

## Weekly market commentary report

30 April 2018 Monday

### Market outlook and news tracker

#### Hong Kong and China market outlook

US stocks closed mixed last Friday as media, energy, and automobile & components sectors dropped while retailing, telecommunication, and transportation closed higher. On the economic data front, US annualized GDP increased by 2.3% QoQ for 1Q18. Personal consumption increase 1.1% from an increase of 4% in the last quarter. Regarding corporate news, Expedia (EXPE.US +8.20%) announced 14.6% YoY increase in revenue to US\$2.51bn in 1Q18, while Western Digital (WDC.US -8.00%) report net revenue of US\$5.01bn from US\$4.65bn last year for the same period. Ping An's (2318.HK -2.23%) Good Doctor has raised US\$1.12bn in IPO, pricing at top range in HK. Also, ZTE (763.HK suspended) report a 39% YoY increase in net income to RMB1.69bn.

This week, Hong Kong stock market will be closed for a day for Labor Day, and focus may be on Chinese banks as they report net profit growth in earnings last week. Further, Asia's markets may see slight growth amid inter-Korea summit over the weekend.

#### Hong Kong market sector movers and news tracker

**1) Oil sector:** Prices increased where US crude oil rose to US\$68.19/barrel while Brent crude rose to US\$74.74/barrel last Friday.

- Related stocks: CNOOC (883.HK +2.80%), Petro China (857.HK +2.14%), Sinopec (386.HK +4.48%), China Oilfield (2883.HK +1.85%)

**2) Gold sector:** Prices dropped to US\$1,317.9/oz, while in HK, prices dropped HK\$62 to HK\$12,330/tael.

- Related stocks: China Gold International (2099.HK -0.13%), Zijin Mining (2899.HK +0.56%), Hengxing Gold (2303.HK +0.79%), Zhaojin Mining (1818.HK +0.00%)

**3) HK bank sector:** Banks increased interest rates >2% on term deposits after HIBOR rose to 1.3073% - highest since 2008.

- Related stocks: CITIC Bank (998.HK +1.47%), BEA (23.HK +0.89%), HSBC (5.HK +0.45%), BOCHK (2388.HK -0.38%)

**4) China bank sector:** PBOC conducts RMB80bn 7-day reverse repos, and its interest rate remain at 2.55%.

- Related stocks: CM Bank (3968.HK +1.40%), CCB (939.HK +0.62%), ICBC (1398.HK +0.44%), MinSheng (1988.HK +0.55%)

### Performance indices

Global Index	Closing	Performance chg. (%)		
		1D	1W	1M
HANG SENG INDEX	30280.67	0.9	1.6	2.1
HANG SENG CHINA ENT INDX	12066.58	1.0	2.6	2.6
SHANGHAI SE COMPOSITE	3082.232	0.2	0.3	-2.7
SHENZHEN SE COMPOSITE IX	1776.127	0.3	-0.1	-4.2
CSI 300 INDEX	3756.88	0.04	-0.1	-3.6
DOW JONES INDUS. AVG	24311.19	-0.05	-0.6	0.9
S&P 500 INDEX	2669.91	0.1	0.0	1.1
NASDAQ COMPOSITE INDEX	7119.799	0.0	-0.4	0.8
DAX INDEX	12580.87	0.6	0.3	4.0
CAC 40 INDEX	5483.19	0.5	1.3	6.1
FTSE 100 INDEX	7502.21	1.1	1.8	6.3

Sources: Bloomberg as of 30 April 18

Commodities	Closing	Performance chg. (%)		
		1D	1W	1M
Brent Crude Oil	74.64	-0.1	-0.7	7.0
Gold	1324	0.5	-0.5	-1.7
Steel (HRC China)	3938	0.8	5.1	15.4
Aluminium	2223	-2.3	-10.0	8.7
Copper	6797	-2.4	-2.8	2.2

Sources: Bloomberg as of 30 April 18

Currencies to US\$	Closing	Performance chg. (%)		
		1D	1W	1M
CNY	6.3322	-0.07	-0.6	-0.8
HKD	7.8475	0.02	-0.1	0.0
JPY	109.05	-0.23	-0.4	-3.0
EUR	1.213	0.22	-0.6	-1.4
GBP	1.3781	-0.99	-1.2	-1.9
AUD	0.7581	0.36	-0.6	-1.3
CAD	1.2828	-0.33	0.0	0.5

Sources: Bloomberg as of 30 April 18

### Economic Calendar

Date	Event	Est.	Prior
2-May-18	Caixin CH PMI mfg (Apr)	50.9	51.0
3-May-18	Hk retail sales value YoY (Mar)	11.4%	29.8%
	Hk retail sales volume YoY (Mar)	9.0%	28.2%
4-May-18	Caixin CH PMI composite (Apr)	n.a	51.8
	Caixin CH PMI services (Apr)	52.3	52.3
	CH BoP current account balance (1Q)	n.a	\$62.3bn
7-May-18	CH foreign reserves (Apr)	n.a	3142.8
	HK foreign reserves (Apr)	n.a	\$440.3bn

