

Morning Express

8 January 2019

Focus of the Day

New China Life		1336 HK
Cut TP on uncertain development strategy		Rating: Buy
CP: HK\$ 28.10	TP: HK\$ 40.00↓	Upside: +42.3%
Li Wan, CFA, FRM	wanli@bocomgroup.com	

According to news reports, NCI's chairman and CEO Wan Feng may not extend his tenure in 2019.

Wan promoted NCI's two-year strategic transformation, after which the insurer's business mix has greatly improved and fostered core competitive advantages in health insurance.

NCI is now trading at below 0.45x 2018E P/EV, which represents relatively low valuation. However, we believe the change of chairman may cloud the outlook on NCI's strategy, and may lead to lower health insurance proportion and NBM than our expectations in 2019, thus putting stock price under pressure in the short term. We lower our TP from HK\$50.00 to HK\$40.00, which corresponds to 0.53x 2019E P/EV (previously 0.70x 2018E P/EV). Maintain **Buy**.

Beijing Capital Int'l Airport		694 HK
Downgrade to Neutral on ST earnings hit by traffic diversion		Rating: Neutral ↓
CP: HK\$ 6.36	TP: HK\$ 6.61↓	Upside: +4.0%
Luya You	luya.you@bocomgroup.com	

CAAC's recent plan on traffic diversion from BCIA to the new Beijing Daxing Int'l Airport (BDIA) was a surprise to the market, in our view. It aims to have major transitioning airlines (i.e. China Southern Airlines and China Eastern Airlines) transfer all current routes from BCIA to BDIA by 1H21 instead of over four years as previously stated.

New route additions at BCIA will be suspended for major domestic airlines (e.g. Air China, AC) from 2H19 to 1H21. Consequently, BCIA's lost revenue from diverted domestic traffic will not be offset by any increase in high-margin international traffic, in our view.

Total passenger throughput at BCIA will decline to 93.1m in FY19, and hit the trough of ~66.2m-67.0m in FY21, according to CAAC estimates. It expects daily aircraft movements at BCIA to fall from 1,750 sorties in 2H19 to a low of 1,150 sorties by 1H21.

Given the overhang set to persist during FY19-21E, we lower our FY19/20 revenue forecasts to RMB9,301m/8,899m, downgrade BCIA from Buy to **Neutral**, and cut our DCF-based TP from HK\$10.73 to HK\$6.61.

Global Stock Indices			
	Close	1D%	YTD%
HSI	25,836	0.82	-0.04
HSCEI	10,124	0.94	-0.01
SH A	2,652	0.72	1.57
SH B	276	1.15	1.88
SZ A	1,361	1.72	2.65
SZ B	850	0.92	1.57
DJIA	23,531	0.42	0.87
S&P 500	2,550	0.70	1.71
Nasdaq	6,823	1.26	2.84
FTSE	6,811	-0.39	1.23
CAC	4,719	-0.38	-0.24
DAX	10,748	-0.18	1.79

Source: FactSet

Key Commodity/Forex Indicators			
	Close	3M%	YTD%
Brent	57.02	-32.18	5.93
Gold	1,282.70	6.78	0.34
Silver	15.71	7.31	1.55
Copper	5,840.00	-5.54	-2.10
JPY	108.44	4.89	1.18
GBP	1.28	-2.36	0.25
EUR	1.15	-0.43	0.26
bps change		3M	6M
HIBOR	2.03	-4.70	1.90
US 10yr yield	2.68	-17.05	-4.90

Source: FactSet

HSI Technical	
HSI	25,835.70
50D MA	26,047.66
200D MA	26,987.04
14D RSI	49.99
Short sell (HK\$ m)	10,618

Source: FactSet

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Longyuan Power		916 HK
Dec wind power generation mildly beat our estimate		Rating: Buy
CP: HK\$ 5.24	TP: HK\$ 6.49	Upside: +23.9%
Louis Sun	louis.sun@bocomgroup.com	

In Dec 2018, Longyuan's total power generation grew 16.28% YoY (wind: +20.11%; thermal: +4.27%; other renewable: -0.09%). Overall wind curtailment rate at ~5.76% in the month marked a drop of ~3.20ppts YoY.

Longyuan's total wind power generation in 2018 came in 0.51% higher than our expectation. We raise our estimate for 2018 wind turbine utilization hours by 11 to 2,159, but keep key forecasts for 2019 and 2020 unchanged.

