



Major Market Indicators

	28 Sep	27 Sep	26 Sep
Mkt. Turn.(mn)	108,800	97,500	104,400
Stock Advances	285	813	559
Stock Declines	1,425	754	1,065
HSI	17,251	17,860	17,855
Change	-609	+5	-78

HSI Technical Indicators

10-days MA	18,253
50-days MA	19,564
250-days MA	22,174
14-days RSI	22.58
Primary resistance	17,500
Primary support	17,000

HSCEI Technical Indicators

10-days MA	6,250
50-days MA	6,689
250-days MA	7,727
14-days RSI	26.57
Primary resistance	6,500
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.

China Mobile (941)

Target: \$65.0

Stop loss: \$48.0

The total number of customers of China Mobile's mobile business amounted to 973mn in Aug22, representing a net monthly addition of 2.109mn users. Among which, the number of 5G package customers reached 539mn, with the net additional customers of 15.082mn on a monthly basis. The profit to be distributed in cash for 2023 will gradually increase to 70% or above of the profit attributable to equity shareholders of the Company for that year. With a visible earning growth and dividend policy, China Mobile is an attractive defensive pick.

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

The BoE said it will carry out temporary purchases of long-dated UK government bonds from 28 September. These purchases will be strictly time limited and will be carried out on whatever scale is necessary, with the purpose to restore orderly market conditions. Auctions will take place from today until 14 October. Meanwhile, the MPC's annual target of an £80bn stock reduction remains unchanged, the bank said, with the first gilt sales — initially slated for Monday — now taking place on Oct. 31. The BoE also delayed the start of a programme to sell down its 838 billion pounds of government bond holdings, which had been due to begin next week.

Hong Kong Stock Connect had a net inflow of HK\$5.92bn on Wednesday, of which HSCEI ETF (2828) had the largest net inflow of HK\$1.03bn, followed by Wuxi Biologics (2269). AIA (1299) recorded the largest net outflow of HK\$0.21bn, followed by Geely Auto (0175).

Daily Focus

China Resources Beer (0291): Benefit from the high- growth premiumization trend

- China's retail sales of consumer goods, a major indicator of the country's consumption strength, went up 5.4% YoY in August, according to the data from the National Bureau of Statistics (NBS).
- China state planners have said that the country will help expedite the completion of construction projects and encourage domestic consumption. Consumption sectors are expected to benefit.
- The October Golden Week is approaching, and therefore tourism and related consumer stocks are worthy of attention.
- China Resources Beer achieved solid results in 1H22, with revenue increasing 7% YoY to RMB21bn, and core EBIT increasing by 17% YoY, beating market expectation. The satisfactory result was explained by the continuous improvement of product structure, with ASP up by 7.7%, offsetting the pressure of rising costs.
- The Group's GPM is expected to expand in 2H22, as sales volumes begin to recover, cost pressures such as barley, glass and aluminum have eased since the end of the second quarter, and Group continued to benefit from the high- growth premiumization trend. Previously management said that the premiumization trend is expected to continue in mainland China in the next 5 to 10 years.
- The target price is HK\$65, and the stop loss price is HK\$50

China Resources Beer (0291):Info	
Closed price	54.8
FY22 P/E(X)	38.46
FY22 Dividend yield (%)	1.04
52 week high	68.70
52 week low	38.40
14 RSI	56.5

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	52.68	53.25	77.42
Balance as % of Quota Amount	101.3	102.4	92.2

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	489,425,040	396,958,960	886,384,000
MEITUAN-W	3690	441,902,050	177,744,119	619,646,169
CHINA MOBILE	941	153,003,775	258,415,200	411,418,975
CIFI HOLD GP	884	206,410,820	100,629,008	307,039,828
SUNNY OPTICAL	2382	222,006,570	82,309,880	304,316,450
GEELY AUTO	175	63,899,520	233,954,640	297,854,160
HSCEI ETF	2828	288,942,620	8,655,760	297,598,380
WUXI BIO	2269	174,105,000	74,041,859	248,146,859
XIAOMI-W	1810	127,101,336	80,348,210	207,449,546
HKEX	388	34,769,440	170,427,220	205,196,660

Sources: HKEx

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
HSCEI ETF	2828	748,819,924	206,900	749,026,824
TENCENT	700	408,188,380	208,745,524	616,933,904
MEITUAN-W	3690	276,850,510	179,275,827	456,126,337
WUXI BIO	2269	402,312,650	51,411,950	453,724,600
CHINA MOBILE	941	266,636,225	151,343,022	417,979,247
KOOLEARN	1797	191,954,475	193,210,800	385,165,275
HYGEIA HEALTH	6078	197,659,300	103,616,270	301,275,570
CIFI HOLD GP	884	96,605,920	166,574,991	263,180,911
AIA	1299	1,935,100	220,418,010	222,353,110
CHINA RES BEER	291	55,146,800	165,915,284	221,062,084

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover (Million)
TRACKER FUND	2800	-3.35%	17.90	65.40
TENCENT	700	-2.42%	274.00	61.22
BABA-SW	9988	-4.11%	74.70	40.71
HSCEI ETF	2828	-3.18%	60.34	33.51
MEITUAN-W	3690	-3.10%	168.80	32.31
HSBC HOLDINGS	5	-5.77%	40.00	22.41
AIA	1299	-3.39%	65.60	20.92
PING AN	2318	-4.18%	39.00	17.84
JD-SW	9618	-5.63%	201.00	16.10
BYD COMPANY	1211	-4.30%	205.00	14.61

Ten Short Sell Stocks

Stock Name	Code	Short Selling Turnover	Turnover	Short Selling Ratio
TRACKER FUND	02800.HK	2.92B	6.54B	44.63%
HSCEI ETF	02828.HK	1.60B	3.35B	47.87%
TENCENT	00700.HK	1.50B	6.12B	24.48%
MEITUAN-W	03690.HK	979.83M	3.23B	30.33%
BABA-SW	09988.HK	834.09M	4.07B	20.49%
HSBC HOLDINGS	00005.HK	664.52M	2.24B	29.65%
XL2CSOPHSTECH	07226.HK	635.68M	989.19M	64.26%
PING AN	02318.HK	506.19M	1.78B	28.38%
JD-SW	09618.HK	461.63M	1.61B	28.68%
FL2 CSOP HSI	07200.HK	443.08M	648.72M	68.30%

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
		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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