



# CASH Financial Services Group

## Research Report

### CFSG Daily Comment

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16 May 2019

HK and Regional Markets		
	Close (last trading day)	Up(down)%
HSI	28,269	0.52
HSCEI	10,804	0.37
SH Comp Index	2,939	1.91
SZ Comp index	9,259	2.44
DJIA	25,648	0.45
Nasdaq	7,822	1.13
S&P 500 Index	2,851	0.58
Nikkei 225	21,046	(0.67)
UK FTSE 100	7,297	0.76
Germany DAX	12,100	0.90
USD Index	98	(0.02)

HSI Futures		
	Active contract	
Close (last trading day)	27,955	
Up (down)	(108)	
Day High	28,160	
Day Low	27,846	
Settled volume	235,589	

Commodities		
	Price	Up(down)%
Gold (Comex)	1,296.40	(0.11)
Silver (Comex)	14.76	0.02
LME Copper 3M	6,085.00	0.96
LME Aluminum 3M	1,855.00	0.57
WTI Crude Oil	62.32	0.48
Brent Crude	72.07	0.42
Natural Gas	2.61	0.50
Heating Oil	202.15	0.44
Wheat (CBOT)	450.25	0.33
Corn (CBOT)	373.00	0.95

Foreign Exchange		
	Price	Up(down)%
USD/CNY	6.91	(0.09)
USD/JPY	109.38	0.20
EUR/USD	1.12	0.05
GBP/USD	1.28	0.02
AUD/USD	0.69	(0.12)
USD/CAD	1.34	(0.04)
USD/SWF	1.01	0.09

Fix Income		
	Price	Up(down)
3M HIBOR	2.07	0.00
3M CNH HIBOR	3.56	(0.24)
3M USD LIBOR	2.52	0.01
US30Y Treasury	2.81	(0.01)
US10Y Treasury	2.36	(0.01)
US2Y Treasury	2.15	(0.01)

## Market Outlook

**HSI is expected to consolidate at around 28,200 pts.**

**US continues to put pressure on Huawei:** President Trump signed an executive order, declaring the external threats to the US technology industry as national emergency, prohibiting US companies from using telecom products manufactured by companies that may endanger national security, and banned Chinese telecom companies from doing business with US companies.

**US postponed tariffs on the EU:** The US retail and industrial production unexpectedly fell last month, but US officials later said that US President Trump will postpone European auto tariffs for up to six months and will be officially announced this Saturday. US stocks fell first and then rose.

**Lower target price due to higher macro uncertainty:** In response to the recent tension in Sino-US trade negotiations, we expect the global economic growth to be dragged down. We lowered the TP of China and Hong Kong stocks, including: HKEX (00388) and ZTE (00763). Xiaomi (01810), YOFC (06869), O-film (002456), Contemporary (300750), etc. (see next page)

## Today's Focus Stock

HK Stocks	Rating	Target	Price
<b>China Tower (00788.HK)</b>	Buy	2.40	2.05

- (1) Revenue increases as base station sharing rate increases
- (2) Capex of telecom operators expected to rise due to 4G revamp
- (3) Less competition with 96.3% China market share in terms of no. of sites

AIA (01299.HK)	Rating	Target	Price
	Buy	91.00	77.40

- (1) Benefited from 12 new opening-up measures of CBIRC
- (2) Improved business environment of foreign-invested insurance
- (3) Further expansion in the Chinese territory

A-share	Rating	Target	Price
<b>Ping An of China (601318.SH)</b>	Buy	97.00	80.54

- (1) Its result for 1Q2019 was decent
- (2) The NBV rate was increasing
- (3) The Fintech strategy promoted the development of comprehensive finance

## Sector and Company News

**Tencent (00700)** released the results for the three months ended 31 March 2019. Revenues added 16% YoY to RMB85.465 bn. On the GAAP basis, net profit increased by 17% YoY to RMB27.21 bn.

The insurance premiums of the four subsidiaries under **PingAn (02318)** for the first four months of this year totaled RMB 331.632 bn, up 8.4% YoY.

**Air China (00753)** released its operating data in April 2019. Its number of passengers carried grew 2.2% YoY to 9.3501 mn. In particular, the number of passengers carried for domestic routes and international routes were 7.3717 mn and 1.477 mn, down 1% YoY and up 14.5% respectively.

**China East Air (00670)** announced the operating data for April 2019 that the number of passengers carried reached 10.5362 mn, up 2.5% YoY. For the first four months of 2019, the total number of passengers carried grew 8.7% YoY to 42.4139 mn.

**Sichuan Express (00107)** announced that the toll income of the company for the first four months of 2019 amounted to approximately RMB396 mn, up 37.52% YoY.