We revise up our 2018E EPS by 1.4% to RMB0.577, and maintain TP of HK\$6.49, equivalent to 9.9x/8.5x 2018/19E P/E and 1.02x 2018E P/B. Maintain **Buy**.

Transportation & Infrastructure Sector Weekly	
As of 4 January 2019	
Geoffrey Cheng, CFA	geoffrey.cheng@bocomgroup.com

In terms of sector, we highlight some notable updates for the transportation and infrastructure industry this week as follows:

Global dry bulk market: As of 4 January 2019, the BDI slid 1.5% WoW to 1,260 points. We believe seasonal restocking demand for iron ore in China will drive Capesize vessel rates in the short term.

Airport: CAAC announced plans to accelerate carrier relocation to Beijing's new airport, ~1.5 years earlier than previous targets.

Logistics: China's logistics demand moderated in December, but LPI remained in the expansionary zone.

Container shipping: The Shanghai Container Freight Index (SCFI) rose 3.3% WoW.

Investment implications: The Hang Seng Index reported gains after the PBoC announced RRR cut on 4 January. On the back of strengthened RMB against USD and the new plans for carrier relocation to Beijing's new airport, PRC airline stocks surged on Monday. That said, supply cuts could propel crude oil price in the short term and suppress share performance of airlines, in our view. CAAC aims to increase air passenger volume by 11.0% YoY in 2019, slightly lower than the targeted growth of 11.4% YoY in 2018. Due to the new plans on traffic diversion from BCIA to Beijing's new airport, we downgraded BCIA (694 HK) to **Neutral** on reduced revenue from domestic traffic.

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Economic data releases for this week – US

Date	Event	Survey	Prior
7 Jan	Factory orders (%)	0.30	-2.10
7 Jan	Durable goods order (%)	--	0.80
7 Jan	ISM non-manufacturing	59.5	60.7
7 Jan	New Home sales (k)	569	544
8 Jan	Trade balance (US\$ bn)	-54.0	-55.5
10 Jan	Initial jobless claims (k)	--	231
10 Jan	CPI (MoM %)	-0.10	0.00
11 Jan	CPI ex food & energy (MoM %)	0.20	0.20

Source: Bloomberg

Economic data releases for this week – China

Date	Event	Survey	Prior
10 Jan	CPI (YoY %)	2.10	2.20
10 Jan	PPI (YoY %)	1.60	2.70
10 Jan	Money Supply - M2 (YoY %)	8.10	8.00
10 Jan	New Yuan Loans (RMB bn)	825.0	1,250.0

Source: Bloomberg

BOCOM Research latest reports

Date	Report	Analyst
7 Jan	New China Life (1336 HK) - Cut TP on uncertain development strategy	Li Wan, CFA, FRM
7 Jan	Beijing Capital Int'l Airport (694 HK) - Downgrade to Neutral on ST earnings hit by traffic diversion	Luya You, Fay Zhou, Maggie Wang, Geoffrey Cheng, CFA
7 Jan	AAC Technologies (2018 HK) - Earnings pressure to continue in 1H19	Chris Yim, Xinhe Deng
7 Jan	TAL Education (TAL US) - 3QFY19 preview: top line may beat; online education investment persists	Connie Gu, CPA, Brandy Sun, Gigi Zhou
7 Jan	Banking Sector - RRR cut as expected to loosen liquidity; lackluster NIM outlook in 2019	Jaelyn Wang, Hannah Han
7 Jan	Internet Sector - E-commerce law regulates sector development; ST impact limited pending details	Connie Gu, CPA, Brandy Sun, Gigi Zhou
7 Jan	Infrastructure Sector - CRC's target puts railway investment on fast track	Fay Zhou, Geoffrey Cheng, CFA
7 Jan	Internet Sector Weekly - As of 4 January 2019	Connie Gu, CPA, Brandy Sun, Gigi Zhou
4 Jan	Baidu Inc (BIDU US) - 4Q18 preview: top line to grow 18%, content and S&M to drag margin	Connie Gu, CPA, Brandy Sun, Gigi Zhou
4 Jan	Property Sector Weekly - As of 3 January 2019	Philip Tse, CFA, FRM, Jennifer Zhang, Carmen Wong
4 Jan	China Property Sector - Dec sales growth slowed YoY but improved MoM	Philip Tse, CFA, FRM, Jennifer Zhang
3 Jan	Renewable Energy Sector Weekly - As of 2 January 2019	Louis Sun, Bob Wen
3 Jan	Healthcare Sector Weekly - As of 2 January 2019	Li Zhao, PhD, Kelvin Chen, PhD, Kent Lin, Mengmeng Xi
2 Jan	New Oriental Education (EDU US) - 2QFY19 preview: regulation drags margins	Connie Gu, CPA, Brandy Sun, Gigi Zhou
2 Jan	SINA Corp (SINA US) - V+ Summit takeaways: Content-guided purchase & vertical expansion drove 2018 GMV to RMB25.4bn	Brandy Sun, Connie Gu, CPA, Gigi Zhou
2 Jan	Transportation & Infrastructure Sector Weekly - As of 28 December 2018	Geoffrey Cheng, CFA, Fay Zhou, Luya You, Maggie Wang
21 Dec	Property Sector Weekly - As of 20 Dec 2018	Philip Tse, CFA, FRM, Jennifer Zhang, Carmen Wong
20 Dec	Renewable Energy Sector Weekly - As of 19 Dec 2018	Louis Sun, Bob Wen
19 Dec	Internet Sector - Sansheng Entertainment Summit takeaways: price control by video platforms as 2019 focus	Connie Gu, CPA, Brandy Sun, Gigi Zhou
19 Dec	Healthcare Sector Weekly - As of 18 December 2018	Li Zhao, PhD, Kelvin Chen, PhD, Kent Lin, Mengmeng Xi

