

Hong Kong Market Report

27 – 29 September 2010



香港證券業協會
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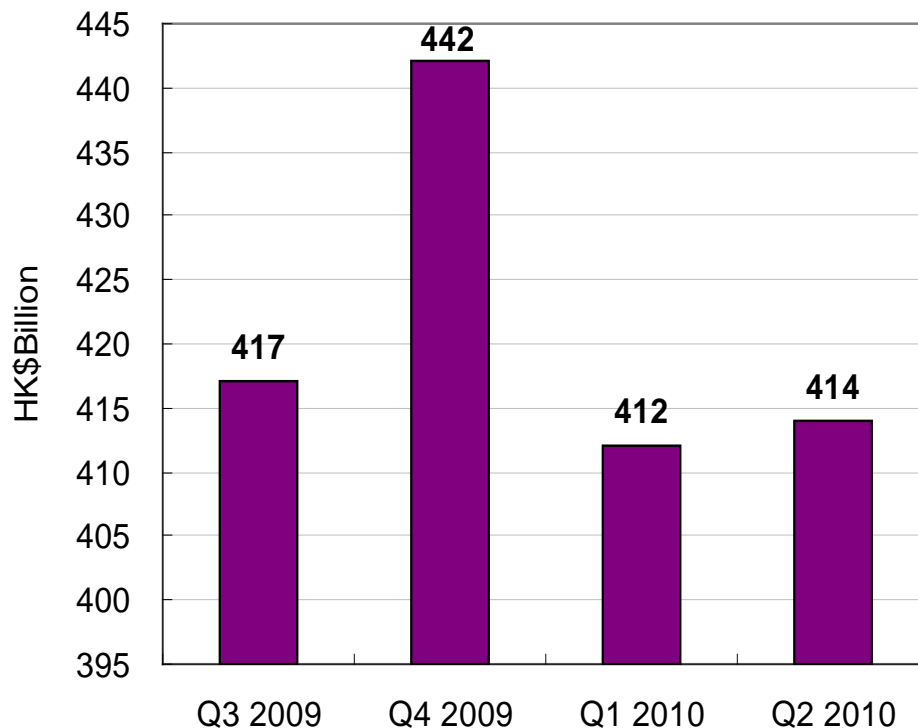
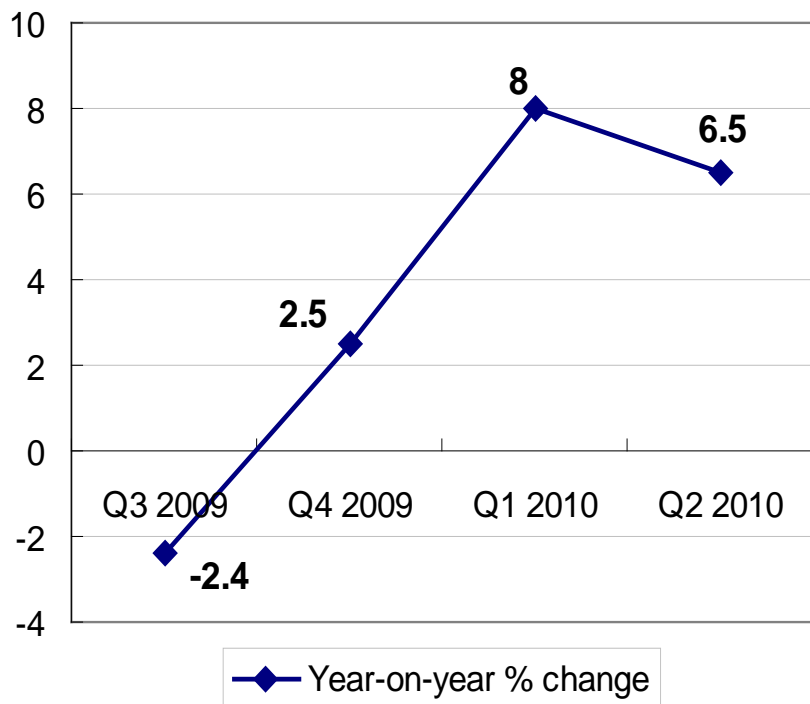
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Hong Kong GDP 2H 2009 – 1H 2010



