



Major Market Indicators

	16 Sep	15 Sep	14 Sep
Mkt. Turn.(mn)	150,800	157,100	140,900
Stock Advances	402	570	521
Stock Declines	1,426	1,196	1,214
HSI	24,668	25,033	25,502
Change	-365	-469	-312
HSI Turn.(\$bn)	150.82	157.07	140.94
HSCEI	8,806	8,937	9,082
Change	-131	-145	-157
HSCEI Turn.(\$bn)	37.32	58.98	52.31

HSI Technical Indicators

10-days MA	25,768
50-days MA	26,258
250-days MA	27,340
14-days RSI	34.67
Primary resistance	25,000
Primary support	24,500

HSCEI Technical Indicators

10-days MA	9,221
50-days MA	9,373
250-days MA	10,464
14-days RSI	37.32
Primary resistance	9,000
Primary support	8,500

HSI Futures

	16 Sep	15 Sep	14 Sep
Sept	24,647	25,038	25,445
Volume	117,925	117,953	120,780
Open interests	121,389	118,988	119,473
Oct	24,643	25,038	25,444
Volume	1,304	1,075	388
Open interests	1,404	1,515	1,135

HSCEI Futures

	16 Sep	15 Sep	14 Sep
Sept	8,799	8,940	9,060
Volume	94,637	85,727	90,288
Open interests	245,412	244,360	247,018
Oct	8,801	8,938	9,066
Volume	2,103	7,300	959
Open interests	13,908	13,423	8,237

Market Overview

HSI Fell to Year Low on Thursday, Sentiment Remained Weak; Initial Support at 24,500

Southbound trading under the Stock Connect has paused ahead of Mid-Autumn Festival. Hang Seng Index fell as much as 527 points, and the decline has narrowed before market close. The index closed down 365 points at 24,668. H-shares index fell 1.5% to 8,805, and Hang Seng Tech index dropped 1.0% to 6,233. Market turnover amounted at HK\$150.8bn. Evergrande debt crisis dragged property sector, with CG Services (6098) and Country Garden (2007) down 10.7% and 7.2%, among the worst-performing blue-chip stocks. Macau's potential tightening gambling regulations also dragged Sands (1928) and Wynn (1128) down by 8.0% and 4.7%.

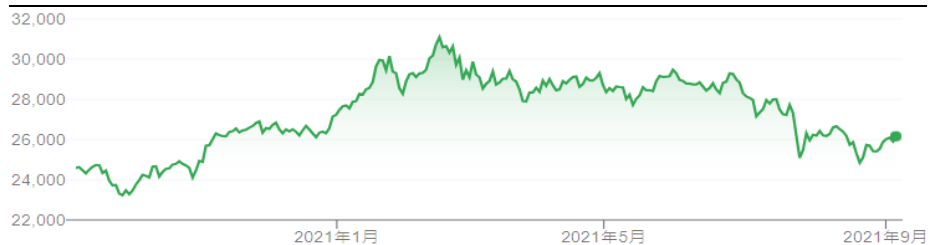
Philadelphia Fed reported that its manufacturing index rose to a reading of 30.7 from 19.4 in August., while US retail sales rose 0.7% in August, which is much better than market forecast of 0.8% decline. However, investors concerned that better than expected economic data would support the Fed to accelerate its pace for tapering, US stock market fell on early Thursday, the Dow once fell 270 points.

However, US stock narrowed its decline in late session. The Dow and S&P 500 index both fell 0.2% only while the Nasdaq index rose 0.1%. Besides, owing to strong US retail sales, 10 Year US treasury yield rose 3 basis points to 1.34%. On the other hand, US dollar index rose 0.5% to 93.0, gold price fell 2.1% to US\$1,757 per ounce.

Hang Seng Index fell to year low of 24,505 on Thursday, while the selloff has spread to most sectors, reflecting weak market sentiment. Investors concerned about the impact of China economy slowdown as well as continuous regulatory control over internet platform. However, expectation of increasing monetary and fiscal policy assistance will provide support to HK stock at low level, and we expect Hang Seng Index initial support at 24,500.

