

# Morning Express

30 June 2021

## Focus of the Day

### Renewable/Utilities Sector Insights

#### Carbon Neutrality Series (1): National carbon trading a means to a noble end

Louis Sun      louis.sun@bocomgroup.com

- *In-depth cross-sector report (18 pages in Chinese), including co update on Xinyi Energy (3868 HK) –*

The carbon trading market can be understood as where CO2 emission allowances (CEA) are traded under emission reduction requirements. In its primary market, the government awards annual allocation of CO2 emission rights to enterprises, while enterprises with emission allowance shortfalls/surpluses make transactions in the secondary market.

In 2021, the power sector will be the first to initiate national carbon trading in China. Given annual emission of about 4bn tpa by the power sector, we estimate the national market size of carbon trading to be about RMB120bn in the initial phase.

In our view, renewable power operators will be allowed to sell emission allowance in the future, which should spawn a new revenue stream. We thus stay optimistic about the long-term growth potential of Xinyi Energy (3868 HK), leading solar power operator, with a **Buy** rating.

### Healthcare Sector Weekly

#### Fifth-round central procurement breaks many records

Li Zhao, PhD      li.zhao@bocomgroup.com

Rating: **Outperform**

**Sino Biopharm's** (1177 HK) tenofovir fumarate tablet, **CSPC's** (1093 HK) tofacitinib citrate tablet, **SH Pharma's** (2607 HK) ceftriaxone sodium for injection, lansoprazole for injection and metronidazole tablet passed the consistency evaluation of generic drugs. **HEC Pharma's** (1558 HK) atorvastatin calcium tablet was launched; its aripiprazole tablet and rivaroxaban tablet won the bid for procurement with target quantity (PTQ). **Fosun Pharma's** (2196 HK) axicabtagene ciloleucel has been approved for sale.

**Industry updates:** Results of the fifth batch of PTQ: 62 varieties were included, price cuts averaged 56%, and the number of bid-winning foreign-invested enterprises made a new high. This batch will take effect in all provinces starting October.

*Kindly vote for BOCOM Int'l sales & research teams in the 2021 Asiamoney Brokers Poll at:*  
<https://euromoney.com/brokers>

### Global Stock Indices

	Close	1D%	YTD%
HSI	28,994	-0.94	6.47
HSCEI	10,757	-0.98	0.18
SH A	3,745	-0.92	2.88
SH B	254	-0.04	4.36
SZ A	2,555	-0.91	4.80
SZ B	1,187	-0.50	9.20
DJIA	34,292	0.03	12.04
S&P 500	4,292	0.03	14.26
Nasdaq	14,528	0.19	12.73
FTSE	7,088	0.21	9.71
CAC	6,558	0.00	18.13
DAX	15,691	0.88	14.37

Source: FactSet

### Key Commodity/Forex Indicators

	Close	3M%	YTD%
Brent	74.68	14.93	44.17
Gold	1,779.60	3.94	-6.00
Silver	26.09	5.07	-1.49
Copper	9,333.50	4.37	20.56
JPY	110.51	-0.67	-6.57
GBP	1.38	0.46	1.20
EUR	1.19	1.20	-2.70
bps change		3M	6M
HIBOR	0.17	-24.31	-52.16
US 10yr yield	1.47	-14.06	58.11

Source: FactSet

### HSI Technical

HSI	28,994.10
50D MA	28,723.31
200D MA	28,685.67
14D RSI	53.44
Short sell (HK\$ m)	18,081

Source: FactSet

### Hao Hong, CFA

Head of Research

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**Investment implications:** Multiple indicators in this batch of PTQ have hit record highs, while the price competition over various chemical drugs is intensifying. The shift of focus among leading pharmaceutical companies to the R&D of innovative tumor drugs should benefit CDMOs.

2H21 top pick: WuXi Bio (2269 HK/**Buy**), with TP of HK\$143.1.