Source: BOCOM Int'l

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Morning Express
HSI constituents

Company name	Stock code	Current price (HK\$)	Mkt cap (HK\$ m)	5D chg (%)	YTD chg (%)	-----52-week-----		-----P/E-----			Yield 2018E (%)	P/B 2018E (x)
						High (HK\$)	Low (HK\$)	2017 (x)	2018E (x)	2019E (x)		
CKH	1 HK	75.80	292,303	1.88	0.80	106.70	73.35	8.27	7.55	6.77	4.24	0.62
CLP	2 HK	88.85	224,475	1.83	0.40	96.95	75.35	15.76	15.51	17.31	3.40	1.88
HK & CHINA GAS	3 HK	16.38	252,029	0.74	1.11	16.38	13.36	30.46	28.04	26.79	2.18	3.90
HSBC	5 HK	64.90	1,300,307	2.53	0.15	85.85	60.50	11.65	11.34	10.69	6.21	1.00
POWER ASSETS	6 HK	54.85	117,064	2.52	0.64	65.09	51.65	15.38	15.03	14.79	5.18	1.39
HANG SENG	11 HK	168.70	322,527	-2.49	-4.04	216.60	167.80	16.29	13.81	12.81	4.53	2.05
HLD	12 HK	41.20	181,332	7.71	5.64	50.18	36.20	9.14	9.63	11.85	4.33	0.60
SHKP	16 HK	118.20	342,444	8.64	5.91	138.30	100.90	13.55	11.60	10.62	3.71	0.71
NWD	17 HK	10.84	110,589	6.90	4.63	12.90	9.76	14.23	14.23	12.52	4.22	0.60
SWIRE PACIFIC	19 HK	82.40	74,589	3.19	-0.36	91.00	73.30	25.97	16.61	13.48	3.20	0.46
GEG	27 HK	48.15	208,189	1.69	-3.31	73.20	40.75	19.83	15.95	15.55	1.85	3.24
MTRC	66 HK	41.50	254,759	2.47	0.73	46.45	37.55	23.31	22.72	21.16	2.82	1.47
SINO	83 HK	14.32	96,805	8.81	6.71	14.86	12.00	16.04	8.30	18.31	6.86	0.68
HLP	101 HK	15.34	68,995	5.21	2.82	21.65	14.04	12.26	14.78	15.87	4.97	0.49
WANT WANT	151 HK	5.85	72,828	11.64	6.75	8.11	5.24	18.69	18.69	17.23	2.58	3.89
GEELY	175 HK	11.52	103,468	-11.25	-16.52	27.75	11.52	8.97	7.03	5.81	3.46	2.07
CITIC LTD	267 HK	12.32	358,392	4.05	0.33	13.08	10.40	8.19	6.85	6.30	3.52	N/A
WH GROUP	288 HK	6.04	88,640	4.32	0.17	9.74	5.28	9.91	10.67	9.34	4.02	1.36
SINOPEC	386 HK	5.74	146,447	5.51	2.68	8.22	5.41	11.68	7.99	7.85	9.94	0.81
HKEX	388 HK	231.00	288,896	4.05	1.94	303.40	196.70	37.65	30.09	27.86	2.96	7.30
COLI	688 HK	26.75	293,078	5.31	-0.56	31.50	22.55	7.12	7.29	6.09	3.54	0.98
TENCENT	700 HK	317.60	3,023,635	3.59	1.15	474.60	252.20	36.30	31.90	28.68	0.33	7.61
UNICOM	762 HK	8.33	254,882	3.22	-0.36	11.80	8.07	104.16	25.14	16.20	1.51	0.72
LINK	823 HK	81.30	171,705	3.96	2.52	81.30	64.70	35.44	32.41	30.21	3.09	0.97
