

Morning Express

9 January 2019

Focus of the Day

Q Tech Group		1478 HK
Upgrade to Neutral on solid shipments and normalizing GPM		Rating: Neutral ↑
CP: HK\$ 4.47	TP: HK\$ 4.80↑	Upside: +7.4%
Chris Yim	christopher.yim@bocomgroup.com	

Dec shipments were solid despite a challenging smartphone market. Camera module shipments grew 126% YoY to 32m units but mix remained suboptimal, in our view. FPM shipments fell 22% MoM as the company is taking less cover/coated FPM orders due to low profitability.

We believe margins remain a concern but likely normalized in 2H18, as we noted the issues surrounding margins in 1H18 largely dissipated in 2H18. We expect 2H18 GPM to reach 7.8% (vs. 1H18 of 1.2% and 2H17 of 10.3%). Competition, pricing pressure, suboptimal product mix and RMB depreciation likely weighed on 2H18 GPM on a YoY basis.

We expect further adoption of under-glass FPM to drive FPM ASP in 2019. We expect Q Tech to further diversify its customer base with further share gain in Huawei-driven shipment.

We raise our 2018/19 EPS estimates by 32%/26% on better-than-expected shipments. We raise our TP to HK\$4.80 (previously HK\$3.80) and upgrade to **Neutral**.

Geely Automobile		175 HK
2019 sales target disappoints; cut TP		Rating: Buy
CP: HK\$ 10.22	TP: HK\$ 13.00↓	Upside: +27.2%
Angus Chan	angus.chan@bocomgroup.com	

Geely guided for a flat 2019 sales volume target of 1.5m units compared to the actual volume in 2018. The target is below market expectations of double-digit growth in 2019.

Its conservative sales volume portends a weak PV market in 2019, in our view. Meanwhile, the company plans to cut its dealer number from ~1,000 to 800 in face of the sector downtrend.

We cut our 2019 sales volume estimate from 1.8m units to 1.6m units to reflect the company's new volume target and expected sales weakness this year.

On the back of 12-29% earnings cuts for 2018-20E, we revise down TP from HK\$21.00 to HK\$13.00, implying 6.9x FY19E P/E, but maintain **Buy** rating on Geely's strong product line-up and leading market position.

Global Stock Indices			
	Close	1D%	YTD%
HSI	25,875	0.21	-0.13
HSCEI	10,134	0.10	0.09
SH A	2,645	-0.26	1.31
SH B	275	-0.48	1.39
SZ A	1,359	-0.12	2.53
SZ B	849	-0.10	1.46
DJIA	23,787	1.09	1.97
S&P 500	2,574	0.97	2.70
Nasdaq	6,897	1.08	3.94
FTSE	6,862	0.74	1.98
CAC	4,773	1.15	0.90
DAX	10,804	0.52	2.32

Source: FactSet

Key Commodity/Forex Indicators			
	Close	3M%	YTD%
Brent	57.30	-31.65	6.45
Gold	1,286.80	8.65	0.66
Silver	15.75	8.88	1.84
Copper	5,889.50	-4.53	-1.27
JPY	108.63	4.13	1.00
GBP	1.27	-2.57	-0.03
EUR	1.14	-0.27	0.09
bps change		3M	6M
HIBOR	1.99	-6.41	0.12
US 10yr yield	2.72	-15.82	-3.54

Source: FactSet

HSI Technical	
HSI	25,875.45
50D MA	26,032.61
200D MA	26,961.57
14D RSI	50.56
Short sell (HK\$m)	10,776

Source: FactSet

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Beijing Capital Int'l Airport	694 HK
Mgmt sanguine on int'l traffic, further upsizing in FY19-21E	
Luya You	luya.you@bocomgroup.com

Beijing Capital International Airport (BCIA) hosted an analyst call today to address investor concerns. Regarding CAAC's carrier diversion plan, management noted that the transition period (2H19-1H21) may allow BCIA to attract increased int'l passengers by optimizing existing timeslots despite overall traffic loss.

Although CAAC forecasts BCIA's passenger throughput to drop to as low as 66.2m by 2021, we believe its calculation method largely ignores the trend of increased upsizing by airlines. Thus, we estimate BCIA's actual passenger volume in 2020-21 could be notably higher than CAAC's estimate (e.g. 88.4m vs. 66.2m in 2021) when adjusted for airlines' accelerated upsizing at BCIA in upcoming years.

