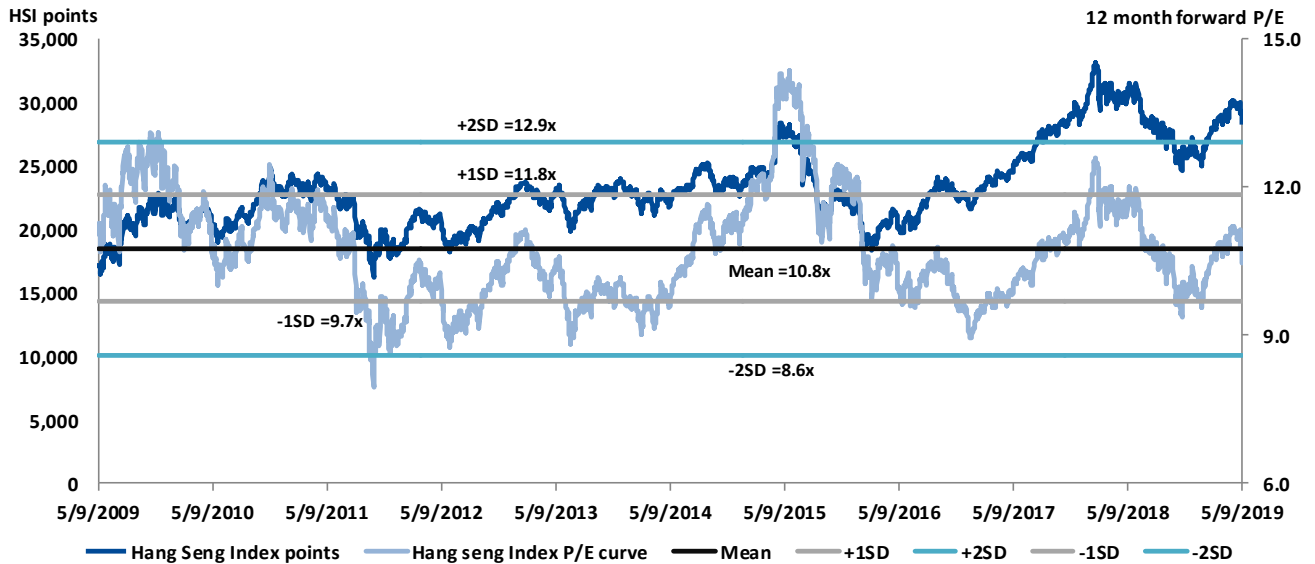


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## HSI's FWD P/E hovers between 9.7x and 11.8x

### Hang Seng Index at 10-year horizon

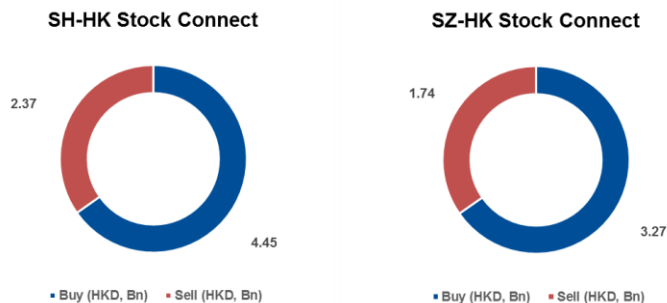


Source: Bloomberg, Mason Securities Limited

## Market Overview

Hang Seng Index closed down 1.5% at 28,122. Market turnover decreased to HKD 124.5bn. HSCEI retreated 1.5% at 10,764.

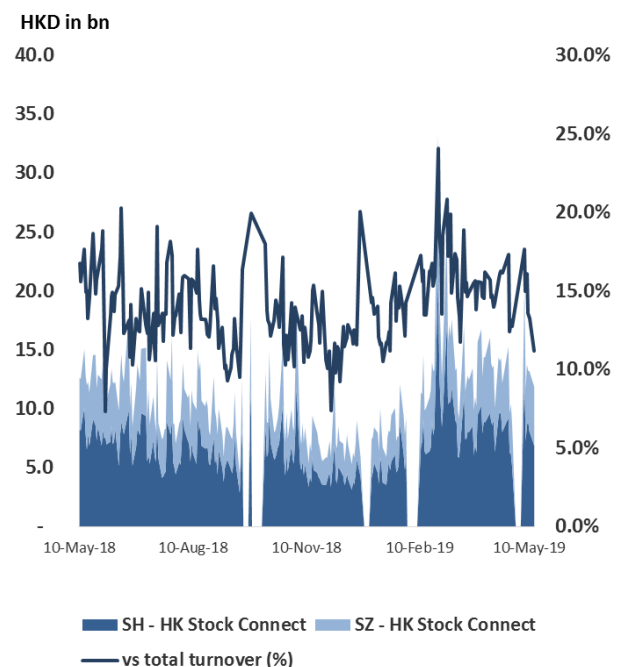
Southbound trading of SH-HK Stock Connect and SZ-HK Stock Connect attained HKD 6.8bn and HKD 5.0bn respectively, making up a combined 11.2% of total HK stock market turnover.



