



CASH Financial Services Group Research Report CFSG Daily Comment

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HK and Regional Markets

	Close (last trading day)	Up(down)%
HSI	27,267	(1.58)
HSCEI	10,401	(1.92)
SH Comp Index	2,853	(1.36)
SZ Comp index	8,810	(2.56)
DJIA	25,490	(1.11)
Nasdaq	7,628	(1.58)
S&P 500 Index	2,822	(1.19)
Nikkei 225	20,999	(0.72)
UK FTSE 100	7,231	(1.41)
Germany DAX	11,952	(1.78)
USD Index	98	0.01

HSI Futures

	Active contract
Close (last trading day)	27,172
Up (down)	(55)
Day High	27,269
Day Low	27,121
Settled volume	232,143

Commodities

	Price	Up(down)%
Gold (Comex)	1,283.40	(0.16)
Silver (Comex)	14.55	(0.19)
LME Copper 3M	5,926.00	(0.03)
LME Aluminum 3M	1,797.50	1.04
WTI Crude Oil	58.33	0.73
Brent Crude	68.15	0.58
Natural Gas	2.58	(0.08)
Heating Oil	192.18	0.44
Wheat (CBOT)	469.25	(0.21)
Corn (CBOT)	390.25	0.13

Foreign Exchange

	Price	Up(down)%
USD/CNY	6.93	(0.09)
USD/JPY	109.70	(0.08)
EUR/USD	1.12	(0.02)
GBP/USD	1.27	0.02
AUD/USD	0.69	(0.22)
USD/CAD	1.35	(0.06)
USD/SWF	1.00	(0.07)

Fix Income

	Price	Up(down)
3M HIBOR	2.02	0.00
3M CNH HIBOR	3.47	(0.01)
3M USD LIBOR	2.52	0.00
US30Y Treasury	2.76	0.01
US10Y Treasury	2.33	0.01
US2Y Treasury	2.17	0.02

Market Outlook

HSI is expected to consolidate around 27,200 today.

US suppressing Huawei: US President Trump said that "Huawei is very dangerous" and that Huawei may become part of a trade agreement with China. In addition, a group of bipartisan senators proposed the legislation to prohibit the use of Huawei and ZTE products in US 5G networks.

British Prime Minister to stay or quit: Informed sources revealed that British Prime Minister Theresa May plans to announce her departure timetable on Friday, chance of hard Brexit increases.

Weak US economic data: ISM manufacturing index in May fell to 50.6, less than expected, a nine-year low, increasing the signs that the economy may slow down this quarter; market demand for safe haven increased, US 10-year bond yields have fallen to 2.2922%, the lowest in 19 months.

Today's Focus Stock

HK Stocks	Rating	Target	Price
AIA (01299.HK)	Buy	91.00	74.90
(1) Benefited from 12 new opening-up measures of CBIRC to enter China market			
(2) Strong momentum of Hong Kong and China business			
(3) 1Q19 achieved record-high new business value growth rate at 18%			
CSPC Pharma (01093.HK)	Buy	16.00	12.90
(1) Strong sales growth of innovative drugs leads to higher gross profit margin			
(2) Fast growing sales team and more penetration into low tier hospitals			
(3) Strong R&D pipeline to maintain long-term growth			

A-share	Rating	Target	Price
CITS (601888.SH)	Buy	80.00	75.33
(1) It divested the unprofitable business to focus on tax-free business continuously			
(2) It will extend its international business			
(3) Its business expansion is in a decent speed			

Sector and Company News

Lenovo Group (00992) announced annual results ended March 2019. The turnover rose 12.5% YoY to USD51.038 bn. Its net profit amounted to USD597 mn, against USD189 mn in loss for the previous year. Final Dividend was HK21.8 cents.

Meituan-W (03690) announced first quarter results ended March 2019. Its revenue grew 70.1% YoY to RMB1.433 bn. Loss narrowed to RMB1.433 bn from RMB21.065 bn in a year ago's period.

Dynam Japan (06889) announced annual results ended March 2019. Its revenue grew 7.8% YoY to HKD10.352 bn while its net profit grew 11% YoY to HKD891 mn. Final dividend was JPY6.

Capital VC (02324) announced its interim results ended 31 March 2019. Its losses narrowed from HKD125 mn to HKD66.44 mn. No interim dividend was declared.

Baytree Group (01761) released a negative profit alert. It is expected that the Group will record a loss for the six months ending June 30, 2019 as compared to an adjusted profit of RMB122.3 million for the corresponding period in 2018.



