

THE SHOOTING WAR WITH IRAQ STARTS

Following a meeting in the Azores of the US, the United Kingdom and Spain over the weekend of March 15-16, President George W. Bush advised the United Nations weapons inspectors to leave Iraq, posthaste.

At the conclusion of the Azores meeting, President George W. Bush told the world that '*the moment of truth*' had arrived and that, if President Saddam Hussein of Iraq did not leave the country, there would be an invasion of the Middle Eastern country, spearheaded by troops of the US and the UK, numbering more than 250,000.

Australia announced that it would be happy to join in the war, by sending in some of its troops (about 2,000 soldiers).

In Kuwait, where tens of thousands of US soldiers have been based for the past few months and where military exercises have been taking place, daily, foreign embassies bolted their doors with senior officials, being recalled.

Stock markets shuddered at the news.

The gains on indices of major international bourses, racked up at the tail end of the previous week, were wiped out within minutes of the beginning of trading in stocks and shares, from Europe to Asia.

And in Europe, prices started to slip at the opening of major bourses, following on from Monday's losses in Asia; the situation progressively deteriorated as the day wore on.

London's FTSE 100 Index lost about 2 percent within minutes of the opening of The London Stock Exchange, while Frankfurt's XETRA DAX Index gave up 2.70 percent of its value in the first 30 minutes of trading on that European bourse.

Then, there was an about face: The '*word*' went out that it could be a short war.

Indices of European stock markets turned right round, regaining not only the day's lost ground, but adding not insubstantial amounts, also.

By the close of trading, last Monday, this was the result of the hectic day's trading:

	<u>Friday, March 14</u>	<u>Monday, March 17</u>
Amsterdam's AEX Index	Plus 7.11 percent	Plus 4.52 percent*
Great Britain's FTSE 100 Index	Plus 3.30 percent	Plus 3.35 percent
Germany's Frankfurt XETRA DAX Index	Plus 2.08 percent	Plus 3.49 percent
France's CAC40 Index	Plus 7.25 percent	Plus 3.35 percent
Switzerland's Swiss Market Index	Plus 5.86 percent	Plus 2.87 percent
Italy's MIBTEL Index	Plus 3.26 percent	Plus 2.16 percent

* The largest loser in Europe

On Friday, March 14, on Wall Street, the swings and roundabouts of the week had taken their toll of investors on the largest stock markets in the world.

The result was that stocks and shares drifted, for the most part, on The New York Stock Exchange and the NASDAQ.

The Big Board of The New York Stock Exchange saw its key index, the Dow Jones Industrial Average, gain just short of one half of a percentage point, ending the week of March 14 at 7,859.71 points.

Over on the NASDAQ, its Composite Index gained just about an equal amount to that of The Dow, ending the week at 1,340.26 points.

But that was only the situation on Friday, March 14, because, by the following Monday, March 17, it was a completely different kettle of fish that was being stewed.

The Security Council of the UN was scheduled to hold a closed-door session, last Monday morning (10 am, Eastern Standard Time), but no new resolution, sanctioning a war with Iraq, was expected since Russia and France were standing pat: No endorsement of a war.

President George W. Bush had threatened to go to the American people in a nationally televised address if that was the result of the Security Council's meeting.

War seemed just days away.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors were, clearly, concerned about the prospects of war, prospects which were looming ever closer.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index lost about 1.70 percent of its value, falling back to 8,804.16 points.

The Total Turnover dropped to about \$HK4.28 billion, with losers, outpacing gainers by the ratio of about 2.82:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Down 0.60 percent to \$HK82.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Down 3.09 percent to \$HK15.70 per share
Hutchison Whampoa Ltd (Code: 13)	Down 2.28 percent to \$HK42.80 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.06 percent to \$HK82.00 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.48 percent to \$HK40.00 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 2.24 percent to \$HK43.70 per share
Cathay Pacific Airways Ltd (Code: 293)	Down 3.96 percent to \$HK10.90 per share
Swire Pacific Ltd "A" Shares (Code: 19)	Down 0.30 percent to \$HK33.10 per share
CLP Holdings Ltd (Code: 2)	Down 0.62 percent to \$HK32.10 per share
PetroChina Company Ltd (Code: 857)	Down 0.61 percent to \$HK1.62 per share

The biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
401 Holdings Ltd	401		13.95	0.037
Asia Standard Hotel Group Ltd	292		23.81	0.16
Cheong Ming Investments Ltd	1196		10.17	0.265
China Everbright International Ltd	257		10.28	0.192
Cosmopolitan International Holdings Ltd	120		13.16	0.33
Dickson Group Holdings Ltd	313		21.69	0.065
Fortuna International Holdings Ltd	530		11.11	0.016
Gay Giano International Group Ltd	686		12.28	0.10
Hanny Holdings Ltd	275		23.08	0.01
Hansom Eastern (Holdings) Ltd	279		13.33	0.052
i100 Ltd	616		13.79	0.025
ITC Corporation Ltd	372	12.36		0.20
Kong Sun Holdings Ltd	295		25.53	0.035
Mansion Holdings Ltd	547	25.00		0.02
MUI Hongkong Ltd	542		18.75	0.065

