

A-share Research Highlights (CMS Research Center)

1. Comment on CBRC's plan to further regulate interbank businesses – no need to be overly pessimistic

[Xiao Liqiang, Luo Yi and Zou Tianjie, Nov. 5, 2013] Event: According to a Caixin report, China Banking Regulatory Commission (CBRC) is about to issue Decree No. 9 on regulating interbank businesses, which could increase provision requirement on these businesses and further control the circulation of non-standardized financial assets.

Comment: The market has been expecting more stringent regulation on interbank businesses since the issuance of Decree No. 8, especially after the interbank liquidity crunch in June. The central bank's monetary policy implementation report for October also pointed out the influence of too-rapid expansion of interbank businesses on M2, and suggested a regulatory direction towards standardization and transparency. Therefore, new regulations are highly likely to be launched in November 2013. The key is whether these regulations will be more stringent than expected. There is no need to be overly pessimistic. The new regulations are expected to include the following content: (A) increasing provision requirement on interbank businesses for better risk control, and (B) forbidding three-party agreements for buying back the sale of financial assets. The market has been well prepared for (A), so its impact on banking share prices should be limited. As for (B), we expect some difficulty in implementing it.

The market size of interbank businesses has contracted significantly. The standardization of non-standardized businesses is a major direction. Given the government's focus on the stabilization of economic growth, we believe non-standardized interbank businesses will not be reduced dramatically, let alone stopped completely; rather, they will be standardized to maintain the relative stability of market liquidity. The new regulations on interbank businesses will be conducive to the healthy development of the banking industry, better risk control, the improvement of liquidity management, and banks' business restructuring. The new regulations could have some negative impact on the industry in the short term, but in the long term, we believe they will help banks with leading strategies and strong innovation capabilities restructure their businesses to expand their competitive edges, and continue to grow sustainably with differentiated competition and development strategies. Short-term impacts will not change these banks' long-term value. We are still bullish on the growth prospects of Ping An Bank, China Minsheng Banking and Industrial Bank, which have leading strategies and are expected to restructure their businesses successfully.

2. Comment on PBOC's 3Q Monetary Policy Implementation Report – stable-to-tight monetary policy is expected in 4Q

[Xie Yaxuan, Zhao Wenli, Zhang Yiping and Yan Ling, Nov. 6, 2013] Event: People's Bank of China (PBOC) issued its 3Q Monetary Policy Implementation Report on Nov. 5, 2013.

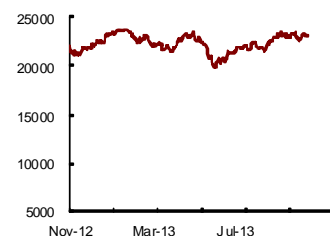
Comment: (1) In the next stage, the central bank's policy focus will be on restructuring, reform and economic upgrading. The basic tone of monetary policy remains unchanged, still emphasizing liquidity stability and structural optimization. We expect a stable-to-tight monetary policy in 4Q.

HK Indices	Last price	chg	% chg
HSI	23,036.94	-2.01	-0.01
Finance	32,263.54	-35.07	-0.11
Properties	29,697.33	-100.1	-0.34
Utilities	49,461.54	-146.1	-0.29
Commerce&Industrv	13,428.02	30.87	0.23
HSCEI	10,561.57	-75.58	-0.71
HSCCI	4,510.55	-1.42	-0.03
HKSPGEM	463.52	1.63	0.35

World Indices	Last price	chg	% chg
FTSE 100	6,741.69	-5.15	-0.08
DAX 30	9,040.87	31.76	0.35
CAC 40	4,286.93	33.59	0.79
DJIA	15,746.88	128.66	0.82
S&P500	1,770.49	7.52	0.43
Nasdaq Composite	3,931.95	-7.92	-0.20
Nikkei 225	14,337.31	111.94	0.79

Asia-Pacific Indices	Last price	chg	% chg
KOSPI	2,013.67	-0.26	-0.01
TWSE	8,281.97	19.77	0.24
STI	3,205.29	-0.25	-0.01
India BSE 30	20,894.94	-79.85	-0.38
S&P/ASX 200	5,425.40	-8.41	-0.15

HSI One Year



HSCEI One Year



Source: Bloomberg

China Merchants Securities (HK)

Research

+852-3189-6888

PBOC's outlook on the Chinese economy seems to be more optimistic than in 2Q, but it expects rising inflation. The central bank can hardly loosen overall money supply, and it will strengthen regulation on liquidity. Also considering external factors, we believe the maneuvering room of PBOC's monetary policy is limited, and the central bank adopts a cautious approach.

(2) As for PBOC's policy plan for the next stage, the central bank's statement was roughly similar to that in the 2Q report, with little new content added.

(3) The central bank specifically mentioned interbank businesses, which are vulnerable to impacts of seasonality, foreign exchange inflow and regulatory policies and could lead to more volatility of M2. We expect more stringent regulations on interbank businesses, such as increasing provision requirement for better risk control. They will have some negative impact on liquidity, as M2 growth could slow down further as a result.

