



Major Market Indicators

	30 Sep	29 Sep	28 Sep
Mkt. Turn.(mn)	84,900	91,700	108,800
Stock Advances	833	490	285
Stock Declines	794	1,156	1,425
HSI	17,223	17,166	17,251
Change	+57	-85	-609

HSI Technical Indicators

10-days MA	17,923
50-days MA	19,422
250-days MA	22,16
14-days RSI	23.51
Primary resistance	17,400
Primary support	17,000

HSCEI Technical Indicators

10-days MA	6,139
50-days MA	6,640
250-days MA	7,705
14-days RSI	25.60
Primary resistance	6,200
Primary support	5,800

Stock Pick

Swire A(0019)

Target: \$75.0

Stop loss: \$52.0

Swire's business is mainly divided into rental business, beverage and aviation, and we believe that these three core businesses are gradually improving. With the loosening quarantine requirement, the retail market is expected to recover, which support to the revaluation of shopping malls. The sales of Coca-Cola is expected to bottom out considering lower covid-19 cases in China. Easing travel quarantine restrictions will help boost demand for business and tourism travel. Cathay Pacific can return to balance of payments as soon as the 2H22.

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

Affected by the US core PCE price index rose 0.6% MoM, higher than consensus. In addition, personal income in August rose by 0.3% MoM, in line with expectations. Market worry that the Federal Reserve may have more leverage to increase the pace of interest rate hikes. U.S. stocks resumed the sell-off, with all three major U.S. indexes continuing to fall. S&P 500 fell 54 points, or 1.51%, to 3,585; the D&J lost 500 points, or 1.71%, to 28,725. The tech-heavy Nasdaq Composite lost 1.51% to 10,575. OPEC+ is considering cutting output by 1mn barrels per day when it meets this week to stem the slide in oil prices. The sharp production cuts could draw criticism from US and other major developed countries. The Brent crude oil price was trading at \$87.45, up 2.21%.

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

Daily Focus

Swire A(0019): loosen quarantine requirement can support Swire's core business improvement

- Swire's business is mainly divided into Hong Kong rental business, beverage and aviation, and we believe that these three core businesses are gradually improving.
- In terms of rental business, the retail market is expected to recover slowly as local prevention and control measures are relaxed. Since June, the slowdown of the covid-19 in Hong Kong has favoured the revaluation of shopping malls, which further improved the fair value change of Swire's investment properties in 2H22. The office occupancy rate of Swire Properties in the 1H22 remained at 96%. If Hong Kong reopens, office leasing is expected to normalize.
- The beverage department mainly distributes Coca-Cola. Sales in China were affected during the epidemic, but as the epidemic is gradually brought under control. We expect sales can be bottom out. Meanwhile, current per capita consumption in China is far lower than other countries, which implied the potential of development. In addition, Swire's investment in Southeast Asia Can become another new growth point.
- The loosen of travel quarantine restrictions in Hong Kong will help boost demand for business and tourism travel. Cathay Pacific can return to breakeven as soon as 2H22. Aircraft maintenance "HAECO" business is expected to bottom out.
- The target price of this strategy is HK\$75, and the stop loss price is HK\$52 (which is the 50-day moving average).

Swire A(0019): Info	
Closed price	58.75
FY22 P/E(X)	14.31
FY22 Dividend yield (%)	4.95
52 week high	61.3
52 week low	37.5
14 RSI	64.15

Analyst: Tommy Kung

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	50.86	52.51	-
Balance as % of Quota Amount	97.8	101.0	-

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

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

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Million)
TENCENT	700	-1.55%	266.40	60.15
BABA-SW	9988	1.43%	77.95	36.44
MEITUAN-W	3690	-2.70%	165.60	31.73
TRACKER FUND	2800	0.51%	17.89	19.39
BYD COMPANY	1211	-3.19%	194.40	17.28
AIA	1299	1.24%	65.45	16.20
JD-SW	9618	-1.68%	198.60	15.95
PING AN	2318	2.22%	39.20	14.07
HSCEI ETF	2828	0.40%	59.98	13.22
LI NING	2331	-6.39%	60.10	10.58

Ten Short Sell Stocks

Stock Name	Code	Short Selling Turnover	Turnover	Short Selling Ratio
TRACKER FUND	02800.HK	916.66M	1.94B	47.28%
MEITUAN-W	03690.HK	908.46M	3.17B	28.63%
CSOP HS TECH	03033.HK	684.36M	992.60M	68.95%
TENCENT	00700.HK	671.90M	6.01B	11.17%
HSCEI ETF	02828.HK	586.47M	1.32B	44.35%
BABA-SW	09988.HK	529.95M	3.64B	14.54%
BYD COMPANY	01211.HK	462.07M	1.73B	26.73%
PING AN	02318.HK	443.10M	1.41B	31.50%
JD-SW	09618.HK	433.06M	1.60B	27.14%
HSBC HOLDINGS	00005.HK	355.27M	888.52M	39.99%

Source: AA Stocks

Economic Calendars

Date	Country	Event	Survey	Prior
Mon	US	Sep. S&P Global Manufacturing PMI	51.8	51.8
		Sep. ISM Manufacturing	52.4	52.8
	Euro Zone	Sep. S&P Global Manufacturing PMI		48.5
	China	Market will close (National Day)		
	Hong Kong	HK Stock Connect closed		
Tue	US	Aug. Factory Orders	0.2%	-1.0%
		Aug. Durable Goods Orders		-0.2%
		Aug. JOLTS Job Openings		11,239k
	China	Market will close (National Day)		
	Hong Kong	HK Stock Connect closed		
Wed	US	Market will close (Chung Yeung Festival)		
		Sep. ADP Employment Change	200k	132k
		Aug. Trade Balance	-\$67.9b	-\$70.7b
		Sep. S&P Global Services PMI		49.2
		Sep. S&P Global Composite PMI		49.3
	Euro Zone	Sep. ISM Services Index	56.5	56.9
		Sep. S&P Global Services PMI		48.9
		Sep. S&P Global Composite PMI		48.2
	China	Market will close (National Day)		
	Hong Kong	HK Stock Connect closed		
Thu	US	Initial Jobless Claims (Till Oct 1)		193k
		Continuing Jobless Claims (Till Sep 24)		1,347k
	China	Market will close (National Day)		
	Hong Kong	Hang Seng (11) Result		
Fri	US	HK Stock Connect closed		
		Sep. Change in Nonfarm Payrolls	250k	315k
		Sep. Unemployment Rate	3.7%	3.7%
	Sep. Average Hourly Earning (MoM)	0.3%	0.3%	
	China	Market will close (National Day)		
Hong Kong	HK Stock Connect closed			
Sat	China	Sep. Caixin Services PMI		53.0
		Sep. Caixin Composite PMI	54.5	55.0

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