

Morning Express

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Focus of the Day

Global Macro

Inflation slowly coming down, but stickiness persists-US November CPI Commentary

Carl Cai, CFA

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Macro Strategy

U.S. November CPI rose 3.1% YoY, in line with expectations and slowing further from the previous 3.2%; +0.1% MoM, higher than expectations and the previous 0.0%. Core inflation is close to stagnation. Core CPI in October increased 4.0% YoY, in line with expectations and the previous 4.0%; MoM picked up to 0.3%, in line with expectations, but higher than the previous 0.2%.

(1) The fall in energy prices was the main driver of the slowdown in the overall CPI, but energy service prices have begun to pick up.

2) Used car prices rose rapidly YoY, but as their leading index resumed its decline, we expect used car prices to have relatively limited effect to core CPI.

(3) The lagged effect of housing services inflation is slowly emerging, but as there is still some uncertainty about its downtrend, the path of core services inflation coming down could be still bumpy.

(4) Core services inflation excluding housing is on the rise again, as inflation remains sticky. The current labor market is still resilient despite the slowdown, and is expected to support payroll growth.

Despite the slight pickup in inflation in November, it is broadly in line with market expectations, meaning that the Fed in the December FOMC meeting is likely to continue the pause of rate hikes, as the Fed is now more cautious about the risk of rate hikes. However, given the acceleration of employment data in November, as well as the current core CPI is still twice as high as the inflation target, the "last mile" of the Fed's inflation target is still a challenge, and could strengthen the Fed's determination to maintain high rates in the near term, which could counter the recent optimistic expectations of the market betting on rate cuts. We reiterate our cautious view on the timing of rate cuts, as the market may be too optimistic about its timing.

Global Stock Indices

	Close	1D%	YTD%
HSI	16,229	-0.80	-15.31
HSCEI	5,551	-1.13	-17.21
SH A	3,113	-1.15	-3.88
SH B	225	-1.91	-20.21
SZ A	1,931	-1.07	-6.59
SZ B	1,074	-0.44	-7.24
DJIA	37,090	1.40	11.90
S&P 500	4,707	1.37	22.60
Nasdaq	14,734	1.38	40.77
FTSE	7,548	0.08	1.30
CAC	7,531	-0.16	16.33
DAX	16,766	-0.15	20.41

Source: FactSet

Key Commodity/Forex Indicators

	Close	3M%	YTD%
Brent	73.23	-20.57	-14.76
Gold	1,977.80	3.60	8.69
Silver	22.96	0.22	-4.13
Copper	8,272.00	-0.97	-1.37
JPY	145.16	1.62	-9.10
GBP	1.25	0.27	4.13
EUR	1.08	0.52	1.14
bps change		3M	6M
HIBOR	4.58	0.00	-2.71
US 10yr yield	4.02	-5.53	4.86

Source: FactSet

HSI Technical

HSI	16,228.75
50D MA	17,209.38
200D MA	18,219.30
14D RSI	34.20
Short sell (HK\$m)	12,895

Source: FactSet

Hygeia Healthcare <u>Earnings growth guidance lowered, but growth outlook for next year and medium-to-long term remains solid; cut TP</u>		6078 HK Rating: Buy
CP: HK\$ 35.35	TP: HK\$ 48.00	Upside: +35.8%
Ethan Ding		Ethan.Ding@bocomgroup.com

The company lowered its 2023 earnings guidance, with 2024 profit growth of 25%+. Revenue side: the company expects group consolidated revenue to be +30% year-on-year in 2023; endogenous growth excluding newly acquired hospitals is 16% (+22% excluding nucleic acid testing). Profit side: the company expects group adjusted net profit (consolidated) to grow 17-20% year-on-year, +31%+ excluding nucleic acid testing.

