

# Morning Express

23 July 2021

## Focus of the Day

### Internet/Consumer/Transport Sector Insights

#### Community Group Buy grows alongside traditional businesses; user add outweighs profit

Connie Gu, CPA      connie.gu@bocomgroup.com

*- In-depth cross-sector report (31 pages in Chinese) -*

Internet companies have made forays into Community Group Buy (CGB) market for nearly a year. 2021E total investment may exceed RMB100bn with a market size of over RMB700bn.

Supermarkets are more affected by CGB, but continue to enjoy supply-chain advantages. Fresh products bring traffic to CGB platforms, with profitability counting on fast-moving consumer goods. The industry also boosts the order volume of freight and express delivery companies.

The short-term focus of CGB is customer acquisition, while there is room for long-term UE enhancement. Platforms will continue to subsidize customers, putting profitability in the second place.

The current market landscape is little changed from that predicted in our previous report in February. Meituan/Pinduoduo take the largest market shares. Late entrants Alibaba/JD may seize some shares with their existing supply-chain, warehousing and delivery capabilities.

Industry risks: policy tightening and smaller-than-expected scale economies.

### Property Sector Weekly

#### Wave of positive profit alerts for property managers

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**Hong Kong property:** Due to the lack of new project launches, transaction volume dived 78.9% WoW to 40 units in the primary market during the past weekend. Secondary home sales were also soft, as those at the 50 residential estates dropped 8.3% WoW to 155 units.

**China property:** Zhenro Services (6958 HK) expects its unaudited consolidated net profit to jump >60% YoY in 1H21, according to the profit alert. Evergrande Property Services (6666 HK) also previewed positive results for 1H21, anticipating a net profit surge of ~70% YoY. Besides, Evergrande Group (3333 HK) announced it had resolved its debt dispute with Guangfa Bank and repaid in full the relevant

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<https://euromoney.com/brokers>

### Global Stock Indices

	Close	1D%	YTD%
HSI	27,724	1.76	0.45
HSCEI	10,007	1.79	-6.82
SH A	3,747	0.34	2.92
SH B	264	0.51	8.53
SZ A	2,620	0.45	7.48
SZ B	1,241	0.08	14.20
DJIA	34,823	0.07	13.78
S&P 500	4,367	0.20	16.28
Nasdaq	14,685	0.36	13.94
FTSE	6,968	-0.43	7.86
CAC	6,464	0.00	16.45
DAX	15,515	0.60	13.09

Source: FactSet

### Key Commodity/Forex Indicators

	Close	3M%	YTD%
Brent	72.23	10.44	39.44
Gold	1,802.90	1.22	-4.76
Silver	25.11	-4.54	-5.21
Copper	9,271.50	-2.15	19.76
JPY	110.14	-1.94	-6.26
GBP	1.38	-0.64	0.64
EUR	1.18	-1.91	-3.62

		3M	6M
bps change			
HIBOR	0.15	-16.24	-37.47
US 10yr yield	1.26	-19.44	15.47

Source: FactSet

### HSI Technical

HSI	27,723.84
50D MA	28,324.65
200D MA	28,789.13
14D RSI	46.07
Short sell (HK\$m)	15,500

Source: FactSet

**Hao Hong, CFA**

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loan amount of RMB132m. 10-city MTD transaction volume was up 7.2% YoY; new supply rose 6.4% YoY.

**Investment implications:** For HK developers, those with ample residential pipelines instead of retail/commercial portfolios remain our favorites, including SHKP (16 HK/**Buy**) and New World (17 HK/**Buy**).

For mainland developers, we expect more policies in the short term given the emerging upward ASP pressure, and still favor developers with faster project launches, undemanding valuation, and improving financials, including Shimao (813 HK/**Buy**).

