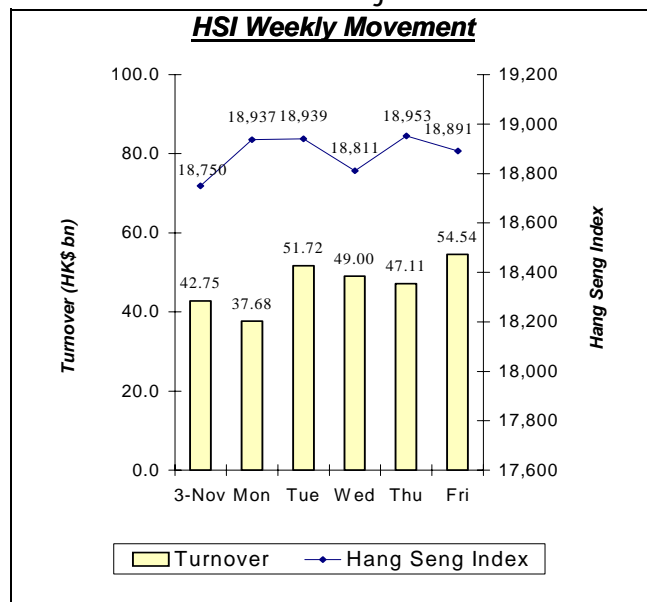


HSI just flashed above 19,000 during the week



Weekly Market Statistics				
Week ended	10/11/2006	3/11/2006	Change	%
Hang Seng Index	18,891	18,750	141	+0.8%
HS Red Chip Index	3,048	3,026	23	+0.7%
HS China Enterprises Index	7,915	7,620	294	+3.9%
HS Composite Index	2,525	2,492	33	+1.3%
HS HK Composite Index	2,371	2,350	20	+0.9%
HS Mainland Composite Index	2,757	2,707	50	+1.8%
S&P/HKEx GEM Index	1,153	1,157	(5)	-0.4%
Avg Daily Turnover (HK\$ bn)	48.0	41.0	7	+17.1%
Sectoral Indices				
Finance	31,779	31,558	222	+0.7%
Utilities	33,580	33,724	(144)	-0.4%
Properties	21,925	21,365	560	+2.6%
Comm & Ind	9,800	9,749	51	+0.5%

Review & Outlook of Market Performance

Catch-up play was the market theme during the week. Property developers led the market up, after rate cut by local banks. Hang Seng Index hit a new all-time high at 19,161.38 and ended the week up 141 points or 0.75% at 18,891.14. H shares also performed well, as RMB hit new high against US dollar since its revaluation in July 2005. HSCEI gained 3.86% to 7,914.50, supported by stunning gains in Bank of Communications. Average daily turnover amounted to HK\$48 billion, up from HK\$41 billion a week earlier.

Property developers were among the winners, after a rate cut of 25 bps by local lenders citing abundant interbank liquidity. A catch-up rally among property plays lifted the HS Properties sub-index up a sharp 2.62% w-o-w, with SHKP up 3.08% and Henderson Land up 4.07%. However, the buying spree turned weaker towards the end of the week, as fears for fund raising activities emerged after Hang Lung Properties placed shares for HK\$6.68 billion on Tuesday. After Friday market close, it was reported that Henderson Land is placing 128 million shares to 145 million shares at a price range HK\$43.05 to HK\$43.75 to raise some 5.6 billion.

Mainland telecoms shined amid a strong catch-up rally. Market talks of stake purchase by foreign telecom peers also helped lift their share prices. China Netcom topped all gainers in the blue-chip index with a 13.13% w-o-w jump, while China Telecom surged a sharp 14.43%. Meanwhile, Bank of Communications set a fresh high on Friday with a 10.44% w-o-w rise, after it was upgraded by investment bank citing bright economic outlook in the Mainland.

For coming week, investors will closely monitor the release of Mainland's October economic figures, which include the key CPI data and the fixed asset investment growth. With Henderson Land taking advantage of the market sentiment to place shares, the HSI is likely to experience a set-back next week. The Index has surged more than 1,000 points within just weeks and a major correction next week should be very likely and should not be ruled out. Nevertheless, we see the strengthening RMB and still abundant market liquidity to at least lend some support to the reversing investor sentiment.

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, while its group companies may from time to time have interests 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							
10th November	12,103.30*	2,376.01*	16,112.43	2,745.31	1,022.30	740.42	7,174.20
3rd November	11,986.04	2,330.79	16,350.02	2,722.31	997.36	732.30	7,161.61
Change	+117.26	+45.22	-237.59	+23.00	+24.94	+8.12	+12.59
%	+1.0%	+1.9%	-1.5%	+0.8%	+2.5%	+1.1%	+0.2%

Remark (*): closing as of 9th November 2006

Major Changes in Index Constituent Stocks (Week ended 10th November 2006)

Hang Seng Index (HSI)

Stock	Stock Code	Closing Price @10/11/06	W-O-W Change		Remarks / Comments
			Absolute	%	
Hang Lung Properties	0101	HK\$16.40	-HK\$0.92	-5.31%	HLP fell after the company sold shares to raise funds, taking advantage of a strong stock market rally. HLP sold 410 million shares at HK\$16.30 each, a discount of 9.9% to the last price before trading suspension. It raised HK\$6.68 billion to fund its expansion, especially for projects in the Mainland.

