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How Can Saving Deposit Rate and Hang Seng Index Affect Housing Prices: An Empirical Study in Hong Kong Market

Tao TANG

Abstract

The main objective of this paper is to examine the impact of savings deposit rate and Hang Seng index on real estate prices in Hong Kong Market. Two different periods are chosen to conduct this research: one period is the deflationary time, from 1998 to 2003, and the other is the reviving economical time from 2004 to 2007. The aim of this research is to examine the influences of these variables in different economic conditions, and find out whether there are any causal effects amongst them.

Keywords: housing price (private domestic-price indices), savings deposit rate, Hang Seng index

1. Introduction

During the period, 1998 to 2003, the property market in Hong Kong suffered from a great recession; not only because of the property bubble burst, but also because of the Asian financial crisis. Since then, there have been a lot of changes in the Hong Kong Housing Market. The market experienced deflation in this post-crisis period (from 1998 to 2003). And In 2004, as the economy began to recover, the housing prices were on a steady rise until it fell again in late 2007 when global financial tsunami hit. Observing these changes in the market conditions, the researcher was motivated to do a research on how the housing prices are influenced by different economic factors under different market situations.

Regardless of how good or how bad the economic conditions are: savings deposit is always considered an important tool for investment. Therefore, another aim of this paper is to analyze how the savings deposit rate influences the private domestic-price indices. Stock market always can reflect the whole real economy quickly. In fact, it is said that stock market, being a mirror of real economy, will respond to the future economic tendency in advance of the changes of economic conditions. With this, I believe that the Hang Seng index can give some hints, and some useful information, to people who plan to invest in real estate, and trade-off their investment return in different times. Overall, as previously stated, the main focus of this paper is geared at analyzing how the savings deposit rate and the Hang Seng index affects the housing price (private domestic-price indices).

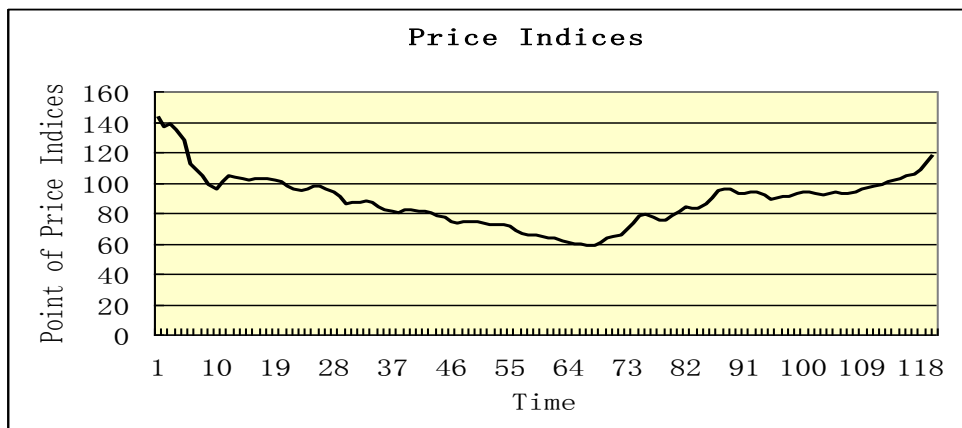


Figure 1: The tendency of housing price indices (1998-2007)

2. Review of the Literature

Although a considerable amount of literatures examine the correlation between the housing prices and variables like real estate stock price, best lending rate and inflation expectations, little effort has been made to discover the effect of savings deposit rate and the stock index (Hang Seng index), on housing prices, or the causal relationship between these three factors in the past decade.

Raymond Tse et al (2000) examined the impact of private residential, office, and industrial property prices on real estate stock prices (public real estate) in Hong Kong (The stock prices refer to the Properties Class Index under the HK Hang Seng Index from 1986-1997). The results indicate that changes in private real estate prices tend

to lead real estate stock prices with a feedback effect. Also, inflation expectations are one of the indicated determinants of changes in real estate stock price.

