



## Major Market Indicators

	24 Oct	21 Oct	20 Oct
Mkt. Turn.(mm)	161,800	94,000	126,800
Stock Advances	193	852	482
Stock Declines	1,585	633	1,046
HSI	15,181	16,211	16,280
Change	-1,030	-69	-231

## HSI Technical Indicators

10-days MA	16,422
50-days MA	18,404
250-days MA	21,636
14-days RSI	23.11
Primary resistance	15,400
Primary support	15,000

## HSCEI Technical Indicators

10-days MA	5,574
50-days MA	6,287
250-days MA	7,521
14-days RSI	23.42
Primary resistance	5,400
Primary support	5,000

## 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 loosing 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.

### Hansoh Pharma (3692)

**Target: \$17.0**

**Stop loss: \$12.5**

Revenue was approx. RMB4,434mn, increase of approx. 0.7% yoy. Net profit was approx. RMB1,298mn, increased 0.6% yoy. The Group's innovative drugs continue to be approved. In 1H22, the sales revenue of innovative drugs amounted to RMB2,321mn, an increase of approx. 84.8% compared to the corresponding period of the previous year, and the proportion of the total revenue of the Group increased from 28.5% for the corresponding period of the previous year to 52.3%. The company's goal is to have the revenue contribution from innovative drugs account for 80% by 2025.

## Market Overview

China 3Q GDP increased by 3.9% YoY, and the growth rate rebounded by 3.5 percentage points from the 2Q. Although the Chinese economy is gradually recovering, it still faces different challenges. The MoM growth rate of US dollar-denominated exports in September continued to slow down by 1.4 percentage points from August, and the growth of global demand further declined. Meanwhile, domestic demand continued to be supported by infrastructure investment, and the monthly growth rate of fixed investment rebounded to 6.7% in September. The growth rate of retail sales increased by 2.5% YoY, which was lower than the 5.4% growth rate in August.

Hong Kong Stock Connect had a net inflow of HK\$6.69bn on Tuesday, of which Tencent (0700) had the largest net inflow of HK\$3.01bn, followed by Li Ning (2331). Meituan (3690) recorded the largest net outflow at HK\$373mn, followed by China Shenhua (1088).

## Daily Focus

### CKI (1038): Diversified business allow it to be resilient in a risky environment

- Shares of CKI fell sharply in September, dragged down by the plunges of British pound and the impact of higher U.S. interest rates. But the downtrend of sterling has been under controlled since UK abolished its tax cuts plan. Moreover, the CKI's utility business has an inflation-linked adjustment mechanism, and therefore makes it defensive in a high- inflation environment.
- The Group has diversified investments in energy infrastructure, transportation infrastructure, water infrastructure, waste management, and other infrastructure related businesses. Its investments and operations span HK, Mainland China, UK, Europe, Australia, New Zealand, Canada and the US. The diversified business allow it to be resilient in a risky environment.
- The Group recorded 1H22 profit attributable to shareholders of HKD4,409mn, representing a yoy increase of 46%. Funds from operations amounted to HKD4.2bn, at a similar level compared to a year before. Profit contribution from Power Assets was HKD1,032mn, an increase of 14% yoy. The operational performance of the overseas businesses continued to be good. Profit contribution from HK Electric was stable during the period under review, as prescribed by the Scheme of Control. For the UK Infrastructure Portfolio, profit contribution increased 219% yoy to HKD1,679mn. The Group's operations performed well, largely underpinned by secure regulatory regimes. Regulated asset bases benefitted from inflation-linked adjustments. In Australia, profit contribution increased 9% over the previous period to HKD1,004mn. The electricity distribution networks – namely SA Power Networks, Victoria Power Networks and United Energy – delivered satisfactory performance.
- The Group's financial position continued to be strong, with cash on hand of HKD9.6bn and net debt to net total capital ratio of 12.9% as at 30th June, 2022. With a strong balance sheet, CKI is well-positioned to capitalize on new acquisition opportunities that can create more synergies within its portfolio by diversification in terms of industry and geographical markets.

CKI (1038): Info	
Closed price	36.65
FY22 P/E (X)	9.64
FY22 Dividend yield (%)	6.97
52 week high	55.75
52 week low	34.90
14 RSI	36.68

Analyst: Cynthia Tam

## Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
<b>Balance (RMB bn)</b>	63.56	56.85	76.15
<b>Balance as % of Quota Amount</b>	122.2	109.3	90.6

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	4,019,439,440	2,137,055,209	6,156,494,649
MEITUAN-W	3690	1,392,056,350	1,567,410,807	2,959,467,157
CHINA MOBILE	941	394,329,075	167,416,150	561,745,225
XIAOMI-W	1810	267,122,244	234,996,844	502,119,088
CHINA SHENHUA	1088	112,800,225	328,108,125	440,908,350
KUAISHOU-W	1024	224,025,290	194,632,653	418,657,943
CNOOC	883	189,694,280	225,062,910	414,757,190
HKEX	388	182,640,120	229,575,556	412,215,676
WUXI BIO	2269	209,616,000	90,627,675	300,243,675
INNOVENT BIO	1801	106,770,625	192,813,450	299,584,075

