

Today's Forecast

| | |
|---------------------------|--|
| HSI Expected Range | 26,800-27,300 pts |
| Market Focus | Mining sector TMT sector LI NING (02331) |

Last Trading Day Performance

| | |
|------------------|-------------------|
| HSI Range | 27,267-27,791 pts |
| Turnover | HKD 121.999 bn |

Global Market performance

| | | |
|-------------------------|----------|--------|
| HSI | 27,444.0 | -1.13% |
| HSCE | 10,782.2 | -1.65% |
| CSI 300 | 3,715.9 | -0.41% |
| Shanghai Comp | 3,261.8 | -0.42% |
| Shenzhen Comp | 10,480.6 | -0.61% |
| DJIA | 21,844.0 | -0.93% |
| S&P 500 | 2,438.2 | -1.45% |
| Nasdaq Composite | 6,216.9 | -2.13% |
| FTSE 100 | 7,389.9 | -1.44% |
| CAC40 | 5,115.2 | -0.59% |
| DAX | 12,014.3 | -1.15% |

SH-HK and SZ-HK Stock Connect
Daily Quota Balance

| (in RMB Bn) | SH-HK | SZ-HK |
|-------------------|--------|--------|
| Northbound | 134.37 | 127.52 |
| Southbound | 105.70 | 98.27 |

HSI Futures

| | Current Month | Next Month |
|-------------------|---------------|------------|
| Last Price | 27,383 | 27,254 |
| Up(Down) | -302 | -345 |
| Volume | 160,238 | 1,840 |

Forex

| | |
|----------------|--------|
| EUR/USD | 1.1772 |
| GBP/USD | 1.2977 |
| AUD/USD | 0.7875 |
| USD/JPY | 109.20 |
| USD/CNY | 6.6470 |
| USD/HKD | 7.8176 |

Commodities

| | |
|----------------------|----------|
| WTI Crude Oil | 48.59 |
| Brent Oil | 51.90 |
| Gold Spot | 1,286.53 |
| COMEX Copper | 290.30 |

Data Source: Bloomberg

Today's View: HSI is expected to range trade at 27,000 pts
Today's Forecast:

- The performance of ADRs on HK stock indicated HSI might open lower by 498pts this morning and fall below 27,000pts. Besides, the index is expected to range trade at the mentioned level today.

Market Review:

Global market: European and US stocks declined generally.

- European stocks stayed weak yesterday weighed down by losses in cyclical stocks. Coupled with the impact from Ex-dividend of the large companies, the three major European indexes closed down generally.
- US stock markets extended the downward trend as investors concerned about geopolitical risks raised by the US and North Korea. Added with the selling spree of technology stocks, the three major US stock indexes therefore declined and Nasdaq Index plunged over 2%.

Mainland Market: Ended lower in a choppy session.

- Shanghai Composite Index (SHCI) and Shenzhen Composite Index (SZCI) ended lower in a choppy session yesterday. Eventually, SHCI ended lower by 0.42% while SZCI declined by 0.61%. Amongst, coal and steel stocks underperformed the market.

HK Market: Stayed weak.

- Hong Kong stocks retreated yesterday as investors looked for safety amid heightened geopolitical tensions in North Korea. HSI opened 34pts higher but deteriorated afterwards and once plunged by 490pts. Eventually, HSI declined by 1.13% and HSCEI ended lower by 1.65%. Market turnover increased to approximately HKD 121.999bn, being the highest level since 27 Aug 2015. WHARF HOLDINGS (00004) ended lower by 7.03%, being the worst performing blue chip.

Sector/Company news:

| Sector/Company | Event | Content |
|-------------------------|----------------|--|
| MTR CORPORATION (00066) | Result release | The Company released the interim results ended Jun 2017. Total revenue rose 40.8% YoY to approximately HKD 30.004bn while profit attributable to shareholders rose 46.1% YoY to approximately HKD 7.480bn. The Company declared an interim dividend of HKD 0.25 per share. For the recurrent business, revenue and profit attributable to shareholders during the quoted period were approximately HKD 23.160bn and HKD 4.478bn, representing year-on-year change of +8.7% and -8.0% respectively. |
| PCCW (00008) | Result release | The Company released the interim results ended Jun 2017. Revenue declined 4.6% YoY to approximately HKD 17.683bn while profit attributable to shareholders rose 49.0% YoY to approximately HKD 1.293bn. The Company declared an interim dividend of HKD 0.0857 per share. During the quoted period, the Company's core profit attributable to shareholders rose 30% YoY to approximately HKD 1.430bn. |
| LI NING (02331) | Result release | The Company released the interim results ended Jun 2017. Revenue rose 11.1% YoY to approximately RMB 3.996bn while net profit attributable to shareholders rose 66.8% YoY to approximately RMB 189mn. No dividend was declared. |
| COUNTRY GARDEN (02007) | Operating info | The Company's contracted sales for the first seven months of 2017 rose 123.5% YoY to approximately RMB 333.90bn. In particular, contracted sales attributable to owners of the Company rose 107.1% YoY to approximately RMB 240.31bn. |