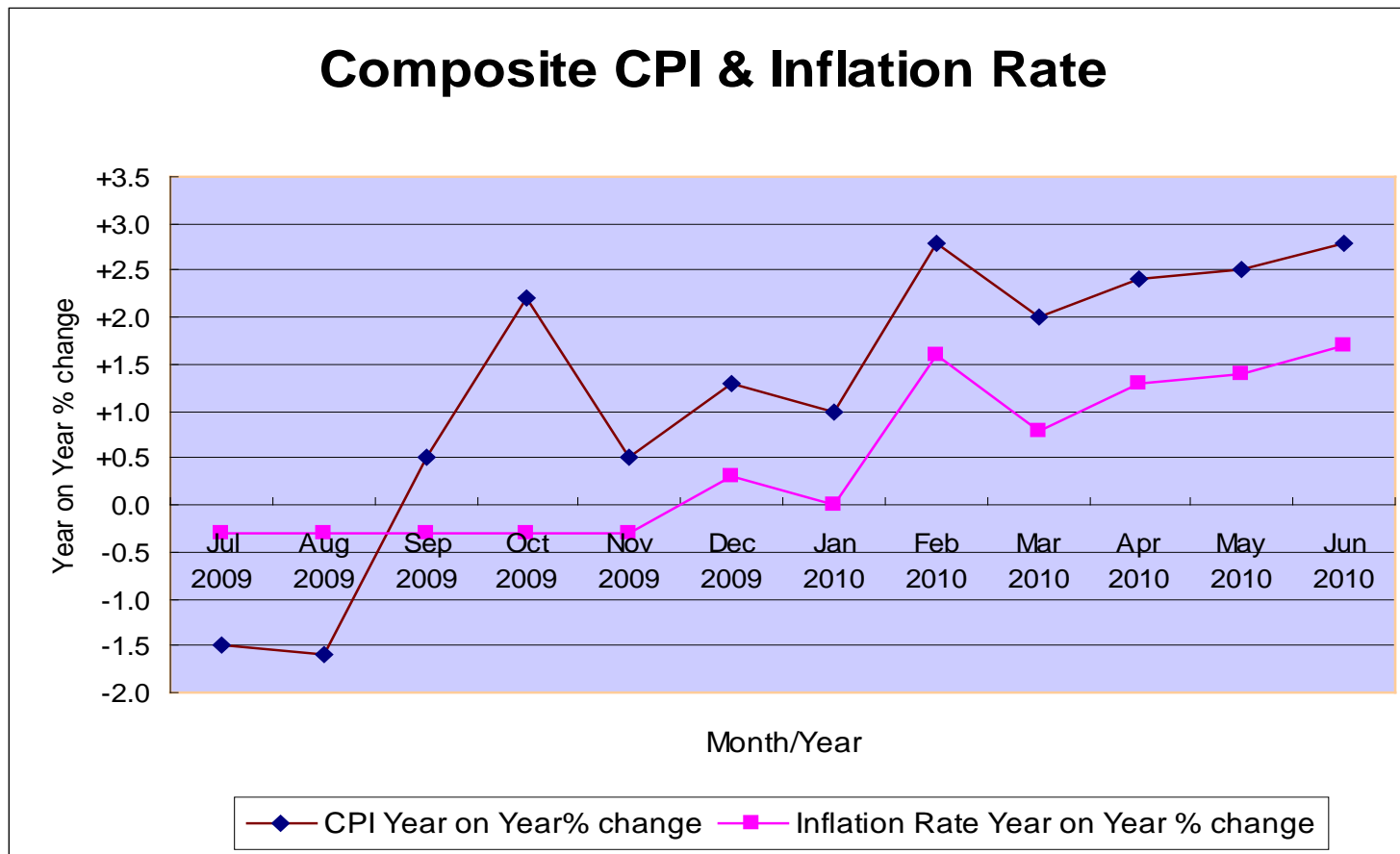
Source : Census & Statistics Department, The SAR Government



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Consumer Price Index and Inflation Rate 2H 2009 – 1H 2010



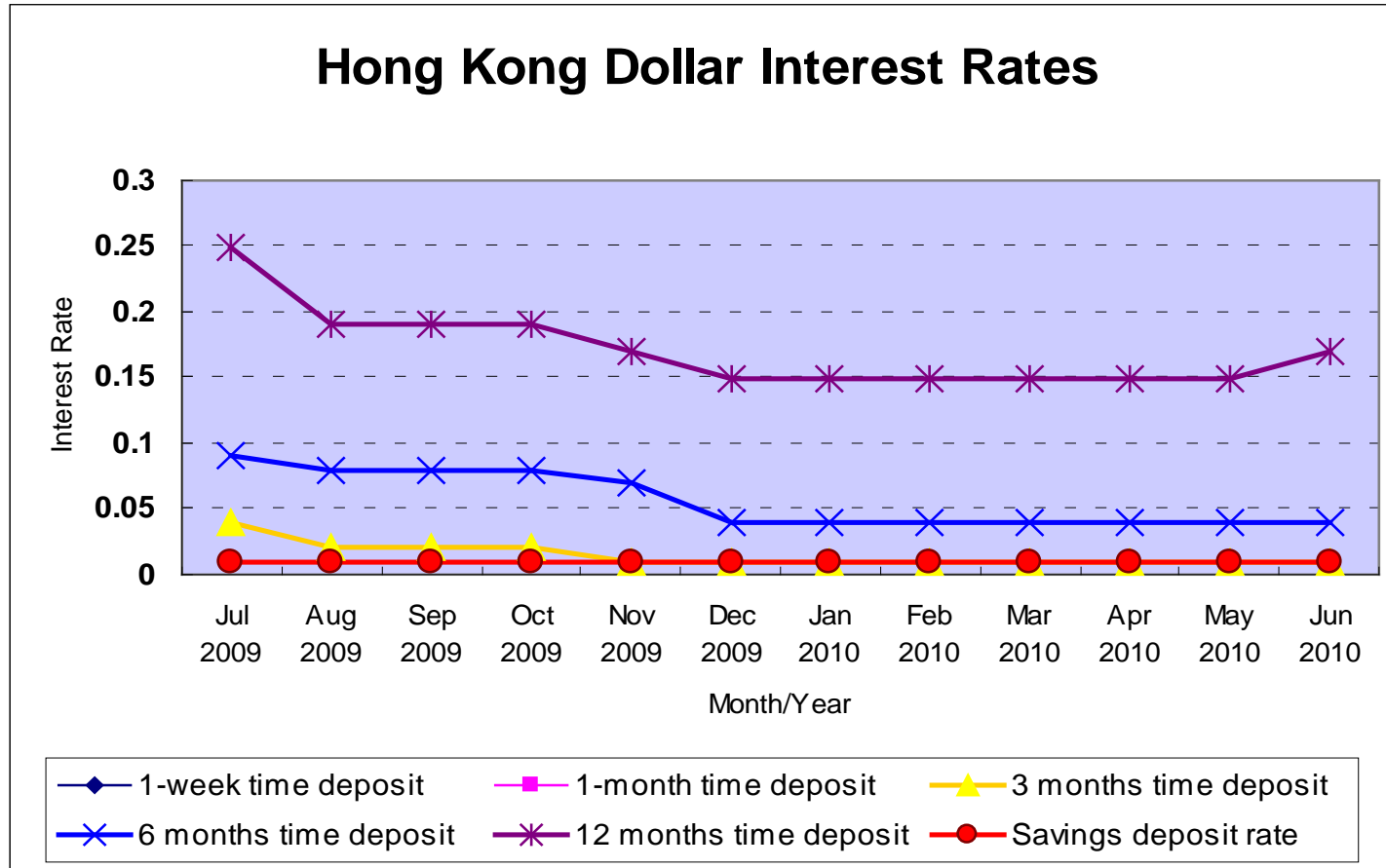
Source : Census & Statistics Department, The SAR Government



