

HK shares seen higher after Citi earnings

July 20, 2008

HONG KONG, July 21 (Reuters) - Hong Kong shares are expected to extend last week's three-day rally, with smaller-than-expected losses at Citigroup likely to calm credit market concern and retreating oil prices seen helping airlines and refiners.

Last week, the Dow snapped four weeks of losses as financial stocks rallied after top U.S. government officials outlined a plan to shore up mortgage finance companies Fannie Mae (FNM.N: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)) and Freddie Mac (FRE.N: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)) and the SEC announced rules to curb short selling.

Oil stayed below \$130 per barrel, after recording its steepest weekly fall since December 2004 last week, on easing tension between Iran and the West, and growing demand concerns.

Hong Kong shares ended Friday's volatile session 0.6 percent higher, as gains in global lender HSBC Holdings (0005.HK: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)) and local blue chips offset losses in resource counters.

STOCKS TO WATCH

* China Unicom (0762.HK: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)) said late on Friday its aggregated number of GSM cellular service subscribers increased to 127.599 million in June 2008 from 126.525 million subscribers in May. Its CDMA subscribers rose to 43.169 million in June from 43.153 million in May.

* Skyworth Digital Holdings Ltd (0751.HK: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)) said last Friday it recorded a 45.3 percent year-on-year rise in its total sales volume of television sets (TV) in June 2008, including a 1.1 percent drop in the TV sales volume for the China market and a 268.9 percent jump for the overseas market.

* Sa Sa International Holdings (0178.HK: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)) on Friday said its controlling shareholder, Simon Kwok, "is not currently considering" a disposal of his stake in the company. Sa Sa made the statement in response to a newspaper report that Kwok was considering a possible sale of his stake in the firm which might lead to a general offer. For statement please see [here](#)

* China CITIC Group may raise its privatisation offer for Citic International Financial Holdings (0183.HK: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)) amid pressure from shareholders, the South China Morning Post reported, quoting sources.

In June Chinese state-owned financial conglomerate CITIC Group offered to buy its small Hong Kong-listed arm CIFH for \$1.4 billion after Spanish lender BBVA (BBVA.MC: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)),

Spain's second-largest lender, said last week it was looking to double its stakes in China CITIC Bank (0998.HK: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)) and CIFH.

CIFH will be delisted and folded into mainland based China CITIC Bank under proposed terms announced on Wednesday.

* Fashion group Esprit Holdings Ltd (0330.HK: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)) says its deputy chairman and group chief financial officer John Poon has resigned with effect from July 20.

Source: Anne Marie Roantree