(4) The balance of standing lending facility (SLF) reached RMB386 billion as of the end of 3Q, down by RMB30 billion from the end of 2Q, reflecting the relatively tight tone in the central bank's liquidity operation.

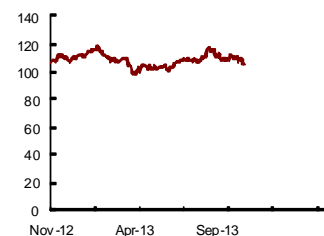
(5) In September, the weighted average interest rate of loans to non-financial enterprises and other sectors rose moderately to 7.05%, signaling increased financing cost for companies in 3Q, which was due to the stabilization and recovery of economic growth. Liquidity in the banking system was ample, but the funding situation remained tight, reflecting investors' concerns over future liquidity given the central bank's operational stance.

(6) The employment situation is closely related to the government's tolerance level for economic slowdown. The job opening-to-application ratio was 1.08 in 3Q13, better than in 2Q13 and 3Q12, reflecting a higher tolerance level of the government for economic slowdown.

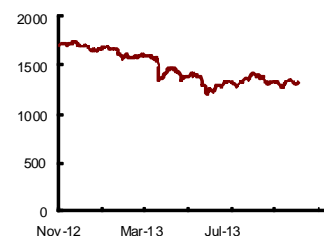
Global Commodity	Last price	chg	% chg
Brent Oil	104.68	-0.49	-0.47
Gold	1,317.5	-0.38	-0.03
LME Aluminum	1,818.0	-10.25	-0.56
LME Copper	7,161.0	12.00	0.17
BDI	1,602.0	2.00	0.13
API Coal	82.80	0.45	0.55

Exchange /Bond Market	/Currency	Last price	chg	% chg
USD/RMB		6.15	0.00	0.00
USD/HKD		7.75	0.00	0.00
1-YR RMB NDF		6.16	0.00	0.00
EUR/USD		1.35	0.31	0.23
3-M Libor		0.52	0.00	0.00
3-M Shibor		4.69	0.00	0.00
10 YR US T-Note Yield		2.64	-0.03	-1.12

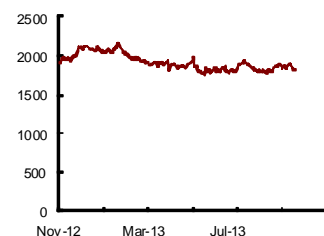
Brent Oil One Year



Gold Commodity One Year



LME Aluminum Commodity One Year

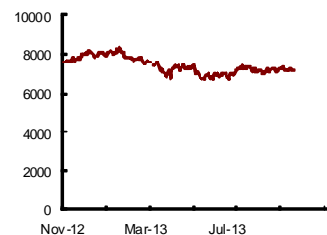


Source: Bloomberg

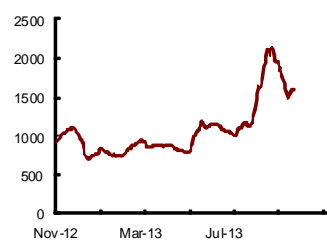
What to Watch

Economic Data	HK: Nil US: Initial Claims		
Date	Ticker	Stock Name	Earnings
2013/11/07	00179	JOHNSON ELEC H	Interim
2013/11/07	00945	MANULIFE-S	Final
2013/11/07	00992	LENOVO GROUP	Interim
2013/11/07	08008	SUNEVISION	1st Quarter
2013/11/07	08010	SINGPAO MEDIA	Interim
2013/11/07	08012	RENHENG ENT	3rd Quarter
2013/11/07	08026	PROSTEN TECH	Interim
2013/11/07	08068	NU INT'L	3rd Quarter
2013/11/07	08088	Crosby Capital	3rd Quarter
2013/11/07	08117	CHINA P RES	3rd Quarter
2013/11/07	08145	TSO	Interim
2013/11/07	08189	TEDA BIOMEDICAL	3rd Quarter
2013/11/07	08192	GLOBAL ENERGY	3rd Quarter
2013/11/07	08201	PPS INT'L	1st Quarter
2013/11/07	08231	FUDANZHANGJIANG	3rd Quarter
2013/11/07	08235	CCID CONSULTING	3rd Quarter
2013/11/07	08242	MEGALOGICTECH	3rd Quarter
2013/11/07	08271	GDC	3rd Quarter
2013/11/07	08351	Larry Jewelry	3rd Quarter
Date	Ticker	Stock Name	Issue Price
Nil			

