be a matter of grave concern.

It was seen by many as strengthening the hand of the US Government with its publicised determination to attack Iraq, with or without the blessings of the UN, and with or without many of its former allies in its first attack on Iraq, back in 1991.

On Wall Street, the Osama bin Laden pronouncement tended to send shock waves through the market.

On The New York Stock Exchange, the Dow Jones Industrial Average fell 77 points, equivalent to about 0.97 percent, ending the day at 7,843.11 points.

The NASDAQ's Composite Index lost 1.22 points, or about 0.09 percent, falling back to 1,295.46 points.

While the message from Osama bin Laden determined the course of the world's largest stock market, on Capitol Hill, Dr Alan Greenspan, the Chairman of the US Federal Reserve Board, was delivering his pontifications in respect of the economy of the US to US lawmakers.

Dr Greenspan said that the possible war with Iraq was causing uncertainties in the marketplace and that, should a war become a reality, it would weaken the pillars of the US economy, considerably.

In Asia, most stock-market indices rose, following Monday's bullish trend on Wall Street.

Investors were, seemingly, oblivious of the most-recent event with regard to Osama bin Laden and Dr Greenspan's testimony.

Three major Asian bourses were closed for public holidays, last Wednesday.

In Europe, it was a different matter, altogether, as major stock markets lost a great deal of steam:

Amsterdam's AEX Index	Down 3.18 percent*
Great Britain's FTSE 100 Index	Down 1.45 percent

Germany's Frankfurt XETRA DAX Index	Down 2.12 percent
France's CAC40 Index	Down 2.51 percent
Switzerland's Swiss Market Index	Down 2.40 percent
Italy's MIBTEL Index	Down 0.88 percent

* The biggest loser in the European Union of the day

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), there was a half-hearted rally on both stock markets, the Main Board and The Growth Enterprise Market (The GEM).

On the Main Board, the Hang Seng Index gained about 1.31 percent, rising to 9,314.90 points on a Total Turnover of about \$HK6.65 billion.

The ratio of gainers to losers was about 2.53:One.

Every section of the market made gains.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 0.61 percent to \$HK82.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.68 percent to \$HK18.20 per share
Hutchison Whampoa Ltd (Code: 13)	Up 2.71 percent to \$HK49.30 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 2.46 percent to \$HK45.90 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.30 percent to \$HK82.75 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 2.97 percent to \$HK50.25 per share
PetroChina Company Ltd (Code: 857)	Up 2.45 percent to \$HK1.67 per share
Brilliance China Automotive Holdings Ltd (Code: 1114)	Up 10.40 percent to \$HK1.91 per share
CLP Holdings Ltd (Code: 2)	Down 0.62 percent to \$HK31.90 per share
Qingling Motors Company Ltd (Code: 1122)	Up 9.02 percent to \$HK1.33 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Brilliance China Automotive Holdings Ltd	1114	10.40		1.91
China Bio-Medical Group Ltd	140	11.84		0.085
China Development Corporation Ltd	487		16.67	0.015
Chuang's China Investments Ltd	298	12.87		0.193
Climax International Company Ltd	439	18.18		0.026
ehealthcareasia Ltd	835	25.00		0.07
Fortuna International Holdings Ltd	530	20.00		0.012
GR Investment International Ltd	310		32.35	0.023
Guorun Holdings Ltd	175	17.78		0.53
Haywood Investments Ltd	905	16.67		0.049
Hongkong Pharmaceutical Holdings Ltd	182	11.67		0.67
Innovative International (Holdings) Ltd	729		16.00	0.021
J.I.C. Technology Company Ltd	987	12.50		0.36
KTP Holdings Ltd	645	21.43		0.85
Lippo Ltd	226		13.64	0.57
Magnificent Estates Ltd	201	14.29		0.024
Minglun Group (Hongkong) Ltd	346	14.13		1.05
Nam Fong International Holdings Ltd	1176	56.00		0.078
Nam Hing Holdings Ltd	986		10.71	0.25
Natural Beauty Bio-Technology Ltd	157	12.09		0.51

Oriental Explorer Holdings Ltd	430	25.00		0.045
Oriental Metals (Holdings) Company Ltd	1208	38.66		0.165
Oriental Union Holdings Ltd	1182		13.33	0.065
Shun Ho Resources Holdings Ltd	253		11.11	0.08
Sino Technology Investments Company Ltd	1217	11.76		0.38
Starbow Holdings Ltd	397	13.33		0.017
Wo Kee Hong (Holdings) Ltd	720	12.82		0.044
Wonson International Holdings Ltd	651	14.81		0.031
Yunnan Enterprises Holdings Ltd	455	12.50		0.54

On The GEM, the Total Turnover rose to about \$HK100.74 million with losers, edging out gainers by the ratio of about 1.03:One.

