

**THE WEEK THAT STOCK MARKETS MARKED TIME**

Asian stock markets rallied, strongly, last Monday, as the world, generally, tended to believe that a war between the US/United Kingdom (UK) and Iraq was on hold – at least, for the time being.

*'Faith certainly tells us what the senses do not, but not the contrary of what they see; it is above, not against them.'*  
[Blaise Pascal (1623–1662)]

In Europe, on the first day of trading for the week of February 17-21, major bourses went into overdrive, as the following TARGET table indicates:

Amsterdam's AEX Index	Up 2.38 percent
Great Britain's FTSE 100 Index	Up 2.23 percent
Germany's Frankfurt XETRA DAX Index	Up 1.29 percent
France's CAC40 Index	Up 1.92 percent
Switzerland's Swiss Market Index	Up 2.49 percent
Italy's MIBTEL Index	Up 1.18 percent

Stock prices had rallied on Wall Street, on Friday, February 14, following on from a report to the United Nations Security Council by the UN's Chief Weapons Inspector, Mr Hans Blix, who stated that no banned weapons had been discovered in Iraq and that there were no traces of weapons of mass destruction or nuclear weapons.

The report dented the resolve of US President George W. Bush by about one millimeter.

France is bitterly opposed to another war with Iraq and has, at her ally, the People's Republic of China (PRC), Germany and France, all of which countries want more time to be given to UN weapons inspectors.

The US/UK and a handful of European Union (EU) countries want to move in on Iraq, immediately, maintaining that the Regime of President Saddam Hussein threatens world peace.

On The New York Stock Exchange, on Friday, February 14, the Dow Jones Industrial Average leapt 158.93 points, equivalent to about 2.05 percent, ending the week at 7,908.80 points.

On the NASDAQ, its Composite Index jumped 32.73 points, or about 2.56 percent, as investors pushed up the tech-laden index to 1,301.17 points.

For The Dow, it was the first day in 4 days that it had not retreated.

Investors on the world's largest stock market were planning a long weekend since last Monday was a public holiday in The Land of The Free and The Home of The Brave.

Asia, as is its wont, followed Wall Street.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, investors were anxious to try to climb aboard any passing stock-market, high-speed 'train', but caution still prevailed in many quarters.

Asian investors have seen it all, before, with on-again, off-again, on-again, off-again bellicose posturing of one country or another.

Nevertheless, on the Main Board of The Stock Exchange of Hongkong Ltd, the ‘*barometer*’ of trading in blue chips, the Hang Seng Index, rose by about 1.98 percent, ending the first day of trading at 9,383.68 points.

However, the Total Turnover was only about \$HK6.16 billion, which does not a bull market make – not by a long shot.

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

Every sector of the market was up.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 0.60 percent to \$HK84.00 per share
Hutchison Whampoa Ltd (Code: 13)	Up 3.33 percent to \$HK49.60 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 2.85 percent to \$HK18.05 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 3.48 percent to \$HK50.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 1.55 percent to \$HK45.80 per share
Hang Seng Bank Ltd (Code: 11)	Up 1.52 percent to \$HK83.50 per share
CNOOC Ltd (Code: 883)	Up 0.95 percent to \$HK10.65 per share
Swire Pacific Ltd “A” Shares (Code: 19)	Up 2.75 percent to \$HK33.60 per share
Brilliance China Automotive Holdings Ltd (Code: 1114)	Up 6.52 percent to \$HK1.96 per share
Wharf (Holdings) Ltd (Code: 4)	Up 5.97 percent to \$HK16.85 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Can Do Holdings Ltd	172	15.00		0.023
CCT Technology Holdings Ltd	261	16.67		0.014
Chi Cheung Investment Company Ltd	112		12.50	0.014
China Eagle Group Company Ltd	493		14.89	0.40
Crocodile Garments Ltd	122	11.76		0.19
Fulbond Holdings Ltd	1041		11.76	0.015
Guangdong Tannery Ltd	1058	36.99		0.30
Harmony Asset Ltd	428		23.53	0.39
Hon Po Group (Lobster King) Ltd	228		11.02	0.105
INNOMAXX Biotechnology Group Ltd	340	18.01		0.19
Joyce Boutique Holdings Ltd	647	24.69		0.101
KG NextVision Company Ltd	516		12.50	0.035
Kiu Hung International Holdings Ltd	381		11.11	0.36
Mansion Holdings Ltd	547		20.00	0.016
MAXX Bioscience Holdings Ltd	512	16.67		0.14
Neo-Tech Global Ltd	563		14.29	0.036
Oriental Explorer Holdings Ltd	430		18.18	0.036
Paladin Ltd	495		10.89	0.09
REXCAPITAL Financial Holdings Ltd	555		11.76	0.45
Sincere Company Ltd, The	244	11.11		0.25
South China Brokerage Company Ltd	619	12.90		0.035
Swank International Manufacturing Company Ltd	663	17.24		0.034
Tse Sui Luen Jewellery (International) Ltd	417		10.87	0.041
Universe International Holdings Ltd	1046	10.61		0.365
Wing Lee Holdings Ltd	876		16.67	0.60

