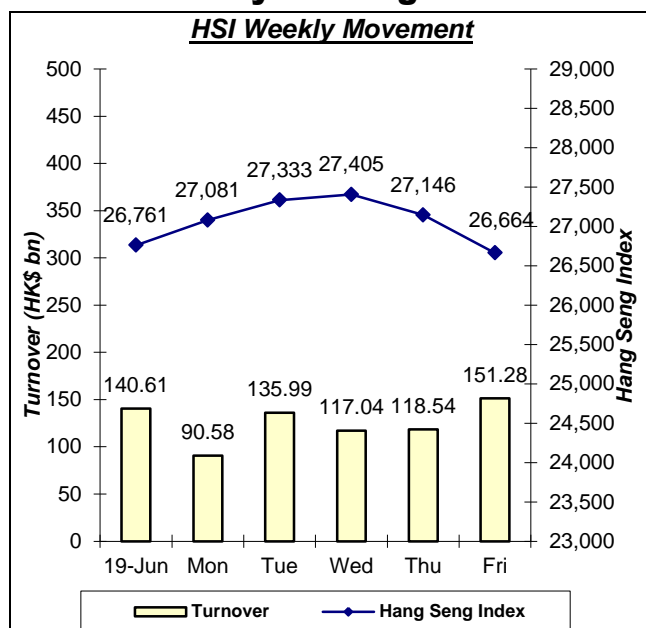


HSI's 4-day winning streak ended amid slumping PRC stock markets



Weekly Market Statistics

Week ended	26/6/2015	19/6/2015	Change	%
Hang Seng Index	26,664	26,761	-97	-0.4%
HS Red Chip Index	4,905	4,883	+21	+0.4%
HS China Enterprises Index	13,088	13,186	-98	-0.7%
HS Hong Kong 35 Index	2,952	2,990	-38	-1.3%
HS Mainland 100 Index	8,152	8,148	+4	+0.0%
Growth Enterprise Index	797	793	+3	+0.4%
Avg Daily Turnover (HK\$ bn)	122.7	121.5	+1	+1.0%
Sectoral Indices				
Finance	38,594	38,876	-282	-0.7%
Utilities	53,639	53,910	-271	-0.5%
Properties	35,346	35,842	-497	-1.4%
Comm & Ind	14,934	14,872	+62	+0.4%

Review & Outlook of Market Performance

The Hang Seng Index staged a short-lived rebound early in the week and reversed head to end below the 27,000 level amid a panic stock market selloff on the Mainland. Over the week, the Shanghai Composite Index tumbled sharply by 6.4% on panic selling, following a 13.3% dive in the previous week, as the red-hot PRC stock markets continued to cool down. In HK, the blue-chip index ended at 26,663.87, down 96.66 points or 0.36% w-o-w, while the HSCEI eased 0.74% w-o-w to 13,088.19. The daily average Mainboard turnover amounted to HK\$122.7 billion, little changed from HK\$121.5 billion in the previous week.

Hong Kong shares extended their gains from last Friday and rose early in the week, as investors expected hot money from the Mainland would turn to the local bourse to hunt for bargains in H shares. However, the cheers soon faded, as continuous panic selling in the PRC stock markets and the lingering Greek debt talk depressed market sentiments and triggered a broad market sell-off. On the stock market front, major Chinese plays headed south, tracking their respective slumping A-share counterparts. The PRC banks, insurers and infrastructure plays were amongst the big losers.

Despite the sluggish investor sentiment, the IPO market stayed hot as nine companies rushed to start their respective IPOs during the week before the end of 1H2015. The HKEx was posed to rank second in the global IPO rankings in the first half, marginally behind the top fund-raising Shanghai stock exchange.

Hope for a quick start of the Shenzhen-Hong Kong Stock Connect scheme diminished, as sources said the link may only be introduced in 2016. The meltdown of the PRC stock markets may hurt investor sentiment, but the local bourse should see limited downside given its deep valuation discount when compared with their Mainland counterparts. The Hang Seng Index should see good support near 25,500-26,000.



