2019

21 Oct 2019

China Connect Weekly

Market Strategy
Monthly rebound only reflects a slowdown in pace

Macroeconomics
Worry not about short-term CPI breaking the 3% mark

Stock Recommendations
Jidong Cement ● Capchem Technology ● Kweichow Moutai ● Conch Cement

中信証券經紀香港
CITIC Securities Brokerage (HK)

CITIC Securities Brokerage (HK) Limited
Investment Advisory Services
Tel: 2237 9250
E-mail: hkias@citics.com.hk

csb.com.hk

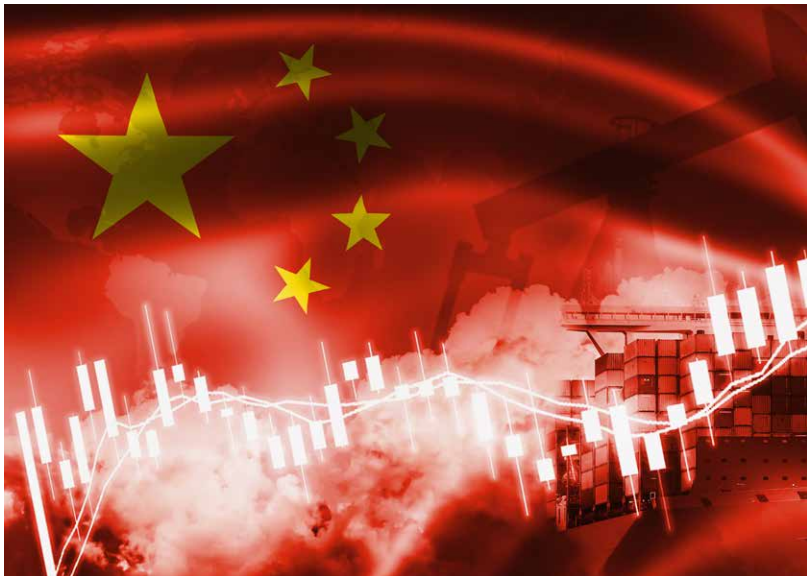
Please refer to the attachment for detailed disclaimer and regulatory disclosures

Contents:

Market Strategy

Monthly rebound only reflects a slowdown in pace

Leading indicators point to 3Q19 corporate earnings as the bottom of the year. We reiterate our view of "month-level rebound" and continue to recommend weighing in on low-valuation counters slated to gain from economic stabilization.



Macroeconomics

Worry not about short-term CPI breaking the 3% mark

We see no need to fret about Sep CPI exceeding consensus and touching the policy target. We estimate China's inflation will average 2.6% in 2019E. Low core inflation and non-food prices point to downward pressure on the economy caused mainly by weak demand.

Weekly Top Pick

Company	Price (Rmb)	Target (Rmb)	Stop Loss (Rmb)	Upside (%)
Jidong Cement (000401 CH)	15.46	22.36	14.7	45
Capchem Technology (300037 CH)	24.38	33.00	23.2	35
Kweichow Moutai (600519 CH)	1,175.79	1,400.00	1,117.0	19
Conch Cement (600585 CH)	42.34	46.35	40.2	9

Source: Respective Company, CS

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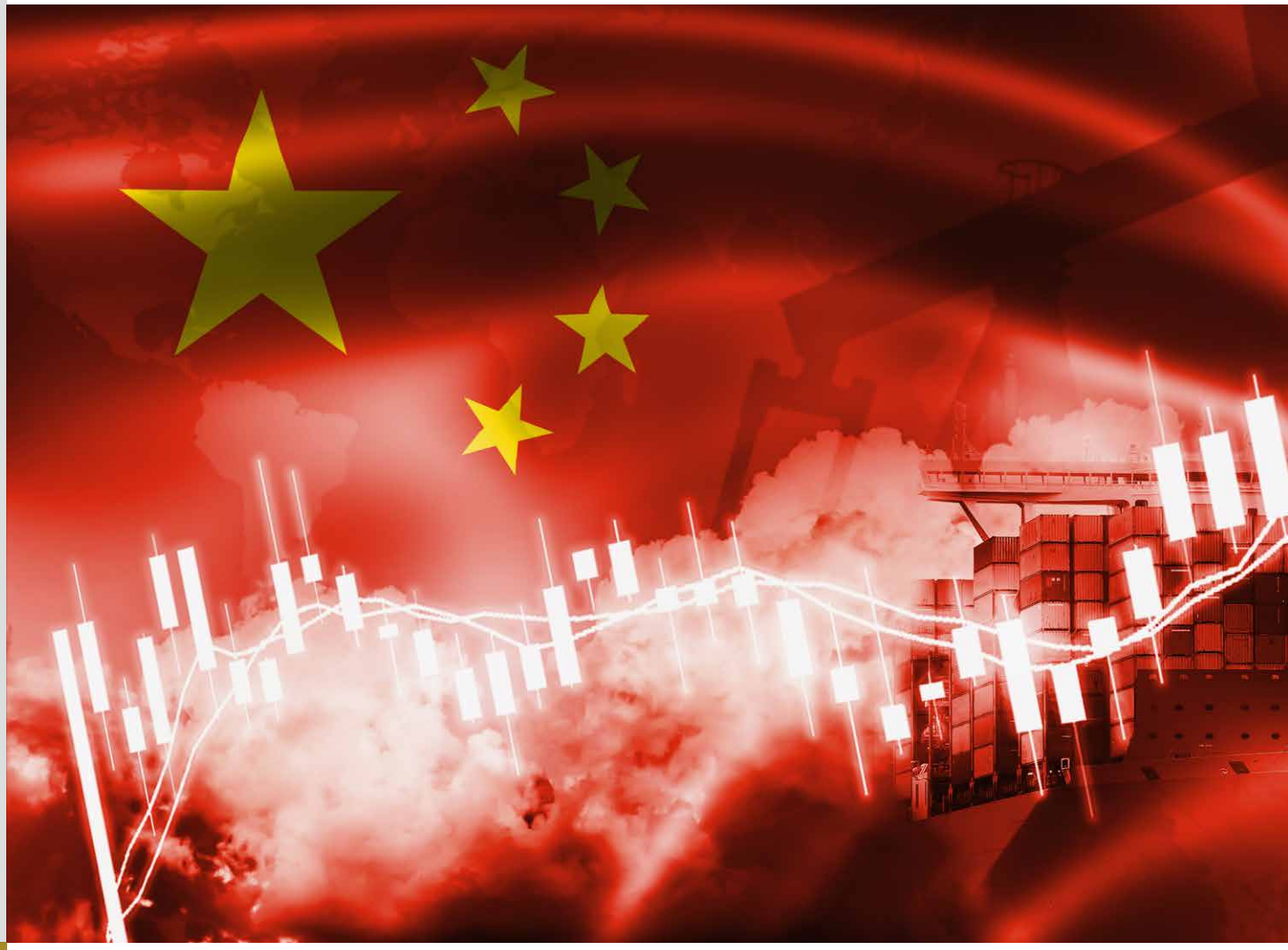
Monthly rebound only reflects a slowdown in pace



China's GDP data for 3Q19 once again sent investor expectations of policy underpinning down to the "freezing point" and triggered a market correction. We are of the opinion that as GDP growth hits the policy bottom line, the ramp-up of comprehensive force from policies in multiple areas may accelerate. Given that monetary and fiscal means have found themselves in a deadlock, the reform of the capital market itself could continue to beat expectations. Leading indicators show a high possibility that 3Q19 corporate earnings growth has reached the bottom. We maintain the view of "month-level rebound" and recommend further allocation to low-valuation stocks with potential to benefit from economic stabilization.

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Worry not about short-term CPI breaking the 3% mark

In Sep 2019, China's CPI rose 3% YoY, beating market consensus. The uptick was mainly due to pork price jumps on short supply, while non-food prices and core inflation remained low. We believe that worries over CPI hitting policy target are unwarranted and forecast full-year 2019E inflation to average circa 2.6%. Subdued levels of core inflation and non-food prices indicate downward pressure on the economy brought by sluggish demand as a whole. It is highly likely that the current proactive posture of macro policies will remain going forward. More attention should be paid to the rising financing costs and mounting pressure on profitability for enterprises due to PPI deflation. Marginal easing in monetary policy is necessary to shore up support for the economy.

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Market Review & Technical:

CITIC S&P 50

CITIC S&P 300

Market Review: On Monday, Shanghai and Shenzhen markets opened high and the three major A-share stock indices rallied with the ascend getting persistently steeper. The Shanghai Composite Index (SCI) returned to the 3,000-point level on the back of broad market advancement. In the afternoon, both markets hovered within a narrow band and the SCI closed up 1.15%. On Tuesday, the bourses started low in tandem, slipped further and extended the moderate fluctuation into the second session. The Shanghai gauge shed 0.56%. On Wednesday, after a slightly high opening at both markets, the three main indices surged on strong financials before pulling back. The SCI finished off 0.41%. On Thursday, the two markets began slightly high. All three indices remained largely stable in the morning and retreated moderately in the afternoon. Some hot spots were seen now and then but none lasted long. The SCI inched down 0.05% at the close. On Friday, all three indices opened high and moved higher. The SCI rose above the 3,000 mark again, finishing the winning day with a gain of 1.15%. In the week, CITIC/S&P 50 and CITIC/S&P 300 shed 0.9% and 1.0%, respectively.

Technical analysis: The technical trends of CITIC/S&P 50 and CITIC/S&P 300 strengthened, the indices now in the bull market. We expect the pair to jolt north after consolidation in the short term.

Source: Bloomberg, CS

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The role of infrastructure to underpin the economy

Under internal and external pressure, infrastructure construction will likely stick to its underpinning role for China's economy. We suggest investors keep watching for opportunities that may emerge from: 1) Central enterprises that benefit more from the current financing environment; 2) Two leading cement companies – Jidong Cement (000401 CH), engaged in integration and efficiency improvement and a beneficiary of the coordinated development of the Beijing-Tianjin-Hebei area and Conch Cement (600585 CH), a comprehensive producer based in East China; and 3) Design firms with sustainable earnings growth and low valuations.

