

BANKING

	Amount	% change, yoy, unless otherwise stated								
	(\$bn)	Monthly			Quarterly				Yearly	
	3/04	3/04	2/04	Q1/04	Q4/03	Q3/03	Q2/03	2003	2002	2001
HKD M0 (in HKD)	133.3	12.5	11.8	12.5	12.9	12.4	11.9	12.9	11.4	10.8
HKD M1 (in HKD)	376.3	44.5	41.7	44.5	36.7	23.7	18.7	36.7	12.9	12.8
HKD M2 (in HKD)	2,069.4	5.1	11.3	5.1	6.2	4.1	0.5	6.2	-0.7	0.5
HKD M3 (in HKD)	2,084.9	4.8	11.1	4.8	5.9	3.9	0.5	5.9	-0.6	0.7
Spread (Prime-Hibor1) (pa) (%)	N.A.	4.93	4.93	4.93	4.88	4.01	3.74	4.08	3.37	3.40
Res. mortg. loans outstanding#										
(before adjusted to reclassification)	N.A.	-0.6	-1.6	-0.6	-2.2	-3.1	-2.6	-2.2	1.0	1.6
(after adjusted to reclassification)	525.3	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Loans-to-Deposits Ratio (pa) (%)										
(Total)	N.A.	57.4	57.9	57.6	57.8	59.5	61.5	60.4	64.7	67.5
(HKD)	N.A.	83.3	82.7	82.8	82.3	84.6	87.6	86.0	89.6	90.1
Foreign Currency Reserves ¹ (in US\$bn)	123.8	123.8	123.5	123.8	118.4	112.1	114.4	118.4	111.9	111.2
Deposits	3,556.3	8.3	11.6	8.3	7.5	4.4	0.6	7.5	-2.6	-3.4
HKD Deposits ²	1,887.2	4.6	11.6	4.6	5.8	3.6	-0.3	5.8	-1.6	0.2
FC Deposits ³	1,669.1	12.8	11.7	12.8	9.6	5.4	1.9	9.6	-3.8	-7.4
Loans & Advances	2,041.4	-0.9	3.0	-0.9	-2.0	-3.8	-4.3	-2.0	-4.9	-11.2
Loans in HKD	1,571.1	-2.4	3.6	-2.4	-2.6	-3.6	-3.0	-2.6	-1.9	-0.3
Loans in FC	470.3	4.5	0.9	4.5	0.3	-4.7	-8.7	0.3	-14.3	-33.6
Loans for use in HK ⁴	1,814.5	-0.6	3.6	-0.6	-1.4	-2.9	-2.8	-1.4	-2.4	-4.3
Loans for use outside HK ⁵	226.9	-3.2	-3.8	-3.2	-6.6	-10.2	-14.8	-6.6	-20.7	-38.6
Loans for use in HK (eop) – Q1/2004	1,814.5	-0.6	N.A.	-0.6	-1.4	-2.7	-2.8	-1.4	-2.4	-4.4
Mortgage Lending	616.6	-2.6	N.A.	-2.6	-4.0	-4.4	-4.1	-4.0	-0.8	3.3
Property Development & Investment	355.4	-6.0	N.A.	-6.0	-4.9	-1.7	-1.6	-4.9	-2.6	-2.4
Trade Finances ⁴	106.5	14.7	N.A.	14.7	10.2	3.0	6.5	10.2	2.5	-14.6
Financial Concerns	153.3	22.1	N.A.	22.1	17.1	10.9	-1.3	17.1	-11.6	-16.4
Wholesale & Retail Trade	98.0	-4.6	N.A.	-4.6	-6.7	-4.8	-0.2	-6.7	-0.8	-15.8
Manufacturing	84.5	17.9	N.A.	17.9	19.3	12.0	2.7	19.3	-0.8	-3.4
Credit Card	47.1	-0.7	N.A.	-0.7	-3.7	-8.5	-11.4	-3.7	-6.3	12.8
Private Purposes	80.0	1.1	N.A.	1.1	-3.6	-7.3	-8.5	-3.6	-2.3	-2.4

