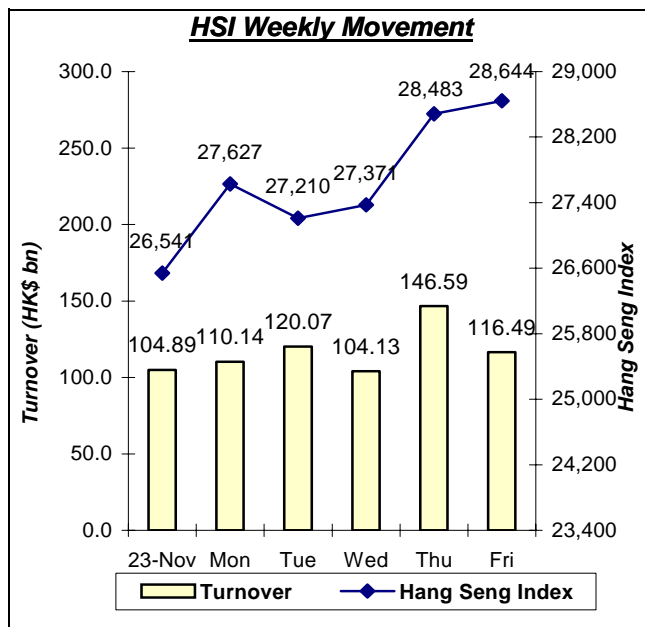


HSI rebounded nearly 8% amid global equities recovery



Weekly Market Statistics				
Week ended	30/11/2007	23/11/2007	Change	%
Hang Seng Index	28,644	26,541	+2,103	+7.9%
HS Red Chip Index	6,283	5,699	+584	+10.2%
HS China Enterprises Index	17,178	15,692	+1,487	+9.5%
HS Composite Index	4,052	3,742	+310	+8.3%
HS HK Composite Index	2,922	2,724	+198	+7.3%
HS Mainland Composite Index	5,449	5,004	+445	+8.9%
Growth Enterprise Index	1,428	1,356	+72	+5.3%
Avg Daily Turnover (HK\$ bn)	119.5	121.6	-2	-1.7%
Sectoral Indices				
Finance	40,976	39,065	+1,911	+4.9%
Utilities	39,391	36,868	+2,523	+6.8%
Properties	38,179	33,851	+4,329	+12.8%
Comm & Ind	17,201	15,633	+1,568	+10.0%

Review & Outlook of Market Performance

HK equities rebounded sharply during the week, thanks to bargain hunting by well-known value investors like tycoon Lee Shau Kee as well as the stabilizing US stock market amid rising hope for a rate cut in December. Short-squeezing amid the expiry of November stock index futures contracts also helped strengthen the rebound. Over the week, the Hang Seng Index jumped a sharp 7.9% to 28,643.61, while the HSCEI rallied 9.5% to 17,178.49. Nonetheless, not all market bulls have regained their full confidence, as we saw market turnover fell further to a daily average of HK\$119.5 billion from HK\$121.6 billion in the previous week, compared with the average of HK\$165.4 billion in October.

HK stocks as well as global equities first regained steam, after The Abu Dhabi Investment Authority, the sovereign investment fund of the capital and the 2nd largest city in UAE, said on Nov 26 to acquire equity units of Citigroup for US\$7.5 billion, which could be converted into a stake of no more than 4.9% in the global banking giant. The deal revived investor confidence and sparked bargain hunting, leading to rebound in world stock markets. Over the week, HK property developers were among the winners, amid rising hope for another US rate cut after the Fed vice chairman's cautious remarks on the economy. H shares and red chips also performed well, as valuations became less demanding since the market meltdown in November. Temasek offloaded three PRC heavyweights during the week, namely Bank of China, China Construction Bank and China COSCO, leading to sluggish performance in the two state banks, while COSCO managed to close the week with decent gains amid surging global freight rates.

HK equities experienced a bumpy ride in November amid worsening sub-prime woes. For the month, the HSI and the HSCEI declined 8.6% and 14.6%, respectively. Market sentiments should improve in December, as the Fed may further cut rates and window dressing activities towards the year-end may help support share prices. The HSI is seen trading in range near 27,500 – 29,500 next week, ahead of the next FOMC meeting scheduled on 11th Dec 2007.

