



### Major Market Indicators

	29 Sep	28 Sep	27 Sep
Mkt. Turn.(mn)	91,700	108,800	97,500
Stock Advances	490	285	813
Stock Declines	1,156	1,425	754
HSI	17,166	17,251	17,860
Change	-85	-609	+5

### HSI Technical Indicators

10-days MA	18,077
50-days MA	19,499
250-days MA	22,144
14-days RSI	21.95
Primary resistance	17,400
Primary support	17,000

### HSCEI Technical Indicators

10-days MA	6,190
50-days MA	6,664
250-days MA	7,715
14-days RSI	25.46
Primary resistance	6,200
Primary support	5,800

## 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 sell-off in U.S. stocks resumed on Thursday, with the S&P 500 falling to a new low for the year on fears that a recession won't stop the Federal Reserve from raising interest rates, and a stronger-than-expected initial jobless claims gave room for the Fed to be more hawkish. The S&P 500 fell 2.1% to 3,640.47, a new closing low for the year. Meanwhile, the Dow plunged 458.13 points, or 1.54%, to 29,225.61. The tech-heavy Nasdaq Composite fell 2.84% to 10,737.51.

Southbound Stock Connect is closed from Sep29 to Oct7 for China's Golden Week holiday.

## Daily Focus

### Jiumao Jiu (9922): Benefit from the upcoming Golden week

- 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 sector is expected to benefit.
- In 1H22, the revenue of Jiumaojiu fell by 6.1% YoY, the net profit fell by 69.5% YoY. Operating profit margin dropped from 20% to 14.6%, mainly due to the resurgence of the Pandemic in the first half of 2022 causing restaurant performance of the restaurants experienced varying level of interferences. During the period, over 60% of its restaurants, including restaurants located in tier-one and tier-two cities, experienced temporary suspension or restriction of dine-in services for varying duration for an average of approximately 32 days in the first half of 2022. The estimated loss of revenue resulted from the temporary suspension of its restaurant operations or dine-in services in the first half of 2022 amounted to approx. RMB590.9mn.
- However, as the epidemic is gradually under control (at least when compared to the first half of this year), the seat turnover rate and even the same-store sales are expected to pick up. In addition, the group has the goal of opening 120 new stores, and at the same time, it is also adjusting its business network to end stores with less traffic. We expect the overall revenue and operational efficiency to improve.
- Target Price: HK\$ 20, Stop Loss: HK\$ 14.5

Jiumao Jiu (9922):Info	
Closed price	16.18
FY22 P/E(X)	71.99
FY22 Dividend yield (%)	0.31
52 week high	24.65
52 week low	10.82
14 RSI	51.08

Analyst: Cynthia Tam

## Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined	Southbound
Balance (RMB bn)	48.95	49.39		-
Balance as % of Quota Amount	94.1	95.0		-

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
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Market Closed

Sources: HKEx

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
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Market Closed

Sources: HKEx

## Other Statistics

### Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover (Million)
TENCENT	700	-1.24%	270.60	55.40
BABA-SW	9988	2.88%	76.85	48.53
MEITUAN-W	3690	0.83%	170.20	29.34
TRACKER FUND	2800	-0.56%	17.80	28.91
AIA	1299	-1.45%	64.65	17.83
PING AN	2318	-1.67%	38.35	17.35
BYD COMPANY	1211	-2.05%	200.80	14.57
HSBC HOLDINGS	5	1.00%	40.40	14.49
JD-SW	9618	0.50%	202.00	14.33
CCB	939	-0.90%	4.41	12.76

## Ten Short Sell Stocks

Stock Name	Code	Short Selling Turnover	Turnover	Short Selling Ratio
TRACKER FUND	02800.HK	1.28B	2.89B	44.40%
MEITUAN-W	03690.HK	1.22B	2.93B	41.72%
TENCENT	00700.HK	1.16B	5.54B	20.85%
BABA-SW	09988.HK	988.97M	4.85B	20.38%
PING AN	02318.HK	606.78M	1.73B	34.98%
HSCEI ETF	02828.HK	549.82M	1.11B	49.42%
CSOP HS TECH	03033.HK	505.56M	862.64M	58.61%
JD-SW	09618.HK	478.72M	1.43B	33.42%
XIAOMI-W	01810.HK	452.72M	1.23B	36.78%
BYD COMPANY	01211.HK	351.08M	1.46B	24.09%

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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