



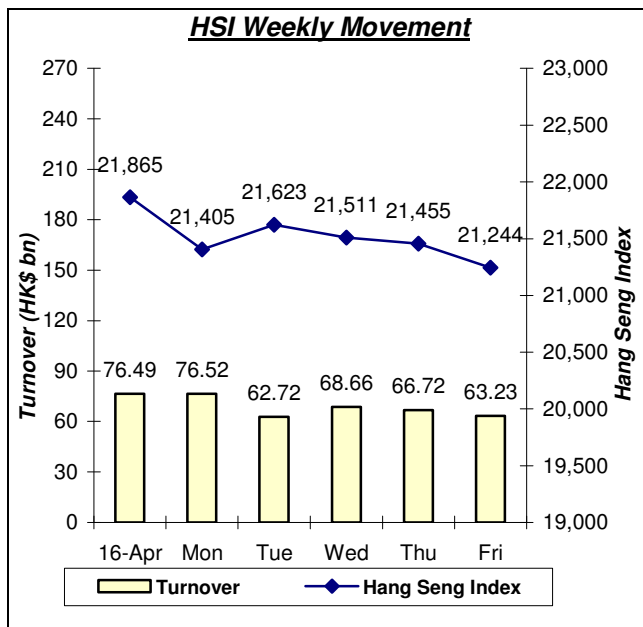
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Weekly Report

23rd April 2010

HSI ended lower on fresh government property policy



Weekly Market Statistics

Week ended	23/4/2010	16/4/2010	Change	%
Hang Seng Index	21,244	21,865	-621	-2.8%
HS Red Chip Index	3,988	4,083	-95	-2.3%
HS China Enterprises Index	12,168	12,557	-389	-3.1%
HS Hong Kong 35 Index	2,197	2,262	-65	-2.9%
HS Mainland 100 Index	6,817	6,975	-159	-2.3%
Growth Enterprise Index	879	876	+4	+0.4%
Avg Daily Turnover (HK\$ bn)	67.6	70.1	-2	-3.6%
Sectoral Indices				
Finance	32,010	32,998	-989	-3.0%
Utilities	40,354	40,226	+128	+0.3%
Properties	26,343	28,043	-1,699	-6.1%
Comm&Ind	11,662	11,919	-257	-2.2%

Review & Outlook of Market Performance

Hong Kong shares tumbled at the beginning of the week on the news of fraud charges against Goldman Sachs by the U.S. Securities and Exchange Commission. On the other hand, property plays were dragged by Beijing's fresh policies to cool down its property market. After a mild recovery on Tuesday, the benchmark index, the Hang Seng Index (HSI) started to trend lower on renewed Greek concerns and more tightening measures on the property markets in both Hong Kong and China. Eventually, the Index registered a weekly drop of 2.8% to 21,244.49, while the HSCEI lost 3.1% to 12,168.18. The daily average turnover amounted to HK\$67.6 billion, down from HK\$70.1 billion in the previous week.

Market sentiment in the property sector weakened over the week following a raft government measures from both Hong Kong and Chinese governments to curb the overheated property markets. Counters of local and mainland property developers were among the major losers in the Hang Seng Index and the Hang Seng China-Affiliated Corporations Index over the week. Swire Pacific (00019) was the only local property play in the HSI to finish the week in the black. The conglomerate said it had received approval for a US\$3 billion initial public offering for its Swire Properties unit in Hong Kong.

On IPO front, Sijia Group (01863) and O-Net Communications (Group) (00877) reported 10 times and 100 times oversubscriptions respectively for their respective IPOs this week. Next week's IPO candidates include L'Occitane (00973), a French skincare and personal care retail, which plans to raise US\$810 million from its Hong Kong starting IPO next Monday (26 April). This will be followed by Lansan Pharmaceutical (00503) which will commence its IPO on Tuesday (27 April) to raise HK\$553 million.

Looking ahead, the market will focus on China's April purchasing manufacturing index and quarterly earnings results of Chinese banks. FOMC announcement and US GDP data will also grab the spotlight of the market. The Hang Seng Index is expected to trade between 21,300 mark and 21,700 mark in the near term as there is still concern over Chinese government's further actions aiming at curbing speculations over properties.

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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
23rd April	11,134.29*	2,519.07*	10,914.46	2,974.23	1,336.01	754.58	8,004.89
16th April	11,092.05	2,480.11	11,102.18	3,007.19	1,332.77	736.16	8,111.57
Change	+42.24	+38.96	-187.72	-32.96	+3.24	+18.42	-106.68
%	+0.4%	+1.6%	-1.7%	-1.1%	+0.2%	+2.5%	-1.3%

Remarks: (*) closing as of 22nd April 2010

Major Changes in Index Constituent Stocks (Week ended 23rd April 2010)

Hang Seng Index (HSI)