The Growth Enterprise Index was up by about 1.03 percent by the close of trading at 4 pm, to 117.53 points.

The biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Multimedia Ltd	8061	10.77		0.072
Blu Spa Holdings Ltd	8176	20.00		0.024
ePro Ltd	8086		18.03	0.05
Inworld Group Ltd	8100		12.50	0.035
iSteelAsia.com Ltd	8080	12.82		0.088
M Channel Corporation Ltd	8036	11.11		0.05
New Chinese Medicine Holdings Ltd	8085	11.11		0.09
ProSticks International Holdings Ltd	8055		21.05	0.03
Tradeeasy Holdings Ltd	8163		12.50	0.035

The reporting season was upon the HKSAR market and so many investors were holding fire, waiting to see what the morrow would bring.

Nevertheless, the determinant factor was not how much this company or that company had made or had lost, but whether or not an armed attack would be launched on Baghdad by a US and British-led coalition.

In Japan, there was a bit of a rally on The Tokyo Stock Exchange as the key index, the Nikkei-225 Stock Average, gained 179.24 yen, equivalent to about 2.11 percent, running back to 8,664.17 yen.

There were grave doubts, in Tokyo and elsewhere, as to the market's ability to hold onto its gains in view of what was happening in the rest of the world.

News wise:

- **Mizuho Holdings Incorporated** was known to be in the final phase of its talks with US merchant banker, Merrill Lunch and Company Incorporated, leading to a cash injection of about \$US1.24 billion. The share price of Mizuho Holdings rose 9.60 percent to 137,000 yen, which represents its highest level since last November;
- **Japan Tobacco Incorporated** said that it had sold 60 billion cigarettes in Japan during the quarter, ended December 31, 2002. That represented a 4.90 percent decrease, Year-on-Year; and,
- **Resona Holdings Incorporated** said that it expected to post a Group Net Loss of about 185 billion yen for its Financial Year. Resona is Japan's fifth largest banking group, comprising Daiwa Bank and Asahi Bank and 2 other regional banks. It plans to raise more capital by selling Preferred Shares to The Bank of East Asia Ltd (Code: 23, Main Board, The Stock Exchange of Hongkong Ltd), Credit Agricole S.A. (of France), and several Japanese companies.

In other Asian stock markets, this was how those investors saw the situation, last Wednesday night:

Indonesia	Closed
Japan	Plus 2.11 percent to 8,664.17
Malaysia	Closed
The Philippines	Minus 0.33 percent to 1,041.37
Singapore	Closed
South Korea	Plus 1.27 percent to 583.29
Taiwan	Plus 0.13 percent to 4,624.87
Thailand	Plus 0.30 percent to 380.26

Thursday

War between Iraq and a US-British-led coalition appeared to be closer, last Thursday, as United Nations weapons inspectors discovered, what was described as being, unauthorised weapons in the shape of missiles, which were said to have a range that exceeded the acceptable limits as imposed by the UN, following the 1991 war.

Wall Street crumbled, once again, as investors appeared to have lost heart on hearing the news of the find.

Whether or not this missile find was material remained to be determined by the UN, however, since it was only a matter of the missiles, exceeding the UN's limits by less than 10 miles.

The question was, of course: Would this new find be sufficient incentive for an attack on Baghdad?

On The New York Stock Exchange, the Dow Jones Industrial Average, last Wednesday, surrendered 84.94 points, or about 1.08 percent, falling to 7,758.17 points.

Over on the NASDAQ, its Composite Index gave up 16.52 points, equivalent to about 1.28 percent, ending the session at 1,278.94 points.