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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							
30th November	13,311.73*	2,668.13*	15,680.27	3,521.27	1,396.98	846.44	8,586.40
23rd November	12,980.88	2,596.60	14,888.77	3,325.89	1,353.55	824.25	8,342.20
Change	+330.85	+71.53	+791.50	+195.38	+43.43	+22.19	+244.20
%	+2.5%	+2.8%	+5.3%	+5.9%	+3.2%	+2.7%	+2.9%

Remarks: (*) closing as of 29th November 2007

Major Changes in Index Constituent Stocks (Week ended 30th November 2007)
Hang Seng Index (HSI)

Stock	Stock Code	Closing Price @30/11/07	W-O-W Change		Remarks / Comments
			Absolute	%	
SHKP	0016	HK\$161.20	+HK\$20.70	+14.73%	Property developers once again outperformed the market, as investors are expecting another rate cut in the US in Dec and local banks would follow suit. Investors expect the Fed to cut rates next month, after the central bank's vice chairman made cautious remarks on the US economy.
Henderson Land Development	0012	HK\$68.65	+HK\$8.85	+14.80%	
Hang Lung Properties	0101	HK\$35.30	+HK\$3.80	+12.06%	
HSBC Holdings	0005	HK\$132.10	+HK\$0.40	+0.30%	The banking giant stayed sluggish, as it continued to struggle with the aftermath of the global subprime woes. In the latest move, HSBC injected US\$45 billion in two structure investment vehicles (SIVs) to ease liquidity shortage.

Hang Seng China Enterprises Index (HSCEI)

Stock	Stock Code	Closing Price @30/11/07	W-O-W Change		Remarks / Comments
			Absolute	%	
Air China	0753	HK\$9.83	+HK\$1.90	+23.96%	Air China and other Mainland air carriers jumped sharply during the week, as speculation for an industry reshuffle resurfaced. Some analysts said Air China's parent company CNAC and Cathay Pacific Airways (0293) perhaps may submit a new proposal to merge with or acquire a stake in China Eastern Airlines (0670).

Hang Seng China-Affiliated Corporations Index (HSCCI)

Stock	Stock Code	Closing Price @30/11/07	W-O-W Change		Remarks / Comments
			Absolute	%	
China Resources Power	0836	HK\$26.70	+HK\$2.65	+11.02%	The Company revealed that it would acquire from its parent a 67% stake in the Xuzhou Huaxin power plant, which would help it fulfil its 2007 full-year capacity expansion target.

Summary of US Economic News

Indicator	Change/Index	Comments
Consumer confidence – November 2007	87.3	The consumer confidence index slipped to 87.3 in Nov from 95.2 in Oct, worse than consensus forecast of 91.5. Economists said the US consumer confidence was dragged by a housing market slowdown and rising energy prices.
Orders for durable goods – October 2007	-0.4%	Durable goods orders fell 0.4% in October after a 1.4% drop in September.
Existing home sales – October 2007	-1.2%	Existing home sales fell 1.2% to an annual rate of 4.97 million units in Oct. It was at record low, despite a sharp fall in home prices.
GDP (preliminary) – Q3 2007	+4.9%	GDP grew 4.9% in the third quarter, matching consensus forecast.
New home sales – October 2007	+12,000 units	New home sales rose slightly to an annual rate of 728,000 units in Oct from 716,000 units in Sept. However, the sales figure in Sept was actually revised sharply lower from the original reading of 770,000, while the revised figure represented an 11-year low.
Initial jobless claims – the week ended 24 th November 2007	+23,000	Initial jobless claims surged 23,000 to 352,000 last week, the highest level since the week ended Feb 10. The report came much worse than forecast, as economists expected the figure to stay flat.

Forthcoming Important Announcements / Events

3 rd December 2007 (Monday)	HK	:	Retail sales – October 2007
	US	:	ISM manufacturing index – November 2007 Phillips-Van Heusen – Q3 FY2007 results
4 th December 2007 (Tuesday)	HK	:	China Windpower (0182) – interim results Hanison Construction (0896) – interim results
	US	:	No important announcement/event
5 th December 2007 (Wednesday)	HK	:	Starlite Holdings (0403) – interim results Noble Jewelry (0475) – interim results Joyce Boutique (0647) – interim results
	US	:	Productivity (revised) – Q3 2007 Factory orders – October 2007 ISM non-manufacturing index – November 2007 Novell, Inc. Q4 FY2006/07 results
6 th December 2007 (Thursday)	HK	:	Oriental Press (0018) – interim results Dickson Concepts (0113) – interim results Yip's Chemical (0408) – interim results HKR International (0480) – interim results Quam Ltd. (0952) – interim results China Hongkong Photo Products (1123) – interim results
	US	:	Initial Jobless Claims – the week ended 1 st December 2007
7 th December 2007 (Friday)	HK	:	139 Holdings (0139) – interim results Johnson Electric (0179) – interim results Tern Properties (0277) – interim results King Fook Holdings (0280) – interim results Peace Mark (Holdings)(0304) – interim results Regent Pacific Group (0575) – interim results Pak Tak International (2668) – interim results China Railway (0390) – trading debut
	US	:	Non-farm payrolls – November 2007 Consumer sentiments (preliminary) – December 2007

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