Hong Kong Stock Connect was closed on Thursday. Among sector, with anticipated increase of the issuance of special bond to support infrastructure investment, construction companies and cement stock remained our short term pick. Besides, given accumulated significant gain this year, profit taking pressure seen on renewable stock. However, given policy support on carbon neutrality, buying interest will emerge on low level. Investors could consider accumulate Longyuan (0916) and China Resources Power(0836).

HSI Chart



Sources : Google

Daily Focus

CK Hutchison (0001.HK): Indonesian telecom units Merged with Ooredoo

- Hong Kong's CK Hutchison (0001.HK) and Qatar's Ooredoo have agreed to merge their Indonesian telecom units. The merged entity will be the second largest mobile telecoms company in the country with an annual revenue of about US\$3bn.
- CK Hutchison will acquire a 50% shareholding in Ooredoo Asia by exchanging its Indosat Ooredoo Hutchison stake as well as acquire an additional 16.7% stake from Ooredoo Group for a cash consideration of US\$387 million. As a result CK Hutchison and Ooredoo will each own 50% of Ooredoo Asia which retain a controlling 65.6% ownership stake in the merged company.
- CK Hutchison and Ooredoo said that the combined company will have the scale, financial strength, and expertise to compete more effectively. It is expected that the deal will realise annual run rate pre-tax synergies of US\$300-\$400 million over three to five years.
- After the disposal of European Telecom Tower last year, CK Hutchison continued to restructure its asset to improve profitability. Since Ooredoo's Indonesia telecom operation has a much better profitability as compared with CK Hutchison's Indonesian operation, we believe that the deal is expected to positive to CK Hutchison.
- Given concerned the slow down of global economy growth, CK Hutchison share price fell inline with the market. Although CK Hutchison core business experienced slow growth, it continued to improve profitability through business restructure. With prospective P/E of 6x and dividend yield over 5%, suggest accumulate, medium target price HK\$62.00.

CK Hutchison (0001) Info	
Closed price	53.70
FY21 P/E(X)	6.0
FY21 Dividend yield (%)	5.0
52 week high	63.30
52 week low	43.30
14RSI	33.9

Analyst: Samuel Chua, CFA

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	49.90	53.12	-
Balance as % of Quota Amount	96.0	102.2	-

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
Market Closed				

Sources: HKEx

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
Market Closed				

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Million)
TENCENT	700	-0.53%	451.00	110.18
BABA-SW	9988	-1.62%	151.50	51.23
MEITUAN-W	3690	-0.60%	232.60	37.38
GALAXY ENT	27	-0.13%	39.10	31.94
SANDS CHINA LTD	1928	-7.96%	15.50	28.04
AIA	1299	-2.11%	88.10	25.13
PING AN	2318	1.24%	57.40	24.24
BYD COMPANY	1211	-3.64%	249.00	23.64
SINOMINE RESOURCE GROUP	2738	-9.54%	66.09	23.63
XIAOMI-W	1810	-2.37%	22.65	22.51



Ten Short Sell Stocks

Stock Name	Code	Short Selling Turnover	Turnover	Short Selling Ratio
TRACKER FUND	02800.HK	745.95M	1.47B	50.73%
GALAXY ENT	00027.HK	405.70M	1.90B	21.37%
FL2 CSOP HSI	07200.HK	361.10M	428.84M	84.21%
HKEX	00388.HK	334.93M	1.04B	32.33%
BYD COMPANY	01211.HK	319.55M	1.07B	29.75%
MEITUAN-W	03690.HK	275.47M	1.93B	14.29%
TENCENT	00700.HK	253.97M	5.81B	4.37%
XIAOMI-W	01810.HK	230.04M	876.58M	26.24%
PING AN	02318.HK	229.03M	1.14B	20.07%
AIA	01299.HK	216.58M	1.23B	17.55%

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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