

BANKING

	Amount (\$bn)	% change, yoy, unless otherwise stated								
		Monthly			Quarterly				Yearly	
		7/05	7/05	6/05	Q2/05	Q1/05	Q4/04	Q3/04	2004	2003
HKD M0 (in HKD)	141.7	4.2	5.7	5.7	10.3	10.1	12.8	10.1	12.9	11.4
HKD M1 (in HKD)	359.2	-4.0	-6.3	-6.3	2.9	16.3	24.1	16.3	36.7	12.9
HKD M2 (in HKD)	2,230.4	9.4	7.1	7.1	6.4	4.8	0.7	4.8	6.2	-0.7
HKD M3 (in HKD)	2,244.5	9.3	6.9	6.9	6.2	4.6	0.6	4.6	5.9	-0.6
Spread (Prime-Hibor1) (pa) (%)	N.A.	3.01	2.52	2.80	3.81	4.65	4.59	4.77	4.08	3.37
Res. mortg. loans outstanding#										
(before adjusted to reclassification)	N.A.	3.4	3.6	3.6	1.5	1.1	0.6	1.1	-2.2	1.0
(after adjusted to reclassification)	542.0	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.	58.2	58.5	57.8	56.9	56.1	57.6	57.3	60.4	64.7
(HKD)	N.A.	85.9	87.1	86.4	84.7	83.5	85.8	84.3	86.0	89.6
Foreign Currency Reserves ¹ (in US\$bn)	121.9	121.9	122.0	122.0	122.4	123.6	118.4	123.6	118.4	111.9
Deposits	3,877.4	9.0	8.0	8.0	8.4	8.4	5.8	8.4	7.5	-2.6
HKD Deposits ²	2,031.8	9.5	7.1	7.1	6.2	4.5	-0.3	4.5	5.8	-1.6
FC Deposits ³	1,845.7	8.5	9.0	9.0	10.8	13.0	13.1	13.0	9.6	-3.8
Loans & Advances	2,257.6	9.8	8.7	8.7	6.8	5.9	3.0	5.9	-2.0	-4.9
Loans in HKD	1,746.2	9.5	9.4	9.4	8.1	5.9	2.4	5.9	-2.6	-1.9
Loans in FC	511.4	11.0	6.3	6.3	2.4	5.8	5.2	5.8	0.3	-14.3
Loans for use in HK ⁴	2,022.6	9.8	10.0	10.0	7.6	6.3	4.0	6.3	-1.4	-2.4
Loans for use outside HK ⁵	235.0	9.6	-2.0	-2.0	0.7	3.0	-4.6	3.0	-6.6	-20.7
Loans for use in HK (eop) – Q2/2005	2,035.3	N.A.	10.0	10.0	7.6	6.3	4.0	6.3	-1.4	-2.4
Mortgage Lending (excl. HOS)	549.2	N.A.	3.4	3.4	1.4	0.9	0.4	0.9	-2.4	0.5
Property Development & Investment	412.7	N.A.	14.4	14.4	13.2	7.2	-1.5	7.2	-4.9	-2.6
Trade Finances ⁴	149.9	N.A.	22.7	22.7	25.1	30.0	32.6	30.0	10.2	2.5
Financial Concerns	173.8	N.A.	11.3	11.3	9.8	14.2	13.6	14.2	17.1	-11.6
Wholesale & Retail Trade	104.6	N.A.	6.3	6.3	-0.6	5.9	2.3	5.9	-6.7	-0.8
Manufacturing	120.5	N.A.	31.0	31.0	29.4	23.9	20.7	23.9	13.4	-0.8
Credit Card	50.9	N.A.	8.0	8.0	8.0	5.0	0.2	5.0	-3.7	-6.3
Private Purposes	90.4	N.A.	15.7	15.7	12.1	14.5	5.5	14.5	-3.6	-2.3

PRIVATE CONSUMPTION

	Amount	% change, yoy, unless otherwise stated								
		Monthly			Quarterly				Yearly	
		7/05	7/05	6/05	Q2/05	Q1/05	Q4/04	Q3/04	2004	2003
Retail Sales (Value)	\$17.4 bn	7.0	6.1	7.3	8.9	8.3	8.5	10.8	-2.3	-4.1
(Volume)	N.A.	5.6	5.2	6.5	8.1	7.3	6.7	9.1	-0.6	-2.6
Restaurant Receipts (Value)	\$13.4 bn (05 Q2)	N.A.	N.A.	4.5	6.1	8.9	8.2	10.1	-9.7	-5.4
(Volume)	N.A.	N.A.	N.A.	3.7	5.6	8.3	7.8	9.9	-8.5	-4.2
Department Store (Value)	\$1.7 bn	7.2	5.1	7.6	12.9	8.3	10.8	12.3	-2.9	-0.7
(Volume)	N.A.	7.1	4.4	7.3	11.5	8.7	8.5	10.3	-2.8	0.5
Visitors Arrivals	2.07 mn	3.8	5.8	8.5	10.8	17.0	30.1	40.4	-6.2	20.7

