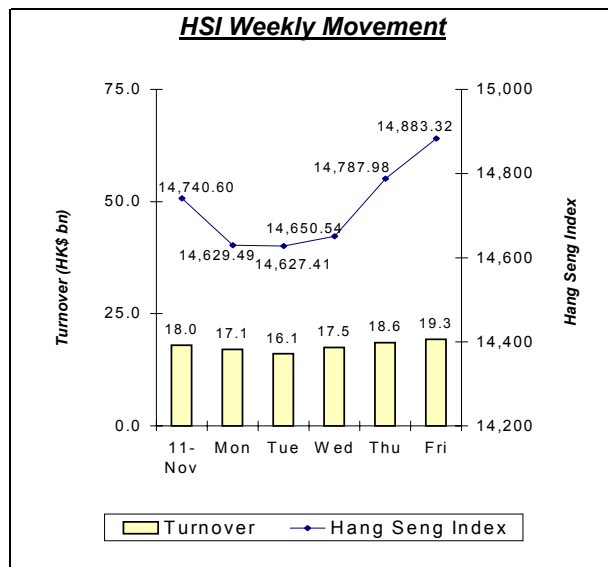


Good demand for Link REIT boosted market sentiment


Weekly Market Statistics

Week ended	18/11/2005	11/11/2005	Change	%
Hang Seng Index	14,883.32	14,740.60	+142.72	+1.0%
HS Red Chip Index	1,934.99	1,893.29	+41.70	+2.2%
HS China Enterprises Index	5,046.52	4,935.34	+111.18	+2.3%
HS Composite Index	1,916.06	1,893.15	+22.91	+1.2%
HS HK Composite Index	1,949.11	1,934.55	+14.56	+0.8%
HS Mainland Composite Index	1,862.00	1,822.49	+39.51	+2.2%
S&P/HKEx GEM Index	995.04	988.37	+6.67	+0.7%
Avg Daily Turnover (HK\$ bn)	17.72	18.50	-0.78	-4.2%
Sectoral Indices				
Finance	26,754.24	26,627.18	+127.06	+0.5%
Utilities	32,321.54	32,143.34	+178.20	+0.6%
Properties	17,603.35	17,455.86	+147.49	+0.8%
Comm & Ind	7,137.30	7,032.90	+104.40	+1.5%

Review & Outlook of Market Performance

Market sentiment improved this week after media reported that retail offering of the colossal Link REIT (0823) attracted encouraging demand with some 18 times oversubscription, despite interest rates rose 2.75% during the last twelve months. Mild U.S. inflation figures and greater than expected decline of housing starts also alleviated investors' concern for aggressive rate hike by the US Fed. The HSI finished up 142.72 points, or 1.0% w-o-w, to close 14,883.32. Average daily turnover was HK\$17.72 billion as compared with HK\$18.50 billion of last week's.

Earlier this week, property stocks were under selling pressure on news of lacklustre weekend sales and downsizing of a real estate agency. On top of these, Standard and Poor's Equity Research downgraded its recommendation on the Hong Kong property sector to "market weight" from "over weight" and reduced its target prices for major developers. However, bargain hunting soon emerged as investors were attracted by the valuation of selective counters after they had fallen over 10% since early October. HS properties sub-index closed the week up 0.8%.

Mobile service providers were under spotlight this week after New World Mobile Holdings (0862) and CSL announced that they would pool their mobile phone networks in a joint venture that would eclipse market leader Hutchison Telecom (2332) and intensify the incumbent competition. New World Mobile shares plunged 18.4% w-o-w to close to close HK\$2.10 after it resumed trading. On the other hand, Hutchison Telecom gained 4.8% w-o-w to close at HK\$10.90 while Smartone Communication (0315) closed unchanged at HK\$8.65.

On the H-shares front, HSCEI gained 111.18 points, or 2.3% w-o-w with strength across the board. Zijin Mining (2899) outperformed the market as gold rose to its highest level in 18 years. It surged 16.5% w-o-w to close at HK\$2.65. Zhenhai Refinery (1128) jumped 7.9% w-o-w to close at HK\$10.20 after Sinopec (0386) announced paying HK\$10.60 per share to privatise the counter.

As market sentiment continues to improve on recent strength of Wall Street and renewed talks of another round of yuan revaluation, we see the HSI may retest 15,000 level in the coming week and should see strong support at 14,600 in the near term.

This report has been prepared solely for information purposes and we are not soliciting any action based upon it. Neither this document nor its contents shall be construed as an offer, invitation, advertisement, inducement or representation of any kind or form whatsoever. The information is based upon information which we consider reliable, but accuracy or completeness is not guaranteed. Opinions expressed herein are subject to change without notice. At time of this report, East Asia Securities Company Limited has no position in securities of the company or companies mentioned herein.