The new hospitals are operating solidly. Yixing Hygeia: Nov revenue exceeded RMB21m, NIM over 15%; Chang'an Hospital: Nov revenue of RMB72m, NIM over 12% (vs. 8.8% pre-merger). Chongqing Hygeia: expects 2024 revenues +35% y/y and profits +70% y/y. Shanxian Hygeia: the company expects 2024 revenues to be +35% y/y and profits to be +25% y/y; Chengwu Phase II: expected to be put into operation in the near future and to contribute revenues in 2024.

Lowered target price. We lower our 2023-25 revenue forecast to RMB4.06bn/ RMB 5.67bn/ RMB 6.73bn and net profit forecast to RMB 0.66bn/ RMB 0.87bn/ RMB 1.06bn. We lower our target price to HK\$48.00, corresponding to 31.9x 2024E PE (0.7 standard deviation below the three-year average) / 1.2x 2024E PEG. Considering that the company's performance is more certain to return to faster growth in 2024 and the longer term, the current share price is still undervalued, and we maintain our Buy rating.

Internet Sector <u>Analysis on KOL of live broadcasting: DFZX vs. GTJP</u>	
Connie Gu, CPA	connie.gu@bocomgroup.com

Event: Due to East Buy's arrangement on KOL live, as of 13 Dec, East Buy (1797 HK) stock fell by 12.96%, while New Oriental (9901 HK) rose by +2.64%. Gaotu (GOTU US) indirectly benefited with a two-day surge of 6.16%/17.4% in 11th/12th Dec.

In Nov, East Buy account (Dong Fang Zhen Xuan, DFZX) on Douyin performed stably, while the number of followers decreased to 31m as of 12 Dec, down by 73k from the peak in 9 Dec. We estimate that Dong Yuhui's direct contribution to the overall GMV of the company in Nov is within 10%. The impact of this event may take time to digest, and based on recent data, it has no direct impact on the company's actual business while we will need to observe further progress. New Oriental's valuation is mainly driven by its education business, we maintain TP of HK\$ 70/US\$ 90 and **Buy** rating.

The increase in popularity of Gaotu Jiapin(GTJP) has driven the GMV to increase by 100 times to RMB 1.5m/day vs. few days ago. The number of followers has increased by 73k to 392k in two days, and the number of viewership has reached 1.01m on 12 Dec. In the past 30 days, the product categories mainly include food and beverages, fresh vegetables and fruits, may still have room to expand. The company indirectly gained popularity, and we believe that the long-term attention should be paid to the improvement and optimization of its supply chain and operational capabilities. If Gaotu Jiapin seizes the opportunity of traffic to increase its revenue contribution, it may have a boosting effect on the company's valuation. Maintain the current financial forecast, valuation, and **Buy** rating.

Healthcare Sector Weekly

Domestic Innovative Drugs Going Overseas Again; Focus on Opportunities After Sentiment Swing Ends

Rating: **Outperform**

Ethan Ding

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Hygeia Healthcare lowers 2023 earnings guidance. The company updated its 2023 earnings guidance: on the revenue side, the company expects 2023 group revenue on a consolidated basis to be +30% year-on-year, +35% excluding Nucleic Acid Tests, and an organic growth rate of 16% excluding newly acquired hospitals (+22% excluding Nucleic Acid Tests). On the profit side, the company expects group adjusted net profit (consolidated) to grow 17-20% year-on-year, +31% or more excluding Nucleic Acid Testing, following the company's guidance of no less than 25% growth in adjusted net profit in 2023.

SystImmune, a subsidiary of Biokin Pharmaceutical (688506 CH), licensed BL-B01D1 (EGFR/HER3 ADC) to BMS. BMS will pay SystImmune 1) an initial payment of US\$800 million and near-term contingent payments of up to \$500 million; and 2) milestone payments of up to US\$7.1 billion; for a potential total transaction value of up to US\$8.4 billion.