Tak Yun Joe Wong, et al. (2003) quantifies the impact of interest rates (best lending rate) on prices movement from 1981 to 2001 in Hong Kong. Empirical results reveal that, interest rate effects on housing prices differ significantly: positively, in the inflationary pre-1997 period, and negatively, in the deflationary post-1997 period. One implication of this finding is that low interest rate does not necessarily lead to higher housing prices in periods of falling real prices. Therefore, the conclusion is that interest rate (best lending rate) alone may not be useful in predicting the level of housing prices.

3. Empirical Method and Data Description

In this study, it is assumed that private domestic-price indices are affected by the savings deposit rate and Hang Seng index in two different periods; from Jan 1998 to Dec 2003 and from Jan 2004 to Dec 2007, respectively. The model is as follows:

$$\text{price_indices}_t = \alpha + \beta_1 * \text{deposit_rate}_t + \beta_2 * \text{hangseng_index}_t + U_t$$

3.1 Empirical Method

Firstly, Unit Root test is conducted by applying Augmented Dickey-Fuller test, to examine whether the time series variables are non-stationary. If the result suggests that the series have one unit root, it is necessary to redo the unit root test on first difference of the series. Then, the second step is to test for cointegration by using Engle-Granger methodology in order to choose suitable approach (VAR Model or Error Correction Model) for conducting a regression analysis. Thirdly, in this study, Vector Autoregressive Model is applied to perform the designed regression to find the effect of variables on housing prices. At the next stage, Granger Causality test will be implemented. Then finally, variance decomposition is used to check the proportion of the movements in the dependent variable, which are due to its own shocks or shocks of other variables.

3.2 Data Description

The sample data include the private domestic-price indices; the savings deposit rate, and the Hang Seng index, from Jan 1998 to Dec 2007. All data are monthly time-series data in Hong Kong market, which are later divided into two sub-periods, 1998-2003 and 2004-2007 respectively.

Private Domestic-Price Indices by class (territory-wide) represent the housing prices, and were sourced from Property Market Statistics (constructed by the Rating and Valuation Department, the Government of the Hong Kong Special Administrative Region). The data, based on 1999=100, refer to all classes of private domestic units territory-wide. Savings deposit rates obtained from Hong Kong Monetary Authority are period average figures expressed in percentage per month. In addition, the figures are saving deposits rate on deposits of less than HK\$100,000 per annum. The Hang Seng index data were obtained from “Yahoo Finance” and refer to the adjusted closing price.

4. Empirical Results

4.1 Unit Root Test

Table 1: Results of Unit Root Test

Period	Statistic Variables	Level		1st Difference		Result
		t-Statistic	Prob.	t-Statistic	Prob.	
1998-2003	Lnprice_indices	-3.409182	0.0584	-5.078771	0.0001	I (1)
	Lndeposit_rate	-1.303612	0.8789	-4.125936	0.0017	
	Lnhangseng_index	-1.823256	0.6830	-7.238784	0.0000	
2004-2007	Lnprice_indices	-2.454104	0.3481	-3.855842	0.0047	I (1)
	Lndeposit_rate	-3.398475	0.0674	-4.289566	0.0016	
	Lnhangseng_index	-2.039399	0.5650	-6.484581	0.0000	

As *Table 1* shows, all the three variables have one unit root respectively because all probabilities are smaller than 5% after 1st difference, and thus these time-series have to be differenced one time to make it stationary.

4.2 Engle-Granger Test

At this stage, Engle-Granger is needed to test whether cointegration exists between price indices, deposit rate and Hang Seng index. *Table 2* tells us that “Resid01” and “Resid02” which are obtained from the regression model have a unit root in two respective periods, so these three series are not cointegrated. And the first differenced VAR approach could be applied in the next stage.