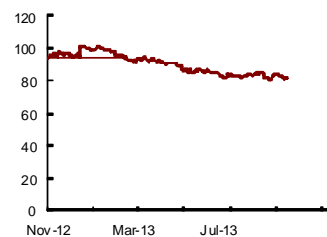
LME Copper Commodity One Year



BDI One Year



API Coal One Year



Source: Bloomberg

China Merchants Securities (Hong Kong) Stock Pool Update Weekly
 2013-11-7

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	5.77	5.30	-8%	RMB	0.55	0.56	0.64	8.3	8.2	7.2	7.1%	Ivy Zhao
1880	Belle	Buy	HKD	10.46	14.03	34%	RMB	0.55	0.62	0.69	15.0	13.3	12.1	-10.6%	Ivy Zhao
1368	Xtep	Neutral	HKD	4.07	4.00	-2%	RMB	0.27	0.27	0.29	12.0	12.0	11.1	10.0%	Ivy Zhao
2020	Anta Sports	Neutral	HKD	11.50	11.06	-4%	RMB	0.49	0.53	0.57	18.8	17.3	16.0	14.8%	Ivy Zhao
1361	361 Degrees	Neutral	HKD	2.37	1.52	-36%	RMB	0.22	0.20	0.20	8.8	9.3	9.3	24.1%	Ivy Zhao
1968	Peak Sport	Neutral	HKD	1.80	1.48	-18%	RMB	0.16	0.17	0.19	9.0	8.3	7.4	-3.7%	Ivy Zhao
2331	Li Ning	Buy	HKD	6.84	5.20	-24%	RMB	-0.10	0.18	0.20	N.A.	30.8	27.3	14.2%	Ivy Zhao
3818	China Dongxiang	Buy	HKD	1.21	1.47	21%	RMB	0.04	0.04	0.05	26.0	22.9	20.4	0.8%	Ivy Zhao
953	Meike	Neutral	HKD	0.53	0.30	-43%	RMB	0.04	0.05	0.06	11.7	9.1	7.7	35.9%	Ivy Zhao
1234	China Lilang	Buy	HKD	4.94	5.25	6%	RMB	0.41	0.41	0.47	9.6	9.6	8.3	10.3%	Ivy Zhao
891	Trinity	Buy	HKD	2.95	4.63	57%	RMB	0.21	0.25	0.30	11.2	9.4	7.8	13.5%	Ivy Zhao
873	C Taifeng Bed	Buy	HKD	1.77	2.86	62%	RMB	0.52	0.65	0.80	2.7	2.2	1.8	6.0%	Ivy Zhao
Metals & Mining															
1818	Zhaojin Mining	Neutral	HKD	5.83	6.00	3%	RMB	0.43	0.38	0.34	10.8	12.2	13.6	-15.8%	Li Xiang
2899	Zijin Mining	Neutral	HKD	1.79	1.69	-6%	RMB	0.14	0.15	0.12	10.2	9.5	11.8	-4.8%	Li Xiang
358	Jiangxi Copper	Buy	HKD	14.68	15.20	4%	RMB	1.02	1.05	0.85	11.4	11.1	13.7	-4.9%	Li Xiang
3993	Cmcc	Neutral	HKD	3.19	3.10	-3%	RMB	0.19	0.20	0.21	13.1	12.9	12.2	4.6%	Li Xiang
2600	Chalco	Sell	HKD	2.84	1.60	-44%	RMB	-0.28	-0.11	-0.10	N.A.	N.A.	N.A.	-1.1%	Li Xiang
1378	China Hongqiao	Buy	HKD	4.82	5.80	20%	RMB	0.97	1.11	1.23	3.9	3.5	3.1	5.9%	Li Xiang
486	Rusal	Sell	HKD	2.40	2.03	-15%	USD	0.01	0.04	0.05	31.0	7.7	6.2	3.0%	Li Xiang
3948	Yitai Coal	Buy	HKD	16.00	25.10	57%	RMB	1.88	2.11	2.22	6.8	6.0	5.7	14.0%	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	23.90	36.40	52%	RMB	2.44	2.90	3.07	7.8	6.5	6.2	-0.6%	Li Xiang
1898	China Coal	Neutral	HKD	4.80	5.00	4%	RMB	0.47	0.43	0.42	8.1	8.9	9.1	1.7%	Li Xiang
Auto & Others															
1211	Byd Company	Neutral	HKD	38.70	13.00	-66%	RMB	0.33	0.68	1.10	93.1	45.2	27.9	14.3%	Colleen Li
489	Dongfeng Group	Buy	HKD	11.18	14.17	27%	RMB	1.13	1.26	1.29	7.9	7.0	6.9	-5.6%	Colleen Li
175	Geely Auto	Buy	HKD	3.95	5.04	28%	RMB	0.32	0.36	0.38	9.8	8.7	8.3	-1.3%	Colleen Li
2333	Greatwall Motor	Neutral	HKD	45.20	38.62	-15%	RMB	2.78	3.41	3.74	12.9	10.5	9.6	6.7%	Colleen Li