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	2,166,234,820	992,256,928	3,158,491,748
MEITUAN-W	3690	804,549,800	1,002,534,977	1,807,084,777
KOOLEARN	1797	569,769,150	464,069,000	1,033,838,150
CHINA MOBILE	941	117,318,075	325,206,550	442,524,625
LI NING	2331	342,552,525	79,266,150	421,818,675
CHINA SHENHUA	1088	140,816,875	244,484,925	385,301,800
WUXI BIO	2269	73,312,125	282,465,051	355,777,176
KUAISHOU-W	1024	132,519,020	176,404,490	308,923,510
YANKUANG ENERGY	1171	31,954,700	261,089,400	293,044,100
XIAOMI-W	1810	197,573,446	71,426,302	268,999,748

Sources: HKEx

## Other Statistics

### Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover (Million)
TENCENT	700	-11.43%	206.20	182.36
MEITUAN-W	3690	-14.83%	120.60	110.68
BABA-SW	9988	-11.42%	61.65	107.40
TRACKER FUND	2800	-6.22%	15.82	51.05
AIA	1299	-9.48%	59.70	38.25
JD-SW	9618	-13.17%	141.80	37.87
HKEX	388	-9.44%	228.20	31.84
BYD COMPANY	1211	-5.07%	185.50	27.39
PING AN	2318	-11.01%	32.75	24.53
NTES-S	9999	-7.81%	88.50	24.33

## Ten Short Sell Stocks

Stock Name	Code	Short Selling Turnover	Turnover	Short Selling Ratio
TRACKER FUND	02800.HK	1.85B	5.11B	36.31%
MEITUAN-W	03690.HK	1.49B	11.07B	13.47%
TENCENT	00700.HK	1.45B	18.24B	7.96%
BABA-SW	09988.HK	1.34B	10.74B	12.48%
HSCEI ETF	02828.HK	1.27B	2.32B	54.70%
CSOP HS TECH	03033.HK	1.04B	1.75B	59.32%
PING AN	02318.HK	1.00B	2.45B	40.78%
FL2 CSOP HSI	07200.HK	823.97M	1.02B	81.08%
XL2CSOPHSTECH	07226.HK	786.42M	1.23B	63.74%
BYD COMPANY	01211.HK	707.72M	2.74B	25.84%

Source: AA Stocks

## Economic Calendars

Date	Country	Event	Survey	Prior
Mon	US	Oct. S&P Global Manufacturing PMI	51.0	52.0
		Oct. S&P Global Services PMI	49.4	49.3
	Euro Zone	Oct. S&P Global Manufacturing PMI	48.0	48.4
		Oct. S&P Global Services PMI	48.5	48.8
	China	Sep. Trade Balance	\$80.30b	\$79.39b
		Sep. Industrial Production (YoY)	4.8%	4.2%
		Sep. GDP (YoY)	3.3%	0.4%
	Hong Kong	China Overseas Land & Investment (688) Result		
Tue	US	Oct. Conference Board Consumer Confidence	105.5	108.0
		Alphabet A (GOOGL), Amazon (AMZN), Coca-Cola (KO), Microsoft (MSFT), MSCI (MSCI), Visa (V) Results		
	Hong Kong	HSBC (5), China State Construction (3311) Results		
Wed	US	Sep. Retail Inventories (MoM)		1.4%
		Sep. New Home Sales	580k	685k
		Boeing (BA), Facebook (META) Results		
	Hong Kong	Postal Savings Bank of China (1658), Budweiser Brewing (1876), Ping An Insurance (2318), New Oriental Education & Technology (9901) Results		
Thu	US	3Q. GDP (QoQ)	2.3%	-0.6%
		Sep. Durable Good Orders	0.6%	-0.2%
		Initial Jobless Claims (Till Oct 22)		214k
		Continuing Jobless Claims (Till Oct 15)		1,385k
		Apple (AAPL), Intel (INTC), Mastercard (MA), McDonald (MCD) Results		
	Euro Zone	ECB Monetary Policy Meeting		
	Hong Kong	PetroChina (857), CNOOC (883), Anhui Conch Cement (914), China Longyuan Power (916), China CITIC Bank (998), PICC Property and Casualty (2328), China Life Insurance (2628) Results		
Fri	US	Sep. Personal Spending	0.4%	0.4%
		Sep. PCE Core Deflator (MoM)	0.5%	0.6%
		Sep. Pending Home Sales (MoM)	-5.3%	-2.0%
		Oct. University of Michigan Sentiment	59.6	59.8
	Japan	BOJ Monetary Policy Meeting		
	Hong Kong	Sinopec Corp (386), China Shenhua Energy (1088), BYD (1211), BOC (2388), China Pacific Insurance (2601), Bank of Communications (3328) Results		

**All the above named KGI analyst(s) is SFC licensed person accredited to KGI Asia Ltd to carry on the relevant regulated activities. Each of them and/or his/her associate(s) does not have any financial interest in the respectively covered stock, issuer and/or new listing applicant.**

---

**Disclaimer** Some of KGI Asia Ltd. equity research and earnings estimates are available electronically on [www.kgi.com.hk](http://www.kgi.com.hk). Please contact your KGI representative for information. The information and opinions in this report are those of KGI Asia Ltd. internal research activity. KGI Asia Ltd. does not make any representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information and opinions contained in this report. The information and opinions contained in this report are subject to change without any notice. No person accepts any liability whatsoever for any loss however arising from any use of this report or its contents. This report is not to be construed as an invitation or offer to buy or sell securities and/or to participate in any investment activity. This report is being supplied solely for informational purposes and may not be reproduced or published (in whole or in part) for any purpose without the prior written consent of KGI Asia Ltd.. Members of the KGI group and their affiliates may provide services to any companies and affiliates of such companies mentioned herein. Members of the KGI group, their affiliates and their directors, officers and employees may from time to time have a position in any securities mentioned herein.