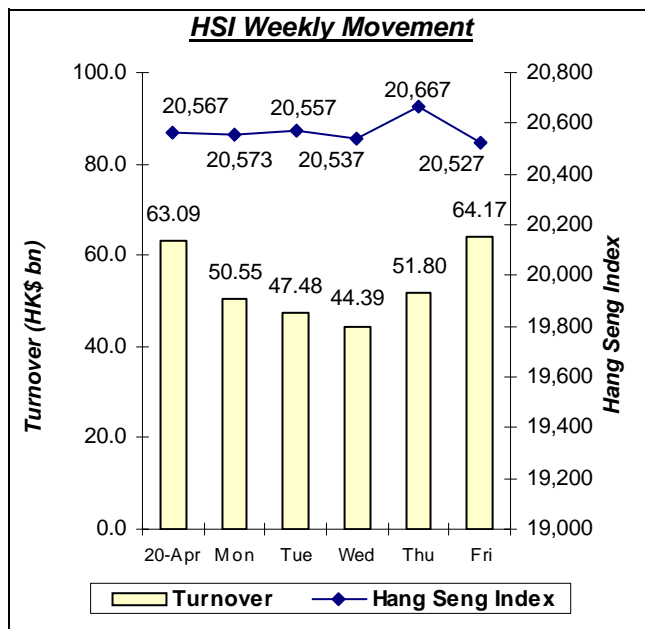


The local bourse held steady ahead of the Golden Week



Weekly Market Statistics				
Week ended	27/04/07	20/04/07	Change	%
Hang Seng Index	20,527	20,567	-40	-0.2%
HS Red Chip Index	3,482	3,550	-68	-1.9%
HS China Enterprises Index	10,141	10,180	-38	-0.4%
HS Composite Index	2,881	2,893	-12	-0.4%
HS HK Composite Index	2,543	2,530	+13	+0.5%
HS Mainland Composite Index	3,345	3,386	-41	-1.2%
Growth Enterprise Index	1,393	1,359	+34	+2.5%
Avg Daily Turnover (HK\$ bn)	51.7	62.7	-11	-17.6%
Sectoral Indices				
Finance	32,560	32,639	-79	-0.2%
Utilities	37,783	37,178	+604	+1.6%
Properties	24,495	24,308	+187	+0.8%
Comm & Ind	11,042	11,108	-66	-0.6%

Review & Outlook of Market Performance

Trading in the local bourse was cautious this week as sentiment was clouded by renewed fears of further austerity measures by the mainland policymakers following last week's release of a set of strong economic figures. Future-led trading was also evidenced with the expiries of the April index futures on Friday. In fact, the slight losses in the major local indices were witnessed despite the stellar performance of the Wall Street market during week, with the US Dow set a new all-time high above the 13,000 mark amid strong US corporate quarterly earnings and solid reading for durable goods orders. The Hang Seng Index edged down 0.2% w-o-w to finish the week at 20,526.50 while the H-share index eased 0.4% w-o-w to 10,141.41. The cautiousness in the local bourse can be reflected by the lower average daily turnover of HK\$51.7 billion.

China CITIC Bank, which marked the biggest IPO so far this year by raising some US\$5.4 billion, received a lukewarm welcome on Friday. The mainland's 7th-largest lender by assets finished its first day of trading on the local bourse at HK\$6.68, 14.0% higher than its offer price of HK\$5.86. Meanwhile, China Molybdenum had an eye-catching debut on Thursday when its share price saw a 59.1% gain from its IPO price of HK\$6.80. The H-share molybdenum producer finished the week at HK\$11.90 (Vs IPO price of HK\$6.8).

During the week, the Hong Kong government released the latest inflation and trade figures of the city. The composite CPI rose 2.4% y-o-y in March while total exports grew 6.9% y-o-y. Both figures pointed to a healthy state of the city's economy.

Looking forward, trading is expected to remain cautious next week ahead of the Golden Week holiday (1st May to 7th May inclusive) in the mainland while the market are expecting further austerity measures to be announced by the central government to cool down the overheating economy. Barring any unforeseen circumstances, the HSI should see good support at 20,300.



US & Regional Markets Weekly Update

Remark (*): closing as of 26th April 2007

Date	US Dow Jones	US NASDAQ	JAPAN Nikkei Avg	SINGAPORE STI	MALAYSIA KLSE Index	BANGKOK SET Index	TAIPEI Weighted Index
Week to 27th April	13,105.50*	2,554.46*	17,400.41	3,398.60	1,324.77	695.11	7,949.42
20th April	12,961.98	2,526.39	17,452.62	3,360.67	1,315.37	687.53	7,942.67
Change	+143.52	+28.07	-52.21	+37.93	+9.40	+7.58	+6.75
%	+1.1%	+1.1%	-0.3%	+1.1%	+0.7%	+1.1%	+0.1%

Major Changes in Index Constituent Stocks (Week ended 27th April 2007)

Hang Seng Index (HSI)

Stock	Stock Code	Closing Price @27/04/07	W-O-W Change		Remarks / Comments
			Absolute	%	
China Mobile	0941	HK\$72.20	-HK\$2.70	-3.60%	Despite recording a 22% y-o-y jump in 1Q2007 earnings, the mainland's No. 1 mobile operator saw lower average revenue per user on its increasing focus on the lower-paying rural areas.
COSCO Pacific	1199	HK\$19.22	+HK\$0.84	+4.57%	The company announced the acquisition of majority stakes in the three ports of Hainan, Fuzhou and Jiangdu in Yangzhou.