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### Economic data releases for this week – US

Date	Event	Survey	Prior
1 Jul	ISM manufacturing PMI	61.0	61.2
2 Jul	Trade balance (US\$ bn)	-70.30	-68.90
2 Jul	Unemployment rate (%)	5.7	5.8
2 Jul	Factory orders (%)	1.3	-0.6

Source: Bloomberg

### Economic data releases for this week – China

Date	Event	Survey	Prior
29 Jun	Manufacturing PMI	50.7	51.0
29 Jun	Non-manufacturing PMI		55.2

Source: Bloomberg

## BOCOM Research latest reports

### In-depth reports

8 Jun	BOCOM Int'l Research – Outlook 2H21	BOCOM Int'l Research Team
29 Jun	<a href="#">Renewable/Utilities Cross-sector Insights</a> - Carbon Neutrality Series (1): National carbon trading a means to a noble end	Louis Sun, Wallace Cheng, Bob Wen, CPA
18 Jun	<a href="#">Internet/Consumer Cross-sector Insights</a> - “618” highlights brands’ sales channel diversification platforms	Connie Gu, CPA, Edward Lui, Yoyo Pang, Brandy Sun
17 Jun	<a href="#">China Macro Review</a> - Quantitative strategy XIV: Investor sentiment in the era of big data	Karen Tan, Hanna Cai
15 Jun	<a href="#">Auto/Internet Cross-sector Insights</a> - Autonomous driving series #1: a fad, or a game changer?	Angus Chan, Connie Gu, CPA, Qibo Chen, CFA, FRM
7 Jun	<a href="#">China Market Strategy</a> - Outlook 2H21: Value Still Striking Back	Hao Hong, CFA, Karen Tan, Hanna Cai
25 May	<a href="#">China Market Strategy</a> - The Long Waves in Commodities: Three Centuries of Evidence	Hao Hong, CFA, Karen Tan
18 May	<a href="#">Insurance/Healthcare Cross-sector Insights</a> - Leading insurers to drive LT growth via healthcare forays	Li Wan, CFA, Li Zhao, PhD, John Nie
5 May	<a href="#">China Macro Review</a> - Quantitative Strategy XIII – Huddling in the Most Crowded Place	Karen Tan, Hao Hong, CFA, Hanna Cai
15 Apr	<a href="#">China Market Strategy</a> - Why Chinese Stocks Underperforming in a Recovery? Cues from Bonds	Hao Hong, CFA
29 Mar	<a href="#">China Market Strategy</a> - Value Striking Back	Hao Hong, CFA
15 Mar	<a href="#">Jiumaojiu International (9922 HK)</a> - Initiate with Buy as momentum abounds for Tai Er sauerkraut fish	Yoyo Pang, Edward Lui
10 Mar	<a href="#">Fintech Sector Insights</a> - Risk control separates wheat from chaff; Top Buy 360 Digitech	Hannah Han, Jaclyn Wang
3 Mar	<a href="#">Renewable Energy Sector Insights</a> - Insights series (1) — PV power industry riding on tailwinds of carbon neutrality	Bob Wen, CPA, Louis Sun
22 Feb	<a href="#">Banking Sector Insights</a> - Digital bank series #1 – Internet banks niche and highly profitable	Jaclyn Wang, Hannah Han