New City (Beijing) Development Ltd	456		10.58	0.169
RNA Holdings Ltd	501		13.33	0.013
South East Group Ltd	726	10.00		0.055
Tomorrow International Holdings Ltd	760	10.00		0.066
Universe International Holdings Ltd	1046	20.00		0.30
Wah Tak Fung Holdings Ltd	297		15.71	0.059

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, the Total Turnover was about \$HK93 million, with losers, racing ahead of gainers by the ratio of 3.27:One.

The Growth Enterprise Index ended the session with a loss of about 1.34 percent, falling to 108.59 points.

The double-digit movers on this speculative marketplace included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Cyber On-Air Group Company Ltd	8118	14.29		0.08
New Chinese Medicine Holdings Ltd	8085		24.00	0.038
PINE Technology Holdings Ltd	8013		18.75	0.078
ProSticks International Holdings Ltd	8055		46.15	0.014

Sing Pao Media Group Ltd (formerly known as STAREASTnet.com Corporation, Code: 8010) was the most active counter of the day as investors traded about 116.33 million shares in this media company.

The shares of Sing Pao had been suspended for the previous 3 weeks while merchant bankers hunted for people/institutions, willing to take up shares in this company at 36 cents per share.

The number of Sing Pao shares traded, last Monday, represented, in dollar terms, about \$HK41.88 million, or about 45 percent of the Total Turnover.

Sing Pao's closing share price was 35.50 cents, not far off from the Placing Price, achieved by the underwriters.

News wise: Another of Mr Li Ka Shing's companies announced dismal annual results, although it did manage to turn in a positive figure, for a change.

Pacific Century Insurance Holdings Ltd (Code: 65) told its shareholders that, on a 2002 Turnover (Financial Year ends December 31) of about \$HK1.71 billion, it recorded a Net Profit Attributable to Shareholders of about \$HK125.87 million.

The Bottom Line was a reduction of about 19 percent, compared with the 2001 Year.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average flirted with its 20-year low, but managed to stop just short of the magic figure, at 7,871.64 yen, which was, still, a one-day fall of about 1.64 percent.

Banks and stockbrokerages were among the hardest hit, for obvious reasons, considering what was happening, internationally.

Mizuho Financial Group Incorporated lost 8.32 percent of its market capitalisation, falling to 98,100 yen per share, while Nikko Cordial Corporation, a major stockbrokerage, gave up 9.51 percent of its market capitalisation, ending the day at 314 yen per share, a new 4-year low.

News wise:

- The Government of **Prime Minister Junichiro Koizumi** announced that it would be supporting the 3 Japanese stock markets by employing 6 emergency steps, including stricter control of speculative sales;
- Sales at Tokyo departmental stores slid to 138.71 billion yen in February, **The Japan Department Stores Association** released. That figure represents a 2.50-percent fall, compared with February 2001; and,

- **The Labour Ministry** revised downward the average monthly wage for January to 275,934 yen, which is a drop of about 0.20 percent, compared with January 2001.

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

Indonesia	Minus 1.48 percent to 382.15
Japan	Minus 1.64 percent to 7,871.64
Malaysia	Minus 0.95 percent to 622.61
The Philippines	Minus 0.45 percent to 999.46
Singapore	Minus 1.32 percent to 1,234.42
South Korea	Minus 4.17 percent to 515.24
Taiwan	Minus 2.64 percent to 4,357.99
Thailand	Minus 1.01 percent to 354.61

Tuesday

Wall Street went mad, last Monday, as it was only too apparent that US President George W. Bush was about to declare war on the Regime of President Saddam Hussein of Iraq.

With the 280,000 troops – British, American, Australian, and Canadian – poised to invade Iraq, it appeared to many that this could be a very short war.

(People said similar things at the outbreak of World War I, too)

One senior official of one US publicly listed company was quoted as saying that a war with Iraq would last about 3 days, at the most.

Investors on The New York Stock Exchange and the NASDAQ scurried round in efforts to shore up short positions.

By the end of the day, on The New York Stock Exchange, the Dow Jones Industrial Average stood at 8,141.92 points, which represented a gain of about 3.59 percent over the previous close of Friday, March 14.

The ratio of gainers to losers was in excess of 2:One.

On the NASDAQ, its Composite Index put on 51.93 points, equivalent to 3.87 percent, ending the session at 1,392.26 points.

But there was some negative news, also, as Applied Materials Incorporated said that it would be slashing about 14 percent of its workforce, equivalent to another 2,000 workers.

That was the second time in 5 months that this company, the world's largest maker of microchip production tools, had sacked thousands of its workers: In November 2002, it let go about 11 percent of its then workforce.