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### Economic data releases for this week – US

Date	Event	Survey	Prior
20 Jul	Housing starts (m)	1.590	1.572
22 Jul	Existing home sales (m)	5.90	5.80
23 Jul	Manufacturing PMI	61.5	62.1

Source: Bloomberg

### Economic data releases for this week – China

Date	Event	Survey	Prior
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Source: Bloomberg

## BOCOM Research latest reports

### In-depth reports

22 Jul	<a href="#">Internet/Consumer/Transport Sector Insights</a> - Community Group Buy will not replace traditional business formats, and the added value of customer acquisition is greater than profit making	Connie Gu, CPA, Edward Lui, Brandy Sun, Maggie Wang
16 Jul	<a href="#">Banking/Property Sector Insights</a> - Banks and developers finding the way out of property financing curb	Jaclyn Wang, Philip Tse, CFA, FRM, Hannah Han, Evangeline Luo, CFA, CPA
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	Hanna Cai, Karen Tan
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
<b>8 Jun</b>	<b><a href="#">BOCOM Int'l Research – Outlook 2H21</a></b>	<b>BOCOM Int'l Research Team</b>
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

21 July	<a href="#">Financials Sector</a> - Our take on e-CNY white paper	Li Wan, CFA, FRM
21 July	<a href="#">Great Wall Motor (2333 HK)</a> - In-line 1H21 alert; sales volume growth still key driver	Angus Chan
20 July	<a href="#">Securities Sector</a> - Robinhood: order flow as top revenue source, wealth management path unclear	Jingyi Zhang, CFA, Li Wan, CFA, FRM
19 July	<a href="#">China Pacific Insurance (2601 HK)</a> - Expect NBV to grow ~8% yoy in 1H21	Li Wan, CFA, FRM
19 July	<a href="#">China Macro Review</a> - Data monitor: RRR cut in place, interbank liquidity eased	Hanna Cai, Karen Tan
19 July	<a href="#">Internet Sector</a> - Innovation is key under tightened scrutiny	Connie Gu, CPA, Brandy Sun, Li Zhao, CFA
16 July	<a href="#">Tian Lun Gas (1600 HK)</a> - Tapping hydrogen/renewable energy with Zhuhai Port	Wallace Cheng
16 July	<a href="#">Internet Sector</a> - Potential ecosystem open-up to bring competition back to basics	Connie Gu, CPA, Brandy Sun, Li Zhao, CFA
15 July	<a href="#">China Resources Gas (1193 HK)</a> - Upgrade to Buy on strong YoY recovery	Wallace Cheng
14 July	<a href="#">iQIYI Inc (IQ US)</a> - iQIYI leads in self-produced contents; Maintain Buy	Connie Gu, CPA, Brandy Sun, Li Zhao, CFA
13 Jul	<a href="#">NetEase Inc (NTES US)</a> - 2Q21E games stable; positive test results for new titles	Brandy Sun, Connie Gu, CPA, Li Zhao, CFA
13 Jul	<a href="#">JD.com Inc (JD US)</a> - Supply chain edges bolster omni-channel value; CGB a longer-term driver	Brandy Sun, Connie Gu, CPA, Li Zhao, CFA
13 Jul	<a href="#">Tencent Music Entertainment (TME US)</a> - Stronger synergies and monetization potential after restructuring	Connie Gu, CPA, Brandy Sun, Li Zhao, CFA
12 Jul	<a href="#">China Macro Review</a> - Data monitor: CPI and PPI edged down; PBoC cut reserve ratio	Hanna Cai, Karen Tan
12 Jul	<a href="#">Banking Sector</a> - RRR cut to lower cost and stabilize pricing; earnings rebound to continue	Jaclyn Wang, Hannah Han
9 Jul	<a href="#">Alibaba Group (BABA US)</a> - 1QFY22 earnings preview: strategic investment continues	Connie Gu, CPA, Brandy Sun, Li Zhao, CFA, Qibo Chen, CFA, FRM
9 Jul	<a href="#">Orient Overseas Int'l (316 HK)</a> - Extended peak season points to a year of superior profits	Maggie Wang
9 Jul	<a href="#">360 DigiTech Inc (QFIN US)</a> - Minor impact on 3Q results from app removal	Hannah Han, Jaclyn Wang
9 Jul	<a href="#">Anta Sports (2020 HK)</a> - "Lead to Win" strategy set to drive next growth phase	Edward Lui, Yoyo Pang
6 Jul	<a href="#">WuXi Biologics (2269 HK)</a> - New oncology policy favors industry in long run	Li Zhao, PhD, John Nie

