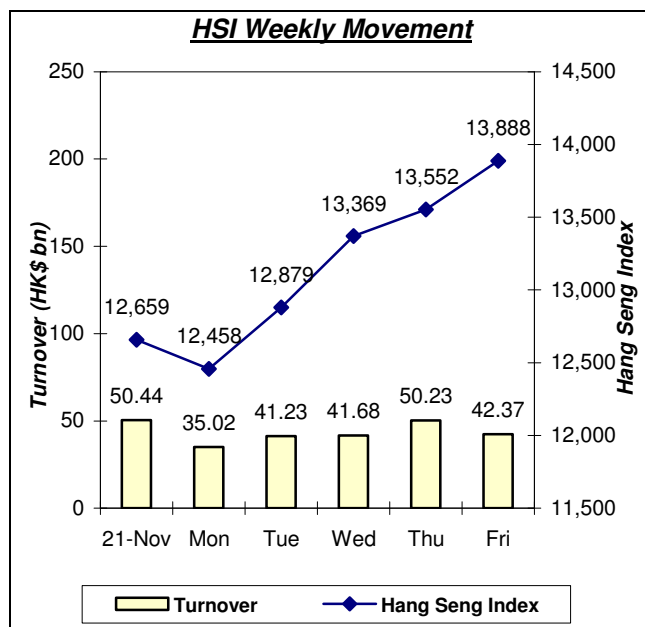


**HSI jumped after China's larger-than-expected rate cut & new rescue plan in the US**


<b><u>Weekly Market Statistics</u></b>				
Week ended	28/11/2008	21/11/2008	Change	%
Hang Seng Index	13,888	12,659	+1,229	+9.7%
HS Red Chip Index	2,997	2,758	+239	+8.7%
HS China Enterprises Index	7,207	6,425	+783	+12.2%
HS Composite Index	1,874	1,723	+151	+8.8%
HS HK Composite Index	1,432	1,323	+109	+8.2%
HS Mainland Composite Index	2,428	2,226	+202	+9.1%
Growth Enterprise Index	350	346	+3	+1.0%
Avg Daily Turnover (HK\$ bn)	42.1	43.7	-2	-3.7%
Sectoral Indices				
Finance	21,643	19,844	+1,799	+9.1%
Utilities	35,973	34,544	+1,429	+4.1%
Properties	16,083	14,237	+1,846	+13.0%
Comm & Ind	7,314	6,611	+704	+10.6%

**Review & Outlook of Market Performance**

The Hong Kong stock market staged a decent rebound during the week on the larger-than-expected rate cut in the Mainland as well as the US' swift action to support the ailing Citigroup and introduction of a bigger budget in its economic rescue plan. The Hang Seng Index jumped 1,229 points or 9.7% w-o-w to close at 13,888.24, while the HSCEI surged 12.2% to 7,207.48. Market turnover was almost flat with the daily average at just HK\$42.1 billion.

Hong Kong equities reversed course and tracked overseas markets higher on Tuesday, as investors praised that the US government's bailout plan of Citigroup could avoid collapse of another major financial institution. Besides, the stock market also reacted positively to the Fed's new US\$800 billion plan to buy mortgage-related debt and back consumer loans, in an attempt to revitalise the frozen credit market. The HK stock market rose further on Thursday and Friday, after the Mainland cut interest rate on Wednesday by a sharp 108 basis points (the biggest in 11 years and the 4<sup>th</sup> cut in 10 weeks) and lowered banks' reserve requirement ratio to support economic growth. Nonetheless, the upside of the HSI was capped at the 14,000 level, as investors started taking profit after the blue-chip index gained more than 1,400 over the last 4 trading days. In terms of market segment, property developers were among the biggest gainers in the blue-chip index, mainly lifted by short covering. SHKP gained nearly 18% w-o-w, after hitting a 5-year low in the previous week. Mainland property plays also rebounded sharply, following Beijing's forceful move in relaxing its austerity measures. The PRC power producers, generally with a high gearing, also performed well during the week on the big rate cut. Datang Power jumped nearly 35%, while Huaneng Power also ended up by more than 26% over the week.

Hong Kong stocks may take a breather next Monday, after an eye-catching rebound during the week. Nonetheless, China plays should continue to outperform, as Beijing is expected to take more stimulus measures to boost domestic growth amid global economic weakness. The near-term support for the HSI is seen near 13,000.

