



### Major Market Indicators

	17 Nov	16 Nov	15 Nov
Mkt. Turn.(mm)	152,600	173,300	205,100
Stock Advances	611	711	1,263
Stock Declines	900	926	476
HSI	18,046	18,256	18,343
Change	-211	-87	+723

### HSI Technical Indicators

10-days MA	17,134
50-days MA	17,163
250-days MA	20,982
14-days RSI	62.12
Primary resistance	18,200
Primary support	17,800

### HSCEI Technical Indicators

10-days MA	5,816
50-days MA	5,849
250-days MA	7,269
14-days RSI	60.99
Primary resistance	6,200
Primary support	5,800

## Stock Pick

### CTG Duty- Free (1880)

<b>Target: \$235</b>	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. With the company's larger-scale Haikou International Duty Free City opened recently, the company's duty-free business potential in the Hainan market would be further unleashed.
<b>Stop loss: \$170</b>	

### Tencent (0700)

<b>Target: \$380</b>	Tencent announced its results for the third quarter ended September this year, with a net profit of RMB39.943bn, up 1.1% yoy, beating expectations. Net profit on a non-IFRS basis increased by 1.6% to RMB32.254bn. Overall, the worst time was over. All segments recorded improvement on a quarterly basis, and costs have been properly controlled. Future growth continue to be seen in the development of video account services and the overseas expansion of games.
<b>Stop loss: \$260</b>	

### Budweiser APAC (1876)

<b>Target: \$26</b>	Premiumization will remain the long-term growth driver for the Group. In addition, the epidemic prevention measures in the Mainland has be gradually relaxed, the sales performance in Mainland China is expected to improve. Together with the market share gain in the overseas market, the Company is expected to record volume growth and price hike.
<b>Stop loss: \$19</b>	

## Market Overview

St. Louis Fed President James Bullard mentioned that “the policy rate is not yet in a zone that may be considered sufficiently restrictive.” Bullard used the so-called Taylor Rule of monetary policy to suggest an appropriate range for the federal funds rate is probably between 5% and 7%, higher than current market pricing and unofficial Fed forecasts suggest.

Hong Kong Stock Connect had a net inflow of HK\$5.17bn on Thursday, of which Tencent (700) had the largest net inflow, reaching HK\$1.88bn; followed by Tracker Fund (2800). Meituan (3690) recorded the largest net outflow at HK\$1.16bn; followed by CG Services (6098).

## Daily Focus

### HK Electric (2638): Has ability to pass the cost to customers

- The Secretary for the Environment and Ecology said earlier that he is discussing with the two electricity providers about the electricity tariff arrangement for next year, and will announce the details at the end of this month or early December. Affected by factors such as the Russian-Ukrainian war and the unprecedented shortage of fuel around the world, the two power companies are facing huge cost pressures, and it is expected that electricity bills will inevitably increase next year.
- HKEI's 1H22 EBITDA amounted to HKD3.38bn (2021: HKD3.64bn) and unaudited profit attributable to holders of Share Stapled Units (SSU) was HKD894mn (2021: HKD880mn).
- HK Electric has the ability to pass on costs. When the cost rises, it can pass the cost on to the consumers. With a permissible rate of return of 8%, its profitability is highly visible to investors. The Scheme of Control Agreement (SCA) provides a framework for the Government to monitor HK Electric's financial affairs and operating performance. The current SCA is effective for a term of 15 years from 1 January 2019 until 31 December 2033. HK Electric is entitled to a permitted return of 8% on average net fixed assets. The agreement provides long-term certainty to HK Electric.
- With regard to its capital investment, the construction of L12, the last of the three new gas-fired generating units, remains on track for launch in 2023. HK electric also made headway on building a new offshore liquefied natural gas (LNG) terminal using Floating Storage and Regasification Unit technology. The terminal is targeted to go into commercial operation by the first half of 2023. HK electric is also revisiting the development of an offshore wind farm located southwest of Lamma Island to promote the wider use of renewable energy in Hong Kong.

