

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

() Check this box if
no longer subject to
Section 16. Form 4 or
Form 5 obligations may
continue. See Instrution 1(b)

OMB APPROVAL
OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden
hours per response.....0.5

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section
17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the
Investment Company Act of 1940

=====

1. Name (Last, First Middle) and Address of Reporting Person*

Gray, James W.
4630 Ridgemoor Drive
Belden, MS 38826

2. Issuer Name and Ticker or Trading Symbol

The Peoples Holding Company (PHC)

3. IRS Identification Number of Reporting Person, if an entity (Voluntary)

###-##-####

4. Statement for Month/Day/Year

January 1, 2003

5. If Amendment, Date of Original (Month/Day/Year)

6. Relationship of Reporting Person(s) to Issuer (Check all applicable)

() Director () 10% Owner
(X) Officer (give title below) () Other (specify below)

Executive Vice President

7. Individual or Joint/Group Filing (Check Applicable Line)

(X) Form filed by One Reporting Person
() Form filed by More than One Reporting Person

Table I - - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned
=====

1. Title of Security (Instr.3)	2. Trans- action Date (Mo/Dy/Yr)	2a.Deemed Execution Date, if any (Mo/Dy/Yr)	3. Trans- action Code (Instr.8)		4.Securities Acquired (A) or Disposed of (D) (Instr.3,4 and 5)			5. Amount of Securities Beneficially Owned Follow- ing Reported Transaction (s)(Instr.3 and 4)	6.Owner- ship Form: Direct (D) or Indirect (I) (Instr.4)	7. Nature of Indirect Bene- ficial Owner- ship (Instr.4)
			Code	V	Amount	(A)or (D)	Price			

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

*If the form is filed by more than one reporting person, see Instruction 4(b)(v).

Persons who respond to the collection of information contained in this are not required to respond unless the form displays a
currently valid OMB control number.

FORM 4 (Continued)

TABLE II - - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)
=====

1. Title of Derivative Security (Instr.3)	2. Convers- ion or Exercise Price of Derivative Security	3. Trans- action Date (Mo/Dy/Yr)	3A.Deemed Execution Date, if any (Mo/Dy/Yr)	4. Transact- ion Code (Instr.8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D)(Instr. 3,4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)
				Code	V	(A) (D)	

|Employee Stock Option (Right | | | | | | | | | |

to buy)	\$35.20	01/01/2002		A	V	3,500		(1)	(1)
Employee Stock Option (Right to buy)	\$42.23	01/01/2003		A	V	3,500		(1)	(1)
+-----+-----+									

Explanation of Responses:

/s/ James W. Gray

**Signature of Reporting Person

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).