

滙業智富

Delta Asia Finance



2023

新因素·新形勢·新展望

Economic Outlook

環球市場動態
Market Highlights

港股及美股精選
Featured Stocks

情人節特輯
Valentine's Day Special



市場動態

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2022年全球經濟最常見的討論話題一定是「通脹」，而2023年的討論話題將會是「經濟衰退」。根據領先指數製造業PMI，美歐日已經先後進入50以下的榮枯線下方，反映製造業已經進入萎縮的軌跡，今年要關注服務業會否跟隨。

我們為大家整合了以下2023年的市場重點關注事項，包括潛在演變，及對市場的影響，供大家參考。



2023

市場關注的事

事件

美國經濟衰退程度

企業盈利預期下調

內地防疫解封進程

目前 情況

美國長短債息倒掛幅度拉闊，經濟衰退料最早在今年顯現。

華爾街大行開始下調今年美股每股盈利預測，當中大行高盛預期今年收益增長為零。

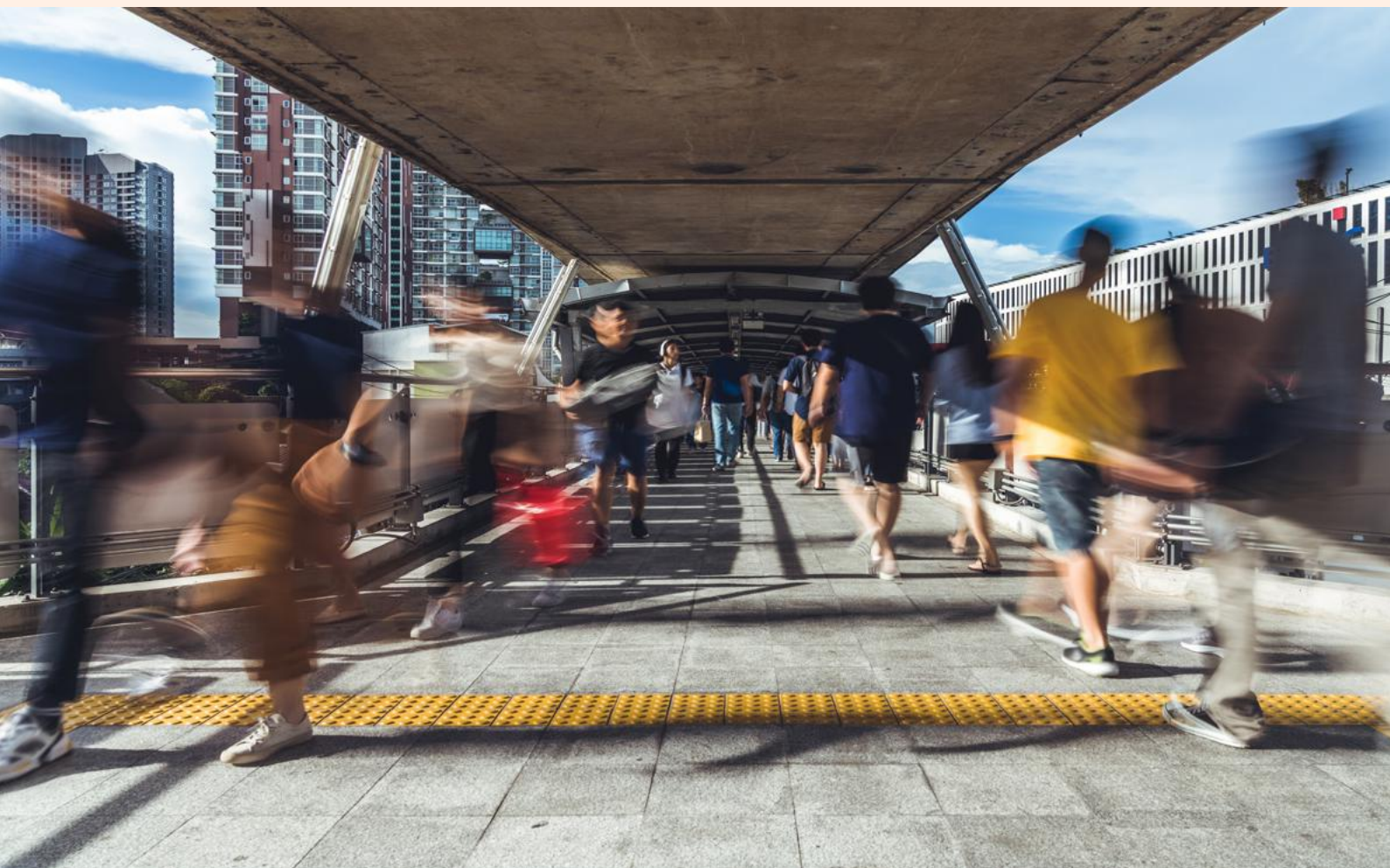