Hang Seng China Enterprises Index (HSCEI)

Stock	Stock Code	Closing Price @10/11/06	W-O-W Change		Remarks / Comments
			Absolute	%	
Bank of Communications	3328	HK\$6.77	+HK\$0.64	+10.44%	BoCom hit a new high at HK\$6.88, ahead of its Q3 2006 results due next Thursday (16 Nov). Meanwhile, BoCom said it plans to issue A shares in the first half next year, in order to complete its non-tradable share reform.
Sinopec	0386	HK\$5.65	+HK\$0.26	+4.82%	Investors bid up the stock amid speculation for being included in the HSI during the forthcoming quarterly index reshuffle.

Hang Seng China-Affiliated Corporations Index (HSCCI)

Stock	Stock Code	Closing Price @10/11/06	W-O-W Change		Remarks / Comments
			Absolute	%	
China Netcom	0906	HK\$15.34	+HK\$1.78	+13.13%	China Netcom surged after market sources reported that Spanish telecom carrier Telefonica plans to raise its stake in the company. On the other hand, bargain hunting by investors also helped lift China Netcom's share prices.

Summary of US Economic News

Indicator	Change/Index	Comments
Initial jobless claims – the week ended 4 th November 2006	-20,000	The US labour market stays robust, as we saw initial jobless claims fell 20,000 to 308,000 last week from 328,000 in the previous week, better than consensus forecast of a drop to 315,000.
Trade balance – September	-US\$64.3 billion	US trade gap narrowed to US\$64.3 billion in September, down from a US\$69.0 billion in August. The trade deficit was lower than forecast of US\$66.0 billion, as exports in Sep hit a record US\$123.2 billion.
Consumer Sentiment (Preliminary) – November	92.3	Consumer sentiment fell to a preliminary November reading of 92.3 from 93.6 in October, weaker than expectations of being flat at 93.6. The reading raised worries that spending may turn weaker during the coming holiday shopping season.

Forthcoming Important Announcements / Events

13 th November 2006 (Monday)	HK	:	CK Life Sciences (8222) – Q3 2006 results Jinheng Automotive Safety (8293) – Q3 2006 results Star Cruises (0678) – Q1 FY2006/07 results Tingyi (0322) – Q3 2006 results Zhengzhou Gas (8099) – Q3 2006 results
	US	:	No important announcement/event
14 th November 2006 (Tuesday)	HK	:	Hong Kong Exchanges and Clearing – Q3 2006 results
	US	:	Business inventory – September 2006 Producer price index – October 2006 Retail sales – October 2006 Home Depot Inc – Q3 2006 results Wal Mart Stores Inc – Q3 2006 results
15 th November 2006 (Wednesday)	HK	:	No important announcement/event
	US	:	FOMC minutes – 25th October 2006 Applied Materials – Q4 FY2005/06 results
16 th November 2006 (Thursday)	HK	:	Unemployment rate – October 2006 Bank of Communications (3328) – Q3 2006 results Sincere (0244) – interim results Wheelock Properties (0049) – interim results
	US	:	Initial jobless claims – week ended 11 th November 2006 Industrial production – October 2006 Dell, Inc. – Q3 FY2006/07 results Gap Inc. – Q3 2006 results Hewlett-Packard – Q4 FY2005/06 results Starbucks – Q4 FY2005/06 results
17 th November 2006 (Friday)	HK	:	Eagle Nice (2368) – interim results
	US	:	Housing starts – October 2006

Important Disclosure / Analyst Certification / Disclaimer

This document is published by East Asia Securities Company Limited, a wholly-owned subsidiary of The Bank of East Asia, Limited (BEA). At time of this report, East Asia Securities Company Limited has no position in securities of the company or companies mentioned herein the report, while BEA and / its associated or affiliated companies may from time to time have interests in securities of the company or companies mentioned herein.

The research analyst primarily responsible for the content of this report, in part or in whole certifies that the views on the companies and their securities mentioned in this report accurately reflect his/her personal views. The analyst also certifies that no part of his/her compensation was, is, or will be, directly, or indirectly, related to specific recommendations or views expressed in this report.

This report has been prepared solely for information purposes and has no intention whatsoever to solicit any action based upon it. Neither this report 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 East Asia Securities Company Limited considers reliable, but accuracy or completeness is not guaranteed. Opinions expressed herein are subject to change without notice. Any recommendation contained in this report does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This report is not to be taken in substitution for the exercise of judgment by respective readers of this report, who should obtain separate legal or financial advice. East Asia Securities Company Limited and / or The BEA Group accepts no liability whatsoever for any direct or consequential loss arising from any use of this report or further communication given in relation to this report.

At time of this report, East Asia Securities Company Limited has no position in securities of the company or companies mentioned herein the report, while BEA along with its affiliates and/or persons associated with any of them may from time to time have interests in the securities mentioned in this report. BEA and its associates, its directors, and/or employees may have positions in, and may effect transactions in securities mentioned herein and may also perform or seek to perform broking, investment banking and other banking services for these companies.

BEA and/or any of its affiliates may beneficially own a total of 1% or more of any class of common equity securities of the subject company or companies mentioned in this report and may, within the past 12 months, have received compensation and/or within the next 3 months seek to obtain compensation for investment banking services from the subject company or companies mentioned in the report.