Investment insights: there has been a spate of good news about domestic innovative drugs to go overseas (overseas approval or BD), can pay attention to the biotech companies which has a significant differentiation of drug candidates, excellent clinical execution, the follow-up is still more overseas related catalysts. We continue to be optimistic about the relative market performance of the healthcare sector in 2024 during the sentiment repair process. In addition, we recommend focusing on the results of the medical insurance negotiation to be announced by the National medical Insurance Bureau on December 13th, and watch out for clinical data updates at subsequent academic conferences.

Economic data releases for this week – US

Date	Event	Survey	Prior
12 Dec	CPI (MoM%)	0.00	0.00
13 Dec	PPI(MoM%)	0.10	-0.50
14 Dec	Initial jobless claims (k)	223.00	220.00
14 Dec	Retail sales (MoM%)	-0.10	-0.10

Source: Bloomberg

Economic data releases for this week – China

Date	Event	Survey	Prior

Source: Bloomberg

BOCOM Research latest reports

In-depth reports

11 Dec	BOCOM Int'l Research - A Wider Horizon in the Year Ahead	BOCOM Int'l Research team
6 Dec	Technology Thematic - 2024 Outlook: Global tech investment strategy behind AI and semiconductor themes	Dawei Wang, PhD, CFA, Carrie Tong
6 Dec	Consumer Sector - 2024 Outlook: Self-help volume drivers key to growth amid limited pricing upside	Edward Lui, CFA, CESGA, Kay Tan, FRM
6 Dec	Global Macro – 2024 Outlook: The Symphony of Change and chance (No.2) - Chance	Carl Cai, CFA, Evan Li, Alan Qian
5 Dec	Mainland Property Sector - 2024 Outlook: Turning over a new leaf	Philip Tse, CFA, FRM
5 Dec	Hong Kong Property Sector - 2024 Outlook: Stay patient before dawn	Philip Tse, CFA, FRM
4 Dec	Internet Sector - 2024 Outlook: Innovation and profitability to drive valuation	Connie Gu, CPA, Brandy Sun, Li Zhao, CFA, Hanna Cai,
4 Dec	Securities Sector - 2024 Outlook: Expected earnings to recover, focus on top brokers with balanced revenue structure	Li Wan, CFA, FRM
4 Dec	Insurance Sector - Outlook for 2024: The liability side remains in transformation, while the asset side expected to improve	Li Wan, CFA, FRM
4 Dec	Automobile Sector - 2024 Outlook: Auto exports, autonomous driving applications in full swing	Angus Chan, Iris Li, CFA
4 Dec	Renewable Energy Sector - 2024 Outlook: Manufacturing overcapacity largely priced in; PV could see a turning point in 2024	Wallace Cheng, Bob Wen, CPA
1 Dec	Healthcare Sector - 2024 Outlook: Bottom rally underway	Ethan Ding, Joyce Li, PhD, CFA
30 Nov	Global Macro – 2024 Outlook: The Symphony of Change and chance (No.1) - Change	Carl Cai, CFA, Evan Li, Alan Qian
13 Dec	Global Macro - 通胀回落，但粘性不减—美国 11 月 CPI 点评	Carl Cai, CFA, Evan Li, Alan Qian
9 Dec	Global Macro - Rate cut still far as jobs market strength persists – comments on November US nonfarm payroll	Carl Cai, CFA, Evan Li, Alan Qian
1 Dec	Fintech Sector - 3Q23 review: Management refinement bearing fruits; Expect take rate to stabilize	Li Wan, CFA, FRM
30 Nov	Education Sector - New journey for education industry: healthy development continues amid transformation; sustainable growth can be expected with resilient demand	Connie Gu, CPA, Brandy Sun, Li Zhao, CFA, Hanna Cai,
30 Nov	Technology Thematic - A new path forward-Search for the hidden gem of domestic semiconductor supply chain	Dawei Wang, PhD, CFA, Carrie Tong
22 Nov	Global Macro- Nov FOMC meeting comments: Rate hike probability further lowers as Fed treads lightly	Carl Cai, CFA, Evan Li
22 Nov	Healthcare Sector - Pharma - China's Prescription Drug Companies: Breaking with the Old, Dawning with the New	Ethan Ding, Joyce Li, PhD, CFA