Table 2: Results of Engle-Granger Test

Period	Statistic Variables	Level		1st Difference		Result
		t-Statistic	Prob.	t-Statistic	Prob.	
1998-2003	Resid01	-2.861503	0.1813	-4.046235	0.0021	I (1)
2004-2007	Resid02	-1.278758	0.8789	-4.422936	0.0011	

4.3 VAR Model (Vector Autoregressive Model)

Table 3: VAR Lag Order Selection Criteria

Lag	LogL	LR	FPE	AIC	SC	HQ
2 (1998-2003)	287.2196	23.77432*	5.57e-08*	-8.191372*	-7.488878	-7.914193*
1 (2004-2007)	151.2178	38.85394*	1.09e-07*	-7.525284*	-7.002825*	-7.341093*

According to above analysis, VAR (1) model should be done by selecting the three log-differencing series. But at the beginning, we could determine the optimal lag length of VAR using the AIC criteria. As the table shows, the optimal lag of 1998-

2003 and 2004-2007 is 2 and 1 respectively. Hence, VAR model is conducted by using the optimal lag length to estimate the relationship between the housing prices and savings deposit rate, Hang Seng index. The results are displayed in *Table 4* below.

Table 4: Result of VAR Model

Vector Autoregression Estimates (Included observations: 69 after adjustments)					
Dependent Variable: DLNPRICE					
Period	Variable	Coefficient	Std. Error	t-Statistic	R-squared
1998-2003	DLNHENGSENG(-1)	0.152596	0.02792	5.46477	0.554583
	DLNHENGSENG(-2)	0.083920	0.03277	2.56070	
	DLNDEPOSIT(-1)	0.005870	0.01327	0.44241	
	DLNDEPOSIT(-2)	-0.018919	0.01330	-1.42225	
	DLNPRICE(-1)	0.278389	0.11992	2.32142	
	DLNPRICE(-2)	0.019540	0.09924	0.19690	
	Constant	-0.009163	0.00277	-3.31024	
Period	(Included observations: 39 after adjustments)				
2004-2007	DLNHENGSENG(-1)	0.136065	0.05394	2.52273	0.472839
	DLNDEPOSIT(-1)	-0.011207	0.00420	-2.67124	
	DLNPRICE(-1)	0.670662	0.13207	5.07805	
	Constant	0.001812	0.00294	0.61586	

As we can see, in the two sub-periods Hang Seng index consistently has a significant impact on housing prices because the t-Statistic of this variable is statistically significant at the 5% level. The positive effect of Hang Seng index is reflected by its positive coefficients in the regression, which is consistent with the real world situations: a rise in Hang Seng index, in most cases, causes an increase in the housing price. For example, it is evident that housing price indices nearly doubled in Jan 2004 (69.5) to 117.9 when the Hang Seng index rose from about 13,200 points to 27,800 points in Dec 2007. To some extent, the stock index in Hong Kong market is a relative good mirror of housing price tendency, if other things are not considered.

With respect to the savings deposit rate variable, the results show that saving rate has no statistical significant influence on housing prices in the first period. However, in the period from 2004 to 2007, the coefficient of deposit rate is statistically significant at the 5% level. The sign of coefficient suggests that deposit rate has a negative impact on housing price, holding other variables constant. This is because increasing savings deposit rate will attract more deposit, and to some extent, will divert capital from property market to the banking system. However, the truth is that the housing price went up consistently in 2004-2007, so it seems that other factors such as CPI, Hang Seng index weaken its impact.

Finally, the goodness of fit of the model, in both 1998-2003 period and 2004-2007 period, is at the moderate level, as shown by the value of R^2 which is 0.554583 and 0.472839 respectively. It reflects that independent variables can jointly give a relative good explanation to the tendency of price indices dependent variable.