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Hong Kong Dollar Interest Rates 2H 2009 – 1H 2010



Source : Census & Statistics Department, The SAR Government



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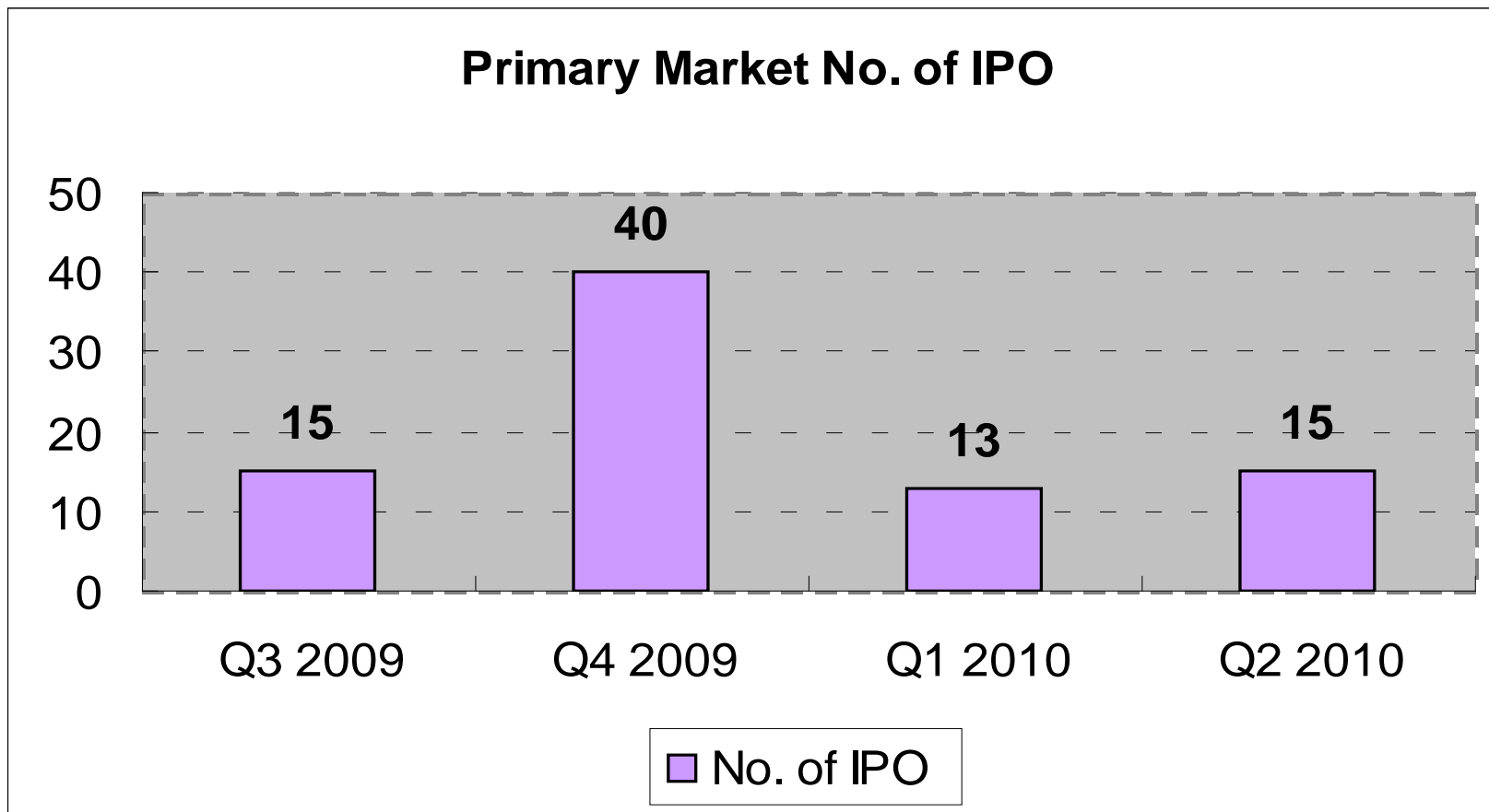
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Hong Kong Capital Market 2H 2009 – 1H 2010