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 2021E (%)	P/B 2021E (x)
						High (HK\$)	Low (HK\$)	2020 (x)	2021E (x)	2022E (x)		
CKH	1 HK	57.80	222,438	-1.45	6.84	65.75	46.05	7.53	6.87	6.41	4.64	0.43
CLP	2 HK	78.70	198,832	1.16	9.76	80.35	70.50	17.22	16.74	16.37	4.03	1.70
HK & CHINA GAS	3 HK	12.64	235,861	2.27	14.61	13.01	10.34	38.96	30.64	27.99	2.80	3.39
HSBC	5 HK	43.30	884,446	-1.03	6.26	50.80	4.24	15.15	9.37	8.68	4.22	0.61
POWER ASSETS	6 HK	49.25	105,112	0.92	17.26	50.50	39.50	17.02	15.96	15.81	5.75	1.23
HANG SENG	11 HK	151.50	289,644	-0.85	13.31	165.20	111.10	17.86	16.61	15.13	3.85	1.51
HENDERSON	12 HK	36.25	175,500	-0.68	19.83	38.55	27.35	11.66	11.66	11.83	5.01	0.52
SHKP	16 HK	115.60	334,983	-1.03	15.60	125.00	91.65	11.30	11.33	10.39	4.32	0.57
NEW WORLD	17 HK	37.50	95,349	0.00	3.88	42.75	34.90	14.35	12.61	11.74	5.51	0.42
GEG	27 HK	58.60	254,926	-0.17	-2.74	78.25	50.05	N/A	88.90	20.25	0.05	3.48
MTRC	66 HK	47.00	290,734	5.26	8.42	49.00	37.90	64.30	31.76	13.71	2.71	1.58
HLP	101 HK	18.88	84,943	1.07	-7.68	22.30	18.18	19.83	16.94	15.11	4.23	0.59
GEELY	175 HK	23.95	235,194	-1.64	-9.62	33.80	14.72	34.80	24.21	18.47	1.21	2.72
ALI HEALTH	241 HK	14.52	195,627	-4.60	-36.59	29.90	14.26	249.42	232.86	175.25	0.00	10.90
CITIC LTD	267 HK	8.05	234,177	-3.13	46.63	9.24	5.22	4.06	3.61	3.34	6.95	0.32
WH GROUP	288 HK	6.32	93,202	-3.95	-2.77	7.43	5.95	12.08	8.86	7.98	4.39	1.09
SINOPEC	386 HK	3.68	93,889	-1.60	6.05	4.55	2.97	10.87	5.69	5.47	10.49	0.46
HKEX	388 HK	540.00	683,564	3.05	27.06	567.00	353.80	58.86	46.16	39.63	1.96	13.09
TECHTRONIC	669 HK	136.80	250,340	1.33	23.69	150.10	80.75	38.33	31.55	26.54	1.26	6.78
COLI	688 HK	18.14	198,522	-1.31	7.59	24.10	15.20	4.25	3.92	3.66	7.62	0.47
TENCENT	700 HK	544.00	5,163,120	-3.55	-3.55	766.50	502.00	27.12	30.03	24.93	0.34	5.04
UNICOM	762 HK	4.29	131,266	3.87	-3.60	6.53	4.11	8.49	7.56	6.69	5.41	0.32
LINK	823 HK	75.80	157,805	0.26	7.37	78.25	58.20	26.10	25.85	24.64	3.87	0.98
PETROCHINA	857 HK	3.34	70,470	-0.89	39.17	3.91	2.16	26.82	6.70	7.60	7.27	0.39
CNOOC	883 HK	8.11	362,091	-0.12	12.95	10.40	6.55	11.66	4.52	4.35	9.04	0.62
CCB	939 HK	5.48	1,386,027	-1.79	-6.96	6.68	4.98	4.27	3.97	3.72	7.64	0.46
CHINA MOBILE	941 HK	50.20	1,027,870	4.47	13.57	59.85	41.50	7.71	7.48	7.20	7.09	0.69
LONGFOR	960 HK	44.10	259,649	5.38	-2.86	53.45	37.45	10.53	9.48	8.08	4.72	1.73
XINYI SOLAR	968 HK	15.98	142,048	4.31	-21.09	22.10	8.15	27.33	24.39	23.63	1.93	4.51
CK INFRA	1038 HK	46.40	116,910	0.22	11.40	49.90	36.15	15.72	12.69	12.14	5.44	1.01
