

A-share Research Highlights (CMS Research Center)

1. Retail industry: Retail sales increased 13.6% during the golden week, in-line with expectation

[Liu Jun, Yang Xia, Zeng Min, Oct. 8] Retail sales (including that of restaurants) climbed 13.6% in the 7-day National Day holiday from the same period last year to RMB870 bn, according to the Ministry of Commerce. Despite lower growth rate compared with a year earlier, we believe the sentiment has not deteriorated, considering that the holiday this year is one day shorter than last year's. We remain optimistic on valuation recovery of the industry triggered by the O2O model, and continue to recommend Beijing Wangfujing Department Store (600859), Rainbow Department Store (002419), Hunan Friendship & Apollo (002277), Better Life (002251), Chongqing Department Store (600729), Hefei Department Store (000417), Changchun Eurasia Group (600697) and Wuhan Department Store (000501).

Central and western areas enjoyed rapid growth in retail sales during the golden week. Sales growth of key enterprises reached 19.3%, 18.3%, 16.3%, 15.8%, 15%, and 14% respectively in Hainan, Liaoning, Shannxi, Anhui, Hunan, Qinghai, and Shandong. Gold and silver jewelry, digital products, and home appliances were popular. Gold and silver jewelry sales increased significantly driven by wedding celebrations and lower gold price. Product launches and promotional activities gave a boost to sales of high-end smartphones, tablets and other digital products.

We remain optimistic on valuation recovery of the industry triggered by the O2O model. While the O2O model brings opportunities to traditional retailers, it also means change in the pricing system. The cooperation between traditional retailers and Tencent is a win-win strategy. The mobile Internet market is huge and will bring new opportunities to traditional retailers.

Pay attention to companies with nationwide expansion, and regional leaders with low valuations and large market shares. Share price of Rainbow Department Store rose sharply amid cooperation with Tencent. In the future, other off-line retailers will become Tencent's potential partners for cooperation, particularly regional and nationwide leaders with numerous outlets and rich gift card resources. In our opinion, industry sentiment in the second half of this year will slightly surpass last year's. Pressures of rent and labor costs as well as profit margin deterioration tend to alleviate. Gradual recovery of industry sentiment will facilitate valuation recovery of industry leaders.

2. Investment Strategy Weekly Report - Be alert to worse-than-expected economic data

[Chen Wenzhao and Sun Qianqian, Oct. 7] The A-share market experienced correction before China's National Day holiday due to profit-taking of free trade zone, land reform and financial reform-related stocks. During the holiday, corrections hit the stock markets in the U.S. and Japan amid the U.S. government shutdown and debt concerns. The market corrections since mid-September are in-line with our view stated in the weekly strategy reports.

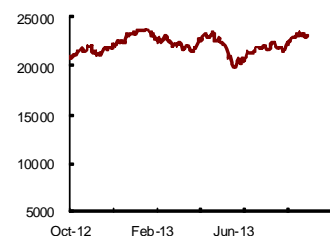
Investment strategy: Be alert to worse-than-expected economic data. Stick to pharmaceuticals, mass consumption and growth stocks.

HK Indices	Last price	chg	% chg
HSI	23,178.85	204.9	0.89
Finance	31,904.57	186.6	0.59
Properties	30,573.01	277.1	0.91
Utilities	51,047.14	383.9	0.76
Commerce&Industrv	13,669.27	170.1	1.26
HSCEI	10,534.94	107.7	1.03
HSCCI	4,545.17	59.38	1.32
HKSPGEM	461.51	0.13	0.03

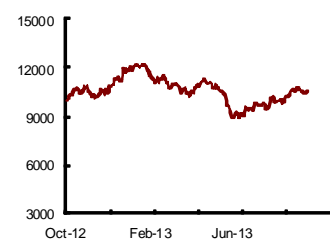
World Indices	Last price	chg	% chg
FTSE 100	6,365.83	-71.45	-1.11
DAX 30	8,555.89	-35.69	-0.42
CAC 40	4,133.53	-32.05	-0.77
DJIA	14,776.53	-159.71	-1.07
S&P500	1,655.45	-20.67	-1.23
Nasdaq Composite	3,694.83	-75.54	-2.00
Nikkei 225	13,894.61	41.29	0.30

Asia-Pacific Indices	Last price	chg	% chg
KOSPI	2,002.76	8.34	0.42
TWSE	8,375.65	41.99	0.50
STI	3,146.50	9.91	0.32
India BSE 30	19,983.61	88.51	0.44
S&P/ASX 200	5,130.40	-19.05	-0.37

HSI One Year



HSCEI One Year



Source: Bloomberg

China Merchants Securities (HK)

Research

+852-3189-6888

Pharmaceuticals and mass consumption are still our top picks. Strength of growth stocks is likely to continue before IPO restart. We are bearish on cyclicals, as Q4 economic data may miss expectations.

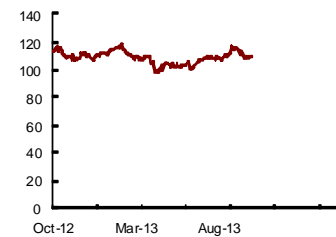
We remain cautious in Q4 due to the following reasons:

- 1) We believe the short-term peak emerged in August and economic data may turn worse in the fourth quarter, considering weak demand and the base effect.
- 2) Pressures of real estate regulation and correction re-emerge. We are cautious about the real estate industry chain in Q4 and the first half of next year.
- 3) U.S. debt talks and government shutdown may have short-term impact on the financial market.
- 4) Reform is good news for emerging industries, but is bad news for traditional industries such as banks, real estate, petrochemicals, coal and raw materials. The reform will have negative impact on the Shanghai Composite Index.