4.4 Granger Causality Test

Table 5: Result of Granger Causality Test

VAR Granger Causality/Block Exogeneity Wald Tests				
Dependent variable: DLNPRICE				
Period	Excluded	Chi-sq	df	Prob.
1998-2003	DLNHENGSENG	40.32090	2	0.0000
	DLNDEPOSIT	2.207581	2	0.3316
Period				
2004-2007	DLNHENGSENG	6.364165	1	0.0116
	DLNDEPOSIT	7.135500	1	0.0076

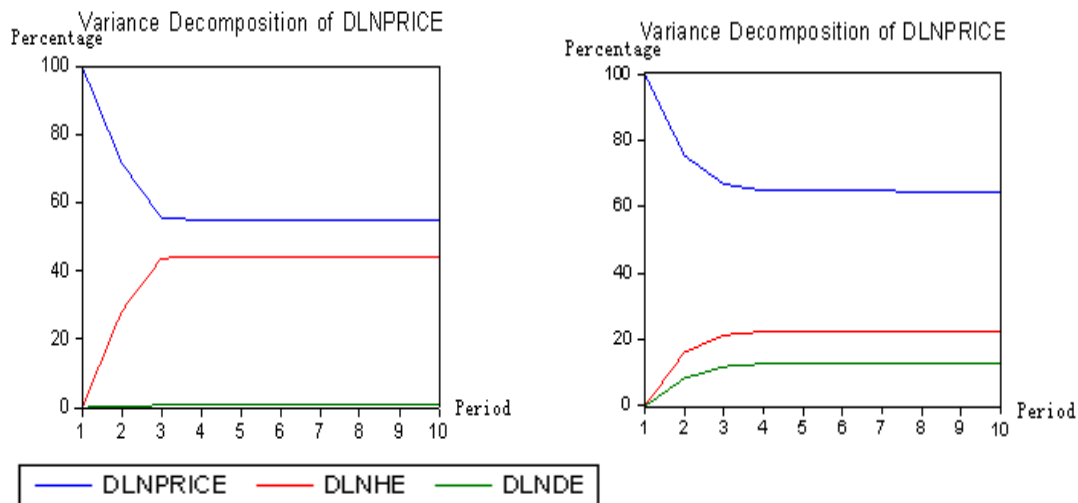
Table 5 presents the results of the Granger Causality tests of the housing price variables Hang Seng index and savings deposit rate. The causal effect running from Hang Seng index to price indices, in both the 1998-2003 and 2004-2007 periods are supported at the 0.05 level. In addition, from the P value, the null hypothesis of no causal effect running from deposit rate to price indices cannot be rejected in 1998-2003 period, but should be refused in 2004-2007 period. (Besides, other results not shown here tell us that there are no causal impacts between them.) Let me analyze more below.

As a mirror of real economy, it is said that the Hang Seng index is one of the most important reference materials when people plan to get into the property market in Hong Kong. Some empirical researches demonstrate that stock index always drops in advance before recession is coming and rises quickly when recovery is expected to start soon. This means an efficient market, like the Hong Kong stock market, has the ability to quickly reflect new information of the real economy, and offers investors some critical hints about current or future economic situation. Thus, investors can trade off their return-risk, (after considering if it is the right time to enter the property market or not). As the sample shows, price indices recorded two times increment while Hang Seng index doubled its level in the 2004-2007 periods when Hong Kong's economy achieved strong recovery. Based on the fact that the tendency of the housing price and Hang Seng index was not fully consistent in 1998-2003, I think the reason is that the expectation of capital loss after Asian financial crisis made property investment worthless, and thus housing price went down consistently, while the Hang Seng index fluctuated in that period. To some extent, this expectation weakens the causal effect from the Hang Seng index to housing price in 1998-2003, but the causal effect cannot be missed.

Hong Kong's economy suffered a great recession after 1997 financial crisis, and got into a deflationary time (1998-2003). During this period, as the study above shows, there was no significant relationship, and no causal effect from deposit rate to housing price. There are several explanations for this: Firstly, savings deposit rate refers to the average level of the whole market, so it may not be a good representative at all times. Secondly, savings deposit is an important day to day investment tool, therefore, it is kept at a relative stable level despite how good or how bad the economic conditions are. Moreover the fact that low-price expectation disheartens housing expenditure and investment, (thus declining real asset values), plays a vital role in explaining the findings mentioned above. Although deposit rate were rising in this period, inflation level also kept the similar pace and rose while the economy recovered. The result is that, real return on savings deposit fluctuated at a

quite low level, and it even gave a negative payoff sometimes. Investors took this fact into their considerations, and then decided to step in real estate market to obtain higher returns or to maintain their property value. So, the increase in nominal savings deposit rate leads to a persistent rise of housing prices. Also, the rise of nominal savings deposit rate can absorb more funding from common citizens because they are not wealthy enough to participate in property market. Therefore, the banking system should obtain more capital for mortgage to promote the housing prices.