Focus stocks									
Stock No.	Stock Name	Price	TP (HKD)	Chg%	Stock No.	Stock Name	Price	TP (RMB)	Chg%
<b>HK Stocks</b>					<b>A-share</b>				
5.HK	HSBC HOLDINGS PL	66.70	72.60	8.8%	000333.CH	MIDEA GROUP CO-A	50.75	63.00	24.1%
6.HK	POWER ASSETS	56.10	60.00	7.0%	000858.CH	WULIANGYE YIBI-A	109.90	105.00	-4.5%
16.HK	SHK PPT	132.30	154.00	16.4%	000977.CH	INSPUR ELECTRO-A	25.10	36.00	43.4%
27.HK	GALAXY ENTERTAIN	51.95	63.00	21.3%	001979.CH	CHINA MERCHANT-A	21.32	24.00	12.6%
268.HK	KINGDEE INTL SFT	8.71	10.00	14.8%	002013.CH	AVIC ELECTROME-A	7.25	9.80	35.2%
288.HK	WH GROUP LTD	7.77	9.00	15.8%	002120.CH	YUNDA HOLDING -A	37.54	48.00	27.9%
388.HK	HKEX	248.00	300.00	21.0%	002405.CH	NAVINFO CO LTD-A	22.71	30.00	32.1%
552.HK	CHINA COMM SER-H	6.31	7.60	20.4%	002415.CH	HANGZHOU HIKVI-A	28.78	46.00	59.8%
700.HK	TENCENT	374.00	440.00	17.6%	002456.CH	OFILM GROUP CO-A	8.37	16.00	91.2%
763.HK	ZTE-H	22.80	28.00	22.8%	002460.CH	GANFENG LITHI-A	23.89	36.00	50.7%
778.HK	FORTUNE REIT	10.36	11.00	6.2%	300750.CH	CONTEMPORARY A-A	74.98	95.00	26.7%
788.HK	CHINA TOWER CO-H	2.05	2.40	17.1%	600004.CH	GUANGZHOU BAIY-A	16.08	16.00	-0.5%
823.HK	LINK REIT	95.45	98.00	2.7%	600009.CH	SHANG INTL AIR-A	70.56	70.00	-0.8%
883.HK	CNOOC	13.36	16.00	19.8%	600011.CH	HUANENG POWER-A	6.57	8.50	29.4%
941.HK	CHINA MOBILE	71.85	92.00	28.0%	600019.CH	BAOSHAN IRON &-A	6.80	8.20	20.6%
992.HK	LENOVO GROUP	6.45	8.00	24.0%	600048.CH	POLY DEVELOPME-A	12.95	20.00	54.4%
1038.HK	CKI HOLDINGS	63.50	76.00	19.7%	600271.CH	AISINO CORP-A	23.75	32.00	34.7%
1088.HK	CHINA SHENHUA-H	16.64	20.00	20.2%	600276.CH	JIANGSU HENGRU-A	65.41	80.00	22.3%
1093.HK	CSPC PHARMACEUTI	13.92	16.00	14.9%	600323.CH	GRANDBLUE ENV-A	15.64	19.30	23.4%
1109.HK	CHINA RES LAND	32.40	40.00	23.5%	600426.CH	SHANDONG HUALU-A	14.56	18.50	27.1%
1113.HK	CK ASSET HOLDING	60.55	76.00	25.5%	600487.CH	HENGTONG OPTIC-A	16.26	27.00	66.1%
1211.HK	BYD CO LTD-H	48.50	60.00	23.7%	600491.CH	LONG YUAN CONS-A	6.87	8.60	25.2%
1299.HK	AIA	77.40	91.00	17.6%	600516.CH	FANGDA CARBON-A	18.05	30.00	66.2%
1810.HK	XIAOMI CORP-B	10.48	12.00	14.5%	600588.CH	YONYOU NETWORK-A	23.78	38.50	61.9%
2313.HK	SHENZHOU INTL GP	99.20	110.00	10.9%	600600.CH	TSINGTAO BREW-A	53.92	47.00	-12.8%
2319.HK	MENGNUI DAIRY	29.30	33.00	12.6%	600803.CH	ENN ECOLOGICAL-A	10.67	15.00	40.6%
2382.HK	SUNNY OPTICAL	89.60	120.00	33.9%	601318.CH	PING AN INSURA-A	80.54	97.00	20.4%
6823.HK	HKT-SS	11.98	13.10	9.3%	601688.CH	HUATAI SECURIT-A	18.56	25.00	34.7%
6869.HK	YOFC-H	17.40	21.00	20.7%	601888.CH	CHINA INTERNAT-A	77.80	80.00	2.8%
2020.HK	ANTA SPORTS PROD	52.45	58.00	10.6%	603019.CH	DAWNING INFORM-A	40.70	53.60	31.7%
<b>US Stocks</b>									
GOOGL.US	ALPHABET INC-A	1170.8	1347.37	15.1%					
FB.US	FACEBOOK INC-A	186.27	185.83	-0.2%					
MSFT.US	MICROSOFT CORP	126.02	125.14	-0.7%					
AMZN.US	AMAZON.COM INC	1871.15	2147.95	14.8%					
NFLX.US	NETFLIX INC	354.99	396.7	11.7%					
BABA.US	ALIBABA GRP-ADR	177.6	201.62	13.5%					
TESLA.US	TESLA INC	231.95	328.4	41.6%					



## Source

Bloomberg, Company data, annual report, News

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