

Morning Express

14 October 2020

Focus of the Day

Gas Utilities Sector Insights

Vision series #1: Hydrogen economy in focus as the world de-carbonizes Rating: **Outperform**

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— *In-depth sector report (22 pages); <<click [here for full report](#)>> —*

A vision for carbon neutrality to drive hydrogen usage. As global leaders have recently revealed the vision on zero net carbon emission, we anticipate the use of hydrogen (H₂) as a fuel may burgeon in the next 5-10 years as a measure of de-carbonization. In this report, we focus on the upstream and midstream of the hydrogen value chain.

“Green hydrogen” the way forward vs. “grey” and “blue”. In our view, hydrogen is ideally produced by clean energy to better serve de-carbonization purposes. Cost reduction for green hydrogen production is still subject to further capital commitment and technological breakthrough.

On-vehicle cylinders emerging as a multi-billion-yuan business. The domestic demand for Type III and IV cylinders, which are mainly used in fuel-cell electric vehicles (FCEV), is expected to surge >10x during 2020-25. The domestic market value of these two types of cylinders is estimated at ~RMB4bn in 2025.

CIMC Enric (3899 HK/Buy; TP: HK\$4.05) as first domestic mover in hydrogen economy. Enric has existing products for hydrogen storage and transportation. We estimate Enric to record ~RMB0.3bn/0.6bn revenue from hydrogen-related products in FY21/22E, representing ~2%/4% of total revenue.

Pou Sheng International

September growth swung back to positive, setting up a strong 4Q finish **3813 HK** Rating: **Buy**

CP: HK\$ 1.89 TP: HK\$ 2.80 Upside: +48.1%

Edward Lui edward.lui@bocomgroup.com

September sales rebounded: September sales swung back to positive YoY growth, up 5.1% YoY to RMB2.5bn, vs. -7.2% YoY in August, after normalization of last month's high base, in line with our prediction. We believe the strength is attributable to (1) strong sell-in to distributors stocking up ahead of the 4Q holiday season, (2) National Consumption Promotion Month boosting offline traffic, and (3) continued strength in online sales, up 47% YoY in September.

[Click here for our team profile.](#)

Global Stock Indices

	Close	1D%	YTD%
HSI	24,650	0.00	-12.09
HSCEI	9,879	0.00	-11.54
SH A	3,521	0.04	10.18
SH B	256	0.01	-0.41
SZ A	2,412	0.65	33.81
SZ B	958	0.30	-0.43
DJIA	28,680	-0.55	0.50
S&P 500	3,512	-0.63	8.70
Nasdaq	11,864	-0.10	32.22
FTSE	5,970	-0.53	-20.85
CAC	4,979	0.00	-16.71
DAX	13,019	-0.91	-1.74

Source: FactSet

Key Commodity/Forex Indicators

	Close	3M%	YTD%
Brent	41.67	-2.48	-36.90
Gold	1,922.50	6.16	26.52
Silver	25.06	31.24	38.88
Copper	6,769.00	3.42	9.96
JPY	105.54	1.65	2.98
GBP	1.30	2.92	-1.97
EUR	1.17	3.30	4.62
bps change		3M	6M
HIBOR	0.55	-9.64	-71.80
US 10yr yield	0.73	13.98	-2.61

Source: FactSet

HSI Technical

HSI	24,649.68
50D MA	24,411.79
200D MA	24,480.83
14D RSI	49.79
Short sell (HK\$m)	18,318

Source: FactSet

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4Q off to a solid start with hot Golden Week: The first half of October is strong so far, while expectations for a colder-than-usual winter could also pull forward spending on winter clothing and increase the proportion of fixed-price sales.

Expect 3Q profit decline to narrow: Overall 3Q sales were flat YoY (-0.3% YoY, vs. +0.3% in 2Q), in line with management's 2H sales guidance of -10% to +5% YoY. We estimate 3Q net profit to narrow the decline vs. 2Q (-24% YoY), or possibly return to flat YoY if GPM improves more than expected.

Reiterate Buy and HK\$2.80: We remain positive on PS as we expect OPM improvement to accelerate in 2021, while its valuation is undemanding.

Sinotrans Limited		598 HK
Upgrade to Buy with better volume and margin in sight		Rating: Buy ↑
CP: HK\$ 2.09	TP: HK\$ 2.42↑	Upside: +15.8%
Maggie Wang	maggie.q.wang@bocomgroup.com	

We expect firm demand in the US and Europe throughout 4Q20 to boost Sinotrans' freight volume. Stronger sea and air freight rates will also support freight forwarding performance in 4Q20.