4.5 Variance Decomposition



(a) Period: 1998-2003

(b) Period: 2004-2007

Figure 2: Result of Variance Decomposition

As the Figure 2 shows, in the 1998-2003 period shocks to the Hang Seng index account for nearly 44% of the variation in the price indices series, and deposit rate account for only 1%. On the other hand, in the 2004-2007 period, the Hang Seng index and deposit rate take up about 22.5% and 12.8% of the variance of price indices respectively. Overall, the Hang Seng index contributes more to the variation of housing prices.

5. Conclusion

This paper sought to investigate the role of the Hang Seng index and savings deposit rate on housing prices and the possible causal relationships between them. Empirical results suggest that the Hang Seng index always brings a significantly positive impact on housing prices no matter what the economic conditions are. In addition, the study reveals that the savings deposit rate does not have a statistically significant effect on housing prices in deflationary times (1998-2003) but brings a significantly negative influence in recovering times (2004-2007). We also find that influence of savings deposit rate is channelled to housing price in indirect ways, so its impact could be changed and weakened by other economic factors. Therefore, its impact is not stable, and maybe affected by economic situations. In terms of causality, the causal effect running from the Hang Seng index to housing price sustained in two periods. No causal effect from savings deposit rate to price can be found in recession times (1998-2003) but opposite finding could be supported in the 2004-2007 period. In general, the Hang Seng index is more useful and accurate when forecasting the tendency of housing prices.

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Appendix I:**Period 1998-2003:****Table 4--VAR****Vector Autoregression Estimates**

Date: 12/09/09 Time: 20:10

Sample (adjusted): 4 72

Included observations: 69 after adjustments

Standard errors in () & t-statistics in []

	DLNHENGSENG	DLNDEPOSIT	DLNPRICE
DLNHENGSENG(-1)	0.239220 (0.12339) [1.93866]	-0.171808 (0.28885) [-0.59480]	0.152596 (0.02792) [5.46477]
DLNHENGSENG(-2)	-0.275774 (0.14482) [-1.90424]	0.590493 (0.33901) [1.74183]	0.083920 (0.03277) [2.56070]
DLNDEPOSIT(-1)	0.024266 (0.05863) [0.41388]	0.575576 (0.13725) [4.19366]	0.005870 (0.01327) [0.44241]
DLNDEPOSIT(-2)	-0.002238 (0.05878) [-0.03808]	-0.070674 (0.13760) [-0.51362]	-0.018919 (0.01330) [-1.42225]
DLNPRICE(-1)	0.271895 (0.52994) [0.51307]	-1.787997 (1.24051) [-1.44133]	0.278389 (0.11992) [2.32142]
DLNPRICE(-2)	-0.155958 (0.43855) [-0.35562]	0.793873 (1.02659) [0.77331]	0.019540 (0.09924) [0.19690]
C	0.005045 (0.01223) [0.41246]	-0.062539 (0.02863) [-2.18407]	-0.009163 (0.00277) [-3.31024]
R-squared	0.104336	0.302114	0.554583
Adj. R-squared	0.017659	0.234577	0.511478
Sum sq. resids	0.390941	2.142221	0.020020
S.E. equation	0.079407	0.185882	0.017969
F-statistic	1.203736	4.473292	12.86589
Log likelihood	80.57224	21.88632	183.1007
Akaike AIC	-2.132529	-0.431488	-5.104368
Schwarz SC	-1.905880	-0.204839	-4.877719
Mean dependent	0.001273	-0.091395	-0.010896
S.D. dependent	0.080118	0.212464	0.025709
Determinant resid covariance (dof adj.)		6.65E-08	
Determinant resid covariance		4.82E-08	
Log likelihood		287.5020	
Akaike information criterion		-7.724696	
Schwarz criterion		-7.044751	

