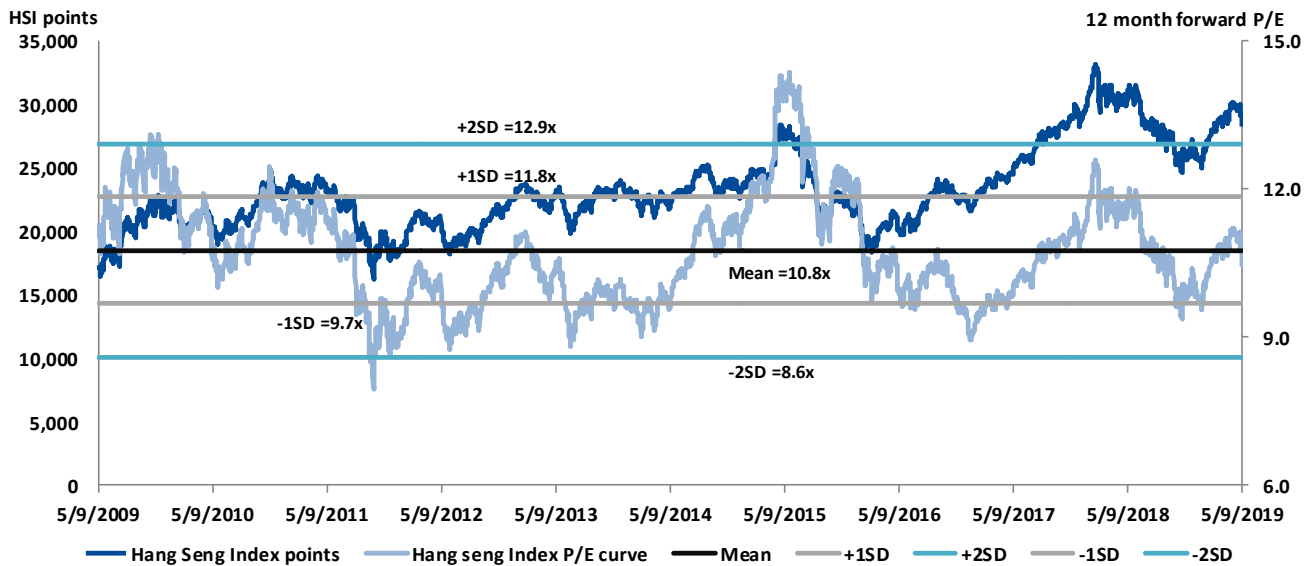


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## HSI's FWD P/E hovers between 9.7x and 11.8x

### Hang Seng Index at 10-year horizon

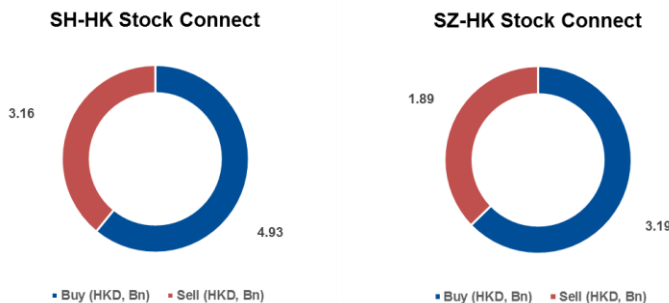


Source: Bloomberg, Mason Securities Limited

## Market Overview

Hang Seng Index closed up 0.8% at 28,550. Market turnover improved to HKD 125.0bn. HSCEI climbed 0.8% at 10,931.

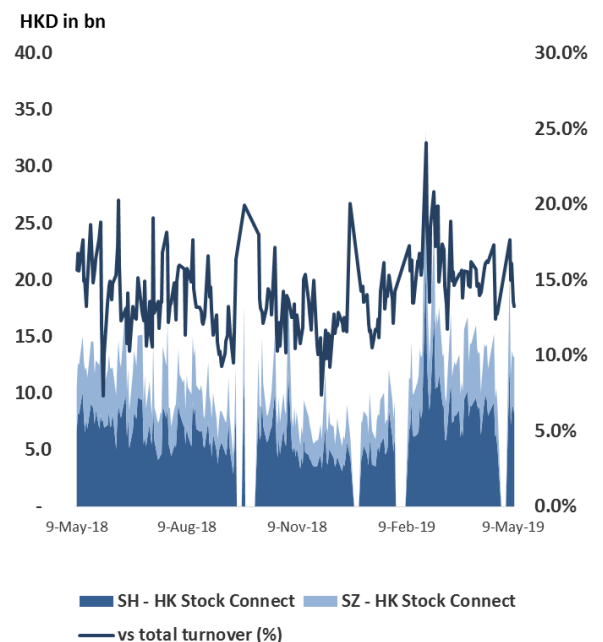
Southbound trading of SH-HK Stock Connect and SZ-HK Stock Connect attained HKD 8.1bn and HKD 5.1bn respectively, making up a combined 13.2% of total HK stock market turnover.



