



Major Market Indicators

	29 Nov	28 Nov	25 Nov
Mkt. Turn.(mn)	166,800	118,300	94,800
Stock Advances	1,182	524	741
Stock Declines	426	1,024	778
HSI	18,205	17,298	17,574
Change	+907	-276	-87

HSI Technical Indicators

10-days MA	17,764
50-days MA	16,975
250-days MA	20,745
14-days RSI	61.15
Primary resistance	18,500
Primary support	18,000

HSCEI Technical Indicators

10-days MA	6,041
50-days MA	5,771
250-days MA	7,174
14-days RSI	61.34
Primary resistance	6,400
Primary support	6,000

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.

China Res Land (1109)

Target: \$43

Stop loss: \$30

Recent stimulus policies are positive to the entire industry, but investors should be aware that the real estate industry is still facing huge challenges, mainly because new home sales are still shrinking. State-owned enterprises have overwhelming advantages in terms of financing and buyer confidence. Overall, China Resources Land continues to capture opportunities in both residential and commercial areas, and have more investment value compared to its peers.

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 been 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

The S&P CoreLogic Case-Shiller National Home Price Index, which measures home prices across the U.S., fell 1% in September from August, its third consecutive monthly decline, showing that rising interest rates are making potential homebuyers to rethink. In addition, the Conference Board's Consumer Confidence Index came in at 100.2, down from a downwardly revised 102.2 in October. The Conference Board said the index was at its lowest level since July, suggesting the economy is losing momentum.

Hong Kong Stock Connect had a net outflow of HK\$1.09bn on Tuesday, of which Meituan (3690) had the largest net inflow, reaching HK\$1.21bn; followed by Tencent (700). Tracker Fund (2800) recorded the largest net outflow at HK\$3.4bn, followed by HSCEI ETF (2828).

Daily Focus

Baidu (9888): Core revenue resumed to positive growth

- Total revenues were RMB32.5bn, increasing 2% yoy. Revenue from Baidu Core was RMB25.2bn, increasing 2% yoy; online marketing revenue was RMB18.7bn, decreasing 4% yoy but improved 10% from the second quarter as macro has improved gradually since June, and non-online marketing revenue was RMB6.5bn, up 25% yoy, driven by AI Cloud and other AI-powered businesses. Revenue from iQIYI was RMB7.5 bn, decreasing 2% yoy.
- SG&A expenses were RMB5.2bn, decreasing 29% yoy, primarily due to a decrease in channel spending and promotional marketing.
- Operating income was RMB5.3bn. Baidu Core operating income was RMB5.0bn, and Baidu Core operating margin was 20%. Non-GAAP operating income was RMB7.2bn. Non-GAAP Baidu Core operating income was RMB6.7bn, being the first positive growth since 2Q21.
- In the third quarter, the core revenue returned to positive growth, mainly due to the gradual recovery of online marketing business and the steady growth of cloud business. Looking ahead, the loosening of pandemic restrictions may boost the Chinese economy. Baidu's revenue has always been sensitive to the changes of the pandemic measures. Once the macro economy improves, advertising revenue from industries such as tourism, chain stores, and local services may rebound.
- On the other hand, the Group has made a major breakthrough in the intelligent driving business segment. Baidu's Apollo automotive solution continues to gain recognition from leading automakers. Apollo Go has also continued to progress rapidly and remained the largest autonomous ride-hailing service provider worldwide, providing more than 474,000 orders in the third quarter, further consolidating its leading position in the global autonomous driving market. The Company expect its mobile ecosystem to continue generating strong cash flow and fund the investment in AI Cloud and intelligent driving, which will help maintain its leadership in the new AI business and drive long term business growth.

Baidu (9888): Info	
Closed price	98.15
FY23 P/E (X)	11.14
FY23 Dividend yield (%)	0.00
52 week high	165.6
52 week low	73.7
14 RSI	56.42

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	45.05	46.72	82.10
Balance as % of Quota Amount	86.6	89.8	97.7

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	1,642,917,640	827,495,099	2,470,412,739
MEITUAN-W	3690	1,463,504,800	738,886,740	2,202,391,540
COUNTRY GARDEN	2007	708,165,160	695,038,380	1,403,203,540
ICBC	1398	353,441,880	703,246,400	1,056,688,280
CANSINO BIO	6185	390,739,350	307,184,770	697,924,120
PING AN	2318	394,097,075	260,547,400	654,644,475
CG SERVICES	6098	249,882,380	400,058,584	649,940,964
CIFI HOLD GP	884	328,332,240	269,222,520	597,554,760
GOME RETAIL	493	265,723,301	265,574,838	531,298,139
CCB	939	82,198,760	415,122,950	497,321,710

Sources: HKEx

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TRACKER FUND	2800	46,457,920	3,449,215,750	3,495,673,670
MEITUAN-W	3690	993,003,930	508,880,269	1,501,884,199
HSCEI ETF	2828	28,064,040	1,410,059,448	1,438,123,488
TENCENT	700	740,711,400	644,686,680	1,385,398,080
COUNTRY GARDEN	2007	393,024,910	341,194,214	734,219,124
CLOVER BIO-B	2197	320,600,220	348,124,780	668,725,000
KOOLEARN	1797	201,615,475	247,497,050	449,112,525
CANSINO BIO	6185	217,726,970	217,601,440	435,328,410
CG SERVICES	6098	148,972,850	240,967,854	389,940,704
DEXIN CHINA	2019	187,564,360	165,456,650	353,021,010

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Million)
TRACKER FUND	2800	5.17%	18.32	111.00
MEITUAN-W	3690	11.48%	155.40	102.42
TENCENT	700	5.85%	285.80	92.88
BABA-SW	9988	9.07%	78.75	72.34
HSCEI ETF	2828	5.95%	63.08	71.49
PING AN	2318	12.90%	47.25	44.19
COUNTRY GARDEN	2007	4.45%	3.05	29.06
JD-SW	9618	10.89%	210.80	27.61
AIA	1299	5.39%	76.20	24.88
HKEX	388	7.53%	300.00	23.87

Stock Name	Code	Short Selling Turnover	Turnover	Short Selling Ratio
TRACKER FUND	02800.HK	5.43B	11.10B	48.90%
HSCEI ETF	02828.HK	4.30B	7.15B	60.08%
MEITUAN-W	03690.HK	2.75B	10.24B	26.81%
BABA-SW	09988.HK	1.69B	7.23B	23.34%
PING AN	02318.HK	1.18B	4.42B	26.81%
TENCENT	00700.HK	1.12B	9.29B	12.05%
AIA	01299.HK	703.82M	2.49B	28.29%
XI2CSOPHSTECH	07552.HK	637.40M	1.34B	47.43%
FI2 CSOP HSI	07500.HK	591.11M	816.83M	72.37%
CSOP HS TECH	03033.HK	503.17M	1.29B	38.89%

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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