**Table 5: Granger Causality
VAR Granger Causality/Block Exogeneity Wald Tests**

Date: 12/09/09 Time: 20:52

Sample: 1 72

Included observations: 69

Dependent variable: DLNHENGSENG

Excluded	Chi-sq	df	Prob.
DLNDEPOSIT	0.226353	2	0.8930
DLNPRICE	0.274518	2	0.8717
All	0.476384	4	0.9758

Dependent variable: DLNDEPOSIT

Excluded	Chi-sq	df	Prob.
DLNHENGSE NG	3.186363	2	0.2033
DLNPRICE	2.078663	2	0.3537
All	3.540987	4	0.4717

Dependent variable: DLNPRICE

Excluded	Chi-sq	df	Prob.
DLNHENGSE NG	40.32090	2	0.0000
DLNDEPOSIT	2.207581	2	0.3316
All	41.33994	4	0.0000

Figure 2: Decomposition

Variance
Decomposition
of DLNPRICE:

Period	S.E.	DLNPRICE	DLNHE	DLNDE
1	0.017969	100.0000	0.000000	0.000000
2	0.022629	71.64709	28.12804	0.224868
3	0.026402	55.64574	43.68996	0.664297
4	0.026762	54.89131	44.21921	0.889489
5	0.026804	54.73067	44.28266	0.986670
6	0.026825	54.64197	44.29432	1.063714
7	0.026830	54.62616	44.27942	1.094421
8	0.026831	54.62341	44.27669	1.099901
9	0.026831	54.62284	44.27630	1.100857
10	0.026832	54.62254	44.27627	1.101183

Table 4: VAR
Period 2004-2007:
Vector Autoregression Estimates

Date: 12/09/09 Time: 19:40

Sample (adjusted): 10 48

Included observations: 39 after adjustments

Standard errors in () & t-statistics in []

	DLNDEPOSIT	DLNHENGSENG	DLNPRICE
DLNDEPOSIT(-1)	0.295022 (0.15007) [1.96584]	0.014274 (0.01342) [1.06367]	-0.011207 (0.00420) [-2.67124]
DLNHENGSENG(-1)	-0.917055 (1.92925) [-0.47534]	-0.040040 (0.17251) [-0.23211]	0.136065 (0.05394) [2.52273]
DLNPRICE(-1)	7.704435 (4.72411) [1.63087]	-0.441679 (0.42241) [-1.04561]	0.670662 (0.13207) [5.07805]
C	-0.004128 (0.10526) [-0.03921]	0.022515 (0.00941) [2.39211]	0.001812 (0.00294) [0.61586]
R-squared	0.244236	0.047175	0.472839
Adj. R-squared	0.179457	-0.034496	0.427654
Sum sq. resids	9.453963	0.075587	0.007389
S.E. equation	0.519724	0.046472	0.014530
F-statistic	3.770257	0.577621	10.46445
Log likelihood	-27.70461	66.45894	111.8022
Akaike AIC	1.625878	-3.203023	-5.528316
Schwarz SC	1.796499	-3.032401	-5.357694
Mean dependent	0.090230	0.019265	0.009657
S.D. dependent	0.573749	0.045691	0.019206
Determinant resid covariance (dof adj.)		1.02E-07	
Determinant resid covariance		7.38E-08	
Log likelihood		154.2187	
Akaike information criterion		-7.293269	
Schwarz criterion		-6.781403	

**Table 5 : Granger Causality
VAR Granger Causality/Block Exogeneity Wald Tests**

Date: 12/09/09 Time: 19:41

Sample: 1 48

Included observations: 39

/ependent variable: DLNDEPOSIT

Excluded	Chi-sq	df	Prob.
DLNHENGSE NG	0.225950	1	0.6345
DLNPRICE	2.659750	1	0.1029
All	3.140517	2	0.2080