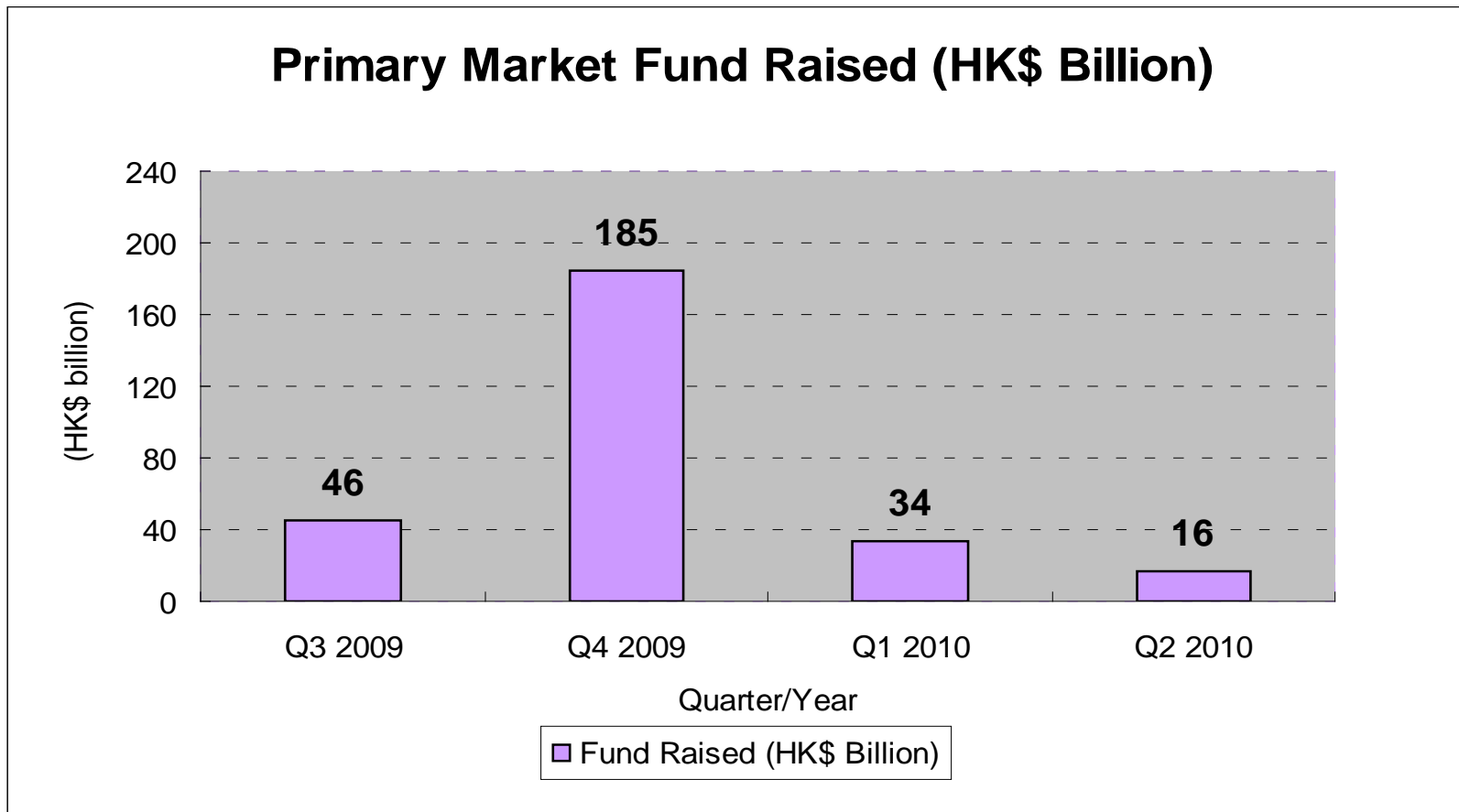
Source: HKEx



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Hong Kong Capital Market 2H 2009 – 1H 2010



Source: HKEx



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Hong Kong Capital Market

2H 2009 – 1H 2010

Primary Market - Performance of IPO between 2H 2009 to 1H 2010		
	2H 2009	1H 2010
No. of IPO listed on Main Board	50	26
No. of IPO Listed on GEM Board	5	2
Total No. of IPO	55	28
Fund Raised (HK\$ Billion)	230.58	50.32
No. of IPO still dip below IPO Price (as of July 19)	22	11
Percentage	40%	39%
Source : HKEx, Etnet & AA Stocks		