Wonson International Holdings Ltd	651	11.76		0.038
Yugang International Ltd	613	13.04		0.026

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, investors could not have been more cautious: The Total Turnover shrunk to \$HK51.99 million.

On this speculative market, the ratio of gainers to losers was 1.39:One, with The Growth Enterprise Index up just 0.72 percent to 116.25 points.

The biggest movers on this market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Arcontech Corporation	8097		10.19	0.141
Creative Energy Solutions Holdings Ltd	8109	10.71		0.31
M Channel Corporation Ltd	8036		11.32	0.047
Rainbow International Holdings Ltd	8079		15.38	0.099
Rojam Entertainment Holdings Ltd	8075		10.00	0.072

#### News wise:

- **Fortune Realty Company Ltd**, formerly one of the HKSAR's largest realtors, closed its doors for a loss of about 200 jobs. The company was 20 years old and had 20 branches;
- Mr Peter Woo Kwong Ching , the Chairman of **Wheelock and Company Ltd** (Code: 980, Main Board, The Stock Exchange of Hongkong Ltd), announced that, through his family trust, he would be taking over Lane Crawford International Ltd, Joyce Boutique Holdings Ltd (Code: 492, Main Board, The Stock Exchange of Hongkong Ltd), and City Super Ltd, a supermarket chain, for a cash consideration of about \$HK590 million. All of these companies are losing money and all are subsidiaries of Wheelock and Company Ltd; and,
- The Singapore Government's **PSA Corporation**, that Government's port operator, sacked 800 workers, representing about 14 percent of the workforce.

In Japan, investors on Asia's largest equity market were even more reserved than in the HKSAR.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average gained 0.80 percent, hitting 8,772.89 points by the close of trading.

Gaining counters outpaced losing ones by the ratio of 2.29:One, but it was noted that the volume of activity on this market was much lower than the previous Friday's Turnover.

#### News wise:

- **The average monthly wage** in all industries in The Land of The Rising Sun fell in 2002 by about 2.40 percent, Year-on-Year, according to Government statistics. It was the largest single drop since at least 1991, the Ministry of Health, Labour and Welfare reported;
- **Advertising expenditure** in Japan was about 5.70 trillion yen in 2002, down by about 5.90 percent, compared with 2001, according to Dentsu Incorporated, a Japanese advertising agency; and,
- The number of **corporate bankruptcies** fell by about 11.40 percent in January, compared with the like month in 2002, according to Teikoku Databank Ltd.

And, in other Asian markets, this is the way that they ended, last Monday:

Indonesia	Plus 1.22 percent to 404.40
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Japan	Plus 0.80 percent to 8,771.89
Malaysia	Plus 0.36 percent to 659.33
The Philippines	Plus 0.10 percent to 1,034.76
Singapore	Plus 2.18 percent to 1,301.19
South Korea	Plus 4.63 percent to 601.87
Taiwan	Plus 4.70 percent to 4,705.08
Thailand	Closed

## **Tuesday**

Wall Street was closed for a public holiday, last Monday, but it was just as well because a violent storm, bringing with it record levels of snow, closed down most of East Coast of the US.

But Wall Street's closure did not stop Reuters, the media giant and the world's largest provider of financial information, from announcing its largest loss in its 150-year history: About \$US661 million.

The company will sack about 3,000 of its workers, it was announced.

In the South Korean city of Taegu, it was reported, at about 2 pm, Hongkong time, last Tuesday, that a bomb, or suchlike, had exploded in an underground railway station.

The scant newscast caused many people in Asia to jump to the conclusion that terrorists had struck the country.

It was only after Asian stock markets had closed for the day that it was officially announced that the explosion had been caused by a deranged man, who carried an inflammable material into a train and, when passengers attempted to stop him from setting little fires on seats, the inflammable substance, contained in a plastic bag, was accidentally ignited, the ignition, sounding like a bomb being detonated.