HK Electric (2638): Info	
Closed price	5.8
FY23 P/E(X)	16.76
FY23 Dividend yield (%)	5.48
52 week high	7.94
52 week low	4.68
14 RSI	67.7

Analyst: Cynthia Tam

## Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
<b>Balance (RMB bn)</b>	50.37	49.59	76.59
<b>Balance as % of Quota Amount</b>	96.9	95.4	91.2

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	3,749,294,560	2,028,976,390	5,778,270,950
MEITUAN-W	3690	1,643,601,280	3,252,693,240	4,896,294,520
TRACKER FUND	2800	2,354,353,095	3,628,835	2,357,981,930
COUNTRY GARDEN	2007	363,379,670	349,100,348	712,480,018
WUXIBIO	2269	268,863,950	378,374,887	647,238,837
CG SERVICES	6098	243,764,940	327,707,094	571,472,034
KUAISHOU-W	1024	237,269,500	204,570,460	441,839,960
SMIC	981	200,810,600	203,201,310	404,011,910
XPENG-W	9868	279,754,270	91,148,890	370,903,160
SENSETIME-W	20	194,538,910	173,870,880	368,409,790

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	2,434,158,320	1,285,319,620	3,719,477,940
MEITUAN-W	3690	1,418,302,790	969,245,465	2,387,548,255
KUAISHOU-W	1024	634,242,795	376,976,967	1,011,219,762
CLOVER BIO-B	2197	461,352,605	410,936,225	872,288,830
WUXIBIO	2269	404,897,175	78,007,725	482,904,900
KOOLEARN	1797	274,634,500	179,975,050	454,609,550
CNOOC	883	336,433,020	115,842,420	452,275,440
COUNTRY GARDEN	2007	243,242,490	158,791,230	402,033,720
CHINA SHENHUA	1088	129,862,075	212,579,925	342,442,000
SMIC	981	123,084,950	190,526,180	313,611,130

Sources: HKEx

## Other Statistics

### Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover (Million)
TENCENT	700	-0.82%	292.00	203.47
MEITUAN-W	3690	-5.73%	153.00	119.24
TRACKER FUND	2800	-1.14%	18.15	88.79
BABA-SW	9988	-0.70%	78.25	68.36
NTES-S	9999	-9.05%	103.50	27.36
HSCEI ETF	2828	-1.33%	62.14	23.46
KUAISHOU-W	1024	1.52%	53.60	23.19
PING AN	2318	-0.79%	44.10	23.07
AIA	1299	0.46%	76.40	19.89
WUXIBIO	2269	-3.24%	52.30	18.72

## Ten Short Sell Stocks

Stock Name	Code	Short Selling Turnover	Turnover	Short Selling Ratio
TRACKER FUND	02800.HK	6.25B	8.88B	70.40%
TENCENT	00700.HK	4.52B	20.35B	22.19%
MEITUAN-W	03690.HK	1.30B	11.92B	10.89%
PING AN	02318.HK	913.92M	2.31B	39.62%
BABA-SW	09988.HK	665.03M	6.84B	9.73%
AIA	01299.HK	555.32M	1.99B	27.91%
CM BANK	03968.HK	533.88M	1.80B	29.64%
XL2CSOPHSTECH	07226.HK	499.93M	1.09B	46.07%
JD-SW	09618.HK	453.16M	1.45B	31.19%
XIAOMI-W	01810.HK	353.75M	961.89M	36.78%

Source: AA Stocks

## Economic Calendars

Date	Country	Event	Survey	Prior
Mon	Euro Zone	Sep. Industrial Production SA (MoM)	0.1%	1.5%
Tue	US	Oct. Core PPI (MoM)	0.3%	0.4%
		Home Depot (HD), Walmart (WMT) Results		
	Euro Zone	Sep. Trade Balance SA		-47.3b
		3Q. GDP SA (YoY)	2.1%	2.1%
	China	Oct. Industrial Production (YoY)	5.2%	6.3%
	Hong Kong	Tencent Music Ent (1698), Kingsoft Corp (3888) Results		
Wed	US	Oct. Retail Sales (MoM)	0.9%	0.0%
		Oct. Core Retail Sales (MoM)	0.5%	0.1%
		Oct. Industrial Production (MoM)	0.2%	0.4%
		Sep. Business Inventories	0.5%	0.8%
		Cisco (CSCO), NVIDIA (NVDA), Oracle (ORCL), Target (TGT) Results		
	Hong Kong	Tencent Holdings (700) Result		
Thu	US	Oct. Housing Starts	1,420k	1,439k
		Oct. Building Permits	1,517k	1,564k
		Nov. Philadelphia Fed Manufacturing Index	-6.0	-8.7
		Initial Jobless Claims (Till Nov 12)		225k
		Continuing Jobless Claims (Till Nov 5)		1,493k
		Macy's (M) Result		
	Euro Zone	Oct. CPI (YoY)	10.7%	9.9%
	Hong Kong	ZTO Express (2057), Weibo (9898), Alibaba (9988), NetEase (9999) Results		
Fri	US	Oct. Existing Home Sales	4.37m	4.71m
		Foot Locker (FL) Result		
	Hong Kong	JD.com (9618) Result		

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