We expect profit from contract logistics to pick up YoY in 2H20 and buttress overall margins, due to (1) fewer low-margin contracts and (2) lower operating expenses on continual efficiency improvement, which will offset the impact of slow recovery in project logistics.

Rising demand and production bode well for logistics operators like Sinotrans, in our view. Sinotrans is trading ~60% below its HK-listed peers' average P/E based on FY20E Bloomberg consensus, and ~18% below its 3-year average P/E based on our FY20E EPS. Given recovery of logistics and freight forwarding businesses in the rest of 2020 and its attractive valuation, we upgrade from Neutral to **Buy**. We lift TP from HK\$1.94 to HK\$2.42, based on 6.2x 2020E P/E.

Healthcare Sector Weekly		
As of 13 October 2020		Rating: Outperform
Li Zhao, PhD	li.zhao@bocomgroup.com	

Sino Biopharm (1177 HK) and Akeso's (9926HK) co-developed PD-1 antibody AK105 completed patient enrollment of Ph.III trial for the 1L treatment of metastatic squamous non-small cell lung cancer (sq-NSCLC). The registrational trial for the 3L treatment of metastatic nasopharyngeal carcinoma (NPC) reached the primary endpoint.

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Akeso's (9926 HK) bispecific antibody AK104 (PD-1/CTLA-4) for the treatment of relapsed or metastatic cervical cancer was granted breakthrough therapy designation by the NMPA.

Fosun Pharma's (2196 HK) HLX70, an anti-S1 neutralizing antibody developed by its subsidiary Hengenix Biotech, was approved to conduct clinical trial by the US FDA for the treatment of COVID-19.

Industry update: The National Healthcare Security Administration (NHSA) will formulate policies related to the centralized procurement of biosimilars. Their similarities, manufacturing capacity, supply chain stability, and clinical substitutability are key factors to be considered. Due to the lack of unified standards and production capacity challenges, the implementation time is uncertain, in our view.

Transportation & Infrastructure Sector Weekly

As of 9 October 2020

Luya You

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We highlight notable weekly updates for the transportation industry as follows:

Logistics: China's logistic business activities in September rebounded to the highest level in 2020, with LPI improving 2.3ppts YoY to 56.1%.

Aviation: IATA projected global airlines to burn US\$77bn of cash during 2H20. We may see larger airlines enact restructuring throughout 2020-21 in an effort to lower their high fixed costs, thus significantly easing monthly cash burn.

Tourism: China's domestic tourism witnessed visible recovery during the holiday week. We expect ongoing recovery in tourism demand in 4Q20, as long as any COVID-19 winter outbreak is sufficiently kept at bay.

Container shipping: SCFI was marginally down 0.4% WoW. We believe the early stocking up for holiday merchandise will further underpin freight rates on the major East-West tradelanes.

Investment implications: We expect air travel recovery combined with a strengthening RMB to underpin the share prices of HK-listed major Chinese airlines. Current strong freight rates for major tradelanes and SE Asia should further support the share prices of leading container shipping players, including COSCO Shipping (1919 HK/**Buy**) and SITC (1308 HK/**Buy**) in the short term.

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Economic data releases for this week – US			
Date	Event	Survey	Prior
13 Oct	CPI (MoM%)	0.2	0.4
14 Oct	MBA mortgage applications (%)	-	4.6
14 Oct	PPI (MoM%)	0.2	0.3
15 Oct	Initial jobless claims (k)	-	840
16 Oct	Industrial Production (MoM%)	0.4	0.4
16 Oct	U of Michigan confidence (%)	81.0	80.4

Source: Bloomberg

Economic data releases for this week – China			
Date	Event	Survey	Prior
13 Oct	Trade balance (USD bn)	59.95	58.93
14 Oct	CPI (YoY%)	1.8	2.4
14 Oct	PPI (YoY%)	-1.9	-2.0
15 Oct	New Yuan Loans (RMB bn)		1,280.0