### Daily reports

29 Jun	<a href="#">China Gas Holdings (384 HK)</a> - Resetting growth path on more solid operation	Wallace Cheng
28 Jun	<a href="#">Great Wall Motor (2333 HK)</a> - Inspiring 2025 strategy	Angus Chan
28 Jun	<a href="#">Bilibili Inc (BILI US)</a> - 12th anniversary focuses on content category and community interaction	Connie Gu, CPA, Brandy Sun, Li Zhao, CFA
28 Jun	<a href="#">China Macro Review</a> - Data monitor: LPR unchanged for 14 months; liquidity tighter marginally	Hanna Cai, Karen Tan
28 Jun	<a href="#">Geely Automobile (175 HK)</a> - Withdrawn A-share IPO has limited impact; eyes on Zeekr	Angus Chan
24 Jun	<a href="#">Xinyi Energy (3868 HK)</a> - New project tariff poised to rise on policy beat	Bob Wen, CPA, Louis Sun
24 Jun	<a href="#">Insurance Sector</a> - Mid/high-end clientele an emerging battlefield	Li Wan, CFA, FRM
24 Jun	<a href="#">WuXi Biologics (2269 HK)</a> - Top R&D platform favored by customers, reiterate Buy	Li Zhao, PhD, John Nie
23 Jun	<a href="#">SITC Int'l (1308 HK)</a> - LT regional winner, earnings to hit new high	Maggie Wang
22 Jun	<a href="#">China Gas Holdings (384 HK)</a> - Rebuilding confidence	Wallace Cheng
21 Jun	<a href="#">China Macro Review</a> - Data monitor: liquidity stable; service consumption improved	Hanna Cai, Karen Tan
17 Jun	<a href="#">Link REIT (823 HK)</a> - FY21 results in line; retail portfolio to resume growth in FY22E	Philip Tse, CFA, FRM, Evangeline Luo, CFA, CPA, Spencer Luo
17 Jun	<a href="#">COSCO Shipping Holdings (1919 HK)</a> - Prolonged market tailwinds underpin FY21E earnings	Maggie Wang
16 Jun	<a href="#">China Gas Holdings (384 HK)</a> - Fatal accident in Shiyen city clouds outlook	Wallace Cheng
15 Jun	<a href="#">China Macro Review</a> - Data monitor: liquidity stable; CPI up, PPI rebounds further	Hanna Cai, Karen Tan
10 Jun	<a href="#">Akeso Inc (9926 HK)</a> - The clinical data eye-catching, the advantages of bispecific outstanding, maintain Buy	Li Zhao, PhD, John Nie
9 Jun	<a href="#">Momo Inc (MOMO US)</a> - Momo core on recovery track, Tantan shifts strategy to sustainable growth	Connie Gu, CPA, Brandy Sun, Li Zhao, CFA
9 Jun	<a href="#">Tian Lun Gas (1600 HK)</a> - New strategic investor to drive synergies	Wallace Cheng
7 Jun	<a href="#">Baidu Inc (BIDU US)</a> - Technology empowerment, large monetization potential upside in the mid- to long-term	Connie Gu, CPA, Brandy Sun, Li Zhao, CFA