The death toll, by the following morning, had risen to 125 passengers, with another 100 passengers, badly injured.

In Asia, most equity markets closed lower, last Tuesday, but the losses were, generally, of a fractional nature, with just one exception.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), trading was very light as the Total Turnover dropped to about \$HK4.71 billion.

The gauge of trading in blue chips on the Main Board, the Hang Seng Index, registered a gain of about 0.14 percent when the closing bell rang, as investors nudged the Hang Seng Index to 9,397.05 points.

The ratio of gainers to losers was 1.16:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.30 percent to \$HK84.25 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.81 percent to \$HK50.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Unchanged at \$HK18.05 per share
CNOOC Ltd (Code: 883)	Down 0.94 percent to \$HK10.55 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.99 percent to \$HK51.00 per share
Wharf (Holdings) Ltd (Code: 4)	Up 1.48 percent to \$HK17.10 per share
Sinotrans Ltd (Code: 598)	Unchanged at \$HK2.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.44 percent to \$HK46.00 per share

Hang Seng Bank Ltd (Code: 11)  
Hongkong Exchanges and Clearing Ltd (Code: 388)

Up 0.30 percent to \$HK83.75 per share  
Down 0.57 percent to \$HK8.80 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Ananda Wing On Travel (Holdings) Ltd	1189		23.08	0.01
Chi Cheung Investment Company Ltd	112	14.29		0.016
Cosmos Machinery Enterprises Ltd	118	23.91		0.285
Emperor International Holdings Ltd	163		12.56	0.188
Golik Holdings Ltd	1118	15.87		0.365
Great China Holdings Ltd	141	19.57		0.275
Hsin Chong Construction Group Ltd	404	16.67		0.28
Jackin International Holdings Ltd	630	21.05		0.23
Kiu Hung International Holdings Ltd	381		18.06	0.295
Kwong Hing International Holdings (Bermuda) Ltd	1131	23.08		0.064
Lippo Ltd	226		12.31	0.57
Magnificent Estates Ltd	201		11.54	0.023
Man Yue International Holdings Ltd	894	17.69		0.153
Mansion Holdings Ltd	547	25.00		0.02
Mansion House Group Ltd	376	13.00		0.113
Sky Hawk Computer Group Holdings Ltd	1129	15.13		0.175
Star East Holdings Ltd	198		21.74	0.018
Starlight International Holdings Ltd	485	10.42		0.106
Takson Holdings Ltd	918		10.00	0.153
Tomorrow International Holdings Ltd	760	21.67		0.073
Top Form International Ltd	333	12.50		0.72
Universal Holdings Ltd	419	13.79		0.033

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the number of losing counters outpaced the number of gaining ones by the ratio of about 1.48:One.

The Growth Enterprise Index lost 0.49 percent of its value, dropping back to 115.68 points. The Total Turnover was \$HK58 million.

The double-digit movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Changmao Biochemical Engineering Company Ltd	8208		28.57	0.35
China Data Broadcasting Holdings Ltd	8016	18.85		2.175
MediaNation Incorporated	8160		10.87	0.082
PINE Technology Holdings Ltd	8013	11.11		0.10
ProSticks International Holdings Ltd	8055		18.60	0.035
Xteam Software International Ltd	8178		16.80	0.104

News wise:

- Rainbow International Holdings Ltd** (Code: 8079, The GEM) announced that the Chairlady, Ms Aldy Li Ngar Kwan, had sold 5.22 million shares on January 30, 2002. According to **TOLFIN** (**TARGET's** Computerised Online Financial Intelligence Service and Credit-Checking Provider), the share price of Rainbow International closed at 35 cents on that day. The Chairlady, therefore, bagged about \$HK1.83 million. According to the records of The Stock Exchange of Hongkong Ltd, only 548,000

Rainbow shares were traded on Thursday, January 30. The share price of Rainbow International, last Tuesday, was 9.90 cents;

- **Pico Far East Holdings Ltd** (Code: 752, Main Board), one of the largest exhibition contractors in Asia, today, announced that, for the period, November 1, 2001 to October 31, 2002, it had logged in a Net Profit Attributable to Shareholders of about \$HK16.03 million, a 48.60-percent drop, Year-on-Year. The Final Dividend was halved to 1.50 cents. The Turnover of the company fell to about \$HK1.01 billion, a fall of about 23.48 percent, Year-on-Year;
- **Midland Realty (Holdings) Ltd** (Code: 1200, Main Board, the biggest realtor in the HKSAR, announced that it was interested in considering taking over the business of Fortune Realty Company Ltd, now under Provisional Liquidation. (Please see Monday's report); and,
- **VTech Holdings Ltd** (Code: 303, Main Board), the largest HKSAR manufacturer of cordless telephones, sold to the US, was said to be considering issuing legal proceedings against PricewaterhouseCoopers, regarding the quality of its work during the time that VTech was purchasing Lucent Wired Business in 2000.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average dropped 78.92 yen, equivalent to about 0.90 percent, ending the session at 8,692.97 yen.