**On 10 years horizon, we see HSI will fall into a range between 9.7x to 11.8x 12M forward P/E (10.4x 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				HSCEI			
Name	Price	% Chg	Points	Name	Price	% Chg	Points
Link ( 823 )	96.8	3.8%	22.5	Dongfeng Motor ( 489 )	7.08	3.8%	1.5
CK Infrastructure ( 1038 )	64	2.1%	2.6	CRRC Corp ( 1766 )	6.75	0.9%	0.6
Hong Kong & China Gas ( 3 )	19.04	1.7%	8.9	CGN Power ( 1816 )	2.04	0.5%	0.2
Power Assets ( 6 )	56.45	1.3%	2.9	China Minsheng Banking ( 1988 )	5.63	0.2%	0.1
CLP Holdings ( 2 )	88.55	1.1%	5.7	Sinopharm Group ( 1099 )	30.4	0.2%	0.1
Henderson Land ( 12 )	48	0.9%	1.8	Huaneng Power International ( 902 )	4.74	0.0%	0.0
MTR ( 66 )	46.6	0.9%	2.2	BOCOM ( 3328 )	6.17	0.0%	0.0
Sino Biopharmaceutical ( 1177 )	7.43	0.7%	1.0	CITIC ( 267 )	10.92	0.0%	0.0
Hang Seng Bank ( 11 )	204	0.5%	2.3	China Mobile ( 941 )	72.1	0.0%	0.0
Sino Land ( 83 )	13.08	0.5%	0.5	GF Securities ( 1776 )	9.68	-0.2%	-0.1
Hang Lung Properties ( 101 )	17.08	0.0%	0.0	Guangdong Investment ( 270 )	14.9	-0.4%	-0.4
BOCOM ( 3328 )	6.17	0.0%	0.0	Guangzhou Automobile ( 2238 )	7.87	-0.5%	-0.3
CITIC ( 267 )	10.92	0.0%	0.0	Great Wall Motor ( 2333 )	5.88	-0.5%	-0.2
China Mobile ( 941 )	72.1	0.0%	0.0	CCCC ( 1800 )	7.17	-0.7%	-0.5
Sun Hung Kai Properties ( 16 )	132.9	-0.8%	-3.8	China Telecom ( 728 )	3.94	-0.8%	-0.9
China Shenhua ( 1088 )	16.76	-0.8%	-1.4	China Shenhua ( 1088 )	16.76	-0.8%	-1.0
CSPC Pharmaceutical ( 1093 )	13.72	-0.9%	-1.7	CSPC Pharmaceutical ( 1093 )	13.72	-0.9%	-1.2
HSBC ( 5 )	66.3	-0.9%	-26.6	CMB ( 3968 )	36.7	-0.9%	-2.9
Swire Pacific ( 19 )	95.6	-1.0%	-1.5	China Tower ( 788 )	2	-1.0%	-1.9
PetroChina ( 857 )	4.55	-1.1%	-3.2	People's Insurance ( 1339 )	2.99	-1.0%	-0.5
BOC ( 3988 )	3.47	-1.1%	-9.6	Cinda Asset Management ( 1359 )	1.91	-1.0%	-0.4
CK Hutchison ( 1 )	78.8	-1.2%	-7.7	CITIC Bank ( 998 )	4.66	-1.1%	-1.0
ICBC ( 1398 )	5.45	-1.3%	-15.5	PetroChina ( 857 )	4.55	-1.1%	-2.3
Geely ( 175 )	13.6	-1.3%	-2.9	BOC ( 3988 )	3.47	-1.1%	-6.9
Ping An Insurance ( 2318 )	87.65	-1.4%	-20.2	Agricultural Bank ( 1288 )	3.38	-1.2%	-2.4
CK Asset Holdings ( 1113 )	61.2	-1.4%	-6.6	China Vanke ( 2202 )	28.8	-1.2%	-0.9
CNOOC ( 883 )	13.18	-1.5%	-10.7	China Gas ( 384 )	24.55	-1.2%	-1.2
BOC Hong Kong ( 2388 )	32.45	-1.5%	-5.6	ICBC ( 1398 )	5.45	-1.3%	-11.1
Mengniu Dairy ( 2319 )	29.2	-1.5%	-3.7	China Railway ( 390 )	5.86	-1.3%	-0.7
New World Development ( 17 )	12.36	-1.6%	-3.7	Ping An Insurance ( 2318 )	87.65	-1.4%	-14.5
China Resources Land ( 1109 )	32.5	-1.7%	-4.6	Anhui Conch Cement ( 914 )	45.25	-1.4%	-1.7
China Overseas ( 688 )	28.4	-1.7%	-5.8	CNOOC ( 883 )	13.18	-1.5%	-7.7
HKEEx ( 388 )	247.2	-1.9%	-17.1	Postal Savings Bank of China ( 1658 )	4.53	-1.5%	-1.5
Sinopec ( 386 )	5.63	-1.9%	-8.4	China Resources Land ( 1109 )	32.5	-1.7%	-3.3
Want Want China ( 151 )	6.05	-1.9%	-2.0	BYD ( 1211 )	48.45	-1.7%	-1.2
China Life Insurance ( 2628 )	19.14	-2.1%	-9.4	PICC Property & Casualty ( 2328 )	7.91	-1.7%	-2.1
CCB ( 939 )	6.33	-2.2%	-45.5	Sinopec ( 386 )	5.63	-1.9%	-6.1
China Unicom ( 762 )	8.64	-2.3%	-3.7	China Life Insurance ( 2628 )	19.14	-2.1%	-6.7
Country Garden ( 2007 )	11.64	-2.3%	-6.4	CCB ( 939 )	6.33	-2.2%	-22.7
Wharf ( 1997 )	56.85	-2.4%	-5.1	China Pacific Insurance ( 2601 )	29	-2.4%	-4.0
Sunny Optical ( 2382 )	88.1	-2.9%	-5.6	New China Life ( 1336 )	37.45	-2.7%	-1.9
AIA Group ( 1299 )	75.7	-2.9%	-81.7	Tencent ( 700 )	370.6	-3.0%	-36.5
Tencent ( 700 )	370.6	-3.0%	-91.5	CITIC Securities ( 6030 )	15.18	-3.3%	-2.2
AAC Technologies ( 2018 )	45.4	-3.2%	-3.3	China National Building Material ( 3323 )	6.44	-3.4%	-1.9
Techtronic Industries ( 669 )	50.4	-3.6%	-8.3	Hengan International ( 1044 )	63.65	-3.7%	-3.8
Hengan International ( 1044 )	63.65	-3.7%	-5.3	Shenzhou International ( 2313 )	98.75	-3.9%	-6.6
Shenzhou International ( 2313 )	98.75	-3.9%	-9.2	Huatai Securities ( 6886 )	12.76	-4.1%	-1.9
WH Group ( 288 )	7.39	-4.0%	-8.2	Huarong Asset ( 2799 )	1.4	-4.1%	-1.3
Sands China ( 1928 )	39.4	-4.9%	-14.9	Haitong Securities ( 6837 )	8.74	-4.6%	-2.8
Galaxy Entertainment ( 27 )	51.5	-5.2%	-18.6	Air China ( 753 )	7.73	-7.1%	-2.6

