



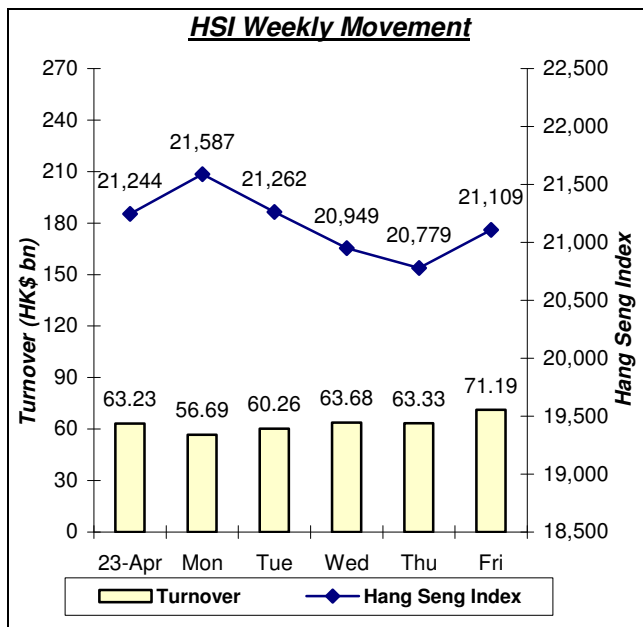
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Weekly Report

30<sup>th</sup> April 2010

## HSI down on Greek debt woes but solid Q1 earnings offset most losses



**Weekly Market Statistics**

Week ended	30/4/2010	23/4/2010	Change	%
Hang Seng Index	21,109	21,244	-136	-0.6%
HS Red Chip Index	3,997	3,988	+9	+0.2%
HS China Enterprises Index	12,181	12,168	+13	+0.1%
HS Hong Kong 35 Index	2,164	2,197	-33	-1.5%
HS Mainland 100 Index	6,822	6,817	+5	+0.1%
Growth Enterprise Index	894	879	+15	+1.7%
Avg Daily Turnover (HK\$ bn)	63.0	67.6	-5	-6.7%
Sectoral Indices				
Finance	31,918	32,010	-92	-0.3%
Utilities	38,715	40,354	-1,639	-4.1%
Properties	26,237	26,343	-106	-0.4%
Comm & Ind	11,585	11,662	-77	-0.7%

### Review & Outlook of Market Performance

Hong Kong equities were depressed by worries over worsening debt woes in Greece. Market talks of monetary tightening moves in the Mainland during the coming Labor Day holiday break also put pressure on share prices. Market sentiments stabilized on Friday, supported by a strong set of first-quarter results from major China plays. The Hang Seng Index eased 0.6% w-o-w to 21,108.59, while the HSCEI inched up 0.1% w-o-w to 12,181.20. The daily average Mainboard turnover stood at HK\$63.0 billion, down from HK\$67.6 billion in the previous week.

Global stock markets were in a negative tone during the week, after rating agency Standard & Poor's downgraded Greek debts to junk status. S&P's also downgraded Greece's euro-zone "PIGS" counterparts Portugal and Spain. The downgrades dampened market sentiment, as investors feared that debt woes in Greece would spill over and trigger a fresh round of financial crisis in Europe. Sentiment stabilized slightly on Friday, after officials from the European Central Bank, IMF and European Union said they would extend their financial aid to Greece and would wrap up a rescue package in a few days. Meanwhile, bargain hunting, following the release of robust first-quarter results from major China plays like ICBC, CCB, China Life and PetroChina, supported the blue-chip index to regain ground above 21,100.

There were two IPO debuts during the week, namely, Sijia Group and O-Net Communications. Both performed well in spite of weak market sentiment, with gains of some 12% and 38% on their trading debuts, respectively. The heavily subscribed L'Occitane and Lansen Pharmaceutical will commence trading next Friday.

Buying spree is expected to revive, amid efforts by European financial authorities to bail out Greece and avoid its debt default. Besides, positive corporate earnings outlook of China plays, after a fruitful Q1, should also bode well for the stock market performance in the near term.