Applied Materials said that it expected to lose about \$US425 million over the next 4 quarters.

Then, from Washington, D.C., came a report that there were new signs that Baghdad had, in its possession, chemical and biological weapons that it was planning to use if the 280,000-strong invasion force entered Iraq.

Lastly, at 8 pm, Eastern Standard Time, President George W. Bush told Iraq that unless President Saddam Hussein and his 2 sons left the country, the US, with about 235,000 fighting men, along with 45,000 British troops, would invade the country and oust him.

President George W. Bush gave President Saddam Hussein and his 2 sons just 48 hours to pack up and leave.

The televised announcement, translated into Arabic and broadcast to the Middle East, was well expected since the US President had given ample warning to the UN of his intentions.

The UN ordered its weapons inspectors out of the country, as did nearly every other country that had political representation in Baghdad.

The clock of war was ticking.

The People's Republic of China, Germany, France and Russia continued to maintain their stance that it was wrong to invade Baghdad.

The world had been divided on the issue of Iraq for some months: Some questions were being asked as to the efficacy of the UN, itself.

In Asia, every major equity market scored, following the lead of Wall Street.

In the Hongkong Special Administrative Region (HKSAR) of the PRC, investors disregarded caution and bought into stocks and shares of the *'darlings'*.

As a result, the Main Board of The Stock Exchange of Hongkong Ltd registered a gain of about 2.70 percent, as the Hang Seng Index was pushed to 9,041.51 points.

The Total Turnover, however, was still relatively low at about \$HK6.34 billion.

The ratio of gainers to losers was 2.43:One.

Every sector of the market rose, led by the Finance Sectorial Index, which regained about 1.91 percent of its value.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 2.42 percent to \$HK84.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 6.69 percent to \$HK16.75 per share
Hutchison Whampoa Ltd (Code: 13)	Up 2.34 percent to \$HK43.80 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 2.75 percent to \$HK41.10 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 2.75 percent to \$HK44.90 per share
Hang Seng Bank Ltd (Code: 11)	Down 0.30 percent to \$HK81.75 per share
Cathay Pacific Airways Ltd (Code: 293)	Up 2.29 percent to \$HK11.15 per share
CNOOC Ltd (Code: 883)	Up 2.45 percent to \$HK10.45 per share
PetroChina Company Ltd (Code: 857)	Unchanged at \$HK1.62 per share
CLP Holdings Ltd (Code: 2)	Down 0.31 percent to \$HK32.00 per share

The biggest gainers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asia Resources Holdings Ltd	899	10.00		0.011
Asia Standard Hotel Group Ltd	292	30.00		0.208
Chuang's China Investments Ltd	298		10.53	0.17
CIL Holdings Ltd	479	16.67		0.021
Dickson Group Holdings Ltd	313		12.31	0.057
Dong Fang Gas Holdings Ltd	2917		17.50	0.33
DVN (Holdings) Ltd	500	11.43		0.78
EC-Founder (Holdings) Company Ltd	618		13.04	0.20
Fortuna International Holdings Ltd	530	12.50		0.018
ING Beijing Investment Company Ltd	1062	11.11		0.10
Karce International Holdings Company Ltd	1159	12.31		0.146
Neo-Tech Global Ltd	563		10.26	0.035
Rockapetta Holdings Ltd	1003		20.17	0.095

Shanghai Merchants Holdings Ltd	1104		20.00	0.30
Suga International Holdings Ltd	912	14.55		1.26
Tomorrow International Holdings Ltd	760		12.12	0.058
Victory City International Holdings Ltd	539	13.40		2.20
Zhongda International Holdings Ltd	909	10.00		0.275

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, gainers only just managed to ease out losers by the slim ratio of 1.05:One.

The Growth Enterprise Index put on about 1.04 percent, ending the day at 109.72 points on a Total Turnover of about \$HK70.79 million.

In spite of the market, being in the black for a change, trading was very reserved, by and large.

The double-digit movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
AcrossAsia Multimedia Ltd	8061	12.07		0.065
AKuP International Holdings Ltd	8179		19.44	0.058
Angels Technology Company Ltd	8112		10.14	0.62
ePro Ltd	8086		21.05	0.03
Inworld Group Ltd	8100	17.65		0.06
KanHan Technologies Group Ltd	8175		10.34	0.26
MediaNation Incorporated	8160	16.36		0.064
New Chinese Medicine Holdings Ltd	8085	31.58		0.05
PINE Technology Holdings Ltd	8013	15.38		0.09
Satellite Devices Corporation	8172		43.75	0.045
Trasy Gold Ex Ltd	8063	15.38		0.015
Wanasports Holdings Ltd	8020	10.00		0.055
WLS Holdings Ltd	8021		18.40	0.102

News wise:

- **PCCW Ltd** (Code: 8), a Li Ka Shing company, announced that it had managed to secure a \$HK3-billion, unsecured, 5-year loan. However, it took 6 banks to pull it off; and,
- The Government of Mr Tung Chee Hwa announced that the **unemployment rate** had risen to 7.40 percent in February.

