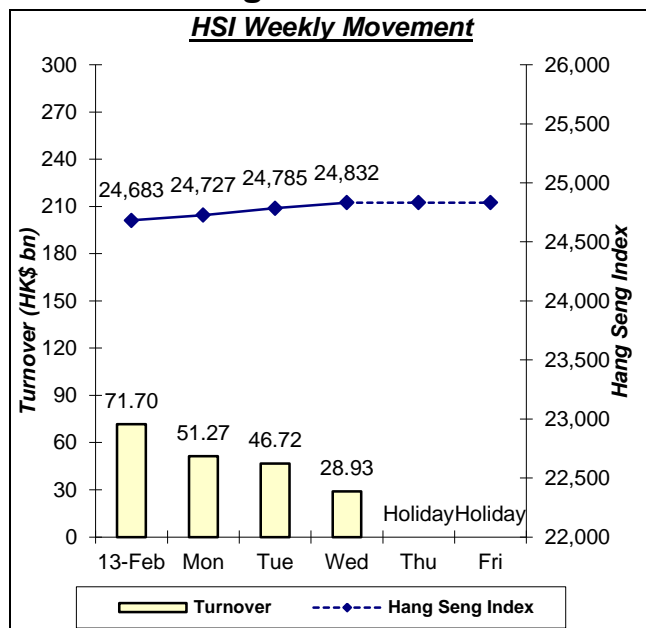


HSI surged ahead of the CNY on anticipation of further stimulus



Weekly Market Statistics

Week ended	18/2/2015	13/2/2014	Change	%
Hang Seng Index	24,832	24,683	+150	+0.6%
HS Red Chip Index	4,624	4,619	+5	+0.1%
HS China Enterprises Index	12,066	11,923	+144	+1.2%
HS Hong Kong 35 Index	2,816	2,795	+22	+0.8%
HS Mainland 100 Index	7,581	7,537	+44	+0.6%
Growth Enterprise Index	486	474	+12	+2.6%
Avg Daily Turnover (HK\$ bn)	50.8	68.2	-17	-25.6%
Sectoral Indices				
Finance	34,307	34,162	+145	+0.4%
Utilities	55,209	54,695	+514	+0.9%
Properties	32,417	32,337	+80	+0.2%
Comm & Ind	14,629	14,501	+128	+0.9%

Review & Outlook of Market Performance

Hong Kong shares maintained the momentum during the three trading days this week (the local bourse to be closed on Thursday and Friday for the Lunar New Year holiday), driven by the strong rally of the mainland stock markets on anticipation of further government stimulus to boost the economy. The HSI gained 150 points or 0.6% from last Friday, while the HSCEI was up 1.2%. The daily average Mainboard turnover dropped to HK\$50.8 billion, down from HK\$68.2 billion in the previous week.

Sector-wise, shares of Chinese oil trio surged, amid speculation of the industry consolidation. Shares of CNOOC (883.HK), Petrochina (857.HK) and Sinopec (386.HK) advanced by 5.2%, 5.2% and 6.5% w-o-w respectively. Chinese infrastructure plays also outperformed the market, after Deutsche Bank reiterated its positive stance on the sector and raised the price targets of the companies of the sector.

On the economic front, foreign direct investment in China grew at its strongest pace in nearly four years in January, representing an increase of 29.4% y-o-y or 4.5% m-o-m. Although rising labour costs dampened the interest of investors in China's traditional manufacturing sector, investors shifted their focus on the fast-growing services sector which accounted for two-thirds of the inbound investments in the month. Separately, the average new home prices of China's 70 major cities edged down by 0.4% m-o-m in January, marking its ninth consecutive decline, as the property market has been facing headwinds from a slowing economy and oversupply especially in the lower-tier cities.

For the coming week, market turnover is expected to recover after the Lunar New Year holiday, with investors coming back from their CNY holiday. Investor focus will turn to some blue chip companies including Cheung Kong (1.HK), Hutchison Whampoa (13.HK) and SHKP (16.HK), amid release of their respective results. In addition, China is going to release the HSBC Manufacturing PMI for February on 25th February, which may also draw the interest of investors.