CR POWER	836 HK	15.50	74,562	5.44	2.92	16.20	12.46	15.61	11.47	9.08	5.78	0.94
PETROCHINA	857 HK	4.91	103,596	6.05	0.61	6.59	4.63	35.64	12.14	11.25	4.58	0.64
CNOOC	883 HK	12.38	552,736	9.36	2.31	15.64	10.82	19.25	8.34	8.08	5.20	1.14
CCB	939 HK	6.42	1,543,479	2.39	-0.62	9.12	6.07	5.34	5.51	5.12	5.46	0.75
CHINA MOBILE	941 HK	77.95	1,596,064	6.20	3.45	82.80	67.95	12.06	11.83	11.69	4.08	1.32
CK INFRA	1038 HK	59.95	158,908	2.83	1.10	69.65	56.65	14.62	13.81	13.24	4.23	1.39
HENGAN	1044 HK	56.95	68,686	-0.09	-0.09	84.50	52.40	15.95	15.72	14.38	4.10	3.47
SHENHUA	1088 HK	17.54	59,611	5.16	2.21	25.55	16.16	6.24	6.39	6.32	6.01	0.89
CSPC	1093 HK	11.28	70,346	5.62	-0.18	26.05	10.06	24.36	19.10	15.18	1.71	3.84
CR LAND	1109 HK	29.80	206,542	5.49	-1.00	32.35	24.20	11.69	8.26	7.24	4.18	1.30
CKA	1113 HK	60.50	223,451	9.01	5.58	75.00	50.90	10.82	6.94	8.10	3.27	0.66
SBP	1177 HK	5.01	63,160	0.80	-2.91	13.60	4.63	22.53	19.13	16.35	1.18	4.00
AIA	1299 HK	63.30	764,478	0.56	-2.62	74.35	58.25	15.88	18.68	15.58	1.85	2.36
ICBC	1398 HK	5.54	480,839	2.03	-0.89	7.44	5.16	6.12	5.76	5.39	5.24	0.77
SANDS	1928 HK	33.70	272,315	2.74	-1.75	48.55	30.30	21.53	16.70	15.27	6.08	7.61
WHARF REIC	1997 HK	47.00	142,703	2.40	0.32	64.00	45.80	14.68	14.40	13.92	4.56	0.65
COUNTRY GARDEN	2007 HK	9.20	199,134	2.79	-3.46	16.80	7.89	6.95	4.92	3.89	7.04	1.39
AAC TECH	2018 HK	40.70	49,735	-6.22	-10.45	160.60	40.70	8.21	10.41	9.35	3.95	2.18
SHENZHOU	2313 HK	86.10	129,427	-0.81	-2.99	103.00	70.55	30.38	24.71	20.30	2.05	5.14
PING AN	2318 HK	67.35	501,595	-0.30	-2.60	96.40	67.00	11.79	10.38	8.63	3.06	1.97
MENGNIU	2319 HK	22.95	90,140	-3.77	-5.94	29.80	21.45	39.07	26.01	20.60	0.88	3.19
SUNNY OPTICAL	2382 HK	62.90	68,992	-4.48	-9.63	173.00	61.40	20.29	19.67	14.37	1.29	5.99
BOCHK	2388 HK	28.15	297,624	-1.05	-3.26	41.90	27.95	10.43	9.32	8.73	5.19	1.15
CHINA LIFE	2628 HK	16.66	123,970	2.84	0.12	26.95	15.50	12.72	14.37	10.48	2.37	1.23
BOCOM	3328 HK	6.11	213,922	2.52	0.00	6.97	5.42	5.83	5.52	5.17	5.66	0.60
BOC	3988 HK	3.38	282,643	1.81	0.00	4.80	3.23	5.27	4.97	4.69	6.28	0.58
HANG SENG INDEX		25,835.70	15,445,486	2.81	-0.04	33,154.12	24,585.53	18.85	15.68	14.34	3.60	2.60

