

**BANKING**

	Amount (\$bn)	% change, yoy, unless otherwise stated									
		Monthly			Quarterly				Yearly		
		8/07	8/07	7/07	Q2/07	Q1/07	Q4/06	Q3/06	2006	2005	2004
HKD M0 (in HKD)	150.5	3.1	2.6	3.0	4.3	5.6	4.5	5.6	1.1	10.1	
HKD M1 (in HKD)	395.1	10.8	11.9	43.1	17.4	11.4	4.7	11.4	-15.6	16.3	
HKD M2 (in HKD)	3,052.7	18.7	20.2	27.4	20.2	19.2	16.3	19.2	5.5	4.8	
HKD M3 (in HKD)	3,071.8	18.6	20.1	27.3	20.1	19.2	16.3	19.2	5.7	4.6	
Spread (Prime-Hibor1) (pa) (%)	N.A.	3.29	3.50	3.41	3.73	3.89	4.03	3.86	3.27	4.77	
Res. mortg. loans outstanding#											
(before adjusted to reclassification)	N.A.	3.0	2.1	1.7	0.4	-0.7	-2.3	-0.7	1.0	1.1	
(after adjusted to reclassification)	542.3	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.	52.1	52.0	52.7	53.4	53.4	55.2	55.1	57.6	57.3	
(HKD)	N.A.	72.9	72.9	73.7	75.7	76.3	79.9	79.3	85.3	84.3	
Foreign Currency Reserves <sup>1</sup> (in US\$bn)	138.3	138.3	137.1	136.3	135.4	133.2	130.3	133.2	124.3	123.6	
<b>Deposits</b>	5,318.6	19.4	19.9	23.3	18.2	17.2	15.9	17.2	5.2	8.4	
HKD Deposits <sup>2</sup>	2,851.2	20.6	22.2	29.9	21.7	20.5	17.4	20.5	5.6	4.5	
FC Deposits <sup>3</sup>	2,467.4	18.1	17.3	15.8	14.1	13.5	14.2	13.5	4.8	13.0	
<b>Loans &amp; Advances</b>	2,769.9	12.8	12.4	18.3	14.8	6.7	10.1	6.7	7.2	5.9	
Loans in HKD	2,079.5	10.2	10.2	18.7	15.5	6.7	9.5	6.7	7.8	6.0	
Loans in FC	690.4	21.2	19.4	16.8	12.2	7.0	12.1	7.0	5.3	5.8	
Loans for use in HK <sup>4</sup>	2,328.8	8.3	7.8	14.6	10.8	2.7	6.8	2.7	7.8	6.3	
Trade Finance	174.4	8.4	6.0	11.0	8.8	7.4	8.4	7.4	8.9	30.0	
Loans for use outside HK <sup>5</sup>	441.1	44.2	44.9	44.9	46.2	41.9	38.0	41.9	3.2	3.0	
		<b>Q2/07</b>	<b>8/07</b>	<b>7/07</b>	<b>Q2/07</b>	<b>Q1/07</b>	<b>Q4/06</b>	<b>Q3/06</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>Loans for use in HK (eop)</b>	2,433.8	N.A.	N.A.	14.6	10.7	2.6	5.9	2.6	7.8	6.3	
Mortgage Lending (excl. HOS)	542.0	N.A.	N.A.	1.7	0.3	-0.8	-2.4	-0.8	0.9	0.9	
Property Development & Investment	524.9	N.A.	N.A.	9.5	9.3	9.1	12.9	9.1	16.6	7.2	
Trade Finance <sup>4</sup>	168.9	N.A.	N.A.	11.0	8.8	7.4	8.4	7.4	8.9	30.0	
Financial Concerns	215.6	N.A.	N.A.	18.1	13.1	3.5	8.6	3.5	6.6	14.2	
Wholesale & Retail Trade	112.0	N.A.	N.A.	7.2	6.0	4.8	1.8	4.8	1.5	5.9	
Manufacturing	113.7	N.A.	N.A.	-5.5	-9.3	-13.6	-9.0	-13.6	20.0	23.9	
Credit Card	62.0	N.A.	N.A.	9.2	9.5	5.0	8.3	5.0	19.4	5.0	
Private Purposes	118.4	N.A.	N.A.	15.2	15.5	9.7	14.6	9.7	11.3	14.5	

