



Major Market Indicators

	15 Sep	14 Sep	13 Sep
Mkt. Turn.(mn)	81,900	93,800	95,000
Stock Advances	691	423	775
Stock Declines	830	1,139	799
HSI	18,930	18,847	19,327
Change	+83	-480	-35

HSI Technical Indicators

10-days MA	19,184
50-days MA	20,065
250-days MA	22,424
14-days RSI	37.90
Primary resistance	19,200
Primary support	18,800

HSCEI Technical Indicators

10-days MA	6,574
50-days MA	6,871
250-days MA	7,826
14-days RSI	40.37
Primary resistance	6,800
Primary support	6,400

Stock Pick

CIMC Enric (03899)

Target: \$10

Stop loss: \$8.5

CIMC Enric announced revenue for 1H22 rose by 12.7% to RMB8.9bn, and Profit attributable to shareholders rose 14.6% to RMB0.43bn, EPS was Rmb 0.22. Moreover, Wins Order of RMB0.5bn for long-distance natural gas pipelines and low-temperature storage tank projects from African customers. As the EU tries to reduce its reliance on Russian pipeline gas, CIMC Enric's clean energy business is expected to benefit from changes in the global energy supply landscape.

China Overseas (0688)

Target: \$26.00

Stop loss: \$20.00

With the lower-than- expected inflation in August, the central government has the opportunity to further increase easing measures, including stimulating housing demand. The contracted sales of China Overseas in August amounted to RMB22.5bn, fell 10.1%, yet remained outperformed its peers. With the background of state-owned enterprises, the company has a higher financing ability and a stronger balance sheet when compared to its peers, and therefore be able to seize the opportunity of industry reshuffle.

Anta Sports (2020)

Target: \$120

Stop loss: \$85

ANTA Sports' performance in the 1H22 was better than expected. Its revenue hit another record high, having increased by 13.8% to RMB25.97bn. In addition, management guides "Anta" brand revenue is expecting to increase by 20% in 2H22, "FILA" to grow by double digits, and "other brands" to maintain rapid growth of more than 30%. Management's positive guidance should ease concerns about its growth prospects and inventory levels.

Market Overview

Federal Reserve is expected to continue to raise interest rates aggressively. New York gold futures fell below \$1,700/ounce to close at a new low in more than two years. The market generally expects the Federal Reserve to raise interest rates by at least 75bp next week, to be followed by further rate hikes in November and December. The benchmark gold futures contract on New York's Comex, December, settled down \$31.80, or 1.9%, at \$1,677.30 per ounce, the lowest closing price since April 2020. In addition, as rumors suggests China prepares to increase fuel exports, coupled with seasonal demand declines, Oct WTI crude oil (CLV22) on Thursday closed down 3.82% to \$85.1/barrel, while Brent oil futures also fell 3.46% to close at \$90.84.

Hong Kong Stock Connect had a net inflow of HK\$2.1bn on Thursday, of which Wuxi Biologics (2269) had the largest net inflow, followed by Tencent (0700). GCL Tech (3800) recorded the largest net outflow, followed by Geely (0175). U.S. Securities and Exchange Commission (SEC) Chairman Gensler said that inspectors from the U.S. Public Company Accounting Oversight Board (PCAOB) will arrive Hong Kong next week to begin examining the audit papers of the Listed Companies.

Daily Focus

Further Real Estate Easing in China may spur the sector

- Numerous cities in China have taken steps to boost fragile house-buying demand this year. Prior measures include subsidies, smaller down payments, and cuts in mortgage interest rates. Recently, Guangzhou, one of the four top-tier cities, has permitted developers to slash sale prices of homes by as much as 20 per cent.
- Guangzhou was relatively strict on price setting previously. The adjustment on the price limit policy highlights the administrative policies are also further relaxing, on top of credit policies.
- Shares of Chinese property developers rallied on Thursday on hopes that cities in the mainland will adopt more such measures, with Country Garden (02007) and R&F (02777) rose 8.7% and 8.6% respectively.
- Among all the developers, we like those that have strong asset quality, cash flow, and profit prospects. China Overseas as a state-owned enterprise, is well positioned to withstand the economic downturn. The contracted sales of China Overseas in August amounted to Rmb22.5bn, fell 10.1%, yet remained outperformed its peers. With the background of state-owned enterprises, the company has a higher financing ability and a stronger balance sheet when compared to its peers, and therefore be able to seize the opportunity of industry reshuffle. During the period, the Group continue to search out acquisition opportunities. The Group focused on selecting the highest-quality assets in higher-tier cities and acquired equity interests in several projects in Guangzhou, Shanghai and Chengdu, with a total investment of Rmb10.66 bn. On top of that, the Group put increasing numbers of commercial projects into operation. Overall, the long term prospect of China overseas is more promising than its peers.