1114	Brilliance Chi	Buy	HKD	13.90	12.00	-14%	RMB	0.71	0.80	0.89	15.5	13.8	12.4	16.4%	Colleen Li
425	Mint Group	Buy	HKD	16.52	13.20	-20%	RMB	0.78	0.87	0.97	16.8	15.1	13.5	7.0%	Colleen Li
1728	Zhengtong Auto	Buy	HKD	5.53	5.85	6%	RMB	0.55	0.81	1.11	8.0	5.4	4.0	10.4%	Colleen Li
881	Zhongsheng Hldg	Neutral	HKD	12.66	10.30	-19%	RMB	0.58	0.71	0.99	17.3	14.2	10.2	3.1%	Colleen Li
Oil & Gas															
857	Petro China	Buy	HKD	8.67	10.55	22%	RMB	0.71	0.74	0.78	9.7	9.3	8.8	-0.5%	Michael Yuk
386	Sinopec Corp	Buy	HKD	6.44	7.20	12%	RMB	0.68	0.70	0.73	7.5	7.3	7.0	4.0%	Michael Yuk
883	Cnooc	Buy	HKD	15.50	17.00	10%	RMB	1.44	1.56	1.69	8.5	7.9	7.3	-3.0%	Michael Yuk
603	China Oil & Gas	Neutral	HKD	1.30	1.45	12%	HKD	0.09	0.12	0.15	14.4	10.8	8.7	18.2%	Michael Yuk
342	Newocean Energy	Buy	HKD	4.65	5.30	14%	HKD	0.55	0.63	0.79	8.5	7.4	5.9	-11.4%	Michael Yuk
467	Unitedenergy Gp	Buy	HKD	1.22	1.59	30%	HKD	0.10	0.09	0.09	12.2	13.6	13.6	-1.6%	Michael Yuk
Oil & Gas Services/Equipment															
3899	Cimc Enric	Buy	HKD	11.04	10.00	-9%	RMB	0.49	0.60	0.72	17.9	14.6	12.2	6.2%	Michael Yuk
569	Ch Automation	Buy	HKD	1.79	2.50	40%	RMB	0.26	0.29	0.33	5.5	4.9	4.3	15.5%	Michael Yuk
3337	Anton Oilfield	Buy	HKD	4.66	4.75	2%	RMB	0.19	0.23	0.28	19.5	16.1	13.2	-10.7%	Michael Yuk
1938	Chu Kong Pipe	Buy	HKD	3.05	2.26	-26%	RMB	0.11	0.40	0.55	22.0	6.1	4.4	20.1%	Michael Yuk
2883	China Oilfield	Buy	HKD	22.05	18.00	-18%	RMB	1.29	1.45	1.66	13.6	12.1	10.5	13.0%	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		
3303	Jutal Oil Ser	Buy	HKD	1.47	2.40	63%	RMB	0.13	0.17	0.15	9.0	6.9	7.8	-8.1%	Michael Yuk
1623	Hilong	Buy	HKD	5.81	5.10	-12%	RMB	0.16	0.28	0.29	28.1	16.6	16.0	26.6%	Michael Yuk
Property															
688	China Overseas	Buy	HKD	23.10	22.56	-2%	HKD	2.29	2.30	2.68	10.1	10.0	8.6	0.2%	DuanFeiqin
410	Soho China	Neutral	HKD	6.77	6.42	-5%	HKD	2.37	2.13	1.96	2.9	3.2	3.5	0.7%	DuanFeiqin
813	Shimao Property	Neutral	HKD	18.60	16.70	-10%	HKD	2.07	2.19	2.46	9.0	8.5	7.6	3.7%	DuanFeiqin
1109	China Res Land	Buy	HKD	21.60	23.80	10%	HKD	1.81	1.91	2.20	11.9	11.3	9.8	-2.5%	DuanFeiqin
2777	R&F Properties	Buy	HKD	12.92	13.90	8%	HKD	2.15	2.23	2.45	6.0	5.8	5.3	6.3%	DuanFeiqin
2007	Country Garden	Neutral	HKD	5.44	4.68	-14%	HKD	0.48	0.53	0.60	11.5	10.3	9.1	9.5%	DuanFeiqin
3383	Agile Property	Neutral	HKD	9.20	10.10	10%	HKD	1.81	1.98	2.02	5.1	4.7	4.6	7.5%	DuanFeiqin
3333	Evergrande	Buy	HKD	3.24	4.38	35%	HKD	0.84	0.97	0.98	3.8	3.3	3.3	-1.2%	DuanFeiqin
960	Longfor Ppt	Buy	HKD	12.42	13.23	7%	HKD	1.50	1.65	1.81	8.3	7.5	6.9	-1.3%	DuanFeiqin
1813	Kwg Property	Neutral	HKD	4.77	5.05	6%	HKD	1.02	1.10	1.18	4.7	4.4	4.0	-3.8%	DuanFeiqin
3366	Oct (Asia)	Buy	HKD	3.37	3.50	4%	HKD	0.43	0.54	0.64	7.8	6.2	5.3	-13.1%	DuanFeiqin