Daily reports

13 Dec	Internet Sector - Analysis on KOL of live broadcasting: DFZX vs.GTJP	Connie Gu, CPA, Brandy Sun, Li Zhao, CFA, Hanna Cai,
13 Dec	Hygeia Healthcare (6078 HK) - Earnings growth guidance lowered, but growth outlook for next year and medium-to-long term remains solid; target price lowered	Ethan Ding, Joyce Li, PhD, CFA
11 Dec	Hello Group (MOMO US) - 3Q23 bottom line beat; revenue under pressure amid unfavorable environment	Li Zhao, CFA, Connie Gu, CPA, Brandy Sun, Hanna Cai,
11 Dec	Securities Sector - Fee rate reform of mutual fund into second stage, urgent transformation of wealth management business	Li Wan, CFA, FRM
9 Dec	Automobile Sector Monthly - PV sales continued to improve MoM in Nov; NEV penetration rate surpassed 40%	Angus Chan, Iris Li, CFA
8 Dec	Yuexiu Property Co (123 HK) - Contracted sales target completed, maintain BUY	Philip Tse, CFA, FRM
6 Dec	NIO Inc (9866 HK) - 3Q gross profit and loss were better than expected, negative factors largely reflected, upgraded to Neutral	Angus Chan, Iris Li, CFA
5 Dec	Internet Sector Monthly - Nov game data watch: New titles of Tencent scheduled for launch; ByteDance to scale back game business	Connie Gu, CPA, Brandy Sun, Li Zhao, CFA, Hanna Cai,
5 Dec	Healthcare Sector - 3Q23 sample hospital drug sales data review: overall growth dips, but domestic innovative drugs rapidly ramp up volume	Ethan Ding, Joyce Li, PhD, CFA
4 Dec	WuXi Biologics (2269 HK) - Industry boom declined, short- and medium-term performance pressure obvious; downgrade to neutral	Ethan Ding, Joyce Li, PhD, CFA
1 Dec	Internet Sector Monthly - Internet Nov monthly: still prefer companies with sustained market share and earnings growth	Connie Gu, CPA, Brandy Sun, Li Zhao, CFA, Hanna Cai,
1 Dec	Agile Group (3383 HK) - Dedicated to repayment and delivery; cut TP, maintain Buy	Philip Tse, CFA, FRM
1 Dec	CSPC Pharmaceutical (1093 HK) - 3Q23 results largely in line; revenue growth to rebound to double digits in 2024	Ethan Ding, Joyce Li, PhD, CFA
30 Nov	Times Neighborhood (9928 HK) - A stable year with margin to bottom out	Philip Tse, CFA, FRM
30 Nov	Bilibili Inc (BILI US) - Cloudy outlook continues for game; loss narrowing pace remain unchanged	Li Zhao, CFA, Connie Gu, CPA, Brandy Sun, Hanna Cai,
29 Nov	Meituan - (3690 HK) - 3Q23 revenue in line, IHT margin still pressured; cut TP	Connie Gu, CPA, Brandy Sun, Li Zhao, CFA, Hanna Cai,
29 Nov	New World Development (17 HK) - Mainland sales on track; bond repurchase to ease liquidity concern	Philip Tse, CFA, FRM
29 Nov	PDD Holdings (PDD US) - Clean beat in revenue and TEMU; lift TP to US\$161	Brandy Sun, Connie Gu, CPA, Li Zhao, CFA, Hanna Cai,
28 Nov	Sino Biopharm (1177 HK) - Takeaways from the 2023 BOCOMI Healthcare Corporate Day	Ethan Ding, Joyce Li, PhD, CFA
28 Nov	Hygeia Healthcare (6078 HK) - 2023 BOCOMI Healthcare Corporate Day: 3Q23 Rapid Revenue Growth, Lifts TP	Ethan Ding, Joyce Li, PhD, CFA

