



KGI

CHINA
DEVELOPMENT
FINANCIAL

Investment Daily

14 September 2021

Major Market Indicators

	13 Sep	10 Sep	9 Sep
Mkt. Turn.(mn)	150,300	149,800	166,000
Stock Advances	665	1,069	659
Stock Declines	25,814	618	1,047
HSI	25,814	26,206	25,716
Change	-392	+490	-605
HSI Turn.(\$bn)	150.34	149.83	166.00
HSCEI	9,239	9,387	9,184
Change	-148	+203	-266
HSCEI Turn.(\$bn)	55.34	58.72	76.16

HSI Technical Indicators

10-days MA	26,047
50-days MA	26,418
250-days MA	27,332
14-days RSI	46.48
Primary resistance	26,047
Primary support	25,500

HSCEI Technical Indicators

10-days MA	9,319
50-days MA	9,442
250-days MA	10,473
14-days RSI	48.08
Primary resistance	9,442
Primary support	9,000

HSI Futures

	13 Sep	10 Sep	9 Sep
Sept	25,785	26,141	25,646
Volume	98,565	98,758	116,844
Open interests	113,658	113,106	115,745
Oct	25,790	26,143	25,640
Volume	363	663	761
Open interests	1,008	997	818

HSCEI Futures

	13 Sep	10 Sep	9 Sep
Sept	9,238	9,372	9,166
Volume	78,680	81,560	84,276
Open interests	235,507	240,954	248,935
Oct	9,240	9,369	9,165
Volume	1,802	1,178	626
Open interests	7,324	6,044	5,125

Market Overview

HK Stock Expected to Consolidate Today; Resistance at 10 Day SMA

Dragged by weak overseas stock markets and technology stocks, Hang Seng Index fell 392 points to 25,813 on Monday. H-share index dropped 147 points to 9,238. Hang Seng Technology index dropped 153 points to 6,595. Market turnover amounted to HK\$150.3 billion. China government offered guidance to ten leading internets on labor rights protection. Tencent(700), Alibaba(9988) and Meituan(3690) decreased by 2.4-4.5%. Commodity stocks outperformed. Jianxi Copper(0358) and CHALCO(2600) rose 5.8% and 8.1%, respectively.

Ahead of a series of US economic data including consumer prices, industrial production and retail sales to be announced later this week, US stock market stabilized on Monday, thanks to bargain hunting activities after the sell off last week. Of which, buying interest on traditional economy stocks such as energy and financial sector, led the market rebound.

The Dow and the S&P 500 index rebounded 0.8% and 0.2% respectively on Monday. On the other hand, the tech and healthcare sector is not strong, the Nasdaq index fell 0.1%. Besides, ahead of the release of US major economic data, 10 year US treasury yield fell to 2 basis points to 1.33% on Monday. Besides, although the Organization of the Petroleum Exporting Countries trimmed its world oil demand forecast for the last quarter of 2021, oil price still rose 1.1% to US\$70.45 per barrel.

There are market talks saying that China government wants to break up Alipay, and create a separate app for the company's highly profitable loans business. Besides, major internet platform operators also need to open their platform. The related concern might continue impact internet leader sentiment. It is expected that HK stock to consolidate today, resistance will be 10 Day SMA(26,047).

Hong Kong Stock Connect recorded a net outflow of HK\$1,667mn on Monday. Of which, Wuxi Bio(2269) recorded most net sell of HK\$785mn, while internet stocks such as Tencent(0700) and Meituan (3690) also suffered net outflow. In fact, investors concerned that the antitrust will also be imposed on medical sector, Wuxi Bio share price turned weak recently, short term major resistance at 50 Day SMA(HK\$123.5). On the other hand, funds continued flowing into commodity sector. Of which, oil price performed well, will provide support to oil stocks such as CNOOC(0883) and PetroChina(0857).

HSI Chart



Sources : Google

Daily Focus
Transcenta Holding Limited-B[6628.HK]:IPO Brief

- Transcenta Holding Limited-B is a clinical stage biopharmaceutical company that integrates the capacities of discovery, research, development, manufacturing and business development. Pipelines cover oncology, nephrology and bone diseases. The company have discovered and developed eight of nine drug candidates in-house, covering both validated, partially validated and novel biological pathways. Most of the medicines are clinical I and II stages.
- MSB2311, a humanized PD-L1 monoclonal antibody (mAb) candidate for solid tumors, is its core product. Only in-licensed drug candidate is Blosozumab (TST002), a humanized sclerostin monoclonal antibody candidate for osteoporosis. The company in-licensed the Greater China rights of Blosozumab (TST002) from Eli Lilly in 2019. The company entered into a collaboration agreement with Merck on June 29, 2020 to develop an equipment and technology portfolio within the bioprocessing manufacturing industry for the implementation of integrated continuous manufacturing.
- Core product MSB2311 is a second-generation PD-L1 inhibitor. several PD-(L)1 mAbs had been approved globally. There are a number of international pharmaceutical companies. Hong Kong listed peers include Beigene(6160) and Innovent Bio(1801). In China, eight PD-(L)1 antibodies have been approved for marketing use as of March 2021, but none of these antibodies was approved for TMB-H tumors.
- MSB2311 was the only PD-(L)1 drug candidate in China under clinical development, in which TMB-H tumors have been included in the trial as of the Latest Practicable Date. Market size for PD-(L)1 antibodies for the treatment with TMB-H tumors in China is expected to grow from US\$15.4 million in 2025 to US\$500.2 million in 2035, representing a CAGR of 42%.
- They derived substantially all of revenues from providing contract development and manufacturing organization (CDMO) services to customers, primarily pharmaceutical and biotechnology companies, under CDMO contracts. The company recorded loss for two consecutive financial years. They currently have no product approved for commercial sale and have not generated any revenue from product sales. The company expects to incur significant expenses and operating losses for at least the next several years as further research and development efforts, continue the clinical development of, and seek regulatory approval.
- In conclusion, the company still needs to take a long time to commercialize. But cooperation with international leading pharmaceutical companies proves its research capability. In fact, China Structural Reform Fund, Qatar Investment, Temasek, and LAV will continue to be cornerstone investors. Subscribe.