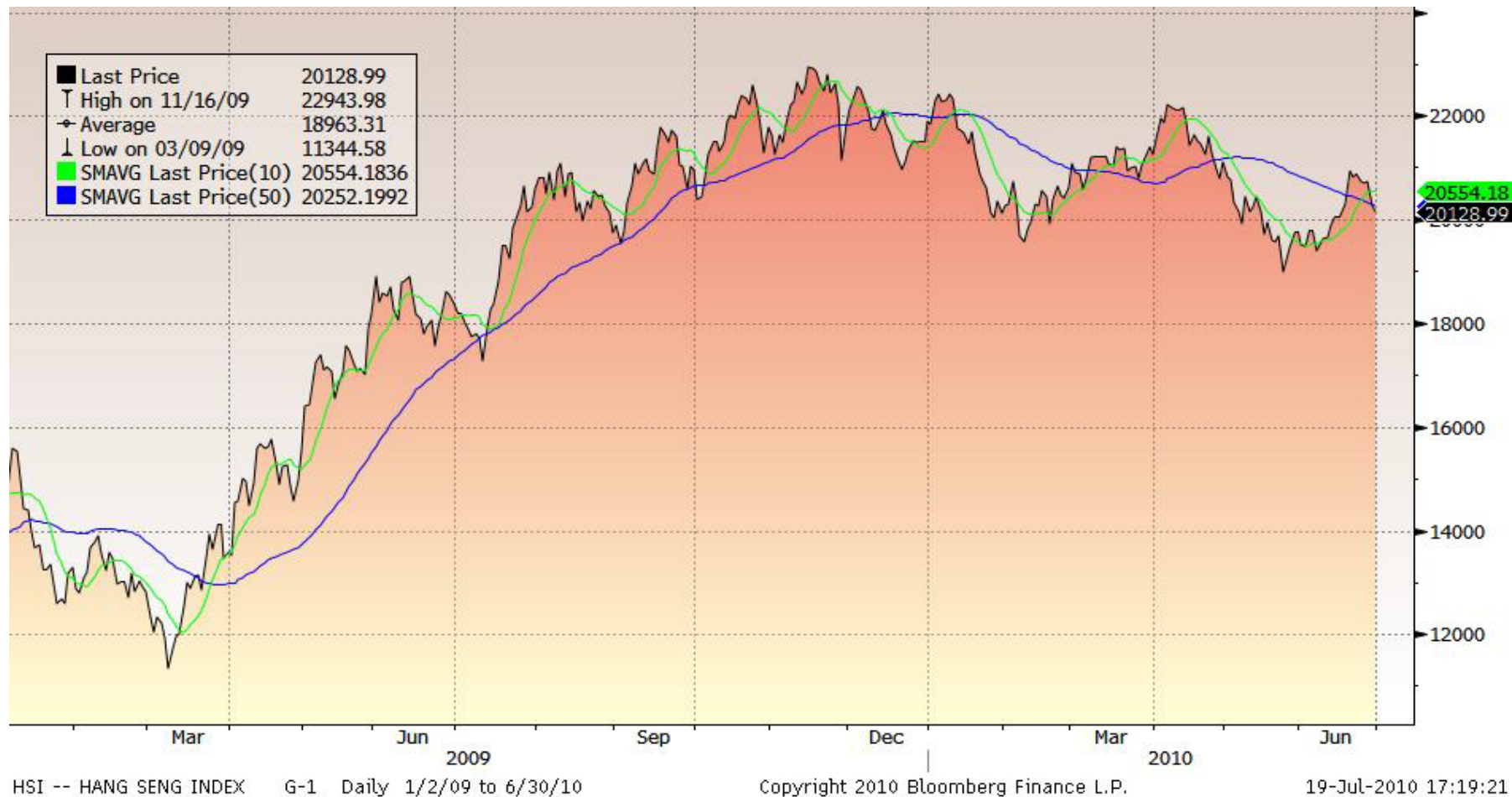
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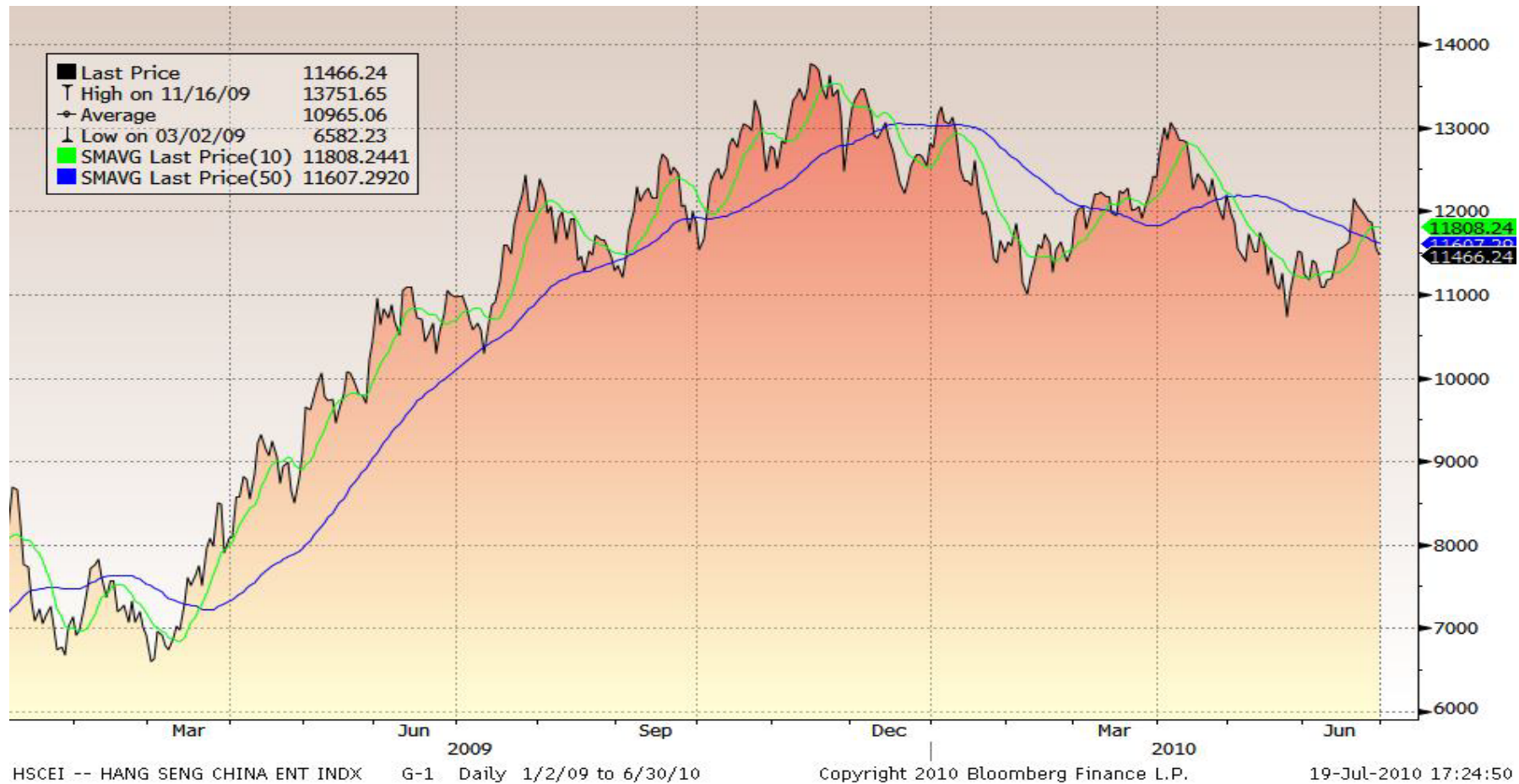
Hang Seng Index 2009 – 1H 2010