Global market performance

HSI performance in last 3 months



HSCE performance in last 3 months



Shanghai Composite performance in last 3 months



Dow Jones Industry Avg Index in last 3 months



USD/HKD performance in last 3 months



US 10-year treasury yield in last 3 months



Data source: Bloomberg

Top 5 stocks

Top Gainer

| Code | Name | Price | % | Turn(HKD) ^ |
|-------|-----------------|--------|--------|-------------|
| 01478 | Q TECH | 13.140 | +28.6% | 8.784 |
| 00544 | DAIDO GROUP | 0.120 | +24.7% | 0.047 |
| 00770 | SHANGHAIGROWTH | 1.120 | +21.7% | 0.000 |
| 00169 | WANDA HOTEL DEV | 1.390 | +19.8% | 1.419 |
| 00612 | CHINA INV FUND | 1.950 | +14.7% | 0.158 |

Top Loser

| Code | Name | Price | % | Turn(HKD) ^ |
|-------|-----------------|-------|--------|-------------|
| 00632 | PEARLORIENT OIL | 0.120 | -16.7% | 0.058 |
| 02011 | KEE | 1.040 | -12.6% | 0.001 |
| 01335 | SHEEN TAI | 0.350 | -12.5% | 0.008 |
| 03344 | ADDCHANCE | 0.640 | -9.9% | 0.241 |
| 00572 | FUTURE WORLD FH | 0.110 | -9.8% | 0.033 |

Top Volume

| Code | Name | Price | % | Volume ^ |
|-------|-----------------|-------|-------|----------|
| 00061 | NORTH ASIA RES | 0.030 | +0.0% | 0.529 |
| 03988 | BANK OF CHINA | 3.850 | -2.0% | 0.472 |
| 00939 | CCB | 6.440 | -1.8% | 0.425 |
| 01398 | ICBC | 5.470 | -2.7% | 0.383 |
| 00275 | MASTER GLORY GP | 0.110 | +0.9% | 0.345 |

Top Turnover

| Code | Name | Price | % | Turn(HKD) ^ |
|-------|---------------|--------|-------|-------------|
| 00700 | TENCENT | 326.60 | -1.1% | 9.011 |
| 00941 | CHINA MOBILE | 87.000 | +2.8% | 6.482 |
| 00388 | HKEX | 218.00 | -4.3% | 4.465 |
| 00005 | HSBC HOLDINGS | 76.500 | -1.5% | 3.827 |
| 00939 | CCB | 6.440 | -1.8% | 2.742 |

^ in 100 million

AH Share

Top 10 H shares with the highest discount

| | H Share Code | A Share Code | H-share Price (HKD) | A-share Price (RMB) | H-share Premium (Discount) |
|----------------|--------------|--------------|---------------------|---------------------|----------------------------|
| LUOYANG GLASS | 01108 | 600876 | 4.31 | 17.88 | -79.5% |
| ZHEJIANG SHIBA | 01057 | 002703 | 3.12 | 11.59 | -77.1% |
| TIANJIN CAP | 01065 | 600874 | 4.89 | 17.01 | -75.5% |
| JINGCHENG MAC | 00187 | 600860 | 2.11 | 6.76 | -73.4% |
| NORTHEAST ELEC | 00042 | 000585 | 1.84 | 5.22 | -70.0% |
| SINOPEC OILFIE | 01033 | 600871 | 1.29 | 3.20 | -65.7% |
| CC SECURITIES | 01375 | 601375 | 3.73 | 8.97 | -64.6% |
| NANJING PANDA | 00553 | 600775 | 4.34 | 10.39 | -64.4% |
| FIRST TRACTOR | 00038 | 601038 | 3.67 | 8.57 | -63.5% |
| ANHUI EXPRESS | 00995 | 600012 | 5.87 | 13.25 | -62.3% |

Top 10 H shares with the highest premium

| | H Share Code | A Share Code | H-share Price (HKD) | A-share Price (RMB) | H-share Premium (Discount) |
|----------------|--------------|--------------|---------------------|---------------------|----------------------------|
| JIANGSU EXPRES | 00177 | 600377 | 11.42 | 9.53 | +2.1% |
| CONCH CEMENT | 00914 | 600585 | 28.95 | 24.35 | +1.3% |
| WEICHAI POWER | 02338 | 000338 | 8.00 | 6.92 | -1.5% |
| FUYAO GLASS IN | 03606 | 600660 | 25.95 | 22.97 | -3.7% |
| PING AN | 02318 | 601318 | 57.20 | 50.73 | -3.9% |
| TSINGTAO BREW | 00168 | 600600 | 34.00 | 32.65 | -11.3% |
| CM BANK | 03968 | 600036 | 25.85 | 25.14 | -12.4% |
| CHINA PACIFIC | 02601 | 601601 | 34.70 | 34.12 | -13.4% |
| BYD CO LTD | 01211 | 002594 | 49.30 | 48.73 | -13.8% |
| CHINA VANKE | 02202 | 000002 | 22.60 | 22.80 | -15.5% |

Data Source: Bloomberg

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