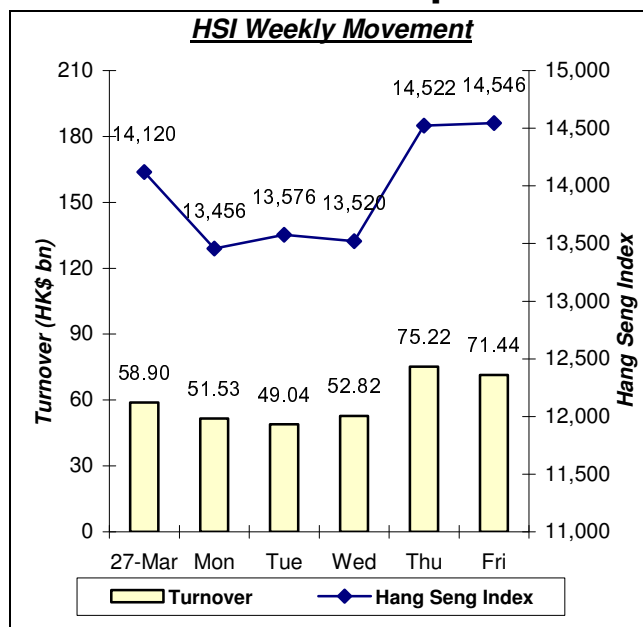


### V-shaped market rebound on G20 hope



<b>Weekly Market Statistics</b>				
Week ended	03/4/2009	27/3/2009	Change	%
Hang Seng Index	14,546	14,120	+426	+3.0%
HS Red Chip Index	3,195	3,210	-15	-0.5%
HS China Enterprises Index	8,575	8,481	+94	+1.1%
HS Composite Index	2,022	1,975	+47	+2.4%
HS HK Composite Index	1,390	1,305	+85	+6.5%
HS Mainland Composite Index	2,772	2,763	+9	+0.3%
Growth Enterprise Index	400	387	+13	+3.4%
Avg Daily Turnover (HK\$ bn)	60.0	59.3	+1	+1.3%
<b>Sectoral Indices</b>				
Finance	21,117	20,183	+934	+4.6%
Utilities	34,118	34,426	-308	-0.9%
Properties	19,248	18,093	+1,155	+6.4%
Comm & Ind	7,996	7,950	+46	+0.6%

### Review & Outlook of Market Performance

The Hong Kong stock market opened the week lower, as investors turned to take profit after sharp gains in the previous week. However, the Hang Seng Index reversed course and gained sharply on Thu, which helped recover all the year-to-date loss in the HSI, amid global market rebound on the hope that the G20 leaders would introduce new measures to support the ailing global economy. The HSI posted the biggest single-day gain for 2009 of more than 1,000 points on Thu and ended up 3.0% w-o-w to 14,545.69, while the HSCEI gained 1.1% to 8,574.73. Trading stayed active with the average daily market turnover at HK\$60.0 billion, compared with that of HK\$59.3 billion in the previous week.

The G20 leaders met in London and decided to introduce a US\$1.1 trillion package to tackle global economic weakness. Besides, the G20 countries and other participating nations have also agreed to put in place a total fiscal spending of US\$5 trillion in the next two years to support economic growth. The G20 expects the new support measures to boost the world economic output by 4% by the end of 2010. Cooperative actions and new support measures of the G20 revived investor sentiment, which staged a strong rebound in global equities during the week. In HK, bellwether HSBC was the best performing stock in the HSI with a 12.9% w-o-w rally, while decent bargain hunting in China plays was seen following profit taking earlier in the week. Meanwhile, local property developers also posted strong gains, as figures showed the number of property transactions in HK registered the strong monthly gain since Aug 08 in March this year. Henderson Land rose 10.9%, while Sino Land surged 10.7% w-o-w.

For the coming week, investors could take a breather before the Easter holiday, as there are only a few corporate result announcements and release of economic data. Ping An Insurance will post its 2008 final results on Wed, of which net profit is expected to fall by more than 90% y-o-y on investment losses. The HSI is seen trading in range between 14,000-15,000 next week.