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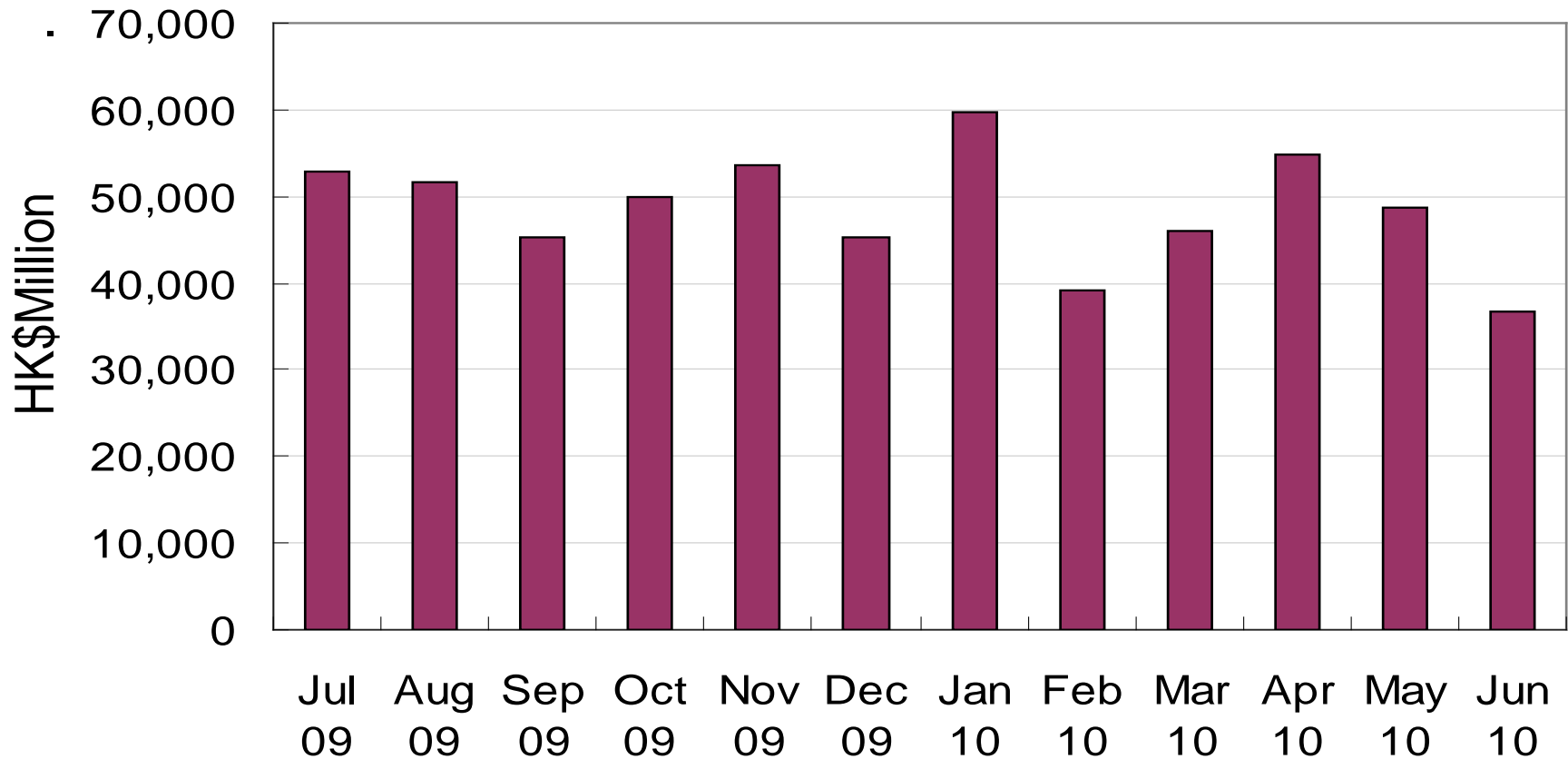
Hang Seng China Enterprises Index (HSCEI) 2009 – 1H 2010



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Hong Kong Equities Market Turnover (Main and GEM Board) Average Daily by Value (HK\$mil)