**PRIVATE CONSUMPTION**

	Amount	% change, yoy, unless otherwise stated								
		Monthly			Quarterly				Yearly	
		8/07	8/07	7/07	Q2/07	Q1/07	Q4/06	Q3/06	2006	2005
Retail Sales (Value)	\$20.6 bn	15.0	14.3	9.2	10.7	8.7	7.7	7.3	6.8	10.8
(Volume)	N.A.	12.5	12.1	8.0	7.9	6.1	5.8	5.8	6.1	9.1
Restaurant Receipts (Value)	\$16.6 bn (07 Q2)	N.A.	N.A.	11.7	11.8	10.9	7.1	9.5	6.0	10.1
(Volume)	N.A.	N.A.	N.A.	9.4	9.5	9.2	5.5	8.1	5.2	9.9
Department Store (Value)	\$2.1 bn	11.6	9.4	9.2	12.1	7.2	11.0	8.1	8.2	12.3
(Volume)	N.A.	8.7	7.8	7.9	9.7	5.7	11.0	8.3	7.9	10.1
Visitors Arrivals	2.76 mn	16.9	12.3	7.4	6.3	4.3	6.7	8.1	7.1	40.4

## PROPERTY

Private Residential	Amount	% Change mom			% Change qoq			% Change yoy		
		8/07	7/07	Q2/07	Q1/07	Q4/06	Q3/06	2006	2005	2004
<b>Price and Rental Indices</b>										
Rental (official) : period average	N.A.	N.A.	0.8	3.4	1.9	2.2	1.4	5.9	11.3	5.7
Price (official) : period average	N.A.	N.A.	0.5	3.6	3.5	0.6	-0.5	0.7	18.0	26.7
: eop	N.A.	N.A.	0.5	3.3	4.4	0.5	1.1	4.1	8.2	27.4
HK (\$/sf): eop	4,440	4,440	4,378	4,361	4,228	4,102	4,078	4,102	3,970	3,686
KL (\$/sf): eop	3,956	3,956	3,999	3,970	3,772	3,719	3,716	3,719	3,646	3,253
NT (\$/sf): eop	2,888	2,888	2,886	2,873	2,803	2,851	2,779	2,851	2,751	2,611
Rental yield (%) : HK	4.06	4.06	4.00	4.00	4.01	3.97	3.91	3.93	3.73	3.95
KL	4.02	4.02	3.87	3.92	4.06	4.03	3.99	3.97	3.88	4.31
NT	4.06	4.06	3.96	3.91	4.05	3.90	3.87	3.85	3.77	4.09
<b>Sales &amp; purchase agreements</b>										
Value	\$44.2 bn	16.3	-3.4	48.9	12.8	-0.6	-27.9	-20.3	12.4	85.7
Number	13,664	22.9	-7.2	31.2	11.3	-6.9	0.2	-19.9	0.2	41.4
<b>New res. mortg. approved of 23 AIs#</b>										
Number, during the period	10,824	10.3	3.5	22.8	0.8	14.0	-10.1	-14.5	-4.0	46.0
Value per loan, during the period	\$1.79 mn	0.6	-2.7	3.7	-4.8	5.1	-0.8	5.3	4.2	26.4