However, with new route suspensions for domestic airlines to last until 1H21, we believe significant headwinds persist for BCIA in the near-term. Management is waiting until 2H19 to gauge the preferences of foreign airlines between BCIA and BDIA. While we maintain there is upside risk to CAAC's passenger forecast for 2H19-1H21, substantial uncertainty remains at the moment to warrant our **Neutral** rating and TP of HK\$6.61.

Healthcare Sector Weekly	
As of 8 January 2019	Rating: Outperform
Li Zhao, PhD	li.zhao@bocomgroup.com

CSPC Pharma (1093 HK) agreed to acquire 100% interest in Yong Shun Tech (a biotech firm engaging in the R&D of monoclonal antibodies targeting tumor antigens) at a consideration of RMB252.9m; the latter has two products with near completion of Ph.I clinical trials. Besides, CSPC will pay Hangzhou Innogate RMB25m and no more than RMB200m in milestone fees to acquire the exclusive development and commercialization rights of five small-molecule compounds.

Fosun Pharma's (2196 HK) VEGF mAb and tetravalent influenza vaccine have been approved for clinical trials by NMPA. Also, the company plans to transfer the exclusive marketing right of Da Vinci Surgical System to its JV, Intuitive Surgical, at no more than RMB600m.

3SBio (1530 HK) received exclusive licenses for multiple biosimilar candidates from Samsung Bioepis, and the two parties will jointly undertake manufacturing and commercialization.

Luye Pharma's (2186 HK) biologic LY09004 was accepted for clinical trial by NMPA.

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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
8 Jan	Geely Automobile (175 HK) - 2019 sales target disappoints; cut TP	Angus Chan
8 Jan	Beijing Capital Int'l Airport (694 HK) - Mgmt sanguine on int'l traffic, further upsizing in FY19-21E	Luya You, Fay Zhou, Maggie Wang, Geoffrey Cheng, CFA
8 Jan	Longyuan Power (916 HK) - Dec wind power generation mildly beat our estimate	Louis Sun, Bob Wen
8 Jan	Transportation & Infrastructure Sector Weekly - As of 4 January 2019	Geoffrey Cheng, CFA, Fay Zhou, Luya You, Maggie Wang
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	Jaclyn 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