Despite the market, being in reverse mode, gainers outpaced losers by the ratio of about 1.22:One.

Investors in Japan were waiting to see what would transpire on Wall Street when the snow was cleared away and equity markets in the US re-opened for business on Tuesday, New York time.

#### News wise:

- **Showa Shell Sekiyu K.K.** reported a Consolidated Net Profit of 18.67 billion yen for the Financial Year, ended December 31, 2002. In the 2001 Year, the company reported a Net Profit Attributable to Shareholders of about 2.61 billion yen; and,
- **Sumitomo Mitsui Financial Group**, the second-largest banking group in Japan, announced that it planned to raise 300 billion yen by the issuance of Preferred Shares to be offered to overseas investors. The share price of this banking group fell by about 8.29 percent on the news, ending the day at 343,000 yen. The share price of this company had lost about 7 percent on Monday.

In other Asian bourses, this is the way that they ended their respective sessions, last Tuesday night:

Indonesia	Minus 0.36 percent to 402.95
Japan	Minus 0.90 percent to 8,692.97
Malaysia	Minus 0.29 percent to 657.45
The Philippines	Minus 0.40 percent to 1,030.64
Singapore	Minus 0.57 percent to 1,293.81
South Korea	Plus 0.26 percent to 603.45
Taiwan	Minus 2.12 percent to 4,605.31
Thailand	Plus 0.47 percent to 370.45

#### Wednesday

There was a complete reversal of opinion, worldwide, last Wednesday, as to the US/UK determination about Iraq, with the consensus, being that an armed invasion of the country and the removal of the Regime of President Saddam

Hussein were immanent.

In Europe, share prices tumbled and indices took their knocks:

Amsterdam's AEX Index	Down 2.59 percent
Great Britain's FTSE 100 Index	Down 1.91 percent
Germany's Frankfurt XETRA DAX Index	Down 4.21 percent*
France's CAC40 Index	Down 2.70 percent
Switzerland's Swiss Market Index	Down 2.65 percent
Italy's MIBTEL Index	Down 1.80 percent

\* This was the largest loser in Europe

But, on the first trading day of last week in New York, investors seemed undeterred by the news of war and the ever-rising price of crude oil.

Last Tuesday, on The New York Stock Exchange, the Dow Jones Industrial Average gained 132.35 points, equivalent to about 1.67 percent, running back to the 8,000-level to end the session at 8,041.15 points.

However, it looked as though, before the week was out, The Dow would retreat, again, below the 8,000-level.

On the NASDAQ, the Composite Index jumped 36.37 points, or about 2.78 percent, hitting 1,346.54 points by the time that the hammer came down, signifying the end to the day's activities on the world's largest equity market.

It was the second day of gains for Wall Street, but the gains were seen to be unsustainable, as the war loomed, ever closer and ever larger.

The US and UK had in excess of 200,000 troops in the Persian Gulf and their combined forces had Iraq in a vice, clearly preparing to strike unless something dramatic took place.

Washington confirmed that it has, just about, completed a draft for a second UN resolution on Iraq; it would be ready in a matter of days.

President George W. Bush stated, publicly, that the US would like the UN to sanction an armed conflict with Iraq, however, it, really, was not necessary because, if the US did not get its way in the UN, it would go it alone with its friendly allies, which included Japan, which was in full agreement with the determinations of the US Government toward Iraq.

Meanwhile, in the UK, Prime Minister Tony Blair, the staunchest ally of the US, made it clear that he would like to see a second UN resolution, explicitly authorising the use of force against Iraq.

Still, France, Germany, the People's Republic of China (PRC) and Russia were advocating no war, but more talks and more weapons inspectors to be flown to Iraq.

The price of oil rose to a level, which was just below a 29-month high, at \$US37 per barrel.

Oil from Venezuela was running at about 50 percent of normal production, at about 1.30 million barrels per day, as chaos continued to reign in the country over anti-government sentiment.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, uncertainty dogged the 2 equity markets, both of which finished the session with fractional gains.