In Japan, investors pondered the ultimatum of President George W. Bush with regard to Iraq's leader.

As a result, there was a lot of toing and froing on The Tokyo Stock Exchange.

At the close of trading, however, the main index of the country's premier stock market, the Nikkei-225 Stock Average, stood at 7,954.46 yen, a gain of 1.05 percent, compared with Monday's close.

Japanese investors were counting on a short, decisive war, which could pave the way for the US economy to get back on track. The US is, still, Japan's largest single market for its goods and services.

In other Asian stock markets, this was the way that investors saw the situation, last Tuesday night:

Indonesia	Plus 0.65 percent to 384.64
Japan	Plus 1.05 percent to 7,954.46
Malaysia	Plus 0.72 percent to 627.08
The Philippines	Plus 0.61 percent to 1,005.59

Singapore	Plus 3.22 percent to 1,274.12
South Korea	Plus 4.28 percent to 537.31
Taiwan	Plus 4.17 percent to 4,539.72
Thailand	Plus 2.32 percent to 362.85

Wednesday

The United Kingdom's Prime Minister, Mr Tony Blair, won the day in the British Parliament, last Tuesday, despite a major rebellion in his Labour Party.

The Government's motion to support the use of force in Iraq, using UK forces in conjunction with US forces, was passed by a large majority.

The political life of Mr Tony Blair had been saved, probably due to his publicised friendship with US President George W. Bush, who, outwardly and with much publicity, showed his affection at the Azores Conference.

And, on the Kuwaiti border, the build-up of men and materiel continued at a frantic pace.

In Baghdad, the Iraqi Parliament put on a brave face, stating that the coalition forces, led by the US, would swim home in a river of blood.

On Wall Street, following Monday's short covering, markets were much more reserved.

On The New York Stock Exchange, the Dow Jones Industrial Average gained 52.31 points, equivalent to about 0.64 percent, ending the session at 8,194.23 points.

Over on the NASDAQ, its Composite Index added 8.28 points, or about 0.59 percent, rising to 1,400.55 points.

Investors on the world's biggest stock markets appeared to be doing their sums in an effort to calculate the cost of a protracted war versus a short (less than one week) war.

Generally, Thursday, Washington time, was thought to be the kick-off day for the war to start: Investors were waiting to see how things would go.

Meanwhile, the Federal Open Market Committee of The Federal Reserve Board met and determined to leave good-enough alone: The Federal Funds Rate is to stay pat at 1.25 percent for the time being, at least.

Crude oil futures took a bit of a wallop on the New York Mercantile Exchange (NYMEX), dropping 9.30 percent to \$US31.67 per barrel.

Speculative funds were hedging their bets since the consensus was that the Iraqi war would be short-lived.

In London, England, the price of May Brent crude dipped 7.60 percent to \$US27.25 per barrel.

By and large, European bourses were quiet, relative to Monday's trading conditions.

In Asia, stock markets were either fractionally higher or lower, with 3 exceptions – Japan, the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), and the Philippines.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index gained about 1.30 percent, rising to 9,158.59 points.

The Total Turnover rose to about \$HK9.03 billion, with advancing counters, outnumbering declining counters by the ratio of 2.19:One.

The Industrial Sector of the market was the only loser, last Wednesday, dropping back about 0.21 percent on the Industrial Sectorial Index.

The Ten Most Active counters were:

HSBC Holdings plc (Code: 5)	Up 1.87 percent to \$HK83.50 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 2.39 percent to \$HK17.15 per share
Hutchison Whampoa Ltd (Code: 13)	Up 5.71 percent to \$HK46.30 per share
Sun Hung Kai Properties Ltd (Code: 16)	Up 3.65 percent to \$HK42.60 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 6.01 percent to \$HK47.60 per share
Hang Seng Bank Ltd (Code: 11)	Up 0.61 percent to \$HK82.25 per share
CNOOC Ltd (Code: 883)	Down 3.83 percent to \$HK10.05 per share
Henderson Land Development Company Ltd (Code: 12)	Up 3.61 percent to \$HK22.95 per share
CITIC Pacific Ltd (Code: 267)	Down 0.62 percent to \$HK16.05 per share
CLP Holdings Ltd (Code: 2)	Up 1.25 percent to \$HK32.40 per share

The biggest movers of the day were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Star Entertainment Ltd	326	15.09		0.61
Dickson Group Holdings Ltd	313	12.28		0.064
Greater China Sci-Tech Holdings Ltd	431	20.00		0.012
Haywood Investments Ltd	905	22.78		0.097
Magnificent Estates Ltd	201	10.00		0.022
Mansion Holdings Ltd	547	10.00		0.022
New World CyberBase Ltd	276	10.53		0.021
Orient Overseas (International) Ltd	316	12.62		5.80
Pacific Plywood Holdings Ltd	767	20.00		0.012
Pak Tak International Ltd	2668		11.63	0.38
Shanghai Merchants Holdings Ltd	1104	23.33		0.37
Takson Holdings Ltd	918	15.29		0.196
Theme International Holdings Ltd	990	15.00		0.023
Wonson International Holdings Ltd	651		13.33	0.026
Yoshiya International Corporation Ltd	193		20.00	0.04

On The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, there was little movement in most of the counters.

