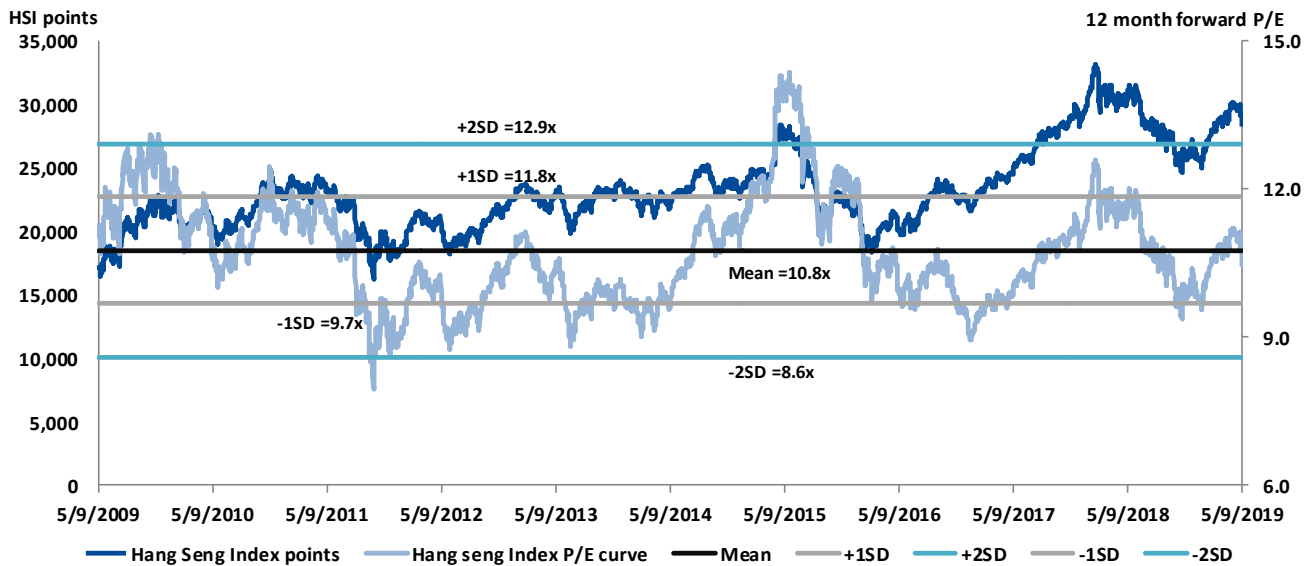


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## HSI's FWD P/E hovers between 9.7x and 11.8x

### Hang Seng Index at 10-year horizon

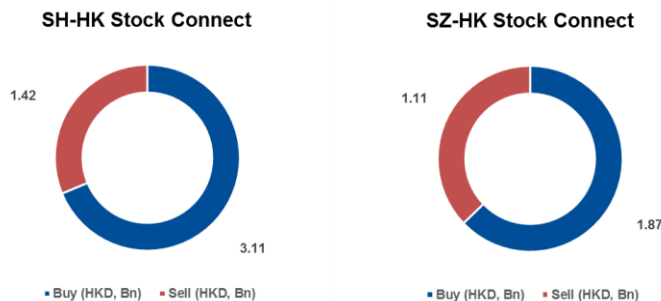


Source: Bloomberg, Mason Securities Limited

### Market Overview

Hang Seng Index closed up 0.5% at 28,269. Market turnover decreased to HKD 96.1bn. HSCEI climbed 0.4% at 10,804.

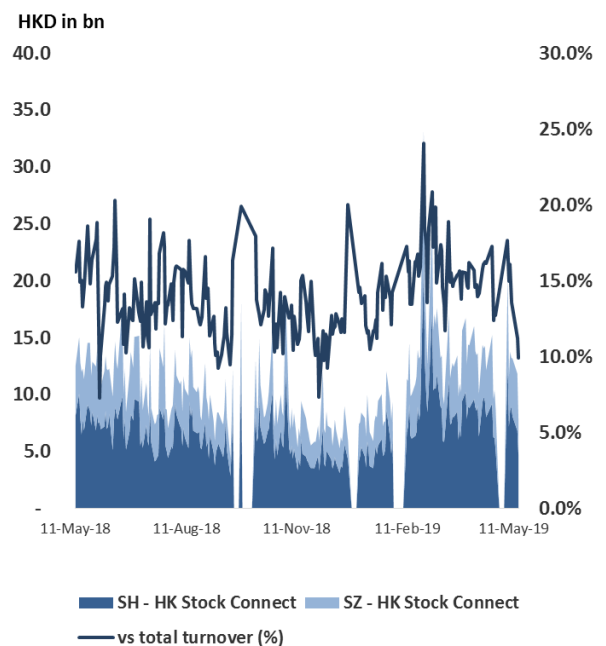
Southbound trading of SH-HK Stock Connect and SZ-HK Stock Connect attained HKD 4.5bn and HKD 3.0bn respectively, making up a combined 9.9% of total HK stock market turnover.