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index gained about one third of a percentage point, ending the day at 9,427.63 points.

The Total Turnover was about \$HK5.97 billion, with losers, dominating gainers by the ratio of about 1.04:One.

The Utilities Sector and the Finance Sector of the Main Board were the biggest losers.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK84.25 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 1.39 percent to \$HK18.30 per share
Hutchison Whampoa Ltd (Code: 13)	Unchanged at \$HK50.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 1.47 percent to \$HK51.75 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 0.87 percent to \$HK46.40 per share
Hang Seng Bank Ltd (Code: 11)	Unchanged at \$HK83.75 per share
Hongkong and China Gas Company Ltd, The (Code: 3)	Unchanged at \$HK9.60 per share
Swire Pacific Ltd “A” Shares (Code: 19)	Up 0.89 percent to \$HK34.10 per share
Brilliance China Automotive Holdings Ltd (Code: 1114)	Up 3.09 percent to \$HK2.00 per share
CLP Holdings Ltd (Code: 2)	Down 0.63 percent to \$HK31.80 per share

The double-digit losers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Anex International Holdings Ltd	723	10.53		0.063
China Development Corporation Ltd	487		20.00	0.012
CIL Holdings Ltd	479		16.67	0.015
Climax International Company Ltd	439	18.18		0.026
Credit Card DNA Security System (Holdings) Ltd	1051	12.50		0.018
e-Kong Group Ltd	524	13.68		0.133
Emperor (China Concept) Investment Ltd	296		27.54	0.10
Fulbond Holdings Ltd	1041		12.50	0.014
Goldlion Holdings Ltd	533	11.63		0.48
Great China Holdings Ltd	141	25.45		0.345
Hsin Chong Construction Group Ltd	404		10.71	0.25
Hudson Holdings Ltd	758		32.43	0.10
Mansion House Group Ltd	376	36.28		0.154
Playmates Holdings Ltd	635	12.96		0.61
Qualipak International Holdings Ltd	1224		25.00	0.15
Sewco International Holdings Ltd	209	11.54		0.58
Shang Hua Holdings Ltd	371		20.45	0.035
Shougang Concord Century Holdings Ltd	103	13.79		0.33
TechCap Holdings Ltd	673		12.73	0.96
Tem Fat Hing Fung (Holdings) Ltd	661	12.96		0.305
Tonic Industries Holdings Ltd	978	13.73		0.29
UDL Holdings Ltd	620		25.81	0.023

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 0.45 percent higher at 116.20 points.

The Total Turnover was about \$HK58.66 million.

The biggest movers on this speculative market were:



Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Changmao Biochemical Engineering Company Ltd	8208		12.86	0.305
Grandmass Enterprise Solution Ltd	8108		12.00	0.022
iMerchants Ltd	8009	11.11		0.11
Prosperity International Holdings (Hongkong) Ltd	8139	10.71		0.031
SYSCAN Technology Holdings Ltd	8083	11.76		0.095
Thiz Technology Group Ltd	8119		11.43	0.062

In Japan, the premier bourse, The Tokyo Stock Exchange, dropped back 14.53 yen, or about 0.17 percent, ending the day at 8,678.44 yen.

The ratio of losers to gainers was about 1.76:One.

As with most Asian markets, investors were waiting to see when the war would start in earnest.

News wise:

- **Kirin Beverage Corporation** said that it had recorded group sales with a value of 319.20 billion yen for the Financial Year, ended December 31, 2002. This was a record level for this company and represented a 5-percent gain, Year-on-Year. The Group Net Profit was put at 6.12 billion yen, an increase of about 77 percent compared with the 2001 Year.

In other Asian bourses, this was how they shaped up, last Wednesday night:

Indonesia	Minus 0.25 percent to 401.95
Japan	Minus 0.17 percent to 8,678.44
Malaysia	Plus 0.53 percent to 660.96
The Philippines	Minus 0.13 percent to 1,029.30
Singapore	Plus 1.68 percent to 1,315.53
South Korea	Minus 0.43 percent to 600.83
Taiwan	Minus 1.18 percent to 4,550.83
Thailand	Plus 0.20 percent to 371.18

### Thursday

With oil prices at a 29-month high, with Venezuela, facing civil war, and with the US/UK preparing to attack Iraq, it was hardly a shock to see share prices retreat on The New York Stock Exchange and NASDAQ, last Wednesday.

Continuing barrages of bellicosity from leading US and UK politicians kept the war drums beating as the world waited and watched.