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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
3rd April	7,978.08*	1,602.63*	8,749.84	1,820.87	907.01	446.04	5,529.63
27th March	7,776.18	1,545.20	8,626.97	1,745.66	885.43	440.81	5,390.70
Change	+201.90	+57.43	+122.87	+75.21	+21.58	+5.23	+138.93
%	+2.6%	+3.7%	+1.4%	+4.3%	+2.4%	+1.2%	+2.6%

Remarks: (\*) closing as of 2<sup>nd</sup> April 2009

### Major Changes in Index Constituent Stocks (Week ended 3<sup>rd</sup> April 2009)

#### Hang Seng Index (HSI)

Stock	Stock Code	Closing Price @3/4/09	W-O-W Change		Remarks / Comments
			Absolute	%	
HSBC Holdings	00005	HK\$49.45	+HK\$5.65	+12.90%	Tracking revived share prices of the global banking peers, HSBC was the best performing stock in the blue-chip index, after the US decided to relax the rules for mark-to-market accounting, which is expected to help the "reported" earnings for financial institutions.

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

Stock	Stock Code	Closing Price @3/4/09	W-O-W Change		Remarks / Comments
			Absolute	%	
Sinopec	00386	HK\$5.49	+HK\$0.51	+10.24%	Sinopec continued its recent strong run, after the refiner issued a positive earnings alert that it expects profit to rise by more than 50% y-o-y in Q1 2009.
Industrial and Commercial Bank of China	01398	HK\$4.07	-HK\$0.12	-2.86%	The Mainland banking plays generally underperformed this week, as investors continued to take profit on the market segment, after strong gains in the previous week. Meanwhile, there was market talk that the Mainland's new bank lending in March could reach RMB1.3 trillion, bringing the total new bank lending to about RMB4 trillion in Q1 2009, close to the full-year target of RMB5 trillion.
China Construction Bank	00939	HK\$4.54	-HK\$0.16	-3.40%	

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

Stock	Stock Code	Closing Price @3/4/09	W-O-W Change		Remarks / Comments
			Absolute	%	
China Unicom	00762	HK\$7.46	-HK\$1.17	-13.56%	China Unicom reported a 58.2% y-o-y jump in 2008 net profit, thanks to a gain from the disposal of CDMA assets. In fact, excluding all the one-off items, Unicom's bottom line was 5.8% lower from a year earlier, leading to selling pressure on its share prices.



## Summary of US Economic News

Indicator	Change/Index	Comments
Consumer confidence – March 2009	26	The index of consumer confidence rose slightly from 25.3 in Feb to 26 in Mar, marking the first monthly rise since Nov 08.
Construction spending – February 2009	-0.9%	Construction spending fell 0.9% m-o-m in Feb to an annual rate of US\$967.5 billion after a 3.5% drop in Jan, better than market expectation of a 1.8% fall.
ISM manufacturing index – March 2009	36.3	ISM manufacturing index surged to 36.3 in Mar from 35.8 in Feb, beating consensus forecast of a rise to 36.0. The figure showed that contraction in the US manufacturing sector slightly alleviated in Mar.
Pending home sales – February 2009	+2.1%	Pending home sales revived 2.1% in Feb, after hitting record low in Jan.
Initial jobless claims – week ended 28 <sup>th</sup> March 2009	+12,000	Initial jobless claims jumped 12,000 last week to 669,000, bucking consensus forecast of a drop to 650,000. It was also the biggest weekly gain since Oct 1982.
Factory orders – February 2009	+1.8%	Factory orders rose 1.8% m-o-m in Feb after a 3.5% drop in Jan, marking the first rise in six months.

## Forthcoming Important Announcements / Events

6 <sup>th</sup> April 2009 (Monday)	HK	:	Tai Sang Land Development (00089) – final results China Travel (00308) – final results Tao Heung Holdings (00573) – final results
	US	:	No important announcement/event
7 <sup>th</sup> April 2009 (Tuesday)	HK	:	Kowloon Development (00034) – final results China Merchants China Direct Investments (00133) – final results K. Wah International (00173) – final results Bonjour Holdings (00653) – final results
	US	:	Alcoa Inc – Q1 2009 results
8 <sup>th</sup> April 2009 (Wednesday)	HK	:	Tsingtao Brewery (00168) – final results Huadian Power (01071) – final results Sinolink (01168) – final results COSCO Pacific (01199) – final results Ping An Insurance (02318) – final results Xinxin Mining (03833) – final results Silver Base (00886) – trading debut
	US	:	Wholesale inventories – February 2009
9 <sup>th</sup> April 2009 (Thursday)	HK	:	Lai Sun International (00191) – interim results Lai Sun Development (00488) – interim results Shougang International (00697) – final results CITIC Resources (01205) – final results
	US	:	Initial jobless claims – week ended 4 <sup>th</sup> April 2009 Trade balance – February 2009 Chevron – Q1 2009 results
10 <sup>th</sup> April 2009 (Friday)	HK	:	Good Friday holiday
	US	:	Good Friday holiday



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