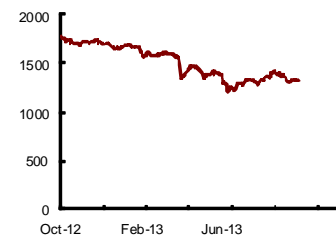
Global Commodity	Last price	chg	% chg
Brent Oil	110.32	0.49	0.45
Gold	1,320.8	1.54	0.12
LME Aluminum	1,865.0	12.00	0.65
LME Copper	7,239.5	-5.50	-0.08
BDI	2,146.0	31.00	1.47
API Coal	82.10	-0.40	-0.48

Exchange /Bond Market	/Currency	Last price	chg	% chg
USD/RMB		6.14	-0.01	-0.16
USD/HKD		7.75	0.00	0.00
1-YR RMB NDF		6.18	0.00	0.00
EUR/USD		135.95	0.22	0.16
3-M Libor		0.52	0.00	0.00
3-M Shibor		4.67	0.00	0.00
10 YR US T-Note Yield		2.63	0.01	0.38

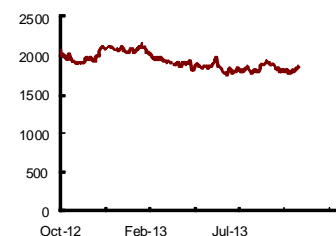
Brent Oil One Year



Gold Commodity One Year



LME Aluminum Commodity One Year

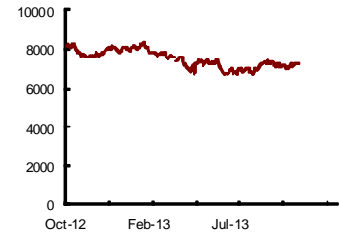


Source: Bloomberg

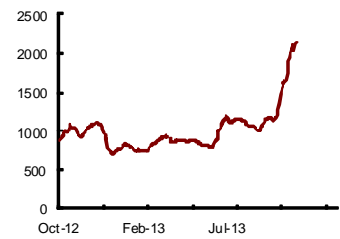
What to Watch

Economic Data	HK: Nil		
	US: MBA Mortgage Index		
Date	Ticker	Stock Name	Earnings
2013/10/09	00191	LAI SUN INT'L	Final
2013/10/09	00488	LAI SUN DEV	Final
2013/10/09	00571	ESUN HOLDINGS	Final
2013/10/09	01125	LAI FUNG HOLD	Final
2013/10/09	08075	MEDIA ASIA	Final
Date	Ticker	Stock Name	Issue Price
Nil			

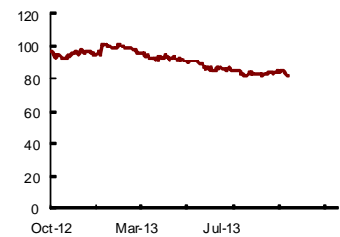
LME Copper Commodity One Year



BDI One Year



API Coal One Year



Source: Bloomberg

China Merchants Securities (Hong Kong) Stock Pool Update Weekly
 2013-10-9

Stock Code	Short Name	Rating	Price Currency	Latest Price	12- Month Target Price	Upside Potential	EPS Currency	EPS			P/E			1-Month Performance	Analyst
								2013E	2014E	2015E	2013E	2014E	2015E		
Textiles, Apparel & Luxury Goods															
589	Ports	Neutral	HKD	6.26	5.30	-15%	RMB	0.55	0.56	0.64	9.0	8.9	7.8	16.8%	Ivy Zhao
1880	Belle	Buy	HKD	11.72	16.39	40%	RMB	0.52	0.61	0.71	17.9	15.2	13.1	9.1%	Ivy Zhao
1368	Xtep	Neutral	HKD	3.82	4.00	5%	RMB	0.27	0.27	0.29	11.2	11.2	10.4	1.6%	Ivy Zhao
2020	Anta Sports	Neutral	HKD	11.14	9.14	-18%	RMB	0.49	0.53	0.57	18.0	16.7	15.5	15.0%	Ivy Zhao
1361	361 Degrees	Neutral	HKD	2.08	1.45	-30%	RMB	0.29	0.28	0.28	5.7	6.0	5.8	13.7%	Ivy Zhao
1968	Peak Sport	Neutral	HKD	2.00	1.48	-26%	RMB	0.16	0.17	0.19	10.0	9.2	8.2	10.5%	Ivy Zhao
2331	Li Ning	Buy	HKD	6.80	5.20	-24%	RMB	-0.10	0.18	0.20	N.A.	30.6	27.1	17.9%	Ivy Zhao
3818	China Dongxiang	Buy	HKD	1.30	1.47	13%	RMB	0.04	0.04	0.05	27.8	24.5	21.9	3.2%	Ivy Zhao
953	Meike	Neutral	HKD	0.43	0.30	-30%	RMB	0.04	0.05	0.06	9.5	7.4	6.2	-2.3%	Ivy Zhao
1234	China Lilang	Buy	HKD	4.99	5.25	5%	RMB	0.41	0.41	0.47	9.6	9.6	8.4	12.1%	Ivy Zhao
891	Trinity	Buy	HKD	2.75	4.63	68%	RMB	0.21	0.25	0.30	10.4	8.7	7.3	-0.7%	Ivy Zhao
873	C Taifeng Bed	Buy	HKD	1.91	2.86	50%	RMB	0.52	0.65	0.80	2.9	2.3	1.9	24.8%	Ivy Zhao
Metals & Mining															
1818	Zhaojin Mining	Neutral	HKD	6.74	6.00	-11%	RMB	0.43	0.38	0.34	12.4	14.1	15.7	-5.1%	Li Xiang
2899	Zijin Mining	Neutral	HKD	1.80	1.69	-6%	RMB	0.14	0.15	0.12	10.2	9.5	11.9	-5.3%	Li Xiang
358	Jiangxi Copper	Buy	HKD	14.78	15.20	3%	RMB	1.02	1.05	0.85	11.5	11.2	13.8	-4.8%	Li Xiang
3993	Cmcc	Neutral	HKD	3.01	3.10	3%	RMB	0.19	0.20	0.21	12.4	12.2	11.5	-1.6%	Li Xiang
2600	Chalco	Sell	HKD	2.77	1.60	-42%	RMB	-0.28	-0.11	-0.10	N.A.	N.A.	N.A.	0.4%	Li Xiang
1378	China Hongqiao	Buy	HKD	4.70	5.80	23%	RMB	0.97	1.11	1.23	3.8	3.4	3.0	3.3%	Li Xiang
486	Rusal	Sell	HKD	2.37	2.03	-14%	USD	0.01	0.04	0.05	30.6	7.6	6.1	5.8%	Li Xiang
3948	Yitai Coal	Buy	HKD	14.30	25.10	76%	RMB	1.88	2.11	2.22	6.0	5.4	5.1	2.6%	Li Xiang