Hang Seng China Enterprises Index (HSCEI)

Stock	Stock Code	Closing Price @27/04/07	W-O-W Change		Remarks / Comments
			Absolute	%	
China Shipping Development	1138	HK\$14.72	+HK\$1.02	+7.45%	The shipper posted a 44.2% y-o-y jump in net profit for 1Q2007.
China Shipping Container Lines	2866	HK\$3.96	+HK\$0.29	+7.90%	The firm reported a 23.9% y-o-y rise in revenues in 1Q2007 on a 31.9% growth in container volume.

Hang Seng China-Affiliated Corporations Index (HSCCI)

Stock	Stock Code	Closing Price @27/04/07	W-O-W Change		Remarks / Comments
			Absolute	%	
China Resources Power	0836	HK\$14.44	+HK\$0.94	+6.96%	The IPP surged on target-price upgrade by Morgan Stanley, citing strong capacity growth and solid fundamentals.
Lenovo Group	0992	HK\$3.11	+HK\$0.19	+6.51%	The PC maker's announcement of a workforce reduction late last week and the imminent approval from the State Council for its listing on the mainland markets buoyed its share price.
Brilliance China	1114	HK\$1.69	-HK\$0.17	-9.14%	The automaker reported a narrowed net loss of RMB398 million in FY2006, which was worse than market consensus amid losses in Zhonghua sedan sales and lower gross margin.

Indicator	Change/Index	Comments
Consumer confidence – April 2007	104.0	The Conference Board's index of consumer confidence slipped to a 9-month low of 104.0 in April from an upwardly-revised 108.2 in March.
Existing home sales – March 2007	-8.4% m-o-m	Existing home sales fell by 8.4% in March, the biggest one-month decline since a 12.6% drop in January 1989, to an annual rate of 6.12 million units, the slowest pace since June 2003.
Durable goods orders – March 2007	+3.4% m-o-m	New orders for US durable goods climbed by a surprisingly strong 3.4% in March, following a revised 2.4% gain in February.
New home sales – March 2007	+2.6% m-o-m	New home sales rebounded 2.6% to an annual pace of 858,000 homes in March from an downwardly-revised figure of February but still fell short of forecasts
Initial jobless claims – the week ended 21 st April 2007	-20,000	Initial jobless claims fell a much bigger-than-expected 20,000 to 321,000 last week from an upwardly-revised 341,000 for the previous week.

30 th April 2007 (Monday)	HK US	: : Yantai North Andre Juice (8259) – Q1 2007 results Personal income – March 2007 Personal spending – March 2007 Construction spending – March 2007 Anadarko Petroleum Corp – Q1 2007 results Hilton Hotels Corp – Q1 2007 results Kellogg Co – Q1 2007 results Loews Corp – Q1 2007 results Principal Financial Group Inc – Q1 2007 results Verizon Communications Inc – Q1 2007 results
1 st May 2007 (Tuesday)	HK US	: : Labour Day holiday ISM manufacturing index – April 2007 MetLife Inc – Q1 2007 results Procter & Gamble Co – Q3 2006/07 results Qwest Communications International Inc – Q1 2007 results Yum! Brands Inc – Q1 2007 results
2 nd May 2007 (Wednesday)	HK US	: : ASM Pacific (0522) – Q1 2007 results Convenience Retail Asia (8052) – Q1 2007 results Factory orders – March 2007 Allergan Inc – Q1 2007 results Las Vegas Sands Corp – Q1 2007 results Mastercard Inc – Q1 2007 results Prudential Financial Inc – Q1 2007 results Time Warner Inc – Q1 2007 results
3 rd May 2007 (Thursday)	HK US	: : Retail sales – March 2007 Hang Seng Bank (0011) – Q1 2007 dividend Manulife (0945) – Q1 2007 results Productivity – Q1 2007 ISM non-manufacturing index – April 2007 Initial jobless claims – the week ended 28 th April 2007 CBS Corp – Q1 2007 results General Motors Corp – Q1 2007 results MGM Mirage – Q1 2007 results Starbucks Corp – Q2 2006/07 results Wynn Resorts Ltd – Q1 2007 results
4 th May 2007 (Friday)	HK US	: : No important announcements / events Unemployment rate – April 2007 Freddie Mac – Q1 2007 results

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