政府撤銷大部分嚴格的防疫措施，內地正處於疫後的過渡期。

市場 預期

預期歐洲國家率先步入衰退，而預期美國經濟軟著陸概率高過硬著陸。

市場預期美股Q1業績表現錄得下滑，其中難以將產品提價的行業受影響甚大。

預期首季內地疫情確診數出現高峰，次季在群體免疫下，內地經濟料重拾增長勢頭。



停滯性通脹的出現

美國近期通脹數據有所回落，就業市場的增速亦開始放緩。

今年通脹料處於高位一段時間，之後回落至中性目標水平。

中美矛盾的演變

對中國貨品繼續徵收關稅，對出口到內地的科技實施更嚴厲的限制措施。

預期美國繼續打壓科技領域的發展，減少對中國供應鏈的依賴。

人民幣國際化進程

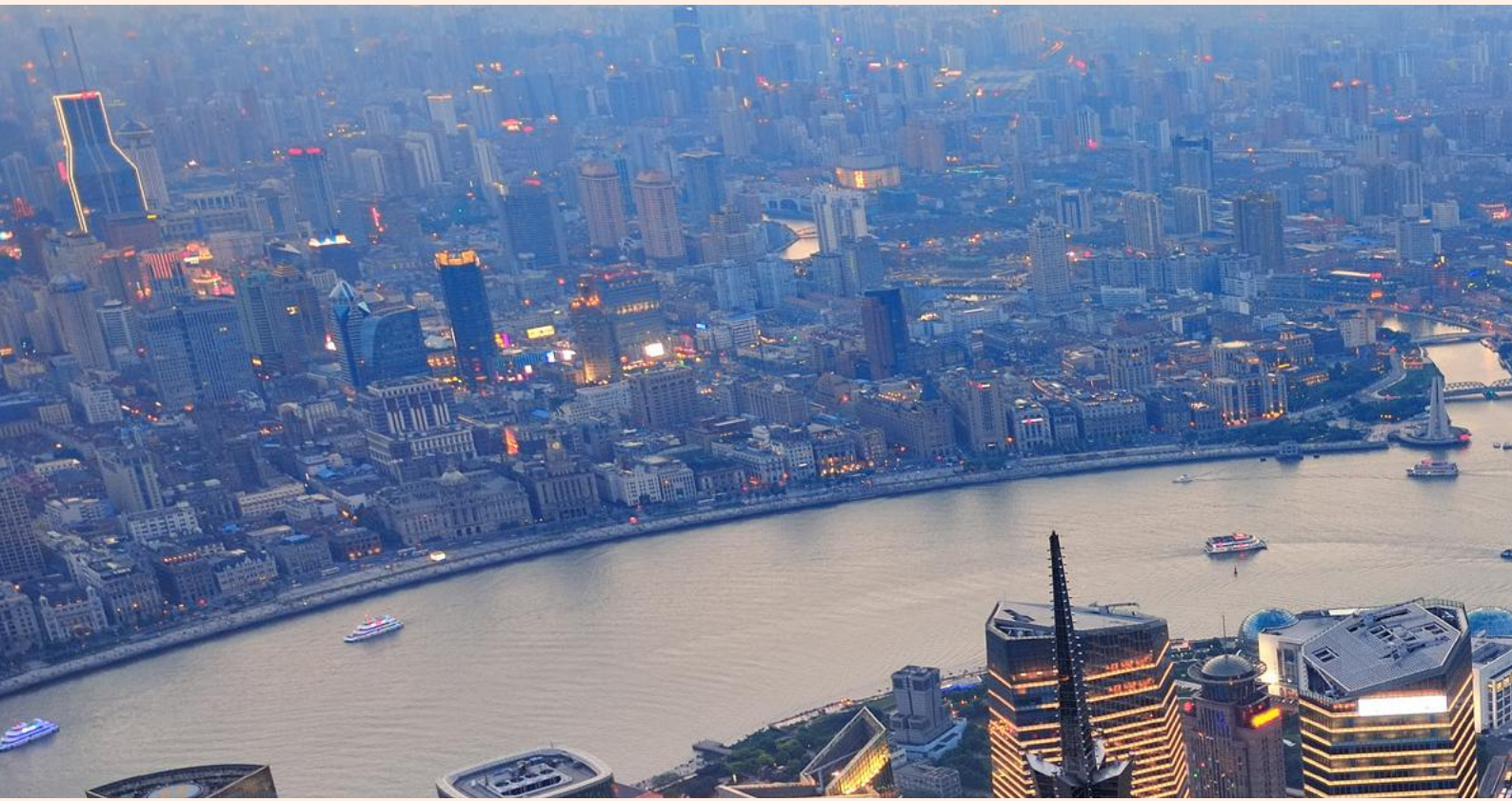
中國與沙特簽署巨額能源貿易合作，並提倡採用貨幣互換方式作交收。

與中東國家的合作增加，預期能加快推動人民幣國際化進程。

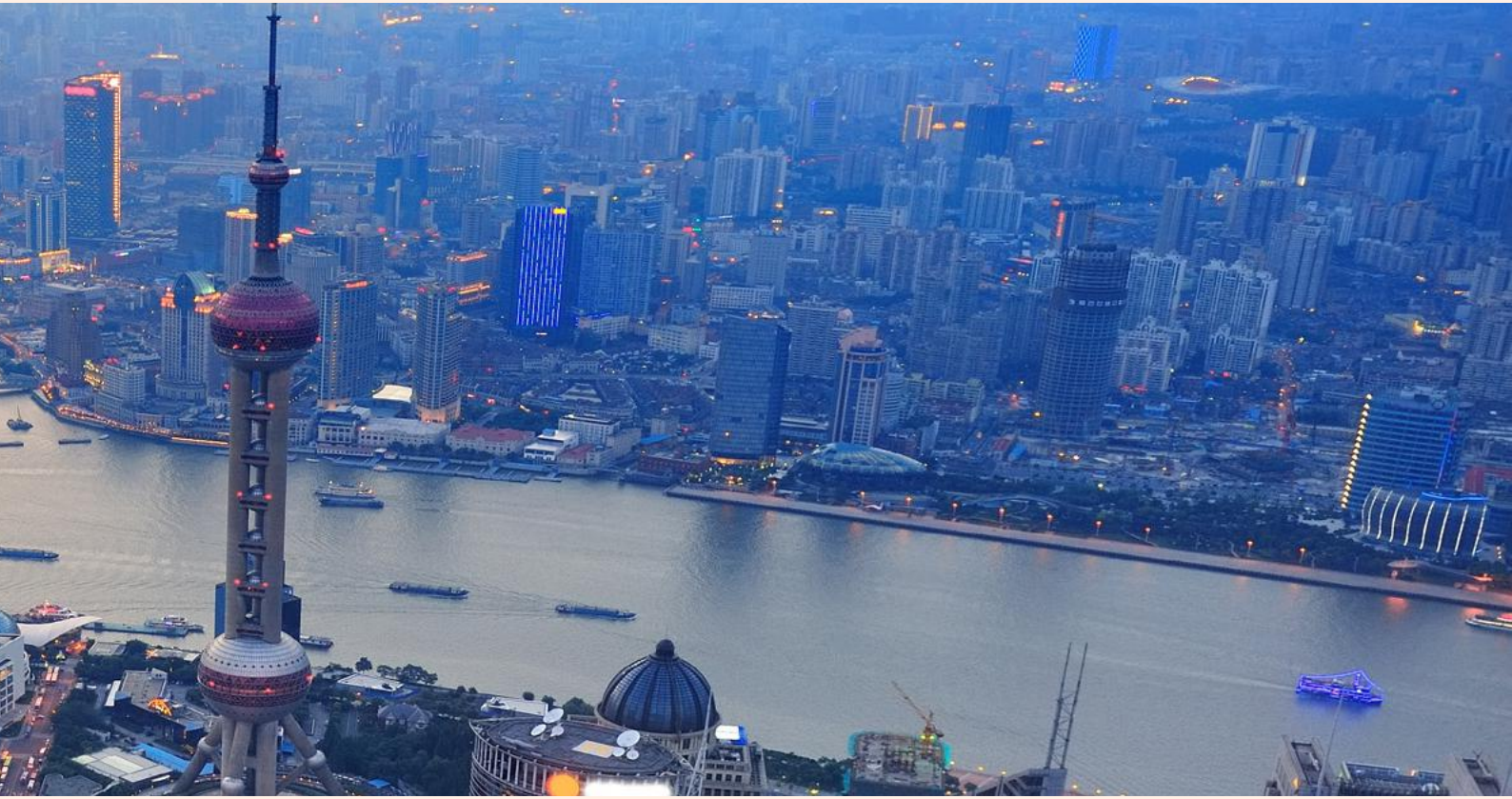
俄烏戰爭加劇

俄羅斯正在擴大武裝部隊，烏克蘭獲西方援助並作出反擊。

預期戰事仍會在2023年維持，而且有逐步升溫的跡象。



事件	美國經濟衰退程度	企業盈利預期下調	內地防疫解封進程