Stock Code	Short Name	Rating	Price Currency	Latest Price	12- Month Target Price	Upside Potential	EPS Currency	EPS			P/E			1-Month Performance	Analyst
								2013E	2014E	2015E	2013E	2014E	2015E		
1088	China Shenhua	Buy	HKD	23.55	36.40	55%	RMB	2.44	2.90	3.07	7.6	6.4	6.1	-9.3%	Li Xiang
Auto & Others															
1211	Byd Company	Neutral	HKD	37.70	13.00	-66%	RMB	0.33	0.68	1.10	90.5	43.9	27.2	21.6%	Colleen Li
489	Dongfeng Group	Buy	HKD	11.18	14.17	27%	RMB	1.13	1.26	1.29	7.8	7.0	6.9	-0.4%	Colleen Li
175	Geely Auto	Buy	HKD	4.41	5.04	14%	RMB	0.32	0.36	0.38	10.9	9.7	9.2	8.1%	Colleen Li
2333	Greatwall Motor	Neutral	HKD	44.40	38.62	-13%	RMB	2.78	3.41	3.74	12.7	10.3	9.4	8.4%	Colleen Li
1114	Brilliance Chi	Buy	HKD	12.06	12.00	-1%	RMB	0.71	0.80	0.89	13.5	11.9	10.7	6.9%	Colleen Li
425	Mint Group	Buy	HKD	14.96	13.20	-12%	RMB	0.78	0.87	0.97	15.2	13.6	12.2	5.5%	Colleen Li
1728	Zhengtong Auto	Buy	HKD	5.20	5.85	13%	RMB	0.55	0.81	1.11	7.5	5.1	3.7	3.0%	Colleen Li
881	Zhongsheng Hldg	Neutral	HKD	12.70	10.30	-19%	RMB	0.58	0.71	0.99	17.4	14.2	10.2	10.4%	Colleen Li
Oil & Gas															
857	Petro China	Buy	HKD	8.68	10.55	22%	RMB	0.71	0.74	0.78	9.7	9.3	8.8	-0.2%	Michael Yuk
386	Sinopec Corp	Buy	HKD	6.23	7.20	16%	RMB	0.68	0.70	0.73	7.3	7.1	6.8	3.5%	Michael Yuk
883	Cnooc	Buy	HKD	16.10	17.00	6%	RMB	1.44	1.56	1.69	8.9	8.2	7.6	1.0%	Michael Yuk
603	China Oil & Gas	Neutral	HKD	1.20	1.45	21%	HKD	0.09	0.12	0.15	13.3	10.0	8.0	7.1%	Michael Yuk
342	Newocean Energy	Buy	HKD	4.95	5.30	7%	HKD	0.55	0.63	0.79	9.0	7.9	6.3	1.0%	Michael Yuk
467	Unitedenergy Gp	Buy	HKD	1.27	1.59	25%	HKD	0.10	0.09	0.09	12.7	14.1	14.1	3.3%	Michael Yuk
Oil & Gas Services/Equipment															
3899	Cimc Enric	Buy	HKD	11.26	10.00	-11%	RMB	0.49	0.60	0.72	18.2	14.9	12.4	53.8%	Michael Yuk
569	Ch Automation	Buy	HKD	1.62	2.50	54%	RMB	0.26	0.29	0.33	4.9	4.4	3.9	3.2%	Michael Yuk
3337	Anton Oilfield	Neutral	HKD	5.45	5.70	5%	RMB	0.19	0.23	0.28	22.7	18.8	15.4	22.5%	Michael Yuk
1938	Chu Kong Pipe	Neutral	HKD	2.53	2.26	-11%	RMB	0.11	0.41	0.56	18.2	4.9	3.6	4.6%	Michael Yuk
2883	China Oilfield	Buy	HKD	20.40	18.00	-12%	RMB	1.29	1.45	1.66	12.5	11.2	9.7	4.9%	Michael Yuk
3303	Jutal Oil Ser	Buy	HKD	1.59	2.40	51%	RMB	0.13	0.17	0.15	9.7	7.4	8.4	1.3%	Michael Yuk