The Growth Enterprise Index gained about 0.89 percent, rushing back to 110.70 points on a Total Turnover of about \$HK72.30 million.

The ratio of gainers to losers on this market was 1.11:One.

The double-digit movers on this speculative market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Asian Information Resources (Holdings) Ltd	8025	20.00		0.06
Argos Enterprise (Holdings) Ltd	8022		10.53	0.17
Greencool Technology Holdings Ltd	8056		10.71	0.50
iSteelAsia.com Ltd	8080	12.50		0.045
Kinetana International Biotech Pharma Ltd	8031	10.67		0.083
Q9 Technology Holdings Ltd	8129		13.51	0.032
Satellite Devices Corporation	8172	11.11		0.05

News wise: Another Li Ka Shing company disappointed investors, following Hutchison Harbour Ring Ltd (Code: 715), announcing that its Bottom Line for the 2002 Financial Year, ended December 31, was about \$HK105.08 million, down by nearly 85 percent, compared with the 2001 Financial Year.

Strangely, the reduced profit was on a 2002 Turnover, which was 2,479.45 percent higher than the 2001 Turnover of about \$HK70.40 million.

Management said that it had had to make a \$HK967.62-million Provision, *'relating to the Group's toy and property subsidiaries.'*

In Japan, trading in stocks and shares was quiet.

On The Tokyo Stock Exchange, the Nikkei-225 Stock Average gained about 1.21 percent, ending the session at 8,051.04 yen.

However, it was noted that the gains were due, in large part, to short covering by several banks and brokerage houses, the short covering appearing near the close of the session.

Had it not been for this short covering, the market's main indices would have been in the red.

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

Indonesia	Plus 0.22 percent to 385.48
Japan	Plus 1.21 percent to 8,051.04
Malaysia	Plus 0.14 percent to 627.94
The Philippines	Plus 1.48 percent to 1,020.46
Singapore	Plus 0.85 percent to 1,285.01
South Korea	Plus 0.83 percent to 541.78
Taiwan	Minus 0.54 percent to 4,514.07
Thailand	Minus 0.47 percent to 361.13

Thursday

The US, backed by UK armed forces, invaded Iraq, last Thursday.

The waiting was over.

And, within hours of the first US missiles, having been fired at the outskirts of Baghdad, Iraq fired off what was said to be a Russian-produced Scud missile at Kuwait.

Iraq has, over the past few months, persistently denied that it possessed any weapons, which were proscribed by the United Nations, following the cessation of hostilities of the UN's 1991 war with Iraq, but, suddenly, last Thursday, at about 0940 hours **Greenwich Mean Time (GMT)**, an Iraqi Scud missile, with a range of about 400 miles, was launched from Iraqi soil.

The UN had imposed a range of all missiles, owned by Iraq, of 90 miles.

The US Government confirmed that it had launched an attack on Baghdad in an attempt to kill President Saddam Hussein and/or his 2 sons.

Asia went on high alert although, by the time that the war started in earnest, all of Asia's major stock markets had closed for the day.

On Wall Street, during last Wednesday's trading session, US investors were still waiting to learn whether or not US President George W. Bush would hit the war button, signaling the start of a shooting war because the deadline for President Saddam Hussein and his 2 sons to leave Baghdad had been 8pm, Eastern Standard Time.

On The New York Stock Exchange, last Wednesday, the Big Board recorded a gain of about 0.87 percent, pushing The Dow Jones Industrial Average to 8,265.45 points.

On the NASDAQ, its Composite Index lost about one quarter of a percentage point, ending the day at 1,397.08 points.

In Europe, there was concern about the war and its affects on the economies of the European Union (EU).

While all of the major European bourses ended in positive territory, trading was relatively thin.

On the International Petroleum Exchange in London, England, the price of crude oil was about \$US26.25 per barrel as traders gambled that the war would be a short one.

News wise: Charles Schwab, the US online stockbroker, announced that it would be selling its 50-percent stake in its Scottish partnership, co-owned by TD Waterhouse.

Charles Schwab and TD Waterhouse bought up the Glasgow-based securities firm, Aitken Campbell, from Abbey National in May 2001.

In the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), investors were uncertain as to which way to go since, while it was widely expected that the war with Iraq was about to start in earnest, until the first shot had been fired in anger, nothing was for certain.

And stock markets hate uncertainty.

