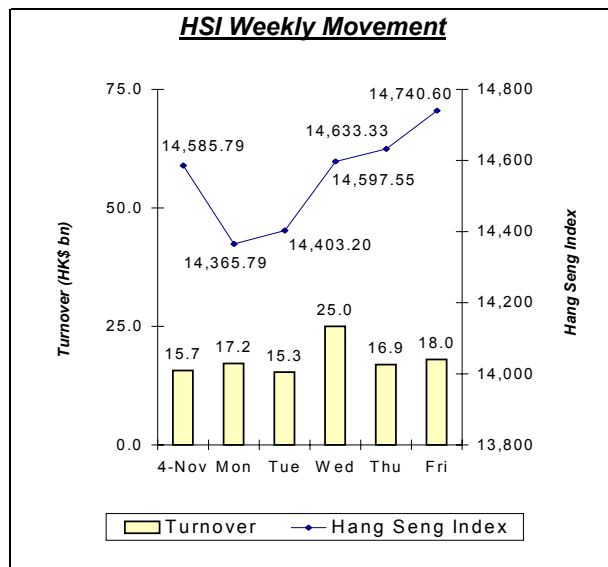


### The HSI rebounded following a dip on Monday



<b>Weekly Market Statistics</b>				
Week ended	11/11/2005	04/11/2005	Change	%
Hang Seng Index	14,740.60	14,585.79	+154.81	+1.1%
HS Red Chip Index	1,893.29	1,868.53	+24.76	+1.3%
HS China Enterprises Index	4,935.34	4,947.75	-12.41	-0.3%
HS Composite Index	1,893.15	1,877.80	+15.35	+0.8%
HS HK Composite Index	1,934.55	1,920.44	+14.11	+0.7%
HS Mainland Composite Index	1,822.49	1,804.58	+17.91	+1.0%
S&P/HKEx GEM Index	988.37	964.18	+24.19	+2.5%
Avg Daily Turnover (HK\$ bn)	18.50	16.33	+2.17	+13.3%
<b>Sectoral Indices</b>				
Finance	26,627.18	26,266.04	+361.14	+1.4%
Utilities	32,143.34	31,191.12	+952.22	+3.1%
Properties	17,455.86	17,532.88	-77.02	-0.4%
Comm & Ind	7,032.90	6,970.83	+62.07	+0.9%

### Review & Outlook of Market Performance

The HSI started the week sharply lower on Monday amid worries over further rate hiking but struggled back to the positive territory in a 4-consecutive-day rally afterwards. Favourable factors such as Hutchison Whampoa being granted approval by Hong Kong Exchanges for a separate listing of its Italian 3G business and Cheung Kong Infrastructure's move to spin off its Australian power assets reversed the market sentiment. The HSI finished up 154.81 points, or 1.06% w-o-w, at 14,740.60. Average daily turnover was HK\$18.50 billion.

During the week, Hutchison also announced its 10 billion-yuan joint-venture pact with Shenzhen Yantian Port to develop the port expansion project. Boosted by the news, Hutchison and its parent Cheung Kong recovered some lost ground after being heavily sold off on Monday. Hutchison gained 0.68% w-o-w to HK\$74.5, while Cheung Kong lost 1.43% w-o-w to HK\$79.2.

Ending months of speculation, Cheung Kong Infrastructure finalised its plan to tap A\$1.8 billion by listing its Australian power assets in the form of an investment trust on the Australian Stock Exchange by the end of this year. The planned spin-off is expected to generate a hefty one-time gain to Cheung Kong Infrastructure and pushed its shares up 4.08% w-o-w at HK\$25.5. Meanwhile, Henderson Land Development also announced details of its privatisation plan for Henderson Investment through a share-swap deal by offering investors one Henderson Land share for every 2.6 Henderson Investment shares.

A decline in oil prices to below US\$60 per barrel weighed on oil producers. PetroChina fell 4.13% w-o-w to HK\$5.8, while CNOOC dropped 4.33% w-o-w to HK\$4.975. Dragged by PetroChina, the HSCEI shed 0.25% w-o-w to close at 4,935.34, though certain H shares such as Bank of Communications, which surged 3.08% w-o-w to HK\$3.35, exhibited strength.

Market sentiment has turned a bit positive following recent strength on Wall Street. Further optimism towards the launch of the Link REIT's IPO next week and renewed talks of another round of yuan revaluation should help support the market. The HSI is likely to re-test 14,800 next week.