Source: FactSet

8 January 2019

Morning Express
HSCEI constituents

Company name	Stock code	Closing price (HK\$)	Mkt cap (HK\$ m)	5D chg (%)	YTD chg (%)	-----52-week-----		-----P/E-----			Yield 2018E (%)	P/B 2018E (x)
						High (HK\$)	Low (HK\$)	2017 (x)	2018E (x)	2019E (x)		
CITIC LTD	267 HK	12.32	358,392	4.05	0.33	13.08	10.40	8.19	6.85	6.30	3.52	N/A
GDI	270 HK	15.42	100,813	3.21	1.85	15.42	10.38	17.36	20.10	18.76	3.53	2.38
CGH	384 HK	25.90	131,351	-0.96	-7.17	36.60	20.20	30.82	21.18	16.86	1.34	4.55
SINOPEC	386 HK	5.74	146,447	5.51	2.68	8.22	5.41	11.68	7.99	7.85	9.94	0.81
CRG	390 HK	7.17	30,167	1.99	0.56	7.96	5.34	9.30	7.78	6.76	2.09	0.86
DONGFENG	489 HK	7.32	20,904	3.54	3.10	10.46	6.75	3.80	3.69	3.54	5.04	0.44
TENCENT	700 HK	317.60	3,023,635	3.59	1.15	474.60	252.20	36.30	31.90	28.68	0.33	7.61
CHINA TELECOM	728 HK	3.97	55,093	1.28	-0.75	4.21	3.27	14.90	13.71	12.77	3.04	0.82
AIR CHINA	753 HK	6.61	30,159	0.30	-3.08	12.58	5.90	10.17	13.44	8.82	1.48	0.88
CHINA TOWER	788 HK	1.46	68,129	4.29	-1.35	1.51	1.03	N/A	78.37	42.20	0.65	1.24
PETROCHINA	857 HK	4.91	103,596	6.05	0.61	6.59	4.63	35.64	12.14	11.25	4.58	0.64
CNOOC	883 HK	12.38	552,736	9.36	2.31	15.64	10.82	19.25	8.34	8.08	5.20	1.14
HUANENG	902 HK	4.97	23,361	2.05	-0.20	6.10	4.07	42.59	26.62	14.69	2.49	0.76
CONCH	914 HK	36.50	47,435	-0.82	-3.95	50.65	35.70	10.43	5.63	5.52	7.44	1.49
CCB	939 HK	6.42	1,543,479	2.39	-0.62	9.12	6.07	5.34	5.51	5.12	5.46	0.75
CHINA MOBILE	941 HK	77.95	1,596,064	6.20	3.45	82.80	67.95	12.06	11.83	11.69	4.08	1.32
CNCB	998 HK	4.70	69,946	0.86	-1.26	6.71	4.61	4.85	4.50	4.17	6.87	0.50
HENGAN	1044 HK	56.95	68,686	-0.09	-0.09	84.50	52.40	15.95	15.72	14.38	4.10	3.47
SHENHUA	1088 HK	17.54	59,611	5.16	2.21	25.55	16.16	6.24	6.39	6.32	6.01	0.89
CSPC	1093 HK	11.28	70,346	5.62	-0.18	26.05	10.06	24.36	19.10	15.18	1.71	3.84
SINOPHARM	1099 HK	31.70	37,812	2.09	-3.65	44.45	30.10	14.27	13.49	11.77	2.28	1.92
CR LAND	1109 HK	29.80	206,542	5.49	-1.00	32.35	24.20	11.69	8.26	7.24	4.18	1.30
BYD	1211 HK	47.10	43,097	-1.36	-5.71	77.10	40.90	29.54	36.82	26.13	0.27	1.96
ABC	1288 HK	3.43	105,434	1.48	0.00	4.90	3.36	5.18	5.01	4.77	5.93	0.66
NCI	1336 HK	28.10	29,058	-7.11	-9.65	56.25	28.10	15.40	10.29	8.38	2.76	1.22
PICC	1339 HK	3.04	26,528	0.66	-3.49	4.72	3.01	7.01	7.16	6.21	1.39	0.73
CINDA	1359 HK	1.94	26,321	3.74	2.11	3.38	1.83	3.74	3.66	3.37	6.90	0.46
ICBC	1398 HK	5.54	480,839	2.03	-0.89	7.44	5.16	6.12	5.76	5.39	5.24	0.77
PSBC	1658 HK	4.19	83,197	0.96	1.45	5.59	4.10	6.22	5.51	5.12	4.53	0.70
CRRC	1766 HK	7.85	34,313	4.53	2.75	8.74	5.92	18.43	16.23	13.39	2.49	1.51
GF SEC	1776 HK	10.88	18,516	6.46	2.45	18.24	8.73	8.38	12.37	10.29	2.69	0.82
CCC	1800 HK	7.44	32,941	1.92	0.54	9.67	7.00	5.20	4.96	4.54	3.80	0.52
CGN POWER	1816 HK	1.87	20,876	2.19	0.54	2.27	1.72	7.67	8.75	7.98	4.36	1.02