事件的演變	<p>最好</p> <p>拜登政府加大開支的政策未受到共和黨的阻礙，在財政刺激政策的支持下，推遲經濟衰退的出現。</p>	<p>Q1業績表現勝市場預期，市場重新評估每股盈利表現。</p>	<p>國內群體免疫比市場預期為快，經濟重新開放帶動消費復甦。</p>
	<p>最壞</p> <p>經濟衰退加快，令個人消費和企業投資大幅萎縮，企業盈利明顯倒退，失業率上升。</p>	<p>消費者信心指數下降，居民減少日常開支，企業每股盈利預測進一步被下調。</p>	<p>國內疫情失控，政府再次收緊疫情防疫措施。</p>
對大市影響	<p>最好</p> <p>美國經濟出現軟著陸，隨後美聯儲減息再度提振經濟恢復增長。</p>	<p>企業業績比市場預期為好，大行重新評估企業每股盈利，繼而市場情緒改善。</p>	<p>港股和A股消化疫情不明朗因素，估值出現修復，料港股和A股表現跑贏其他市場。</p>
	<p>最壞</p> <p>美國經濟出現硬著陸，企業倒閉潮增加，失業率上升，避險情緒升溫令股市展開熊市行情。</p>	<p>盈利下調導致美股整體估值上升，市場出現拋售壓力。</p>	<p>防疫措施收緊將再次打壓內地經濟，港股和A股金融市場首當其衝，有反覆下行壓力。</p>