(A Shenzhen-HK Stock Connect Northbound Stock)

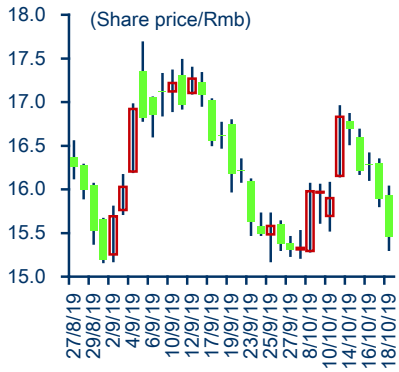
Risk rating: 1

Jidong Cement

Target Price: Rmb22.36

Upside: 45%

Share Price Performance



Price/Target/Stop Loss	15.46/22.36/14.70
52 Weeks High/Low	20.18/9.99
50/100/200D MA	16.14/16.79/16.04
RSI (14D)	41.0
MACD (12/26D)/Signal	-0.10/-0.10
2019E PER (x)	8.2

Company: Jidong Cement manufactures and markets building materials. Products include portland cements, compound cements and cement clinker products. The Company markets its products domestically and internationally.

(A Shanghai-HK Stock Connect Northbound Stock)

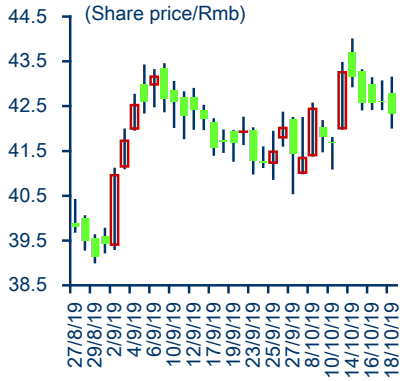
Risk rating: 1

Conch Cement

Target Price: Rmb46.35

Upside: 9%

Share Price Performance



Price/Target/Stop Loss	42.34/46.35/40.20
52 Weeks High/Low	44.56/28.23
50/100/200D MA	40.80/40.64/38.16
RSI (14D)	54.3
MACD (12/26D)/Signal	0.41/0.41
2019E PER (x)	6.7

Company: Conch Cement produces and sells cement and clinker.

21 Oct 2019 Source: Bloomberg, Respective Company, CS

* Closing prices as of 18 Oct 2019

Risk Rating: 1 to 5 in ascending order

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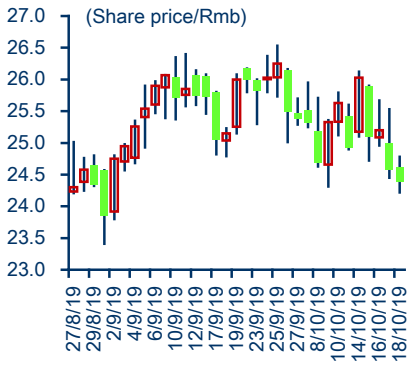
(A Shenzhen-HK Stock Connect Northbound Stock)

Risk rating: 1 Capchem Technology

Target Price: Rmb33 Upside: 35%

FORECAST-BEATING EARNINGS FLASH FOR 3Q19

Share Price Performance



Price/Target/Stop Loss	24.38/33.00/23.20
52 Weeks High/Low	29.93/20.30
50/100/200D MA	24.93/23.53/24.55
RSI (14D)	43.0
MACD (12/26D)/Signal	-0.04/0.13
2019E PER (x)	24.4

Company: Capchem Technology develops, manufactures and sells electronic chemicals, including those for the making of electric capacitors and lithium ion batteries.

Capchem Technology (300037 CH) saw the growth of its fluorine chemical division accelerating while other business lines either bottoming up or keeping a steady pace. Anticipating strong demand for lithium products in 4Q19E, we believe the electrolyte segment will speed up remarkably. Management issued better-than-expected estimates for 3Q19E, affirming the rationale of its business growth. We reiterate our optimism over the Company's long-term prospects.

(A Shanghai-HK Stock Connect Northbound Stock)

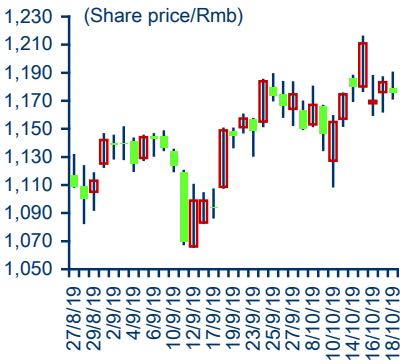
Kweichow Moutai Risk rating: 1

Target Price: Rmb1,400 Upside: 19%

PROMINENT VALUE OF CORE ASSETS

Kweichow Moutai (600519 CH) posted 1-3Q19 revenue and net profit increases of 16% and 23% YoY, respectively, with highly visible full-year earnings outlook. The leading distiller stands on solid ground to raise sales volume as well as prices over the next two years. Robust growth is expected and the value of its core assets has become even more prominent. Investors are advised to go long on the counter.

Share Price Performance



Price/Target/Stop Loss	1,175.79/1,400.00/ 1,117.00
52 Weeks High/Low	1,211.0/524.0
50/100/200D MA	1,104.41/1,025.09 /898.85
RSI (14D)	56.2
MACD (12/26D)/Signal	21.25/23.11
2019E PER (x)	33.5

Company: Kweichow Moutai manufactures spirits and markets its products worldwide. The Company's spirit products are distilled from sorghum and wheat.

21 Oct 2019 Source: Bloomberg, Respective Company, CS * Closing prices as of 18 Oct 2019

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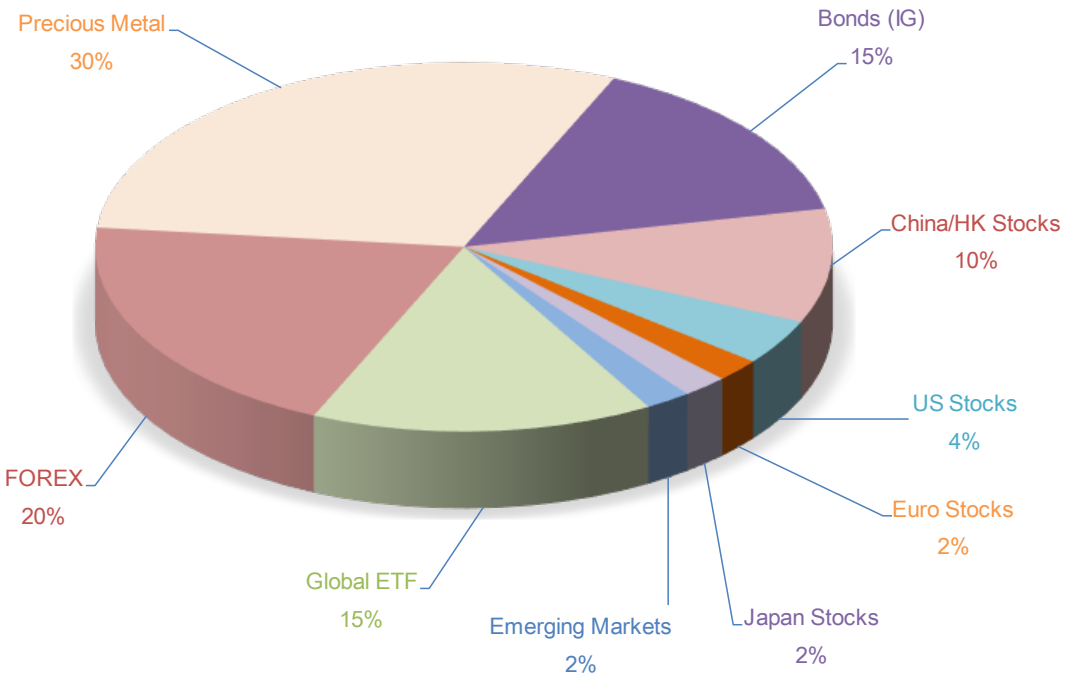
Risk Rating: 1 to 5 in ascending order

Global Asset Allocation

Recommended global asset allocation (GAA)



Selected equity markets at a glance

Hong Kong: Relatively undemanding stock valuation; potential benefit of "Shenzhen-Hong Kong Stock Connect" to small caps

Mainland China: Government preference for a "slow bull market"; relaxed fiscal policy in favor of equities

Japan: Real estates, exports and tourism enjoying monetary easing and weak yen

US: Macro stability and recovery; short-term pressure stemming from rate rise and strong USD

Europe: Stock valuation falling due to weak euro and further quantitative ease

The Philippines: Positive current account balance for over a decade; projected GDP growth of 6.3% in 2018E

India: Relatively strong growth versus other emerging markets; projected GDP growth of 7.3% in 2018E

Source: Bloomberg, Respective Company, CS

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Top GAA picks

China/Hong Kong Stocks

Company	Remarks
Realcan Pharm (002589 CH)	Medical equipment distribution across the nation
Wellhope Agri-Tech (603609 CH)	Wider margins in animal feed and upbeat growth in slaughter and trade
Dabeinong (002385 CH)	Warming industry climate and growth-driving strategy
Huace Film & TV (300133 CH)	Continued progress in SIP operations and promising VR content investment
Alpha Animation (002292 CH)	Entering the baby/toddler market upon acquisition of BT and Jinwang
Kweichow Moutai (600519 CH)	Steady and superb
CR Land (1109 HK)	Benefiting from rate/RRR cuts + projects in top-tier cities
BOCHK (2388 HK)	Revenue growth momentum: Top pick among local lenders
Zoomlion (1157 HK)	A late-cycle equipment maker stands to win
Haitong Sec. (6837 HK)	Gaining from IPO re-launch and rebounding A-share market turnover
Eastern Airlines (670 HK)	To ride on Shanghai Disney and Beijing Winter Olympics
Tencent (700 HK)	WeChat user experience significantly enhanced on subscription improvement
Mengniu Dairy (2319 HK)	New products to drive up income and margins
CCB (939 HK)	Outstanding spread and relatively mild impact from IFRS 9

Japan Stocks

Company	Remarks
Mizhuho (8411 JP)	Expanding overseas portfolio remains the key driver
Nissan Motor (7201 JP)	Robust sales, favorable currency, further cost cutting
Sony (6758 JP)	Growth story continues...