3900	Greentown China	Buy	HKD	14.48	18.80	30%	HKD	3.17	3.33	3.49	4.6	4.4	4.1	-0.4%	DuanFeiqin
754	Hopson Dev Hold	Buy	HKD	9.44	12.20	29%	HKD	1.72	1.98	2.22	5.5	4.8	4.3	-1.7%	DuanFeiqin
1918	Sunac	Buy	HKD	5.22	6.66	28%	HKD	1.07	1.26	1.41	4.9	4.1	3.7	5.2%	DuanFeiqin
Consumer Discretionary															
1833	Intime	Buy	HKD	9.07	10.50	16%	RMB	0.54	0.64	0.75	13.3	11.3	9.6	7.0%	Gloria Wang
1700	Springland	Neutral	HKD	4.21	4.50	7%	RMB	0.29	0.33	0.37	11.5	10.1	9.0	-0.5%	Gloria Wang
Telecommunication															
941	China Mobile	Neutral	HKD	81.25	78.00	-4%	RMB	6.37	6.26	6.27	10.1	10.3	10.3	-7.8%	Jeff Hao
762	China Unicom	Buy	HKD	11.96	14.08	18%	RMB	0.45	0.58	0.69	21.1	16.4	13.8	-1.3%	Jeff Hao
728	China Telecom	Buy	HKD	3.99	4.67	17%	RMB	0.24	0.27	0.31	13.2	11.7	10.2	1.3%	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		
Information Technology															
700	Tencent	Buy	HKD	412.00	455.00	10%	RMB	8.58	11.47	15.37	38.1	28.5	21.3	-1.4%	Jeff Hao
3888	Kingsoft	Buy	HKD	18.96	24.37	29%	RMB	0.50	0.66	0.83	30.1	22.8	18.1	-0.1%	Jeff Hao
1661	Wisdom	Buy	HKD	3.25	2.90	-11%	RMB	0.13	0.20	0.25	19.8	12.9	10.3	35.4%	Jeff Hao
777	Netdragon	Buy	HKD	17.56	26.27	50%	RMB	0.78	0.89	1.12	17.9	15.7	12.4	-15.0%	Jeff Hao
354	Chinasoft	Neutral	HKD	2.21	2.00	-10%	RMB	0.10	0.12	0.15	17.5	14.6	11.7	3.3%	Jeff Hao
268	Kingdee	Neutral	HKD	2.46	1.40	-43%	RMB	0.02	0.04	0.05	97.6	48.8	39.0	8.9%	Jeff Hao
Port															
144	China Mer Hold	Neutral	HKD	27.50	26.43	-4%	HKD	1.55	1.75	2.05	17.7	15.7	13.4	-5.3%	Kate Li
1199	Cosco Pacific	Buy	HKD	11.38	12.58	11%	USD	0.26	0.13	0.14	5.7	11.3	10.5	-7.8%	Kate Li
Shipping															
368	Sinotrans Ship	Buy	HKD	2.67	2.40	-10%	USD	0.01	0.02	0.03	34.4	17.2	11.5	7.7%	Kate Li
316	Ooil	Buy	HKD	40.85	51.00	25%	USD	0.17	0.23	0.41	31.0	22.9	12.9	-9.9%	Kate Li
2866	Cscl	Neural	HKD	1.99	1.82	-9%	RMB	-0.06	0.03	0.07	N.A.	52.6	22.6	-2.0%	Kate Li
Alternative Energy															
3800	Gcl-Poly Energy	Buy	HKD	2.47	1.97	-20%	HKD	0.01	0.05	0.07	247.0	49.4	35.3	14.4%	Yin Lei
712	Comtec Solar	Buy	HKD	1.78	1.76	-1%	RMB	0.05	0.11	0.16	28.3	12.8	8.8	-0.6%	Yin Lei
750	Singyes Solar	Buy	HKD	9.26	9.40	2%	RMB	0.81	0.91	1.04	9.1	8.1	7.1	13.2%	Yin Lei
2208	Goldwind	Buy	HKD	7.95	5.52	-31%	RMB	0.17	0.21	0.27	37.1	30.0	23.4	52.0%	Yin Lei
916	Longyuan Power	Neutral	HKD	9.20	8.16	-11%	RMB	0.36	0.43	0.52	20.3	17.0	14.0	14.4%	Yin Lei
1798	Datang Power	Neutral	HKD	1.60	1.99	24%	RMB	0.08	0.14	0.21	15.9	9.1	6.1	4.6%	Yin Lei
816	Huadian Fuxin	Buy	HKD	2.64	2.99	13%	RMB	0.19	0.24	0.28	11.0	8.7	7.5	14.3%	Yin Lei
579	Jingneng	Buy	HKD	3.36	3.62	8%	RMB	0.18	0.24	0.29	14.8	11.1	9.2	15.9%	Yin Lei
Food & Beverage															