HENGAN	1044 HK	48.05	56,581	-1.33	-12.48	71.00	47.15	10.44	11.59	10.79	5.58	2.35
CSPC	1093 HK	10.58	126,480	-2.94	33.42	12.46	7.16	20.57	20.18	17.07	1.46	4.02
CR LAND	1109 HK	31.45	224,268	-1.10	-1.72	40.80	30.10	7.51	6.68	5.96	5.44	0.82
CKA	1113 HK	53.30	194,203	-0.74	33.92	55.10	35.90	10.11	8.95	8.40	3.86	0.52
SBP	1177 HK	7.05	132,406	-0.56	-6.00	10.88	6.65	35.13	23.29	24.26	1.15	5.15
BYD	1211 HK	223.80	776,564	5.37	10.14	278.40	70.15	123.85	105.23	73.11	0.09	7.40
AIA	1299 HK	96.00	1,158,514	-0.16	1.05	108.90	69.35	25.11	21.91	19.13	1.57	2.14
ICBC	1398 HK	4.43	1,909,308	-1.12	-11.93	5.60	3.99	4.25	4.01	3.77	7.66	0.45
XIAOMI	1810 HK	27.15	554,566	-3.89	-18.22	35.30	14.64	26.34	26.87	23.05	0.00	3.88
BUDWEISER APAC	1876 HK	24.30	321,815	-0.82	-5.08	29.15	21.85	74.40	41.76	34.80	0.96	3.68
SANDS	1928 HK	30.30	245,219	-0.98	-11.01	40.20	27.00	N/A	N/A	18.01	0.00	17.02
WHARF REIC	1997 HK	45.35	137,693	0.89	12.39	48.85	27.30	18.17	17.39	15.62	3.65	0.65
COUNTRY GARDEN	2007 HK	8.39	182,617	1.21	-21.74	11.26	8.08	4.29	4.01	3.55	7.73	0.73
AAC TECH	2018 HK	49.50	59,821	-4.53	14.06	62.95	38.40	33.28	20.50	16.73	1.03	2.17
ANTA	2020 HK	177.90	479,531	-4.61	44.75	189.70	70.75	77.89	50.16	39.08	0.65	13.42
WUXI BIO	2269 HK	133.80	560,685	-4.36	30.16	145.60	47.90	274.41	171.62	116.35	0.00	19.17
SHENZHOU	2313 HK	169.10	254,195	1.50	11.25	207.60	90.85	41.64	33.89	27.87	1.52	6.88
PING AN	2318 HK	72.40	1,295,740	-1.36	-23.79	103.10	70.45	7.30	7.04	6.05	4.06	1.24
MENGNIU	2319 HK	44.30	174,445	0.80	-5.34	52.00	34.25	41.22	28.23	22.83	0.97	3.90
SUNNY OPTICAL	2382 HK	235.00	257,106	3.98	38.48	245.40	114.50	44.31	36.79	29.35	0.54	9.98
BOCHK	2388 HK	25.25	266,963	-1.17	7.45	29.55	20.30	9.96	9.49	8.63	5.25	0.86
CHINA LIFE	2628 HK	13.68	887,421	-2.43	-20.00	20.15	13.50	6.35	5.65	4.97	6.36	0.65
BOCOM	3328 HK	4.57	160,004	-1.93	11.46	5.25	3.66	3.81	3.63	3.34	9.01	0.35
MEITUAN	3690 HK	279.80	1,432,019	-3.78	-5.02	451.40	185.00	288.49	N/A	1,451.77	0.00	14.71
BOC	3988 HK	2.72	999,281	-1.45	2.64	3.16	2.37	3.70	3.39	3.16	9.20	0.35
CG SERVICES	6098 HK	73.95	238,634	-5.01	40.99	85.20	41.80	62.02	43.87	29.97	0.56	7.29
HAIDILAO	6862 HK	44.05	240,469	-1.67	-26.21	83.55	34.70	N/A	N/A	N/A	N/A	N/A
ALIBABA	9988 HK	207.40	4,495,478	-0.96	-10.83	307.40	195.50	20.71	21.58	17.44	0.00	3.33
<b>HANG SENG INDEX</b>		<b>27,723.84</b>	<b>26,949,942</b>	<b>-1.00</b>	<b>1.81</b>	<b>31,084.94</b>	<b>23,235.42</b>	<b>40.89</b>	<b>25.58</b>	<b>83.67</b>	<b>2.90</b>	<b>3.98</b>