**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				HSCEI			
Name	Price	% Chg	Points	Name	Price	% Chg	Points
WH Group ( 288 )	7.77	5.1%	10.1	China Tower ( 788 )	2.05	2.5%	4.8
Sino Biopharmaceutical ( 1177 )	7.68	3.4%	5.2	New China Life ( 1336 )	38.15	1.9%	1.2
AIA Group ( 1299 )	77.4	2.2%	61.7	China Pacific Insurance ( 2601 )	29.5	1.7%	2.8
Techtronic Industries ( 669 )	51.3	1.8%	4.0	CMB ( 3968 )	37.25	1.5%	4.6
Sunny Optical ( 2382 )	89.6	1.7%	3.2	CSPC Pharmaceutical ( 1093 )	13.92	1.5%	2.0
CSPC Pharmaceutical ( 1093 )	13.92	1.5%	2.8	Ping An Insurance ( 2318 )	88.85	1.4%	14.5
Ping An Insurance ( 2318 )	88.85	1.4%	20.2	CNOOC ( 883 )	13.36	1.4%	6.9
CNOOC ( 883 )	13.36	1.4%	9.7	Great Wall Motor ( 2333 )	5.94	1.0%	0.4
AAC Technologies ( 2018 )	46	1.3%	1.3	CGN Power ( 1816 )	2.06	1.0%	0.5
Sands China ( 1928 )	39.9	1.3%	3.6	Huatai Securities ( 6886 )	12.88	0.9%	0.4
Geely ( 175 )	13.76	1.2%	2.6	Tencent ( 700 )	374	0.9%	10.9
Country Garden ( 2007 )	11.76	1.0%	2.7	PICC Property & Casualty ( 2328 )	7.98	0.9%	1.0
Tencent ( 700 )	374	0.9%	27.3	Anhui Conch Cement ( 914 )	45.55	0.7%	0.8
Galaxy Entertainment ( 27 )	51.95	0.9%	2.9	Hengan International ( 1044 )	64.05	0.6%	0.6
Hang Lung Properties ( 101 )	17.22	0.8%	0.9	BOC ( 3988 )	3.49	0.6%	3.4
Hengan International ( 1044 )	64.05	0.6%	0.9	ICBC ( 1398 )	5.48	0.6%	4.8
HSBC ( 5 )	66.7	0.6%	17.8	Shenzhou International ( 2313 )	99.2	0.5%	0.7
BOC ( 3988 )	3.49	0.6%	4.8	CITIC Securities ( 6030 )	15.24	0.4%	0.3
ICBC ( 1398 )	5.48	0.6%	6.7	China Minsheng Banking ( 1988 )	5.65	0.4%	0.3
Wharf ( 1997 )	57.15	0.5%	1.1	Haitong Securities ( 6837 )	8.76	0.2%	0.1
China Unicom ( 762 )	8.68	0.5%	0.7	Postal Savings Bank of China ( 1658 )	4.54	0.2%	0.2
Shenzhou International ( 2313 )	99.2	0.5%	1.0	CITIC Bank ( 998 )	4.67	0.2%	0.2
Swire Pacific ( 19 )	96	0.4%	0.6	Huaneng Power International ( 902 )	4.75	0.2%	0.1
Mengniu Dairy ( 2319 )	29.3	0.3%	0.8	China Railway ( 390 )	5.87	0.2%	0.1
HKEx ( 388 )	248	0.3%	2.9	BYD ( 1211 )	48.5	0.1%	0.1
Henderson Land ( 12 )	48.1	0.2%	0.4	Guangdong Investment ( 270 )	14.9	0.0%	0.0
Hang Seng Bank ( 11 )	204.4	0.2%	0.9	CCCC ( 1800 )	7.17	0.0%	0.0
PetroChina ( 857 )	4.55	0.0%	0.0	Cinda Asset Management ( 1359 )	1.91	0.0%	0.0
BOC Hong Kong ( 2388 )	32.45	0.0%	0.0	PetroChina ( 857 )	4.55	0.0%	0.0
China Overseas ( 688 )	28.4	0.0%	0.0	China Life Insurance ( 2628 )	19.14	0.0%	0.0
China Life Insurance ( 2628 )	19.14	0.0%	0.0	Huarong Asset ( 2799 )	1.4	0.0%	0.0
Hong Kong & China Gas ( 3 )	19.02	-0.1%	-0.6	GF Securities ( 1776 )	9.66	-0.2%	-0.1
Sino Land ( 83 )	13.06	-0.2%	-0.2	China Resources Land ( 1109 )	32.4	-0.3%	-0.6
China Resources Land ( 1109 )	32.4	-0.3%	-0.8	China Mobile ( 941 )	71.85	-0.3%	-3.3
China Mobile ( 941 )	71.85	-0.3%	-4.6	Sinopec ( 386 )	5.61	-0.4%	-1.1
Sinopec ( 386 )	5.61	-0.4%	-1.5	China National Building Material ( 3323 )	6.41	-0.5%	-0.3
MTR ( 66 )	46.4	-0.4%	-1.1	CCB ( 939 )	6.3	-0.5%	-4.9
CK Hutchison ( 1 )	78.45	-0.4%	-2.8	BOCOM ( 3328 )	6.14	-0.5%	-0.6
Sun Hung Kai Properties ( 16 )	132.3	-0.5%	-2.1	China Vanke ( 2202 )	28.65	-0.5%	-0.4
CCB ( 939 )	6.3	-0.5%	-9.8	Agricultural Bank ( 1288 )	3.36	-0.6%	-1.2
New World Development ( 17 )	12.3	-0.5%	-1.1	People's Insurance ( 1339 )	2.97	-0.7%	-0.3
BOCOM ( 3328 )	6.14	-0.5%	-0.8	China Shenhua ( 1088 )	16.64	-0.7%	-0.9
Want Want China ( 151 )	6.02	-0.5%	-0.5	China Telecom ( 728 )	3.91	-0.8%	-0.9
Power Assets ( 6 )	56.1	-0.6%	-1.5	Air China ( 753 )	7.67	-0.8%	-0.3
China Shenhua ( 1088 )	16.64	-0.7%	-1.2	Guangzhou Automobile ( 2238 )	7.8	-0.9%	-0.4
CK Infrastructure ( 1038 )	63.5	-0.8%	-1.0	CRRC Corp ( 1766 )	6.68	-1.0%	-0.7
CLP Holdings ( 2 )	87.85	-0.8%	-4.0	Dongfeng Motor ( 489 )	6.99	-1.3%	-0.5
CK Asset Holdings ( 1113 )	60.55	-1.1%	-5.1	Sinopharm Group ( 1099 )	30	-1.3%	-1.0
Link ( 823 )	95.45	-1.4%	-8.6	CITIC ( 267 )	10.76	-1.5%	-2.0
CITIC ( 267 )	10.76	-1.5%	-2.8	China Gas ( 384 )	23.95	-2.4%	-2.3