Source: BOCOM Int'l

HSI constituents

Company name	Stock code	Current price (HK\$)	Mkt cap (HK\$ m)	5D chg (%)	YTD chg (%)	-----52-week-----		-----P/E-----			Yield 2023E (%)	P/B 2023E
						High (HK\$)	Low (HK\$)	2022 (x)	2023E (x)	2024E (x)		
CKH	1 HK	39.45	151,095	-1.87	-15.80	54.45	38.80	4.14	5.30	5.03	6.00	0.27
CLP	2 HK	61.15	154,492	-0.08	7.37	63.95	54.55	166.08	16.09	13.45	5.09	1.43
HK & CHINA GAS	3 HK	5.40	100,763	0.93	-27.22	8.07	5.27	19.36	17.64	16.87	6.43	1.62
HSBC	5 HK	60.55	1,179,102	0.92	24.72	66.30	46.75	10.45	6.00	6.29	8.12	0.90
POWER ASSETS	6 HK	41.50	88,441	-0.24	-2.92	46.65	36.20	16.11	15.88	15.21	6.60	1.05
HANG SENG	11 HK	85.65	163,749	-0.23	-34.01	133.30	84.85	17.52	9.84	8.91	6.94	1.07
HENDERSON	12 HK	22.30	107,963	4.94	-18.17	30.10	19.60	11.03	9.66	9.25	8.20	0.32
SHKP	16 HK	77.95	225,882	0.97	-27.01	114.80	75.90	7.84	9.42	8.88	6.37	0.37
NEW WORLD	17 HK	11.14	28,035	1.09	-43.71	22.13	10.60	4.45	32.10	9.80	6.07	0.15
GALAXY ENT	27 HK	41.20	180,161	-1.67	-20.16	58.30	40.25	N/A	21.69	14.70	1.22	2.57
MTRC	66 HK	28.50	177,007	2.15	-31.08	42.90	27.50	16.54	26.09	11.55	4.67	0.99
HLP	101 HK	10.46	47,062	0.38	-31.45	16.10	9.86	11.40	10.46	8.95	7.36	0.35
GEELY	175 HK	7.90	79,501	0.89	-30.70	13.28	7.73	14.16	14.37	9.26	1.05	0.92
ALI HEALTH	241 HK	4.18	56,483	-1.65	-37.14	8.13	4.18	70.36	55.77	39.04	0.00	3.31
CITIC LTD	267 HK	7.21	209,741	0.70	-12.50	10.58	6.60	2.94	3.07	2.90	8.19	0.26
WH GROUP	288 HK	4.78	61,328	-0.83	5.29	5.02	3.92	5.73	8.02	6.24	4.31	0.77
CR BEER	291 HK	32.00	103,814	-4.90	-41.34	64.75	32.00	22.59	18.93	15.88	2.05	3.25
OOIL	316 HK	93.20	61,546	0.00	-26.48	153.20	91.90	0.92	5.99	30.74	8.50	0.73
TINGYI	322 HK	8.89	50,089	-3.47	-35.49	14.38	8.89	N/A	N/A	N/A	N/A	N/A
SINOPEC	386 HK	3.82	94,413	-2.05	1.33	5.38	3.67	6.50	5.92	5.39	11.11	0.53
HKEX	388 HK	247.20	312,814	-0.48	-26.69	377.40	245.20	31.40	26.00	24.38	3.42	6.11
TECHTRONIC	669 HK	79.25	145,016	2.19	-9.01	109.40	67.80	17.49	19.62	16.34	2.12	3.28
COLI	688 HK	12.88	140,970	-0.62	-37.48	22.85	12.88	5.73	5.37	4.84	5.74	0.36
TENCENT	700 HK	307.00	2,876,888	0.46	-3.22	415.00	283.00	24.17	17.51	14.98	0.55	3.18