US Stocks

Company	Remarks
Facebook (FB US)	Strong products
Citigroup (C US)	Economic growth and interest rate rise to support earnings
Alphabet (GOOG US)	Positive data on page view

Euro Stocks

Company	Remarks
Adidas (ADS GY)	Upbeat industry climate
Zurich Insurance (ZURN VX)	High dividend yield
LVMH (MC FP)	Gain from weak €

Global ETF / ETN

Name	Remarks
Tracker Fund of HK (2800 HK)	To track the performance of the Hang Seng Index
CSOP Hang Seng Index Daily (2x) Leveraged Product (7200 HK)	To track the daily performance of Hang Seng Index (2x leverage)
CSOP Hang Seng H-Shares Index Daily (2x) Leveraged Product (7288 HK)	To track the daily performance of Hang Seng H-Shares Index (2x leverage)
CSOP Hang Seng Index Daily (-2x) Inverse Product (7500 HK)	To track the daily performance of Hang Seng Index (inverse 2x leverage)
CSOP Hang Seng H-Shares Index Daily (-2x) Inverse Product (7588 HK)	To track the daily performance of Hang Seng H-Shares Index (inverse 2x leverage)
ChinaAMC CSI 300 Index (3188 HK)	To track the performance of the CSI 300 Index
ChinaAMC Hang Seng SmallCap Index (3157 HK)	To track the performance of the Hang Seng SmallCap Index
Deutsche X-Trackers MSCI Eur (DBEU US)	To track the performance of the MSCI Europe USD Hedged Index
Deutsche X-Trackers MSCI Jap (DBJP US)	To track the performance of the MSCI Japan US Dollar Hedged Net Index
iShares MSCI Philippines (EPHE US)	To track the performance of the MSCI Philippines Investable Market Index
iShares MSCI India (INDA US)	To track the performance of the MSCI India Index
Powershares QQQ Trust Series 1 (QQQ US)	To track the performance of the Nasdap 100 Index (Excluded Financial Sector)
PowerShares DB Commodity Index Tracking ETF (DBC US)	To track the performance of the DBIQ Optimum Yield Diversified Commodity Index
SPDR Gold ETF (2840 HK)	To track the performance of the price of gold bullion in COMEX
Value Gold ETF (3081 HK)	To track the performance of the London Gold Morning Fixing Price
Aberdeen Standard Physical Silver Shares ETF (SIVR US)	To track the performance of the price of the silver bullion
SAMSUNG S&P GSCI Crude Oil ER Futures ETF (3175 HK)	To track the performance of the S&P GSCI Crude Oil Index Excess Return

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Aggressive Stocks

Company	Business	Mkt Cap (Rmb bn)	Price✝ (Rmb)	Target (Rmb)	Stop Loss (Rmb)	Upside (%)	Risk rating	Remarks
Hongda Xingye (002002 CH)*	Basic & Diversified Chemicals	10	4.04	10.00	3.8	148	1	Change is in the air: Upbeat about firms leading in hydrogen resources and technology
Energy New Material (002812 CH)*	Containers & Packaging	27	32.99	71.60	31.3	117	1	Picking the bests along the NEV chain: Bright future for Chinese NEV firms with global competitive edge
Deppon Logistics (603056 CH)^	Logistics Services	13	13.03	27.70	12.4	113	1	Turnaround may come in the off-season 3Q: Long-term investment value emerges
Grand Auto (600297 CH)^	Agricultural Chemicals	32	3.92	7.34	3.7	87	1	Three helpful changes afoot: Policy reform, cheaper financing cost and a new de-stocking cycle
GEM (002340 CH)*	Waste Management	18	4.44	7.50	4.2	69	1	Watch out for rebound of the cobalt sector: Both price and earnings to embrace an upturn
China Fortune Land (600340 CH)^	Real Estate Owners & Developers	84	28.03	45.79	26.6	63	1	Steady operation: Counter-cycle adjustment calls for persist policy measures
Jointo Energy (000600 CH) *	Power Generation	9	5.23	8.30	5.0	59	1	Flexibility exhibited: Recovery starting, with substantial upside ahead
CMSK (001979 CH)*	Investment Companies	155	19.60	29.87	18.6	52	1	Steady operation: Counter-cycle adjustment calls for persist policy measures
Huadian Int'l (600027 CH)^	Power Generation	29	3.62	5.50	3.4	52	1	An improving power generation sector: Strong 1H19 results from coal-fired power suppliers thanks to lower coal prices and higher electricity tariffs; greater upside for hydropower plays on abundant feed-in water
Guiguan Electric (600236 CH)^	Power Generation	36	4.53	6.80	4.3	50	1	An improving power generation sector: Strong 1H19 results from coal-fired power suppliers thanks to lower coal prices and higher electricity tariffs; greater upside for hydropower plays on abundant feed-in water
Weichai Power (000338 CH)*	Commercial Vehicles	71	11.86	17.80	11.3	50	1	Counter-cyclical adjustment offers boost: Short-term sales of heavy-duty trucks likely to top forecast on policy support
China Railway Group (601390 CH)^	Infrastructure Construction	121	5.93	8.80	5.6	48	1	Spring time for railway construction to optimize revenue structure: Earnings growth set to rise steadily
Gemdale (600383 CH)^	Real Estate Owners & Developers	57	12.63	18.63	12.0	48	1	Promising sales upside: Room for earnings rise along with a positive payout policy
Ningbo Huaxiang (002048 CH)*	Auto Parts	9	13.61	20.00	12.9	47	1	Focus on Tesla's Mainland supply chain: Highly competitive, long supply chain and obvious benchmark effect
Shandong Gold Mining (600547 CH)^	Precious Metal Mining	84	32.17	46.80	30.6	45	1	Time to take up gold: Anticipating gold price to go up further
China Everbright Bank (601818 CH)^	Banks	176	4.41	6.40	4.2	45	1	Expecting constraints to ease for lenders: Marginal improvement likely on less restrictions
Jidong Cement (000401 CH)*	Cement & Aggregates	21	15.46	22.36	14.7	45	1	The role of infrastructure to underpin the economy : Higher efficiency from integration and beneficiary of the Beijing-Tianjin-Hebei mega project
Fangda Special Steel (600507 CH)^	Steel Producers	12	8.32	12.00	7.9	44	1	Anticipating an upturn for steel price and profit: Improving supply and demand in 3Q19E likely prop up stock valuation as well as steel price
Jinduicheng Molybdenum (601958 CH)^	Base Metals	23	7.13	10.28	6.8	44	1	Earnings growth fueled by higher output and molybdenum price: Expecting greater output on ascending molybdenum price
Hengyi Petrochemical (000703 CH)*	Basic & Diversified Chemicals	40	14.00	20.00	13.3	43	1	Marginal improvement in downstream polyester demand: Anticipating stronger demand to drive up earnings of the entire polyester chain
Chint Electronics (601877 CH)^	Electrical Power Equipment	46	21.51	30.40	20.4	41	1	New energy policy rolled out: Upbeat about leading manufacturers with cost and performance advantages
Yunnan Copper (000878 CH)*	Base Metals	17	10.12	14.30	9.6	41	1	Bound to rebound: Bullish on copper share prices in view of the valuation recovery in the nonferrous sector
Huolinhe Opencut Coal (002128 CH)*	Coal Operations	16	8.29	11.70	7.9	41	1	Prominent value of premium coal plays: Attention on coal suppliers with low P/E, low P/B, promising ROE and dividend

Source: Bloomberg, CS ✝ Closing prices as of 18 Oct 2019 * Shenzhen-HK Stock Connect – Northbound Stocks (ChiNext Board for Professional Institutional Investors Only) ^ Shanghai-HK Stock Connect – Northbound Stocks Risk Rating: 1 to 5 in ascending order

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A-share Recommended Stocks:

