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99 East Nanjing Road, Shanghai | +86 21 2329 7818
www.swsresearch.com

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Analyst
Haitao Wang
A0230511040070
ARG386

Research Associate
Eric Dong
A0230117090004
BMR369
dongyi@swsresearch.com

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贸易摩擦、全球经济放缓和美联储加息周期是过去数月间对全球风险偏好有显著影响的三个因素。然而，在 2019 年的第一个月里，以上三个因素并没有继续恶化。伴随着全球风险偏好出现回升，全球股票市场在一月出现了明显反弹。对于二月，在海外资金流入的环境下我们预计港股市场的上升趋势仍然可以维持，但由于数项重大事件或会影响市场情绪以及疲弱的全球经济增长展望，市场的波动性或会上升。

经济数据空窗期的风险偏好回升。在去年年底的时候，许多投资者对今年的中国经济持较为悲观的看法。然而，由于春节期间缺乏较为有效的数据，悲观的预期尚未完全得到实际数据的验证。另一方面，根据我们的宏观和银行业分析师的预测，部分金融数据，尤其是银行贷款和社会融资数据，在去年七月以来政府的各项宽松政策呵护下于今年年初可能会有较为明显的回升。与此同时，政府亦持续宣布了涵盖多个行业的经济刺激政策，我们预计市场的乐观情绪将会一直维持到三月全国人大的全国政协会议期间。而在美国方面，部分重要的经济数据，如 2018 年四季度 GDP 实际增速、PCE 核心通胀率等因美国政府部分关门而没有在最新一次的美联储 FOMC 会议前发布。因此，美联储一方面传递出暂缓加息的信号，另一方面联储主席鲍威尔则提到将"保持耐心"及"等待并观察接下来的经济数据"。我们注意到港股的大市沽空比率在一月仍然维持在 21%左右，大大高于去年一月恒指高抽 10%时 13%左右的沽空比率，彰显出虽然过去一个月恒指反弹 8.11%，但投资者情绪仍然较为谨慎。

外资流入的趋势。在我们的 2019 年展望报告《只缘身在此山中：港股策略》中我们提到，在美联储可能放慢加息步伐和中美贸易争端出现好转的的情况下，海外投资者在 2019 年可能会重返新兴市场。此外，自 2013 年以来，新兴市场的估值水平就已大大落后于发达，尤其是美国市场。我们注意到全球配置型和全球（除美国）配置型从那时起均开始削减他们对新兴市场的配置比例，而最近这一比例已经接近十年以来的最低水平。此外，数家指数公司，如 MSCI 和 Russell 等均可能将中国 A 股在其指数产品中的比重调升，这不仅将促使被动投资者，也将促进以其指数作为业绩基准的主动投资者在接下来数月中提升中国股票在其投资组合中的比重。我们预计指数成分股和大中盘股将更加受益于外资的流入。另一方面，我们注意到贸易谈判的进程对外资流入的节奏有着非常显著的影响。鉴于中美 90 天贸易谈判的最后期限即将到来，我们建议投资者密切关注外资的潜在波动和其对市场的影响。

南下资金的偏好。当海外投资者加速涌入中国 A 股市场的时候，对中国经济较为担忧的内地投资者却开始从港股市场中撤出。然而，因有所改善的政策环境，媒体和娱乐，非银金融和通讯行业仍录得了南下资金的净流入。与此同时，因不断弱化的基本面预期和持续存在的估值担忧，内地投资者开始从内银板块中撤退。我们仍然推荐传统的基建板块如工程建筑，以及新型基建板块如 5G。鉴于许多地方政府自年初以来开始加速发行地方债，我们预计政府在下一阶段将会开始宣布更多的基建项目以提振经济，这将提升相关公司的基本面展望以及市场情绪。

