



Major Market Indicators

	27 Oct	26 Oct	25 Oct
Mkt. Turn.(mn)	122,900	130,800	143,400
Stock Advances	854	1,065	617
Stock Declines	680	507	798
HSI	15,428	15,318	15,166
Change	+110	+152	-15

HSI Technical Indicators

10-days MA	16,021
50-days MA	18,121
250-days MA	21,506
14-days RSI	28.34
Primary resistance	15,600
Primary support	15,200

HSCEI Technical Indicators

10-days MA	5,440
50-days MA	6,192
250-days MA	7,472
14-days RSI	29.88
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 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.

Hansoh Pharma (3692)

Target: \$17.0

Stop loss: \$12.0

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

Amazon reported lower-than-expected third-quarter profit and revenue on Thursday, as well as disappointing fourth-quarter sales forecasts. The stock plunged as much as 16% in after-hours trading, its biggest drop since 2006. Amazon's third-quarter revenue rose 15%, but it still missed Wall Street's expectations. Amazon expects fourth-quarter revenue to be between \$140 billion and \$148 billion, up 2% to 8% year over year. Meta shares tumbled 24.6% after the company reported weak fourth-quarter guidance and disappointing third-quarter earnings. The company also said it will lose more money next year on building the Metaverse.

Apple reported its fourth-quarter earnings, beating Wall Street expectations and setting new record. For the quarter, Apple recorded \$90.1 billion in revenue, up 8% year over year. Diluted earnings per share were \$6.11, up 9% year over year. As a result, services revenue fell slightly, and iPhone sales fell short of analysts' expectations. Exchange rates also have a big impact on Apple's latest results. Foreign exchange headwinds exceeded 600 basis points in the quarter. Without currency headwinds, Apple could have posted double-digit growth.

Hong Kong Stock Connect had a net inflow of HK\$5.57bn on Thursday, of which Tencent (700) had the largest net inflow, reaching HK\$0.98bn; followed by HSCEI ETF (2828). Koolearn (1797) recorded the largest net outflow at HK\$291mn, followed by China Shenhua (1088).

Daily Focus

Times Electric (03898): Both business segments look positive

- China GDP grew 3.9% in the third quarter, above expectations of 3.3% and up from the 0.4% in the second quarter, beating market expectations. But the real estate sector remains troubled, with property investment continuing to fall 12.1% in September, bringing the accumulative decline to 8.0% for the period January to September. Among all the pillars of growth for the economy, China is likely to stimulate its economy by supporting infrastructure.
- For 9M22, China's fixed asset investment grew 5.9% to RMB4.21tn. The investment in the tertiary industry up 8.6% yoy, at a higher pace when compared to August's 8.3% growth. After the closing of the 20th Party Congress, investors are paying closer attention to the Central Economic Work Conference in December, expecting more stimulus measures to be proposed by that time.
- Times electric is mainly engaged in the R&D, design, manufacturing and sales of rail transit equipment products and the provision of related services, and has an industrial structure of "components+ systems + complete machines". Its products mainly include rail transit electrical equipment (primarily traction converter systems of rail transit vehicles), railway engineering machinery and communication signal systems. Meanwhile, the Company actively expands to industries other than rail transit, and conducts business in the fields of power semiconductor devices, industrial converter products, electric drive systems for new energy vehicles, sensor devices, marine equipment, etc.
- In the first three quarters, the Group achieved revenue of RMB10.8bn, an increase of 27.6% yoy. Net profit attributable to shareholders amounted to RMB1.5bn, an increase of 30% yoy. In 3Q22, the Group achieved revenue of RMB7.2bn from the rail transit equipment products, representing a yoy increase of 5.37%. During the period, the Company recorded a significant increase from the emerging equipment products. The Group achieved revenue of RMB3,529mn from emerging equipment products, representing a 136.98% yoy growth. In particular, revenue from power semiconductor devices reached RMB1,292mn, grew 77.82% yoy, while revenue from electric drive systems of new energy vehicles reached RMB835mn, representing a yoy increase of 193.83%.
- Affected by multiple factors including the increasingly complex international environment, repeated epidemics, and short-term downward pressure on the macro economy, China is expected to release new policies to stimulate the economy, which include supporting investment in infrastructure construction. It is expected that the recovery momentum of the railway equipment industry will continue next year. With regards to the power semiconductor device business, the Company continues its R&D in IGBT area and is expected to benefit from the trend of localization.