On The Stock Exchange of Hongkong Ltd, the Main Board's Hang Seng Index gained 0.96 percent, rising to 9,194.56 points.

The gains of The Stock Exchange of Hongkong Ltd were the smallest of all other equity markets in Asia.

The ratio of gainers to losers was 1.10:One, while the Total Turnover was about \$HK8.73 billion.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Up 0.30 percent to \$HK83.75 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.87 percent to \$HK17.30 per share
Hutchison Whampoa Ltd (Code: 13)	Up 0.86 percent to \$HK46.70 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Up 0.63 percent to \$HK47.90 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 0.70 percent to \$HK42.30 per share
Hang Seng Bank Ltd (Code: 11)	Unchanged at \$HK82.25 per share
Swire Pacific Ltd "A" Shares (Code: 19)	Up 1.41 percent to \$HK36.00 per share
CNOOC Ltd (Code: 883)	Unchanged at \$HK10.05 per share
Li and Fung Ltd (Code: 494)	Up 3.07 percent to \$HK8.40 per share
Cathay Pacific Airways Ltd (Code: 293)	Up 0.88 percent to \$HK11.45 per share

The biggest movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
China Rich Holdings Ltd	1191		26.23	0.045
Climax International Company Ltd	439		18.18	0.018
Dickson Group Holdings Ltd	313		21.88	0.05
Dong Fang Gas Holdings Ltd	2917	25.00		0.40
Fulbond Holdings Ltd	1041	21.05		0.023
Greater China Holdings Ltd	2920		16.67	0.50
ING Beijing Investment Company Ltd	1062	24.00		0.124
Jade Dynasty Food Culture Group Ltd	970	12.50		0.27
Kong Sun Holdings Ltd	295	18.75		0.038
Lai Sun Development Company Ltd	488	24.00		0.031

Mansion Holdings Ltd	547		13.64	0.019
New World China Land Ltd	917		12.41	1.20
New World Infrastructure Ltd	301		10.19	0.485
Orient Overseas (International) Ltd	316	10.34		6.40
REXCAPITAL International Holdings Ltd	155		10.20	0.132
RoadShow Holdings Ltd	888		12.40	1.06
Wang Sing International Holdings Group Ltd	2389	18.75		0.57

Over on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, there was very little movement, either way, for the entire session.

By the close of the day, The Growth Enterprise Index was standing at 110.87 points, representing a gain of about 0.15 percent over Wednesday's closing level.

The Total Turnover was about \$HK61.61 million, with losers, outrunning gainers by the ratio of 1.28:One.

The double-digit movers on this market included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Eco-Tek Holdings Ltd	8169		15.52	0.245
Golding Soft Ltd	8190	11.11		0.15
GP Nano Technology Group Ltd	8152	17.39		0.108
iSteelAsia.com Ltd	8080		11.11	0.04
Wanasports Holdings Ltd	8020	24.00		0.062
Zheda Lande Scitech Ltd	8106	11.59		0.385

News wise:

Three Li Ka Shing companies announced their results for the 2002 Financial Year, ended December 31, 2002:

PCCW Ltd (Code: 8).

Net Loss Attributable to Shareholders: \$HK7.76 billion (2001 Year: Net Profit Attributable to Shareholders of \$HK1.34 billion)

Cheung Kong (Holdings) Ltd (Code: 1).

Net Profit Attributable to Shareholders \$HK8.88 billion (Up 22.65 percent, Year-on-Year)

Hutchison Whampoa Ltd (Code: 13).

Net Profit Attributable to Shareholders \$HK14.29 billion (up 19.28 percent, Year-on-Year)

In Japan, in anticipation of a full-blown, US-led invasion of Iraq, not just the launching of missiles, investors bought into stocks and shares on the 3 equity markets of The Land of The Rising Sun.

On the premier stock market, The Tokyo Stock Exchange, the key, Nikkei-225 Stock Average gained 144.01 yen, equivalent to about 1.79 percent, running to 8,195.05 yen.

The ratio of gainers to losers was 9.53:One.

News wise:

- **Toys “R” US-Japan Ltd** announced that its Net Profits for the Financial Year, ended January 31, 2003, had dropped by about 1.20 percent to 4.09 billion yen, Year-on-Year. The toy retailer is the largest in Japan with 134 outlets and with plans to establish another 14 outlets;

- **Japan National Oil Corporation** said that it had authorised a plan of its subsidiary, Japan Oil Development Company, to seek protection of its creditors by applying to the Tokyo District Court. Japan Oil Development produces oil in Upper Zakum and 4 other oil fields in Abu Dhabi, the Capital City of the United Arab Emirates. It ships about 200,000 barrels of oil to Japan, daily, equivalent to about 5 percent of the country's oil imports; and,
- **The Ministry of Economy, Trade and Industry** said that the combined sales of all wholesalers and retailers in Japan in the 2002 Fiscal Year had been down by about 14.20 percent, compared with the 1999 Fiscal Year. The figure of the wholesale and retail sales came in at 548.58 trillion yen.