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		
322	Tingyi	Buy	HKD	22.30	23.10	4%	USD	0.09	0.11	0.13	32.7	27.4	22.1	6.4%	Ling Hua
2319	Mengniu Dairy	Buy	HKD	33.65	33.26	-1%	RMB	0.85	1.10	1.48	31.4	24.3	18.0	-5.1%	Ling Hua
506	China Foods	Neutral	HKD	3.46	4.25	23%	HKD	0.17	0.22	0.27	20.4	15.7	12.8	22.3%	Ling Hua
151	Want Want China	Neutral	HKD	11.14	12.10	9%	USD	0.05	0.06	0.07	28.7	24.0	20.5	-6.5%	Ling Hua
345	Vitasoy	Buy	HKD	10.12	9.00	-11%	HKD	0.31	0.35	0.48	32.7	28.9	21.1	3.3%	Ling Hua
Machinery & Equipment															
1157	Zoomlion	Neutral	HKD	7.10	7.20	1%	RMB	0.60	0.67	0.80	9.4	8.4	7.0	5.2%	Jiao Yiding
631	Sany	Buy	HKD	2.30	3.40	48%	RMB	0.22	0.24	0.26	8.3	7.6	7.0	-5.4%	Jiao Yiding
Electricity															
902	Huaneng Power	Buy	HKD	8.30	11.00	33%	RMB	0.89	0.87	0.93	7.4	7.6	7.1	5.7%	Vera Liang
991	Datang Power	Buy	HKD	3.64	4.10	13%	RMB	0.40	0.42	0.52	7.2	6.9	5.6	6.4%	Vera Liang
1071	Huadian Power	Neutral	HKD	3.53	3.80	8%	RMB	0.41	0.39	0.48	6.8	7.2	5.8	12.4%	Vera Liang
Pharmaceuticals & Medical Devices															
2348	Dawnrays Pharma	Buy	HKD	3.72	3.20	-14%	RMB	0.18	0.14	0.17	16.4	21.1	17.4	12.7%	Jonathan Hsu
Semi and Hardware Technology															
992	Lenove	Buy	HKD	8.42	9.20	9%	USD	0.06	0.08	0.09	18.1	13.6	12.1	1.9%	Alex Ng
2382	Sunny Optical	Neutral	HKD	7.16	8.37	17%	RMB	0.41	0.54	0.73	13.9	10.5	7.8	-11.3%	Alex Ng
732	Truly	Buy	HKD	4.83	7.15	48%	HKD	0.56	0.67	0.79	8.6	7.2	6.1	5.7%	Alex Ng
2018	Aac Tech	Neutral	HKD	31.60	40.00	27%	RMB	1.83	2.16	2.48	13.7	11.6	10.1	-13.8%	Alex Ng
2618	Tcl Comm	Buy	HKD	7.31	8.52	17%	HKD	0.28	0.76	0.96	26.1	9.6	7.6	53.6%	Alex Ng
2369	China Wireless	Neutral	HKD	2.99	3.10	4%	HKD	0.20	0.24	0.30	15.0	12.5	10.0	-2.6%	Alex Ng
US Stock															
BIDU	Baidu Inc	Buy	USD	150.09	149.50	0%	USD	4.89	7.36	9.67	30.7	20.4	15.5	-2.4%	Mike Chen
SINA	Sina Corp	Buy	USD	81.14	90.70	12%	USD	-0.36	2.51	4.49	N.A.	32.3	18.1	-1.4%	Mike Chen

