

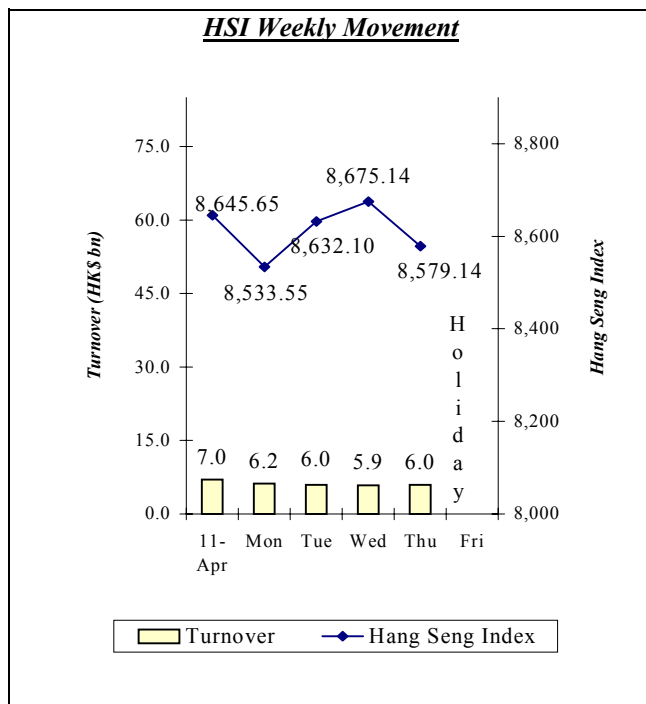
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Weekly Report

17th April, 2003

Lacklustre trades ahead of Easter holidays



<u>Weekly Market Statistics</u>				
Week ended	17/4/2003	11/04/03	Change	%
Hang Seng Index	8,579.14	8,645.65	-66.51	-0.8%
HS Red Chip Index	893.02	903.22	-10.20	-1.1%
HS China Enterprises Index	2,192.47	2,194.36	-1.89	-0.1%
HS Composite Index	1,057.00	1,066.67	-9.67	-0.9%
HS HK Composite Index	1,144.75	1,155.32	-10.57	-0.9%
HS Mainland Composite Index	871.01	878.74	-7.73	-0.9%
S&P/HKEX GEM	939.34	949.03	-9.69	-1.0%
Avg Daily Turnover (HK\$ bn)	6.01	6.96	-0.95	-13.6%
Sectoral Indices				
Finance	17,656.63	17,693.33	-36.70	-0.2%
Utilities	22,437.31	22,583.88	-146.57	-0.6%
Properties	8,946.09	9,145.51	-199.42	-2.2%
Comm & Ind	3,598.07	3,634.33	-36.26	-1.0%

Review & Outlook of Market Performance

Ahead of the long Easter holidays, performance of Hong Kong stock market was lacklustre this week, with the HSI traded in a tight range. A better display in Wall Street and the likely conclusion of the War in Iraq had once led the local bourse rebound. However, the deadly SARS virus continued to temper gains as it hurt consumer spending and local tourism industry. Further adding to the woes was the city's deteriorating unemployment situation for the period between January and March (7.5%), which has even not yet reflected the aftermath of the SARS outbreak. The HSI eventually landed at 8,579.14, down 0.8% or 66.51 points, in the 4-day trading week. With investors in cautious mood, average daily turnover shrank to HK\$6.01 billion.

Cathay Pacific remained in focus this week after it said it had lost 15% of its cargo capacity due to flight cancellations and cut 42% of its flight amid the atypical pneumonia. The airliner once touched HK\$8.40, its lowest level since November 2001, on Monday, but bargain hunting helped pare losses of the company later in the week. Thus, shares of Cathay Pacific ended at HK\$8.80, down 1.7% w-o-w.

Meanwhile, select exports-related global plays eclipsed the broader market this week amid flight-to-quality buying, as investors hoped a quick end of the war in Iraq would spur the global economy. Accordingly, Li & Fung reaped in 3% w-o-w to close at HK\$8.65, while Esprit went up 3.5% w-o-w to HK\$14.85.

Next week will be another 4-day week, shortened by the Easter Monday holiday. As the ultimate completion of the Iraqi war draws nearer, investors should instead pay more attention back on economic situations and earnings of corporations. So far, both the US economy and earnings of US corporations are still on the right track. At home, Hong Kong stocks should remain in its weak form as no major development in the Government's efforts to contain the spread of SARS is expected soon. Next week after the long Easter holiday, we see the HSI to hover around 8,500–8,800.