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	77.35	298,280	5.45	2.86	106.70	73.35	8.27	7.55	6.77	4.24	0.62
CLP	2 HK	89.90	227,128	3.04	1.58	96.95	75.35	15.75	15.50	17.30	3.40	1.88
HK & CHINA GAS	3 HK	16.44	252,953	1.61	1.48	16.44	13.36	30.64	28.22	26.96	2.17	3.93
HSBC	5 HK	64.75	1,297,302	2.37	-0.08	85.85	60.50	11.75	11.44	10.78	6.15	1.00
POWER ASSETS	6 HK	55.00	117,384	2.33	0.92	65.09	51.65	15.38	15.03	14.79	5.18	1.39
HANG SENG	11 HK	170.60	326,160	1.49	-2.96	216.60	167.80	16.38	13.88	12.88	4.51	2.06
HLD	12 HK	41.60	183,092	7.49	6.67	50.18	36.20	9.14	9.63	11.85	4.33	0.60
SHKP	16 HK	119.50	346,211	6.70	7.08	138.30	100.90	13.55	11.60	10.62	3.71	0.71
NWD	17 HK	11.18	114,058	9.82	7.92	12.90	9.76	14.23	14.23	12.52	4.22	0.60
SWIRE PACIFIC	19 HK	83.20	75,313	4.65	0.60	91.00	73.50	26.16	16.56	13.58	3.09	0.46
GEG	27 HK	48.00	207,540	0.52	-3.61	73.20	40.75	19.83	15.95	15.55	1.85	3.24
MTRC	66 HK	41.70	256,017	1.96	1.21	46.45	37.55	23.48	22.89	21.32	2.80	1.48
SINO	83 HK	14.38	97,210	4.66	7.15	14.86	12.00	16.04	8.30	18.31	6.86	0.68
HLP	101 HK	15.40	69,265	5.91	3.22	21.65	14.04	12.26	14.78	15.87	4.97	0.49
WANT WANT	151 HK	5.89	73,326	6.51	7.48	8.11	5.24	18.69	18.69	17.23	2.58	3.89
GEELY	175 HK	10.22	91,287	-14.26	-25.94	27.75	10.22	8.97	7.03	5.81	3.46	2.07
CITIC LTD	267 HK	12.28	357,228	1.15	0.00	13.08	10.40	8.16	6.83	6.28	3.53	N/A
WH GROUP	288 HK	6.25	91,722	9.84	3.65	9.74	5.28	10.23	11.01	9.64	3.89	1.40
SINOPEC	386 HK	5.75	146,702	3.79	2.86	8.22	5.41	11.86	8.30	8.00	9.37	0.82
HKEX	388 HK	229.20	286,644	3.62	1.15	303.40	196.70	38.31	30.62	28.35	2.91	7.43
COLI	688 HK	26.80	293,626	3.08	-0.37	31.50	22.55	7.19	7.36	6.15	3.51	0.99
TENCENT	700 HK	315.60	3,004,594	3.48	0.51	474.60	252.20	36.30	31.90	28.68	0.33	7.61
UNICOM	762 HK	8.29	253,658	2.60	-0.84	11.80	8.07	104.04	25.11	16.37	1.51	0.72
LINK	823 HK	80.40	169,804	2.88	1.39	81.30	64.70	35.44	32.41	30.21	3.09	0.97
CR POWER	836 HK	15.84	76,197	6.02	5.18	16.20	12.46	15.98	11.74	9.30	5.65	0.96
PETROCHINA	857 HK	4.95	104,440	3.99	1.43	6.59	4.63	35.77	12.19	11.30	4.19	0.64
CNOOC	883 HK	12.44	555,414	8.36	2.81	15.64	10.82	19.68	8.66	8.47	5.08	1.17
CCB	939 HK	6.42	1,543,479	2.07	-0.62	9.12	6.07	5.34	5.51	5.12	5.46	0.75
CHINA MOBILE	941 HK	78.45	1,606,301	5.87	4.11	82.80	67.95	12.21	12.05	11.81	4.02	1.33
CK INFRA	1038 HK	60.00	159,041	3.81	1.18	69.65	56.65	14.73	13.91	13.34	4.20	1.40
HENGAN	1044 HK	57.00	68,746	0.00	0.00	82.00	52.40	15.95	15.72	14.38	4.10	3.47
SHENHUA	1088 HK	17.64	59,951	6.01	2.80	25.55	16.16	6.38	6.57	6.47	5.87	0.91
CSPC	1093 HK	11.32	70,595	12.52	0.18	26.05	10.06	24.36	19.10	15.18	1.71	3.84
CR LAND	1109 HK	29.45	204,116	1.55	-2.16	32.35	24.20	11.69	8.26	7.24	4.18	1.30
CKA	1113 HK	62.50	230,838	12.11	9.08	75.00	50.90	10.82	6.94	8.10	3.27	0.66
SBP	1177 HK	5.05	63,664	9.07	-2.13	13.60	4.63	22.53	19.13	16.35	1.18	4.00
AIA	1299 HK	64.00	772,932	3.48	-1.54	74.35	58.25	15.84	18.87	15.54	1.86	2.36
ICBC	1398 HK	5.52	479,103	1.47	-1.25	7.44	5.16	6.12	5.76	5.39	5.24	0.77
SANDS	1928 HK	33.80	273,123	3.05	-1.46	48.55	30.30	21.53	16.70	15.27	6.08	7.61
WHARF REIC	1997 HK	47.15	143,158	2.95	0.64	64.00	45.80	15.02	14.73	14.24	4.46	0.67
COUNTRY GARDEN	2007 HK	9.01	195,030	4.77	-5.46	16.80	7.89	7.04	4.99	3.94	6.95	1.41
AAC TECH	2018 HK	42.15	51,339	2.68	-7.26	160.60	40.70	8.21	10.41	9.35	3.95	2.18
SHENZHOU	2313 HK	89.50	134,538	4.19	0.85	103.00	70.55	29.75	24.21	19.89	2.09	5.03
PING AN	2318 HK	66.55	495,636	-0.67	-3.76	96.40	66.55	11.80	10.38	8.72	3.05	1.97
MENGNIU	2319 HK	23.20	91,123	-0.43	-4.92	29.80	21.45	39.07	26.01	20.60	0.88	3.19
SUNNY OPTICAL	2382 HK	61.85	67,840	0.73	-11.14	173.00	61.40	20.29	19.67	14.37	1.29	5.99
BOCHK	2388 HK	28.35	299,738	1.43	-2.58	41.90	27.95	10.45	9.34	8.74	5.18	1.15
CHINA LIFE	2628 HK	16.58	123,375	3.50	-0.36	26.95	15.50	12.72	14.37	10.48	2.37	1.23
BOCOM	3328 HK	6.15	215,323	2.50	0.65	6.97	5.42	5.87	5.56	5.25	5.62	0.60
BOC	3988 HK	3.38	282,643	1.50	0.00	4.80	3.23	5.27	4.97	4.69	6.28	0.58
HANG SENG INDEX		25,875.45	15,442,947	3.24	0.12	33,154.12	24,585.53	18.88	15.73	14.38	3.58	2.60