MSB	1988 HK	5.39	44,846	2.28	-0.19	7.60	5.27	3.86	3.96	3.82	3.65	0.51
VANKE	2202 HK	27.85	36,622	9.00	4.70	42.20	21.75	8.64	7.56	6.37	4.83	1.71
GAC	2238 HK	7.57	23,457	-1.82	-3.07	13.29	6.79	5.54	5.49	4.98	5.67	0.85
SHENZHO	2313 HK	86.10	129,427	-0.81	-2.99	103.00	70.55	30.38	24.71	20.30	2.05	5.14
PING AN	2318 HK	67.35	501,595	-0.30	-2.60	96.40	67.00	11.79	10.38	8.63	3.06	1.97
PICC P&C	2328 HK	7.99	55,125	2.70	-0.25	11.48	7.54	7.70	8.51	7.14	3.21	1.04
GWM	2333 HK	4.41	13,669	0.46	-1.78	10.06	4.06	6.90	7.04	6.44	4.44	0.66
CPIC	2601 HK	24.95	69,244	0.81	-1.58	41.85	24.60	13.42	11.32	8.94	4.12	1.34
CHINA LIFE	2628 HK	16.66	123,970	2.84	0.12	26.95	15.50	12.72	14.37	10.48	2.37	1.23
HUARONG	2799 HK	1.42	35,562	2.90	-0.70	4.09	1.33	2.19	13.63	5.33	1.63	0.38
BOCOM	3328 HK	6.11	213,922	2.52	0.00	6.97	5.42	5.83	5.52	5.17	5.66	0.60
CMB	3968 HK	28.65	131,529	3.43	-0.17	38.60	27.00	8.91	7.78	6.86	3.88	1.24
BOC	3988 HK	3.38	282,643	1.81	0.00	4.80	3.23	5.27	4.97	4.69	6.28	0.58
CITIC SEC	6030 HK	13.94	31,760	5.93	3.26	22.90	11.94	11.85	13.71	12.05	2.94	0.95
ZA ONLINE	6060 HK	24.00	11,275	-1.84	-4.19	74.80	23.70	N/A	N/A	N/A	0.00	1.92
HAITONG SEC	6837 HK	7.98	27,208	9.77	6.40	13.50	6.40	9.20	14.33	11.35	2.35	0.65
HTSC	6886 HK	13.30	22,863	9.20	7.26	19.40	10.06	7.88	12.63	10.97	2.80	0.87
HANG SENG CHINA ENT INDX		10,123.85	9,711,420	2.95	-0.01	13,723.96	9,833.69	18.04	16.03	14.24	3.32	3.05

Source: FactSet

8 January 2019

Morning Express

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Rating System

Analyst Stock Rating:

Buy: The stock's total return is expected to **exceed** that of the corresponding industry over the next 12 months.

Neutral: The stock's total return is expected to be **in line with** that of the corresponding industry over the next 12 months.

Sell: The stock's total return is expected to be **below** that of the corresponding industry over the next 12 months.

Not-Rated: The analyst **does not have conviction** regarding the outlook of the stock's total return relative to that of the corresponding industry over the next 12 months.

Analyst Industry Views:

Outperform: The analyst expects the industry coverage universe to be **attractive** relative to the relevant broad market benchmark over the next 12 months.

Market perform: The analyst expects the industry coverage universe to be **in line with** the relevant broad market benchmark over the next 12 months.

Underperform: The analyst expects the industry coverage universe to be **unattractive** relative to the relevant broad market benchmark over the next 12 months.

Broad market benchmark for Hong Kong is the **Hang Seng Composite Index**, for China A-shares is the **MSCI China A Index**, for US-listed Chinese companies is **S&P US Listed China 50 (USD) Index**.

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