The US Defense Secretary, Mr Donald Rumsfeld, said, on national television, that US and British forces were ready to go to war against Iraq as soon as President George W. Bush pushes the button.

The Big Board of The New York Stock Exchange shed 40.55 points, or about one half of a percentage point, ending the second day of trading for the week at 8,000,60 points.

Over on the NASDAQ, its Composite Index declined by about 12.22 points, equivalent to about 0.91 percent, finishing off the day at 1,334.32 points.

The gains of Tuesday, as most informed analysts had predicted, could not be sustained.

Asia was on hold.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the Main Board's Hang Seng Index gave up about 0.39 percent of its value, falling back to 9,390.48 points.

The Total Turnover was about \$HK6.37 billion, with gainers, just edging out losers by the ratio of about 1.03:One.

The Finance Sector of the market pulled up The Index, otherwise losses would have been much greater.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 0.59 percent to \$HK84.75 per share
Hutchison Whampoa Ltd (Code: 13)	Down 2.60 percent to \$HK48.70 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 0.27 percent to \$HK18.25 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.45 percent to \$HK51.00 per share
Sinotrans Ltd (Code: 598)	Up 3.33 percent to \$HK2.325 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.90 percent to \$HK84.50 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.86 percent to \$HK46.00 per share
Swire Pacific Ltd "A" Shares (Code: 19)	Up 0.88 percent to \$HK34.40 per share
Wharf Holdings Ltd (Code: 4)	Down 3.59 percent to \$HK16.10 per share
CLP Holdings Ltd (Code: 2)	Up 0.31 percent to \$HK31.90 per share

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

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Anex International Holdings Ltd	723	19.05		0.075
China Rich Holdings Ltd	1191		14.29	0.054
China Sci-Tech Holdings Ltd	985	10.71		0.031
Climax International Company Ltd	439		11.54	0.023
Dickson Group Holdings Ltd	313	11.59		0.077
Credit Card DNA Security System (Holdings) Ltd	1051	11.11		0.02
Earnest Investments Holdings Ltd	339	11.11		0.02
eSun Holdings Ltd	571	22.73		0.27
Ezcom Holdings Ltd	312		10.34	0.026
Fulbond Holdings Ltd	1041	21.43		0.017
Golden Harvest Entertainment (Holdings) Ltd	1132	10.00		0.275
Hudson Holdings Ltd	758	30.00		0.13
i100 Ltd	616		15.15	0.028
J.I.C. Technology Company Ltd	987	13.46		0.295
Kader Holdings Company Ltd	180	10.00		0.165
Kantone Holdings Ltd	1059	19.05		0.05
Mansion House Group Ltd	376	36.36		0.21
Nam Fong International Holdings Ltd	1176		14.00	0.043
Orient Power Holdings Ltd	615	13.04		0.52
Playmates Holdings Ltd	635	18.03		0.72
Prime Success International Group Ltd	210		16.00	0.105
Qualipak International Holdings Ltd	1224	16.67		0.175
renren Holdings Ltd	59	10.34		0.032
Singapore Hongkong Properties Investment Ltd.	245	13.73		0.058
Shang Hua Holdings Ltd	371	20.00		0.042
Shougang Concord Grand (Group) Ltd	730	10.17		0.65

South China Brokerage Company Ltd	619		20.00	0.028
South East Group Ltd	726	13.73		0.058
Star East Holdings Ltd	198	21.05		0.023
Starlite Holdings Ltd	403	10.77		0.72
Techwayon Holdings Ltd	2330	13.85		0.74
Yanion International Holdings Ltd	82		10.61	0.59

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover was about \$HK66.38 million, with losers, outpacing gainers by the ratio of about 1.18:One.

The Growth Enterprise Index was up by about 0.34 percent to 116.60 points.

The double-digit movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
FX Creations International Holdings Ltd	8136	14.41		0.135
IA International Holdings Ltd	8047		13.13	0.43
Inworld Group Ltd	8100	14.29		0.04
Trasy Gold Ex Ltd	8063		11.76	0.015

News wise:

- **PCCW Ltd** (Code: 8, Main Board), a Li Ka Shing company, announced that it would be taking a '*hit*' of about \$HK8.26 billion against its investment in Reach Ltd, an international telecommunications company in which the company has a \$HK12.23-billion investment. The charge will be reflected in the PCCW's Consolidated Profit and Loss Account for the Financial Year, ended December 31, 2002. This charge will increase Shareholders' Deficit.