Source: Bloomberg

BOCOM Research latest reports

12 Oct	Transportation & Infrastructure Sector Weekly - As of 9 October 2020	Luya You, Maggie Wang
12 Oct	Gas Utilities Sector - Vision series #1: Hydrogen economy in focus as the world de-carbonizes	Wallace Cheng
12 Oct	Internet Sector Weekly - As of 9 October 2020	Connie Gu, CPA, Brandy Sun, Gigi Zhou, Li Zhao, CFA
12 Oct	Sunny Optical (2382 HK) - Sep data strong and tracking ahead of annual target; reiterate Buy	Chris Yim
12 Oct	Consumer Sector Weekly - As of 9 October 2020	Edward Lui
9 Oct	Property Sector Weekly - As of 8 October 2020	Philip Tse, CFA, FRM, Evangeline Luo, Spencer Luo
8 Oct	Technology Sector - Largan's outlook remains soft due to weak high-end demand	Chris Yim
7 Oct	Power Sector - Expect low-single-digit power consumption growth in 2020E	Spencer Luo
7 Oct	Lenovo Group (992 HK) - Growth momentum to continue; reiterate Buy	Chris Yim
7 Oct	Healthcare Sector Weekly - As of 6 October 2020	Li Zhao, PhD, Aiwei Li, PhD
6 Oct	China Property Sector - September truly "golden" as YTD sales growth sped up	Philip Tse, CFA, FRM
6 Oct	Transportation & Infrastructure Sector Weekly - As of 2 October 2020	Luya You, Maggie Wang
6 Oct	Consumer Sector Weekly - As of 5 October 2020	Edward Lui
5 Oct	China Power Int'l (2380 HK) - Prudent strategy a mid-to-long term positive	Spencer Luo, Wallace Cheng
5 Oct	Semiconductor Manufacturing Int (981 HK) - Export restrictions confirmed; severity of disruption remains to be seen	Chris Yim
5 Oct	China Macro Review - Data monitor: economy recovering; overnight rate rallied on quarter transition	Hanna Cai, Karen Tan
5 Oct	New World Development (17 HK) - FY20 results missed; stable DPS supported by non-core disposal	Philip Tse, CFA, FRM, Evangeline Luo
30 Sep	Flat Glass Group (6865 HK) - PV glass prices hit new high again, policy blessing to supercharge demand	Bob Wen, CPA, Louis Sun
30 Sep	Healthcare Sector Weekly - As of 29 September 2020	Li Zhao, PhD, Aiwei Li, PhD
29 Sep	Alibaba Group (BABA US) - Investor Day takeaways: Focus on merchant digitalization, meeting diverse needs	Connie Gu, CPA, Brandy Sun, Gigi Zhou, Li Zhao, CFA