Stock Code	Short Name	Rating	Price Currency	Latest Price	12- Month Target Price	Upside Potential	EPS Currency	EPS			P/E			1-Month Performance	Analyst
								2013E	2014E	2015E	2013E	2014E	2015E		
1623	Hilong	Buy	HKD	4.68	5.10	9%	RMB	0.16	0.28	0.29	23.2	13.2	12.8	20.0%	Michael Yuk
Property															
688	China Overseas	Buy	HKD	23.55	22.56	-4%	HKD	2.29	2.30	2.68	10.3	10.2	8.8	1.7%	DuanFeiqin
410	Soho China	Neutral	HKD	6.62	6.42	-3%	HKD	2.37	2.13	1.96	2.8	3.1	3.4	-0.2%	DuanFeiqin
813	Shimao Property	Neutral	HKD	19.14	16.70	-13%	HKD	2.07	2.19	2.46	9.3	8.7	7.8	3.9%	DuanFeiqin
1109	China Res Land	Buy	HKD	22.80	23.80	4%	HKD	1.81	1.91	2.20	12.6	11.9	10.4	5.6%	DuanFeiqin
2777	R&F Properties	Buy	HKD	13.60	13.90	2%	HKD	2.15	2.23	2.45	6.3	6.1	5.5	10.9%	DuanFeiqin
2007	Country Garden	Neutral	HKD	5.55	4.20	-24%	HKD	0.48	0.53	0.60	11.7	10.5	9.3	11.0%	DuanFeiqin
3383	Agile Property	Neutral	HKD	8.90	10.10	13%	HKD	1.81	1.98	2.02	4.9	4.5	4.4	6.2%	DuanFeiqin
3333	Evergrande	Buy	HKD	3.61	4.38	21%	HKD	0.84	0.97	0.98	4.3	3.7	3.7	9.7%	DuanFeiqin
960	Longfor Ppt	Buy	HKD	12.90	13.23	3%	HKD	1.50	1.65	1.81	8.6	7.8	7.1	-3.3%	DuanFeiqin
1813	Kwg Property	Neutral	HKD	5.12	5.05	-1%	HKD	1.02	1.10	1.18	5.0	4.7	4.3	-1.0%	DuanFeiqin
3366	Oct (Asia)	Buy	HKD	3.50	3.50	0%	HKD	0.43	0.54	0.64	8.1	6.5	5.5	-9.6%	DuanFeiqin
3900	Greentown China	Buy	HKD	15.32	18.80	23%	HKD	3.17	3.33	3.49	4.8	4.6	4.4	2.0%	DuanFeiqin
754	Hopson Dev Hold	Buy	HKD	9.94	12.20	23%	HKD	1.72	1.98	2.22	5.8	5.0	4.5	-0.8%	DuanFeiqin
1918	Sunac	Buy	HKD	5.49	6.66	21%	HKD	1.07	1.26	1.41	5.1	4.4	3.9	5.6%	DuanFeiqin
Consumer Discretionary															
3308	Golden Eagle	Neutral	HKD	12.70	13.50	6%	RMB	0.63	0.69	0.76	16.0	14.6	13.2	19.8%	TangJingjing
1212	Lifestyle	Neutral	HKD	15.80	18.40	16%	HKD	1.18	1.30	1.35	13.4	12.2	11.7	-7.0%	TangJingjing
1833	Intime	Buy	HKD	8.58	9.62	12%	RMB	0.54	0.63	0.63	12.6	10.8	10.8	-2.8%	TangJingjing
178	Sa Sa	Buy	HKD	8.97	8.78	-2%	HKD	0.26	0.36	0.43	34.5	24.9	20.9	10.3%	TangJingjing
Telecommunication															
941	China Mobile	Neutral	HKD	84.40	80.00	-5%	RMB	6.52	6.58	6.79	10.3	10.2	9.9	-1.9%	Jeff Hao
762	China Unicom	Buy	HKD	13.18	14.00	6%	RMB	0.44	0.54	0.63	23.7	19.3	16.6	8.2%	Jeff Hao