Source: Bloomberg, Mason Securities Limited

## Major Market Indicators

		% Change			
Hong Kong	Close	1- Day	1- Mth	6- Mth	12- Mth
Hang Seng Index	28,122.02	-1.5%	-5.7%	7.7%	-9.7%
HSCEI (H- Shares)	10,764.02	-1.5%	-7.5%	2.0%	-13.5%
Mkt T/O (\$ Mn)	124,537.38	-0.4%	38.8%	56.9%	16.7%
Overseas					
DJIA	25,532.05	0.8%	-3.2%	1.0%	3.3%
NASDAQ	7,734.49	1.1%	-3.0%	6.5%	5.2%
Shanghai SE Composite	2,883.61	-0.7%	-9.3%	8.1%	-9.7%
Shenzhen Component	9,038.36	-0.7%	-10.1%	12.9%	-15.9%
Commodities and FX					
Crude Oil Futures (US\$)	61.18	0.2%	-3.5%	8.4%	-14.2%
Gold Futures (US\$)	1,298.30	0.2%	0.5%	6.9%	0.6%
Baltic Dry Index	1,026.00	1.3%	39.0%	0.6%	-30.1%
USD / Euro	1.12	-0.1%	-0.9%	-1.0%	-5.6%
Yen / USD	109.56	0.1%	2.2%	3.5%	0.7%
CNH / USD	6.911	-0.1%	-3.0%	0.3%	-8.0%

Source: Bloomberg, Mason Securities Limited

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