Source: BOCOM Int'l

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HSI constituents

Company name	Stock code	Current price (HK\$)	Mkt cap (HK\$ m)	5D chg (%)	YTD chg (%)	-----52-week-----		-----P/E-----			Yield 2020E (%)	P/B 2020E (x)
						High (HK\$)	Low (HK\$)	2019 (x)	2020E (x)	2021E (x)		
CKH	1 HK	47.30	182,400	-0.63	-36.34	75.45	45.55	4.58	5.89	N/A	5.24	0.37
CLP	2 HK	74.20	187,463	1.23	-9.40	84.20	65.00	40.33	16.25	15.72	4.15	1.66
HK & CHINA GAS	3 HK	11.30	200,816	1.25	-22.04	15.14	10.86	28.80	31.39	28.25	3.10	3.08
HSBC	5 HK	31.45	640,560	0.16	-48.32	61.85	28.20	5.69	16.91	9.22	1.23	0.49
POWER ASSETS	6 HK	41.60	88,785	0.48	-27.02	58.50	40.55	12.46	14.43	13.33	6.73	1.04
HANG SENG	11 HK	117.60	224,832	1.47	-26.96	173.50	111.10	9.21	13.13	12.88	4.68	1.32
HENDERSON	12 HK	29.40	142,337	1.73	-23.14	40.55	26.95	9.74	9.69	10.24	6.12	0.44
SHKP	16 HK	98.90	286,590	-0.25	-17.10	123.00	89.00	8.85	9.76	9.19	5.01	0.50
NEW WORLD	17 HK	38.60	98,397	-0.52	-9.64	46.88	30.44	11.22	14.97	12.29	5.28	0.46
SWIRE PACIFIC	19 HK	38.20	34,579	0.53	-47.24	76.65	36.30	7.96	N/A	12.21	3.99	0.21
GEG	27 HK	51.90	225,385	-1.70	-9.58	62.80	38.60	17.24	N/A	N/A	0.00	3.40
MTRC	66 HK	39.10	241,651	0.90	-15.09	47.80	36.85	22.73	41.82	23.63	3.15	1.32
SINO	83 HK	9.95	70,099	1.53	-12.10	12.40	8.18	14.42	15.10	N/A	5.53	0.47
HLP	101 HK	20.55	92,428	0.74	20.18	22.15	13.82	20.76	21.26	N/A	3.70	0.67
WANT WANT	151 HK	5.21	63,956	-0.76	-28.43	7.37	4.93	16.20	N/A	N/A	N/A	N/A
GEELY	175 HK	16.42	161,131	5.26	7.74	19.06	10.08	16.04	18.66	14.00	1.35	2.13
CITIC LTD	267 HK	5.86	170,469	2.63	-43.76	10.70	5.60	3.17	3.84	3.32	6.44	0.27
WH GROUP	288 HK	6.26	92,281	-1.88	-22.24	8.78	5.96	8.62	9.10	8.08	4.35	1.27
SINOPEC	386 HK	3.21	81,898	1.26	-31.56	4.80	3.09	5.86	14.07	9.24	5.37	0.46
HKEX	388 HK	376.80	477,722	-0.26	48.93	394.20	211.40	50.31	43.28	37.31	2.09	10.16
COLI	688 HK	20.25	221,840	2.38	-33.28	30.70	19.14	4.63	5.03	4.42	5.90	0.62
TENCENT	700 HK	557.00	5,338,644	4.11	48.30	564.00	316.20	50.22	38.47	31.85	0.25	8.25
UNICOM	762 HK	5.40	165,230	5.26	-26.43	8.64	3.90	12.69	11.18	9.88	3.62	0.44
LINK	823 HK	61.75	127,355	-1.20	-25.15	86.50	57.00	22.77	21.50	21.94	4.65	0.80
