



Major Market Indicators

	26 Sep	23 Sep	22 Sep
Mkt. Turn.(mn)	104,400	80,800	85,200
Stock Advances	559	442	449
Stock Declines	1,065	1,119	1,155
HSI	17,855	17,933	18,148
Change	-78	-215	-297

HSI Technical Indicators

10-days MA	18,559
50-days MA	19,691
250-days MA	22,227
14-days RSI	27.84
Primary resistance	18,000
Primary support	17,600

HSCEI Technical Indicators

10-days MA	6,349
50-days MA	6,732
250-days MA	7,747
14-days RSI	31.05
Primary resistance	6,400
Primary support	6,000

Stock Pick

BOC Hong Kong (2388)

Target: \$35.0

Stop loss: \$25.5

BOCHK raise the prime rate from 5% to 5.125% on Monday (26th). With the U.S. interest rates hike, the Hong Kong bank interest rate spread is expected to continue to improve. 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.

Fortune REIT (778)

Target: \$8.0

Stop loss: \$5.4

Portfolio occupancy remained healthy at 93.9% as at 30 June 2022. A strong tenant retention of 81% was recorded for the Reporting Period despite the pandemic as Fortune Malls continue to be the preferred business venue for tenants. Fortune REIT's distribution policy is to distribute no less than 90% of its audited annual net income after tax. The Board has decided to resume a 100% distribution payout ratio for the Reporting Period (FY2021: 90%). The current dividend yield is around 7%, which make Fortune REIT a suitable choice for defensive pick.

Market Overview

Following the huge stimulus measures announced by the United Kingdom last Friday, BOE issued a statement on Monday that its monetary policy is to ensure that demand does not exceed supply, leading to higher inflation, and reiterated that its policy meeting is on schedule in November. The market was worried that a new round of financial crisis might appear in UK, and funds continued to flow to US dollar. DXY rise above 114 at once, and finally the index fell slightly to the 113.7 level.

Hong Kong Stock Connect had a net outflow of HK\$129mn on Monday, of which WuXi Biologics (2269) had the largest net inflow, reaching HK\$252mn; followed by Li Auto (2015). CNOOC (0883) recorded the largest net outflow at HK\$357mn, followed by China Shenhua (1088).

Daily Focus

HSBC(0005): Share price of HSBC and Standard Chartered Bank plunged after the slide of GBP

- The UK has launched the most aggressive tax cut plan since 1972, reducing the tax burden on households and businesses. The government will scrap the 45% top rate of income tax for high earners and also cancelled the planned increase in UK corporation tax from 19% to 25% from April 2023. Meanwhile, the stamp duty tax on property purchases was also cut. Investors are expecting a heavier borrowing of UK to fund a budget deficit that is set to widen sharply, as a result of tax cuts worth 45 billion pounds. In fact, the debt management office announced it would issue £193.9 billion in gilts, a rise of £62.4 billion to fund the extra spending.

HSBC (0005):Info	
Closed price	42.2
FY22 P/E(X)	7.13
FY22 Dividend yield (%)	5.36
52 week high	59.6
52 week low	40.0
14 RSI	25.7

Sterling plummeted after UK unveiled its aggressive tax cut plan.

- Although it is difficult to quantify the impact of the worsening UK economic outlook on the earnings of HSBC (0005) and Standard Chartered (02888), the stocks fell almost 10% on Monday, showing that the market is now extremely sensitive to any negative news. Looking back to the period when Brexit occurred, HSBC recorded \$3.2 billion impairment of goodwill in 2016, reflecting that the UK economic recession will obviously hurt HSBC's performance. Standard Chartered had less exposure in UK when compared to HSBC, yet its share price was also weakened by that time. Investors should therefore remain cautious as the changes of UK economy outlook will continue to have an impact on the share price movement.
- UK segment accounted for 6.1% and 22.01% of Standard Chartered Bank and HSBC's Revenue respectively in FY21. For the net loans and advances to customers, Standard Chartered Bank has 14.3% of the amount lent to clients in UK, while for HSBC, the ratio was much higher, at 27.7%. As we all know, HSBC has more business and assets in the UK segment when compared to Standard chartered bank. By the end of 2021, HSBC total assets amounted to USD2,957bn, in which 45.8% were in Europe segment, at a level higher than that of Standard Chartered Bank. Nonetheless, investors should be aware of the risks when deploying stocks related to UK business, due to the current weak market sentiment.