Source: FactSet

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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	12.28	357,228	1.15	0.00	13.08	10.40	8.16	6.83	6.28	3.53	N/A
GDI	270 HK	15.42	100,813	3.07	1.85	15.42	10.38	17.51	20.29	18.93	3.50	2.40
CGH	384 HK	25.95	131,605	2.17	-6.99	36.60	20.20	30.82	21.18	16.86	1.34	4.55
SINOPEC	386 HK	5.75	146,702	3.79	2.86	8.22	5.41	11.86	8.30	8.00	9.37	0.82
CRG	390 HK	7.25	30,504	3.42	1.68	7.96	5.34	9.30	7.78	6.76	2.09	0.86
DONGFENG	489 HK	7.29	20,818	2.97	2.68	10.46	6.75	3.80	3.69	3.54	5.04	0.44
TENCENT	700 HK	315.60	3,004,594	3.48	0.51	474.60	252.20	36.30	31.90	28.68	0.33	7.61
CHINA TELECOM	728 HK	3.98	55,232	2.31	-0.50	4.21	3.27	15.09	13.88	13.01	3.00	0.83
AIR CHINA	753 HK	6.59	30,068	3.45	-3.37	12.58	5.90	10.17	13.44	8.82	1.48	0.88
CHINA TOWER	788 HK	1.55	72,329	10.71	4.73	1.55	1.03	N/A	79.46	42.68	0.71	1.26
PETROCHINA	857 HK	4.95	104,440	3.99	1.43	6.59	4.63	35.77	12.19	11.30	4.19	0.64
CNOOC	883 HK	12.44	555,414	8.36	2.81	15.64	10.82	19.68	8.66	8.47	5.08	1.17
HUANENG	902 HK	5.03	23,643	4.79	1.00	6.10	4.07	43.45	27.16	14.98	2.44	0.78
CONCH	914 HK	36.80	47,825	3.08	-3.16	50.65	35.70	10.64	5.74	5.64	7.29	1.52
CCB	939 HK	6.42	1,543,479	2.07	-0.62	9.12	6.07	5.34	5.51	5.12	5.46	0.75
CHINA MOBILE	941 HK	78.45	1,606,301	5.87	4.11	82.80	67.95	12.21	12.05	11.81	4.02	1.33
CNCB	998 HK	4.68	69,649	1.52	-1.68	6.71	4.61	4.85	4.50	4.17	6.87	0.50
HENGAN	1044 HK	57.00	68,746	0.00	0.00	82.00	52.40	15.95	15.72	14.38	4.10	3.47
SHENHUA	1088 HK	17.64	59,951	6.01	2.80	25.55	16.16	6.38	6.57	6.47	5.87	0.91
CSPC	1093 HK	11.32	70,595	12.52	0.18	26.05	10.06	24.36	19.10	15.18	1.71	3.84
SINOPHARM	1099 HK	32.65	38,945	7.05	-0.76	44.45	30.10	14.51	13.72	11.97	2.24	1.95
CR LAND	1109 HK	29.45	204,116	1.55	-2.16	32.35	24.20	11.69	8.26	7.24	4.18	1.30
BYD	1211 HK	48.60	44,469	5.54	-2.70	77.10	40.90	29.41	36.65	26.02	0.27	1.95
ABC	1288 HK	3.43	105,434	1.18	0.00	4.90	3.36	5.18	5.01	4.77	5.93	0.66
NCI	1336 HK	27.60	28,541	-7.69	-11.25	56.25	27.60	15.40	10.29	8.38	2.76	1.22
