



Major Market Indicators

	21 Sep	20 Sep	19 Sep
Mkt. Turn.(mm)	81,300	73,000	91,000
Stock Advances	437	836	452
Stock Declines	1,154	655	1,146
HSI	18,445	18,781	18,566
Change	-337	-215	-196

HSI Technical Indicators

10-days MA	18,892
50-days MA	19,850
250-days MA	22,309
14-days RSI	33.98
Primary resistance	18,600
Primary support	18,200

HSCEI Technical Indicators

10-days MA	6,462
50-days MA	6,788
250-days MA	7,780
14-days RSI	33.88
Primary resistance	6,600
Primary support	6,200

Stock Pick

BOC Hong Kong (2388)

Target: \$35.0

Stop loss: \$22.0

With the rising U.S. interest rates, and the interest rate spread of HK banks will continue to expand. By the end of June22, BOC Hong Kong recorded HKD102.9bn loan for mainland developers, fell 2.7% yoy. BOCHK's customers are mainly engaged in the Guangdong-Hong Kong-Macao Greater Bay Area and first- and second-tier cities in mainland China, and most of them are state-owned enterprises, which accounts for 78% of the loans. And therefore the risk of having loan loss provision is lower when compared to its peers.

Budweiser (1876)

Target: \$28.0

Stop loss: \$21.0

China's total retail sales of consumer goods in August stood at RMB3.63tn, an increase of 5.4% yoy, 2.7 percentage points higher than that in July, indicating that mainland consumption is gradually improving. Although there are still uncertainties, the steady growth of beer as a mass consumer product is expected to be more certain in 2H22. Premiumization will remain the long-term growth driver for the Group. In addition, it is expected that the mainland market will gradually improve in the second half of the year, and the overseas market will continue to record volume growth and price hike.

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

Precious metals bounced back from their losses in recent days after Russian President Vladimir Putin showed his intention to escalate the war in Ukraine. Gold for December delivery rose \$4.60, or 0.3%, to settle at \$1,675.70 an ounce on Comex. For the FX market, the US dollar index once rose 1.2% to 111.58, and the lowest level of Euro reached 0.9816 US dollars, down 1.54%. Sterling fell as low as \$1.1239, or 1.25%, despite an expected rate hike by the Bank of England on Thursday; yen also remain weak, as the market expect Japan to maintain its low interest rates.

Hong Kong Stock Connect had a net inflow of HK\$4.42bn on Wednesday, of which Tracker Fund (2800) had the largest net inflow of HK\$1.5bn, followed by Tencent (0700). Sunny optical (2382) recorded the largest net outflow of HK\$0.26bn. Hong Kong ADR closed at 18,196, signaling the market to open 248 points lower.

Daily Focus

BOC Hong Kong (2388): the interest rate spread of HK banks is expected to expand

- BOC Hong Kong has previously raised the mortgage rate cap by 0.25 percentage points to 2.75%. With the rising U.S. interest rates, and the interest rate spread of HK banks will continue to expand.
- By the end of June22, BOC Hong Kong recorded HKD102.9bn loan for mainland developers, fell 2.7% yoy. BOCHK's customers are mainly engaged in the Guangdong-Hong Kong-Macao Greater Bay Area and first- and second-tier cities in mainland China, and most of them are state-owned enterprises, which accounts for 78% of the loans. And therefore the risk of having loan loss provision is lower when compared to its peers.
- The profit attributable to equity holders was HKD13,472mn, an increase of HKD896mn or 7.1% yoy. The Group's net operating income before impairment allowances amounted to HKD27,232mn, an increase of HKD2,182mn or 8.7% yoy. Net interest income amounted to HKD15,381mn. The CET1 capital ratio was 17.73% and the tier 1 capital ratio was 19.55%, while the total capital ratio stood at 21.88%.
- Overall, the asset quality of BOC Hong Kong is stronger than its peers. Coupled with its dividend stability, BOC Hong Kong can be considered a defensive pick during market downturn.

