



### Major Market Indicators

	15 Sep	14 Sep	13 Sep
Mkt. Turn.(mn)	157,100	140,900	150,300
Stock Advances	570	521	665
Stock Declines	1,196	1,214	25,814
HSI	25,033	25,502	25,814
Change	-469	-312	-392
HSI Turn.(\$bn)	157.07	140.94	150.34
HSCEI	8,937	9,082	9,239
Change	-145	-157	-148
HSCEI Turn.(\$bn)	58.98	52.31	55.34

### HSI Technical Indicators

10-days MA	25,911
50-days MA	26,308
250-days MA	27,339
14-days RSI	37.97
Primary resistance	25,500
Primary support	25,000

### HSCEI Technical Indicators

10-days MA	9,275
50-days MA	9,394
250-days MA	10,467
14-days RSI	40.25
Primary resistance	9,275
Primary support	8,700

### HSI Futures

	15 Sep	14 Sep	13 Sep
Sept	25,038	25,445	25,785
Volume	117,953	120,780	98,565
Open interests	118,988	119,473	113,658
Oct	25,038	25,444	25,790
Volume	1,075	388	363
Open interests	1,515	1,135	1,008

### HSCEI Futures

	15 Sep	14 Sep	13 Sep
Sept	8,940	9,060	9,238
Volume	85,727	90,288	78,680
Open interests	244,360	247,018	235,507
Oct	8,938	9,066	9,240
Volume	7,300	959	1,802
Open interests	13,423	8,237	7,324

## Market Overview

### China economy growth slowed, but HSI already fell 1,200 points in 3 days; Support at 25,000

China's major economic data for August were lower than expected. Hang Seng index fell 469 points to 25,033 on Wednesday. H-share index dropped 145 points to 8,936. Hang Seng Technology index fell 204 points to 6,298. Market turnover amounted to HK\$157 billion. Macau is set to begin the public consultation for the revision of the gaming law. Gaming stocks fell sharply. Sands China (1928) plunged 32.5%, being the worst blue-chip. Galaxy Entertainment (0027) also tumbled 20%. China property stocks remained under pressure, Evergrande(3333) fell 5.4%, while Sunac(1918) and Country Garden(2007) were down by 5.2-8.8%.

The latest released New York Fed's Empire Index showed that manufacturing activities in the region and is better than market expectation. Besides, energy stock performed well, S&P 500 index energy sector rose 3.8%. US stock market rebounded obviously on Wednesday. The three major US stock index rose 0.7-0.8% respectively.

Fund flow away from bond market to stock market, 10 Year US treasury yield rose 3 basis points to 1.31% on Wednesday. Besides, US crude inventory fell more than expectation, oil price rose 3.1% to US\$72.6 per barrel. Looking ahead, US Quadruple witching will be on coming Friday, related trading will continue US stock market, S&P 500 index support remained at 50 Day SMA(4,432).

China major economic data especially the retail sales data is much below than expectation in August, together with the fluctuation of COVID 19 epidemic in China, investors concern on the slow down of China economy growth in the near term. However, HK stock market fell near 1,200 points in the past 3 trading days. Besides, market also expect China government will increase its fiscal policy to support the economy. Hong Kong stock market is expected to range trade today. Hang Seng Index support at 25,000.

Hong Kong Stock Connect recorded a net outflow of HK\$770mn on Wednesday, of which, Tencent(0700) recorded net inflow of HK\$914mn; On the other hand, Meituan (3690) and Galaxy(0027) recorded net outflow of HK\$453mn and HK\$313mn respectively. Besides, it is expected that China government will increase fixed asset investment to support economy growth, investors could accumulate cement stocks such as Anhui Conch(0914) and China Resources Cement (1313), as well as infrastructure construction stocks such as CCC(1800). Besides, oil price continued its uptrend, short term focus remained on PetroChina (0857) and CNOOC(0883).

### HSI Chart



Sources : Google

## Daily Focus

### Yum China(9987): 3Q21 Adjusted Operating Profit will Fall 50-60%

- Due to the COVID 19 epidemic in China, Yum China has suffered a sales decline and experienced significant operating deleveraging. Together with increasing cost, Yum China adjusted operating profit, which excludes special items, is expected to reduce 50-60% yoy in 3Q21.
- In fact, given the imposing of certain social distancing measure to control the epidemic, China food and beverage revenue fell 4.5% yoy in August, compared with 14.3% yoy growth in July. At the peak of the COVID 19 epidemic in August 2021, more than 500 of Yum China stores in 17 provinces were closed or offered only takeaway and delivery services.
- As a result, Yum China same-store sales in August 2021 declined by mid-teens percentage yoy, or close to a 20% decline compared to August 2019. It was mainly due to a same-store dine-in sales decline 20% to 30% in August, and a sharp drop in sales at transportation and tourist locations of 40% to 50% yoy.
- Besides, restaurant margins are further pressured by the diminishing favorable impact of commodity prices, by wage inflation of mid to high single digits, as well as increase of promotion cost.
- Since China epidemic is still fluctuating, Yum China short term earnings outlook remained uncertain. Despite its long term prospect is still good, its current valuation at 33x prospective P/E, which is not too attractive. Suggest investors to wait for better buying opportunity.