**On 10 years horizon, we see HSI will fall into a range between 9.7x to 11.8x 12M forward P/E (10.5x currently), which is equivalent to 26,000 to 31,800 points respectively. This is also equal to 1.0 standard deviation below and above the past 10-year 12M forward P/E mean of 10.8x.**

Source: Bloomberg, Mason Securities Limited

## Southbound China-HK Stock Connect Turnover



## Index Movers

HSI			
Name	Price	% Chg	Points
Sunny Optical ( 2382 )	90.7	5.3%	9.9
Sino Biopharmaceutical ( 1177 )	7.38	5.0%	7.3
Shenzhou International ( 2313 )	102.8	3.1%	6.9
Mengniu Dairy ( 2319 )	29.65	3.0%	7.0
Sands China ( 1928 )	41.45	2.6%	7.7
China Overseas ( 688 )	28.9	2.5%	8.1
Ping An Insurance ( 2318 )	88.85	2.5%	36.1
CSPC Pharmaceutical ( 1093 )	13.84	2.4%	4.5
China Resources Land ( 1109 )	33.05	2.3%	6.3
AAC Technologies ( 2018 )	46.9	2.2%	2.2
Geely ( 175 )	13.78	2.1%	4.5
Country Garden ( 2007 )	11.92	2.1%	5.5
Tencent ( 700 )	382	1.7%	51.4
Galaxy Entertainment ( 27 )	54.35	1.7%	5.9
HKEx ( 388 )	252	1.6%	14.3
Henderson Land ( 12 )	47.55	1.6%	3.0
China Life Insurance ( 2628 )	19.56	1.2%	5.4
Power Assets ( 6 )	55.75	1.0%	2.3
WH Group ( 288 )	7.7	0.9%	1.9
Sun Hung Kai Properties ( 16 )	134	0.9%	4.2
Wharf ( 1997 )	58.25	0.8%	1.6
BOC Hong Kong ( 2388 )	32.95	0.8%	2.8
Link ( 823 )	93.25	0.8%	4.4
HSBC ( 5 )	66.9	0.7%	20.0
Hong Kong & China Gas ( 3 )	18.72	0.6%	3.3
Techtronic Industries ( 669 )	52.3	0.6%	1.3
CK Asset Holdings ( 1113 )	62.05	0.6%	2.7
Hang Seng Bank ( 11 )	203	0.5%	2.3
CCB ( 939 )	6.47	0.5%	9.8
AIA Group ( 1299 )	77.95	0.4%	10.9
Swire Pacific ( 19 )	96.6	0.4%	0.5
ICBC ( 1398 )	5.52	0.4%	4.4
CK Infrastructure ( 1038 )	62.7	0.3%	0.4
New World Development ( 17 )	12.56	0.3%	0.7
CNOOC ( 883 )	13.38	0.3%	2.1
CK Hutchison ( 1 )	79.75	0.3%	1.6
MTR ( 66 )	46.2	0.2%	0.6
CLP Holdings ( 2 )	87.55	0.2%	0.9
Sino Land ( 83 )	13.02	0.2%	0.2
China Unicom ( 762 )	8.84	0.1%	0.2
BOC ( 3988 )	3.51	0.0%	0.0
Hang Lung Properties ( 101 )	17.08	-0.1%	-0.1
Sinopec ( 386 )	5.74	-0.3%	-1.5
BOCOM ( 3328 )	6.17	-0.5%	-0.8
CITIC ( 267 )	10.92	-0.7%	-1.4
PetroChina ( 857 )	4.6	-0.9%	-2.5
China Mobile ( 941 )	72.1	-0.9%	-12.0
China Shenhua ( 1088 )	16.9	-0.9%	-1.6
Want Want China ( 151 )	6.17	-1.0%	-1.0
Hengan International ( 1044 )	66.1	-3.1%	-4.5