BOC Hong Kong (2388): Info	
Closed price	26.75
FY22 P/E(X)	10.44
FY22 Dividend yield (%)	4.92
52 week high	32.75
52 week low	22.45
14 RSI	42.33

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	53.46	51.32	78.89
Balance as % of Quota Amount	102.8	98.7	93.9

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	505,854,800	215,932,600	721,787,400
MEITUAN-W	3690	287,960,340	239,279,190	527,239,530
TRACKER FUND	2800	459,489,690	306,640	459,796,330
SUNNY OPTICAL	2382	76,052,070	187,582,310	263,634,380
CNOOC	883	151,651,150	105,784,640	257,435,790
XIAOMI-W	1810	175,862,808	73,228,566	249,091,374
WUXI BIO	2269	91,899,700	122,403,100	214,302,800
COSCO SHIP ENGY	1138	128,052,180	78,971,280	207,023,460
CHINA MOBILE	941	68,832,400	94,714,700	163,547,100
ICBC	1398	19,041,050	124,576,590	143,617,640

Sources: HKEx

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TRACKER FUND	2800	1,094,888,785	153,365	1,095,042,150
KOOLEARN	1797	339,438,100	293,657,350	633,095,450
CHINA MOBILE	941	295,480,100	224,425,425	519,905,525
CNOOC	883	388,297,120	78,511,820	466,808,940
TENCENT	700	321,623,560	124,988,200	446,611,760
MEITUAN-W	3690	164,352,940	155,563,430	319,916,370
SUNNY OPTICAL	2382	31,903,400	189,493,153	221,396,553
CIFI HOLD GP	884	40,672,060	155,566,960	196,239,020
BYD COMPANY	1211	153,581,600	42,305,600	195,887,200
COSCO SHIP ENGY	1138	111,197,660	65,020,920	176,218,580

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover (Million)
TRACKER FUND	2800	-1.70%	19.11	48.91
TENCENT	700	-2.52%	286.00	46.42
BABA-SW	9988	-3.65%	83.05	31.03
MEITUAN-W	3690	-2.96%	167.50	26.17
WUXI BIO	2269	-2.12%	48.40	15.44
SUNNY OPTICAL	2382	-10.51%	85.60	13.94
AIA	1299	-0.49%	71.30	13.68
PING AN	2318	-2.95%	42.75	13.29
HSCEI ETF	2828	-2.31%	63.42	13.26
BYD COMPANY	1211	-2.16%	217.20	11.02

Ten Short Sell Stocks

Stock Name	Code	Short Selling Turnover	Turnover	Short Selling Ratio
TRACKER FUND	02800.HK	2.98B	4.89B	61.03%
HSCEI ETF	02828.HK	998.24M	1.33B	75.26%
TENCENT	00700.HK	847.62M	4.64B	18.26%
MEITUAN-W	03690.HK	794.67M	2.62B	30.36%
BABA-SW	09988.HK	631.73M	3.10B	20.36%
PING AN	02318.HK	369.98M	1.33B	27.83%
JD-SW	09618.HK	339.48M	926.03M	36.66%
FL2 CSOP HSI	07200.HK	306.15M	447.98M	68.34%
CSOP HS TECH	03033.HK	301.65M	667.60M	45.18%
WUXIBIO	02269.HK	256.80M	1.54B	16.63%

Source: AA Stocks

Economic Calendars

Date	Country	Event	Survey	Prior
Tue	US	Aug. Building Permits	1,621k	1,685k
		Aug. Housing Starts	1,460k	1,446k
Wed	US	Aug. Existing Home Sales	4.70m	4.81m
		FOMC Monetary Meeting (Announce in early morning on 22 Sep in HKT)		
Thu	US	Initial Jobless Claims (Till Sep 17)		213k
		Continuing Jobless Claims (Till Sep 10)		1,403k
		Costco (COST) Result		
	Japan	BOJ Monetary Policy Meeting		
	Hong Kong	Trip.com(9961) Result		
Fri	US	Sep. S&P Global Manufacturing PMI	51.3	51.5
		Sep. S&P Global Services PMI	45.0	43.7
	Euro Zone	Sep. S&P Global Manufacturing PMI	49.1	49.6
		Sep. S&P Global Services PMI	49.2	49.8

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