US & Regional Markets Weekly Update

Date	US Dow Jones	US NASDAQ	JAPAN Nikkei Avg	SINGAPORE STI	MALAYSIA KLSE Index	BANGKOK SET Index	TAIPEI Weighted Index
26th June	17,890.36*	5,112.19*	20,706.15	3,320.90^	1,710.47	1,519.25^	9,462.57
19th June	18,015.95	5,117.00	20,174.24	3,300.96	1,721.77	1,491.46	9,218.37
Change	-125.59	-4.81	+531.91	+19.94	-11.30	+27.79	+244.20
%	-0.7%	-0.1%	+2.6%	+0.6%	-0.7%	+1.9%	+2.6%

Remark: (*) closing as of 25th June 2015; (^) closing as at 17:00 of 26th June 2015

Major Changes in Index Constituent Stocks (Week ended 26th June 2015)

Hang Seng Index (HSI)

Stock	Stock Code	Closing Price @26/6/2015	W-O-W Change		Remarks / Comments
			Absolute	%	
Galaxy Entertainment	00027	HK\$32.85	-HK\$1.65	-4.78%	Macau gaming plays were among the big losers in the HSI during the week, after analysts said the Macau government may introduce tougher terms in the next license renewal in 2020-2022.
Sands China	01928	HK\$27.95	-HK\$2.00	-6.68%	

Hang Seng China Enterprises Index (HSCEI)

Stock	Stock Code	Closing Price @26/6/2015	W-O-W Change		Remarks / Comments
			Absolute	%	
Air China	00753	HK\$8.99	+HK\$0.44	+5.15%	Air China was the top gainer in the HSCEI, after news reported that the Chinese government is considering merger of the air cargo units of the PRC big three airlines to form the largest air cargo carrier in Asia.

Hang Seng China-Affiliated Corporations Index (HSCCI)

Stock	Stock Code	Closing Price @26/6/2015	W-O-W Change		Remarks / Comments
			Absolute	%	
Mengniu Dairy	02319	HK\$39.15	-HK\$2.45	-5.89%	Mengniu Dairy tumbled, after it was reported that some small dairy farmers dumped raw milk and sold cows amid record low milk prices on the Mainland.

**Summary of US Economic News**

Indicator	Change/Index	Comments
Durable goods orders – May 2015	-1.8%	Durable goods orders fell 1.8% in May, weaker than market expectation of a milder drop of 0.5%.
Initial jobless claims – week ended 20 th Jun 2015	+3,000	Initial jobless claims rose 3,000 to 271,000, matching consensus forecast.

Forthcoming Important Announcements / Events

29 th June 2015 (Monday)	HK	:	Retail sales – May 2015 Legend Holdings (03396) – trading debut Bosideng (03998) – final results China Animation (01566) – final results China Property Investment (00736) – final results China Water (00855) – final results China South City (01668) – final results FDG Electric Vehicles (00729) – final results Hongkong Chinese Ltd. (00655) – final results Huajun (00377) – final results
	US	:	No important announcement/event
30 th June 2015 (Tuesday)	HK	:	Kingston Financial (01031) – final results Kwoon Chung Bus (00306) – final results Yuan Heng Gas (00332) – final results
	US	:	Consumer confidence – June 2015
1 st July 2015 (Wednesday)	HK	:	HKSAR Establishment holiday
	US	:	ISM manufacturing index – June 2015
2 nd July 2015 (Thursday)	HK	:	Sky Light (03882) – trading debut
	US	:	Initial jobless claims – week ended 27 th June 2015 Non-farm payrolls – June 2015
3 rd July 2015 (Friday)	HK	:	Man King (02193) – trading debut Chen Xing Development (02286) – trading debut Tsaker Chemical (01986) – trading debut
	US	:	Stock market holiday (Independence Day on 4 th July)

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