Company	Business	Mkt Cap (Rmb bn)	Price✝ (Rmb)	Target (Rmb)	Stop Loss (Rmb)	Upside (%)	Risk rating	Remarks
Huaneng Int'l (600011 CH)^	Power Generation	64	5.79	8.10	5.5	40	1	Mid/long-term optimism for thermal power stocks: Shifting risk appetite giving rise to opportunities with thermal power names
Hailir (603639 CH)^	Agricultural Chemicals	4	25.25	35.00	24.0	39	1	Powerful bug buster: Gaining from a warming industry climate and gradually increasing capacity for new pesticides
Everbright Jiabao (600622 CH)^	Real Estate Owners & Developers	6	4.32	5.95	4.1	38	1	Forecast-beating 2018E results: Impressive long-term upside on first-mover and resource advantages
Zijin Mining (601899 CH)^	Precious Metal Mining	56	3.21	4.40	3.0	37	1	Gold glows brighter against currency oversupply and credit risk: Gold reserves becomes more attractive
Huayu Automotive (600741 CH)^	Auto Parts	73	23.10	31.40	21.9	36	1	Focus on Tesla's Mainland supply chain: Highly competitive, long supply chain and obvious benchmark effect
Huaneng Hydropower (600025 CH)^	Hydropower Generation	77	4.28	5.77	4.1	35	1	Hydropower stocks to be buoyed up by lower rates: Falling interest rates to usher in re-rating and higher valuation
Vanke (000002 CH)*	Real Estate Owners & Developers	262	26.96	36.26	25.6	34	1	Steady business growth: Financing channels smooth and cost of funds competitive
Goodix Technology (603160 CH)^	Semiconductor Devices	88	192.50	258.32	182.9	34	1	Potential catalysts to push IC sector: a light assets high-growth player.
New China Life Insurance (601336 CH)^	Life Insurance	103	49.32	65.70	46.9	33	1	Upturning profitability: Rapid earnings growth expected to continue through 2019E
Hengli Petrochemical (600346 CH)^	Rubber & Plastic	115	16.35	21.60	15.5	32	1	Marginal improvement in downstream polyester demand: Anticipating stronger demand to drive up earnings of the entire polyester chain
Meijin Energy (000723 CH)*	Coal Operations	36	8.79	11.60	8.4	32	1	Arriving subsidies for hydrogen energy and fuel cell manufacturers: First-movers tipped to grasp growth opportunity
Nanjing Iron & Steel (600282 CH)^	Steel Producers	14	3.19	4.20	3.0	32	1	On production curb due to National Day holiday: Demand will still be the dominant factor affecting prices of steel products, which should be well supported before mid-Oct
Sansteel Minguang (002110 CH)*	Steel Producers	20	8.02	10.50	7.6	31	1	On production curb due to National Day holiday: Demand will still be the dominant factor affecting prices of steel products, which should be well supported before mid-Oct
Panjiang Refined Coal (600395 CH)^	Coal Operations	8	5.13	6.70	4.9	31	1	Prominent value of premium coal plays: Attention on coal suppliers with low P/E, low P/B, promising ROE and dividend
Shaanxi Coal (601225 CH)^	Steel Raw Material Suppliers	86	8.58	11.20	8.2	31	1	Forecast-beating social financing boosts expectations for the coal sector: Betting on stocks with low PER, low PB and relatively visible earnings outlook
Zhongnan Construction (000961 CH)*	Non-Residential Bldg Const	32	8.61	11.10	8.2	29	1	Substantial upside in real estate upstream plays: Commodity housing sales tipped to rise 7.7% YoY in 2019E
Jiangxi Copper (600362 CH)^	Base Metals	29	14.11	17.90	13.4	27	1	Bound to rebound: Bullish on copper share prices in view of the valuation recovery in the nonferrous sector
Oriental Yuhong (002271 CH)*	Non Wood Building Materials	32	21.62	27.19	20.5	26	1	Poised to benefit in the post-shanty town renovation era: Property management and suppliers to old housing renovation projects slated to gain
Hongfa Technology (600885 CH)^	Factory Automation Equipment	18	24.79	31.06	23.6	25	1	A relay leader and new energy model: Upside potential thanks to longer-term growth in NEV relays and low-voltage electrical appliances
C&S Paper (002511 CH)*	Household Products	17	13.28	16.50	12.6	24	1	Visible prospects: Upgrading high-end product mix and reassuring lower-market business
Industrial Bank (601166 CH)^	Banks	389	18.73	23.00	17.8	23	1	Monetary policy for both immediate and long-term effect: Appropriate liquidity control combined with efforts to advance reform and opening up
Wuliangye (000858 CH)*	Beverages	494	127.30	156.00	120.9	23	1	Thermoforming business starts harvesting: New business tipped to accelerate in 2H19E riding on recovering demand
Chuantou Energy (600674 CH)^	Electric Power Networks	45	10.16	12.40	9.7	22	1	Hydropower stocks to be buoyed up by lower rates: Falling interest rates to usher in re-rating and higher valuation

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Xiamen Tungsten (600549 CH)^	Base Metals	18	12.98	15.80	12.3	22	1	A warming market for ternary cathode materials: An increasingly concentrated industry with prominent bellwethers
Humon Smelting (002237 CH)*	Precious Metal Mining	12	12.67	15.40	12.0	22	1	Still upbeat about gold: Short-term risk aversion to expand allocation in gold stocks
Kweichow Moutai (600519 CH)^	Beverages	1,477	1,175.79	1,400.00	1,117.0	19	1	Prominent value of core assets: Ability to steadily expand volume and raise price
Avary Holding (002938 CH) *	Electronics Components	100	43.23	50.16	41.1	16	1	5G new mobile phones to expand market: Slated to gain substantially on Client A's issue of 5G cellphones next year
Broad-Ocean Motor (002249)*	Industrial Machinery	10	4.05	4.68	3.8	16	1	Arriving subsidies for hydrogen energy and fuel cell manufacturers: First-movers tipped to grasp growth opportunity
AVIC Jonhon Optronic Technology (002179 CH)*	Electrical Components	41	38.97	45.00	37.0	15	1	Eyes on defense-related targets: Counter-cyclical nature and visible prospects spelling allocation value
Weixing New Materials (002372 CH)*	Non Wood Building Materials	26	16.68	18.43	15.8	10	1	Poised to benefit in the post-shanty town renovation era: Property management and suppliers to old housing renovation projects slated to gain
Yintai Resources (000975 CH)*	Base Metals	26	13.13	14.50	12.5	10	1	Bullish on gold: Pressure on the US economy and more risk aversion lending support to gold prices
Conch Cement (600585 CH)^	Cement & Aggregates	169	42.34	46.35	40.2	9	1	The role of infrastructure to underpin the economy: An underpinning force and leading supplier in eastern China

Very Agressive Stocks

Company	Business	Mkt Cap (Rmb bn)	Price✝ (Rmb)	Target (Rmb)	Stop Loss (Rmb)	Upside (%)	Risk rating	Remarks
Zhejiang Longsheng (600352 CH)^	Specialty Chemicals	45	13.91	25.00	13.2	80	1	Looking to a remarkable pickup in demand: Change in trade friction development bodes well for product price rebound and share price recovery
Easpring Material Technology (300073 CH)*	Specialty Chemicals	10	22.24	39.60	21.1	78	1	High-growth cathode material leader with solid strength: Capacity release to enter the fast lane
Changjiang Electronics (600584 CH)^	Semi Conductor	26	16.25	28.80	15.4	77	1	Impact of VAT cuts on TMT: Companies with strong pricing power set to gain more
Ningbo Yunsheng (600366 CH)^	Specialty Chemicals	6	6.11	10.50	5.8	72	1	Theme effect to drive share price up further: Rare-earth mining and processing companies poised to benefit
Meiya Pico Information (300188 CH)*	Infrastructure Software	13	16.62	27.80	15.8	67	1	New policy expected to provide drive: market expectations likely to rise for medium-term spending on information security
Huatian Technology (002185 CH)*	Semiconductor Mfg	14	5.15	8.58	4.9	67	1	Impact of VAT cuts on TMT: Companies with strong pricing power set to gain more
Zhengbang Technology (002157 CH)*	Agricultural Producers	37	15.01	25.00	14.3	67	1	Turning point in sight: Stock price tipped to climb on hiking pork price
Runtu (002440 CH)*	Specialty Chemicals	14	12.03	20.00	11.4	66	1	Looking to a remarkable pickup in demand: Change in trade friction development bodes well for product price rebound and share price recovery
New Beiyang (002376 CH)*	Office Electronics	8	12.59	20.50	12.0	63	1	A troika of directions – cloud, AI and security: Riding on synergy between policy and market
Guoxuan High-Tech (002074 CH)*	Electrical Power Equipment	14	12.40	20.00	11.8	61	1	Picking the bests along the NEV chain: Bright future for Chinese NEV firms with global competitive edge
New Wellful (600975 CH)^	Agricultural Producers	6	8.66	13.60	8.2	57	1	Striding forward on hiking pork price: Pork price reverted upwards with further upside ahead
Longi Green Energy (601012 CH)^	Renewable Energy Equipment	88	23.35	36.00	22.2	54	1	Surprisingly rapid production expansion: Steadily rebounding profitability
Wens Foodstuffs (300498 CH)*	Agricultural Producers	195	36.80	56.00	35.0	52	1	Hog and chicken growing together: Protein shortage likely to push up hog and chicken prices in tandem

Source: Bloomberg, CS ✝ Closing prices as of 18 Oct 2019 * Shenzhen-HK Stock Connect – Northbound Stocks (ChiNext Board for Professional Institutional Investors Only) ^ Shanghai-HK Stock Connect – Northbound Stocks # Sell Only Risk Rating: 1 to 5 in ascending order

Please refer to the attachment for detailed disclaimer and regulatory disclosures.
中信証券經紀香港 CITIC Securities Brokerage (HK)

A-share Recommended Stocks:

Company	Business	Mkt Cap (Rmb bn)	Price✝ (Rmb)	Target (Rmb)	Stop Loss (Rmb)	Upside (%)	Risk rating	Remarks
Pinggao Electric (600312 CH)^	Electrical Components	10	7.21	10.40	6.8	44	1	New UHV line approved: Eyeing bellwethers with core equipment and profit elasticity
Hanrui Cobalt (300618 CH)*	Specialty Chemicals	15	54.15	75.20	51.4	39	1	Stand to benefit from sharp rebound in cobalt: Expected upturn in product price and corporal earnings to bring about buy opportunities
Muyuan Foods (002714 CH)*	Hog & Pig Farming	189	87.30	120.00	82.9	37	1	3Q19E profit set to top estimates: strong price hike and outstanding cost control
Offshore Oil Engineering (600583 CH)^	Oil & Gas Services & Equip.	26	5.86	8.00	5.6	37	1	Oil/gas reserves and output to expand: Oil services providers about to receive more orders
Tongwei (600438 CH)^	Agricultural Producers	47	12.10	16.50	11.5	36	1	Imminent recovery in domestic PV demand: Expecting demand growth in 2H19E to improve the supply-demand balance
Sunner Develop (002299 CH)*	Meat Type Chicken Products	33	26.47	36.00	25.1	36	1	Robust profit growth on chicken price hike: Favorable market climate expected to run through 2019-20E
Capchem Technology (300037 CH)*	Basic & Diversified Chemicals	9	24.38	33.00	23.2	35	1	Forecast-beating earnings flash for 3Q19: Remain sanguine about long-term growth
Shanghai Ganglian (300226 CH)*	Internet Based Services	113	70.95	94.00	67.4	32	1	Focusing on data platform +scene supply chain service leaders: the steel trade e-commerce leader with an advantage on scene supply.
New Hope Liuhe (000876 CH)*	Agricultural Producers	76	18.06	23.70	17.2	31	1	Good days for poultry suppliers: Faster capacity expansion and lower costs forecasting stronger performance ahead
Sun-Create Electronics (600990 CH)^	Other Hardware	7	46.70	61.00	44.4	31	1	Eyes on defense-related targets: Counter-cyclical nature and visible prospects spelling allocation value
Putailai New Energy (603659 CH)^	Specialty Chemicals	21	47.64	62.00	45.3	30	1	A rising lithium platform: With globally competitive technology and products, it supplies to battery giants in China and overseas
Taiji Computer (002368 CH)*	IT Services	12	30.15	38.00	28.6	26	1	A buddy of Huawei: Business to pick up pace
Goldwind Science (002202 CH)*	Renewable Energy Equipment	42	12.26	15.10	11.6	23	1	New energy policy rolled out: Upbeat about leading manufacturers with cost and performance advantages
Jinyu Bio-technology (600201 CH)^	Animal Bio-pharmaceuticals	22	19.10	23.00	18.1	20	1	Prioritizing the "three rural aspects" of agriculture, rural areas and farmers: Seeking opportunities from agricultural transformation and upgrade
Iflytek (002230 CH)*	Application Software	76	34.77	40.81	33.0	17	1	A new start in AI strategy: Gradually improving match between income and profit
Nari Technology (600406 CH)^	Electrical Power Equipment	101	21.76	25.50	20.7	17	1	New UHV line approved: Eyeing bellwethers with core equipment and profit elasticity
NAURA Technology (002371 CH)*	Semiconductor	29	62.66	72.25	59.5	15	1	Leading players to gain from industry fund: IC industry bellwethers tipped to benefit from long-term, top-down policy implementation
Gigadevice (603986 CH)^	Semiconductor	42	132.00	147.28	125.4	12	1	Leading players to gain from industry fund: IC industry bellwethers tipped to benefit from long-term, top-down policy implementation