7 Jun	<a href="#">Alibaba Group (BABA US)</a> - New strategic investment of RMB30bn to tap a broader TAM	Connie Gu, CPA, Brandy Sun, 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----- High (HK\$)	Low (HK\$)	2020 (x)	P/E----- 2021E (x)	2022E (x)	Yield 2021E (%)	P/B 2021E (x)
CKH	1 HK	60.75	234,254	-0.98	12.29	65.75	46.05	8.21	7.71	6.82	4.06	0.43
CLP	2 HK	76.95	194,410	-0.84	7.32	80.35	70.50	17.06	16.41	15.78	4.09	1.71
HK & CHINA GAS	3 HK	12.10	225,785	-0.98	9.72	13.01	10.34	37.90	30.24	27.42	2.88	3.34
HSBC	5 HK	45.25	924,277	-1.42	11.04	50.80	4.24	16.42	10.19	9.54	3.89	0.67
POWER ASSETS	6 HK	47.70	101,804	-1.75	13.57	50.50	39.50	16.83	16.48	16.13	5.82	1.21
HANG SENG	11 HK	155.00	296,335	0.71	15.93	165.20	111.10	18.60	17.30	15.75	3.70	1.57
HENDERSON	12 HK	36.70	177,679	-1.87	21.32	38.55	27.35	12.13	12.40	12.13	4.82	0.54
SHKP	16 HK	115.70	335,273	-1.95	15.70	125.00	91.65	11.55	11.00	10.62	4.23	0.58
NEW WORLD	17 HK	40.30	102,448	-1.59	11.63	42.75	34.90	15.78	14.04	13.73	5.01	0.46
GEG	27 HK	59.55	259,051	-1.81	-1.16	78.25	50.05	N/A	64.10	20.78	0.15	3.73
MTRC	66 HK	43.30	267,478	0.93	-0.12	49.00	37.90	60.99	28.21	16.91	2.85	1.53
HLP	101 HK	19.10	85,933	-1.65	-6.60	22.30	18.36	20.73	17.93	15.87	4.05	0.61
GEELY	175 HK	25.30	248,451	-3.07	-4.53	33.80	12.20	37.88	24.67	19.82	1.07	2.96
ALI HEALTH	241 HK	17.64	237,867	1.03	-22.97	29.90	17.02	316.23	295.22	222.18	0.00	13.78
CITIC LTD	267 HK	8.32	242,031	-0.36	51.55	9.24	5.22	4.30	3.85	3.58	6.44	0.34
WH GROUP	288 HK	6.96	102,630	0.29	7.08	7.45	5.95	13.66	9.72	8.76	4.39	1.23
SINOPEC	386 HK	3.95	100,778	-4.82	13.83	4.55	2.97	12.66	6.91	6.39	8.42	0.54
HKEX	388 HK	468.60	593,182	1.96	10.26	567.00	330.00	52.12	40.70	35.01	2.21	11.59
TECHTRONIC	669 HK	134.90	246,863	1.97	21.97	150.10	75.60	40.13	32.91	27.57	1.20	7.10
COLI	688 HK	18.10	198,085	-1.31	7.35	26.95	15.20	4.36	4.01	3.66	7.52	0.48
TENCENT	700 HK	590.50	5,604,046	1.29	4.70	766.50	498.60	29.98	32.68	27.49	0.31	5.53
UNICOM	762 HK	4.25	130,042	1.19	-4.49	6.53	4.13	8.74	7.79	6.89	5.30	0.33
LINK	823 HK	75.95	158,117	-2.94	7.58	78.25	58.20	27.11	26.85	25.59	3.73	1.02
PETROCHINA	857 HK	3.70	78,066	-2.37	54.17	3.91	2.16	32.11	8.60	9.31	5.76	0.47
CNOOC	883 HK	8.83	394,237	-1.56	22.98	10.40	6.55	13.50	5.48	5.15	7.80	0.72
CCB	939 HK	6.11	1,544,950	-0.97	3.74	6.68	4.98	4.83	4.51	4.23	6.72	0.52
CHINA MOBILE	941 HK	49.00	1,003,300	1.45	10.86	59.85	41.50	7.83	7.60	7.26	7.02	0.70
LONGFOR	960 HK	44.60	262,573	0.79	-1.76	53.45	36.85	11.02	9.92	8.38	4.52	1.80
CK INFRA	1038 HK	46.40	116,910	-2.11	11.40	49.90	36.15	16.24	13.01	12.70	5.28	1.01