China Overseas(688): Info	
Closed price	22.9
FY22 P/B(X)	5.96
FY22 Dividend Yield (%)	4.98
52 week high	27.35
52 week low	15.42
14 RSI	59.7

Analyst: Derek Yip

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	52.68	53.20	80.82
Balance as % of Quota Amount	101.3	102.3	96.2

Top 10 Most Actively Traded Stocks(SH-HK Connect Southbound)

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
WUXIBIO	2269	744,896,375	219,385,076	964,281,451
CNOOC	883	490,997,060	261,378,680	752,375,740
TENCENT	700	312,153,920	203,239,153	515,393,073
MEITUAN-W	3690	196,760,240	77,216,880	273,977,120
GEELY AUTO	175	32,508,740	196,421,860	228,930,600
CHINA SHENHUA	1088	63,588,500	127,408,625	190,997,125
GCL TECH	3800	55,156,950	125,091,590	180,248,540
YANKUANG ENERGY	1171	119,821,000	49,578,400	169,399,400
COUNTRY GARDEN	2007	79,263,360	70,530,110	149,793,470
GREENTOWN CHINA	3900	47,360,530	91,219,120	138,579,650

Sources: HKEx

Top 10 Most Actively Traded Stocks(SZ-HK Connect Southbound)

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
KOOLEARN	1797	394,054,225	333,288,025	727,342,250
CNOOC	883	345,128,080	334,671,700	679,799,780
BYD COMPANY	1211	242,488,100	172,365,000	414,853,100
WUXIBIO	2269	282,859,525	131,982,425	414,841,950
CHINA OVERSEAS	688	332,799,600	73,081,200	405,880,800
TENCENT	700	267,953,380	105,957,100	373,910,480
CHINA MOBILE	941	111,545,025	225,153,875	336,698,900
GREENTOWN CHINA	3900	220,342,490	31,067,600	251,410,090
GCL TECH	3800	54,359,790	195,151,770	249,511,560
MEITUAN-W	3690	117,562,530	88,338,850	205,901,380

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover (Million)
TENCENT	700	0.13%	300.00	40.01
WUXIBIO	2269	6.59%	54.15	35.72
BABA-SW	9988	1.15%	88.10	19.26
HSCEI ETF	2828	0.66%	66.78	18.98
MEITUAN-W	3690	0.92%	175.40	18.18
CNOOC	883	1.58%	10.32	17.21
TRACKER FUND	2800	0.31%	19.56	16.07
JD-SW	9618	1.43%	226.80	15.07
BYD COMPANY	1211	-1.27%	217.20	13.45
AIA	1299	0.00%	71.50	13.20

Ten Short Sell Stocks

Stock Name	Code	Short Selling Turnover	Turnover	Short Selling Ratio
HSCEI ETF	02828.HK	897.37M	1.90B	47.27%
TRACKER FUND	02800.HK	844.13M	1.61B	52.53%
MEITUAN-W	03690.HK	521.24M	1.82B	28.68%
BABA-SW	09988.HK	508.56M	1.93B	26.41%
TENCENT	00700.HK	502.60M	4.00B	12.56%
YUM CHINA-S	09987.HK	464.74M	975.24M	47.65%
CSOP HS TECH	03033.HK	421.00M	797.87M	52.77%
CHINA OVERSEAS	00688.HK	385.08M	942.99M	40.84%
WUXI BIO	02269.HK	378.14M	3.57B	10.59%
JD-SW	09618.HK	327.41M	1.51B	21.73%

Source: AA Stocks

Economic Calendars

Date	Country	Event	Survey	Prior
Mon	China	Market will close (Mid-Autumn Festival)		
	Hong Kong	Market will close (The day following the Chinese Mid-Autumn Festival)		
		HK Stock Connect Closed		
Tue	US	Aug. CPI (MoM)	-0.1%	0.0%
		Aug. CPI Ex Food and Energy (MoM)	0.3%	0.3%
		Aug. CPI (YoY)	8.1%	8.5%
Wed	US	Aug. PPI (MoM)	0.0%	-0.5%
		Aug. PPI Ex Food and Energy (MoM)	0.3%	0.2%
	Euro Zone	Jul. Industrial Production (MoM)	-0.7%	0.7%
Thu	US	Initial Jobless Claims (Till Sep 10)		222k
		Continuing Jobless Claims (Till Sep 3)		1,473k
		Aug. Retail Sales Ex Auto (MoM)	0.0%	0.4%
		Sep. Philadelphia Fed Manufacturing Index	2.0	6.2
		Aug. Industrial Production (MoM)	0.2%	0.6%
	Euro Zone	Jul. Trade Balance		-24.6b
	UK	BOE Monetary Policy Meeting		
Fri	US	Sep. University of Michigan Sentiment	59.3	58.2
	Euro Zone	Aug. CPI (YoY)	9.1%	9.1%
	China	Aug. Industrial Production (YoY)	3.8%	3.8%

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