停滯性通脹的出現

通脹如市場預期迅速回落，隨美聯儲時間表恢復至中性目標水平。

通脹維持居高不下，經濟增長呈低迷或放緩，同時勞工市場持續不理想。

通脹回落速度快過市場預期，市場憧憬美聯儲減息時間表有所提前，大市情緒受提振。

通脹惡化，「薪資物價螺旋式上漲」進一步嚴重。美聯儲繼續採取激進加息，大市下行壓力出現。

中美矛盾的演變

中美關係開始修復，中概股退市風險消退，美政府重新豁免中國貨品關稅徵收。

中美矛盾加劇，美國在不同領域加大對中國打壓的力度，尤其挑起台海局勢的衝突。

中港股票投資情緒將大幅改善，尤其中概股潛在更大的估值調升空間。

中港股票的風險胃納上升，估值面臨進一步下調力。

人民幣國際化進程

以人民幣結算石油貿易的議程出現突破，與東盟及中東的合作增強。

與東盟及中東未達成人民幣結算合作。若美聯儲繼續加息，人民幣重現下跌壓力。

人民幣在國際交易角色提高，長遠有助改善中資股的整體估值。

人民幣貶值不利中資股表現，尤其持有美元債務較多的中資股。

俄烏戰爭加劇

5月在日本廣島舉行為期3天的G7會議，或呼籲停戰方面取得進展。

俄羅斯最終採用戰術性核武。市場恐慌情緒將急速升溫。

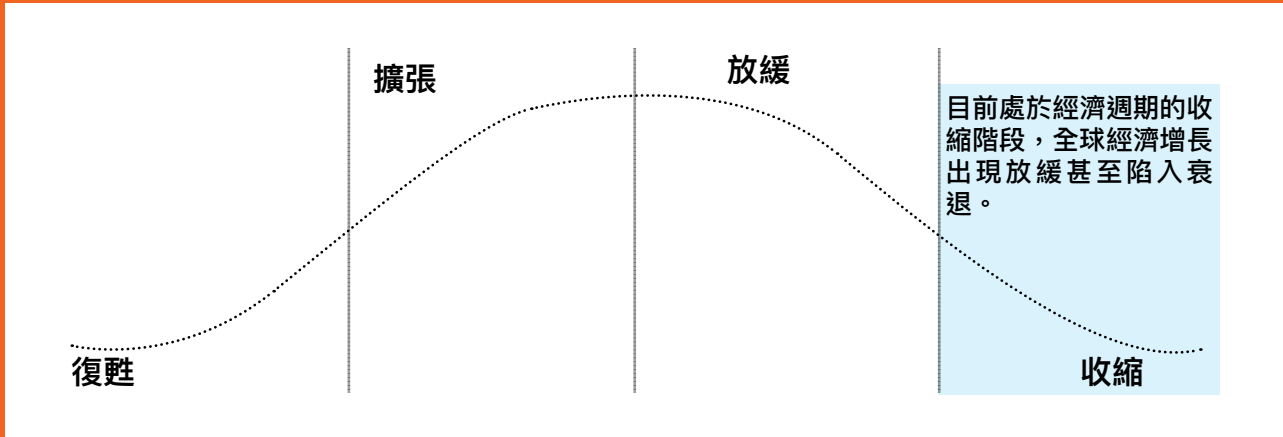
戰事完結將降低地緣政治風險憂慮，各國供應鏈有望恢復正常水平。

地緣政治升溫，市場資金將流入避險資產。

企業將受到 兩大因素困擾



高利率環境：企業融資困難，減少今年的投資預算



歐美貨幣政策緊縮令企業經營困難，盈利面對回落壓力，失業率、違約率將持續攀升，全球經濟預期將會走下坡，故今年經濟衰退的機會會相當高。市場普遍認為歐洲及英國經濟會率先陷入衰退。預期美國或於今年第二季踏入溫和衰退。要待貨幣政策停止緊縮，經濟才會開始從收縮階段迅速邁向復甦階段，企業經營環境才得到改善。

緩慢增長環境：

企業每股盈利放緩，甚至面臨倒退

在增長疲弱和股市波動加劇的情況下，美國企業估值卻處於高位，以目前標普500指數的遠期市盈率為17.5倍，高於過去20年平均約15.7倍。由於通脹仍高，預期美聯儲今年上半年仍會加息，當終端利率上調至5.1厘後，才會完成今次加息周期。在這環境之下，企業今年增長料大幅放緩，甚至部分出現倒退。一旦盈利未達市場預測，今年每股盈利預測將調低，資金將退向價值型板塊，而高增長板塊有進一步拋售壓力。

2023上半年投資什麼？

東升西降 中國復甦之路展開