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 2021E (%)	P/B 2021E (x)
						High (HK\$)	Low (HK\$)	2020 (x)	2021E (x)	2022E (x)		
GEELY	175 HK	23.95	235,194	-1.64	-9.62	33.80	14.72	34.80	24.21	18.47	1.21	2.72
ALI HEALTH	241 HK	14.52	195,627	-4.60	-36.59	29.90	14.26	249.42	232.86	175.25	0.00	10.90
CITIC LTD	267 HK	8.05	234,177	-3.13	46.63	9.24	5.22	4.06	3.61	3.34	6.95	0.32
CR BEER	291 HK	65.85	213,629	-2.73	-7.77	75.40	45.80	86.74	48.19	36.45	0.85	7.70
CGH	384 HK	24.25	135,395	-1.02	-21.27	33.50	20.75	13.49	11.82	10.72	2.32	2.38
SINOPEC	386 HK	3.68	93,889	-1.60	6.05	4.55	2.97	10.87	5.69	5.47	10.49	0.46
COLI	688 HK	18.14	198,522	-1.31	7.59	24.10	15.20	4.25	3.92	3.66	7.62	0.47
TENCENT	700 HK	544.00	5,163,120	-3.55	-3.55	766.50	502.00	27.12	30.03	24.93	0.34	5.04
SHIMAO	813 HK	17.50	61,847	-3.63	-29.15	37.50	16.92	4.01	3.56	3.12	11.21	0.50
CNOOC	883 HK	8.11	362,091	-0.12	12.95	10.40	6.55	11.66	4.52	4.35	9.04	0.62
CONCH	914 HK	39.85	51,789	1.01	-17.92	61.05	38.35	5.18	4.89	5.03	6.45	0.92
CCB	939 HK	5.48	1,386,027	-1.79	-6.96	6.68	4.98	4.27	3.97	3.72	7.64	0.46
CHINA MOBILE	941 HK	50.20	1,027,870	4.47	13.57	59.85	41.50	7.71	7.48	7.20	7.09	0.69
LONGFOR	960 HK	44.10	259,649	5.38	-2.86	53.45	37.45	10.53	9.48	8.08	4.72	1.73
SMIC	981 HK	22.30	132,966	0.45	0.90	32.75	17.28	24.73	30.23	32.13	0.00	1.35
KUAISHOU	1024 HK	145.10	492,458	-3.91	-51.63	415.00	135.70	N/A	N/A	N/A	N/A	N/A
CSPC	1093 HK	10.58	126,480	-2.94	33.42	12.46	7.16	20.57	20.18	17.07	1.46	4.02
CR LAND	1109 HK	31.45	224,268	-1.10	-1.72	40.80	30.10	7.51	6.68	5.96	5.44	0.82
SBP	1177 HK	7.05	132,406	-0.56	-6.00	10.88	6.65	35.13	23.29	24.26	1.15	5.15
BYD	1211 HK	223.80	776,564	5.37	10.14	278.40	70.15	123.85	105.23	73.11	0.09	7.40
ABC	1288 HK	2.61	1,230,233	-2.25	-8.10	3.25	2.40	3.68	3.46	3.29	9.06	0.37
ICBC	1398 HK	4.43	1,909,308	-1.12	-11.93	5.60	3.99	4.25	4.01	3.77	7.66	0.45
PSBC	1658 HK	5.03	517,901	0.00	14.84	6.21	3.08	5.85	5.47	4.98	5.78	0.62
XIAOMI	1810 HK	27.15	554,566	-3.89	-18.22	35.30	14.64	26.34	26.87	23.05	0.00	3.88
SUNAC CHINA	1918 HK	24.10	112,674	-3.21	-15.88	36.70	22.45	2.89	2.64	2.42	8.86	0.59
COUNTRY GARDEN	2007 HK	8.39	182,617	1.21	-21.74	11.26	8.08	4.29	4.01	3.55	7.73	0.73
ANTA	2020 HK	177.90	479,531	-4.61	44.75	189.70	70.75	77.89	50.16	39.08	0.65	13.42