PICC	1339 HK	3.01	26,266	0.00	-4.44	4.72	3.01	6.99	7.14	6.21	1.39	0.73
CINDA	1359 HK	1.96	26,592	3.70	3.16	3.38	1.83	3.74	3.66	3.37	6.90	0.46
ICBC	1398 HK	5.52	479,103	1.47	-1.25	7.44	5.16	6.12	5.76	5.39	5.24	0.77
PSBC	1658 HK	4.18	82,999	0.48	1.21	5.59	4.13	6.21	5.47	5.10	4.49	0.70
CRRC	1766 HK	8.03	35,100	5.38	5.10	8.74	5.92	18.55	16.44	13.70	2.47	1.52
GF SEC	1776 HK	10.84	18,448	4.84	2.07	18.24	8.73	8.42	12.53	10.57	2.73	0.82
CCC	1800 HK	7.57	33,516	4.41	2.30	9.67	7.00	5.20	4.96	4.54	3.80	0.52
CGN POWER	1816 HK	1.91	21,323	4.37	2.69	2.27	1.72	7.82	8.92	8.13	4.28	1.04
MSB	1988 HK	5.39	44,846	1.51	-0.19	7.60	5.27	3.86	3.96	3.82	3.65	0.51
VANKE	2202 HK	27.75	36,490	6.53	4.32	42.20	21.75	8.79	7.68	6.48	4.75	1.74
GAC	2238 HK	7.35	22,775	-1.34	-5.89	13.29	6.79	5.54	5.49	4.98	5.67	0.85
SHENZHO	2313 HK	89.50	134,538	4.19	0.85	103.00	70.55	29.75	24.21	19.89	2.09	5.03
PING AN	2318 HK	66.55	495,636	-0.67	-3.76	96.40	66.55	11.80	10.38	8.72	3.05	1.97
PICC P&C	2328 HK	8.06	55,608	4.95	0.62	11.48	7.54	7.70	8.51	7.14	3.21	1.04
GWM	2333 HK	4.31	13,359	0.94	-4.01	10.06	4.06	6.90	7.04	6.44	4.44	0.66
CPIC	2601 HK	24.65	68,411	0.20	-2.76	41.85	24.60	13.47	11.36	9.01	4.10	1.34
CHINA LIFE	2628 HK	16.58	123,375	3.50	-0.36	26.95	15.50	12.72	14.37	10.48	2.37	1.23
HUARONG	2799 HK	1.43	35,813	3.62	0.00	4.09	1.33	2.19	13.63	5.33	1.63	0.38
BOCOM	3328 HK	6.15	215,323	2.50	0.65	6.97	5.42	5.87	5.56	5.25	5.62	0.60
CMB	3968 HK	28.55	131,070	3.44	-0.52	38.60	27.00	8.91	7.78	6.86	3.88	1.24
BOC	3988 HK	3.38	282,643	1.50	0.00	4.80	3.23	5.27	4.97	4.69	6.28	0.58
CITIC SEC	6030 HK	14.00	31,897	7.53	3.70	22.90	11.94	11.95	13.83	12.15	2.92	0.96
ZA ONLINE	6060 HK	25.10	11,792	5.91	0.20	74.80	23.70	N/A	N/A	N/A	0.00	1.92
HAITONG SEC	6837 HK	8.09	27,583	9.62	7.87	13.50	6.40	9.43	14.24	11.64	2.24	0.67
HTSC	6886 HK	13.14	22,588	6.83	5.97	19.40	10.06	8.20	13.21	11.45	2.87	0.90
HANG SENG CHINA ENT INDX		10,133.74	9,689,030	3.03	0.09	13,723.96	9,833.69	18.07	16.10	14.28	3.30	3.05

Source: FactSet

9 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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