



Major Market Indicators

	25 Nov	24 Nov	23 Nov
Mkt. Turn.(mm)	94,800	86,100	96,300
Stock Advances	741	948	766
Stock Declines	778	567	710
HSI	17,574	17,661	17,524
Change	-87	+137	+99

HSI Technical Indicators

10-days MA	17,810
50-days MA	16,992
250-days MA	20,800
14-days RSI	55.58
Primary resistance	17,800
Primary support	17,200

HSCEI Technical Indicators

10-days MA	6,055
50-days MA	5,784
250-days MA	7,196
14-days RSI	55.12
Primary resistance	6,200
Primary support	5,800

Stock Pick

China Telecom (728)

Target: \$3.6

Stop loss: \$2.7

In the first three quarters of 2022, Industrial Digitalization service revenues reached RMB85.6bn, representing a yoy increase of 16.5%. Revenue from e-Surfing Cloud continued to double. In terms of dividend distribution, the company promised to increase the dividend payout ratio to 70% in 2023. Having an attractive dividend yield, China Telecom is defensive in the current volatile markets.

Tencent (0700)

Target: \$380

Stop loss: \$260

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.

Budweiser APAC (1876)

Target: \$26

Stop loss: \$19

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.

Market Overview

On Saturday, the results of the six winning bids for Macau gaming licenses were finally announced. The result was roughly the same as the market expectations. The existing gambling license holders continued to be renewed, the new bidder Malaysian Genting Group was not included in the list. This "temporary" of gambling licenses will last for 10 years and will take effect from January 1 next year.

Net inflow of Hong Kong Stock Connect on Thursday was HK\$ 2.316 bn, among which, Tracker Fund (2800) had the largest net inflow of HK\$1.48 bn; followed by China Mobile (941). Tencent (700) recorded the largest net outflow of HK\$660 mn; followed by Meituan-W (3690).

Daily Focus

China Telecom (728): Defensive in the current volatile markets

- During the period, the revenue of mobile communication services of China Telecom was RMB148.367bn, increased 5.6% yoy. The total number of mobile subscribers reached approximately 390 million with a net addition of 17.46mn. The number of 5G package subscribers reached approximately 251 million with a net addition of 63.24 million, while the penetration rate reached 64.4%. The mobile ARPU amounted to RMB45.5. The growth of mobile users has partially offset the fluctuations of mobile ARPU. In terms of Wireline and Smart Family services, revenue reached RMB 89.433bn, increased 4.6% yoy.
- In terms of Industrial Digitalization, the Company strengthened sci-tech innovation and promoted the integration and innovation of various elements such as DC, network, computing power, cloud, Big Data/AI, security and greenness, with e-Surfing Cloud securing a solid position in the front rank in terms of market share within the industry while maintaining its leading position in the government and enterprise public cloud market. The Company established a “2+4+31+X+O” resource layout, built datacentre parks in 2 regions of Inner Mongolia and Guizhou, and deployed a large number of datacentres in 4 regions, including Beijing-Tianjin-Hebei, Yangtze River Delta, Guangdong-Hong Kong-Macau as well as Sichuan-Shaanxi-Chongqing, which is highly consistent with hubs and nodes of the national “Eastto-West Computing Resources Transfer” project. In the first three quarters of 2022, Industrial Digitalization service revenues reached RMB85.6bn, representing a yoy increase of 16.5%. Revenue from e-Surfing Cloud continued to double.
- In terms of dividend distribution, the company promised to increase the dividend payout ratio to 70% in 2023. Having an attractive dividend yield, China Telecom is defensive in the current volatile markets.

China Telecom (728): Info	
Closed price	3.08
FY23 P/E (X)	8.09
FY23 Dividend yield (%)	8.57
52 week high	3.22
52 week low	2.49
14 RSI	68.09

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	45.16	49.05	79.64
Balance as % of Quota Amount	86.8	94.3	94.8