## MACROECONOMIC INDICATORS

	Amount (\$bn)	% change, yoy unless otherwise stated								
		Monthly			Quarterly			Yearly		
	8/07	7/07	Q2/07	Q1/07	Q4/06	Q3/06	2006	2005	2004	
GDP	N.A.	N.A.	N.A.	6.9	5.7	7.3	6.8	6.9	7.5	8.6
Composite CPI	N.A.	1.6	1.5	1.3	1.7	2.2	2.3	2.0	1.0	-0.4
<b>Labour</b>										
Unemployment Rate (%)	N.A.	4.2	4.1	4.2	4.3	4.4	4.7	4.8	5.6	6.8
Unemployed ('000 people)	N.A.	166.4	157.9	155.7	152.5	153.7	177.0	170.9	197.3	239.4
<b>External Trade (Nominal)</b>										
Total Exports	243.2	7.5	8.6	11.7	9.0	11.9	8.4	9.4	11.4	15.9
Domestic Exports	9.7	-25.3	-25.1	-18.4	-33.4	-31.8	-6.1	-1.1	8.0	3.5
Re-exports	233.5	9.5	10.9	13.5	11.8	15.3	9.4	10.0	11.7	16.8
Total Imports	256.8	9.0	9.8	12.6	9.0	14.0	10.7	11.6	10.3	16.9
Trade Balance (in \$bn)	-13.7	-13.7	-8.2	-54.3	-40.3	-32.4	-26.2	-138.8	-79.3	-92.0

## FORECASTS FOR REAL GDP & CPI

	2007F (BEA)	2007F (Gov)	2006	2005	2004
GDP	6.0	5.0-6.0	6.9	7.5	8.6
Private Consumption	6.3	N.A.	5.2	3.3	7.2
Government	2.7	N.A.	0.2	-3.1	0.7
Capital Formation	6.0	N.A.	7.9	4.6	3.1
Domestic Exports	-18.2	N.A.	2.3	7.6	2.4
Re-exports	10.2	N.A.	10.7	11.4	16.3
Total Exports	8.6	N.A.	10.2	11.2	15.3
Imports of Goods	9.4	N.A.	10.0	8.6	14.1
Visible Trade (HK\$ billion)	-30.0	N.A.	-7.8	-11.4	-61.0
Exports of Services	9.2	N.A.	8.9	11.3	17.9
Imports of Services	5.5	N.A.	6.4	7.4	14.6
Invisible Trade (HK\$ billion)	350.2	N.A.	311.8	280.9	244.2
CPI (Composite)	2.0	1.5	2.0	1.0	-0.4

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

<sup>1</sup> Foreign Currency Reserves in Land Fund were not included before June 30, 1997

<sup>2</sup> Adjusted to include swap deposits

<sup>3</sup> Adjusted to exclude swap deposits

<sup>4</sup> Loans to finance merchandising trade not touching HK are included in trade finance & loans for use in HK

<sup>5</sup> 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 24 to 23 starting from November 2005

**KEY INTERNATIONAL INDICATORS FOR MAJOR ECONOMIES**  
(Update: 4<sup>th</sup> October, 2007)

Country/Region	Unemployment Rate	Inflation Rate	GDP**	Money Supply (M1) Growth	Prime Rate
Australia	4.3% (Aug.)	2.4% (Q1)	4.3% (Q2)	15.9% (Aug.)	6.50% #
Canada	6.0% (Aug.)	1.7% (Aug.)	3.4% (Q2)**	10.7% (Aug.)	6.25%
China	4.1% *	6.5% (Aug.)	11.9% (Q2)	22.8% (Aug.)	7.29%
Euro Zone	6.9% (Aug.)	2.1% (Sep.)	2.5% (Q2)	6.8% (Aug.)	5.00%
Hong Kong	4.2% (Jun.- Aug.)	1.6% (Aug.)	6.9% (Q2)	10.8% (Aug.)	7.75%
Japan	3.8% (Aug.)	-0.2% (Aug.)	-1.2% (Q2)**	-0.3% (Aug.)	1.875%
UK	5.4% (Jul.)	1.8% (Aug.)	3.1% (Q2)	5.4% (Sep.)	5.75%
US	4.6% (Aug.)	2.0% (Aug.)	3.8% (Q2)**	-0.3% (Aug.)	7.75%

\* Figure as at end-June, 2007

\*\* 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; Bloomberg and the National Bureau of Statistics, China. Opinions expressed herein are subject to change without notice.*