Sentiment improves

Hong Kong strategy: February outlook

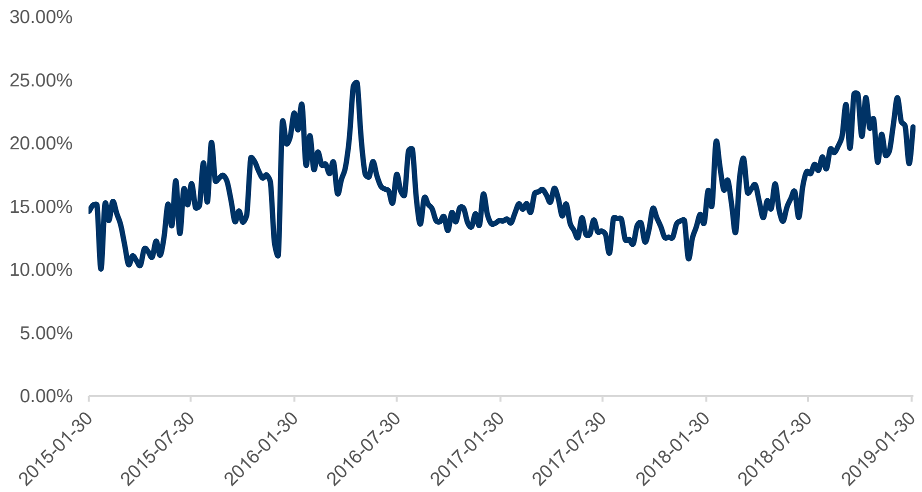
Trade tensions, a global economic slowdown and the US Fed rate upcycle have weighed on global risk appetite over the past few months. However, these factors did not deteriorate further in the first month of 2019. As risk appetite rebounded, global stock markets surged in January. In February, we believe the Hong Kong market will maintain its upward trend amid continued overseas funds inflows, although volatility may rise as several important events could significant impact market sentiment against the backdrop of a weakening global growth outlook.

Risk appetite recovers despite lack of economic data. At the end of 2018, many investors held a pessimistic view about China's domestic economy in 2019. However, given the lack of economic data during Spring Festival, their outlook has yet to be verified. In addition, according to our macro and banking analysts, some financial data, such as bank loans and total social financing, are likely to recover at the beginning of this year, given the economic policies announced by Chinese government since last July. Meanwhile, as the government continues to announce simulative policies to support the economy, we estimate the market sentiment will remain upbeat until the NPC and CPPCC meetings in March. In the US, important economic data such as 4Q18 GDP growth and PCE inflation rate were not released before the latest FOMC meeting due to the partial government shutdown. Therefore, the Fed signalled that it will hold back on interest rate increases and Jeremy Powell said the Fed will be "patient" and "wait and see incoming economy data". We note that in Hong Kong, the short selling ratio remain at c.21% in January, much higher than c.13% a year ago, as the Hang Seng Index surged nearly 10%, indicating investor sentiment remains cautious this year despite the HSI gaining 8.11% over the past month.

Overseas fund inflows. In our 2019 outlook report Law of attraction, we mentioned that overseas funds are likely to return to emerging markets in 2019, as the Fed may slow down its pace of rate increases and optimism about US-China trade negotiations is rising. In addition, the valuation of emerging markets has lagged behind developed markets, especially the US market since 2013. We note both global and global ex-US funds have decreased their position in emerging markets since that year, falling close to the lowest level during the past decade. In addition, index companies such as MSCI and Russell will probably increase the Chinese A-share weighting in their indices products, promoting not only overseas passive investors, but also active investors benchmarking their indices to increase positions in Chinese assets during the following months. We estimate index constituents, large- and mid-cap names will benefit from overseas inflows. On the other hand, we note the trade negotiation process will have a significant impact on their pace. Given the upcoming deadline of the 90-day trade war truce between US and China, we recommend investors focus on the potential volatility of overseas funds flows and the impact on the stock market.

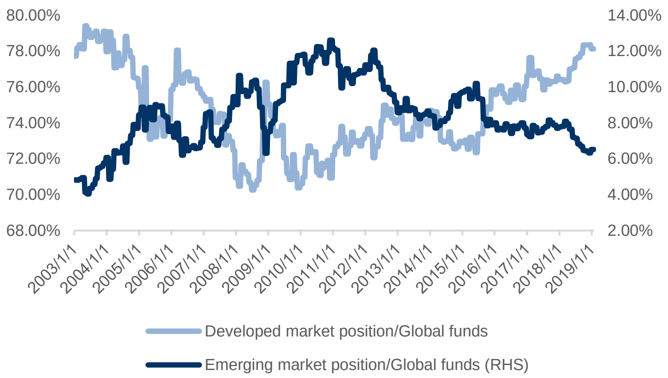
Southbound favourites. As overseas investors are entering the Chinese A-share market, domestic investors withdrew from the Hong Kong market in the past month, as they are concerned more about China's domestic economy. However, media & entertainment, non-banking financials, and telecommunication sectors still attracted net southbound funds inflows in January due to the improving policy environment. Meanwhile, domestic investors decreased positions in the banking sector given weakening fundamentals and valuation overhangs. We still recommend traditional infrastructure sector such as construction, and advanced infrastructure sector such as 5G. As many local governments have accelerated bond issuances, we estimate the government will announce more infrastructure projects to support the economy, improving the fundamental outlook and market sentiment of these sectors.