HENGAN	1044 HK	54.40	64,058	4.92	-0.91	71.00	49.35	11.41	11.64	10.99	5.84	2.53
CSPC	1093 HK	11.30	135,087	-2.08	42.50	12.46	7.16	22.43	22.01	18.62	1.34	4.38
CR LAND	1109 HK	32.55	232,112	-1.66	1.72	40.80	29.35	8.11	7.21	6.42	5.09	0.88
CKA	1113 HK	53.70	195,829	0.75	34.92	53.80	35.90	10.23	9.27	8.95	3.82	0.53
SBP	1177 HK	7.72	144,989	0.26	2.93	10.88	6.65	38.91	26.42	25.28	1.04	5.58
BYD	1211 HK	236.60	800,065	3.95	16.44	278.40	59.80	132.87	110.35	77.66	0.08	8.53
AIA	1299 HK	95.70	1,154,884	-1.49	0.74	108.90	69.35	25.71	22.34	19.91	1.54	2.20
ICBC	1398 HK	4.61	2,075,786	-8.17	-8.35	5.60	3.99	4.54	4.29	4.02	7.18	0.48
XIAOMI	1810 HK	27.45	560,367	0.00	-17.32	35.30	12.84	27.14	27.96	24.25	0.00	4.00
BUDWEISER APAC	1876 HK	24.80	328,436	1.22	-3.13	29.15	21.85	76.81	42.04	35.93	0.93	3.80
SANDS	1928 HK	32.00	258,977	-4.48	-6.02	40.20	27.00	N/A	104.68	18.49	0.00	18.38
WHARF REIC	1997 HK	44.25	134,353	-2.75	9.67	48.85	27.30	18.21	17.53	15.62	3.65	0.66
COUNTRY GARDEN	2007 HK	8.90	193,718	-1.44	-16.98	11.26	8.90	4.77	4.43	3.97	6.95	0.82
AAC TECH	2018 HK	58.50	70,697	1.30	34.79	62.95	38.40	38.33	23.71	19.30	0.91	2.51
ANTA	2020 HK	188.00	506,756	4.68	52.97	189.70	68.40	82.22	52.96	41.20	0.62	14.35
WUXI BIO	2269 HK	144.10	603,729	3.82	40.18	145.60	46.50	302.79	199.77	137.63	0.00	21.37
SHENZHOU	2313 HK	198.20	297,938	3.34	30.39	207.60	90.85	48.86	38.63	32.60	1.34	8.06
PING AN	2318 HK	76.60	1,403,454	-0.97	-19.37	103.10	76.05	8.00	7.70	6.61	3.71	1.35
MENGNIU	2319 HK	46.80	184,281	-0.53	0.00	52.00	29.60	43.96	30.21	25.03	0.89	4.17
SUNNY OPTICAL	2382 HK	243.20	266,078	1.42	43.31	243.20	114.50	45.12	37.70	30.13	0.51	10.15
BOCHK	2388 HK	26.20	277,007	-1.50	11.49	29.55	20.30	10.58	10.08	9.16	5.02	0.92
CHINA LIFE	2628 HK	15.50	962,952	-0.39	-9.36	20.90	15.38	7.36	6.59	5.76	5.39	0.75
BOCOM	3328 HK	5.20	182,062	0.39	26.83	5.25	3.66	4.40	4.16	3.89	7.59	0.41
MEITUAN	3690 HK	323.80	1,657,212	2.79	9.91	451.40	171.90	350.44	N/A	1,763.51	0.00	17.69
BOC	3988 HK	2.79	1,013,627	-0.71	5.28	3.16	2.37	3.83	3.59	3.32	8.80	0.36
CG SERVICES	6098 HK	85.20	274,452	5.12	62.44	85.20	35.50	69.92	49.42	33.64	0.49	11.04
HAIDILAO	6862 HK	40.65	215,445	10.16	-31.91	83.55	32.70	N/A	N/A	N/A	N/A	N/A
XINYI SOLAR	968 HK	17.30	152,430	7.86	-14.57	22.10	7.34	29.57	26.39	25.56	1.79	4.88
ALIBABA	9988 HK	219.40	4,755,583	4.38	-5.67	307.40	203.00	22.65	23.36	18.76	0.00	3.58
<b>HANG SENG INDEX</b>		<b>28,994.10</b>	<b>28,430,808</b>	<b>0.39</b>	<b>6.47</b>	<b>31,084.94</b>	<b>23,235.42</b>	<b>47.49</b>	<b>27.71</b>	<b>106.75</b>	<b>2.68</b>	<b>4.43</b>