UNICOM	762 HK	4.87	149,013	-2.01	0.83	6.42	4.49	8.22	7.41	6.55	7.45	0.39
LINK	823 HK	38.50	98,634	1.58	-30.86	62.83	35.45	12.94	14.02	15.02	7.13	0.52
CR POWER	836 HK	15.10	72,638	0.80	-5.39	18.80	13.10	10.30	5.95	5.06	7.14	0.70
PETROCHINA	857 HK	4.82	101,697	-0.82	35.01	6.02	3.49	5.46	4.81	4.76	9.99	0.56
XINYI GLASS	868 HK	8.16	34,456	-3.89	-43.88	17.66	8.16	6.88	7.04	5.37	6.65	1.01
ZHONGSHENG	881 HK	16.60	39,692	-2.70	-58.66	48.60	16.48	5.68	6.13	5.46	5.51	0.77
CNOOC	883 HK	12.06	537,596	-3.83	20.84	14.00	9.81	3.77	4.12	3.92	10.61	0.81
CCB	939 HK	4.48	1,144,264	0.90	-8.38	5.63	4.02	5.05	4.91	4.72	6.12	0.55
CHINA MOBILE	941 HK	61.95	1,269,132	-0.64	19.71	69.65	50.90	9.72	9.00	8.35	7.85	0.91
LONGFOR	960 HK	12.42	79,776	0.98	-48.89	28.20	11.18	2.89	3.71	3.72	7.91	0.46
XINYI SOLAR	968 HK	3.98	35,435	-3.40	-53.94	10.76	3.98	9.59	9.18	6.83	4.85	1.15
SMIC	981 HK	20.55	122,744	0.00	22.91	25.60	15.70	11.61	24.27	25.32	0.00	1.06
LENOVO	992 HK	9.95	122,119	4.08	55.23	9.95	6.06	7.20	9.30	N/A	3.99	2.67
CK INFRA	1038 HK	39.75	94,945	-0.13	-2.69	46.75	35.55	13.25	13.76	12.72	6.28	0.82
HIENGAN	1044 HK	27.90	32,423	2.39	-32.69	42.50	24.00	15.52	11.62	9.89	5.45	1.46
SHENHUA	1088 HK	24.55	82,917	-0.41	8.87	28.35	21.50	6.17	7.17	7.12	10.07	1.11
CSPC	1093 HK	6.66	78,913	0.45	-18.78	9.41	5.29	11.84	11.67	10.67	2.74	2.09
SINOPHARM	1099 HK	18.94	25,414	1.28	-4.54	28.25	18.66	7.29	6.07	N/A	4.98	0.72
CR LAND	1109 HK	26.05	185,761	1.36	-27.13	39.80	25.40	6.52	6.01	5.59	5.87	0.66
CKA	1113 HK	37.40	132,728	-0.13	-22.16	51.60	37.05	6.27	7.43	6.76	6.08	0.34
SBP	1177 HK	3.33	61,269	-1.19	-27.13	4.99	2.66	22.33	21.78	18.75	1.78	1.84
CHINA RES MIXC	1209 HK	25.90	59,117	-2.45	-34.68	46.35	25.90	25.51	19.89	15.58	2.27	3.55
BYD	1211 HK	203.40	600,412	-3.51	5.61	275.60	191.00	33.36	17.84	13.83	1.06	3.99
AIA	1299 HK	63.10	716,887	-1.17	-27.30	91.35	61.65	340.95	17.80	12.57	2.52	2.15
CHINA HONGQIAO	1378 HK	5.60	53,063	-1.06	-24.02	9.30	5.55	5.69	5.13	4.67	13.01	0.56
ICBC	1398 HK	3.68	1,723,989	1.38	-8.46	4.67	3.36	3.46	3.39	3.26	9.25	0.35
HANG SENG INDEX		16,228.75	21,330,928	-0.65	-17.96	22,688.90	16,201.49	481.67	12.29	10.24	4.56	1.87