Source: Bloomberg, CS ✝ Closing prices as of 18 Oct 2019 * Shenzhen-HK Stock Connect – Northbound Stocks (ChiNext Board for Professional Institutional Investors Only) ^ Shanghai-HK Stock Connect – Northbound Stocks Risk Rating: 1 to 5 in ascending order

Please refer to the attachment for detailed disclaimer and regulatory disclosures.
中信証券經紀香港 CITIC Securities Brokerage (HK)

Top 20 Gainers

Company	Price (Rmb)	WoW Chg (%)
Keboda Technology (603786 CH)	51.54	92
Onechance Tech (300792 CH)	143.06	61
Archermind Technology (300598 CH)	79.61	55
Huajin Capital (000532 CH)	14.50	52
Bright Power Semicond (688368 CH)	80.93	43
Jinzi Ham (002515 CH)	7.52	34
CHTC Helon (000677 CH)	4.83	33
Microgate Technology (300319 CH)	9.09	31
Poten Environment (603603 CH)	14.83	30
Winbase International (002492 CH)	6.38	27
Sichuan Zhenjing (603477 CH)	12.65	27
Meisheng Cultural (002699 CH)	7.73	26
Toyou Feiji Electronics (300302 CH)	11.91	26
Fullhan Microelectron (300613 CH)	151.50	23
Banbao (603398 CH)	11.01	23
Chacha Food (002557 CH)	31.89	21
Biolight Meditech (300246 CH)	15.32	21
ZYNP (002448 CH)	6.24	20
Betta Pharmaceuticals (300558 CH)	55.04	20
Lushang Health Industry (600223 CH)	4.54	18

Top 20 Losers

Company	Price (Rmb)	WoW Chg (%)
City Jingui Silver (002716 CH)	3.65	(22)
Aerospace Communications (600677 CH)	9.96	(22)
Huizhou Speed Wireless (300322 CH)	21.13	(22)
Jinghua Laser (603607 CH)	20.79	(21)
HyUnion Holding (002537 CH)	8.39	(19)
Changsheng Bio-technology (002680 CH)	1.10	(19)
Danhua Chemical (600844 CH)	4.68	(17)
Hybio Pharmaceutical (300199 CH)	6.10	(17)
Gosuncn Technology (300098 CH)	5.92	(17)
Hand Enterprise (300170 CH)	10.15	(17)
Tianneng Heavy (300569 CH)	15.54	(17)
Fenghua Advanced (000636 CH)	12.82	(17)
Meilun Elevator (603321 CH)	7.72	(17)
Silver Basis Tech (002786 CH)	8.91	(16)
Insight Brand Market (300781 CH)	35.35	(16)
Shenglong Automotive (603178 CH)	9.88	(16)
Huijin Electromechanical (300368 CH)	9.08	(15)
Certificate Authority (300579 CH)	33.05	(15)
Yueboo Power System (300742 CH)	25.59	(15)
Zhejiang Windey (300772 CH)	16.53	(15)

Source: Bloomberg, CS

* Closing prices as of 18 Oct 2019

Please refer to the attachment for detailed disclaimer and regulatory disclosures.

中信証券經紀香港
CITIC Securities Brokerage (HK)

A/H PREMIUM TABLE

A-share	H-share	Company	Price (Rmb)	A/H premium (%)
600876 CH	1108 HK	Luoyang Glass	11.70	517
002703 CH	1057 HK	Zhejiang Shibao	5.17	516
601066 CH	6066 HK	CSC Financial Co Ltd	22.56	342
600860 CH	187 HK	Beijing Jingcheng	5.58	341
601038 CH	38 HK	First Tractor	6.45	341
002490 CH	568 HK	Shangdong Molong	4.03	329
601330 CH	1330 HK	Dynagreen Environmental	11.86	312
601375 CH	1375 HK	Central China Securities	4.92	254
000585 CH	42 HK	Northeast Electric Development	1.83	249
601866 CH	2866 HK	CSCL	2.56	215
600775 CH	553 HK	Nanjing Panda	10.67	212
600685 CH	317 HK	COMEC	16.20	207
600871 CH	1033 HK	Sinopec SSC	2.23	205
601319 CH	1339 HK	People's Insurance Co Group	8.78	204
601881 CH	6881 HK	China Galaxy Securities	10.62	188
601869 CH	6869 HK	Yangtze Optical Fibre	32.80	187
601068 CH	2068 HK	China Aluminum Int'l	5.70	183
601865 CH	6865 HK	Flat Glass Group Co Ltd	9.65	182
600874 CH	1065 HK	Tianjin Capital Environmental	7.17	175
603157 CH	6116 HK	La Chapelle Fashion	4.75	158
601811 CH	811 HK	Xinhua Winshare	13.05	156
601326 CH	3369 HK	Qinhuangdao Port	3.28	149
600958 CH	3958 HK	DFZQ	10.05	141
000166 CH	6806 HK	Shenwan Hongyuan Group	4.79	132
600875 CH	1072 HK	Dongfang Electrical	9.17	128
601880 CH	2880 HK	Dalian Port	2.03	125
601727 CH	2727 HK	Shanghai Electric	4.94	122
600635 CH	1635 HK	DZUG	5.09	118
002910 CH	1533 HK	Zhuangyuan Pasture	12.01	115
601788 CH	6178 HK	EB Securities	11.33	114
601005 CH	1053 HK	Chongqing Iron & Steel	1.84	112
000756 CH	719 HK	Xinhua Pharmaceutical	6.78	108
600999 CH	6099 HK	CMSC	16.62	106
600688 CH	338 HK	Shanghai Petrochemical	4.12	106
002936 CH	6196 HK	Bank of Zhengzhou Co Ltd	4.75	103
600026 CH	1138 HK	China Shipping Dev.	6.24	96
600837 CH	6837 HK	Haitong Securities	14.32	95
601828 CH	1528 HK	Red Star Macalline	10.95	94
688009 CH	3969 HK	China Railway Signal & Communication Corp Ltd	8.13	91
600547 CH	1787 HK	Shandong Gold Mining	32.17	89
601598 CH	598 HK	Sinotrans Ltd	4.24	88
601991 CH	991 HK	Datang Int'l Power	2.67	86
601618 CH	1618 HK	Metallurgical Corporation	2.84	83
000776 CH	1776 HK	GF Securities	13.65	82
601107 CH	107 HK	Sichuan Expressway	3.77	81
601919 CH	1919 HK	COSCO	4.73	80
601800 CH	1800 HK	China Comm. Construction	9.95	80
601238 CH	2238 HK	Guangzhou Automobile	12.97	78
600362 CH	358 HK	Jiangxi Copper	14.11	77
600011 CH	902 HK	Huaneng Power	5.79	77
002460 CH	1772 HK	Ganfeng Lithium	22.35	76
601628 CH	2628 HK	China Life	29.35	73
000063 CH	763 HK	ZTE	32.53	73
601336 CH	1336 HK	New China Life Insurance	49.32	73
601298 CH	6198 HK	Qingdao Port International	7.37	73
601898 CH	1898 HK	China Coal	4.78	69

A-share	H-share	Company	Price (Rmb)	A/H premium (%)
601688 CH	6886 HK	HTSC	18.23	69
000488 CH	1812 HK	Chenming Paper	4.75	65
601857 CH	857 HK	PetroChina	6.06	65
600030 CH	6030 HK	CITIC Securities	22.00	64
601992 CH	2009 HK	BBMG	3.44	64
601717 CH	564 HK	ZMJ	6.02	63
000921 CH	921 HK	Kelon Electric	11.43	60
601633 CH	2333 HK	Great Wall Motor	7.61	58
601211 CH	2611 HK	Guotai Junan Securities	17.45	58
002672 CH	895 HK	Dongjiang Environmenta	10.13	57
601808 CH	2883 HK	China Oilfield Services	13.38	57
601600 CH	2600 HK	Aluminum of China	3.49	56
603993 CH	3993 HK	China Molybdenum	3.50	54
600029 CH	1055 HK	China Southern Airlines	6.75	53
601998 CH	998 HK	CITIC Bank	6.02	52
000039 CH	2039 HK	CIMC	9.82	51
600115 CH	670 HK	China Eastern Airlines	5.30	50
601766 CH	1766 HK	China South Locomotive	7.27	50
601588 CH	588 HK	Beijing North Star	3.38	48
600332 CH	874 HK	Baiyunshan	35.76	48
000513 CH	1513 HK	Livzon Pharmaceutical	27.90	47
002202 CH	2208 HK	Goldwind	12.26	47
600188 CH	1171 HK	Yanzhou Coal	10.57	44
601333 CH	525 HK	Guangshen Railway	3.10	42
601607 CH	2607 HK	Shanghai Pharmaceuticals	18.47	40
601390 CH	390 HK	China Railway Group	5.93	37
600012 CH	995 HK	Anhui Express	5.52	36
002594 CH	1211 HK	Byd Co Ltd	46.90	35
601601 CH	2601 HK	Pacific Insurance	35.86	35
601818 CH	6818 HK	China Everbright Bank	4.41	34
601899 CH	2899 HK	Zijin Mining Group	3.21	34
600027 CH	1071 HK	Huadian Power	3.62	33
601111 CH	753 HK	Air China	8.17	29
601939 CH	939 HK	CCB	7.25	28
601088 CH	1088 HK	Shenhua Energy	18.18	28
601988 CH	3988 HK	BOC	3.66	28
600196 CH	2196 HK	Fosun Pharmaceutical	25.34	28
000898 CH	347 HK	Angang Steel	3.06	27
601288 CH	1288 HK	ABC	3.57	25
600016 CH	1988 HK	Minsheng Bank	6.09	23
600028 CH	386 HK	Sinopec	4.99	20
601186 CH	1186 HK	China Railway Construction	9.60	19
601328 CH	3328 HK	BoComm	5.61	18
601398 CH	1398 HK	ICBC	5.67	16
000157 CH	1157 HK	Zoomlion	5.94	14
603259 CH	2359 HK	WuXi AppTec Co Ltd	88.50	12
600600 CH	168 HK	Tsingtao Brewery	47.38	12
600377 CH	177 HK	Jiangsu Express	10.26	11
600548 CH	548 HK	Shenzhen Express	10.38	10
600660 CH	3606 HK	Fuyao Glass	21.54	8
000338 CH	2338 HK	Weichai Power	11.86	8
600036 CH	3968 HK	China Merchants Bank	36.18	6
601318 CH	2318 HK	Ping An	89.75	5
000002 CH	2202 HK	Vanke	26.96	4
002948 CH	3866 HK	Bank of Qingdao Co Ltd	6.36	1
600808 CH	323 HK	Maanshan Iron & Steel	2.68	1
600585 CH	914 HK	Anhui Conch Cement	42.34	(1)