Source: FactSet

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**Morning Express**
**HSCEI constituents**

Company name	Stock code	Closing price (HK\$)	Mkt cap (HK\$ m)	5D chg (%)	YTD chg (%)	-----52-week----- High (HK\$) Low (HK\$)	-----P/E----- 2020 (x) 2021E (x) 2022E (x)	Yield 2021E (%)	P/B 2021E (x)
N/A	N/A	9.61	103,892	5.60	7.49	19.10 7.83	31.66 21.04 13.66	1.00	6.20
GEELY	175 HK	25.30	248,451	-3.07	-4.53	33.80 12.20	37.88 24.67 19.82	1.07	2.96
ALI HEALTH	241 HK	17.64	237,867	1.03	-22.97	29.90 17.02	316.23 295.22 222.18	0.00	13.78
CITIC LTD	267 HK	8.32	242,031	-0.36	51.55	9.24 5.22	4.30 3.85 3.58	6.44	0.34
CR BEER	291 HK	70.60	229,039	-0.14	-1.12	75.40 43.20	93.23 55.85 43.91	0.71	8.45
CGH	384 HK	23.90	133,944	-3.63	-22.40	33.50 20.75	14.38 12.02 10.65	2.33	2.75
SINOPEC	386 HK	3.95	100,778	-4.82	13.83	4.55 2.97	12.66 6.91 6.39	8.42	0.54
COLI	688 HK	18.10	198,085	-1.31	7.35	26.95 15.20	4.36 4.01 3.66	7.52	0.48
TENCENT	700 HK	590.50	5,604,046	1.29	4.70	766.50 498.60	29.98 32.68 27.49	0.31	5.53
SHIMAO	813 HK	19.84	70,117	-0.80	-19.68	37.50 19.70	4.70 4.15 3.62	9.55	0.60
CNOOC	883 HK	8.83	394,237	-1.56	22.98	10.40 6.55	13.50 5.48 5.15	7.80	0.72
CONCH	914 HK	41.45	53,868	-0.12	-14.62	61.05 40.30	5.59 5.17 5.20	6.13	1.00
CCB	939 HK	6.11	1,544,950	-0.97	3.74	6.68 4.98	4.83 4.51 4.23	6.72	0.52
CHINA MOBILE	941 HK	49.00	1,003,300	1.45	10.86	59.85 41.50	7.83 7.60 7.26	7.02	0.70
LONGFOR	960 HK	44.60	262,573	0.79	-1.76	53.45 36.85	11.02 9.92 8.38	4.52	1.80
SMIC	981 HK	23.35	139,213	-1.06	5.66	41.95 17.28	27.58 35.53 35.84	0.00	1.50
KUAISHOU	1024 HK	202.40	686,682	5.69	-32.53	415.00 187.80	N/A N/A N/A	N/A	N/A
CSPC	1093 HK	11.30	135,087	-2.08	42.50	12.46 7.16	22.43 22.01 18.62	1.34	4.38
CR LAND	1109 HK	32.55	232,112	-1.66	1.72	40.80 29.35	8.11 7.21 6.42	5.09	0.88
SBP	1177 HK	7.72	144,989	0.26	2.93	10.88 6.65	38.91 26.42 25.28	1.04	5.58
BYD	1211 HK	236.60	800,065	3.95	16.44	278.40 59.80	132.87 110.35 77.66	0.08	8.53
ABC	1288 HK	2.70	1,245,842	0.00	-4.93	3.25 2.40	3.82 3.58 3.36	8.77	0.39
ICBC	1398 HK	4.61	2,075,786	-8.17	-8.35	5.60 3.99	4.54 4.29 4.02	7.18	0.48
PSBC	1658 HK	5.16	539,275	1.57	17.81	6.21 3.08	6.05 5.65 5.13	5.36	0.64
XIAOMI	1810 HK	27.45	560,367	0.00	-17.32	35.30 12.84	27.14 27.96 24.25	0.00	4.00
SUNAC CHINA	1918 HK	27.20	127,168	-1.63	-5.06	40.80 26.95	3.42 3.13 2.86	7.46	0.69