今年亞洲市場的機會較已發展市場有利，其中受惠中國於疫後重新開放帶來的提振效果，預期大部分國家將會全面恢復群體的經濟活動，全球供應鏈的瓶頸得以緩解。雖然部份亞洲國家面對通脹高企，但所面臨的通脹有異於已發展市場，後者的租金及工資上升對整體物價造成潛在的巨大上行壓力。

中國比市場預期更早放寬各項防疫措施，又為經營困難的房地產行業提供支援措施，為中港股市投資帶來提振。目前企業估值仍處於偏低水平，在經歷2021年及2022年的困難環境，大型企業積極精簡架構，為企業長遠經營提升競爭力。中港股市首選醫療保健和必需消費品和行業。



捕捉東盟國家疫後復甦機遇

東盟國家得到外國積極的直接投資、尤其天然資源如煤炭豐富的國家，去年從相對較高的能源價格中獲益。以印度而言，由於其國內經濟依然龐大而活躍，加上人口紅利，因此印度亦能更好地免受西方國家經濟衰退影響，更從中美磨擦中受益。

美企業債配置時機出現

美國10年期債券孳息率突破4厘，市場推測美聯儲今年加息將在上半年見頂，儘管利率加幅有機會再高一點，但從大格局來看，利率接近上行終點。美國企業債目前違約率仍低，收緊貨幣政策的大部分影響已反映在目前的收益率中，反而可考慮捕捉現在水平以鎖定較高的收益率。

環球股市表現

市場	指數	指數表現	年初至今表現
美國	標普500	4,070	-2.2%
中國	滬深300	5,093	-11.2%
香港	恒生指數	22,688	-4.3%
英國	富時100	7,765	4.0%
德國	DAX	15,150	-1.1%
法國	CAC 40	7,097	1.9%
日本	日經225	27,418	2.6%
加拿大	TSX index	20,714	-0.1%
台灣	台灣加權指數	14,932	-16.3%
南韓	韓國綜合股價指數	2,484	-7.5%
印度	Nifty 50	17,604	2.9%
印尼	JCI index	6,898	3.8%
巴西	MSCI Brazil index	1,540	-5.7%
泰國	SET index	1,681	2.0%
越南	VN 30	1,121	-26.6%

數據截至2023年1月27日



精選股票



Income performance

DAT	USD	EUR
jan	2,002	1,380
feb	2,568	1,790
mar	3,125	2,120
apr	3,586	2,490
may	3,468	2,390
jun	4,568	3,190
jul	4,589	3,190
avg	5,025	3,500
sep	5,125	3,500
okt	5,250	3,500
nov	7,968	5,500
dec	8,685	6,000