CR POWER	836 HK	8.51	40,937	-1.05	-22.21	11.40	6.58	6.21	4.85	4.47	8.03	0.52
PETROCHINA	857 HK	2.29	48,316	0.88	-41.43	4.20	2.23	7.96	N/A	17.17	6.67	0.30
CNOOC	883 HK	7.64	341,107	-0.13	-41.05	13.74	6.40	4.85	13.29	8.41	5.32	0.66
CCB	939 HK	5.30	1,342,290	5.58	-21.25	6.80	4.98	4.62	4.79	4.48	6.29	0.52
CHINA MOBILE	941 HK	50.80	1,040,154	0.89	-22.44	69.70	48.25	8.53	8.45	8.18	6.61	0.79
CK INFRA	1038 HK	36.80	97,545	-0.14	-33.63	57.85	35.65	8.82	11.12	9.95	6.74	0.80
HENGAN	1044 HK	55.25	65,730	-1.78	-0.45	71.00	50.00	14.62	12.24	N/A	5.60	2.93
SHENHUA	1088 HK	13.84	47,036	3.28	-14.99	16.62	12.06	5.74	6.11	6.02	8.19	0.65
CSPC	1093 HK	15.84	118,540	1.28	2.30	17.83	11.43	27.71	22.58	19.18	1.35	4.70
CR LAND	1109 HK	37.15	264,914	3.05	-4.25	39.40	28.00	10.39	9.41	8.15	3.83	1.21
CKA	1113 HK	38.50	142,196	-0.39	-31.56	56.70	34.40	4.95	7.47	N/A	3.82	0.39
SBP	1177 HK	8.53	160,984	-0.81	17.39	10.88	6.47	44.55	43.63	35.32	0.58	4.16
AIA	1299 HK	80.35	971,742	0.44	-1.77	87.35	60.70	18.78	23.86	17.98	1.64	2.09
ICBC	1398 HK	4.24	1,893,615	4.95	-29.33	6.05	3.99	4.29	4.70	4.39	6.42	0.49
SANDS	1928 HK	28.35	229,348	-2.24	-31.93	45.00	26.15	14.56	N/A	N/A	0.00	12.81
WHARF REIC	1997 HK	30.80	93,516	-0.81	-35.23	49.10	27.30	9.54	12.32	11.52	5.15	0.43
COUNTRY GARDEN	2007 HK	10.04	221,236	0.40	-19.55	12.88	7.88	4.88	4.44	3.92	6.87	1.05
AAC TECH	2018 HK	44.45	53,718	-3.16	-34.63	70.00	35.85	21.00	27.55	17.79	0.94	2.25
SHENZHOU	2313 HK	135.20	203,235	0.45	18.70	135.40	73.15	34.68	32.93	28.03	1.56	6.31
PING AN	2318 HK	82.25	1,626,455	2.43	-10.69	99.55	70.90	8.51	9.77	8.21	3.08	1.71
MENGNIU	2319 HK	38.40	151,541	3.09	21.90	39.20	25.00	31.83	39.28	25.20	0.52	4.12
SUNNY OPTICAL	2382 HK	126.60	138,861	-2.01	-6.15	149.50	92.40	30.17	28.28	21.21	0.74	7.51
BOCHK	2388 HK	21.65	228,901	1.88	-19.96	28.90	20.30	7.11	8.55	8.41	5.35	0.78
CHINA LIFE	2628 HK	18.22	1,261,195	0.89	-15.84	22.75	12.86	7.73	8.87	7.98	4.12	1.02
BOCOM	3328 HK	3.93	137,597	5.08	-29.06	5.61	3.66	3.42	3.71	3.60	7.90	0.34
BOC	3988 HK	2.49	986,333	3.32	-25.23	3.37	2.37	3.55	3.84	3.83	8.17	0.36
HANG SENG INDEX		24,649.68	18,337,540	1.89	-12.56	29,056.42	21,696.13	21.14	19.08	15.99	3.56	3.21