PRIVATE CONSUMPTION

	Amount	% change, yoy, unless otherwise stated								
		Monthly			Quarterly				Yearly	
		2/04	2/04	1/04	Q4/03	Q3/03	Q2/03	Q1/03	2003	2002
Retail Sales (Value)	\$14.3 bn	13.2	4.2	5.3	-0.4	-10.9	-2.9	-2.3	-4.1	-1.2
(Volume)	N.A.	11.4	3.0	5.2	1.2	-7.7	-1.1	-0.6	-2.6	1.2
Restaurant Receipts (Value)	\$12.6 bn (03 Q4)	N.A.	N.A.	-4.5	-7.1	-19.2	-8.6	-9.8	-5.4	-2.5
(Volume)	N.A.	N.A.	N.A.	-3.3	-5.8	-18.1	-7.3	-8.6	-4.2	-2.3
Department Store (Value)	\$1.5 bn	17.8	7.9	5.5	-2.0	-12.5	-4.7	-2.9	-0.7	2.6
(Volume)	N.A.	15.7	6.1	3.6	-2.5	-9.7	-4.4	-2.9	0.5	5.8
Visitors Arrivals	1.45 mn	3.3	13.1	7.3	4.1	-57.9	19.7	-6.2	20.7	5.1

PROPERTY

Private Residential	Amount	% Change mom		% Change qoq			% Change yoy			
		Monthly		Quarterly			Yearly			
	3/04	3/04	2/04	Q1/04	Q4/03	Q3/03	Q2/03	2003	2002	2001
Price and Rental Indices										
Rental (official) : period average	N.A.	N.A.	0.1	N.A.	0.4	-2.5	-3.7	-11.8	-12.5	-2.8
Price (official) : period average	N.A.	N.A.	4.1	N.A.	8.4	-0.9	-4.6	-12.0	-11.1	-12.2
: eop	N.A.	N.A.	4.1	N.A.	7.1	2.7	-3.1	0.6	-12.2	-9.8
<i>HK</i> (\$/sf): eop	3,388	3,388	3,136	3,388	2,734	2,579	2,479	2,734	2,765	3,066
<i>KL</i> (\$/sf): eop	2,850	2,850	2,768	2,850	2,446	2,448	2,247	2,446	2,432	2,761
<i>NT</i> (\$/sf): eop	2,181	2,181	2,083	2,181	1,799	1,910	1,890	1,799	2,024	2,216
Rental yield (%) : <i>HK</i>	4.00	4.00	4.29	4.31	4.77	4.96	4.91	4.83	4.91	5.22
<i>KL</i>	4.57	4.57	4.49	4.61	5.08	5.22	5.30	5.20	5.09	5.44
<i>NT</i>	4.22	4.22	4.40	4.42	4.90	4.73	4.70	4.74	4.51	4.56
Sales & purchase agreements										
Value	\$40.9 bn	34.2	34.7	29.0	58.9	35.9	-8.5	2.2	-3.8	-13.4
Number	13,924	27.0	15.8	15.9	31.9	28.5	-1.3	1.6	-2.6	2.9
New res. mortg. approved of 25 AIs#										
Number, during the period	10,377	29.1	18.2	25.7	6.9	23.0	8.5	-18.3	-7.8	-12.9
Value per loan, during the period	\$1.55 mn	-1.3	11.3	11.0	14.6	0.8	-3.3	-4.1	-4.9	-5.2
Supply										
No. of private flats completed	7,253	N.A.	N.A.	N.A.	7,253	9,314	6,100	27,197	32,746	23,986
	<i>03 Q4</i>									
No. of private flats with consent to start work	5,946	N.A.	N.A.	N.A.	N.A.	5,946	6,102	N.A.	18,271	27,274
	<i>03 Q3</i>									