And, in other Asian stock markets, this was the way that investors saw the situation on Day One of the US-Iraqi war:

Indonesia	Plus 2.37 percent to 394.64
Japan	Plus 1.79 percent to 8,195.05
Malaysia	Plus 0.65 percent to 632.03
The Philippines	Plus 1.85 percent to 1,039.33
Singapore	Plus 1.80 percent to 1,308.17
South Korea	Plus 4.92 percent to 568.46
Taiwan	Plus 1.86 percent to 4,599.25
Thailand	Plus 0.86 percent to 364.24

Friday

The Iraqi war was going well for the coalition forces, led by the US, as more and more countries rallied to the side of the world's most powerful nation.

Of course, it was said that most of the newcomers – some 33 countries, in all – were coming to the US *'party'* for economic reasons and/or trying to ingratiate themselves with US President George W. Bush.

No doubt, there was some truth to that, but, at the same time, everybody likes to back a winner.

And, by last Thursday, it appeared that the war was going to be one where very few coalition forces would be lost to an enemy that appeared to have little stomach for fighting.

The handful of coalition forces' casualties, by last Thursday, had been caused by a helicopter crash, with one US soldier, having been shot by an Iraqi soldier.

The only fighting men on the ground in Iraq, last Thursday, were the British and American soldiers, with Australia, committing 2,000 of its troops to the US-led war machine that was driving toward Baghdad.

Iraqi soldiers were surrendering in droves, with none of them, having fired a shot.

The surrenders were a bit of an embarrassment to the US marines, who were sweeping through the desert because they had no facilities to round up the Iraqi soldiers who were, like grey ghosts in the half light, walking with their hands, clasped over their heads.

As had been expected, some of the retreating Iraqi militia had set fires at some oil refineries in order to deprive the invading army of oil supplies.

These acts were said, by the US Government, to be the work of criminals and not *deus ex machina*, brought about by the requirements of war: The perpetrators would be punished at the conclusion of fighting (?).

On The New York Stock Exchange, the Dow Jones Industrial Average gained 21.15 points, or about 0.26 percent, ending the session at 8,286.60 points.

The tech-laden NASDAQ Composite Index put on 5.70 points, equivalent to about 0.41 percent, rising to 1,402.77 points.

The ratio of gainers to losers on the world's largest stock market was about 1.36:One, as investors seemed to be convinced that the war would, in fact, be short-lived.

But war, even one as putrid as the Iraqi one, is good for nobody.

In Europe, there appeared to be a discernable trend on major bourses as investors pondered the events in the Middle East.

By and large, indices of the largest equity markets in Europe were fractionally higher or lower.

Until it was clear how the war was going, Europe was sitting on its hands.

On international oil exchanges, the price of oil continued to fall.

In London, the price of North Sea Brent crude ended the day at \$US27.50 per barrel after the reports of oil-well fires in Iraq. North Sea Brent crude had been quoted at \$US25.50 per barrel, earlier in the day.

On the NYMEX, the price of light, sweet crude was about \$US28.12 per barrel, the lowest level since the middle of December 2002.

But it was not all beer and skittles for the world's equity markets as the war, no matter how limited it was, was taking its toll of private enterprise.

Air travel was down, considerably, as holiday-makers put off plans to take a break, fearing terrorist attacks.

In the US, airports were being patrolled by heavily armed soldiers and policemen.

At border crossings – Canada and Mexico, especially – vehicles, crossing over into the US, had to wait 3 hours or more in order to have their cargos, carefully scrutinised.

Continental Airlines said that, in an attempt to save \$US500 million per year, it would sack about 1,200 of its workers.

Continental is the fifth-largest carrier in the US. The airline has, already, put some 4,300 of its workers on what it calls, *'temporary unpaid leave'*.

Continental does not want to go the route of United Airlines and US Airways, both of which have filed Chapter 11 of the bankruptcy laws of the US.

In Australia, the national airline, Qantas, sacked 1,000 of its Establishment in addition to the 1,500 workers that it had let go one month earlier.

From the world's largest airline, American Airlines, it was announced that it would be cutting back its flights due to the Iraqi war, which was frightening off passengers.

From Germany, Lufthansa, that country's biggest airline, said that, if the Iraqi war lasted long, it would cause that company a great number of problems.

From Amsterdam, KLM Royal Dutch Airlines joined other carriers in cutting flights to New York and across Europe.

Canada's airline, Air Canada, said that it would be letting go about 3,600 of its workers.

On another tack, North Korea accused the US of preparing for war against it; and, that a pre-emptive strike at its nuclear facilities at Yongbyon was on the cards.

The official Korean Central News Agency reported that large, US and South Korean military exercises were being held and that they were clear signs of the intentions of the US Government.