COUNTRY GARDEN	2007 HK	8.90	193,718	-1.44	-16.98	11.26 8.90	4.77 4.43 3.97	6.95	0.82
ANTA	2020 HK	188.00	506,756	4.68	52.97	189.70 68.40	82.22 52.96 41.20	0.62	14.35
SHENZHOU	2313 HK	198.20	297,938	3.34	30.39	207.60 90.85	48.86 38.63 32.60	1.34	8.06
PING AN	2318 HK	76.60	1,403,454	-0.97	-19.37	103.10 76.05	8.00 7.70 6.61	3.71	1.35
MENGNIU	2319 HK	46.80	184,281	-0.53	0.00	52.00 29.60	43.96 30.21 25.03	0.89	4.17
SUNNY OPTICAL	2382 HK	243.20	266,078	1.42	43.31	243.20 114.50	45.12 37.70 30.13	0.51	10.15
CPIC	2601 HK	24.35	315,017	-2.01	-19.77	41.45 20.70	7.78 7.21 6.31	6.40	0.84
CHINA LIFE	2628 HK	15.50	962,952	-0.39	-9.36	20.90 15.38	7.36 6.59 5.76	5.39	0.75
ENN	2688 HK	148.30	167,115	0.27	30.32	153.20 80.65	22.10 19.13 16.80	1.83	3.91
BOCOM	3328 HK	5.20	182,062	0.39	26.83	5.25 3.66	4.40 4.16 3.89	7.59	0.41
EVERGRANDE	3333 HK	10.54	139,625	-3.30	-29.26	28.00 9.91	14.24 5.25 4.96	4.67	0.68
MEITUAN	3690 HK	323.80	1,657,212	2.79	9.91	451.40 171.90	350.44 N/A 1,763.51	0.00	17.69
HANSON PHARM	3692 HK	34.80	206,098	1.46	-7.45	45.45 28.95	66.83 53.27 42.62	0.38	8.73
CMB	3968 HK	66.40	1,639,023	-0.23	35.51	71.75 35.65	14.75 12.72 11.09	2.56	1.96
BOC	3988 HK	2.79	1,013,627	-0.71	5.28	3.16 2.37	3.83 3.59 3.32	8.80	0.36
CG SERVICES	6098 HK	85.20	274,452	5.12	62.44	85.20 35.50	69.92 49.42 33.64	0.49	11.04
CHINA FEIHE	6186 HK	17.50	156,333	0.46	-3.63	24.85 14.80	17.65 17.23 14.47	2.09	5.56
JD HEALTH	6618 HK	111.70	355,694	2.29	-25.53	195.00 98.30	N/A 400.71 183.41	0.00	7.52
HAIDILAO	6862 HK	40.65	215,445	10.16	-31.91	83.55 32.70	N/A N/A N/A	N/A	N/A
JD.COM	9618 HK	302.00	795,740	5.52	-11.70	416.80 231.80	47.56 48.79 32.99	0.00	3.66
NONGFU SPRING	9633 HK	39.30	197,863	-2.00	-28.42	66.60 33.10	70.01 61.10 52.92	0.62	18.74
BAIDU	9888 HK	197.20	447,435	6.59	-21.75	252.00 176.10	20.54 20.35 17.36	0.00	1.85
ALIBABA	9988 HK	219.40	4,755,583	4.38	-5.67	307.40 203.00	22.65 23.36 18.76	0.00	3.58
NETEASE	9999 HK	173.10	546,264	3.59	17.28	206.00 131.40	31.65 25.40 21.74	0.99	4.84
<b>HANG SENG CHINA ENT INDX</b>		<b>10,757.30</b>	<b>29,536,850</b>	<b>0.75</b>	<b>0.18</b>	<b>12,228.63 9,281.52</b>	<b>41.90 28.96 104.87</b>	<b>2.68</b>	<b>4.18</b>

Source: FactSet

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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**.

30 June 2021

**Morning Express****Analyst certification**

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