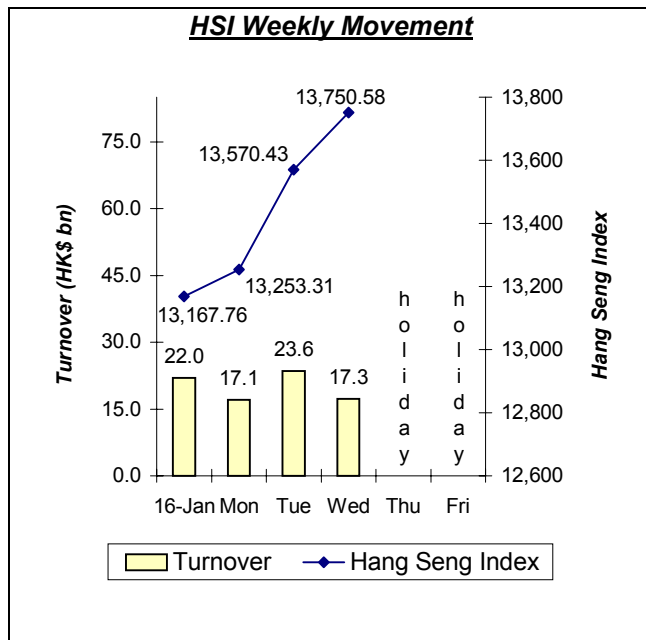


The HSI ended the Year of Ram at new 2½-year high



Weekly Market Statistics				
Week ended	21/01/2004	16/01/2003	Change	%
Hang Seng Index	13,750.58	13,167.76	+582.82	+4.4%
HS Red Chip Index	1,637.42	1,542.52	+94.90	+6.2%
HS China Enterprises Index	4,963.03	4,569.14	+393.89	+8.6%
HS Composite Index	1,770.80	1,689.27	+81.53	+4.8%
HS HK Composite Index	1,836.48	1,762.46	+74.02	+4.2%
HS Mainland Composite Index	1,660.85	1,558.47	+102.38	+6.6%
S&P/HKEx GEM Index	1,301.26	1,254.95	+46.31	+3.7%
Avg Daily Turnover (HK\$ bn)	19.32	25.26	-5.94	-23.5%
Sectoral Indices				
Finance	26,798.27	26,074.57	+723.70	+2.8%
Utilities	25,258.32	25,038.80	+219.52	+0.9%
Properties	18,059.93	16,859.40	+1,200.53	+7.1%
Comm & Ind	6,077.13	5,741.33	+335.80	+5.8%

Review & Outlook of Market Performance

Hong Kong stocks were well bid this week ahead of the Lunar New Year holidays amid property euphoria. Declining unemployment rate (7.5% in the September-November period vs 7.3% in the October-December period) as well as easing deflation (CPI: -1.9% y-o-y in December vs -2.4% y-o-y in November) helped lift the blue-chip counters on hopes that the economic recovery has been on track. With all 33 index constituents being gainers, the HSI finished the shortened trading week on Wednesday at 13,750.58, 4.4% or 582.82 points higher than last Friday's close. Average daily turnover for the 2½-day trading week was HK\$19.32 billion.

Property counters were boosted this week on optimism that the sector has been recovering amid price rises by developers. The HS Properties Sub-index soared 7.1% over the week. Meanwhile, Hutchison Whampoa announced that it would launch its 3G mobile-phone service next Tuesday, 27th January. Shares of the ports-to-telecoms conglomerate gained 6.2% to HK\$68.25 over this week.

H shares staged a strong rebound this week following a 10.0% plunge in their respective index last week. News that China's economy grew at a robust 9.1% y-o-y in the 4th quarter of 2003 helped drive investor's focus towards the recently-battered H shares. PetroChina gained 7.2% to close this week's trading at HK\$4.075 after a 10.6% drop undermined by the BP placing its strategic shareholding in PetroChina last week. Sinopec, whose 2003 output figures matched market consensus, even surged 14.9% to HK\$3.475. Accordingly, the HSCEI jumped 8.6% to 4,963.03. The red-chip index also rose 6.2% to 1,637.42 on the upsurges of China Mobile (HK\$27.80, +5.9%) and China Unicom (HK\$9.35, +9.4%).

Following the Lunar New Year holidays, trading in the blue chips may be volatile to start the Year of Monkey ahead of the expiration of the HSI futures contracts next Thursday, 29th January. After this week's strong rally, profit taking seems inevitable, while the HSI is expected to have good support at 13,500.

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 21st January	10,528.66	2,147.98	11,002.39	1,889.56	824.66	766.72	holiday
16th January	10,600.51	2,140.46	10,857.20	1,836.87	817.27	778.44	6,269.71
Change %	-71.85 -0.68%	+7.52 +0.35%	+145.19 +1.34%	+52.69 +2.87%	+7.39 +0.90%	-11.72 -1.51%	N/A N/A

Note: The closes for Dow Jones, Nasdaq and KLSE Index were as of 20/01/2004.