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	1,041,595,600	1,447,200,275	2,488,795,875
COUNTRY GARDEN	2007	982,588,820	703,059,830	1,685,648,650
ICBC	1398	400,923,160	569,591,690	970,514,850
MEITUAN-W	3690	314,463,710	480,241,477	794,705,187
GOME RETAIL	493	358,700,626	336,660,551	695,361,177
CIFI HOLD GP	884	280,410,820	295,424,420	575,835,240
CG SERVICES	6098	365,161,220	133,362,400	498,523,620
CANSINO BIO	6185	257,664,650	239,102,260	496,766,910
CHINA MOBILE	941	410,759,000	81,010,350	491,769,350
CHINA VANKE	2202	228,314,042	145,973,198	374,287,240

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	623,525,780	883,011,280	1,506,537,060
TRACKER FUND	2800	1,495,590,045	10,920,265	1,506,510,310
COUNTRY GARDEN	2007	434,911,240	450,852,380	885,763,620
MEITUAN-W	3690	196,359,510	551,236,054	747,595,564
CLOVER BIO-B	2197	343,221,115	301,532,705	644,753,820
KUAISHOU-W	1024	167,054,985	302,771,898	469,826,883
CHINA MOBILE	941	271,372,450	112,497,900	383,870,350
GOME RETAIL	493	200,563,645	181,038,789	381,602,434
KOOLEARN	1797	195,993,125	170,471,000	366,464,125
CG SERVICES	6098	212,556,300	149,605,969	362,162,269

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover (Million)
TENCENT	700	-2.64%	273.00	85.21
TRACKER FUND	2800	-0.56%	17.68	56.14
MEITUAN-W	3690	-1.66%	136.60	34.72
COUNTRY GARDEN	2007	9.54%	3.10	34.00
BABA-SW	9988	-2.16%	74.75	21.22
HSCEI ETF	2828	-0.26%	60.44	20.89
CG SERVICES	6098	9.05%	19.04	14.61
CHINA MOBILE	941	1.27%	51.85	14.04
PING AN	2318	3.06%	43.85	13.16
ICBC	1398	1.32%	3.85	12.12

Stock Name	Code	Short Selling Turnover	Turnover	Short Selling Ratio
TENCENT	700	-2.64%	273.00	85.21
TRACKER FUND	2800	-0.56%	17.68	56.14
MEITUAN-W	3690	-1.66%	136.60	34.72
COUNTRY GARDEN	2007	9.54%	3.10	34.00
BABA-SW	9988	-2.16%	74.75	21.22
HSCEI ETF	2828	-0.26%	60.44	20.89
CG SERVICES	6098	9.05%	19.04	14.61
CHINA MOBILE	941	1.27%	51.85	14.04
PING AN	2318	3.06%	43.85	13.16
ICBC	1398	1.32%	3.85	12.12

Source: AA Stocks

Economic Calendars

Date	Country	Event	Survey	Prior
Mon	Hong Kong	Alibaba Health (241), China Education Group (839), L'Occitane (973), H World (1179) Results		
Tue	US	Nov. Conference Board Consumer Confidence	100.0	102.5
		Hewlett Packard (HPE) Result		
	Hong Kong	Want Want (151), Bilibili (9626) Results		
Wed	US	Nov. ADP Employment Change	195k	239k
		3Q. GDP Annualized (QoQ)	2.7%	2.6%
		Oct. Retail Inventories (MoM)		0.4%
		Oct. Pending Home Sales (MoM)	-5.2%	-10.2%
		Oct. JOLTS Job Openings	10,325k	10,717k
	Euro Zone	Nov. CPI (YoY)		10.7%
	China	Nov. Manufacturing PMI	49.0	49.2
	Hong Kong	XPeng (9868), KE Holdings (2423) Results		
Thu	US	U.S. Federal Reserve Releases Beige Book		
		Oct. Personal Income	0.4%	0.4%
		Oct. Personal Spending	0.8%	0.6%
		Oct. PCE Deflator (MoM)	0.4%	0.3%
		Initial Jobless Claims (Till Nov 26)		240k
		Continuing Jobless Claims (Till Nov 19)		1,551k
		Nov. S&P Global Manufacturing PMI		
		Nov. ISM Manufacturing	49.8	50.2
	Euro Zone	Nov. S&P Global Manufacturing PMI		47.3
	China	Nov. Caixin Manufacturing PMI	48.9	49.2
Fri	US	Nov. Change in Nonfarm Payrolls	200k	261k
		Nov. Unemployment Rate	3.7%	3.7%
		Nov. Average Hourly Earnings (MoM)	0.3%	0.4%

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