£ million
Income
PBT
H1 08 v H1 09
79%
100%



香港市場 - 增長股

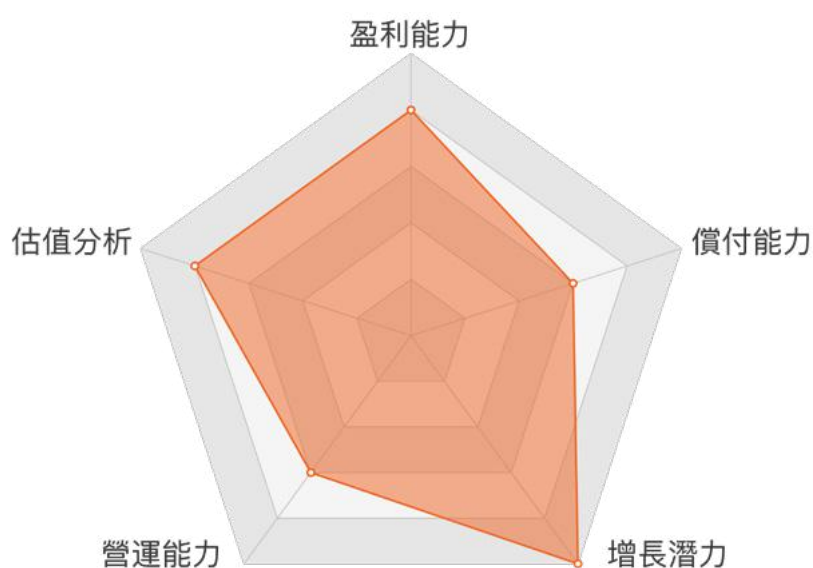
東方電氣 (1072.HK)

簡介

東方電氣作為國內領先發電設備龍頭，具備開發、設計和製造風電、太陽能發電、水電、核電、氣電和火電等完整的成套設備。另外，公司提供製氫加氫和儲能系統方案，長遠將受益於「十四五」規劃提出要加快構建現代能源體系，推動能源高質量發展的方針。最近湖南發改委印發湖南省氫能產業發展規劃，要全力打造氫能工程機械之都，反映未來數年將大力發展氫能，公司將從中受惠。

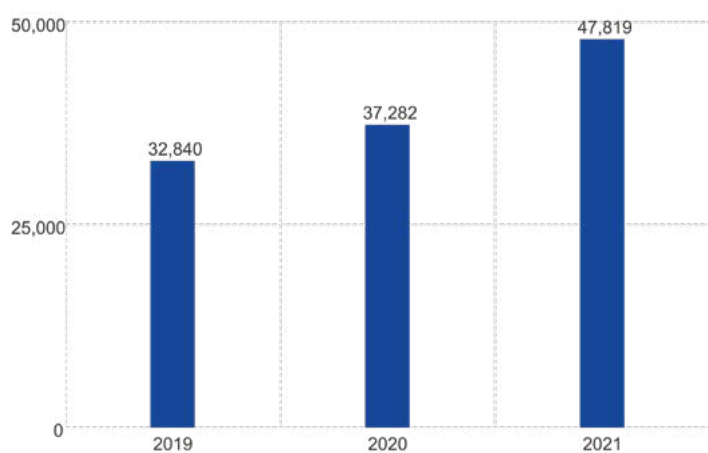
盈利

截至2022年上半年，公司收入按年增23%至人民幣279億元，淨利潤按年上升32%至人民幣17.7億元。目前訂單充裕，近日成功獲得184台機組振動、數據監測及故障診斷的訂單，預期最新開發的「號角」CMS系統可帶動訂單增長。截至去年上半年新增生效定單約人民幣366.6億元。

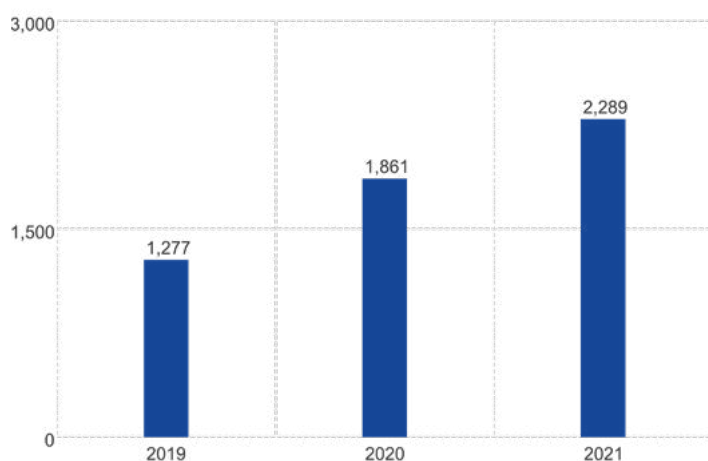




營業額/收益 (百萬元人民幣)