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 2020E (%)	P/B 2020E (x)
						High (HK\$)	Low (HK\$)	2019 (x)	2020E (x)	2021E (x)		
CITIC LTD	267 HK	5.86	170,469	2.63	-43.76	10.70	5.60	3.17	3.84	3.32	6.44	0.27
GDI	270 HK	12.42	81,200	0.98	-23.80	17.30	11.90	16.10	16.13	13.80	4.83	1.90
CGH	384 HK	21.90	114,286	-1.13	-25.00	34.75	20.75	13.44	12.44	10.55	2.28	2.89
SINOPEC	386 HK	3.21	81,898	1.26	-31.56	4.80	3.09	5.86	14.07	9.24	5.37	0.46
CRG	390 HK	3.68	144,060	0.00	-23.49	5.03	3.47	3.37	3.37	3.11	5.30	0.33
DONGFENG	489 HK	5.00	14,279	0.00	-31.79	8.09	4.42	2.91	4.05	3.01	5.75	0.28
TENCENT	700 HK	557.00	5,338,644	4.11	48.30	564.00	316.20	50.22	38.47	31.85	0.25	8.25
CHINA TELECOM	728 HK	2.46	34,138	5.13	-23.36	3.64	2.06	8.56	8.23	7.92	5.26	0.48
AIR CHINA	753 HK	5.11	105,924	-3.04	-35.40	8.26	4.60	9.51	N/A	16.16	0.00	0.78
CHINA TOWER	788 HK	1.74	N/A	0.00	1.16	1.78	1.56	42.33	31.17	24.94	1.60	1.18
PETROCHINA	857 HK	2.29	48,316	0.88	-41.43	4.20	2.23	7.96	N/A	17.17	6.67	0.30
CNOOC	883 HK	7.64	341,107	-0.13	-41.05	13.74	6.40	4.85	13.29	8.41	5.32	0.66
HUANENG	902 HK	3.06	83,065	-2.55	-22.34	4.11	2.24	266.06	5.78	5.13	11.37	0.38
CONCH	914 HK	53.70	69,789	1.03	-5.46	61.05	46.05	7.57	7.00	6.82	4.57	1.53
CCB	939 HK	5.30	1,342,290	5.58	-21.25	6.80	4.98	4.62	4.79	4.48	6.29	0.52
CHINA MOBILE	941 HK	50.80	1,040,154	0.89	-22.44	69.70	48.25	8.53	8.45	8.18	6.61	0.79
CNCB	998 HK	3.11	247,979	4.71	-33.40	4.77	2.96	3.04	3.22	2.97	7.93	0.28
HENGAN	1044 HK	55.25	65,730	-1.78	-0.45	71.00	50.00	14.62	12.24	N/A	5.60	2.93
SHENHUA	1088 HK	13.84	47,036	3.28	-14.99	16.62	12.06	5.74	6.11	6.02	8.19	0.65
CSPC	1093 HK	15.84	118,540	1.28	2.30	17.83	11.43	27.71	22.58	19.18	1.35	4.70
SINOPHARM	1099 HK	17.12	22,972	0.94	-39.82	29.45	14.86	7.09	6.83	6.13	4.39	0.89
CR LAND	1109 HK	37.15	264,914	3.05	-4.25	39.40	28.00	10.39	9.41	8.15	3.83	1.21
BYD	1211 HK	129.00	387,644	0.47	232.05	129.00	33.55	224.33	78.82	67.57	0.12	5.11
ABC	1288 HK	2.53	1,241,683	4.12	-26.24	3.47	2.40	3.73	4.07	3.79	7.27	0.41
NCI	1336 HK	30.40	189,809	1.50	-9.25	35.95	20.65	5.66	6.10	5.59	4.50	0.87
PICC	1339 HK	2.34	20,419	2.18	-27.78	3.38	2.11	4.07	4.35	N/A	5.41	0.45
CINDA	1359 HK	1.48	20,080	-0.67	-16.38	1.86	1.36	4.15	4.86	4.09	6.99	0.33
ICBC	1398 HK	4.24	1,893,615	4.95	-29.33	6.05	3.99	4.29	4.70	4.39	6.42	0.49
PSBC	1658 HK	3.35	66,518	2.76	-36.79	5.39	3.08	4.05	4.76	4.45	6.31	0.48
CRRC	1766 HK	3.27	171,539	-0.61	-42.43	5.99	3.05	6.93	7.52	6.58	4.91	0.57
GF SEC	1776 HK	10.30	17,529	0.59	8.54	10.76	7.60	9.05	7.79	7.16	4.29	0.71
CCC	1800 HK	4.11	121,148	-1.20	-35.28	6.55	4.01	3.08	3.29	2.88	6.10	0.24
CGN POWER	1816 HK	1.64	150,408	1.86	-21.15	2.12	1.52	7.09	7.29	7.13	5.61	0.75
MSB	1988 HK	4.08	251,740	5.70	-30.73	5.99	3.86	3.06	3.28	3.06	8.77	0.33
VANKE	2202 HK	24.00	45,445	1.48	-27.82	34.35	23.00	6.26	5.58	4.85	5.39	1.10
GAC	2238 HK	6.66	105,949	-0.60	-31.34	9.97	5.59	9.05	8.68	6.74	3.55	0.70
SHENZHO	2313 HK	135.20	203,235	0.45	18.70	135.40	73.15	34.68	32.93	28.03	1.56	6.31
PING AN	2318 HK	82.25	1,626,455	2.43	-10.69	99.55	70.90	8.51	9.77	8.21	3.08	1.71
PICC P&C	2328 HK	5.38	37,118	2.09	-42.71	10.16	5.27	4.28	4.85	4.53	8.57	0.57
GWM	2333 HK	11.58	204,106	3.58	101.04	11.58	3.85	20.55	20.14	14.93	2.43	1.62
CPIC	2601 HK	23.50	323,517	6.33	-23.45	31.70	18.16	6.68	7.19	6.56	6.20	0.93
CHINA LIFE	2628 HK	18.22	1,261,195	0.89	-15.84	22.75	12.86	7.73	8.87	7.98	4.12	1.02
HUARONG	2799 HK	0.86	21,538	0.00	-30.08	1.33	0.77	18.69	18.69	10.68	1.34	0.24
BOCOM	3328 HK	3.93	137,597	5.08	-29.06	5.61	3.66	3.42	3.71	3.60	7.90	0.34
CMB	3968 HK	38.60	1,073,795	2.80	-3.62	42.00	31.45	9.27	9.22	8.21	3.51	1.32
BOC	3988 HK	2.49	986,333	3.32	-25.23	3.37	2.37	3.55	3.84	3.83	8.17	0.36
CITIC SEC	6030 HK	18.16	425,314	2.25	2.14	20.75	13.00	16.38	12.27	10.87	3.83	1.16
ZA ONLINE	6060 HK	41.55	19,521	3.36	47.86	55.10	19.50	N/A	97.52	68.95	0.00	3.46
HAITONG SEC	6837 HK	6.86	190,059	2.85	-25.52	9.43	5.86	7.19	6.97	6.06	4.41	0.51
HTSC	6886 HK	13.20	204,202	2.48	-4.21	16.04	10.40	11.73	8.83	8.19	3.80	0.81
HANG SENG CHINA ENT INDX		9,878.74	18,436,230	2.64	-11.54	11,419.91	8,559.64	23.15	16.88	14.34	4.01	2.86

Source: FactSet

14 October 2020

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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