Source: FactSet

HSCEI constituents

Company name	Stock code	Closing price (HK\$)	Mkt cap (HK\$ m)	5D chg (%)	YTD chg (%)	-----52-week-----		-----P/E-----			Yield 2023E (%)	P/B 2023E (x)
						High (HK\$)	Low (HK\$)	2022 (x)	2023E (x)	2024E (x)		
WHEELLOCK	20 HK	1.22	31,658	-5.43	-45.05	3.33	1.22	N/A	N/A	N/A	N/A	N/A
GEELY	175 HK	7.90	79,501	0.89	-30.70	13.28	7.73	14.16	14.37	9.26	1.05	0.92
CITIC LTD	267 HK	7.21	209,741	0.70	-12.50	10.58	6.60	2.94	3.07	2.90	8.19	0.26
CR BEER	291 HK	32.00	103,814	-4.90	-41.34	64.75	32.00	22.59	18.93	15.88	2.05	3.25
SINOPEC	386 HK	3.82	94,413	-2.05	1.33	5.38	3.67	6.50	5.92	5.39	11.11	0.53
COLI	688 HK	12.88	140,970	-0.62	-37.48	22.85	12.88	5.73	5.37	4.84	5.74	0.36
TENCENT	700 HK	307.00	2,876,888	0.46	-3.22	415.00	283.00	24.17	17.51	14.98	0.55	3.18
PETROCHINA	857 HK	4.82	101,697	-0.82	35.01	6.02	3.49	5.46	4.81	4.76	9.99	0.56
ZHONGSHENG	881 HK	16.60	39,692	-2.70	-58.66	48.60	16.48	5.68	6.13	5.46	5.51	0.77
CNOOC	883 HK	12.06	537,596	-3.83	20.84	14.00	9.81	3.77	4.12	3.92	10.61	0.81
CCB	939 HK	4.48	1,144,264	0.90	-8.38	5.63	4.02	5.05	4.91	4.72	6.12	0.55
CHINA MOBILE	941 HK	61.95	1,269,132	-0.64	19.71	69.65	50.90	9.72	9.00	8.35	7.85	0.91
LONGFOR	960 HK	12.42	79,776	0.98	-48.89	28.20	11.18	2.89	3.71	3.72	7.91	0.46
XINYI SOLAR	968 HK	3.98	35,435	-3.40	-53.94	10.76	3.98	9.59	9.18	6.83	4.85	1.15
SMIC	981 HK	20.55	122,744	0.00	22.91	25.60	15.70	11.61	24.27	25.32	0.00	1.06
LENOVO	992 HK	9.95	122,119	4.08	55.23	9.95	6.06	7.20	9.30	N/A	3.99	2.67
KUAISHOU	1024 HK	54.30	195,069	0.84	-23.57	79.85	48.10	N/A	43.91	18.57	0.00	4.62
SHENHUA	1088 HK	24.55	82,917	-0.41	8.87	28.35	21.50	6.17	7.17	7.12	10.07	1.11
CSPC	1093 HK	6.66	78,913	0.45	-18.78	9.41	5.29	11.84	11.67	10.67	2.74	2.09
CR LAND	1109 HK	26.05	185,761	1.36	-27.13	39.80	25.40	6.52	6.01	5.59	5.87	0.66
SBP	1177 HK	3.33	61,269	-1.19	-27.13	4.99	2.66	22.33	21.78	18.75	1.78	1.84
BYD	1211 HK	203.40	600,412	-3.51	5.61	275.60	191.00	33.36	17.84	13.83	1.06	3.99
ABC	1288 HK	2.87	1,345,133	1.41	7.09	3.27	2.51	3.82	3.63	3.42	8.72	0.38
ICBC	1398 HK	3.68	1,723,989	1.38	-8.46	4.67	3.36	3.46	3.39	3.26	9.25	0.35
PSBC	1658 HK	3.53	387,656	-1.12	-27.22	5.54	3.44	3.91	3.86	3.61	8.12	0.42
XIAOMI	1810 HK	15.54	317,863	6.29	42.05	16.80	9.99	139.26	21.29	23.00	0.00	2.14