Secretary of State Colin Luther Powell described the situation as having reached '*the moment of truth*'.

Mr Hans Blix, the UN's man-in-the-field, who heads the UN's weapons inspectors, was scheduled to address to Security Council of the United Nations on Friday, New York time.

Many investors were waiting to learn what Mr Blix would tell the UN.

If Mr Blix states that the Regime of President Saddam Hussein of Iraq was refusing to cooperate and/or disarm, a second UN Resolution, to the effect of sanctioning a war on Iraq, was an odds-on favourite.

As had been expected, Asia did an about turn as indices of major markets lost most of their previous gains.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), it was apparent that investors were terribly concerned about the situation with regard to Iraq.

Every major stock market in Asia saw their respective indices shed substantial amounts: There were no winners.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gave up about 1.52 percent of its value, falling back to 9,173.43 points.

The Total Turnover rose to about \$HK7.11 billion, as losers trounced gainers by the ratio of 3:One, exactly.

Losses were prevalent in every sector of the market: Nobody was spared.

The Ten Most Actives were:

Sinotrans Ltd (Code: 598)	\$HK2.25 per share (first day of trading)
HSBC Holdings plc (Code: 5)	Down 0.30 percent to \$HK82.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 3.02 percent to \$HK17.65 per share
Hutchison Whampoa Ltd (Code: 13)	Down 3.04 percent to \$HK47.80 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 2.89 percent to \$HK48.80 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.31 percent to \$HK45.30 per share
CNOOC Ltd (Code: 883)	Up 0.96 percent to \$HK10.55 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.60 percent to \$HK82.25 per share
Huaneng Power International Incorporated (Code: 902)	Up 2.24 percent to \$HK6.85 per share
CLP Holdings Ltd (Code: 2)	Unchanged at \$HK31.90 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Benefun International Holdings Ltd	1130		11.76	0.03
Chi Cheung Investment Company Ltd	112		42.31	0.015
Chuang's China Investments Ltd	298		17.10	0.16
Everest International Investments Ltd	204		10.00	0.18
Hon Kwok Land Investment Company Ltd	160		22.67	0.116
i100 Ltd	616	24.14		0.036
Innovative International (Holdings) Ltd	729		19.05	0.017
Lippo Ltd	226	14.04		0.65
Magnificent Estates Ltd	201	12.50		0.027
Mansion Holdings Ltd	547	17.65		0.02
Mascotte Holdings Ltd	136	16.84		0.222
Minglun Group (Hongkong) Ltd	346	14.29		1.20
Nam Fong International Holdings Ltd	1176		23.08	0.06
Neo-Tech Global Ltd	563		14.55	0.047
Prime Success International Group Ltd	210	25.49		0.128
RNA Holdings Ltd	501		12.00	0.022
Rockapetta Holdings Ltd	1003	25.26		0.119
Shang Hua Holdings Ltd	371		12.00	0.044
Sino Technology Investments Company Ltd	1217	15.79		0.44
Star East Holdings Ltd	198	15.00		0.023
Swank International Manufacturing Company Ltd	663		34.21	0.025
Takson Holdings Ltd	918		10.26	0.175
Zhong Hua International Holdings Ltd	1064		12.00	0.11

On The Growth Enterprise Market (The GEM), the Growth Enterprise Index lost 1.54 percent, falling to 115.72 points.

The Total Turnover on this speculative market was about \$HK76 million, while losing counters outnumbered gaining ones by the ratio of 1.77:One.

The biggest movers on this market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Multimedia Ltd	8061		16.67	0.06
Digital Hongkong.com Ltd	8007		27.27	0.08
FX Creations International Holdings Ltd	8136	47.06		0.10
IIN International Ltd	8128		13.33	0.052
MediaNation Incorporated	8160		11.11	0.08
Medical China Ltd	8186	11.89		0.16

Xteam Software International Ltd	8178		12.30	0.164
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On Asia's largest stock market, The Tokyo Stock Exchange, there was widespread selling, but there appeared to be little to no panic due to the US-Iraqi situation.

The Nikkei-225 Stock Average lost 64.51 yen, equivalent to about 0.74 percent, as investors pushed down the key index of The Tokyo Stock Exchange to 8,599.66 yen.