Source: Bloomberg, Mason Securities Limited

## Major Market Indicators

		% Change			
Hong Kong	Close	1-Day	1-Mth	6-Mth	12-Mth
Hang Seng Index	28,268.71	0.5%	-6.2%	8.0%	-9.1%
HSCEI (H-Shares)	10,804.14	0.4%	-8.6%	2.1%	-13.2%
Mkt T/O (\$ Mn)	96,119.37	-22.8%	-12.6%	11.3%	-8.6%
Oversea					
DJIA	25,648.02	0.5%	-3.0%	0.9%	3.5%
NASDAQ	7,822.15	1.1%	-2.2%	7.9%	5.7%
Shanghai SE Composite	2,938.68	1.9%	-9.7%	9.7%	-7.3%
Shenzhen Component	9,259.03	2.4%	-10.0%	14.8%	-13.5%
Commodities and FX					
Crude Oil Futures (US\$)	62.41	1.0%	-2.6%	10.5%	-12.7%
Gold Futures (US\$)	1,297.00	-0.1%	1.6%	6.1%	0.4%
Baltic Dry Index	1,043.00	1.7%	39.3%	1.2%	-25.7%
USD / Euro	1.12	0.0%	-0.7%	-1.8%	-5.1%
Yen / USD	109.44	0.0%	2.3%	3.1%	0.6%
CNH / USD	6.909	-0.1%	-2.8%	0.1%	-8.0%

Source: Bloomberg, Mason Securities Limited

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