



Major Market Indicators

	20 Oct	19 Oct	18 Oct
Mkt. Turn.(mm)	126,800	84,800	99,800
Stock Advances	482	491	1,051
Stock Declines	1,046	1,031	498
HSI	16,280	16,511	16,915
Change	-231	-403	+302

HSI Technical Indicators

10-days MA	16,779
50-days MA	18,570
250-days MA	21,718
14-days RSI	31.21
Primary resistance	16,500
Primary support	16,000

HSCEI Technical Indicators

10-days MA	5,707
50-days MA	6,344
250-days MA	7,552
14-days RSI	31.15
Primary resistance	5,800
Primary support	5,400

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 Railway (0390)

Target: \$4.6

Stop loss: \$3.5

The Group achieved revenue of RMB560.6bn, a YoY increase of 12.5%, in which, revenue from Infrastructure Construction segment amounted to RMB495.9bn, representing 88.4% of the revenue. Profit for the period attributable to the owners of the Company amounted to RMB15.1bn, representing a yoy increase of 15.5%. The value of new contracts of the Group in 1H22 was RMB1,211.94bn, representing a yoy increase of 17.2%. Looking forward, China has the opportunity to further support the development of the infrastructure industry to stimulate the economy.

Hysan (0014)

Target: \$26.0

Stop loss: \$18.0

Group's investment property portfolio covers three major categories of office buildings, shops and residential buildings, all of which are located in Causeway Bay. We expected office leasing can normalize, and the increase in traffic can boost the valuation of investment properties and lead to a rebound in revaluation gains. Although covid-19 cases in Hong Kong was at peak in 1H22, the occupancy rate of Hysan's shops and office buildings both exceeded 90%, reflecting the ability of its operation team.

Market Overview

U.K. index ended higher after Prime Minister Liz Truss announced her resignation next week. The FTSE 100 was up 0.3% at 6,944 and GBP/USD was up at 1.13. Markets were calmer than expected as the Conservative Party needed to choose a successor, and therefore political upheaval was expected in the week ahead.

Hong Kong Stock Connect had a net inflow of HK\$7.07bn on Thursday, of which Tencent (700) had the largest net inflow, reaching HK\$2.54bn; followed by Meituan (3690). Tracker Fund (2800) recorded the largest net outflow at HK\$205.9mn, followed by Li Ning (2331).

Daily Focus

China Mobile (0941): net increase of 17.15 million customers in the first three quarters

- China Mobile announced its 3Q22 results, with a 9M22 net profit of RMB98.5bn, up 13% year-on-year, and revenue of RMB723.4b in the first three quarters, up 11.5% year-on-year.
- As of the end of September, China Mobile had 974 million customers, with a net increase of approximately 17.15 million in the first three quarters; 557 million 5G package customers and 292 million 5G network customers. The average revenue per users per month (ARPU) in the first three quarters reached RMB50.7, up 1% year-on-year.
- The company continued to advance the integrated development of its “network, cloud and DICT (data, information and communications technology)” and significantly strengthened its market, product and support capabilities across-the-board, demonstrating robust growth momentum in its “Business” market. For the first three quarters, DICT revenue grew by 40.0% year-on-year to RMB68.5 billion.
- Going forward, new business growth will continue to be the main driver of the company's revenue growth. 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.

China Mobile (0941): Info	
Closed price	50.10
FY22 P/E (X)	7.76
FY22 Dividend yield (%)	8.28
52 week high	58.65
52 week low	45.90
14 RSI	33.085

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	54.88	53.46	75.62
Balance as % of Quota Amount	105.5	102.8	90.0

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	2,074,047,000	457,444,320	2,531,491,320
MEITUAN-W	3690	1,132,256,210	355,812,339	1,488,068,549
WUXIBIO	2269	558,778,575	201,768,758	760,547,333
BYD COMPANY	1211	193,454,000	230,639,322	424,093,322
LI NING	2331	230,447,800	183,738,227	414,186,027
LI AUTO-W	2015	248,632,405	105,970,520	354,602,925
KUAISHOU-W	1024	199,085,305	146,828,900	345,914,205
CHINA MOBILE	941	162,578,100	160,592,750	323,170,850
CNOOC	883	135,399,760	164,194,070	299,593,830
TRACKER FUND	2800	3,158,305	209,117,150	212,275,455