SHENZHOU	2313 HK	169.10	254,195	1.50	11.25	207.60	90.85	41.64	33.89	27.87	1.52	6.88
PING AN	2318 HK	72.40	1,295,740	-1.36	-23.79	103.10	70.45	7.30	7.04	6.05	4.06	1.24
MENGNIU	2319 HK	44.30	174,445	0.80	-5.34	52.00	34.25	41.22	28.23	22.83	0.97	3.90
SUNNY OPTICAL	2382 HK	235.00	257,106	3.98	38.48	245.40	114.50	44.31	36.79	29.35	0.54	9.98
CPIC	2601 HK	23.50	303,660	0.43	-22.57	41.45	21.20	7.08	6.61	5.87	7.00	0.76
CHINA LIFE	2628 HK	13.68	887,421	-2.43	-20.00	20.15	13.50	6.35	5.65	4.97	6.36	0.65
ENN	2688 HK	165.20	186,205	3.12	45.17	165.20	80.65	24.34	20.96	18.50	1.71	4.30
BOCOM	3328 HK	4.57	160,004	-1.93	11.46	5.25	3.66	3.81	3.63	3.34	9.01	0.35
EVERGRANDE	3333 HK	7.81	103,461	-20.31	-47.58	22.40	7.24	9.88	4.53	3.71	8.04	0.49
MEITUAN	3690 HK	279.80	1,432,019	-3.78	-5.02	451.40	185.00	288.49	N/A	1,451.77	0.00	14.71
HANSOH PHARM	3692 HK	29.70	175,894	-7.48	-21.01	45.45	28.95	56.88	45.34	35.95	0.44	7.30
CMB	3968 HK	63.75	1,537,381	-1.62	30.10	71.75	35.75	13.77	11.83	10.35	2.74	1.83
BOC	3988 HK	2.72	999,281	-1.45	2.64	3.16	2.37	3.70	3.39	3.16	9.20	0.35
CG SERVICES	6098 HK	73.95	238,634	-5.01	40.99	85.20	41.80	62.02	43.87	29.97	0.56	7.29
CHINA FEIHE	6186 HK	17.30	154,268	2.25	-4.74	24.85	14.80	17.55	17.13	14.39	1.95	5.64
JD HEALTH	6618 HK	103.30	328,945	2.68	-31.13	195.00	98.30	N/A	451.03	295.50	0.00	6.85
EVERGRANDE SERVICES	6666 HK	6.93	74,919	-10.81	-22.48	19.10	6.68	22.03	14.46	9.44	1.44	4.31
H Aidilao	6862 HK	44.05	240,469	-1.67	-26.21	83.55	34.70	N/A	N/A	N/A	N/A	N/A
JD.COM	9618 HK	295.20	777,822	-0.94	-13.68	416.80	234.80	45.34	53.12	32.28	0.00	3.51
NONGFU SPRING	9633 HK	43.45	218,756	-2.14	-20.86	66.60	33.10	76.77	66.61	56.55	0.54	20.33
BAIDU	9888 HK	175.40	397,972	-2.18	-30.40	252.00	171.90	17.97	17.67	15.39	0.00	1.63
ALIBABA	9988 HK	207.40	4,495,478	-0.96	-10.83	307.40	195.50	20.71	21.58	17.44	0.00	3.33
NETEASE	9999 HK	175.60	554,153	-1.18	18.97	206.00	131.40	33.12	26.80	22.78	0.93	5.07
<b>HANG SENG CHINA ENT INDX</b>		<b>10,006.57</b>	<b>27,612,011</b>	<b>-1.44</b>	<b>-6.82</b>	<b>12,228.63</b>	<b>9,281.52</b>	<b>35.62</b>	<b>27.69</b>	<b>84.37</b>	<b>2.94</b>	<b>3.72</b>

Source: FactSet

23 July 2021

## 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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## Morning Express

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