Dependent variable: DLNHENGSENG

Excluded	Chi-sq	df	Prob.
DLNDEPOSIT	1.131404	1	0.2875
DLNPRICE	1.093294	1	0.2957
All	1.668504	2	0.4342

Dependent variable: DLNPRICE

Excluded	Chi-sq	df	Prob.
DLNDEPOSIT	7.135500	1	0.0076
DLNHENGSE NG	6.364165	1	0.0116
All	15.75878	2	0.0004

Figure 2: Decomposition

Variance

**Decomposition
of DLNPRICE:**

Period	S.E.	DLNPRICE	DLNHENGSENG	DLNDEPOSIT
1	0.014530	100.0000	0.000000	0.000000
2	0.018514	75.46387	16.16797	8.368161
3	0.019861	66.83270	21.32994	11.83736
4	0.020153	64.92332	22.36507	12.71161
5	0.020192	64.69686	22.46748	12.83566
6	0.020196	64.69772	22.46336	12.83892
7	0.020197	64.69867	22.46328	12.83804
8	0.020198	64.69636	22.46486	12.83879
9	0.020198	64.69526	22.46550	12.83924
10	0.020198	64.69503	22.46562	12.83935

APPENDIX II: SAMPLE DATA

year	month	DEPOSIT RATE	CPI	Hang Seng index	price indices
1998	1	5.23	+5.4	9252.4	143.7
	2	5.5	+4.7	11480.7	136.6
	3	5.48	+4.8	11518.7	138.7
	4	5.25	+4.7	10383.68	134.3
	5	5.25	+4.5	8934.56	127.6
	6	5.25	+4.0	8543.1	112.5
	7	5.25	+3.2	7936.2	108
	8	5.25	+2.7	7275.04	104.5
	9	5.25	+2.5	7883.46	98.5
	10	5.15	+0.1	10154.94	95.6
	11	4.93	-0.7	10402.32	100.3
	12	4.46	-1.6	10048.58	104.6
1999	1	4.08	-1.1	9506.9	103.8
	2	4	-1.7	9858.49	102
	3	4	-2.6	10942.2	101.7
	4	3.84	-3.8	13333.2	102
	5	3.52	-4.0	12147.12	102.9
	6	3.5	-4.1	13532.14	102.3
	7	3.5	-5.5	13186.86	101.6
	8	3.52	-6.1	13482.77	100.5
	9	3.75	-6.0	12733.24	97.1
	10	3.75	-4.2	13256.95	95.8
	11	3.75	-4.2	15377.19	94.3
	12	3.75	-4.0	16962.1	95.7
2000	1	3.75	-5.3	15532.34	97.5
	2	3.89	-5.1	17169.44	97.5
	3	4.04	-5.0	17406.54	95.3
	4	4.25	-4.4	15519.3	93.9
	5	4.41	-4.5	14713.86	90.3
	6	4.75	-4.5	16155.78	86
	7	4.75	-3.2	16840.98	86.6
	8	4.75	-2.7	17097.51	87.2
	9	4.75	-2.6	15648.98	88.2
	10	4.75	-3.1	14895.34	87
	11	4.75	-2.3	13984.39	83.7
	12	4.75	-2.1	15095.53	81.8
2001	1	4.36	-1.5	16102.35	80.7
	2	3.82	-2.4	14787.87	80.2
	3	3.65	-1.9	12760.64	82.1
	4	3.12	-1.4	13386.04	82.2
	5	2.57	-1.5	13174.41	80.5
	6	2.25	-1.1	13042.53	80.9
	7	1.97	-0.9	12316.69	80.2
	8	1.88	-1.1	11090.48	78.5
	9	1.33	-1.2	9950.7	77.2
	10	0.58	-1.2	10073.97	74.1
	11	0.34	-1.4	11279.25	73.6
	12	0.2	-3.6	11397.21	73.8