Yum China(9987) Info	
Closed price	456.00
Expected P/E(X)	33
Expected Dividend yield (%)	0.8%
52 week high	543.06
52 week low	381.86
14RSI	44.7

Analyst: Samuel Chua, CFA

## Xiaomi (1810): The launch of Xiaomi 11T series supports global market sales

- After releasing the 10T series a year ago, Xiaomi has refreshed the series last night with the rollout of 11T series. The series include two models, 11T and 11T Pro, of which the Pro model features Snapdragon 888 chipset, a chip often equipped on high-end models. The two models provides 6.67-inch FHD+ AMOLED display panel, with a refresh rate at 120Hz, in line with Xiaomi 11 series but lower than 144Hz for 10T series.
- The 11T series equip 5,000MAh batteries, with 67W charging rate for 11T and 120W for the Pro, which is the highest among smartphones in overseas market.
- In regard to camera, the two models boast triple-camera, featuring a 108MP, 8MP ultra-wide and 5MP tele-macro cameras. Apart from the 11T series, Xiaomi also releases a mid-low end 5G smartphone 11 Lite, which looks like Xiaomi 11 and equip with a Snapdragon 778G chipset.
- Xiaomi 11T Pro will be released on October 1, with pre-sales starting one week earlier; other models will sell on October 7. The selling price of 11T model starts from EUR599, and EUR649-749 for 11T Pro. We see the 11T series attractive in term of price-performance ratio, given its high-end chipset and ultra-fast charging features.
- Under the backdrop of weak smartphone demands in China and increasing competition from Honor brand, the rollout of mid-end series in overseas market bodes well for Xiaomi's shipments and profit margin. Share price has retreated nearly 10% from early-September, largely factoring in the negative impacts, in our view. The company has repurchased a total of 47.6mn shares in September at HK\$23-25. We suggest investors to buy at shares weakness at a target price of HK\$26.5.

Xiaomi (1810) Info	
Closed price	23.2
Expected P/E(X)	22
Expected Dividend yield (%)	-
52 week high	35.9
52 week low	19.4
14RSI	36

Analyst: Christopher Ho, CFA

## Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
<b>Balance (RMB bn)</b>	476.25	499.46	831.71
<b>Balance as % of Quota Amount</b>	91.6	96.1	99.0

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	1,442,785,160	1,124,268,820	2,567,053,980
MEITUAN-W	3690	182,892,360	231,148,960	414,041,320
SUNAC	1918	219,671,180	180,503,780	400,174,960
XIAOMI-W	1810	120,404,810	180,331,850	300,736,660
ANTA SPORTS	2020	134,200,900	141,064,000	275,264,900
CHINA MOBILE	941	131,826,625	125,305,750	257,132,375
TSINGTAO BREW	168	9,132,700	224,347,344	233,480,044
CNOOC	883	122,472,250	106,102,940	228,575,190
CHINA RES POWER	836	70,805,880	157,379,240	228,185,120
WUXI BIO	2269	148,321,200	66,584,000	214,905,200

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	1,556,989,640	961,886,638	2,518,876,278
MEITUAN-W	3690	202,821,480	607,463,600	810,285,080
DONGYUE GROUP	189	465,621,200	109,199,250	574,820,450
HKEX	388	430,376,900	33,679,000	464,055,900
GALAXY ENT	27	58,037,350	371,411,331	429,448,681
BYD COMPANY	1211	4,654,700	305,561,400	310,216,100
KUAISHOU-W	1024	146,591,360	152,178,245	298,769,605
CHALCO	2600	18,700,740	251,464,120	270,164,860
YANZHOU COAL	1171	176,669,640	61,186,920	237,856,560
SUNAC	1918	188,062,040	30,426,740	218,488,780

Sources: HKEx

## Other Statistics

### Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Million)
TENCENT	700	-4.10%	453.40	165.34
GALAXY ENT	27	-20.02%	39.15	67.38
MEITUAN-W	3690	-4.49%	234.00	51.67
BABA-SW	9988	-2.72%	154.00	43.69
SANDS CHINA LTD	1928	-32.51%	16.84	38.10
AIA	1299	-3.90%	90.00	31.33
PING AN	2318	-1.56%	56.70	22.16
JD-SW	9618	-5.93%	295.00	21.54
SINOMINE RESOURCE GROUP	2738	-1.72%	73.06	19.31
KUAISHOU-W	1024	-4.71%	93.10	18.75

## Ten Short Sell Stocks

Stock Name	Code	Short Selling Turnover	Turnover	Short Selling Ratio
TRACKER FUND	02800.HK	3.81B	5.27B	72.28%
TENCENT	00700.HK	786.01M	16.53B	4.75%
MEITUAN-W	03690.HK	734.64M	5.17B	14.22%
JD-SW	09618.HK	712.21M	2.15B	33.07%
SANDS CHINA LTD	01928.HK	704.03M	3.81B	18.48%
BABA-SW	09988.HK	697.02M	4.37B	15.95%
GALAXY ENT	00027.HK	627.11M	6.74B	9.31%
HSCEI ETF	02828.HK	615.00M	1.98B	31.01%
HKEX	00388.HK	499.43M	1.69B	29.59%
BYD COMPANY	01211.HK	470.85M	1.50B	31.42%

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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