Fig 1: Hong Kong market short selling ratio is still at high level



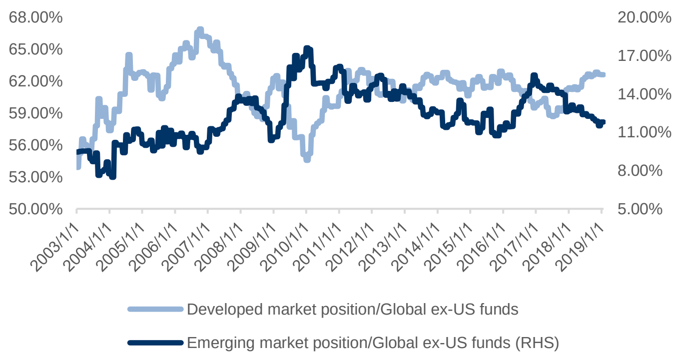
Source: Wind, SWS Research

Fig 2: Global investors has historical low position in emerging market



Source: EPFR, SWS Research

Fig 3: Global investors decreased their exposure on emerging market since 2017

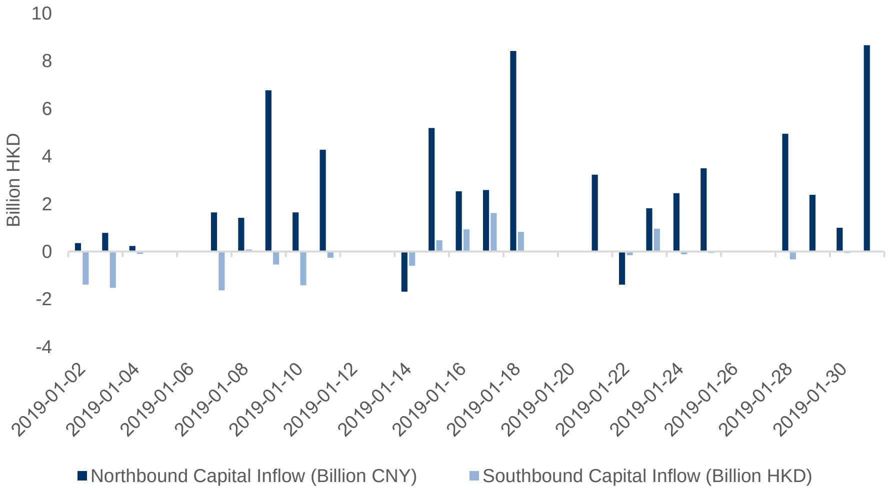


Source: EPFR, SWS Research

Tips: Developed market include Australia, Canada, France, Germany, Italy, Japan, New Zealand, Singapore, United Kingdom and USA;

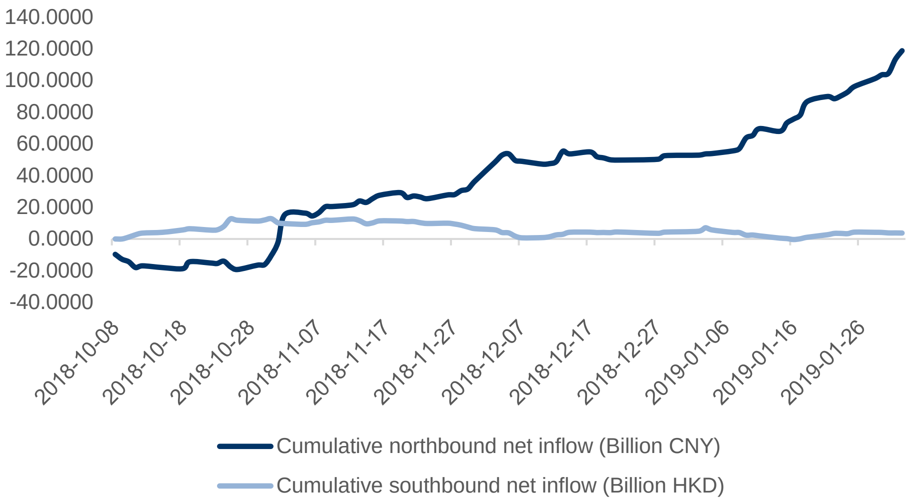
Emerging market inclues Brazil, China mainland, Hong Kong China, India, Indonesia, South Korea, Malaysia, Mexico, Russia, South Africa, Taiwan China and Turkey