year	month	DEPOSIT RATE	CPI	Hang Seng index	price indices
2002	1	0.16	-3.5	10725.3	74.1
	2	0.16	-2.3	10482.55	73.9
	3	0.16	-2.2	11032.92	73.3
	4	0.16	-3.1	11497.58	72.3
	5	0.16	-3.1	11301.94	72.4
	6	0.16	-3.3	10598.55	71.9
	7	0.16	-3.4	10267.36	70.9
	8	0.16	-3.3	10043.87	68.3
	9	0.16	-3.7	9072.21	66.7
	10	0.16	-3.6	9441.25	65.4
	11	0.07	-3.6	10069.87	65.1
	12	0.03	-1.5	9321.29	64.8
2003	1	0.03	-1.6	9258.95	63.6
	2	0.03	-2.0	9122.66	63.4
	3	0.03	-2.1	8634.45	61.2
	4	0.03	-1.8	8717.22	60.5
	5	0.03	-2.5	9487.38	59.7
	6	0.03	-3.1	9577.12	59.3
	7	0.03	-4.0	10134.83	58.4
	8	0.03	-3.8	10908.99	58.6
	9	0.03	-3.2	11229.87	60.9
	10	0.02	-2.7	12190.1	63.4
	11	0.02	-2.4	12317.47	64.3
	12	0.01	-1.9	12575.94	65.4
2004	1	0.01	-1.5	13289.37	69.5
	2	0	-2.0	13907.03	73.2
	3	0	-2.1	12681.67	78.1
	4	0	-1.5	11942.96	79.4
	5	0	-0.9	12198.24	77.5
	6	0	-0.1	12285.75	74.7
	7	0	+0.9	12238.03	74.9
	8	0.01	+0.8	12850.28	77.6
	9	0.04	+0.7	13120.03	80.9
	10	0.13	+0.2	13054.66	84.1
	11	0.06	+0.2	14060.05	82.7
	12	0.01	+0.2	14230.14	83.3
2005	1	0.01	-0.5	13721.69	85.7
	2	0.01	+0.8	14195.35	89.4
	3	0.1	+0.8	13516.88	94.6
	4	0.36	+0.5	13908.97	95.4
	5	0.52	+0.8	13867.07	95.3
	6	0.88	+1.2	14201.06	92.9
	7	1.12	+1.3	14880.98	92.8
	8	1.25	+1.4	14903.55	93.9
	9	1.39	+1.6	15428.52	94
	10	1.66	+1.3	14386.37	91.8
	11	2.07	+1.2	14937.14	88.5
	12	2.22	+1.3	14876.43	90.1

year	month	DEPOSIT RATE	CPI	Hang Seng index	price indices
2006	1	2.35	+1.9	15753.14	90.8
	2	2.41	+1.2	15918.48	91.1
	3	2.42	+1.6	15805.04	92.6
	4	2.63	+1.9	16661.3	93.4
	5	2.63	+2.1	15857.89	94
	6	2.63	+2.2	16267.62	92.3
	7	2.63	+2.3	16971.34	91.9
	8	2.58	+2.5	17392.27	93
	9	2.57	+2.1	17543.05	93.3
	10	2.57	+2.0	18324.35	93.1
	11	2.35	+2.2	18960.48	93
	12	2.27	+2.3	19964.72	93.8
2007	1	2.26	+2.0	20106.42	95.2
	2	2.26	+0.8	19651.51	96.6
	3	2.26	+2.4	19800.93	97.9
	4	2.26	+1.3	20318.98	98.7
	5	2.26	+1.2	20634.47	100.5
	6	2.26	+1.3	21772.73	101.6
	7	2.26	+1.5	23184.94	102.8
	8	2.26	+1.6	23984.14	104
	9	2.16	+1.6	27142.47	105.3
	10	2.01	+3.2	31352.58	108.5
	11	1.61	+3.4	28643.61	113.3
	12	1.35	+3.8	27812.65	117.9