In Japan, share prices fell for the third consecutive day as investors pondered international events while, at the same time, staring at an economy that has been, for the past 2 decades, at least, unable to pull up its economic socks.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average dropped 27.52 yen to 8,650.92 yen, a one-day loss of about 0.32 percent.

The yen vis-à-vis the US dollar continued to be strong, at about 118.85 yen, which is not good for Japanese industrialists and exporters since a strong yen erodes profits for '*Japan Incorporated*'.

Banking counters continued to be hit hard, last Thursday, with Mizuho Holdings Incorporated, losing 10.50 percent of its market capitalisation, falling back to 111,000 yen per share.

Sumitomo Mitsui Financial Group, the second largest banking group after Mizuho, lost another 5.70 percent of its market capitalisation as investors pushed down its share price to 312,000 yen.

As for the Number 3 Slot, Mitsubishi Tokyo Financial Group, its share price fell to 577,000 yen, a loss of about 5.70 percent, compared with Wednesday's closing level.

News wise:

- **Matsushita Electric Industrial Company** announced a 20.90-billion yen Group Net Profit for the third quarter of Fiscal 2002, ended December 31; and,
- **The Japan Franchise Association** reported that sales at Japanese convenience stores fell by about 1.50 percent in January, Year-on-Year. The data covers 36,988 outlets, operated by 13 major, convenience-store companies.

In other Asian stock markets, this was the way that things came to a halt, last Thursday night:

Indonesia	Minus 0.49 percent to 399.97
Japan	Minus 0.32 percent to 8,650.92
Malaysia	Minus 0.85 percent to 655.32
The Philippines	Minus 0.59 percent to 1,023.23
Singapore	Minus 0.24 percent to 1,312.41
South Korea	Plus 0.78 percent to 605.51
Taiwan	Unchanged at 4,550.70
Thailand	Minus 1.82 percent to 364.42

## **Friday**

The US was not turning back from its avowed intent to invade (the US Government terms it as a '*liberation*' of the country) Iraq, of that it was only too clear, last Friday, as one report after another flowed over the Internet, all pointing to an invasion of that Middle Eastern country that has, for the past 24 years, been ruled with the iron fist of its President Saddam Hussein.

On The New York Stock Exchange, last Thursday, the Dow Jones Industrial Average lost 85.64 points, or about 1.07 percent, falling back to 7,914.96 points.

The NASDAQ's Composite Index only slipped 3 points, however, equivalent to about 0.23 percent, ending the session at 1,331.23 points.

But it was not just the impending war news that caused losses on the world's largest bourses because the US Commerce Department did its part, also.

The Commerce Department announced that the trade deficit for 2002 was \$US435.20 billion, about 21.50 percent higher than the \$US358.30-billion deficit of 2001.

In simple terms, US consumers are buying more foreign-made goods than their US counterparts.

Or, put another way: US-made goods are perceived to be less value for money than similar, foreign-made goods.

Or, if one would prefer: In some areas, US manufacturers are not competitive with their counterparts in other parts of the world.

No matter how one cuts it, it means that the economy of the US is not all that hot ... in fact, it is only lukewarm, it would appear, clearly.

In Georgia, the US, senior US Government officials said that Washington would seek approval from the UN to invade Iraq – this week.

In the most populous part of the world, the war news was well expected, of course, but, nevertheless, it took its toll of equity markets.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors started to feel the heat.

As the saying goes: A market that cannot rise must fall.

And fall did the indices of the Main Board of The Stock Exchange of Hongkong Ltd, as the Hang Seng Index, the index of blue chips, surrendered about 1.49 percent of its value, ending the week at 9,250.86 points.

The Total Turnover was about \$HK6 billion, with losing counters, outracing gaining ones by the ratio of about 2.04:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 1.18 percent to \$HK83.75 per share
Hutchison Whampoa Ltd (Code: 13)	Down 1.44 percent to \$HK48.00 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 2.47 percent to \$HK17.80 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.96 percent to \$HK50.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 2.17 percent to \$HK45.00 per share
PCCW Ltd (Code: 8)	Down 5.13 percent to \$HK5.55 per share
PetroChina Company Ltd (Code: 857)	Down 1.23 percent to \$HK1.61 per share
CNOOC Ltd (Code: 883)	Down 0.48 percent to \$HK10.45 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.89 percent to \$HK83.75 per share