Stock	Stock Code	Closing Price @23/4/2010	W-O-W Change		Remarks / Comments
			Absolute	%	
New World Development	00017	HK\$14.12	-HK\$1.32	-8.55%	Hong Kong government's new measures to curb property speculation, including (1) an extension of stamp duty hike to property transactions less than HK\$20 million; (2) more guidelines and rules to strengthen the regulation in primary property sales and showflat pre-sales to ensure transparency; (3) curbing excessive borrowing; and (4) increasing land supply.
Sino Land	00083	HK\$14.18	-HK\$1.20	-7.80%	
SHKP	00016	HK\$111.60	-HK\$9.10	-7.54%	
China Resources Land	01109	HK\$14.18	-HK\$1.08	-7.08%	
Henderson Land	00012	HK\$50.40	-HK\$2.70	-5.08%	

Hang Seng China Enterprises Index (HSCEI)

Stock	Stock Code	Closing Price @23/4/2010	W-O-W Change		Remarks / Comments
			Absolute	%	
China National Building Material Company (CNBM)	03323	HK\$13.28	-HK\$1.92	-12.63%	FY2009's results of the CNBM were in line with expectations. Its net profit attributable to equity shareholders amounted to RMB2.4 billion, representing an increase of 55.6% over that of FY2008. However, the company's high gearing remains a concern. Its net-debt-to-equity ratio jumped to 219% in December 2009 from June 2009, which was the highest among its peers.

Hang Seng China-Affiliated Corporations Index (HSCCI)

Stock	Stock Code	Closing Price @23/4/2010	W-O-W Change		Remarks / Comments
			Absolute	%	
Sino-Ocean Land	03377	HK\$6.00	-HK\$0.52	-7.98%	Beijing announced a series of fresh policies on the property sector, which include (1) developers cannot receive deposit before receipt of pre-sales consent and developers should distribute the price list of all the units within 10 days once the consent has been issued; and (2) insurance funds should be prohibited from investing in residential, commercial and other property development projects before more guidelines have been issued.
Franshion Property	00817	HK\$2.22	-HK\$0.18	-7.50%	
Poly (Hong Kong) Investments	00119	HK\$7.92	-HK\$0.64	-7.48%	
China Resources Land	01109	HK\$14.18	-HK\$1.08	-7.08%	
Yuexiu Property	00123	HK\$1.85	-HK\$0.11	-5.61%	
China Overseas Land and Investments	00688	HK\$14.70	-HK\$0.80	-5.16%	



Summary of US Economic News

Indicator	Change/Index	Comments
Index of leading economic indicators – March 2010	+1.4%, m-o-m	Leading indicators gained 1.4% month-on-month in March from an upwardly revised figure of 0.4% in the previous month, due to an increase in workweek.
Initial jobless claims – the week ended 17 th April 2010	456,000	Initial jobless claims dropped by 24,000 to 456,000 for the week ended 17 th April. In contrast, the four-week moving average increased to 460,250 from 457,500 as the previous two weeks' jobless claims data was distorted due to the Easter holiday.
Producer price index – March 2010	+0.7%, m-o-m	Producer price inflation surged unexpectedly by 0.7% month-on-month in March on bad weather.
Existing home sales – March 2010	+6.8%, m-o-m	Existing home sales climbed unexpectedly by 6.8% to 5.35 million, driven by government tax credit.

Forthcoming Important Announcements / Events

26 th April 2010 (Monday)	HK	:	China Railway Group (00390) – final result Zhong An Real Estate (00672) – final result BYD Company (01211) – Q1 FY2010
	US	:	No important news or announcements
27 th April 2010(Tuesday)	HK	:	PetroChina (00857) – Q1 FY2010 BOC Hong Kong (02388) – Q1 FY2010 Bank of China (03988) – Q1 FY2010 Trade Balance – March 2010
	US	:	FOMC meeting begins Consumer confidence – April 2010
28 th April 2010 (Wednesday)	HK	:	Sinopec Shanghai Petrochemical (00338) – Q1 FY2010 Sinopec (00386) – Q1 FY2010 China Telecom (00728) – Q1 FY2010 Citic Bank (00998) – final result and Q1 FY2010 COSCO Pacific (01199) – Q1 FY2010 China Life (02628) – Q1 FY2010 China Merchants Bank (03968) – Q1 FY2010
	US	:	FOMC meeting announcement
29 th April 2010 (Thursday)	HK	:	China Unicom (00762) – Q1 FY2010 China Construction Bank (00939) – Q1 FY2010 China Shenhua (01088) – Q1 FY2010 Industrial and Commercial Bank of China (01398) – Q1 FY2010 Minsheng Bank (01988) – Q1 FY2010 Ping An (02318) – Q1 FY2010 China Pacific Insurance (Group) (02601) – Q1 FY2010 Bank of Communications (03328) – Q1 FY2010 Sijia Group (01863) - trading debut O-Net Communications (Group) (00877) – trading debut
	US	:	Initial jobless claims – the week ended 24 th April 2010
30 th April 2010 (Friday)	HK	:	No important news or announcements
	US	:	GDP – Q1 2010 Chicago PMI – April 2010 Consumer sentiment – April 2010



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