Fig 4: Domestic investor withdrew from HK market as overseas investor flooded into A-share market



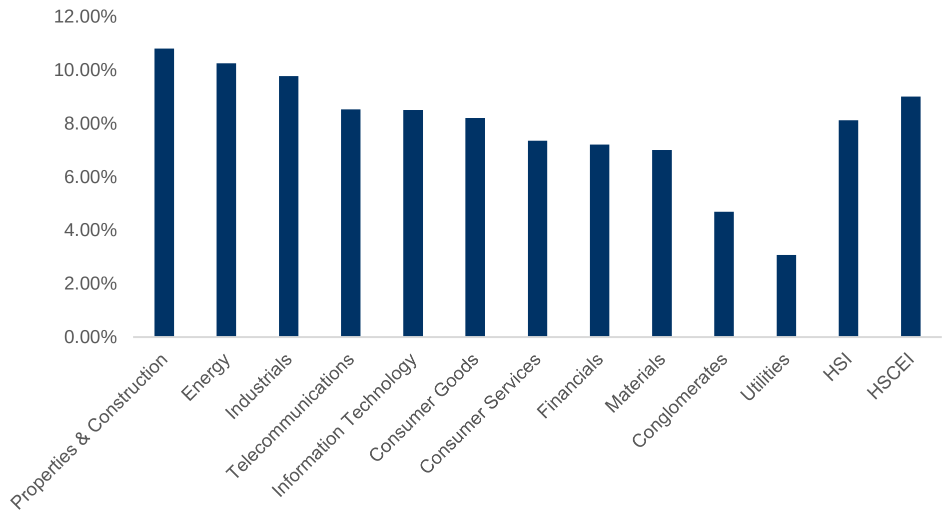
Source: Wind, SWS Research

Fig 5: Trade negotiation process has significant impact on the overseas funds flow



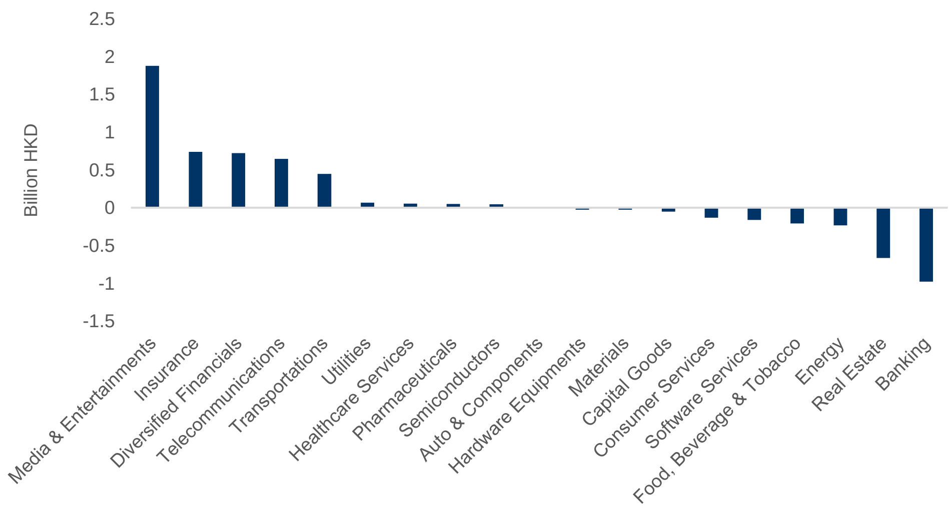
Source: Wind, SWS Research

Fig 6: Utilities sector lagged behind other sectors in January, indicating the market sentiment rebounded



Source: Wind, SWS Research

Fig 7: Domestic investors flowed into media, non-banking financials and telecommunications, but withdraw from banking



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