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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
Week to							
17th April	8,257.61	1,394.72	7,821.90	1,282.51	631.37	384.63	4,566.66
11th April	8,203.41	1,358.85	7,816.49	1,301.02	629.69	383.36	4,530.40
Change	+54.20	+35.87	+5.41	-18.51	+1.68	+1.27	+36.26
%	+0.66%	+2.64%	+0.07%	-1.42%	+0.27%	+0.33%	+0.80%

Note: the closes for Dow Jones and Nasdaq were as of 16th April 2002

Index Weighting Changes (week ended 17th April 2003)Hang Seng China Enterprises Index (HSCED)

Stock	Stock Code	Closing Price @17/04/03	W-O-W Changes		Remarks / Comments
			Absolute	%	
China Eastern Airlines	0670	HK\$0.83	-HK\$0.03	-3.5%	The two mainland airliners continued to be punished by investors amid the SARS outbreak. Meanwhile, China Eastern saw passenger traffic on its Hong Kong routes drop by 17.2% in March.
China Southern Airlines	1055	HK\$1.70	-HK\$0.09	-5.0%	
Yanzhou Coal	1171	HK\$2.950	-HK\$0.375	-11.3%	The coal miner plunged this week as its FY2002 results fell short of market expectations

Hang Seng China-affiliated Corp Index (HSCCI)

Stock	Stock Code	Closing Price @17/04/03	W-O-W Changes		Remarks / Comments
			Absolute	%	
China Travel International	0308	HK\$0.94	-HK\$0.14	-13.0%	The mainland travel company was weaker this week after posting a 16.3% drop in net profit in 2002. In addition, the persistent SARS outbreak will likely hurt its profitability this year.
Guangzhou Investment	0123	HK\$0.43	-HK\$0.06	-12.2%	Shares of the investment holding company plunged this week after posting an in-red result for 2002 due to impairment losses of property assets.
TCL International	1070	HK\$1.53	-HK\$0.21	-12.1%	The TV and mobile maker said its handset sales fell 14% in March from February to 872,000 only.

Summary of US Economic News

Indicator	Change/Index	Comments
Business inventories-February	+0.6% m-o-m	The Commerce Department said business inventories gained 0.6% in February, after showing an upwardly-revised gain of 0.3% in January.
Industrial production-March	-0.5% m-o-m	US industrial production dropped 0.5% in March after slipping a revised 0.1% in the previous month. Market expected industrial production to decline by 0.2%.
Housing starts-March	+8.3% m-o-m	US home construction rose 8.3% to an annual pace of 1.78 million homes in March from an upwardly-adjusted 1.644-million annual-pace in February.
Consumer price index-March	+0.3% m-o-m	US consumer price rose 0.3% in March but core CPI was flat. A 4.6% jump in energy costs accounted for over 90% of the rise in the overall CPI.

Forthcoming Important Announcements / Events

21 st April 2003 (Monday)	US	:	Leading indicators- March Whirlpool- Q1 results
22 nd April 2003 (Tuesday)	HK	:	Consumer price index- March Yantai North Andre Juice (8259)- trading debut Asia Zirconium (0395)- final results CCT Telecom (1038)- final results Haier-CCT (1169)- final results Qingling Motors (1122)- final results Shanghai Industrial (0363)- final results
	US	:	7-Eleven- Q1 results Delta Apparel- Q3 results
23 rd April 2003 (Wednesday)	HK	:	Ananda Wing On Travel (1189)- final results Anhui Expressway (0995)- final results China Everbright Ltd (0165)- final results China Merchants China Direct Investments (1033)- final results First Natural Foods (1076)- final results Guangshen Railway (0525)- final results Hongkong Chinese Ltd (065)- final results Mansion Holdings (0547)- final results Shenzhen Investment (0604)- final results Tong Ren Tang Technologies (8069)- Q1 results
	US	:	AT&T- Q1 results Lucent Technologies- Q2 results Eastman Kodak- Q1 results Anheuser-Busch- Q1 results
24 th April 2003 (Thursday)	HK	:	China Telecom (0728)- final results Forefront International (0885)- final results Founder Holdings (0418)- final results Jilin Chemical Industrial (0368)- final results Luoyang Glass (1108)- final results Manulife Financial (0945)- Q1 results Pacific Concord (0438)- final results Rexcapital Financial (0555)- final results
	US	:	Durable goods orders- March Aetna- Q1 results Amazon.com- Q1 results AOL Time Warner-Q1 results Bausch & Lomb- Q1 results Flextronics- Q4 results
25 th April 2003 (Friday)	HK	:	Volume & price of external trade- February Aeon Credit Service (Asia) (0900)- final results Global Green Tech (0274)- final results Lippo China Resources (0156)- final results Lippo Ltd (0226)- final results Shanghai Real Estates (1207)- final results Stone Electronic Technology (0409)- final results
	US	:	GDP (advance)- Q1 Existing home sales- March New home sales- March