



Major Market Indicators

	8 Nov	7 Nov	4 Nov
Mkt. Turn.(mn)	104,700	148,600	188,600
Stock Advances	586	1,193	1,326
Stock Declines	933	455	392
HSI	16,557	16,596	16,161
Change	-39	+435	+822

HSI Technical Indicators

10-days MA	15,623
50-days MA	17,470
250-days MA	21,196
14-days RSI	51.75
Primary resistance	16,800
Primary support	16,400

HSCEI Technical Indicators

10-days MA	5,288
50-days MA	5,963
250-days MA	7,354
14-days RSI	50.89
Primary resistance	5,800
Primary support	5,400

Stock Pick

CTG Duty- Free (1880)

Target: \$235

Stop loss: \$170

Civil Aviation of China has already started to implement the flight plan for the 2022/23 winter and spring seasons. It is believed that the second step would be to relax the circuit-breaker measures. The third step is to gradually restore international flights to pre-pandemic levels. CTG Duty- Free is the largest travel retail operator in the world. If the mainland aviation industry normalizes, CTG Duty- Free will be the first to benefit.

Tencent (700)

Target: \$310

Stop loss: \$220

The prospect of Tencent has been affected by the tightening of regulations and the weakening of the macro economy since 2021. Yet, it seems the worst has passed. Previously, Tencent was allowed to issue new games after 14-month freeze, the uncertainties of its mobile game business have been partially removed. Meanwhile, Tencent has been actively participated in its mobile game business overseas, which can contribute more to its income growth in the future.

China Telecom (728)

Target: \$3.4

Stop loss: \$2.4

China Telecom's 3Q operating income was RMB 360.9bn, an increase of 9.6% yoy, outperforming the industry growth rate. Net Profit (excluding one-off factor) was RMB24.543bn, an increase of 12.0% yoy. The number of 5G package subscribers reached approximately 251mn with a net addition of 63.2mn, while the penetration rate reached 64.4%. The mobile ARPU amounted to RMB45.5. In terms of dividend distribution, the company promised to increase the dividend payout ratio to 70% in 23FY. The Company distributes an interim dividend of RMB0.12 per share for the first time. Together with the final dividend of last year, the TTM dividend yield reaches 12%.

Market Overview

U.S. stocks rose on Tuesday as investors awaited the outcome of the U.S. midterm elections, which could affect future levels of government spending and regulation. The Dow Jones Industrial Average rose 333.83 points, or 1.02%, to 33,160.83. The S&P 500 rose 0.56% to 3,828.11. The Nasdaq Composite added 0.49% to 10,616.20. Market participants expect Republicans to retake the House of Representatives and possibly the Senate. Investors tend to like the idea that a split Congress and the president have led to a gridlock in Washington, which would limit government spending, new taxes and regulation.

Hong Kong Stock Connect had a net inflow of HK\$4.1bn on Tuesday, of which HSCEI (2828) had the largest net inflow, reaching HK\$1.24bn; followed by Tracker Fund (2800). Meituan (3690) recorded the largest net outflow at HK\$614mn, followed by CNOOC (883).

Daily Focus

HKEX(388): Average daily turnover on an uptrend

- The average daily turnover in October 2022 was \$104.6 billion, an increase of 13 per cent when compared with \$92.9 billion in September 2022. HKEx could benefit when trading volume picks up.
- HKEx's 3Q22 profit fell 30% yoy to HKD2.26bn. The result was in line with Bloomberg consensus of HKD2.23 bn. The Hang Seng Index plunged 21.2% in the third quarter, its biggest drop since the same period in 2011. The average daily turnover of the stock market in the third quarter fell 41% from a year earlier to HKD97.6bn. Earnings slumped sharply, marking a sixth straight quarter of declines as trading, IPOs and investment income contracted.
- CEO Aguzin was optimistic about the HKEX's outlook. Previously the China Securities Regulatory Commission (CSRC) said international companies listed in Hong Kong could be added to the Stock Connect schemes. Further details and the actual list have yet to be announced. "The inclusion of Hong Kong-listed multinational companies in the Stock Connect schemes is an important milestone for Hong Kong," said CEO Aguzin.
- In addition, the policy address proposed to revise the listing rules next year to facilitate the financing of advanced companies that have not yet been supported by profitability or performance. It proposed to expand the existing listing system to allow 5 types of specialized technology companies to list in Hong Kong. They are divided into "commercialized companies" and "uncommercialized companies". The two types of companies have different listing requirements and the consultation period would be 2 months. In addition, the Hong Kong Stock Exchange is considering setting up offices overseas to attract international companies to list in Hong Kong.