China Connect Weekly:
Monthly rebound only reflects a slowdown in pace

21 Oct 2019 Source: Bloomberg, CS * Closing prices as of 18 Oct 2019 ^ Suspended

Please refer to the attachment for detailed disclaimer and regulatory disclosures.

中信証券經紀香港 CITIC Securities Brokerage (HK)

CITIC S&P 50 Index

Sector	PER (x) 18	19E	20E	18-20E PEG (x)	Chg (%) 1-wk	1-mth	YTD	1-yr	6M Avg Daily T/O (Rmb mn)	Mkt Cap (Rmb bn)
Market cap weighted average	**22**	**16**	**14**	**0.9**	**(0.5)**	**0.2**	**31.7**	**26.7**	**56,952**	**16,803**
Energy	16	15	14	2.3	(2.1)	(3.9)	(8.8)	(21.3)	1,174	1,758
Materials	8	10	9	NA	(2.1)	(2.0)	17.1	6.1	1,691	356
Capital Goods	35	21	19	1.0	(1.4)	(3.5)	5.3	14.1	3,471	883
Transportation	8	8	8	NA	0.9	0.7	(6.4)	1.3	236	114
Automobiles & Components	8	8	8	NA	(2.0)	(5.3)	(12.1)	(14.8)	630	274
Consumer Durables & Apparel	15	14	12	1.4	(1.0)	(0.4)	47.4	39.5	4,186	807
Retailing	7	7	32	NA	0.4	(1.8)	5.4	(11.3)	365	97
Food, Beverage & Tobacco	38	31	26	1.8	(0.7)	(0.3)	98.4	79.3	10,638	2,296
Pharmaceuticals, Biotechnology & Life Sciences	92	70	55	3.1	1.1	5.6	91.7	82.4	1,280	373
Banks	7	7	6	1.0	0.4	3.9	15.5	12.1	9,136	5,893
Diversified Financials	30	20	18	1.0	(4.2)	(6.1)	46.2	61.6	3,990	332
Insurance	36	13	13	0.5	0.8	0.2	50.3	38.6	6,595	1,809
Software & Services	129	88	60	2.8	2.6	4.3	41.1	67.3	1,042	76
Technology Hardware & Equipment	22	27	20	5.4	(1.4)	(7.9)	33.3	46.1	7,697	520
Semiconductors & Semiconductor Equipment	31	18	14	0.6	(12.0)	(14.2)	65.5	126.2	921	88
Telecommunication Services	46	33	25	1.3	(0.5)	(1.5)	17.8	21.6	922	189
Utilities	19	17	16	2.1	(3.3)	(5.6)	9.5	13.1	480	436
Real Estate	9	7	6	0.4	(0.8)	1.5	21.3	39.3	2,501	502

CITIC S&P 300 Index

Sector	PER (x) 18	19E	20E	18-20E PEG (x)	Chg (%) 1-wk	1-mth	YTD	1-yr	6M Avg Daily T/O (Rmb mn)	Mkt Cap (Rmb bn)
Market cap weighted average	**24**	**19**	**16**	**1.1**	**(0.7)**	**(0.4)**	**31.7**	**30.3**	**133,246**	**27,262**
Energy	15	14	14	3.7	(2.2)	(4.1)	(3.6)	(16.4)	3,884	1,987
Materials	25	21	17	1.3	(2.0)	(3.4)	22.7	20.2	14,271	1,549
Capital Goods	26	20	17	1.1	(1.3)	(3.0)	8.8	14.8	11,543	2,121
Commercial & Professional Services	20	35	30	NA	(3.1)	(7.6)	(6.5)	(3.7)	352	37
Transportation	25	22	19	1.7	(1.6)	(2.0)	22.2	21.3	3,040	942
Automobiles & Components	19	15	14	1.2	(2.1)	(4.7)	0.2	2.5	3,383	841
Consumer Durables & Apparel	17	16	14	1.6	(1.1)	(0.5)	44.0	39.1	6,537	1,014
Consumer Services	46	31	27	1.5	(0.2)	1.0	45.3	69.5	1,114	253
Retailing	11	8	21	NA	(0.9)	(4.5)	4.2	(1.3)	920	198
Food & Staples Retailing	49	35	29	1.6	(1.1)	(1.9)	11.7	23.6	475	108
Food, Beverage & Tobacco	38	33	26	1.8	(0.5)	0.1	96.6	89.8	18,110	3,385
Household & Personal Products	45	37	33	2.7	(1.3)	6.2	32.1	47.2	150	24
Health Care Equipment & Services	46	33	26	1.4	1.1	2.5	34.3	31.6	1,354	188
Pharmaceuticals, Biotechnology & Life Sciences	54	43	35	2.2	1.4	2.5	47.9	45.2	7,304	1,166
Banks	7	7	6	1.0	0.5	4.1	15.1	11.8	9,951	6,390
Diversified Financials	38	19	17	0.8	(3.0)	(5.0)	32.8	48.4	5,578	625
Insurance	36	13	13	0.5	0.8	0.2	50.3	38.6	6,595	1,809
Software & Services	89	65	49	2.6	(2.3)	(6.2)	49.5	57.1	5,009	350
Technology Hardware & Equipment	32	28	22	1.6	(0.3)	(1.7)	54.5	55.7	20,386	1,532
Semiconductors & Semiconductor Equipment	31	21	16	0.8	(9.9)	(11.0)	49.2	86.0	2,892	173
Telecommunication Services	46	33	25	1.3	(0.5)	(1.5)	17.8	21.6	922	189
Media & Entertainment	19	24	19	NA	2.4	(2.2)	11.7	3.3	1,926	271
Utilities	23	15	14	0.8	(2.3)	(3.9)	4.5	12.0	1,935	944
Real Estate	10	8	7	0.5	(0.9)	0.9	16.4	33.5	5,616	1,163

Source: Bloomberg, CS * Closing prices as of 18 Oct 2019 GICS (Global Industry Classification Standard)

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中信証券經紀香港 CITIC Securities Brokerage (HK)