Sources: HKEx

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	1,423,158,460	500,545,694	1,923,704,154
MEITUAN-W	3690	707,615,060	316,571,230	1,024,186,290
KUAISHOU-W	1024	406,492,930	118,881,660	525,374,590
WUXIBIO	2269	259,089,750	226,133,525	485,223,275
KOOLEARN	1797	239,321,750	173,171,950	412,493,700
LI NING	2331	59,176,075	263,175,400	322,351,475
LI AUTO-W	2015	121,712,875	199,590,903	321,303,778
BYD COMPANY	1211	175,735,450	114,893,900	290,629,350
YANKUANG ENERGY	1171	36,820,200	181,778,600	218,598,800
XIAOMI-W	1810	162,575,658	52,511,788	215,087,446

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover (Million)
TENCENT	700	-4.75%	232.40	115.59
MEITUAN-W	3690	-2.56%	140.80	69.60
TRACKER FUND	2800	-1.46%	16.92	57.58
HSCEI ETF	2828	-1.83%	55.72	56.87
BABA-SW	9988	-3.85%	69.90	43.90
WUXIBIO	2269	-9.53%	42.70	26.59
KUAISHOU-W	1024	-8.60%	43.55	22.25
JD-SW	9618	-3.80%	162.00	20.98
BYD COMPANY	1211	-1.87%	194.70	20.93
LI NING	2331	-4.06%	50.80	17.48

Ten Short Sell Stocks

Stock Name	Code	Short Selling Turnover	Turnover	Short Selling Ratio
TRACKER FUND	02800.HK	3.72B	5.76B	64.62%
HSCEI ETF	02828.HK	2.37B	5.69B	41.61%
MEITUAN-W	03690.HK	1.52B	6.96B	21.83%
KUAISHOU-W	01024.HK	766.73M	2.22B	34.46%
BABA-SW	09988.HK	760.88M	4.39B	17.33%
TENCENT	00700.HK	755.97M	11.56B	6.54%
CSOP HS TECH	03033.HK	664.44M	1.37B	48.50%
BYD COMPANY	01211.HK	617.40M	2.09B	29.49%
WUXIBIO	02269.HK	542.42M	2.66B	20.40%
JD-SW	09618.HK	480.96M	2.10B	22.93%

Source: AA Stocks

Economic Calendars

Date	Country	Event	Survey	Prior	
Mon	US	Bank of America (BAC) Result			
	Hong Kong	CLP (2) Result			
Tue	US	Sep. Industrial Production (MoM)	-0.1%	-0.2%	
		Johnson & Johnson (JNJ), Netflix (NFLX) Results			
	China	Sep. Industrial Production (YoY)	4.9%	4.2%	
		3Q. GDP (YoY)	3.5%	0.4%	
Wed		Sep. Fixed Assets Investment Ex Rural YTD (YoY)	6.0%	5.8%	
	US	Sep. Building Permits	1,550k	1,542k	
		Sep. Housing Starts	1,488k	1,575k	
		ASML (ASML), IBM (IBM), Tesla (TSLA) Results			
		Euro Zone	Sep. CPI (YoY)	10.0%	9.1%
Thu		Sep. Core CPI (YoY)	4.8%	4.8%	
	Hong Kong	HKEX (388), China Tower (788) Results			
	US	U.S. Federal Reserve Releases Beige Book			
		Initial Jobless Claims (Till Oct 15)		228k	
		Continuing Jobless Claims (Till Oct 8)		1,368k	
		Oct. Philadelphia Fed Manufacturing Index	-4.5	-9.9	
		Sep. Existing Home Sales	4.70m	4.80m	
		China	1-Year Loan Prime Rate	3.7%	3.7%
			5-Year Loan Prime Rate	4.3%	4.3%
		Hong Kong	China Telecom (728) Result		
Fri	US	American Express (AXP) Result			
	Hong Kong	China Resources Cement (1313), Great Wall Motor (2333), Zijin Mining (2899) Results			

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