



## Major Market Indicators

	27 May	26 May	25 May
Mkt. Turn.(mn)	120,100	95,500	103,400
Stock Advances	945	737	842
Stock Declines	630	837	732
HSI	20,697	20,116	20,171
Change	+581	-55	+59

## HSI Technical Indicators

10-days MA	20,360
50-days MA	20,853
250-days MA	24,490
14-days RSI	52.16
Primary resistance	20,853
Primary support	20,400

## HSCEI Technical Indicators

10-days MA	6,978
50-days MA	7,125
250-days MA	8,691
14-days RSI	51.81
Primary resistance	7,200
Primary support	6,800

## Stock Pick

### CHINA RAILWAY (0390)

**Target: \$6.1**

**Stop loss: \$5**

With the Chinese government support, issuing RMB 300bn of railway bonds, which will be beneficial to the railway infrastructure projects. Moreover, the special bond scheduled has speed up, aim to make full issuance of 3.65 trillion by the end of June. It is expected the growth of newly signed contracted project and revenue to speed up, which will benefit the valuation.

### Guangzhou Auto (2238)

**Target: \$8.0**

**Stop loss: \$6.2**

Shenzhen rolled out subsidy policy, which offers consumers a maximum of Rmb 10,000 for each eligible new energy vehicle that is purchased and licensed in Shenzhen. The vehicle purchase tax is also waived under a previous national policy. Suggest to accumulate sector leader such as GAC during weakness.

### Trip.com-S (9961)

**Target: \$180**

**Stop loss: \$140**

Covid-19 pandemic has been easing in China, and lockdown measures have gradually lifted. This will drive short-haul travel demand recovery. Trip.com has issued a 2021-22 business travel management white paper, which expects China business travel market to return to pre-pandemic level by 2024. We see business travel to lead the tourism market recovery near-term, driving up shares of Trip.com from the bottom.

## Market Overview

China continued to launch supportive measures to stabilize the economy growth, while Beijing and Shanghai epidemic shows sign of improvement, China economy growth might reach bottom. Besides, US inflation pressure concern slightly eased also positive to global stock market, including Hong Kong stock market. Hong Kong stock is expected to open higher today, Hang Seng Index will test the resistance at 50 Day SMA(20,853).

Hong Kong Stock Connect narrowed to HK\$410mn last Friday, of which, CNOOC(0883) recorded most net buy of HK\$967mn Besides, with lots of new residential projects to presale, together with interest rate hike pace might slow down later this year, Hong Kong property stock will be benefit. Of which, SHK Properties (0016) is the industry leader, share price short term resistance at 250 Day SMA (HK\$99.3). Besides, Japan scraps travel curbs on small group tours from HK, as well as loosen on HK temporarily banning flight routes policy, investors could accumulate Cathay Pacific (0293) during weakness, support at 50 Day SMA(HK\$7.7).

## Daily Focus

### SJM(0880): Latest Update

- Accordance with the Gaming Concession Contract, SJM Resort (0880), as well as other Concessionaires, is obliged to automatically revert to the Macau Government, its casinos and related equipment without compensation at the end of the concession period.
- Pursuant to the recent discussions between the Macau Government and SJM for the extension of its Gaming Concession Contract to December 2022, SJM will acquire Oceanus for HK\$1,906mn. Although the Oceanus Gaming Area be reverted to the Macau Government at the end of the concession period, the move enables SJM Resorts to be eligible to tender for a new gaming concession contract for a further 10 years. On the other hand, there is concern that Macau gaming operators remained in huge loss due to China COVID 19 quarantine measures. Of which, SJM only has HK\$1.75bn cash, there is some investors concerned about the Group's liquidity. However, SJM management revealed that the Group is at the final stage of syndication loan refinancing. Although the Group net debt to equity near 100%, given its strong parent background, we believe the refinancing should be okay.
- With lots of negative factors, SJM share price performed very weak recently. Since China unlikely to substantially loosen the quarantine control in the near term, there is lack of short term catalyst. However, its share price now is below 1x price to book value, has already reflected the negative factors. Suggest investors to hold.