Results Announcement

Code	Company	Estimated Date	Financial Year / Quarter^
000001 CS	Ping An Bank Co Ltd	Confirmed 2019/10/21	09/19 Q3
002065 CS	DHC Software Co Ltd	Confirmed 2019/10/21	09/19 Q3
002311 CS	Guangdong Haid Group Co Ltd	Confirmed 2019/10/21	09/19 Q3
002385 CS	Beijing Dabeinong Technology Group Co Ltd	Confirmed 2019/10/21	09/19 Q3
002407 CS	Do-Fluoride Chemicals Co Ltd	Confirmed 2019/10/21	09/19 Q3
002475 CS	Luxshare Precision Industry Co Ltd	Confirmed 2019/10/21	09/19 Q3
600050 CG	China United Network Communications Ltd	Confirmed 2019/10/21	09/19 Q3
000998 CS	Yuan Longping High-tech Agriculture Co Ltd	Confirmed 2019/10/22	09/19 Q3
002085 CS	Zhejiang Wanfeng Auto Wheel Co Ltd	Confirmed 2019/10/22	09/19 Q3
002466 CS	Tianqi Lithium Corp	Confirmed 2019/10/22	09/19 Q3
600011 CG	Huaneng Power International Inc	Confirmed 2019/10/22	09/19 Q3
600176 CG	China Jushi Co Ltd	Confirmed 2019/10/22	09/19 Q3
600256 CG	Guanghui Energy Co Ltd	Confirmed 2019/10/22	09/19 Q3
600585 CG	Anhui Conch Cement Co Ltd	Confirmed 2019/10/22	09/19 Q3
600867 CG	Tonghua Dongbao Pharmaceutical Co Ltd	Confirmed 2019/10/22	09/19 Q3
000559 CS	Wanxiang Qianchao Co Ltd	Confirmed 2019/10/23	09/19 Q3
000661 CS	Changchun High & New Technology Industry Group Inc	Confirmed 2019/10/23	09/19 Q3
002001 CS	Zhejiang NHU Co Ltd	Confirmed 2019/10/23	09/19 Q3
002008 CS	Han's Laser Technology Industry Group Co Ltd	Confirmed 2019/10/23	09/19 Q3
002049 CS	Unigroup Guoxin Microelectronics Co Ltd	Confirmed 2019/10/23	09/19 Q3
002176 CS	Jiangxi Special Electric Motor Co Ltd	Confirmed 2019/10/23	09/19 Q3
002241 CS	GoerTek Inc	Confirmed 2019/10/23	09/19 Q3
002252 CS	Shanghai RAAS Blood Products Co Ltd	Confirmed 2019/10/23	09/19 Q3
002405 CS	NavInfo Co Ltd	Confirmed 2019/10/23	09/19 Q3
600346 CG	Hengli Petrochemical Co Ltd	Confirmed 2019/10/23	09/19 Q3
600435 CG	North Navigation Control Technology Co Ltd	Confirmed 2019/10/23	09/19 Q3
600511 CG	China National Medicines Corp Ltd	Confirmed 2019/10/23	09/19 Q3
600688 CG	Sinopec Shanghai Petrochemical Co Ltd	Confirmed 2019/10/23	09/19 Q3
000002 CS	China Vanke Co Ltd	Confirmed 2019/10/24	09/19 Q3
000547 CS	Addsino Co Ltd	Confirmed 2019/10/24	09/19 Q3
002146 CS	RiseSun Real Estate Development Co Ltd	Confirmed 2019/10/24	09/19 Q3
002152 CS	GRG Banking Equipment Co Ltd	Confirmed 2019/10/24	09/19 Q3
002179 CS	AVIC Jonhon Optronic Technology Co Ltd	Confirmed 2019/10/24	09/19 Q3
002230 CS	Iflytek Co Ltd	Confirmed 2019/10/24	09/19 Q3
600019 CG	Baoshan Iron & Steel Co Ltd	Confirmed 2019/10/24	09/19 Q3
600027 CG	Huadian Power International Corp Ltd	Confirmed 2019/10/24	09/19 Q3
600060 CG	Hisense Electric Co Ltd	Confirmed 2019/10/24	09/19 Q3
600118 CG	China Spacesat Co Ltd	Confirmed 2019/10/24	09/19 Q3
600276 CG	Jiangsu Hengrui Medicine Co Ltd	Confirmed 2019/10/24	09/19 Q3
600309 CG	Wanhua Chemical Group Co Ltd	Confirmed 2019/10/24	09/19 Q3
600315 CG	Shanghai Jahwa United Co Ltd	Confirmed 2019/10/24	09/19 Q3
600410 CG	Beijing Teamsun Technology Co Ltd	Confirmed 2019/10/24	09/19 Q3
600436 CG	Zhangzhou Pientzehuang Pharmaceutical Co Ltd	Confirmed 2019/10/24	09/19 Q3
600438 CG	Tongwei Co Ltd	Confirmed 2019/10/24	09/19 Q3
600694 CG	Dashang Co Ltd	Confirmed 2019/10/24	09/19 Q3
600801 CG	Huaxin Cement Co Ltd	Confirmed 2019/10/24	09/19 Q3
601318 CG	Ping An Insurance Group Co of China Ltd	Confirmed 2019/10/24	09/19 Q3
601877 CG	Zhejiang Chint Electrics Co Ltd	Confirmed 2019/10/24	09/19 Q3
000009 CS	China Baoan Group Co Ltd	Confirmed 2019/10/25	09/19 Q3
000598 CS	Chengdu Xingrong Environment Co Ltd	Confirmed 2019/10/25	09/19 Q3
000783 CS	Changjiang Securities Co Ltd	Confirmed 2019/10/25	09/19 Q3
000786 CS	Beijing New Building Materials PLC	Confirmed 2019/10/25	09/19 Q3
000826 CS	Tus Environmental Science And Technology Development Co Ltd	Confirmed 2019/10/25	09/19 Q3
000860 CS	Beijing Shunxin Agriculture Co Ltd	Confirmed 2019/10/25	09/19 Q3

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What to Watch Out For:

Code	Company	Estimated Date	Financial Year / Quarter^
000970 CS	Beijing Zhong Ke San Huan High-Tech Co Ltd	Confirmed 2019/10/25	09/19 Q3
002081 CS	Suzhou Gold Mantis Construction Decoration Co Ltd	Confirmed 2019/10/25	09/19 Q3
002202 CS	Xinjiang Goldwind Science & Technology Co Ltd	Confirmed 2019/10/25	09/19 Q3
002352 CS	SF Holding Co Ltd	Confirmed 2019/10/25	09/19 Q3
600048 CG	Poly Developments and Holdings Group Co Ltd	Confirmed 2019/10/25	09/19 Q3
600111 CG	China Northern Rare Earth Group High-Tech Co Ltd	Confirmed 2019/10/25	09/19 Q3
600125 CG	China Railway Tielong Container Logistics Co Ltd	Confirmed 2019/10/25	09/19 Q3
600252 CG	Guangxi Wuzhou Zhongheng Group Co Ltd	Confirmed 2019/10/25	09/19 Q3
600325 CG	Huafa Industrial Co Ltd Zhuhai	Confirmed 2019/10/25	09/19 Q3
600426 CG	Shandong Hualu Hengsheng Chemical Co Ltd	Confirmed 2019/10/25	09/19 Q3
600516 CG	Fangda Carbon New Material Co Ltd	Confirmed 2019/10/25	09/19 Q3
600570 CG	Hundsun Technologies Inc	Confirmed 2019/10/25	09/19 Q3
600664 CG	Harbin Pharmaceutical Group Co Ltd	Confirmed 2019/10/25	09/19 Q3
600674 CG	Sichuan Chuantou Energy Co Ltd	Confirmed 2019/10/25	09/19 Q3
600717 CG	Tianjin Port Co Ltd	Confirmed 2019/10/25	09/19 Q3
600809 CG	Shanxi Xinghuacun Fen Wine Factory Co Ltd	Confirmed 2019/10/25	09/19 Q3
601155 CG	Seazen Holdings Co Ltd	Confirmed 2019/10/25	09/19 Q3
601233 CG	Tongkun Group Co Ltd	Confirmed 2019/10/25	09/19 Q3
601328 CG	Bank of Communications Co Ltd	Confirmed 2019/10/25	09/19 Q3
601633 CG	Great Wall Motor Co Ltd	Confirmed 2019/10/25	09/19 Q3
603019 CG	Dawning Information Industry Co Ltd	Confirmed 2019/10/25	09/19 Q3
000012 CS	CSG Holding Co Ltd	Confirmed 2019/10/27	09/19 Q3
000060 CS	Shenzhen Zhongjin Lingnan Nonfemet Co Ltd	Confirmed 2019/10/27	09/19 Q3
002007 CS	Hualan Biological Engineering Inc	Confirmed 2019/10/27	09/19 Q3
002038 CS	Beijing SL Pharmaceutical Co Ltd	Confirmed 2019/10/27	09/19 Q3
002602 CS	Zhejiang Century Huatong Group Co Ltd	Confirmed 2019/10/27	09/19 Q3
600352 CG	Zhejiang Longsheng Group Co Ltd	Confirmed 2019/10/27	09/19 Q3
600497 CG	Yunnan Chihong Zinc&Germanium Co Ltd	Confirmed 2019/10/27	09/19 Q3

*Companies included in CITIC S&P 300 Index only ^ MM/YY QQ
Source: Bloomberg, CS

Publication of Economic Data

Date/Time*	Event	Period	Figures	Actual	Previous	Revision
10/21/2019 09:30	New Home Prices MoM	Sep	--	--	0.58%	--
10/24/2019	Swift Global Payments CNY	Sep	--	--	2.22%	--
10/24/2019	FX Net Settlement - Clients CNY	Sep	--	--	-23b	--
10/27/2019 09:30	Industrial Profits YoY	Sep	--	--	-2.0%	--

Source: Bloomberg, CS * DD/MM/YYYY

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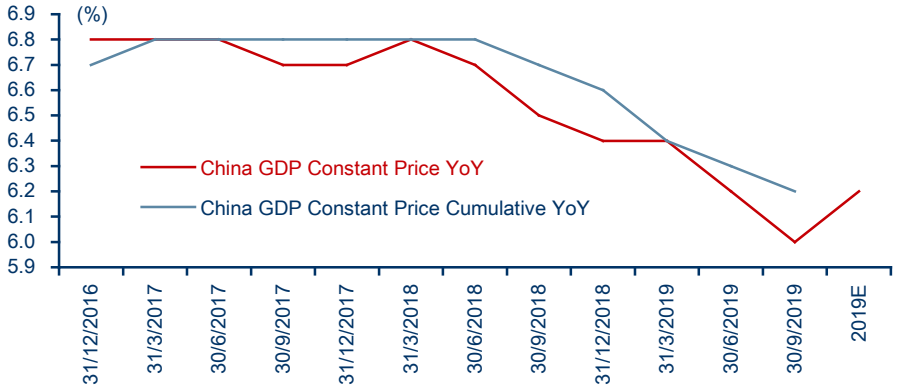
中信証券經紀香港 CITIC Securities Brokerage (HK)

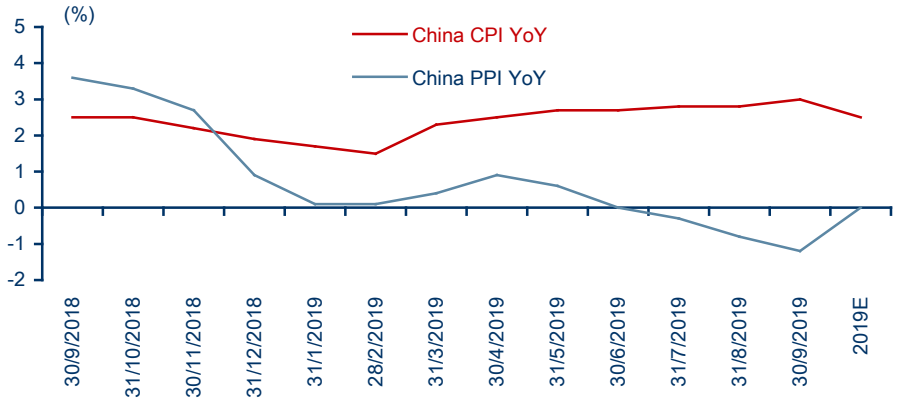
What to Watch Out For:

Major economic indicators

GDP ▶

For the first three quarters of 2019, China registered GDP growth of 6.2% YoY, including a 6.0% YoY uptick for 3Q19 alone. The market forecasts full-year 2019E growth to be 6.2% YoY.