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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
18th February	18,047.58*	4,899.27*	18,199.17	3,435.66	1,807.87	1,598.54	9,529.51^
13th February	18,019.35	4,893.84	17,913.36	3,426.22	1,800.95	1,615.89	9,529.51
Change	+28.23	+5.43	+285.81	+9.44	+6.92	-17.35	+0.00
%	+0.2%	+0.1%	+1.6%	+0.3%	+0.4%	-1.1%	+0.0%

Remark: (^) closing as of 13th February 2015; (*) closing as of 17th February 2015

Major Changes in Index Constituent Stocks (Week ended 18th February 2015)
Hang Seng Index (HSI)

Stock	Stock Code	Closing Price @18/2/2015	W-O-W Change		Remarks / Comments
			Absolute	%	
CNOOC	0883	HK\$11.38	+HK\$0.56	+5.2%	Shares of oil companies surged, after news reported that China planned to consolidate the oil industry by merging its huge state-controlled oil companies to enhance their competitiveness.
Petrochina	00857	HK\$8.98	+HK\$0.44	+5.2%	
Sinopec	00386	HK\$6.52	+HK\$0.40	+6.5%	

Hang Seng China Enterprises Index (HSCEI)

Stock	Stock Code	Closing Price @18/2/2015	W-O-W Change		Remarks / Comments
			Absolute	%	
China Railway	00390	HK\$6.05	+HK\$0.46	+8.2%	Deutsche Bank said the recent price correction of the PRC infrastructure plays provided good entry point for the sector. In addition, the broker expected to see positive catalysts in the near-term, including potential upside of FY2015 investment budget by China Railway Corporation; the government's support of One Belt One Road plan and Go Global strategy; strong overseas order flow; as well as potential interest rate cut.
China Communications Constructions	01800	HK\$8.94	+HK\$0.71	+8.6%	

Hang Seng China-Affiliated Corporations Index (HSCCI)

Stock	Stock Code	Closing Price @18/2/2015	W-O-W Change		Remarks / Comments
			Absolute	%	
China Mobile	00941	HK\$106.90	+HK\$4.80	+4.7%	China Mobile announced that its 4G users exceeded 100 million as at 31 st January 2015 and expected the number would further increase to 250 million by the end of this year.
Brilliance China	01114	HK\$14.66	+HK\$0.94	+6.9%	Morgan Stanley reiterated "Overweight" on the counter and lifted its price target from HK\$16 to HK\$17, as the Company would record a foreign exchange gain on the weak euro.

Summary of US Economic News

Indicator	Change/Index	Comments
Housing Market Index – February 2015	55.0	The Housing Market Index in February fell to 55.0 from 57.0 a month ago, falling short of expectations of 58.0. The single-family home sales component fell to 61.0 from 62.0, marking the first drop since last October.

Forthcoming Important Announcements / Events

23 rd February 2015 (Monday)	HK	:	Consumer Price Index for January 2015 Hang Seng Bank Ltd (00011) - final results HSBC Holdings PLC (00005) - final results
	US	:	Existing Home Sales – January 2015 Hewlett Packard Co – 1Q15 results Macy's Inc – 1Q15 results Toll Brothers Inc – 1Q15 results
24 th February 2015 (Tuesday)	HK	:	Power Assets Holdings Ltd (00006) - final results
	US	:	Consumer Confidence – February 2015 Campbell Soup Company – 2Q15 results
25 th February 2015 (Wednesday)	HK	:	Gross Domestic Product for 4Q14 and 2014 Cheung Kong Infrastructure (01038) - final results Esprit Holdings Ltd (00330) - interim results Nine Dragons Paper (Holdings) Ltd (02689) - interim results SJM Holdings Ltd (00880) - final results
	US	:	New Home Sales – January 2015 Gap Inc – 4Q14 results JC Penney Company Inc – 4Q14 results Tesco Corp – 4Q14 results
26 th February 2015 (Thursday)	HK	:	External Merchandise Trade Statistics for January 2015 AIA Group Ltd (01299) - final results Cheung Kong (Holdings) Ltd (00001) - final results Chong Hing Bank Ltd (01111) - final results CLP Holdings Ltd (00002) - final results Hutchison Whampoa Ltd (00013) - final results New World China Land Ltd (00917) - interim results New World Department Store China (00825) - interim results NWS Holdings Ltd (00659) - interim results
	US	:	Consumer Price Index – January 2015 Durable Goods Orders – January 2015 Initial Jobless Claims – week ended 21 st February 2015
27 th February 2015 (Friday)	HK	:	Guoco Group Ltd (00053) - interim results New World Development Co Ltd (00017) - interim results Sun Hung Kai Properties Ltd (00016) - interim results Yuexiu Property Co Ltd (00123) - final results Dah Chong Hong Holdings Ltd (01828) - final results
	US	:	GDP (preliminary) – 4Q14 Consumer Sentiment – February 2015 Pending Home Sales Index – January 2015



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