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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
30th April	11,167.32*	2,511.92*	11,057.40	2,980.33	1,346.38	763.51	8,004.25
23th April	11,204.28	2,530.15	10,914.46	2,974.23	1,336.01	754.58	8,004.89
Change	-36.96	-18.23	+142.94	+6.10	+10.37	+8.93	-0.64
%	-0.3%	-0.7%	+1.3%	+0.2%	+0.8%	+1.2%	-0.0%

Remarks: (\*) closing as of 29<sup>th</sup> April 2010**Major Changes in Index Constituent Stocks (Week ended 30<sup>th</sup> April 2010)****Hang Seng Index (HSI)**

Stock	Stock Code	Closing Price @30/4/2010	W-O-W Change		Remarks / Comments
			Absolute	%	
Esprit	00330	HK\$56.70	-HK\$3.20	-5.34%	Apparel retailer Esprit underperformed amid rising debt woes in Europe. Investors worried that further drop in Euro on a possible financial crisis in Europe would hurt Esprit's bottom line.

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

Stock	Stock Code	Closing Price @30/4/2010	W-O-W Change		Remarks / Comments
			Absolute	%	
Yanzhou Coal Mining	01171	HK\$22.30	+HK\$4.18	+23.07%	Yanzhou Coal was the biggest gainer in the H-share index during the week, after the company posted late last Friday a 1.9x y-o-y jump in 1Q10 earnings. Management guidance of a 100% rise in net profit for the first half of 2010 also supported Yanzhou Coal's share prices.
Air China	00753	HK\$8.79	+HK\$0.48	+5.78%	Air China outperformed and ended at a fresh two-year high after management laid out a bullish outlook for the National flag air carrier in the next few years. Air China said the Group's share (in terms of capacity) in Shenzhen and Guangzhou will be above 40% and 20%, respectively, after its takeover of Shenzhen Airlines, which would help strengthen its business presence in Southern China.

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

Stock	Stock Code	Closing Price @30/4/2010	W-O-W Change		Remarks / Comments
			Absolute	%	
COSCO Pacific	01199	HK\$10.66	-HK\$1.28	-10.72%	COSCO Pacific was the biggest loser in both the HSI and the HSCCI, after it placed 449 million new shares on Thu at HK\$10.40 (a 9.9% discount) to fund its acquisition of stakes of operating units in Yantian Terminal from Maersk.

**Summary of US Economic News**

Indicator	Change/Index	Comments
Consumer confidence – April 2010	57.9	The index of consumer confidence rose to 57.9 in Apr from 52.3 in Mar, better than consensus forecast of 53.5.
Initial jobless claims – week ended 10 <sup>th</sup> Apr 2010	-11,000	Initial jobless claims fell 11,000 last week to 448,000, slightly higher than consensus forecast of a drop to 445,000 but marking the lowest level in a month.

**Forthcoming Important Announcements / Events**

3 <sup>rd</sup> May 2010 (Monday)	HK	:	Retail sales – March 2010
	US	:	Personal income and spending – March 2010 Construction spending – March 2010 ISM manufacturing index – April 2010
4 <sup>th</sup> May 2010(Tuesday)	HK	:	HSBC Holdings (00005) – Q1 2010 dividend Hang Seng Bank (00011) – Q1 2010 dividend
	US	:	Factory orders – March 2010 MasterCard Incorporated – Q1 2010 results Merck & Co., Inc. – Q1 2010 results NYSE Euronext – Q1 2010 results Pfizer – Q1 2010 results
5 <sup>th</sup> May 2010 (Wednesday)	HK	:	No important announcement/event
	US	:	ISM non-manufacturing index – April 2010 Time Warner Inc. – Q1 2010 results
6 <sup>th</sup> May 2010 (Thursday)	HK	:	Manulife Financial (00945) – Q1 2010 results
	US	:	Initial jobless claims – the week ended 1 <sup>st</sup> May 2010 Productivity (preliminary) – Q1 2010
7 <sup>th</sup> May 2010 (Friday)	HK	:	Real Gold Mining (00246) – Q1 2010 results Lansen Pharmaceutical (00503) – trading debut L'Occitane International (00973) – trading debut
	US	:	Non-farm payrolls – April 2010



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