Stock Code	Short Name	Rating	Price Currency	Latest Price	12- Month Target Price	Upside Potential	EPS Currency	EPS			P/E			1-Month Performance	Analyst
								2013E	2014E	2015E	2013E	2014E	2015E		
728	China Telecom	Buy	HKD	4.03	4.80	19%	RMB	0.25	0.29	0.33	12.8	11.0	9.7	-2.0%	Jeff Hao
Information Technology															
700	Tencent	Buy	HKD	426.00	401.00	-6%	RMB	8.61	11.35	15.08	39.2	29.7	22.4	10.1%	Jeff Hao
3888	Kingsoft	Buy	HKD	20.80	24.37	17%	RMB	0.50	0.66	0.83	33.0	25.0	19.9	13.4%	Jeff Hao
1661	Wisdom	Buy	HKD	2.32	2.90	25%	RMB	0.13	0.20	0.25	14.1	9.2	7.4	N.A.	Jeff Hao
777	Netdragon	Buy	HKD	23.55	26.27	12%	RMB	0.78	0.89	1.12	23.9	21.0	16.7	30.4%	Jeff Hao
354	Chinasoft	Neutral	HKD	2.35	2.00	-15%	RMB	0.10	0.12	0.15	18.6	15.5	12.4	-1.7%	Jeff Hao
268	Kingdee	Neutral	HKD	2.53	1.40	-45%	RMB	0.02	0.04	0.05	100.2	50.1	40.1	14.0%	Jeff Hao
Port															
144	China Mer Hold	Neutral	HKD	29.65	26.43	-11%	HKD	1.55	1.75	2.05	19.1	16.9	14.5	10.0%	Kate Li
1199	Cosco Pacific	Buy	HKD	12.00	12.58	5%	USD	0.26	0.13	0.14	6.0	11.9	11.1	1.0%	Kate Li
Shipping															
368	Sinotrans Ship	Buy	HKD	2.47	2.40	-3%	USD	0.01	0.02	0.03	31.9	15.9	10.6	3.4%	Kate Li
316	Ooil	Buy	HKD	44.80	52.30	17%	USD	0.37	0.52	0.69	15.6	11.1	8.4	-2.4%	Kate Li
2866	Cscl	Neural	HKD	2.09	1.82	-13%	RMB	-0.06	0.03	0.07	N.A.	55.2	23.7	-3.7%	Kate Li
Alternative Energy															
3800	Gcl-Poly Energy	Buy	HKD	2.54	1.97	-22%	HKD	0.01	0.05	0.07	254.0	50.8	36.3	19.8%	Yin Lei
712	Comtec Solar	Buy	HKD	1.97	1.76	-11%	RMB	0.05	0.11	0.16	31.2	14.2	9.8	12.6%	Yin Lei
750	Singyes Solar	Buy	HKD	8.47	9.40	11%	RMB	0.81	0.91	1.04	8.3	7.4	6.5	11.6%	Yin Lei
2208	Goldwind	Buy	HKD	5.70	5.52	-3%	RMB	0.17	0.21	0.27	26.6	21.5	16.7	12.9%	Yin Lei
916	Longyuan Power	Neutral	HKD	8.29	8.16	-2%	RMB	0.36	0.43	0.52	18.2	15.3	12.6	1.1%	Yin Lei
1798	Datang Power	Neutral	HKD	1.55	1.99	28%	RMB	0.08	0.14	0.21	15.4	8.8	5.9	9.9%	Yin Lei
816	Huadian Fuxin	Buy	HKD	2.34	2.99	28%	RMB	0.19	0.24	0.28	9.8	7.7	6.6	6.4%	Yin Lei
579	Jingneng	Buy	HKD	2.96	3.62	22%	RMB	0.18	0.24	0.29	13.0	9.8	8.1	9.2%	Yin Lei

Stock Code	Short Name	Rating	Price Currency	Latest Price	12- Month Target Price	Upside Potential	EPS Currency	EPS			P/E			1-Month Performance	Analyst
								2013E	2014E	2015E	2013E	2014E	2015E		
Food & Beverage															
322	Tingyi	Buy	HKD	19.86	23.10	16%	USD	0.09	0.11	0.13	29.1	24.4	19.7	1.0%	Ling Hua
2319	Mengniu Dairy	Buy	HKD	36.10	33.26	-8%	RMB	0.85	1.10	1.48	33.7	26.0	19.3	11.3%	Ling Hua
506	China Foods	Neutral	HKD	3.59	4.25	18%	HKD	0.17	0.22	0.27	21.1	16.3	13.3	23.0%	Ling Hua
151	Want Want China	Neutral	HKD	11.88	12.10	2%	USD	0.05	0.06	0.07	30.7	25.5	21.9	6.3%	Ling Hua
345	Vitasoy	Buy	HKD	9.84	9.00	-9%	HKD	0.31	0.35	0.48	31.7	28.1	20.5	-1.1%	Ling Hua
Machinery & Equipment															
1157	Zoomlion	Buy	HKD	7.07	7.40	5%	RMB	0.79	0.96	1.04	7.1	5.8	5.4	8.3%	Jiao Yiding
Electricity															
902	Huaneng Power	Buy	HKD	8.08	11.00	36%	RMB	0.79	0.86	0.93	8.1	7.4	6.9	13.3%	Vera Liang
991	Datang Power	Buy	HKD	3.62	4.10	13%	RMB	0.40	0.42	0.52	7.2	6.8	5.5	6.5%	Vera Liang
Pharmaceuticals & Medical Devices															
2348	Dawnrays Pharma	Buy	HKD	3.65	3.20	-12%	RMB	0.18	0.14	0.17	16.1	20.7	17.0	17.0%	Jonathan Hsu
US Stock															
BIDU	Baidu Inc	Buy	USD	148.75	149.50	1%	USD	4.89	7.36	9.67	30.4	20.2	15.4	9.6%	Mike Chen
SINA	Sina Corp	Buy	USD	81.65	90.70	11%	USD	-0.36	2.51	4.49	N.A.	32.5	18.2	1.4%	Mike Chen
SOHU	Sohu.Com Inc	Neutral	USD	78.08	64.20	-18%	USD	2.42	2.97	3.56	32.3	26.3	21.9	17.6%	Mike Chen
NTES	Netease Inc	Buy	USD	66.37	85.50	29%	USD	5.56	5.80	6.60	11.9	11.4	10.1	-9.7%	Mike Chen
QIHU	Qihoo 360	Buy	USD	77.24	94.47	22%	USD	1.16	2.00	3.68	66.6	38.6	21.0	-7.0%	Mike Chen
YOKU	Youku Tudou Inc	Neutral	USD	27.42	23.82	-13%	USD	-0.47	-0.18	0.19	N.A.	N.A.	144.3	14.2%	Mike Chen
EDU	New Oriental Education	Buy	USD	23.77	24.50	3%	USD	0.89	1.25	1.43	26.7	19.0	16.6	9.2%	Mike Chen
DANG	Dangdang	Neutral	USD	10.10	6.40	-37%	USD	-0.82	-0.52	-0.18	N.A.	N.A.	N.A.	24.9%	Mike Chen
CTRP	Ctrip	Buy	USD	53.64	25.70	-52%	USD	1.15	1.48	1.76	46.6	36.2	30.5	14.1%	Mike Chen
HMIN	Home Inns	Neutral	USD	34.98	27.40	-22%	USD	1.09	1.62	2.04	32.1	21.6	17.2	1.6%	Mike Chen