Standard Chartered Bank (02888): Info	
Closed price	35.40
FY22 P/E (X)	19.07
FY22 Dividend yield (%)	1.42
52 week high	53.40
52 week low	23.85
14 RSI	19.07

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	49.94	51.80	77.51
Balance as % of Quota Amount	96.0	99.6	92.3

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	1,477,428,440	961,161,100	2,438,589,540
MEITUAN-W	3690	768,682,170	551,950,760	1,320,632,930
SMOORE INTL	6969	366,062,800	262,382,580	628,445,380
WUXI BIO	2269	445,669,225	125,261,183	570,930,408
HSCEI ETF	2828	517,395,948	368,528	517,764,476
SMIC	981	182,909,210	248,646,212	431,555,422
KUAISHOU-W	1024	209,491,555	159,355,685	368,847,240
CHINA SHENHUA	1088	153,314,550	205,555,687	358,870,237
HKEX	388	248,964,360	28,176,520	277,140,880
CHINA MOBILE	941	168,838,350	100,855,025	269,693,375

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	1,222,235,880	758,578,300	1,980,814,180
KOOLEARN	1797	719,143,950	1,010,350,675	1,729,494,625
MEITUAN-W	3690	727,142,820	186,282,370	913,425,190
SMOORE INTL	6969	259,076,900	214,796,640	473,873,540
WUXI BIO	2269	431,111,450	35,035,150	466,146,600
KUAISHOU-W	1024	209,799,165	183,621,755	393,420,920
SMIC	981	221,037,220	155,900,350	376,937,570
HSCEI ETF	2828	316,322,512	3,198,820	319,521,332
LI NING	2331	220,859,675	80,974,925	301,834,600
CHINA MOBILE	941	161,357,200	108,331,375	269,688,575

Sources: HKEX

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover (Million)
TENCENT	700	0.76%	213.20	92.87
TRACKER FUND	2800	0.63%	16.07	82.74
BABA-SW	9988	4.09%	64.85	60.41
MEITUAN-W	3690	1.62%	131.80	55.44
HSCEI ETF	2828	0.95%	53.28	44.54
HKEX	388	-3.34%	225.80	26.63
JD-SW	9618	5.86%	157.10	25.06
WUXI BIO	2269	-0.63%	39.75	24.72
AIA	1299	2.54%	60.60	20.07
KOOLEARN	1797	8.01%	39.10	18.79

Ten Short Sell Stocks

Stock Name	Code	Short Selling Turnover	Turnover	Short Selling Ratio
TRACKER FUND	02800.HK	3.50B	8.27B	42.34%
HSCEI ETF	02828.HK	1.64B	4.45B	36.74%
MEITUAN-W	03690.HK	1.04B	5.54B	18.83%
TENCENT	00700.HK	907.12M	9.29B	9.77%
BABA-SW	09988.HK	773.88M	6.04B	12.81%
JD-SW	09618.HK	655.75M	2.51B	26.17%
BYD COMPANY	01211.HK	478.86M	1.86B	25.69%
PING AN	02318.HK	439.21M	1.32B	33.21%
XI2CSOPHSTECH	07552.HK	384.10M	902.41M	42.56%
KUAISHOU-W	01024.HK	323.62M	1.52B	21.27%

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%
Tue	Hong Kong	China Overseas Land & Investment (688) Result		
	US	Oct. Conference Board Consumer Confidence	105.5	108.0
	Hong Kong	Alphabet A (GOOGL), Amazon (AMZN), Coco-Cola (KO), Microsoft (MSFT), MSCI (MSCI), Visa (V) Results		
		HSBC (5), China State Construction (3311) Results		
Wed	US	Sep. Retail Inventories (MoM)		1.4%
		Sep. New Home Sales	580k	685k
	Hong Kong	Boeing (BA), Facebook (META) Results		
		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
	Euro Zone	Apple (AAPL), Intel (INTC), Mastercard (MA), McDonald (MCD) Results		
		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%
	Japan	Oct. University of Michigan Sentiment	59.6	59.8
		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		

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