LI AUTO	2015 HK	135.60	446,400	-0.07	76.56	184.30	74.25	23,149.50	28.53	19.42	0.00	4.91
ANTA	2020 HK	71.90	202,258	-2.04	-29.72	124.00	71.90	24.56	19.37	16.14	2.28	4.35
SHENZHOU	2313 HK	77.70	116,800	-0.70	-11.50	107.50	61.95	23.57	23.12	19.48	2.37	3.28
PING AN	2318 HK	33.40	699,642	-1.04	-35.33	64.75	33.40	6.64	5.04	4.13	7.83	0.61
MENGNIU	2319 HK	20.75	81,470	-0.72	-41.38	39.45	20.75	14.51	13.34	11.32	2.26	1.73
LI NING	2331 HK	18.78	49,127	-12.04	-72.28	81.00	18.30	11.37	12.44	10.38	2.95	1.72
SUNNY OPTICAL	2382 HK	70.55	76,978	3.45	-24.02	116.30	51.05	29.12	47.49	27.41	0.43	3.05
JD LOGISTICS	2618 HK	8.94	59,077	-2.40	-40.87	17.84	8.86	N/A	120.13	27.91	0.00	1.18
CHINA LIFE	2628 HK	9.64	711,082	-3.31	-28.06	15.70	9.64	7.97	11.84	5.80	6.00	0.57
ENN	2688 HK	49.70	56,088	-0.60	-54.65	126.00	49.70	8.96	7.22	6.69	5.59	1.21
BOCOM	3328 HK	4.61	161,405	-0.43	2.67	5.59	4.26	3.76	3.64	3.52	8.82	0.35
MEITUAN	3690 HK	82.20	463,576	-5.14	-52.95	190.80	82.20	N/A	39.45	21.91	0.00	3.33
CMB	3968 HK	24.60	723,651	-3.15	-43.64	52.95	24.60	4.48	4.18	3.87	7.85	0.64
BOC	3988 HK	2.85	1,150,665	1.06	0.35	3.42	2.60	5.45	5.38	5.17	6.03	0.53
JD HEALTH	6618 HK	35.95	114,631	-2.97	-49.61	77.55	33.50	280.93	50.04	37.88	0.00	2.25
HAIER	6690 HK	20.55	197,135	-3.52	-22.74	30.70	20.55	11.72	11.05	9.73	3.31	1.78
HAIDILAO	6862 HK	14.04	78,259	-3.17	-37.32	24.35	13.82	N/A	N/A	N/A	N/A	N/A
JD.COM	9618 HK	97.90	266,821	-6.58	-55.54	251.40	93.90	10.04	8.68	7.87	0.00	1.21
NONGFU SPRING	9633 HK	45.05	226,727	0.22	2.15	46.30	41.20	53.85	43.44	36.21	2.07	16.96
XPENG	9868 HK	59.00	90,212	-2.32	53.85	86.75	30.40	N/A	N/A	N/A	0.00	2.91
BAIDU	9888 HK	109.40	241,949	-2.15	-2.06	162.50	101.30	13.18	10.61	10.43	0.00	1.14
TRIP.COM	9961 HK	264.80	174,794	1.53	-3.22	329.80	241.60	118.72	14.16	14.65	0.00	1.31
ALIBABA	9988 HK	69.40	1,339,991	-1.56	-19.54	117.50	68.80	9.23	7.93	7.40	0.00	1.18
NETEASE	9999 HK	168.30	526,101	2.00	46.99	183.20	107.70	21.00	15.35	15.04	1.77	3.92
HANG SENG CHINA ENT INDX		5,550.90	18,624,123	-0.84	-17.21	7,773.61	5,532.49	550.63	11.85	9.47	4.54	1.74

Source: FactSet

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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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