Sources: Bloomberg as of 30 April 18

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## Market commentary

### Hong Kong notable market movers and news tracker

- 1)Chow Chungkong, chairman of HKEX (388.HK -0.63%) steps down from position.
- 2)CK Asset (1113.HK -0.59%) sells two homes for HK\$213m at the Stars by the Harbor project.
- 3)BComm (3328.HK +0.16%) report 3.97% YoY increase in NP to RMB20.09bn for 1Q18.
- 4)China Telecom (728.HK +2.74%) report 6.5% YoY increase in NP to RMB5.69bn for 1Q18.
- 5)Vinda International (3331.HK +0.90%) report 12.8% YoY increase in operating profit to HK\$331m for 1Q18.
- 6)Wisdom Education (6068.HK -1.72%) report 35% YoY increase in NP to RMB145m for 1H18.
- 7)CCB (939.HK +0.62%) report 5.43% YoY increase in NP to RMB73.82bn for 1H18.
- 8)CEO of LV Sands (LVS.US -1.07%) says The Londoner Macau by Sands China (1928.HK +2.31%) is under design progress.
- 9)China Overseas (688.HK +0.19%) report 5.7% YoY increase in operating profit to HK\$8.24bn in 1Q18.
- 10)TSL (417.HK -2.27%) report 100.9% YoY increase in NP to HK\$46.57m for FY17 due to cost cuts.
- 11)Ping An (2318.HK -2.23%) report 11.49% YoY increase in NP to RMB25.7bn for 1Q18.
- 12) CK Infrastructure (1038.HK +0.24%) acquires cement station and quay berths in Guangdong province for RMB180m.

## 5-day High/Low Records

Week highs		% index		
Company	Ticker	End Price	move	Industry
AIA	1299	69.00	25.34%	Insurance
China Mobile	941	74.65	22.20%	Telecomm
HSBC	5	77.40	17.09%	Banks
CNOOC	883	13.20	11.66%	Oil & gas
Sinopec	386	7.69	11.30%	Oil & gas

Week lows		% index		
Company	Ticker	Price	move	Industry
Tencent	700	388.40	-60.16%	Technology
Ping An	2318	76.80	-57.13%	Insurance
Sunny Optical	2382	125.50	-28.26%	Technology
Geely	175	20.75	-14.44%	Automobile
AAC Tech	2018	113.20	-13.85%	Technology

Sources: HKEX, Bloomberg

## IPO Calendar

Company	Ticker	Listing date	IPO px (HK\$)	Industry
Ping An Healthcare	1833.HK	4/5/2018	50.80-54.80	Medical equipment
Vision International	8107.HK	4/5/2018	0.20-0.24	Apparel
Jlogo Holdings	8527.HK	9/5/2018	0.50-0.60	Restaurant/fast food
REM Group	1750.HK	11/5/2018	0.30-0.38	Electric equipment
HPC Holdings	1742.HK	12/5/2018	0.40-0.48	Construction & décor
Tsit Wing International	2119.HK	13/5/2018	1.50-2.19	Soft drinks
Top Education Group	1752.HK	14/5/2018	0.27-0.37	Support services

Sources: HKEX, Bloomberg

## Hang Seng Index weekly performance



## Shanghai-Hong Kong Stock Connect

### Northbound Daily (RMB bn)

Date	Quota	Balance	Percent	Buy trades (k)	Sell trades (k)
23/4/2018	13.0	11.5	89%	235.3	184.4
24/4/2018	13.0	10.6	81%	292.1	167.7
25/4/2018	13.0	11.9	92%	202.9	148.4
26/4/2018	13.0	12.8	99%	229.6	233.7
27/4/2018	13.0	10.1	78%	317.6	216.0

Sources: HKEX

### Southbound Daily (RMB bn)

Date	Quota	Balance	Percent	Buy trades (k)	Sell trades (k)
23/4/2018	10.5	11.4	109%	39.7	58.4
24/4/2018	10.5	9.4	89%	57.7	49.5
25/4/2018	10.5	10.0	95%	53.7	47.8
26/4/2018	10.5	n.a	n.a	n.a	n.a
27/4/2018	10.5	n.a	n.a	n.a	n.a

Sources: HKEX, SSE

## Shenzhen-Hong Kong Stock Connect

### Northbound Daily (RMB bn)

Date	Quota	Balance	Percent	Buy trades (k)	Sell trades (k)
23/4/2018	13.0	12.0	92%	214.7	212.3
24/4/2018	13.0	11.4	88%	263.8	172.1
25/4/2018	13.0	12.6	97%	186.5	169.6
26/4/2018	13.0	16.2	125%	200.7	335.0
27/4/2018	13.0	13.2	102%	263.6	253.5

Sources: HKEX

### Southbound Daily (RMB bn)

Date	Quota	Balance	Percent	Buy trades (k)	Sell trades (k)
23/4/2018	10.5	10.7	92%	30.8	30.6
24/4/2018	10.5	9.6	92%	47.5	37.0
25/4/2018	10.5	10.3	98%	46.4	39.0
26/4/2018	10.5	n.a	n.a	n.a	n.a
27/4/2018	10.5	n.a	n.a	n.a	n.a

Sources: HKEX, SSE

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