North Korea, unlike Iraq, is no slouch when it comes to picking a fight and carrying it on to its conclusion (1950-1953).

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

On the Main Board of The Stock Exchange of Hongkong Ltd, the Hang Seng Index moved down about 0.17 percent, ending the week at 9,179.19 points.

The Total Turnover was about \$HK6.35 billion, with declining counters, outnumbering advancing ones by the ratio of 1.07:One.

The Ten Most Actives were:

HSBC Holdings plc (Code: 5)	Unchanged at \$HK83.75 per share
Hutchison Whampoa Ltd (Code: 13)	Down 0.64 percent to \$HK46.40 per share
China Mobile (Hongkong) Ltd (Code: 941)	Up 0.29 percent to \$HK17.35 per share
Cheung Kong (Holdings) Ltd (Code: 1)	Down 1.67 percent to \$HK47.10 per share
CNOOC Ltd (Code: 883)	Up 1.99 percent to \$HK10.25 per share
Sun Hung Kai Properties Ltd (Code: 16)	Down 1.65 percent to \$HK41.60 per share
Wing Hang Bank Ltd (Code: 302)	Down 1.09 percent to \$HK27.25 per share
Hang Seng Bank Ltd (Code: 11)	Unchanged at \$HK82.25 per share
Swire Pacific Ltd "A" Shares (Code: 19)	Up 0.56 percent to \$HK36.20 per share
BOC Hongkong (Holdings) Ltd (Code: 2388)	Unchanged at \$HK8.40 per share

The double-digit movers of the day included:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
21CN CyberNet Corporation Ltd	241	10.22		0.205
Asia Resources Holdings Ltd	899	10.00		0.011
CCT Technology Holdings Ltd	261	14.29		0.016
China Motion Telecom International Ltd	989		10.53	0.34
China Rich Holdings Ltd	1191	11.11		0.05
China Star Entertainment Ltd	326	12.50		0.63
Daido Group Ltd	544	10.53		0.042
Dickson Group Holdings Ltd	313	10.00		0.055
Far East Technology International Ltd	36		20.29	0.11
Haier-CCT Holdings Ltd	1169	28.72		0.242
Henderson China Holdings Ltd	246		14.52	2.65
Kong Sun Holdings Ltd	295		10.53	0.034
Pacific Plywood Holdings Ltd	767		16.67	0.01
Paladin Ltd	495		22.06	0.053
Pricerite Group Ltd	996		10.20	0.088
renren Holdings Ltd	59		11.54	0.023
RNA Holdings Ltd	501	14.29		0.016
Shanghai Allied Cement Ltd	1060	33.33		0.40
SIS International Holdings Ltd	529		11.27	0.315
Star East Holdings Ltd	198	20.00		0.042
Starlight International Holdings Ltd	485	13.13		0.112
United Power Investment Ltd	674		13.33	0.065

On The GEM, The Growth Enterprise Index rose by about 0.90 percent to end the week at 111.87 points on a Total Turnover of about \$HK59.51 million.

Advancing issues outnumbered retreating issues by the ratio of 1.26:One.

The biggest movers on this market were:

Name of Company	Code	Increase (%)	Decrease (%)	Closing Price (\$HK)
Grandmass Enterprise Solution Ltd	8108	16.67		0.021
hongkong.com Corporation	8006	24.73		0.232
iSteelAsia.com Ltd	8080	27.50		0.051
Medical China Ltd	8186	11.11		0.10
ProSticks International Holdings Ltd	8055	35.71		0.019
Satellite Devices Corporation	8172	20.00		0.06
Wanasports Holdings Ltd	8020	14.52		0.071

News wise:

The Lee Shau Kee Group of Companies announced their results for the Interim Period, July 1, 2002 to December 31, 2002:

Henderson Land Development Company Ltd:

Net Profit Attributable to Shareholders \$HK1.01 billion (down 8 percent, Year-on-Year)

Henderson China Holdings Ltd

Net Loss Attributable to Shareholders \$HK98.07 million (2001: Net Profit Attributable to Shareholders of \$HK89.21 million)

Henderson Investment Ltd

Net Profit Attributable to Shareholders \$HK794.35 million (Up 3 percent, Year-on-Year)

For the week of March 21, therefore, the tally was:

Hang Seng Index	Up 2.49 percent
The Growth Enterprise Index	Up 1.64 percent

Japan was closed for a public holiday.

In other Asian equity markets, this was how they ended the week of March 21, 2003:

Indonesia	Minus 0.15 percent to 394.04
Japan	Closed
Malaysia	Plus 0.02 percent to 632.17
The Philippines	Minus 0.69 percent to 1,032.15
Singapore	Plus 1.37 percent to 1,326.15
South Korea	Plus 1.29 percent to 585.77
Taiwan	Minus 0.27 percent to 4,586.92
Thailand	Minus 0.17 percent to 363.62

***While TARGET makes every attempt to ensure accuracy of all data published,
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