HSI Index Components Performance

HSCEI Index Components Performance

Last price

Code	Name	Price	Chg 1D (%)	Code	Name	Price	Chg 1D (%)
1	CHEUNG KONG	125.0	1.0	168	TSINGTAO BREW-H	59.60	1.9
2	CLP HLDGS LTD	63.00	0.5	177	JIANGSU EXPRES-H	9.41	-2.1
3	HONG KG CHINA GS	18.48	0.5	323	MAANSHAN IRON-H	1.96	3.2
4	WHARF HLDG	67.30	0.5	338	SINOPEC SHANG-H	3.05	1.0
5	HSBC HLDGS PLC	83.80	0.1	347	ANGANG STEEL-H	4.80	3.9
6	POWER ASSETS HOL	68.10	0.2	358	JIANGXI COPPER-H	14.78	0.4
11	HANG SENG BK	128.0	0.8	386	CHINA PETROLEU-H	6.23	1.0
12	HENDERSON LAND D	46.80	-0.5	390	CHINA RAIL GR-H	4.24	2.4
13	HUTCHISON WHAMPO	99.35	0.5	489	DONGFENG MOTOR-H	11.18	-1.8
16	SUN HUNG KAI PRO	102.6	0.2	552	CHINA COMM SER-H	4.80	0.2
17	NEW WORLD DEV	11.46	-0.7	576	ZHEJIANG EXPRESS	7.07	-1.0
19	SWIRE PACIFIC-A	92.25	-0.5	694	BEIJING CAP AI-H	5.20	1.0
23	BANK EAST ASIA	32.95	1.1	728	CHINA TELECOM-H	4.03	-0.3
66	MTR CORP	30.55	0.2	753	AIR CHINA LTD-H	5.29	2.3
83	SINO LAND CO	11.24	-0.7	857	PETROCHINA CO-H	8.68	1.5
101	HANG LUNG PROPER	25.90	0.4	902	HUANENG POWER-H	8.08	1.8
144	CHINA MERCHANT	29.65	1.4	914	ANHUI CONCH-H	26.25	2.5
267	CITIC PACIFIC	11.26	0.7	939	CHINA CONST BA-H	6.06	0.5
291	CHINA RES ENTERP	25.20	1.0	991	DATANG INTL PO-H	3.62	3.1
293	CATHAY PAC AIR	15.42	2.7	998	CHINA CITIC BK-H	4.16	3.2
330	ESPRIT HLDGS	13.20	4.9	1088	CHINA SHENHUA-H	23.55	1.5
386	CHINA PETROLEU-H	6.23	1.0	1133	HARBIN ELECTRIC	4.85	1.0
388	HONG KONG EXCHNG	127.3	1.4	1138	CHINA SHIPPING-H	4.24	0.7
494	LI & FUNG LTD	11.00	-1.8	1171	YANZHOU COAL-H	7.51	1.6
551	YUE YUEN INDUS	21.45	-1.4	1186	CHINA RAIL CN-H	8.15	1.9
688	CHINA OVERSEAS	23.55	3.3	1398	IND & COMM BK-H	5.51	0.7
700	TENCENT HOLDINGS	426.0	2.1	1800	CHINA COM CONS-H	6.19	1.3
762	CHINA UNICOM HON	13.18	-0.6	1898	CHINA COAL ENE-H	4.68	1.5
857	PETROCHINA CO-H	8.68	1.5	1919	CHINA COSCO HO-H	3.99	1.8
883	CNOOC LTD	16.10	1.6	2318	PING AN INSURA-H	58.70	0.4
939	CHINA CONST BA-H	6.06	0.5	2328	PICC PROPERTY &	10.84	1.1
941	CHINA MOBILE	84.40	1.4	2600	ALUMINUM CORP-H	2.77	-0.4
1088	CHINA SHENHUA-H	23.55	1.5	2628	CHINA LIFE INS-H	20.60	0.7
1199	COSCO PAC LTD	12.00	-0.2	2727	SHANGHAI ELECT-H	2.74	0.4
1398	IND & COMM BK-H	5.51	0.7	2777	GUANGZHOU R&F -H	13.60	9.2
2038	FIH MOBILE LTD	4.78	1.7	2866	CHINA SHIPPING-H	2.09	3.5
2318	PING AN INSURA-H	58.70	0.4	2883	CHINA OILFIELD-H	20.40	1.8
2388	BOC HONG KONG HO	25.00	1.2	2899	ZIJIN MINING-H	1.80	1.1
2600	ALUMINUM CORP-H	2.77	-0.4	3323	CHINA NATL BDG-H	7.63	0.9
2628	CHINA LIFE INS-H	20.60	0.7	3328	BANK OF COMMUN-H	5.79	1.8
3328	BANK OF COMMUN-H	5.79	1.8	3968	CHINA MERCH BK-H	14.64	1.1
3988	BANK OF CHINA-H	3.62	0.8	3988	BANK OF CHINA-H	3.62	0.8
				3993	CHINA MOLYBDENUM	3.01	1.0