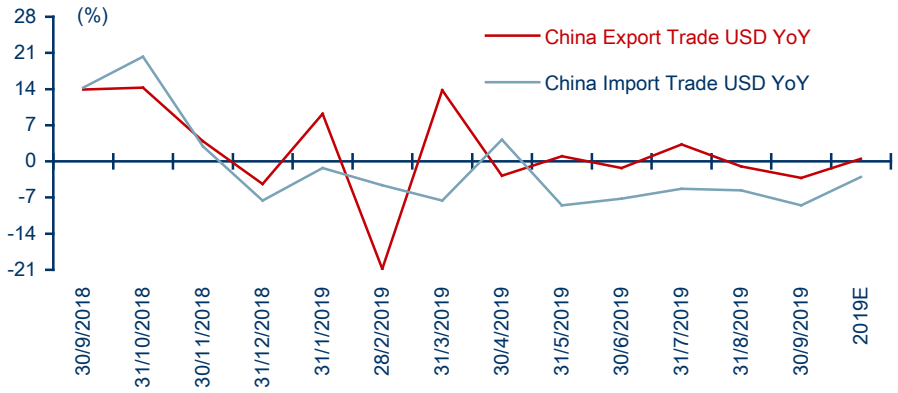


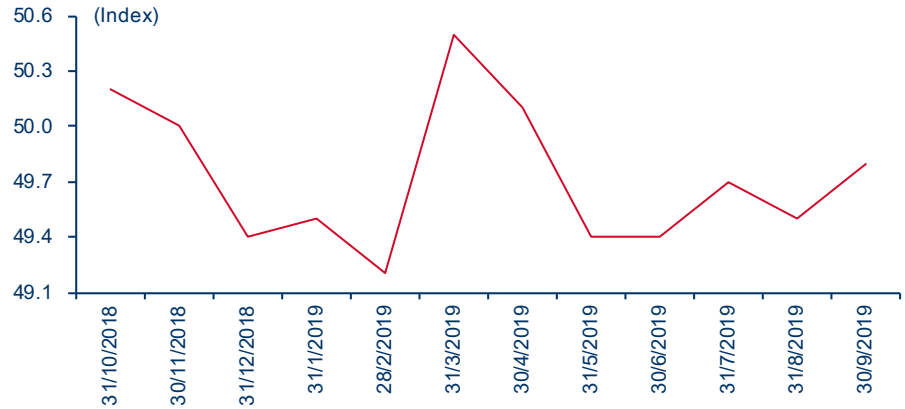
◀ CPI and PPI

China posted forecast-beating CPI of 3% YoY for Sep 2019, due to the pork price hike on short supply. Non-food prices and core inflation remained subdued. For the same period, PPI declined 1.2% YoY but returned to the positive growth on the month, up 0.1% from Aug. The market expects full-year 2019E CPI and PPI to rise 2.5% and 0.0% YoY, respectively.

Import and Export ▶

In Sep 2019, China's exports and imports declined 3.2% and 8.5% YoY, respectively, with trade surplus tallying US$39.65bn. Slowing export growth was mainly attributable to the negativity of increased US-China tariffs and weakening external demand. Looking ahead, easing tension from trade talks between China and the US may help imports within the year but should have limited drive for export growth. The market estimates that for full-year 2019E, China will see exports expand 0.5% YoY and imports shrink 3% YoY.





◀ Manufacturing PMI

China's manufacturing PMI for Sep 2019 came to 49.8, up 0.3 MoM, indicating an improving business climate, likely due to increasing end-of-quarter activities and seasonal factors. As such, we expect counter-cycle policies to be gradually stepped up further to shore up the economy.

Source: Bloomberg, CS

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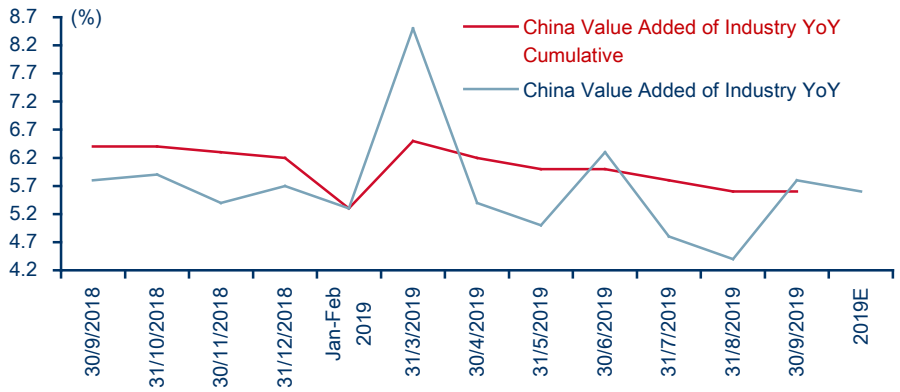
中信証券經紀香港 CITIC Securities Brokerage (HK)

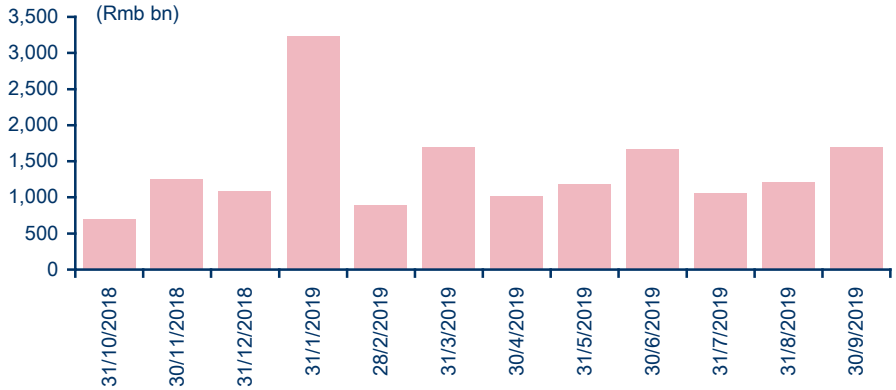
What to Watch Out For:

Major economic indicators

Value Added of Industry ▶

Scale industrial enterprises saw their combined value-added rise 5.8% YoY in Sep 2019, faster by 1.4ppt MoM. The metric for 1-3Q19 comes to 5.6% YoY. The market expects the full-year figure to be 5.6% YoY.



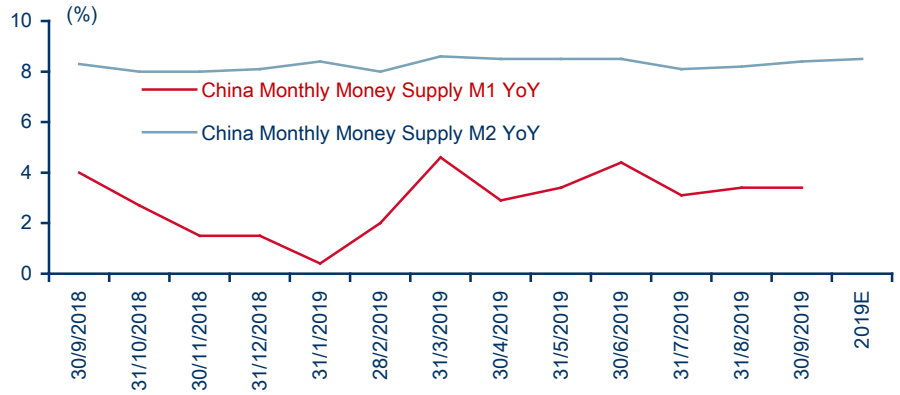


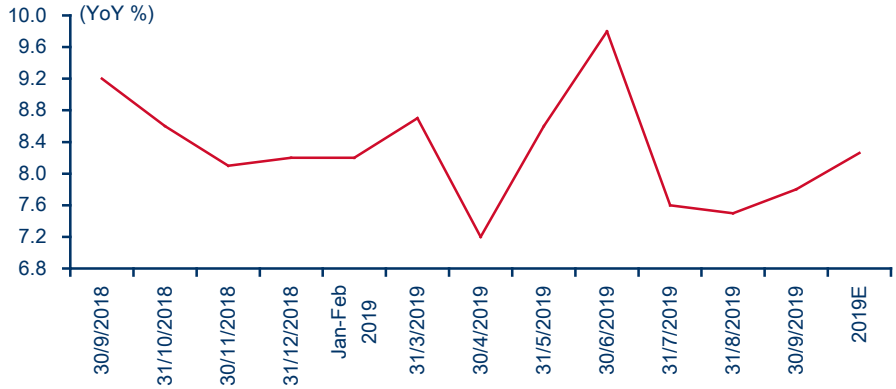
◀ CNY Monthly New Loan

New loans issued in Sep 2019 aggregated Rmb1.69trn, a jump of Rmb480bn from the previous month, chiefly on accelerating corporate loan growth. Financial sector's support for the real economy is producing more visible effect.

Monthly Supply M1 & M2 ▶

In Sep 2019, China recorded M2 growth of 8.4% YoY, up 0.2ppt MoM, thanks partially to earlier RRR cut; M1 grew by 3.4% YoY, flat MoM. The market projects M2 growth of 8.5% YoY in 2019E.





◀ Retail Sales Value

In Sep 2019, China's total retail sales value increased 7.8% YoY, accelerating 0.3ppt MoM, and the aggregate value for 1-3Q19 was up 8.2% YoY. The market estimates full-year 2019E consumer spending will expand circa 8.3% YoY.

Source: Bloomberg, CS

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	Ratings	Description
Stock ratings	BUY	Increase relative to market representative index over 20%
	OVERWEIGHT	Increase relative to market representative index between 5% and 20%
	HOLD	Increase relative to market representative index between -10% and 5%
	SELL	Decrease relative to market representative index over 10%
Industry ratings	OUTPERFORM	Increase relative to market representative index over10%
	NEUTRAL	Increase relative to market representative index between -10% and 10%
	UNDERPERFORM	Decrease relative to market representative index over 10%

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中信証券經紀香港
CITIC Securities Brokerage (HK)

CITIC Securities Brokerage (HK) Limited
26/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong
Investment Advisory Services Hotline: 2237 9250
Investment Advisory Services E-mail: hkias@citics.com.hk