股東應佔溢利/(虧損) (百萬元人民幣)



策略

目前的市盈率為11.2倍，估值不算昂貴，而股息回報率約2.7厘雖不算太高，但大行預估未來3年每股盈利及派息均有增長，加上東方電氣於氫能技術方面位於國內領先水平，料在政策配合下，業務增長可睇高一線。

建議：

買入價	HKD 13
目標	HKD 15
止蝕位	HKD 12

香港市場 - 復甦股

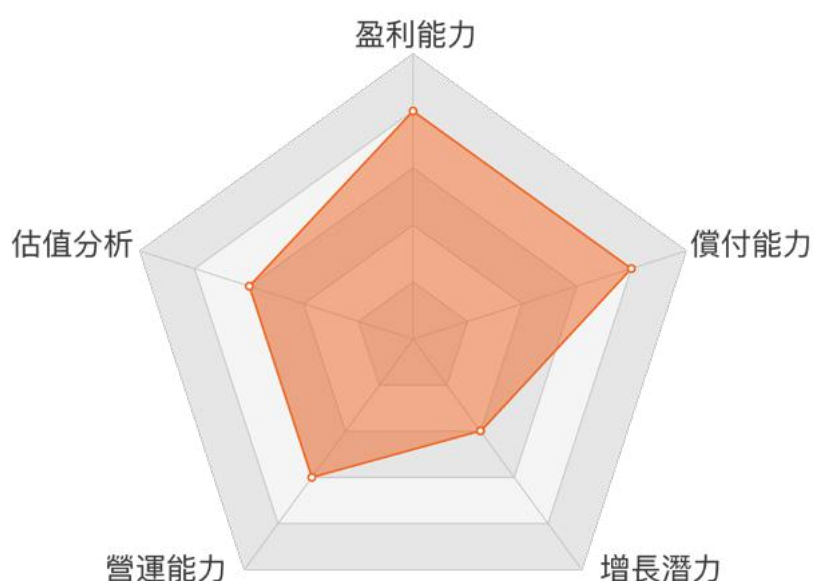
中銀香港 (2388.HK)

簡介

提供銀行及相關之金融服務。在高通脹的壓力下，美歐加息或至少持續至今年上半年。即使停止加息後，在核心通脹未回到聯儲局2%的目標水平之前，聯儲局難以立刻轉為降息，這意味著高利率將在2023年維持，總體利率上升環境對港銀淨息差有利，尤其是擁大存款規模、生息資產多、貸款業務能力強的中銀香港。

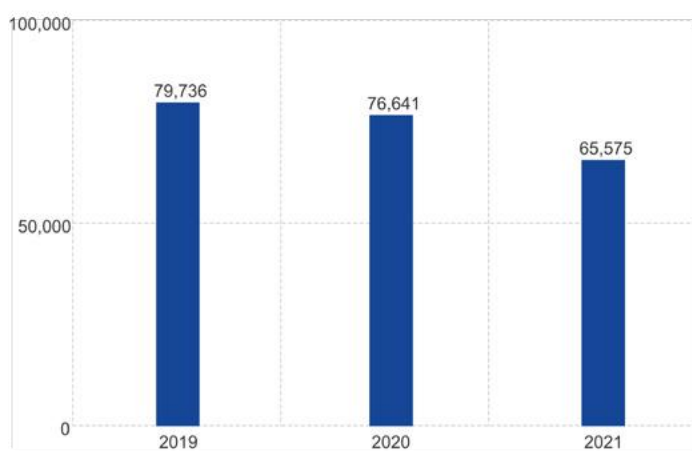
盈利

2022年首九個月受惠市場利率上升，經營收入按年升11.8%至420.3億元，淨利息收入按年增長18.7%至293億元，淨息差為1.27%，按年上升17個基點，符合市場預期。中銀於淨服務費及佣金收入按年下跌21.9%至75.1億元。展望中港兩地通關，帶動商業活動及消費市道恢復，中銀淨服務費收入有望提升。