The Taiwan stock markets were closed for the Lunar New Year holidays from 19/01/2004.

Index Weighting Changes (Week ended 21st January 2004)
Hang Seng Index (HSI)

Stock	Stock Code	Closing Price @21/01/04	W-O-W Changes		Remarks / Comments
			Absolute	%	
Cheung Kong	0001	HK\$77.50	+HK\$5.50	+7.6%	Property developers saw their shares prices significantly higher this week after announcing price rises for their residential projects following the Lunar New Year holidays.
SHK Properties	0016	HK\$77.50	+HK\$5.75	+8.0%	
Henderson Land	0012	HK\$41.30	+HK\$2.50	+6.4%	
Hang Lung Properties	0101	HK\$12.45	+HK\$0.85	+7.3%	Shares of the property investor were well bid on the recovery of the retail and office rentals.
PCCW	0008	HK\$6.05	+HK\$0.60	+11.0%	The dominant fixed-line operator was up on laggard buying.

Hang Seng China Enterprises Index (HSCEI)

Stock	Stock Code	Closing Price @21/01/04	W-O-W Changes		Remarks / Comments
			Absolute	%	
Sinopec	0386	HK\$3.475	+HK\$0.450	+14.9%	The mainland oil refiner announced its 2003 oil and gas production figures, which were in line with market expectations.
Jiangxi Copper	0358	HK\$4.425	+HK\$0.625	+16.4%	The copper producer staged a strong technical rebound following a 19.6% plunge amid the share-placement fears last week.

Hang Seng China-Affiliated Corp Index (HSCCI)

Stock	Stock Code	Closing Price @21/01/04	W-O-W Changes		Remarks / Comments
			Absolute	%	
China Mobile	0941	HK\$27.80	+HK\$1.55	+5.9%	The mainland No. 1 mobile operator added 2.28 million new users in December, its highest monthly growth for 2003.
Shanghai Industrial	0363	HK\$19.70	+HK\$1.65	+9.1%	Motorola took a significant stake in the conglomerate's 17% owned semiconductor making unit SMIC, giving a vote of confidence as SMIC's listing plan has been clouded by a patent lawsuit.
China Resources Land	1109	HK\$1.51	+HK\$0.16	+11.9%	The mainland property developer attracted keen buying interest ahead of the IPO of Shanghai Forte Land, whose retail subscription will commence next Tuesday.

Forthcoming Important Announcements / Events

26 th January, 2004 (Monday)	HK US	: SNP Leefung (0623) – final results : Existing-home sales – December American Express Co – Q4 results Lexmark International Inc – Q4 results McDonald's Corp – Q4 results Texas Instruments Inc – Q4 results
27 th January, 2004 (Tuesday)	HK US	: Macau Success (0487) – final results : Tem Fat Hing Fung (0661) – interim results : Consumer confidence – January Amazon.com Inc – Q4 results Caterpillar Inc – Q4 results Kimberly-Clark Corp – Q4 results Kraft Foods Inc – Q4 results Lockheed Martin Corp – Q4 results McGraw-Hill Cos Inc – Q4 results Merck & Co Inc – Q4 results Pepsi Bottling Group Inc – Q4 results SBC Communications Inc – Q4 results
28 th January, 2004 (Wednesday)	HK US	: Fujian Group (0181) – interim results : Rainbow International (8079) – final results : Durable-goods orders – December New-home sales – December FOMC meeting AT&T Wireless Services Inc – Q4 results ConocoPhillips – Q4 results EI Du Pont de Nemours & Co – Q4 results Exelon Corp – Q4 results Praxair Inc – Q4 results Proctor & Gamble Co – Q2 results Time Warner Inc – Q4 results Tribune Co – Q4 results WellPoint Health Networks – Q4 results Xerox Corp – Q4 results
29 th January, 2004 (Thursday)	HK US	: External trade figures – December : I-China Holdings (0240) – interim and final results : Oriental Investment (0735) – interim results : Allergan Inc – Q4 results Altria Group Inc – Q4 results Anthem Inc – Q4 results Apache Corp – Q4 results Boeing Co – Q4 results Coca-Cola Enterprises Inc – Q4 results Duke Energy Corp – Q4 results Eli Lilly & Co – Q4 results Estee Lauder Cos Inc – Q2 results Gillette Co – Q4 results Honeywell International Inc – Q4 results Nortel Networks Corp – Q4 results Sears Roebuck and Co – Q4 results Southern Co – Q4 results United Parcel Service Inc – Q4 results Unocal Corp – Q4 results Verizon Communications Inc – Q4 results
30 th January, 2004 (Friday)	HK US	: Monetary statistics – December : Aptus Holdings (8212) – final results : GDP (advance) – Q4 ChevronTexaco Corp – Q4 results Exxon Mobil Corp – Q4 results Kellogg Co – Q4 results Walt Disney Co – Q1 results