PROPERTY

Private Residential	Amount	% Change mom			% Change qoq			% Change yoy		
		7/05	7/05	6/05	Q2/05	Q1/05	Q4/04	Q3/04	2004	2003
Price and Rental Indices										
Rental (official) : period average	N.A.	N.A.	0.7	3.1	2.9	2.1	1.5	5.7	-11.8	-12.5
Price (official) : period average	N.A.	N.A.	-3.2	4.0	7.8	7.2	0.8	26.7	-12.0	-11.1
: eop	N.A.	N.A.	-3.2	-3.6	13.6	3.0	8.3	27.4	0.9	-12.2
HK (\$/sf): eop	4,013	4,013	4,009	4,009	3,853	3,686	3,552	3,686	2,734	2,765
KL (\$/sf): eop	3,569	3,569	3,563	3,563	3,421	3,253	3,040	3,253	2,446	2,432
NT (\$/sf): eop	2,932	2,932	2,788	2,788	2,906	2,611	2,524	2,611	1,799	2,024
Rental yield (%) : HK	3.74	3.74	3.74	3.71	3.73	3.82	3.85	3.95	4.83	4.91
KL	3.85	3.85	4.00	3.89	3.93	4.08	4.36	4.31	5.20	5.09
NT	3.85	3.85	3.78	3.65	3.81	3.97	4.05	4.09	4.74	4.51
Sales & purchase agreements										
Value	\$30.0 bn	-21.0	-29.9	49.8	-16.8	80.3	-25.3	85.7	2.2	-3.8
Number	8,933	-29.5	-14.7	46.0	-14.6	43.1	-16.7	41.4	1.6	-2.6
New res. mortg. approved of 24 AIs#										
Number, during the period	6,343	-30.0	-13.0	18.9	0.1	17.9	-2.0	46.0	-18.3	-7.8
Value per loan, during the period	\$1.57 mn	-4.3	0.6	-2.9	2.4	7.7	2.4	26.4	-4.1	-4.9

MACROECONOMIC INDICATORS

	Amount (\$bn)	% change, yoy unless otherwise stated								
		Monthly			Quarterly			Yearly		
	7/05	7/05	6/05	Q2/05	Q1/05	Q4/04	Q3/04	2004	2003	2002
GDP	N.A.	N.A.	N.A.	6.8	6.2	7.2	6.7	8.2	3.1	1.8
Composite CPI	N.A.	1.3	1.2	0.8	0.4	0.2	0.8	-0.4	-2.6	-3.0
Labour										
Unemployment Rate (%)	N.A.	5.7	5.7	5.7	6.1	6.5	6.8	6.8	7.9	7.3
Unemployed ('000 people)	N.A.	216.0	204.5	204.5	210.6	226.9	248.9	241.4	277.2	255.5
External Trade (Nominal)										
Total Exports	198.4	8.1	12.6	12.5	10.6	15.3	17.2	15.9	11.7	5.4
Domestic Exports	11.8	0.5	-8.6	-6.4	-6.9	8.6	0.8	3.5	-7.1	-14.7
Re-exports	186.6	8.6	14.1	13.8	11.7	15.7	18.5	16.8	13.4	7.7
Total Imports	201.6	6.5	10.5	10.1	8.1	11.9	18.4	16.9	11.5	3.3
Trade Balance (in \$bn)	-3.2	-3.2	-7.1	-26.0	-25.4	-9.2	-14.6	-92.0	-63.3	-58.9

FORECASTS FOR REAL GDP & CPI

	2005F (Gov)	2005F (BEA)	2004	2003	2002
GDP	5.0	5.0	8.2	3.1	1.8
Private Consumption	N.A.	4.5	6.8	-1.0	-1.0
Government	N.A.	-1.0	0.7	1.9	2.5
Capital Formation	N.A.	4.0	4.1	0.9	-4.5
Domestic Exports	N.A.	-6.0	2.4	-7.3	-11.2
Re-exports	N.A.	9.5	16.3	16.3	11.0
Total Exports	N.A.	8.5	15.3	14.2	8.7
Imports of Goods	N.A.	9.1	14.1	13.1	7.9
Visible Trade (HK\$ billion)	N.A.	-79.0	-61.0	-72.8	-80.5
Exports of Services	N.A.	11.0	15.3	7.9	10.9
Imports of Services	N.A.	6.0	10.7	-2.1	3.9
Invisible Trade (HK\$ billion)	N.A.	279.1	241.5	201.4	167.6
CPI (Composite)	1.5	1.5	-0.4	-2.6	-3.0

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 were 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 are included in trade finance & loans for use in HK

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

The number of authorized institutions participating in the HKMA Residential Mortgage Survey has been reduced from 25 to 24 starting from September 2004

KEY INTERNATIONAL INDICATORS FOR MAJOR ECONOMIES
(Update: 8th September, 2005)

Country/Region	Unemployment Rate	Inflation Rate	GDP**	Money Supply (M1) Growth	Prime Rate
Australia	5.0% (Jul.)	2.5% (Q2)	1.9% (Q1)	6.5% (Jul.)	5.50% #
Canada	6.8% (Jul.)	2.0% (Jul.)	3.2% (Q2)**	6.5% (Jul.)	4.50%
China	4.2% *	1.8% (Jul.)	9.5% (Q2)	11.0% (Jul.)	5.58%
Euro area	8.6% (Jul.)	2.1% (Aug.)	1.1% (Q2)	11.1% (Jul.)	3.00%
Hong Kong	5.7% (May-Jul.)	1.3% (Jul.)	6.8% (Q2)	-4.0% (Jul.)	6.75%
Japan	4.4% (Jul.)	-0.3% (Jul.)	1.1% (Q2)**	4.4% (Jul.)	1.375%
UK	4.7% (Jun.)	2.3% (Jul.)	1.8% (Q2)	4.9% (Jul.)	4.50%
US	5.0% (Jul.)	3.2% (Jul.)	3.3% (Q2)**	1.1% (Jul.)	6.50%

* Figure as at end-June, 2005

** GDP figures are yoy except Canada, Japan, and US where they are quarterly annualized rates.

RBA Cash Rate

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.