Focus stocks									
Stock No.	Stock Name	Price	TP (HKD)	Chg%	Stock No.	Stock Name	Price	TP (RMB)	Chg%
HK Stocks					A-share				
5.HK	HSBC HOLDINGS PL	65.25	72.60	11.3%	000333.CH	MIDEA GROUP CO-A	49.51	63.00	27.2%
6.HK	POWER ASSETS	54.20	60.00	10.7%	000858.CH	WULIANGYE YIBI-A	99.83	105.00	5.2%
16.HK	SHK PPT	134.10	154.00	14.8%	000977.CH	INSPUR ELECTRO-A	24.22	36.00	48.6%
27.HK	GALAXY ENTERTAIN	46.85	60.00	28.1%	001979.CH	CHINA MERCHANT-A	21.29	24.00	12.7%
268.HK	KINGDEE INTL SFT	8.38	10.00	19.3%	002013.CH	AVIC ELECTROME-A	7.04	9.80	39.2%
288.HK	WH GROUP LTD	7.30	9.00	23.3%	002120.CH	YUNDA HOLDING -A	39.01	48.00	23.0%
388.HK	HKEX	246.40	300.00	21.8%	002405.CH	NAVINFO CO LTD-A	22.51	30.00	33.3%
552.HK	CHINA COMM SER-H	5.49	7.60	38.4%	002415.CH	HANGZHOU HIKVI-A	24.56	46.00	87.3%
700.HK	TENCENT	326.00	440.00	35.0%	002456.CH	OFILM GROUP CO-A	8.15	16.00	96.3%
763.HK	ZTE-H	19.42	28.00	44.2%	002460.CH	GANFENG LITHI-A	23.26	36.00	54.8%
778.HK	FORTUNE REIT	10.86	11.00	1.3%	300750.CH	CONTEMPORARY A-A	67.48	95.00	40.8%
788.HK	CHINA TOWER CO-H	1.72	2.40	39.5%	600004.CH	GUANGZHOU BAIY-A	16.70	16.00	-4.2%
823.HK	LINK REIT	97.30	98.00	0.7%	600009.CH	SHANG INTL AIR-A	68.90	70.00	1.6%
883.HK	CNOOC	13.12	16.00	22.0%	600011.CH	HUANENG POWER-A	6.09	8.50	39.6%
941.HK	CHINA MOBILE	72.10	92.00	27.6%	600019.CH	BAOSHAN IRON &-A	6.62	8.20	23.9%
992.HK	LENOVO GROUP	5.88	8.00	36.1%	600048.CH	POLY DEVELOPME-A	12.57	20.00	59.1%
1038.HK	CKI HOLDINGS	61.65	76.00	23.3%	600271.CH	AISINO CORP-A	22.96	32.00	39.4%
1088.HK	CHINA SHENHUA-H	16.18	20.00	23.6%	600276.CH	JIANGSU HENGRU-A	59.61	80.00	34.2%
1093.HK	CSPC PHARMACEUTI	12.90	16.00	24.0%	600323.CH	GRANDBLUE ENV-A	14.78	19.30	30.6%
1109.HK	CHINA RES LAND	31.30	40.00	27.8%	600426.CH	SHANDONG HUALU-A	14.67	18.50	26.1%
1113.HK	CK ASSET HOLDING	58.30	76.00	30.4%	600487.CH	HENGTONG OPTIC-A	15.78	27.00	71.1%
1211.HK	BYD CO LTD-H	44.85	60.00	33.8%	600491.CH	LONG YUAN CONS-A	6.70	8.60	28.4%
1299.HK	AIA	74.90	91.00	21.5%	600516.CH	FANGDA CARBON-A	17.58	30.00	70.6%
1810.HK	XIAOMI CORP-B	9.80	12.00	22.4%	600588.CH	YONYOU NETWORK-A	22.93	38.50	67.9%
2313.HK	SHENZHOU INTL GP	95.55	110.00	15.1%	600600.CH	TSINGTAO BREW-A	48.94	47.00	-4.0%
2319.HK	MENGNU DAIY	29.20	33.00	13.0%	600803.CH	ENN ECOLOGICAL-A	10.25	15.00	46.3%
2382.HK	SUNNY OPTICAL	67.90	100.00	47.3%	601318.CH	PING AN INSURA-A	75.44	97.00	28.6%
6823.HK	HKT-SS	12.12	13.10	8.1%	601688.CH	HUATAI SECURIT-A	18.53	25.00	34.9%
6869.HK	YOFC-H	16.34	21.00	28.5%	601888.CH	CHINA INTERNAT-A	75.33	80.00	6.2%
2020.HK	ANTA SPORTS PROD	49.15	58.00	18.0%	603019.CH	DAWNING INFORM-A	39.86	53.60	34.5%
US Stocks									
GOOGL.US	ALPHABET INC-A	1145.34	1347.37	17.6%					
FB.US	FACEBOOK INC-A	180.87	185.83	2.7%					
MSFT.US	MICROSOFT CORP	126.18	125.14	-0.8%					
AMZN.US	AMAZON.COM INC	1815.48	2147.95	18.3%					
NFLX.US	NETFLIX INC	352.21	396.7	12.6%					
BABA.US	ALIBABA GRP-ADR	156	201.62	29.2%					
TSLA.US	TESLA INC	195.49	328.4	68.0%					



Source

Bloomberg, Company data, annual report, News

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