**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							
18th November	10,766.33	2,227.07	14,623.12	2,293.20	901.72	676.41	6,106.74
11th November	10,686.04	2,202.47	14,155.06	2,266.03	898.35	690.45	6,075.26
Change	+80.29	+24.60	+468.06	+27.17	+3.37	-14.04	+31.48
%	+0.8%	+1.1%	+3.3%	+1.2%	+0.4%	-2.0%	+0.5%

Major Changes in Index Constituent Stocks (Week ended 18th November 2005)**Hang Seng Index (HSI)**

Stock	Stock Code	Closing Price @18/11/05	W-O-W Change		Remarks / Comments
			Absolute	%	
Johnson Electric	0179	HK\$8.10	+HK\$0.95	+13.3%	News reported that all conditions had been fulfilled for its offer for Swiss electronic parts maker Saia-Burgess Electronics AG.
Denway Motors	0203	HK\$2.40	-HK\$0.10	-4.0%	The listing of its major competitor, Dongfeng Motor at lower valuation exerted pressure on its share prices.

Hang Seng China Enterprises Index (HSCEI)

Stock	Stock Code	Closing Price @18/11/05	W-O-W Change		Remarks / Comments
			Absolute	%	
Zhenhai Refinery	1128	HK\$10.20	+HK\$0.75	+7.9%	Sinopec (0386) announced paying HK\$10.60 to privatise the company.
Zijin Mining	2899	HK\$2.65	+HK\$0.375	+16.5%	Gold prices rose to the highest level in nearly 18 years.

Hang Seng China-Affiliated Corporation Index (HSCCI)

Stock	Stock Code	Closing Price @18/11/05	W-O-W Change		Remarks / Comments
			Absolute	%	
China Insurance (CIH)	0966	HK\$3.25	+HK\$0.325	+11.1%	Fitch Ratings affirmed its long term rating at "BBB-", citing continued progress made by the life and non-life insurance operating companies of the group, good levels of capitalisation, strong financial management and good corporate governance.

Summary of US Economic News

Indicator	Change/Index	Comments
October Producer Price Index	+0.7%	The increase was more than the market consensus (unchanged). Prices received by manufacturers of intermediate goods moved up 3.0%, after increasing 2.5% in the preceding month.
October Retail Sale	-0.1%	The decrease was less than the consensus forecast (-0.5%). Gasoline station sales were up 27.1% from October 2004 and sales of building material and garden equipment and supplies dealers were up 13.1% from last year.
October Consumer Price Index	+0.2%	The figure was higher than the consensus forecast (unchanged). However, the increase was slowed down from the previous month (+1.2%).
September Business Inventories	+0.5%	The increase was higher than the market consensus (+0.4%). The total business inventories/sales ratio at the end of September was 1.25. The September 2004 ratio was 1.30.
Initial Jobless Claims – Week ended 12 th November	-25k	The decline was greater than the market consensus (-2k). The 4-week moving average was 321,500, a decrease of 13,500 from the previous week's revised average of 335,000.
October Housing Starts	-5.8%	The decrease was higher than the consensus forecast (-2.8%) and reversed the trend of the previous month (+2.5%).
October Industrial Production	+0.9%	The increase was slightly lower than the market consensus (+1.0%). Hurricane-related recoveries in many industries and the resolution of a strike at a major aircraft producer contributed significantly to the increase in output.

Forthcoming Important Announcements / Events

21 st November 2005 (Monday)	HK	:	City Telecom (H.K.) Limited (1137) – Final results
	US	:	Mirabell International Holdings Limited (1179) – Final results
22 nd November 2005 (Tuesday)	HK	:	October Conference Board Leading Indicators
	US	:	October Consumer Price Index The Cross Harbour (Holdings) Limited (0032) – Q3 results BALtrans Holdings Ltd. (0562) – Final results Deere & Company (DE) – Q4 results
23 rd November 2005 (Wednesday)	HK	:	Vtech Holdings Ltd. (0303) – Interim results Tse Sui Luen Jewellery (International) – Interim results
	US	:	Tencent Holdings Limited (0700) – Q3 results End of November Uni. of Mich. Consumer Sentiment Index
24 th November 2005 (Thursday)	HK	:	The Sincere Company Limited (0244) – Interim results
	US	:	No Important Announcements / Events
25 th November 2005 (Friday)	HK	:	Third Quarter Gross Domestic Product Chen Hsong Holdings Limited (0057) – Interim results Karrie International Holdings Limited (1050) – Interim results
	US	:	FU JI Food and Catering Services (1175) – Interim results China Rich Holdings Limited (1191) – Final results No Important Announcements / Events