**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							
11th November	10,686.04	2,202.47	14,155.06	2,266.03	898.35	690.45	6,075.26
4th November	10,530.76	2,169.43	14,075.96	2,266.52	913.92	706.23	5,911.74
<b>Change</b>	+155.28	+33.04	+79.10	-0.49	-15.57	-15.78	+163.52
<b>%</b>	+1.5%	+1.5%	+0.6%	-0.0%	-1.7%	-2.2%	+2.8%

**Major Changes in Index Constituent Stocks (Week ended 11<sup>th</sup> November 2005)****Hang Seng Index (HSI)**

Stock	Stock Code	Closing Price @11/11/05	W-O-W Change		Remarks / Comments
			Absolute	%	
Denway Motors	0203	HK\$2.5	+HK\$0.15	+6.38%	Denway Motors extended the previous week's gain on improved sentiment about the mainland vehicle sector ahead of the upcoming listing of Dongfeng Motor.
Hong Kong and China Gas	0003	HK\$16.85	+HK\$0.9	+5.64%	The proposed privatisation of Henderson Investment is expected to better reflect the value of its 37.15%-owned Hong Kong and China Gas.
Esprit Holdings	0330	HK\$53.2	-HK\$3.6	-6.34%	The euro slipped to an 18-month low against the US dollar, dampening the profit outlook for Esprit Holdings.

**Hang Seng China Enterprises Index (HSCEI)**

Stock	Stock Code	Closing Price @11/11/05	W-O-W Change		Remarks / Comments
			Absolute	%	
China Southern Airlines	1055	HK\$2.25	+HK\$0.225	+11.11%	China Southern Airlines, which reported a 52.8% y-o-y rise in October passenger traffic, gained ground on declining oil prices.
Weiqiao Textile	2698	HK\$10.85	+HK\$1	+10.15%	Weiqiao Textile was in favour after the mainland and the US resolved their textile trade disputes.

**Hang Seng China-Affiliated Corporation Index (HSCCI)**

Stock	Stock Code	Closing Price @11/11/05	W-O-W Change		Remarks / Comments
			Absolute	%	
Tianjin Development Holdings	0882	HK\$3.275	+HK\$0.225	+7.38%	Tianjin Development plans to spin off its port operations.



### Summary of US Economic News

Indicator	Change/Index	Comments
Consumer Credit – September	-US\$0.1 billion	Consumer credit edged down to US\$2.1061 trillion in September from US\$2.1602 trillion in August.
Wholesale Inventories – September	+0.6%	Wholesale inventories rose 0.6% in September, twice as much as the market expectation, but stockpiles relative to sales dropped to their lowest level in more than a year.
International Trade Balance – September	US\$66.1 billion deficit	Trade deficit widened more than expected to a record US\$66.1 billion in September, as oil imports surged and exports fell.
Initial Jobless Claims – week ended 5 <sup>th</sup> November 2005	326,000	Initial jobless claims rose 2,000 last week on a burst of jobless applications related to Hurricane Wilma, which struck Florida late last month.
Import Prices – October	-0.3%	Import prices unexpectedly fell 0.3% last month, their first decline since May, as petroleum costs eased.
Export Prices – October	+0.6%	Export prices rose 0.6% last month, boosted by higher wheat and corn prices as well as costlier metals, plastic materials and organic chemicals.
Consumer Sentiment (Preliminary) – November	79.9	Consumer sentiment rose to 79.9 in early November from 74.2 in October, as gasoline prices receded from record highs and the impact of late-summer hurricanes faded.

### Forthcoming Important Announcements / Events

14 <sup>th</sup> November 2005 (Monday)	HK US	: : :	<b>The Link REIT – Retail subscription starts</b> Lowe's Companies Inc – Q3 results Wal-Mart Stores Inc – Q3 results
15 <sup>th</sup> November 2005 (Tuesday)	HK US	: : :	Wheelock Properties (0049) – Interim results NY Empire State Index – November <b>Producer Price Index – October</b> <b>Retail Sales – October</b> <b>Home Depot Inc – Q3 results</b> JC Penny Co Inc – Q3 results Staples Inc – Q3 results
16 <sup>th</sup> November 2005 (Wednesday)	HK US	: : :	No Important Announcement / Event Business Inventories – September <b>Consumer Price Index – October</b> Applied Materials Inc – Q4 results Intuit Inc – Q1 results Network Appliance Corp – Q2 results
17 <sup>th</sup> November 2005 (Thursday)	HK US	: : :	<b>Unemployment Rate – October</b> Norstar Founders Group (2339) – Interim results Housing Starts – October Initial Jobless Claims – week ended 12 <sup>th</sup> November 2005 Industrial Production – October Philadelphia Fed Survey – November <b>Hewlett-Packard Co – Q4 results</b> <b>Starbucks Corp – Q4 results</b> <b>Walt Disney Co – Q4 results</b>
18 <sup>th</sup> November 2005 (Friday)	HK US	: : :	<b>Gold Peak Industries (Holdings) (0440) – Interim results</b> Lai Sun Development (0488) – Final results AnnTaylor Stores Corp – Q3 results