A+H Company Performance
 Last price

Name(H)	Code (H)	Price (H)	Code (A)	Price (A)	Spread (%)
BEIREN PRINT-H	187	3.30	600860	9.89	279.6
TIANJIN CAP-H	1065	2.95	600874	8.54	266.7
NORTHEAST ELEC-H	42	0.92	000585	2.43	234.6
SHENJI GROUP-H	300	1.96	600806	4.93	218.6
CHONGQING IRON-H	1053	1.12	601005	2.75	211.0
SHANDONG XINHU-H	719	2.02	000756	4.76	198.5
NANJING PANDA-H	553	4.13	600775	9.42	188.9
SINOPEC YIZHEN-H	1033	2.15	600871	4.47	163.4
BEIJING NORTH-H	588	1.81	601588	3.11	117.7
JINGWEI TEXTIL-H	350	5.55	000666	9.14	108.6
ALUMINUM CORP-H	2600	2.77	601600	4.31	97.1
YANZHOU COAL-H	1171	7.51	600188	10.64	79.5
HISENSE KELON -H	921	6.19	000921	8.63	76.6
SINOPEC SHANG-H	338	3.05	600688	4.24	76.1
DATANG INTL PO-H	991	3.62	601991	4.51	57.8
GUANGZHOU SHIP-H	317	9.91	600685	11.91	52.2
JIANGXI COPPER-H	358	14.78	600362	16.35	40.1
CHINA SHIPPING-H	1138	4.24	600026	4.51	34.7
DONGFANG ELECT-H	1072	11.56	600875	11.96	31.1
SHENZHEN EXPRE-H	548	3.08	600548	3.18	30.8
GUANGZHOU BAIYUN	874	35.05	600332	36.11	30.5
ZTE CORP-H	763	17.98	000063	18.09	27.4
CHINA SOUTHERN-H	1055	2.85	600029	2.86	27.1
ANHUI EXPRESS-H	995	4.29	600012	4.21	24.3
HUADIAN POWER-H	1071	3.21	600027	3.13	23.5
CHINA CITIC BK-H	998	4.16	601998	3.78	15.1
MAANSHAN IRON-H	323	1.96	600808	1.78	15.0
LUOYANG GLASS-H	1108	1.48	600876	5.26	0.0
BANK OF CHINA-H	3988	3.62	601988	2.79	-2.4
AIR CHINA LTD-H	753	5.29	601111	4.06	-2.8
CHINA MERCH BK-H	3968	14.64	600036	10.91	-5.6
BANK OF COMMUN-H	3328	5.79	601328	4.28	-6.4
GUANGSHEN RAIL-H	525	4.09	601333	3.01	-6.8
CHINA PETROLEU-H	386	6.23	600028	4.47	-9.1
TSINGTAO BREW-H	168	59.60	600600	42.65	-9.4
IND & COMM BK-H	1398	5.51	601398	3.87	-11.0
HUANENG POWER-H	902	8.08	600011	5.49	-13.9
CHINA LIFE INS-H	2628	20.60	601628	13.96	-14.2
WEICHAH POWER-H	2338	30.65	000338	19.83	-18.1
ANGANG STEEL-H	347	4.80	000898	3.03	-20.0
PING AN INSURA-H	2318	58.70	601318	35.91	-22.5
JIANGSU EXPRES-H	177	9.41	600377	5.69	-23.4
ANHUI CONCH-H	914	26.25	600585	15.31	-26.1