HSCEI			
Name	Price	% Chg	Points
Air China ( 753 )	8.32	5.1%	1.8
CITIC Securities ( 6030 )	15.7	3.8%	2.4
Haitong Securities ( 6837 )	9.16	3.6%	2.1
China Tower ( 788 )	2.02	3.6%	6.7
Huatai Securities ( 6886 )	13.3	3.3%	1.5
New China Life ( 1336 )	38.5	3.1%	2.1
Shenzhou International ( 2313 )	102.8	3.1%	4.9
China Gas ( 384 )	24.85	2.7%	2.5
Ping An Insurance ( 2318 )	88.85	2.5%	25.9
GF Securities ( 1776 )	9.7	2.4%	0.7
China Pacific Insurance ( 2601 )	29.7	2.4%	4.0
CSPC Pharmaceutical ( 1093 )	13.84	2.4%	3.2
CMB ( 3968 )	37.05	2.3%	7.2
China Resources Land ( 1109 )	33.05	2.3%	4.5
China National Building Material ( 3323 )	6.67	2.3%	1.3
China Vanke ( 2202 )	29.15	2.1%	1.6
Guangzhou Automobile ( 2238 )	7.91	2.1%	1.0
Great Wall Motor ( 2333 )	5.91	1.9%	0.7
Tencent ( 700 )	382	1.7%	20.5
China Life Insurance ( 2628 )	19.56	1.2%	3.9
Anhui Conch Cement ( 914 )	45.9	1.0%	1.2
BYD ( 1211 )	49.3	0.9%	0.6
Sinopharm Group ( 1099 )	30.35	0.8%	0.6
Huarong Asset ( 2799 )	1.46	0.7%	0.2
People's Insurance ( 1339 )	3.02	0.7%	0.3
China Minsheng Banking ( 1988 )	5.62	0.5%	0.4
Cinda Asset Management ( 1359 )	1.93	0.5%	0.2
CCB ( 939 )	6.47	0.5%	4.9
ICBC ( 1398 )	5.52	0.4%	3.2
CRRC Corp ( 1766 )	6.69	0.3%	0.2
CNOOC ( 883 )	13.38	0.3%	1.5
Huaneng Power International ( 902 )	4.74	0.2%	0.1
BOC ( 3988 )	3.51	0.0%	0.0
CCCC ( 1800 )	7.22	-0.3%	-0.2
Agricultural Bank ( 1288 )	3.42	-0.3%	-0.6
Dongfeng Motor ( 489 )	6.82	-0.3%	-0.1
Sinopec ( 386 )	5.74	-0.3%	-1.1
PICC Property & Casualty ( 2328 )	8.05	-0.4%	-0.4
BOCOM ( 3328 )	6.17	-0.5%	-0.6
CGN Power ( 1816 )	2.03	-0.5%	-0.2
CITIC Bank ( 998 )	4.71	-0.6%	-0.6
CITIC ( 267 )	10.92	-0.7%	-1.0
China Railway ( 390 )	5.94	-0.8%	-0.4
PetroChina ( 857 )	4.6	-0.9%	-1.8
China Mobile ( 941 )	72.1	-0.9%	-8.6
China Shenhua ( 1088 )	16.9	-0.9%	-1.2
Postal Savings Bank of China ( 1658 )	4.6	-1.3%	-1.3
China Telecom ( 728 )	3.97	-2.0%	-2.4
Guangdong Investment ( 270 )	14.96	-2.1%	-2.0
Hengan International ( 1044 )	66.1	-3.1%	-3.2

Source: Bloomberg, Mason Securities Limited

## Major Market Indicators

		% Change			
Hong Kong	Close	1-Day	1-Mth	6-Mth	12-Mth
Hang Seng Index	28,550.24	0.8%	-4.5%	10.7%	-8.3%
HSCEI (H-Shares)	10,931.05	0.8%	-6.3%	4.3%	-11.5%
Mkt T/O (\$ Mn)	125,034.38	2.7%	11.0%	37.7%	34.2%
Oversea					
DJIA	25,324.99	-2.4%	-4.1%	1.0%	1.7%
NASDAQ	7,647.02	-3.4%	-4.2%	7.2%	3.2%
Shanghai SE Composite	2,903.71	-1.2%	-8.9%	10.3%	-8.5%
Shenzhen Component	9,103.36	-1.4%	-10.2%	15.1%	-14.7%
Commodities and FX					
Crude Oil Futures (US\$)	60.95	-1.2%	-4.6%	8.4%	-14.1%
Gold Futures (US\$)	1,303.90	0.2%	0.7%	7.8%	-1.1%
Baltic Dry Index	1,013.00	4.0%	39.5%	0.4%	-31.4%
USD / Euro	1.12	0.0%	-0.6%	-0.5%	-6.2%
Yen / USD	109.21	-0.1%	2.5%	4.0%	0.2%
CNH / USD	6.913	0.0%	-3.0%	0.5%	-8.4%

Source: Bloomberg, Mason Securities Limited

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