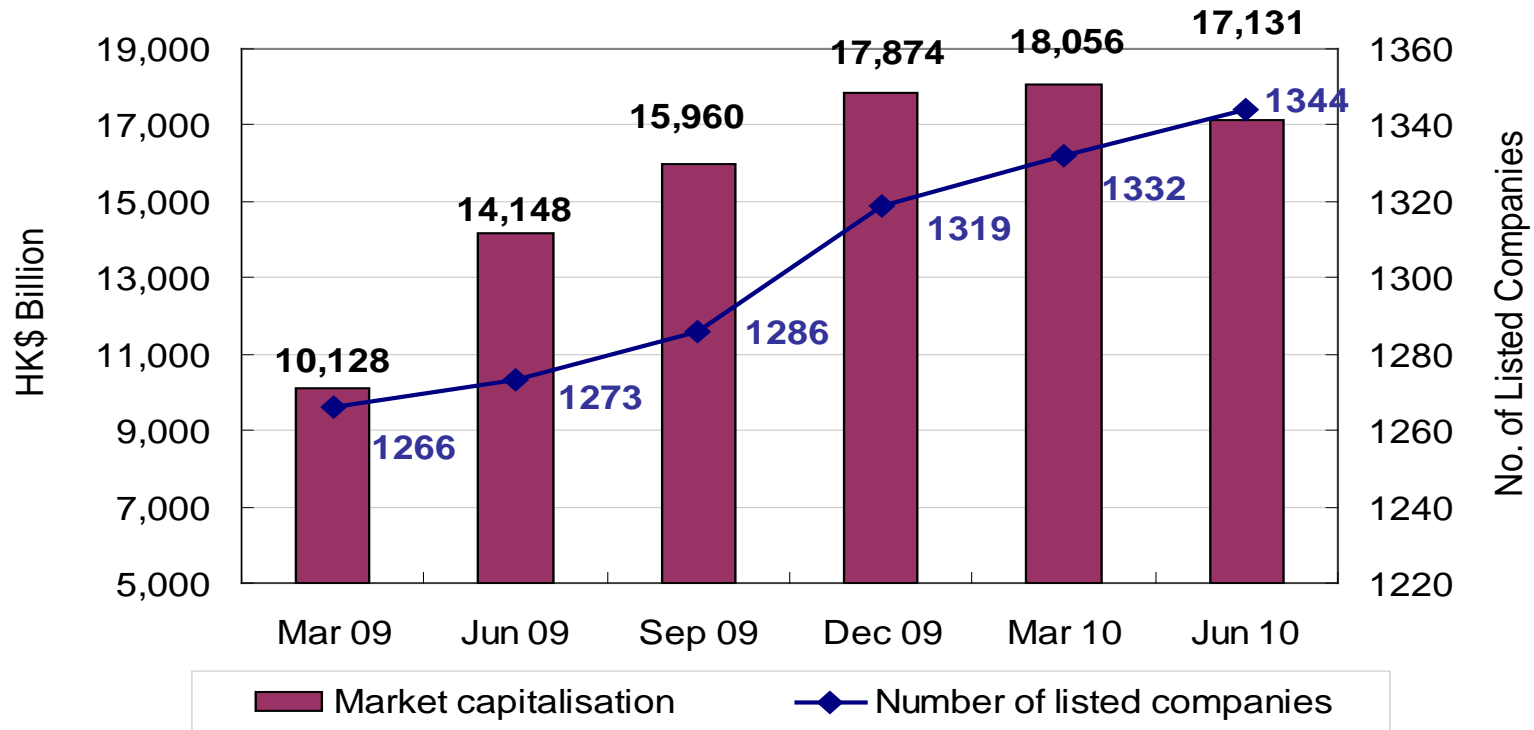
Source: HKEx



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Number of Listed Companies in HK and Market Capitalization (Main Board and GEM)



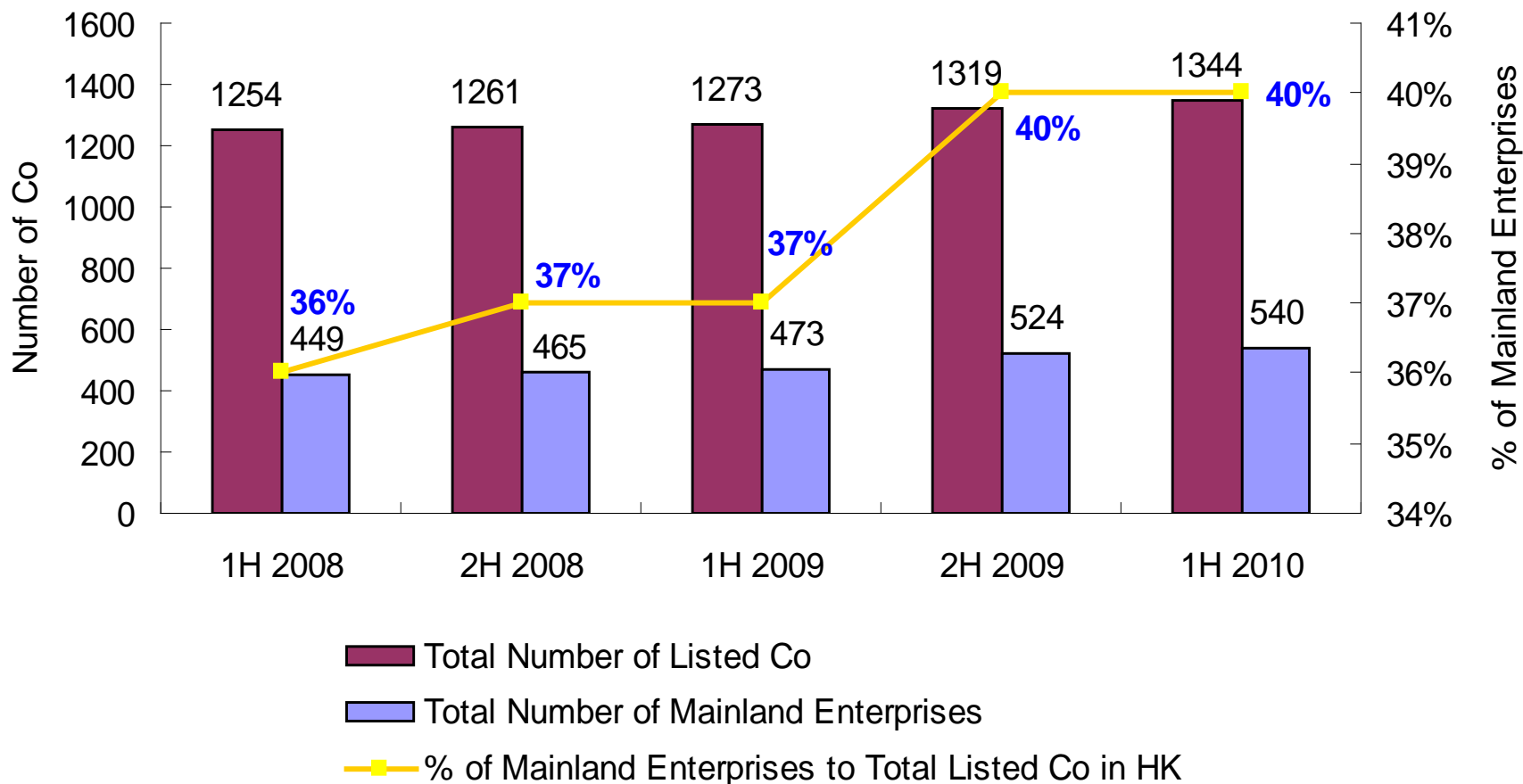
Source: HKEx



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% of Mainland Enterprises to Total Listed Companies in Hong Kong