MACROECONOMIC INDICATORS

	Amount (\$bn)	% change, yoy unless otherwise stated								
		Monthly		Quarterly				Yearly		
	3/04	3/04	2/04	Q1/04	Q4/03	Q3/03	Q2/03	2003	2002	2001
GDP	N.A.	N.A.	N.A.	N.A.	5.0	4.0	-0.5	3.3	2.3	0.5
Composite CPI	N.A.	-2.1	-2.0	-1.9	-2.3	-3.7	-2.5	-2.6	-3.0	-1.6
Labour										
Unemployment Rate (%)	N.A.	7.2	7.2	7.2	7.3	8.3	8.6	7.9	7.3	5.1
Unemployed ('000 people)	N.A.	249.0	244.7	249.0	253.2	297.3	300.0	277.6	255.5	174.8
External Trade (Nominal)										
Total Exports	162.9	13.9	28.2	13.0	11.4	7.1	12.2	11.7	5.4	-5.8
Domestic Exports	9.7	4.5	10.5	-0.6	-1.7	-5.4	-11.4	-7.1	-14.7	-15.2
Re-exports	153.2	14.5	29.5	14.0	12.4	8.2	14.4	13.4	7.7	-4.6
Total Imports	178.0	15.4	33.3	15.7	13.8	6.1	9.6	11.5	3.3	-5.4
Trade Balance (in \$bn)	-15.1	-15.1	-19.9	-33.7	-22.5	-7.5	-13.3	-63.3	-58.9	-87.2

FORECASTS FOR REAL GDP & CPI

	2004F (Gov)	2004F (BEA)	2003	2002	2001
GDP	6.0	5.5	3.3	2.3	0.5
Private Consumption	6.0	5.0	0	-1.2	2.0
Government	1.5	1.0	1.9	2.4	6.1
Capital Formation	7.1	5.0	-0.1	-4.3	2.6
Domestic Exports	-2.0	-5.0	-7.3	-11.2	-10.2
Re-exports	8.5	9.4	16.3	11.0	-2.4
Total Exports	7.7	8.4	14.2	8.7	-3.3
Imports of Goods	9.1	9.3	13.1	7.9	-1.9
Visible Trade (HK\$ billion)	-105.9	-97.0	-72.8	-80.5	-85.0
Exports of Services	15.0	14.5	5.5	12.2	6.2
Imports of Services	9.5	8.0	-4.4	0.2	2.0
Invisible Trade (HK\$ billion)	231.2	232.1	192.1	163.8	125.2
CPI (Composite)	-1.0	-0.5	-2.6	-3.0	-1.6

Unit: %

Note: *pa*: Period averages; *eop*: End-of-period; *N.A.*: Not applicable
mom: Month-on-month; *qoq*: Quarter-on-quarter; *yoy*: Year-on-year
Gov: HKSAR Government; *BEA*: The Bank of East Asia

¹ Foreign Currency Reserves in Land Fund are not included before June 30, 1997

² Adjusted to include swap deposits

³ Adjusted to exclude swap deposits

⁴ Loans to finance merchandising trade not touching HK would be included in trade finance & loans for use in HK

⁵ Others loans where the place of use is not known would be included in loans for use outside HK

The number of authorized institutions participating in the HKMA Residential Mortgage Survey is reduced from 28 to 25 starting from August 2003

KEY INTERNATIONAL INDICATORS FOR MAJOR ECONOMIES

(Update: 7th May, 2004)

Country/Region	Unemployment rate	CPI inflation	Real GDP/GNP growth rate	Money supply (M1) growth	Prime lending rate
Australia	5.6% (Mar.)	2.0% (Q1)	4.0% (Q4)	10.6% (Feb.)	9.00%
Canada	7.5% (Mar.)	0.7% (Mar.)	1.6% (Q4)	11.6% (Mar.)	3.75%
China	4.3%*	3.0% (Mar.)	9.7% (Q1)	20.1% (Mar.)	5.31%
Euro area	8.8% (Feb.)	1.7% (Mar.)	0.6% (Q4)	10.7% (Feb.)	3.00%
Hong Kong	7.2% (Jan. – Mar.)	-2.1% (Mar.)	5.0% (Q4)	44.5% (Mar.)	5.00%
Japan	4.7% (Mar.)	0.0% (Feb.)	3.4% (Q4)	4.1% (Mar.)	1.375%
UK	4.8% (Feb.)	1.1% (Mar.)	3.0% (Q1)	6.8% (Feb.)	4.00%
US	5.7% (Mar.)	1.7% (Mar.)	4.3% (Q4)	7.5% (Mar.)	4.00%

* Figure as at end-March, 2004

This material is prepared by The Bank of East Asia, Ltd.(Economic Research Department) based upon information which we consider reliable. Data are obtained from the Census and Statistics Department, HKSAR; the Hong Kong Monetary Authority; The Economist; Bloomberg and the National Bureau of Statistics, China. Opinions expressed herein are subject to change without notice.