SJM(0880): Info	
Closed price	3.01
FY22 P/E (X)	--
FY22 Dividend yield (%)	--
52 week high	9.26
52 week low	2.83
14 RSI	42.5

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## Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
<b>Balance (RMB bn)</b>	46.34	50.39	82.33
<b>Balance as % of Quota Amount</b>	81.1	96.9	98.0

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
MEITUAN-W	3690	767,727,940	701,025,750	1,468,753,690
TENCENT	700	447,629,380	942,649,420	1,390,278,800
CNOOC	883	497,995,220	490,863,840	988,859,060
CCB	939	225,371,430	263,643,190	489,014,620
KUAISHOU-W	1024	285,778,325	176,982,390	462,760,715
WUXI BIO	2269	84,051,275	280,271,995	364,323,270
LI NING	2331	78,836,850	164,770,800	243,607,650
CANSINOBI0-B	6185	118,316,390	116,951,460	235,267,850
CHINA MOBILE	941	161,607,100	35,839,950	197,447,050
XIAOMI-W	1810	66,586,364	130,633,492	197,219,856

Sources: HKEx

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
CNOOC	883	1,242,540,500	283,047,820	1,525,588,320
TENCENT	700	597,780,420	558,863,460	1,156,643,880
MEITUAN-W	3690	595,050,970	446,430,290	1,041,481,260
LI NING	2331	200,177,700	262,566,125	462,743,825
GREATWALL MOTOR	2333	95,182,080	271,822,550	367,004,630
WUXI BIO	2269	230,203,175	125,617,125	355,820,300
CCB	939	235,262,600	14,320,020	249,582,620
KUAISHOU-W	1024	150,529,655	99,031,506	249,561,161
CANSINOBI0-B	6185	150,770,210	77,326,570	228,096,780
LI AUTO-W	2015	190,121,490	24,457,365	214,578,855

Sources: HKEx

## Other Statistics

### Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Million)
BABA-SW	9988	12.21%	91.00	86.09
TENCENT	700	2.27%	341.80	71.16
MEITUAN-W	3690	3.34%	163.90	53.56
CNOOC	883	3.45%	12.00	32.43
KUAISHOU-W	1024	1.11%	68.55	25.29
JD-SW	9618	5.57%	208.40	25.24
NTES-S	9999	4.43%	162.80	22.13
CCB	939	2.29%	5.81	20.82
AIA	1299	2.86%	79.25	20.41
BYD COMPANY	1211	1.82%	268.60	18.06

## Ten Short Sell Stocks

Stock Name	Code	Short Selling Turnover	Turnover	Short Selling Ratio
HSCEI ETF	02828.HK	2.13B	3.57B	59.61%
BABA-SW	09988.HK	1.20B	8.61B	13.99%
NTES-S	09999.HK	1.06B	2.21B	48.10%
MEITUAN-W	03690.HK	823.68M	5.36B	15.38%
TENCENT	00700.HK	744.67M	7.12B	10.46%
JD-SW	09618.HK	693.47M	2.52B	27.47%
TRACKER FUND	02800.HK	558.44M	4.49B	12.45%
PING AN	02318.HK	539.86M	1.37B	39.29%
KUAISHOU-W	01024.HK	489.32M	2.53B	19.35%
AIA	01299.HK	488.12M	2.04B	23.92%

Source: AA Stocks

## Economic Calendars

Date	Country	Event	Survey	Prior
Mon	US	Market will close (Memorial Day)		
	Hong Kong	Huazhu Group (1179), Topsports Int'l (6110), Weibo (9898) Results		
Tue	US	May. Conference Board Consumer Confidence	103.9	107.3
	Euro Zone	May. CPI (YoY)		7.5%
		May. Core CPI (YoY)		3.5%
	China	May. Manufacturing PMI	48.9	47.4
		May. Non-manufacturing PMI	45.0	41.9
	Hong Kong	KE Holdings (2423) Result		
Wed	US	May. Manufacturing PMI	57.5	57.5
		Apr. Construction Spending (MoM)	0.7%	0.1%
		May. ISM Manufacturing	55.0	55.4
	Euro Zone	May. Manufacturing PMI		54.4
	China	May. Caixin Manufacturing PMI	49.0	46.0
	Hong Kong	Link REIT (823) Result		
Thu	US	U.S. Federal Reserve Releases Beige Book		
		May. ADP Employment Change	295k	247k
		1Q. Nonfarm Productivity	-7.5%	-7.5%
		Initial Jobless Claims (Till May 28)		210k
		Continuing Jobless Claims (Till May 21)		1,346k
		Apr. Factory Orders	1.1%	1.8%
		Apr. Durable Goods Orders		
Fri	US	May. Change in Nonfarm Payrolls	329k	428k
		May. Unemployment Rate	3.5%	3.6%
		May. Average Hourly Earnings (MoM)	0.4%	0.3%
		May. Services PMI		
		May. ISM Services Index	56.9	57.1
	Euro Zone	May. Services PMI		56.3
	China	Market will close (Tuen Ng Festival)		
	Hong Kong	HK Stock Connect Closed		
		Market will close (Tuen Ng Festival)		

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