IPO Info	
Industry sector	Biopharmaceutical
Issue price (HK\$)	15.80-16.00
Total share offer size (HK\$ mn)	637-645
FY20 P/E (x)	-
Sponsor	Goldman Sachs, CICC
Dealing of shares	29-Sep

Analyst: Samuel Chua, CFA

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	50.73	52.91	83.40
Balance as % of Quota Amount	97.6	101.7	99.3

Top 10 Most Actively Traded Stocks(SH-HK Connect Southbound)

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	1,365,690,300	1,516,760,350	2,882,450,650
SMOORE INTL	6969	329,461,500	726,294,150	1,055,755,650
XIAOMI-W	1810	435,228,230	411,920,964	847,149,194
MEITUAN-W	3690	585,186,620	231,666,920	816,853,540
CNOOC	883	294,023,920	315,442,290	609,466,210
CHINAHONGQIAO	1378	197,969,610	346,823,760	544,793,370
HKEX	388	410,857,790	51,771,700	462,629,490
WUXI BIO	2269	139,952,050	289,845,860	429,797,910
COSCO SHIP HOLD	1919	238,657,540	177,625,305	416,282,845
CHINA SHENHUA	1088	247,460,780	156,178,820	403,639,600

Sources: HKEx

Top 10 Most Actively Traded Stocks(SZ-HK Connect Southbound)

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	942,827,560	1,111,086,675	2,053,914,235
MEITUAN-W	3690	213,329,080	820,009,556	1,033,338,636
DONGYUE GROUP	189	677,653,550	335,635,262	1,013,288,812
WUXI BIO	2269	102,107,850	736,717,850	838,825,700
XIAOMI-W	1810	323,388,050	439,258,420	762,646,470
SMOORE INTL	6969	218,079,000	460,711,650	678,790,650
LI NING	2331	156,108,650	420,895,000	577,003,650
CNOOC	883	489,232,990	71,268,380	560,501,370
CHINA RES BEER	291	187,133,800	331,036,100	518,169,900
HKEX	388	312,321,310	54,877,163	367,198,473

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Million)
TENCENT	700	-2.45%	478.00	132.36
MEITUAN-W	3690	-4.47%	247.80	61.10
BABA-SW	9988	-4.23%	160.80	41.49
XIAOMI-W	1810	-2.91%	23.40	38.17
SINOMINE RESOURCE GROUP	2738	5.38%	70.13	25.14
WUXI BIO	2269	-2.87%	115.20	24.97
SMOORE INTL	6969	-15.26%	35.25	21.40
HKEX	388	0.79%	508.00	18.94
BYD COMPANY	1211	-2.14%	256.00	17.68
KUAISHOU-W	1024	2.72%	100.10	16.41

Ten Short Sell Stocks

Stock Name	Code	Short Selling Turnover	Turnover	Short Selling Ratio
TRACKER FUND	02800.HK	2.22B	5.33B	41.60%
XIAOMI-W	01810.HK	1.26B	3.82B	33.10%
MEITUAN-W	03690.HK	1.06B	6.11B	17.40%
BABA-SW	09988.HK	751.35M	4.15B	18.11%
TENCENT	00700.HK	602.58M	13.24B	4.55%
BANK OF CHINA	03988.HK	491.66M	1.42B	34.55%
JD-SW	09618.HK	461.12M	1.53B	30.10%
BYD COMPANY	01211.HK	460.23M	1.77B	26.04%
AIA	01299.HK	366.10M	1.18B	30.93%
HKEX	00388.HK	355.83M	1.89B	18.79%

Source: AA Stocks

Economic Calendars

Date	Country	Event	Survey	Prior
Tue	US	Aug. CPI YoY	5.3%	5.4%
		Aug. CPI Ex Food and Energy YoY	4.3%	4.3%
Wed	China	Aug. Retail Sales YoY	7.0%	8.5%
		Aug. Industrial Production YoY	5.8%	6.4%
		Aug. Fixed Assets Ex Rural YTD YoY	9.1%	10.3%
Thu	US	Initial Jobless Claims (Till Sep 11)		310k
		Continuing Jobless Claims (Till Sep 4)		2,783k
		Aug. Retail Sales Advance MoM	-0.8%	-1.1%
Fri	Hong Kong	HK Stock Connect (Southbound) Closed		
	US	Sep. University of Michigan Sentiment	72.0	70.3
	Euro Zone	Aug. CPI YoY	3.0%	2.2%
	Hong Kong	HK Stock Connect Closed		

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