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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							
28th November	8,726.61*	1,532.10*	8,512.27	1,732.57	866.14	401.84	4,460.49
21st November	8,046.42	1,384.35	7,910.79	1,662.10	866.88	397.51	4,171.10
Change	+680.19	+147.75	+601.48	+70.47	-0.74	+4.33	+289.39
%	+8.5%	+10.7%	+7.6%	+4.2%	-0.1%	+1.1%	+6.9%

Remarks: (\*) closing as of 26<sup>th</sup> November 2008**Major Changes in Index Constituent Stocks (Week ended 28<sup>th</sup> November 2008)****Hang Seng Index (HSI)**

Stock	Stock Code	Closing Price @28/11/08	W-O-W Change		Remarks / Comments
			Absolute	%	
Sinopec	00386	HK\$5.15	+HK\$0.76	+17.31%	The Chinese government revealed it will push forward the refined oil product pricing reform following a sharp decline of crude oil prices, which would improve oil refiners' refining margin and profit visibility over the long term.
PetroChina	00857	HK\$6.39	+HK\$0.82	+14.72%	

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

Stock	Stock Code	Closing Price @28/11/08	W-O-W Change		Remarks / Comments
			Absolute	%	
China Communications Construction	01800	HK\$8.42	+HK\$1.77	+26.09%	It was reported that China will raise its government budget for spending on transport infrastructure from RMB800 billion in 2008 to RMB1 trillion in 2009, with investment focus on expressway projects. As one of the major contractors in the Mainland, CCCC should benefit from the increased fiscal spending on infrastructure.

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

Stock	Stock Code	Closing Price @28/11/08	W-O-W Change		Remarks / Comments
			Absolute	%	
China Overseas Land	00688	HK\$10.04	+HK\$1.24	+14.09%	Mainland property developers rose sharply, after China cut interest rates by a stunning 108 basis points and reduce commercial banks' required reserve ratio amid the latest attempt to ease monetary policy and support economic growth.
China Resources Land	01109	HK\$8.93	+HK\$0.93	+11.63%	
Sino-Ocean Land	03377	HK\$2.65	+HK\$0.69	+35.20%	



## Summary of US Economic News

Indicator	Change/Index	Comments
Existing home sales – October 2008	-3.1%	US existing home sales amounted to an annual rate of 4.98 million units in Oct, down 3.1% from 5.14 million units in Sep, below market expectations of 5.05 million units.
Gross domestic product (revised) – Q3 2008	-0.5%	The US GDP was revised to a drop of 0.5% in Q3, down from the original estimate of a 0.3% decline.
Consumer confidence index – November 2008	44.9	The consumer confidence index rebounded to 44.9 in Nov from an all-time low of 38 in Oct, as people became less pessimistic following government support measures around the world.
Durable goods orders – October 2008	-6.2%	Durable goods orders tumbled a sharp 6.2% in Oct, the greatest drop in two years. It was the third straight monthly decline in a row.
Personal income – October 2008	+0.3%	Personal income rose a better-than-expected 0.3% m-o-m in Oct. However, personal spending reported the biggest drop since Sep 2001 of 1% in Oct, pointing to poor economic growth in Q4.
Initial jobless claims – week ended 15 <sup>th</sup> November 2008	-14,000	Initial jobless claims fell 14,000 last week to 529,000, better than forecast of 537,000.
New home sales – October 2008	-5.3%	New home sales amounted to an annual rate of 433,000 units in Oct, down 5.3% from that of Sep.

## Forthcoming Important Announcements / Events

1 <sup>st</sup> December 2008 (Monday)	HK	:	<b>Retail sales – November 2008</b> Pioneer Global Group (00224) – interim results Pokfulam Development Company (00225) – final results Next Media (00282) – interim results Easyknit Enterprises (00616) – interim results
	US	:	Construction spending – October 2008 ISM manufacturing index – November 2008
2 <sup>nd</sup> December 2008 (Tuesday)	HK	:	Huabao International (00336) – interim results
	US	:	No important announcement/event
3 <sup>rd</sup> December 2008 (Wednesday)	HK	:	<b>Shaw Brothers (Hong Kong) (00080) – interim results</b> Yip's Chemical (00408) – interim results
	US	:	Productivity (revised) – Q3 2008 ISM non-manufacturing index – November 2008 Federal Reserve Beige Book
4 <sup>th</sup> December 2008 (Thursday)	HK	:	Dickson Concept (00113) – interim results <b>HKR International (00480) – interim results</b> Quam (00952) – interim results Sparkle Roll (00970) – interim results Karrie International (01050) – interim results China-Hong Kong Photo Products (01123) – interim results
	US	:	Initial jobless claims – week ended 29 <sup>th</sup> November 2008 Factory orders – October 2008 Novell, Inc. – Q4 2007/08 results
5 <sup>th</sup> December 2008 (Friday)	HK	:	Oriental Press (00018) – interim results <b>Chen Hsong Holdings (00057) – interim results</b> <b>Johnson Electric (00179) – interim results</b>
	US	:	Non-farm payrolls and jobless rate – November 2008



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