Brilliance China Automotive Holdings Ltd (Code: 1114) Down 3.55 percent to \$HK1.90 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Anex International Holdings Ltd	723	19.05		0.075
China Rich Holdings Ltd	1191		14.29	0.054
China Sci-Tech Holdings Ltd	985	10.71		0.031
Climax International Company Ltd	439		11.54	0.023
Dickson Group Holdings Ltd	313	11.59		0.077
Credit Card DNA Security System (Holdings) Ltd	1051	11.11		0.02
Earnest Investments Holdings Ltd	339	11.11		0.02
eSun Holdings Ltd	571	22.73		0.27
Ezcom Holdings Ltd	312		10.34	0.026
Fulbond Holdings Ltd	1041	21.43		0.017
Golden Harvest Entertainment (Holdings) Ltd	1132	10.00		0.275
Hudson Holdings Ltd	758	30.00		0.13
i100 Ltd	616		15.15	0.028
J.I.C. Technology Company Ltd	987	13.46		0.295
Kader Holdings Company Ltd	180	10.00		0.165
Kantone Holdings Ltd	1059	19.05		0.05
Mansion House Group Ltd	376	36.36		0.21
Nam Fong International Holdings Ltd	1176		14.00	0.043
Orient Power Holdings Ltd	615	13.04		0.52
Playmates Holdings Ltd	635	18.03		0.72
Prime Success International Group Ltd	210		16.00	0.105
Qualipak International Holdings Ltd	1224	16.67		0.175
renren Holdings Ltd	59	10.34		0.032
Singapore Hongkong Properties Investment Ltd.	245	13.73		0.058
Shang Hua Holdings Ltd	371	20.00		0.042
Shougang Concord Grand (Group) Ltd	730	10.17		0.65
South China Brokerage Company Ltd	619		20.00	0.028
South East Group Ltd	726	13.73		0.058
Star East Holdings Ltd	198	21.05		0.023
Starlite Holdings Ltd	403	10.77		0.72
Techwayon Holdings Ltd	2330	13.85		0.74
Yanion International Holdings Ltd	82		10.61	0.59

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the ratio of losers to gainers was 2.50:One.

The Growth Enterprise Index ended the week at 115.73 points, representing a one-day loss of about 0.75 percent.

The Total Turnover was about \$HK59.95 million.

The biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
FX Creations International Holdings Ltd	8136	14.41		0.135
IA International Holdings Ltd	8047		13.13	0.43
Inworld Group Ltd	8100	14.29		0.04
Trasy Gold Ex Ltd	8063		11.76	0.015

So, the tally for the week was:

The Hang Seng Index	Up 0.53 percent to 9,250.86 points
The Growth Enterprise Index	Up 0.0027 percent to 115.73 points

On The Tokyo Stock Exchange, The Nikkei-225 Stock Average shed about 1.59 percent, ending the week at 8,513.54 yen.

The ratio of losers to gainers said it all: 3.20:One.

Most sections of the market came under pressure, as it appeared only too apparent that war was just around the corner.

Japan's 3 stock markets were the biggest losers in Asia, last Friday.

For the week, therefore:

The Nikkei-225 Stock Average	Down 2.17 percent
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News wise:

- **Asahi Breweries Ltd** announced that sales in the 2002 Financial Year, ended December 31, fell by about 4.10 percent, Year-on-Year, to 1.37 trillion yen. The company posted a Net Profit Attributable to Shareholders of about 14.75 billion yen, up 8.40 percent, compared with the 2001 Year;
- **Sapporo Breweries Ltd**, Japan's third largest beer-maker, announced that its Group Net Profit fell 73 percent, Year-on-Year, to 1.17 billion yen;
- **Bridgestone Corporation**, Japan's largest maker of tyres for motor cars, said that its Group Net Profit for the Financial Year, ended December 31, 2002, rose by about 161 percent, Year-on-Year. The Company announced a Net Profit Attributable to Shareholders of about 45.38 billion yen; and,
- **Kodansha Ltd**, Japan's largest publishing company, said that it suffered a Net Loss Attributable to Shareholders (not consolidated) of about 16 million yen for its 2002 Financial Year, ended November 30, 2002. In the 2001 Year, the company netted 776 million yen as its Bottom Line. This is the first time since World War II that this company has lost money.

In other Asian markets, this was how they finished the week of February 22, 2003:

Indonesia	Plus 0.57 percent to 402.24
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Japan	Minus 1.59 percent to 8,513.54
Malaysia	Minus 0.13 percent to 654.49
The Philippines	Minus 0.74 percent to 1,015.70
Singapore	Plus 0.20 percent to 1,315.03
South Korea	Minus 0.32 percent to 603.60
Taiwan	Minus 0.05 percent to 4,548.35
Thailand	Minus 1.34 percent to 359.53

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