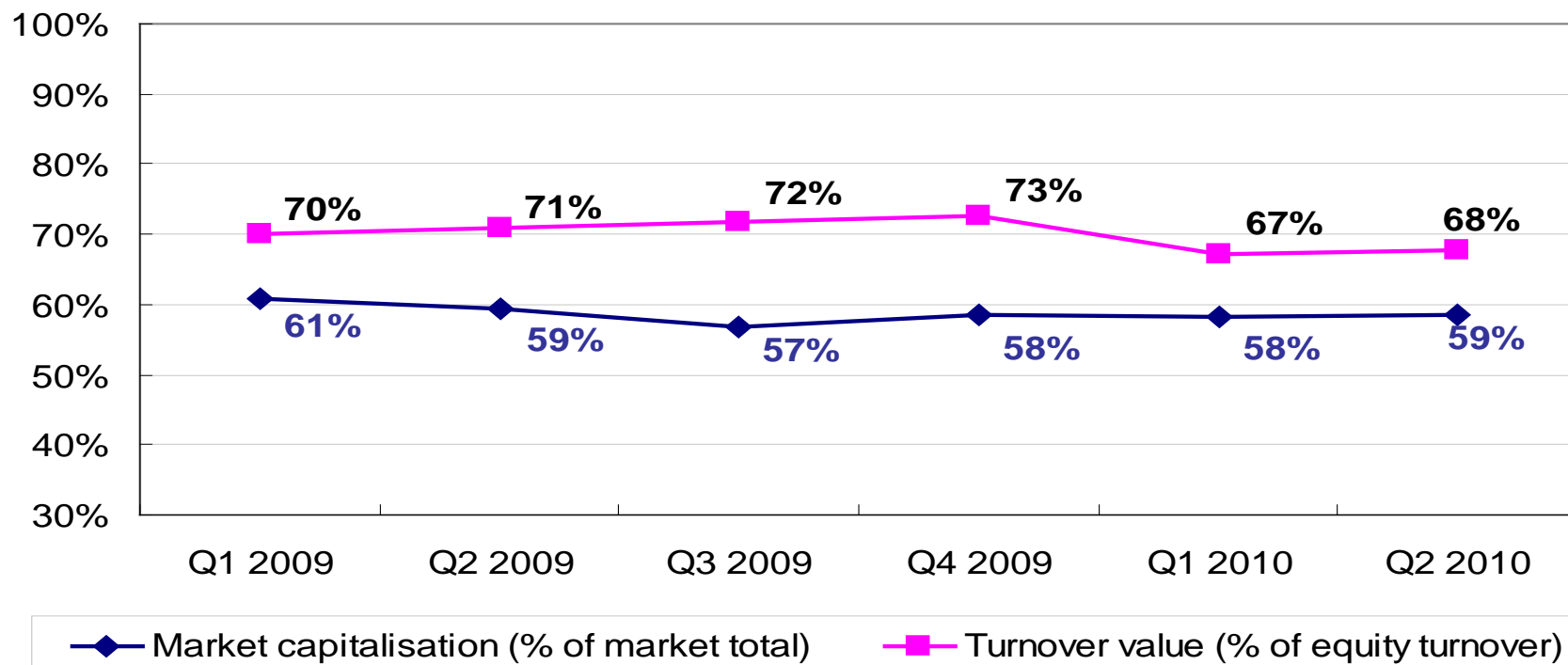
Source: HKEx



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Mainland Enterprises Market Capitalization and Turnover Value (% of Market Total)



Remarks: Mainland enterprises include H share companies, red-chip companies and non-H share Mainland private enterprises.

Source: HKEx



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Major Events in HK Securities Markets 2H 2009 to 1H 2010

- On 9 May 2009, the Supplement VI to the Mainland and Hong Kong Closer Economic Partnership Agreement (CEPA 6) was signed, which suppose to ease certain restrictions on business expansion in the Guangdong Province by Hong Kong financial institutions.
- On 25 June 2009, HSBC Holdings became the first non-Mainland bank to issue RMB bond (\$1 billion) by its Mainland branches to institutional investors.

Source: HKEx



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Major Events in HK Securities Markets

2H 2009 to 1H 2010

- On 22 July 2009, SFC, HKMA and 16 distributing banks of Lehman Brothers minibonds announced an agreement on the repurchase of their products, involving at least HK\$6.3 billion.
- On 13 August 2010, Mainland insurance companies were given the green light to invest in all shares on the main board of the Hong Kong stock exchange. Currently mainland insurers can only trade in red-chips and H shares in Hong Kong. The China Insurance Regulatory Commission also allows insurers to raise their investment ratio in equities and funds from the previous cap of 20% to 25%.



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Major Events in HK Securities Markets 2H 2009 to 1H 2010

- Two securities brokerage firms with Chinese background introduced new brokerages services to clients in July and August 2010 respectively by allowing them to buy HK stocks with RMB deposits.
- An asset management firm launched HK's first ever RMB-denominated investment fund in August 2010. Analysts consider the move a warm-up for the two-way flow of the RMB between Hong Kong and the mainland. The fund went on sale in Hong Kong on 11 August and targeted to raise RMB 5 billion.



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