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		
SOHU	Sohu.Com Inc	Neutral	USD	62.87	61.40	-2%	USD	1.48	2.44	3.28	42.5	25.8	19.2	-17.1%	Mike Chen
NTES	Netease Inc	Buy	USD	65.19	85.50	31%	USD	5.56	5.80	6.60	11.7	11.2	9.9	-9.1%	Mike Chen
QIHU	Qihoo 360	Buy	USD	84.40	94.47	12%	USD	1.16	2.00	3.68	72.8	42.2	22.9	0.6%	Mike Chen
YOKU	Youku Tudou Inc	Neutral	USD	26.39	23.82	-10%	USD	-0.47	-0.18	0.19	N.A.	N.A.	138.9	-6.2%	Mike Chen
EDU	New Oriental Education	Buy	USD	26.58	24.50	-8%	USD	0.89	1.25	1.43	29.9	21.3	18.6	6.8%	Mike Chen
DANG	Dangdang	Neutral	USD	8.24	6.40	-22%	USD	-0.82	-0.52	-0.18	N.A.	N.A.	N.A.	-24.6%	Mike Chen
CTRP	Ctrip	Buy	USD	53.09	25.70	-52%	USD	1.15	1.48	1.76	46.2	35.9	30.2	-6.7%	Mike Chen
HMIN	Home Inns	Neutral	USD	36.05	27.40	-24%	USD	1.09	1.62	2.04	33.1	22.3	17.7	6.3%	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	121.5	-0.3	168	TSINGTAO BREW-H	61.25	-2.9
2	CLP HLDGS LTD	61.80	-0.4	177	JIANGSU EXPRES-H	9.88	4.6
3	HONG KG CHINA GS	18.08	-0.4	323	MAANSHAN IRON-H	2.12	1.9
4	WHARF HLDG	63.70	-0.7	338	SINOPEC SHANG-H	2.06	3.0
5	HSBC HLDGS PLC	86.60	0.3	347	ANGANG STEEL-H	4.73	-0.8
6	POWER ASSETS HOL	63.25	0.2	358	JIANGXI COPPER-H	14.68	-0.3
11	HANG SENG BK	127.1	-0.4	386	CHINA PETROLEU-H	6.44	0.5
12	HENDERSON LAND D	45.55	-0.9	390	CHINA RAIL GR-H	4.40	-0.2
13	HUTCHISON WHAMPO	95.40	-0.5	489	DONGFENG MOTOR-H	11.18	-3.0
16	SUN HUNG KAI PRO	102.0	0.0	552	CHINA COMM SER-H	4.76	1.3
17	NEW WORLD DEV	10.72	0.0	576	ZHEJIANG EXPRESS	7.25	2.4
19	SWIRE PACIFIC-A	90.35	1.2	694	BEIJING CAP AI-H	6.02	4.5
23	BANK EAST ASIA	33.45	0.5	728	CHINA TELECOM-H	3.99	-0.8
66	MTR CORP	30.00	1.0	753	AIR CHINA LTD-H	5.35	-0.2
83	SINO LAND CO	10.72	-0.9	857	PETROCHINA CO-H	8.67	-0.5
101	HANG LUNG PROPER	25.85	0.2	902	HUANENG POWER-H	8.30	0.4
144	CHINA MERCHANT	27.50	0.2	914	ANHUI CONCH-H	26.35	-1.1
267	CITIC PACIFIC	10.80	0.0	939	CHINA CONST BA-H	5.99	-0.5
291	CHINA RES ENTERP	27.05	1.1	991	DATANG INTL PO-H	3.64	-0.3
293	CATHAY PAC AIR	15.14	0.0	998	CHINA CITIC BK-H	4.31	-0.9
330	ESPRIT HLDGS	14.28	0.9	1088	CHINA SHENHUA-H	23.90	0.0
386	CHINA PETROLEU-H	6.44	0.5	1133	HARBIN ELECTRIC	5.05	-2.7
388	HONG KONG EXCHNG	125.9	0.6	1138	CHINA SHIPPING-H	4.66	1.8
494	LI & FUNG LTD	10.72	-1.1	1171	YANZHOU COAL-H	7.84	-0.4
551	YUE YUEN INDUS	21.60	1.7	1186	CHINA RAIL CN-H	8.53	0.4
688	CHINA OVERSEAS	23.10	-0.4	1398	IND & COMM BK-H	5.32	-0.4
700	TENCENT HOLDINGS	412.0	0.1	1800	CHINA COM CONS-H	6.15	-1.9
762	CHINA UNICOM HON	11.96	-0.3	1898	CHINA COAL ENE-H	4.80	-1.0
857	PETROCHINA CO-H	8.67	-0.5	1919	CHINA COSCO HO-H	3.82	0.8
883	CNOOC LTD	15.50	0.4	2318	PING AN INSURA-H	61.20	0.2
939	CHINA CONST BA-H	5.99	-0.5	2328	PICC PROPERTY &	11.62	-1.5
941	CHINA MOBILE	81.25	1.1	2600	ALUMINUM CORP-H	2.84	-0.7
1088	CHINA SHENHUA-H	23.90	0.0	2628	CHINA LIFE INS-H	20.95	-0.7
1199	COSCO PAC LTD	11.38	0.2	2727	SHANGHAI ELECT-H	2.78	-0.4
1398	IND & COMM BK-H	5.32	-0.4	2777	GUANGZHOU R&F -H	12.92	-1.1
2038	FIH MOBILE LTD	4.19	-2.1	2866	CHINA SHIPPING-H	1.99	-2.0
2318	PING AN INSURA-H	61.20	0.2	2883	CHINA OILFIELD-H	22.05	0.5
2388	BOC HONG KONG HO	24.95	0.0	2899	ZIJIN MINING-H	1.79	-0.6
2600	ALUMINUM CORP-H	2.84	-0.7	3323	CHINA NATL BDG-H	7.64	-0.8
2628	CHINA LIFE INS-H	20.95	-0.7	3328	BANK OF COMMUN-H	5.57	0.0
3328	BANK OF COMMUN-H	5.57	0.0	3968	CHINA MERCH BK-H	14.98	-1.1
3988	BANK OF CHINA-H	3.59	-0.6	3988	BANK OF CHINA-H	3.59	-0.6
				3993	CHINA MOLYBDENUM	3.19	-0.6