Some of the selling had been due, of course, to the gains, racked up on Wednesday, as short-term profit taking is the norm on this Asian bourse where things can change, very rapidly.

However, widespread apprehension over the prospects of a war was the main reason for the sell-off in The Land of The Rising Sun.

News wise:

- **The Real Estate Economic Institute** said that the number of new condominium units, put on sale in Metropolitan Tokyo, fell by about 2.80 percent in January, Year-on-Year, to 3,327 units;
- **Japan's 5 leading breweries** reported that shipments of beer and happoshu – a low-malt, beerlike beverage – fell by about 4 percent in January, compared with the like period in 2002; and,
- **The Japanese Government's Cabinet Office** said that its recent survey suggested that business confidence in Japan worsened for the second consecutive quarter – October to December period. Geographic tensions and sluggish domestic stock-market performances were among the chief reasons, the Cabinet Office said.

In other Asian bourses, this was how those markets performed, last Thursday:

Indonesia	Minus 0.02 percent to 395.47
Japan	Minus 0.74 percent to 8,599.66
Malaysia	Minus 0.52 percent to 656.54
The Philippines	Minus 0.11 percent to 1,040.19
Singapore	Minus 2.13 percent to 1,268.33
South Korea	Minus 1.31 percent to 575.67
Taiwan	Minus 2.53 percent to 4,507.96
Thailand	Minus 2.63 percent to 370.25

Friday

It was widely reported that United Nations' Chief Nuclear Inspector, Mr Mohammed El Baradei, was in favour of granting more time to the UN inspectors, looking for banned weapons in Iraq.

Mr Baradei and Mr Hans Blix, Mr Blix, being the UN's Chief Weapons Inspector, were preparing to make reports to the Security Council of the UN.

Mr Baradei said that he thought that the UN would permit more time for inspectors if Baghdad continued to maintain its present stance, which appeared to indicate that it wanted a peaceful solution to the situation between it and the UN, and especially the US.

Mr Baradei said: *'Iraq still has a chance to exonerate itself, but time is critical.'*

Wall Street investors continued to be unconvinced, however, resulting in another day of losses on both The New York Stock Exchange and the NASDAQ.

On The New York Stock Exchange, the Dow Jones Industrial Average lost 8.30 points, or about 0.11 percent, ending the session at 7,749.87 points.

As for the Composite Index of the NASDAQ, it shed about 0.12 percent of its value, falling back to 1,277.44 points.

There was a high state of terror alert in the US and in the UK and, when it was reported that British police had discovered a man, carrying a live hand grenade in his suitcase at Gatwick Airport, London, it did not go down very well.

In Europe, in anticipation of a neutral report to the UN by Mr Hans Blix and Mr Baradei, stock markets rallied, strongly.

The following are just some of the big gainers in Europe:

Amsterdam's AEX Index	Up 3.15 percent
Great Britain's FTSE 100 Index	Up 0.03 percent
Germany's Frankfurt XETRA DAX Index	Up 4.66 percent*
France's CAC40 Index	Up 2.50 percent
Switzerland's Swiss Market Index	Up 2.73 percent
Italy's MIBTEL Index	Up 1.06 percent

* The biggest gainer in the European Union of the day

Against this seeming euphoria, which is quite likely to be short-lived, France Telecom, a company that it riddled with high debts, amounting to about \$US76 billion, announced that the company would be sacking quite a number of its staff.

Initially, the figure was put at about 7,500 jobs, but labour unions in France said that the losses could rise to as many as 13,000 jobs.

In Asia, with the exception of the 3 stock markets of Japan and The Djakarta Stock Exchange, all other bourses were either fractionally higher or lower.

On the Main Board of The Stock Exchange of Hongkong Ltd, the principal equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the Hang Seng Index gained about 0.31 percent, ending the week at 9,201.76 points.