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Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	50.05	47.94	82.94
Balance as % of Quota Amount	96.3	92.2	98.7

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	485,800,120	457,205,452	943,005,572
CNOOC	883	320,114,350	534,518,250	854,632,600
MEITUAN-W	3690	227,904,460	220,247,944	448,152,404
SANDS CHINA LTD	1928	104,858,652	190,713,548	295,572,200
WUXI BIO	2269	224,893,550	66,931,308	291,824,858
CHINA SHENHUA	1088	94,611,650	115,764,375	210,376,025
CHINA RES POWER	836	65,473,520	107,946,640	173,420,160
XIAOMI-W	1810	63,839,238	107,459,360	171,298,598
XPENG-W	9868	23,626,570	132,896,350	156,522,920
LI AUTO-W	2015	108,404,875	46,648,245	155,053,120

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	550,325,775	579,139,750	1,129,465,525
TENCENT	700	463,406,380	431,045,362	894,451,742
CNOOC	883	333,499,170	476,303,180	809,802,350
CHINA SHENHUA	1088	115,549,500	236,051,300	351,600,800
MEITUAN-W	3690	193,687,180	107,547,260	301,234,440
CHINA MOBILE	941	169,602,800	107,868,450	277,471,250
WUXI BIO	2269	174,332,800	80,043,875	254,376,675
LI AUTO-W	2015	154,405,605	78,241,150	232,646,755
YANKUANG ENERGY	1171	45,149,900	164,210,900	209,360,800
KUAISHOU-W	1024	117,821,660	73,347,175	191,168,835

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Million)
TENCENT	700	2.98%	283.20	69.71
BABA-SW	9988	0.38%	78.70	37.41
MEITUAN-W	3690	4.49%	167.50	34.19
HSBC HOLDINGS	5	-7.55%	42.25	30.42
TRACKER FUND	2800	-0.43%	18.50	26.60
CNOOC	883	-5.58%	9.65	22.85
HSCEI ETF	2828	0.00%	62.20	17.89
SANDS CHINA LTD	1928	15.65%	20.40	17.56
AIA	1299	-1.01%	68.35	16.66
GALAXY ENT	27	7.18%	47.05	16.21

Ten Short Sell Stocks

Stock Name	Code	Short Selling Turnover	Turnover	Short Selling Ratio
TENCENT	00700.HK	1.70B	6.97B	24.41%
TRACKER FUND	02800.HK	1.50B	2.66B	56.46%
HSCEI ETF	02828.HK	1.14B	1.79B	63.78%
MEITUAN-W	03690.HK	1.13B	3.42B	33.11%
BABA-SW	09988.HK	775.50M	3.74B	20.73%
HSBC HOLDINGS	00005.HK	631.08M	3.04B	20.74%
SANDS CHINA LTD	01928.HK	512.02M	1.76B	29.16%
GALAXY ENT	00027.HK	467.92M	1.62B	28.87%
CSOP HS TECH	03033.HK	449.64M	662.70M	67.85%
JD-SW	09618.HK	404.58M	1.22B	33.28%

Source: AA Stocks

Economic Calendars

Date	Country	Event	Survey	Prior
Tue	US	Aug. Durable Goods Orders	0.3%	0.2%
		Sep. Conference Board Consumer Confidence	104.5	103.2
		Aug. New Home Sales	500k	511k
	Hong Kong	Nine Dragons Paper (2689) Result		
Wed	US	Aug. Retail Inventories (MoM)		1.1%
		Aug. Pending Home Sales (MoM)	-0.5%	-1.0%
Thu	US	Initial Jobless Claims (Till Sep 24)		213k
		Continuing Jobless Claims (Till Sep 17)		1,379k
		2Q. GDP (QoQ)	-0.6%	-0.6%
		Nike (NKE) Result		
	Hong Kong	HK Stock Connect (Southbound) Closed		
Fri	US	Aug. Personal Income	0.3%	0.2%
		Aug. Personal Spending	0.2%	0.1%
		Aug. PCE Deflator (MoM)	0.1%	-1.0%
		Sep. University of Michigan Sentiment	59.5	59.5
	Euro Zone	Aug. Unemployment Rate	6.6%	6.6%
		Sep. CPI (YoY)	9.7%	9.1%
	China	Sep. Composite PMI		51.7
		Sep. Manufacturing PMI	49.2	49.4
		Sep. Caixin Manufacturing PMI		49.5
	Hong Kong	HK Stock Connect (Southbound) Closed		
		New World Development (17) Result		

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