A+H Company Performance
 Last price

Name(H)	Code (H)	Price (H)	Code (A)	Price (A)	Spread (%)
BEIREN PRINT-H	187	3.11	600860	8.48	246.9
NORTHEAST ELEC-H	42	0.91	000585	2.45	242.5
TIANJIN CAP-H	1065	3.33	600874	8.94	241.5
SHENJI GROUP-H	300	1.98	600806	4.70	202.0
CHONGQING IRON-H	1053	1.11	601005	2.56	193.4
SHANDONG XINHU-H	719	2.03	000756	4.52	183.3
SINOPEC SHANG-H	338	2.06	600688	4.34	168.0
NANJING PANDA-H	553	3.75	600775	7.59	157.5
SINOPEC YIZHEN-H	1033	2.24	600871	4.44	152.2
JINGWEI TEXTIL-H	350	5.06	000666	8.23	106.9
BEIJING NORTH-H	588	1.78	601588	2.84	103.0
ALUMINUM CORP-H	2600	2.84	601600	3.99	78.7
YANZHOU COAL-H	1171	7.84	600188	10.17	65.0
HISENSE KELON -H	921	7.76	000921	10.01	64.1
DATANG INTL PO-H	991	3.64	601991	4.47	56.2
GUANGZHOU BAIYUN	874	28.40	600332	29.26	31.1
JIANGXI COPPER-H	358	14.68	600362	15.10	30.9
SHENZHEN EXPRE-H	548	3.42	600548	3.49	29.8
CHINA SOUTHERN-H	1055	2.87	600029	2.75	21.9
ZTE CORP-H	763	16.92	000063	15.58	17.1
HUADIAN POWER-H	1071	3.53	600027	3.24	16.8
GUANGZHOU SHIP-H	317	12.86	600685	11.79	16.6
CHINA CITIC BK-H	998	4.31	601998	3.92	15.7
ANHUI EXPRESS-H	995	4.42	600012	4.00	15.1
CHINA SHIPPING-H	1138	4.66	600026	4.21	14.9
DONGFANG ELECT-H	1072	13.08	600875	11.35	10.4
MAANSHAN IRON-H	323	2.12	600808	1.75	5.0
LUOYANG GLASS-H	1108	1.42	600876	5.09	0.0
BANK OF CHINA-H	3988	3.59	601988	2.78	-1.5
BANK OF COMMUN-H	3328	5.57	601328	4.15	-5.2
CHINA PETROLEU-H	386	6.44	600028	4.72	-6.8
AIR CHINA LTD-H	753	5.35	601111	3.91	-7.0
IND & COMM BK-H	1398	5.32	601398	3.80	-9.1
GUANGSHEN RAIL-H	525	4.09	601333	2.90	-9.8
CHINA MERCH BK-H	3968	14.98	600036	10.62	-9.8
TSINGTAO BREW-H	168	61.25	600600	43.14	-10.4
HUANENG POWER-H	902	8.30	600011	5.73	-12.2
CHINA LIFE INS-H	2628	20.95	601628	13.79	-16.3
ANGANG STEEL-H	347	4.73	000898	3.03	-18.5
WEICHAH POWER-H	2338	31.20	000338	19.20	-21.7
PING AN INSURA-H	2318	61.20	601318	36.61	-23.9
JIANGSU EXPRES-H	177	9.88	600377	5.79	-25.5
ANHUI CONCH-H	914	26.35	600585	15.20	-26.6

Recently Published Research

Date published	Name of report	Analyst
5-Nov-13	ANTA Sports Products (2020.HK)	Ivy Zhao
5-Nov-13	361 DEGREES	Ivy Zhao
5-Nov-13	Monthly Review Nov 2013	Cliff Zhao, George Chen
4-Nov-13	Datang International (991.HK)	Vera Liang
4-Nov-13	TCL Communication (2618 HK)	Alex Ng
1-Nov-13	Huadian Power (1071HK)	Vera Liang
1-Nov-13	Zoomlion Heavy (1157 HK)	Yiding Jiao
1-Nov-13	CSR CORP LTD (1766.HK)	Colleen Li
1-Nov-13	China Property Sector Comment	Duan Feiqin
31-Oct-13	Sohu.com Inc. (SOHU.O)	Mike Chen
31-Oct-13	Sinopec (00386.HK)	Michael Yuk
31-Oct-13	PetroChina (00857.HK)	Michael Yuk
31-Oct-13	Monthly Review Nov 2013	Cliff Zhao, George Chen
30-Oct-13	Huadian Power (1071 HK)	Vera Liang
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30-Oct-13	Orient Overseas (316 HK)	Kate Li
29-Oct-13	Monthly Report on HK Stock Market Fund Flows	Qing Li, Cliff Zhao, David Xie
29-Oct-13	CNOOC (00883.HK)	Michael Yuk
29-Oct-13	China Coal Energy (1898.HK)	Li Xiang
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17-Oct-13	CHINA SHIPPING CONT-H (2866 .HK)	Kate Li
15-Oct-13	Intime Retail Group (1833 HK)	Wang Xiaodi
15-Oct-13	Goldpoly New Energy (686 HK)	Yin Lei
15-Oct-13	GEELY AUTOMOBILE (175.HK)	Colleen Li
15-Oct-13	Thermal Power Sector Review	Vera Liang
15-Oct-13	China Internet - opportunities after share prices tumbled	Mike Chen
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15-Oct-13	Comment on the PBOC ECB currency swap agreement	Lynn Song, Cliff Zhao, David Xie
11-Oct-13	ANTA SPORTS (2020 HK)	Ivy Zhao
11-Oct-13	China Hardware Technology	Alex Ng
7-Oct-13	Monthly Review Oct 2013	Cliff Zhao, George Chen
4-Oct-13	Chu Kong Petroleum and Natural Gas (01938.HK)	Michael Yuk

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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

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