The Total Turnover was about \$HK5.44 billion, with declining issues, outnumbering advancing ones by the ratio of about 1.45:One.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 1.21 percent to \$HK83.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.57 percent to \$HK17.55 per share
Sinotrans Ltd (Code: 598)	Down 1.11 percent to \$HK2.225 per share
Hang Seng Bank Ltd (Code: 11)	Unchanged at \$HK82.25 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.42 percent to \$HK48.00 per share
QPL Int'l (Code: 243)	Down 9.30 percent to \$HK1.56 per share
CNOOC Ltd (Code: 883)	Unchanged at \$HK10.55 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Unchanged at \$HK48.80 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.44 percent to \$HK45.10 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Benefun International Holdings Ltd	1130	20.00		0.036
China Eagle Group Company Ltd	493	13.25		0.47
China Rich Holdings Ltd	1191	12.50		0.063
Climax International Company Ltd	439		12.00	0.022
CNT Group Ltd	701	11.11		0.14
Friedmann Pacific Greater China Investments Ltd	1226		67.79	0.335
Haywood Investments Ltd	905		16.67	0.04
HKC International Holdings Ltd	248		10.53	0.17
Hon Kwok Land Investment Company Ltd	160		12.07	0.102
Hudson Holdings Ltd	758	14.29		0.16
J.I.C. Technology Company Ltd	987		22.86	0.27
Nam Fong International Holdings Ltd	1176		16.67	0.05
Neo-Tech Global Ltd	563		10.64	0.042
Oriental Metals (Holdings) Company Ltd	1208		11.24	0.158
renren Holdings Ltd	59		15.63	0.027
Shun Cheong Holdings Ltd	650	14.55		0.063
Shun Ho Resources Holdings Ltd	253	11.76		0.095
Shun Ho Technology Holdings Ltd	219		10.00	0.09
Simsen International Corporation Ltd	993		12.50	0.098
Sincere Company Ltd, The	244		10.00	0.225
Sky Hawk Computer Group Holdings Ltd	1129	12.00		0.168
Starbow Holdings Ltd	397	12.50		0.018
Swank International Manufacturing Company Ltd	663	16.00		0.029
Wonson International Holdings Ltd	651	13.33		0.034

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, gainers and losers were, exactly, even at One:One.

The Growth Enterprise Index was down by about 0.26 percent to 115.42 points.

The Total Turnover was about \$HK66.33 million.

The biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Multimedia Ltd	8061		13.33	0.052
Arcontech Corporation	8097		11.30	0.157
Creative Energy Solutions Holdings Ltd	8109		15.15	0.28
Essex Bio-Technology Ltd	8151	10.00		0.11
FX Creations International Holdings Ltd	8136	18.00		0.118
M21 Technology Ltd	8153	13.92		0.45
Medical China Ltd	8186		12.50	0.14
Panda-Recruit Ltd	8073		16.67	0.015
ProSticks International Holdings Ltd	8055	36.67		0.041
Xteam Software International Ltd	8178		23.17	0.126

The tally for the week, therefore, was:

In Japan, there was a mild rally on The Tokyo Stock Exchange, resulting in the Nikkei-225 Stock Average, rising by about 1.19 percent, ending the week at 8,701.92 yen.

Looking for any leaf on which to hang on, Japanese investors took it that the statements of Mr Mohammed El Baradei were positive and meant that a war could well be averted.

The mild rally was more of a knee-jerk reaction than anything else, but a gain is a gain, nevertheless, as the saying goes.

The ratio of gainers to losers was about 1.92:One.

News wise:

- **McDonald's Holdings Company (Japan) Ltd** posted a Group Net Loss of about 2.34 billion yen for its Financial Year, ended December 31, 2002. It was the first loss in about 30 years for this hamburger chain; and,
- **The Japan Department Stores Association** said that sales at departmental stores in Tokyo had slipped by about 1.40 percent in January, Year-on-Year, to 167.30 billion yen. It represented the 14th consecutive month of falling sales in Tokyo's 13 departmental store operators.

And, in other Asian bourses, this is the way that they ended the week of January 15, 2003:

Indonesia	Plus 1.02 percent to 399.52
Japan	Plus 1.19 percent to 8,701.92
Malaysia	Plus 0.06 percent to 656.95
The Philippines	Minus 0.62 percent to 1,033.73
Singapore	Plus 0.41 percent to 1,273.48
South Korea	Minus 0.07 percent to 575.24
Taiwan	Minus 0.31 percent to 4,493.99
Thailand	Minus 0.42 percent to 368.71

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