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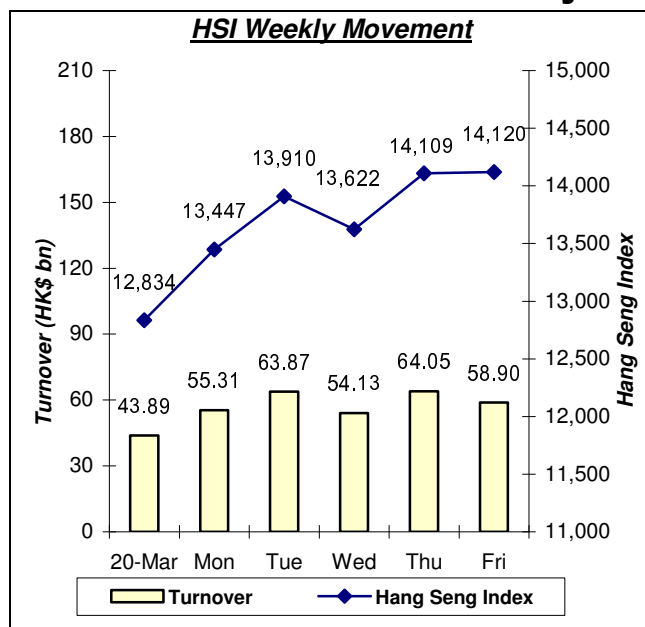
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Weekly Report27th March 2009**Global rally on upbeat US reports**

Weekly Market Statistics				
Week ended	27/3/2009	20/3/2009	Change	%
Hang Seng Index	14,120	12,834	+1,286	+10.0%
HS Red Chip Index	3,210	2,932	+278	+9.5%
HS China Enterprises Index	8,481	7,496	+985	+13.1%
HS Composite Index	1,975	1,798	+177	+9.8%
HS HK Composite Index	1,305	1,220	+86	+7.0%
HS Mainland Composite Index	2,763	2,483	+280	+11.3%
Growth Enterprise Index	387	370	+17	+4.6%
Avg Daily Turnover (HK\$ bn)	59.3	45.1	+14	+31.3%
Sectoral Indices				
Finance	20,183	18,115	+2,068	+11.4%
Utilities	34,426	34,617	-191	-0.6%
Properties	18,093	16,231	+1,862	+11.5%
Comm & Ind	7,950	7,257	+692	+9.5%

Review & Outlook of Market Performance

Cheered up by the US plan to purge toxic assets for banks as well as better-than-expected US durable goods orders and new homes sales figures, investors' buying interests were re-ignited, driving the Dow Jones Industrial Average to surge almost 9% this week. The possible signs of economic recovery in the US triggered another round of rally in the local bourse. Moreover, buying sentiments in China banking shares such as ICBC (+26.6% w-o-w), Bank of China (+16.3% w-o-w) and China Construction Bank (+13.0% w-o-w), also helped the local bourse break through the 14,000 level. The HSI ended the week at a 10-wk high of 14,119.50, up 1,285.99 points or 10.0% on a weekly basis. Average daily turnover was HK\$59.3 billion, up from HK\$45.1 billion a week earlier.

This week was a busy week for corporate results announcements. Given the global economy started to deteriorate in 2008, most companies announced their results this week posted declining FY08 results such as China Telecom (-96.3% y-o-y in its FY08 net profits), Li & Fung (-20.9%), PetroChina (-22.0%), Wharf (-52.5%), CITIC Pacific (-216.8%), China Life (-45.3%), Cheung Kong (-43.9%) and Hutchison Whampoa (-42%). Only a few exceptions like China Overseas Land (with FY08 profit +20.3%), ICBC (+36.0%), Bank of China (+17.1%) managed to deliver satisfactory growth in their respective bottom lines in FY08.

In economic news, Hong Kong's exports tumbled 23% y-o-y in February, the biggest drop in more than five decades, as external demand waned. Exports to the US dropped 36.7% in February, while exports to Asia as a whole fell 16.4% with shipments to China shrinking 14.1%. Economists expect that real gross domestic product in the first quarter is likely to worsen from the fourth quarter of last year given the poor export figures.

Looking into next week, investors should focus on the earnings reports of companies like Jiangxi Copper, China Unicom and CNOOC. In the US, pending home sales index for February and employment situation for March would also draw investors' attention later in the week. As the HSI has risen more than 24% for the past 3 weeks, we should see profit-taking pressure in the near term, as there are still no concrete economic fundamentals to prove whether the recent measures to revive the economy will work.