HKEX (388): Info	
Closed price	261.6
FY23 P/E (X)	33.83
FY23 Dividend yield (%)	2.62
52 week high	483.6
52 week low	208.2
14 RSI	51.39

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	52.96	53.25	78.26
Balance as % of Quota Amount	202.9	102.4	93.2

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	1,144,852,380	777,659,960	1,922,512,340
MEITUAN-W	3690	459,398,590	1,060,219,646	1,519,618,236
HSCEI ETF	2828	794,961,880	8,824,976	803,786,856
WUXI BIO	2269	419,997,225	111,403,942	531,401,167
HKEX	388	401,497,980	122,456,220	523,954,200
SENSETIME-W	20	275,441,480	242,019,050	517,460,530
CNOOC	883	170,807,280	334,604,380	505,411,660
CANSINOBIO	6185	214,944,140	260,238,920	475,183,060
KUAISHOU-W	1024	197,105,335	138,514,595	335,619,930
XPENG-W	9868	137,334,655	121,694,990	259,029,645

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	538,095,780	469,147,740	1,007,243,520
TRACKER FUND	2800	1,006,534,775	456,370	1,006,991,145
MEITUAN-W	3690	270,521,700	283,608,000	554,129,700
KOOLEARN	1797	284,288,350	244,581,725	528,870,075
CLOVER BIO-B	2197	295,842,785	187,575,200	483,417,985
HSCEI ETF	2828	459,416,704	1,134,800	460,551,504
KUAISHOU-W	1024	308,344,665	120,433,718	428,778,383
CANSINOBIO	6185	235,594,380	173,581,500	409,175,880
KINTOR PHARMA-B	9939	201,244,040	200,148,350	401,392,390
WUXI BIO	2269	176,733,875	177,068,350	353,802,225

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Million)
TRACKER FUND	2800	-0.06%	16.67	58.16
TENCENT	700	0.16%	245.80	58.01
HSCEI ETF	2828	0.00%	57.00	51.76
MEITUAN-W	3690	-2.75%	148.80	44.97
BABA-SW	9988	-3.73%	67.10	43.94
HKEX	388	0.77%	261.60	23.76
JD-SW	9618	0.68%	178.20	21.28
AIA	1299	1.48%	68.70	19.33
CSOP HS TECH	3033	-1.37%	3.30	19.19
SENSETIME-W	20	-2.78%	1.75	15.20

Ten Short Sell Stocks

Stock Name	Code	Short Selling Turnover	Turnover	Short Selling Ratio
HSCEI ETF	02828.HK	2.44B	5.18B	47.21%
TRACKER FUND	02800.HK	1.86B	5.82B	31.99%
CSOP HS TECH	03033.HK	915.64M	1.92B	47.71%
TENCENT	00700.HK	882.40M	5.80B	15.21%
JD-SW	09618.HK	701.83M	2.13B	32.98%
AIA	01299.HK	599.12M	1.93B	30.99%
BABA-SW	09988.HK	509.32M	4.39B	11.59%
HKEX	00388.HK	447.49M	2.38B	18.83%
PING AN	02318.HK	426.88M	1.36B	31.31%
LI NING	02331.HK	365.37M	1.31B	27.96%

Source: AA Stocks

Economic Calendars

Date	Country	Event	Survey	Prior
Mon	China	Oct. Trade Balance	\$96.00b	\$84.74b
Tue	US	Walt Disney (DIS) Result		
	Euro Zone	Sep. Retail Sales (MoM)		-0.3%
Wed	China	Oct. PPI (YoY)	-1.6%	0.9%
		Oct. CPI (YoY)	2.4%	2.8%
	Hong Kong	Link (823), BeiGene (6160), Zai Lab (9688) Results		
Thu	US	Oct. CPI (MoM)	0.7%	0.4%
		Oct. CPI Ex Food and Energy (MoM)	0.5%	0.6%
		Oct. CPI (YoY)	8.0%	8.2%
		Initial Jobless Claims (Till Nov 5)		217k
		Continuing Jobless Claims (Till Oct 29)		1,485k
	Hong Kong	Manulife Financial (945), SMIC (981), NIO (9866) Results		
Fri	US	Nov. University of Michigan Sentiment	59.6	59.9
	Hong Kong	Samsonite (1910) Result		

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