Recently Published Research

Date published	Name of report	Analyst
26-Sep-13	Wisdom Holdings Group (1661.HK)	Jeff Hao
25-Sep-13	Sunac China (1918 HK)	Duan Feiqin
25-Sep-13	China Hardware Technology	Alex Ng
24-Sep-13	TENCENT HOLDINGS(00700.HK)	Jeff Hao
24-Sep-13	Comment on German elections	Lynn Song, Cliff Zhao, David Xie
23-Sep-13	Hilong Holding Ltd. (01623.HK)	Michael Yuk
23-Sep-13	HK Stock Market Strategy Comments	George Chen, Cliff Zhao
16-Sep-13	Special Report on the Path back to Normalization II	Qing Li, Cliff Zhao, David Xie
16-Sep-13	Great Wall Mot-H (02333.HK)	Colleen Li
16-Sep-13	HK Stock Market Strategy Report	Cliff Zhao, George Chen
12-Sep-13	CHINA MERCHANTS HOLDINGS (144.HK)	Kate Li
12-Sep-13	EVERGRANDE REAL(3333.HK)	Duan Feiqin
12-Sep-13	Qihoo 360 Technology (QIHU.N)	Mike Chen
10-Sep-13	Anton Oilfield Services (03337.HK)	Michael Yuk
10-Sep-13	2013 Field Visit to U.S.-Listed Chinese Companies	Mike Chen
10-Sep-13	MINTH GROUP LTD (425 HK)	Colleen Li
10-Sep-13	Beijing Enterprise Water (371.HK)	Yin Lei
9-Sep-13	ZOOMLION HEAVY-H(1157.HK)	Yiding Jiao
9-Sep-13	Report on the German elections	Lynn Song, Cliff Zhao, David Xie
9-Sep-13	China Oil & Gas Group (00603.HK)	Michael Yuk
6-Sep-13	BIOSTIME INTERNA(1112.HK)	Ling Hua
6-Sep-13	Kingsoft (03888.HK)	Jeff Hao
4-Sep-13	SUNAC CHINA HOLD (1918.HK)	Duan Feiqin
4-Sep-13	Economic Outlook 4Q2013	David Xie, Cliff Zhao, Qing Li, Lynn Song
4-Sep-13	Overseas Economic Outlook 4Q2013	Cliff Zhao, Qing Li, Lynn Song, David Xie
4-Sep-13	Wisdom Holdings Group (1661.HK)	Jeff Hao
3-Sep-13	ZHONGSHENG GROUP (881 HK)	Colleen Li
3-Sep-13	PORTS DESIGN LTD(589 HK)	Ivy Zhao
2-Sep-13	Monthly Review	Cliff Zhao, George Chen
2-Sep-13	CHINA SHIPPING CONT-H (2866 .HK)	Kate Li, Colleen Li
2-Sep-13	Forecast of August Economic Data	David Xie, Cliff Zhao, Qing Li
2-Sep-13	Sinopec (00386.HK)	Michael Yuk
30-Aug-13	COSCO PACIFIC (1199 .HK)	Kate Li, Colleen Li
29-Aug-13	TINGYI HOLDING (322 HK)	Hua Ling
29-Aug-13	XINJIANG GOLDWIND (2208.HK)	Yin Lei
28-Aug-13	Comment on HSBC August Flash PMI	David Xie, Cliff Zhao, Qing Li
28-Aug-13	DATANG INTL PO-H(991.HK)	Vera Liang
28-Aug-13	EVERGRANDE REAL(3333.HK)	Duan Feiqin
27-Aug-13	Chu Kong Petroleum	Michael Yuk
27-Aug-13	Wisdom Holdings Group (1661.HK)	Jeff Hao
27-Aug-13	NetEase Inc. (NTES.O)	Mike Chen
27-Aug-13	XTEP INTERNATIONAL(1368.HK)	Ivy Zhao

RATING DEFINITION & DISCLAIMER

INDUSTRY	DEFINITION
OVERWEIGHT	Expected to outperform the market index by > 10% over the next 12 months
NEUTRAL	Expected to outperform or underperform the market index by 10% or less over the next twelve months
UNDERWEIGHT	Expected to underperform the market index by >10% over the next 12 months

COMPANY	DEFINITION
BUY	Expected to outperform the market index by >10% over the next twelve months
NEUTRAL	Expected to outperform or underperform the market index by 10% or less over the next twelve months
SELL	Expected to underperform the market index by >10% over the next twelve months

DISCLAIMER

This document is prepared by China Merchants Securities (HK) Co., Limited ("CMS HK"). CMS HK is a licensed corporation to carry on Type 1 (dealing in securities), Type 2 (dealing in futures), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571). This document is for information purpose only. Neither the information nor opinion expressed shall be construed, expressly or impliedly, as an advice, offer or solicitation of an offer, invitation, advertisement, inducement, recommendation or representation of any kind or form whatsoever to buy or sell any security, financial instrument or any investment or other specific product. The securities, instruments or strategies discussed in this document may not be suitable for all investors, and certain investors may not be eligible to participate in some or all of them. Certain services and products are subject to legal restrictions and cannot be offered worldwide on an unrestricted basis and/or may not be eligible for sale to all investors.

The information and opinions, and associated estimates and forecasts, contained herein have been obtained from or are based on sources believed to be reliable. CMS HK, its holding or affiliated companies, or any of its or their directors, officers or employees ("CMS Group") do not represent or warrant, expressly or impliedly, that it is accurate, correct or complete and it should not be relied upon. CMS Group will not accept any responsibility or liability whatsoever for any use of or reliance upon this document or any of the content thereof. The contents and information in this document are only current as of the date of their publication and will be subject to change without prior notice. Past performance is not indicative of future performance. Estimates of future performance are based on assumptions that may not be realized. The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results. Opinions expressed herein may differ or be contrary to those expressed by other business divisions or other members of CMS Group as a result of using different assumptions and/or criteria.

This document has been prepared without regard to the individual financial circumstances and investment objectives of the persons who receive it. Use of any information herein shall be at the sole discretion and risk of the user. Investors are advised to independently evaluate particular investments and strategies, take financial and/or tax advice as to the implications (including tax) of investing in any of the securities or products mentioned in this document, and make their own investment decisions without relying on this publication.

CMS Group may have a long or short position, make markets, act as principal or agent, or engage in transactions in securities of companies referred to in this document and may also perform or seek to perform investment banking services or provide advisory or other services for those companies. This document is for the use of intended recipients only and this document may not be reproduced, distributed or published in whole or in part for any purpose without the prior consent of CMS Group. CMS Group will not be liable for any claims or lawsuits from any third parties arising from the use or distribution of this document. This document is for distribution only under such circumstances as may be permitted by applicable law. This document is not directed at you if CMS Group is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. In particular, this document is only made available to certain US persons to whom CMS Group is permitted to make available according to US securities laws, but cannot otherwise be made available, distributed or transmitted, whether directly or indirectly, into the US or to any US person. This document also cannot be distributed or transmitted, whether directly or indirectly, into Japan and Canada and not to the general public in the People's Republic of China (for the purpose of this document, excluding Hong Kong, Macau and Taiwan).