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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
27th March	7,924.56*	1,587.00*	8,626.97	1,745.66	885.43	440.81	5,390.70
20th March	7,278.38	1,457.27	7,945.96	1,596.92	856.82	429.64	4,961.62
Change	+646.18	+129.73	+681.01	+148.74	+28.61	+11.17	+429.08
%	+8.9%	+8.9%	+8.6%	+9.3%	+3.3%	+2.6%	+8.6%

Remarks: (*) closing as of 26th March 2009**Major Changes in Index Constituent Stocks (Week ended 27th March 2009)****Hang Seng Index (HSI)**

Stock	Stock Code	Closing Price @27/3/09	W-O-W Change		Remarks / Comments
			Absolute	%	
ICBC	01398	HK\$4.19	+HK\$0.88	+26.59%	ICBC, the world largest bank in terms of market capitalization, reported a satisfactory 36% increase in FY08 net profit to RMB110.8 billion. Moreover, ICBC's share prices were also boosted by the news that Goldman Sachs, one of its 3 strategic investors, agreed to extend the lockup period to sell down its 80% stakes in the company.

Hang Seng China Enterprises Index (HSCEI)

Stock	Stock Code	Closing Price @27/3/09	W-O-W Change		Remarks / Comments
			Absolute	%	
Sinopec	00386	HK\$4.98	+HK\$0.85	+20.58%	Sinopec's shares soared to their highest levels in more than 10 weeks after China raised fuel prices by RMB290 per tonne, a move that spells higher profits for the country's refiners.

Hang Seng China-Affiliated Corporations Index (HSCCI)

Stock	Stock Code	Closing Price @27/3/09	W-O-W Change		Remarks / Comments
			Absolute	%	
China Merchants Holdings	00144	HK\$19.98	+HK\$4.72	+30.93%	The Baltic Dry Index, a measure of the cost of shipping commodities, fell for straight 11 days till Thursday. Nevertheless, shipping related shares such as COSCO Pacific and China Merchants Holdings still buck the trend to close sharply higher this week.
COSCO Pacific	01199	HK\$8.45	+HK\$1.89	+28.81%	



Summary of US Economic News

Indicator	Change/Index	Comments
Existing Home Sales M/M change – February 2009	+5.1%	Recovery in the housing sector was the theme of February's existing home sales report that showed a 5.1% month-on-month gain. It also noted surprising strength in Southern California. The housing recovery there might prove to be V-shaped.
Durable Goods Orders M/M change – February 2009	+3.4%	Durable goods orders rebounded a strong 3.4% in February, following a 7.3% plunge in January. The gain in February was far better than the consensus projection for a 2.0% decrease and even the consensus upper bound of plus 1.0%.
New Home Sales M/M change – February 2009	+4.7%	New home sales, like existing home sales proved better than expected. The month-on-month gain was a sizable 4.7%, far better than the consensus of a 2.2% decrease.
GDP – 4Q2008	-6.3%	Fourth quarter GDP was revised down marginally to a 6.3% drop from the prior estimate of a 6.2% annualized decline. The latest revisions to GDP were very minor and do not change the view that the economy is still mired in deep recession. Most economists still expect the first quarter decline further.

Forthcoming Important Announcements / Events

30 th March 2009 (Monday)	HK	:	Poly (Hong Kong) Investments (00119) – final results SCMP Group (00583) – final results Ports Design (00589) – final results Anhui Conch Cement (00914) – final results Datang International Power (00991) – final results
	US	:	Farm Prices – Mar 2009
31 st March 2009 (Tuesday)	HK	:	Chow Sang Sang (00116) – final results Real Gold Mining (00246) – final results Jiangxi Copper (00358) – final results China Unicom (00762) – final results CNOOC (00883) – final results Hidili (01393) – final results
	US	:	Consumer Confidence – Mar 2009 Construction Spending – Feb 2009 Pending Home Sales Index – Feb 2009
1 st April 2009 (Wednesday)	HK	:	China Resources Power (00836) – final results China Oilfield Services (02883) – final results
	US	:	ISM Mfg Index – Mar 2009
2 nd April 2009 (Thursday)	HK	:	Retail Sales Statistics – February 2009 Sun Hung Kai & Co (00086) – final results Denway Motors (00203) – final results Shun Tak Holdings (00242) – final results China Communications Services (00552) – final results China Power (02380) – final results
	US	:	Factory Orders – Feb 2009 Initial jobless claims – week ended 28th March 2009
3 rd April 2009 (Friday)	HK	:	Dalian Port (02880) – final results Jutal Offshore Oil Services (03303) – final results
	US	:	Employment Situation – Mar 2009 ISM Non-Mfg Index – Mar 2009



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