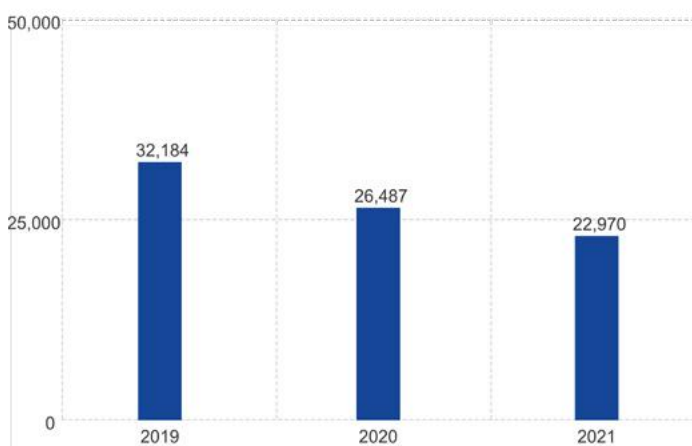




營業額/收益 (百萬元港元)



股東應佔溢利/(虧損) (百萬元港元)



策略

過往中銀香港派息相對穩定，預測股息回報率約4.3厘，預期今年股息回報仍然有上調空間，股價在市況不明朗下有較佳防守力，宜分注收集。

建議：

買入價	HKD 26.5
目標	HKD 29
止蝕位	HKD 26

美股市場 - 增長股

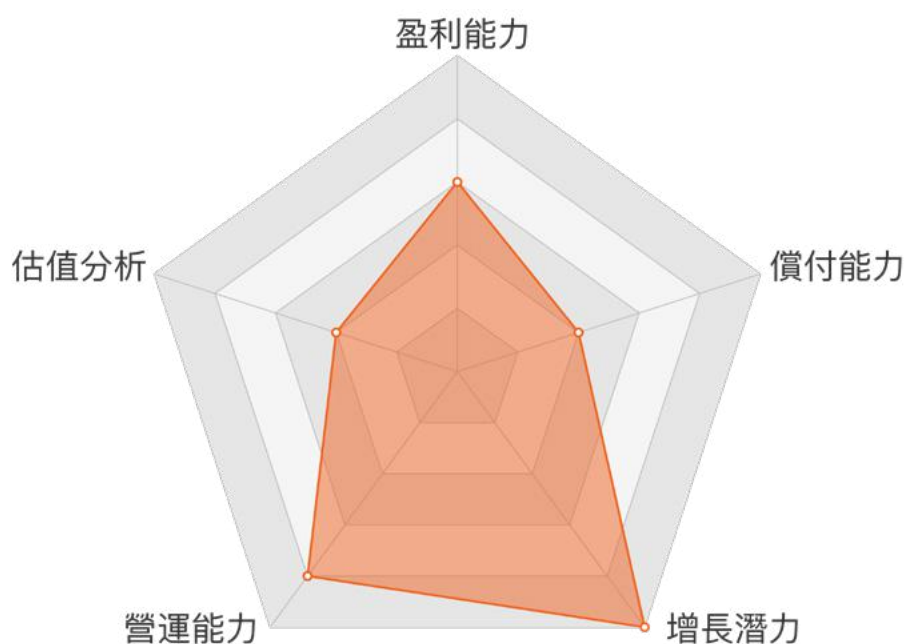
洛克希德馬丁 (LMT.US)

簡介

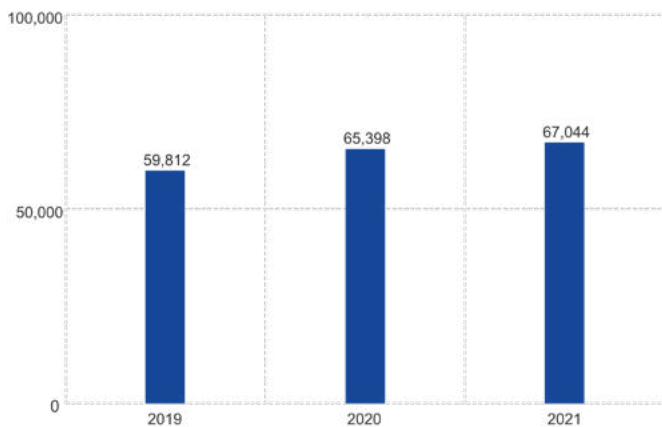
為全球最大的國防承包商，製造和出售軍用飛機、導彈和導彈防禦系統。預期公司今年繼續受全球地緣政治升溫所推動，尤其2022年發生俄烏戰爭，歐洲國家料加大國防支出，洛克希德馬丁將受惠北約軍備需求的增加。

盈利

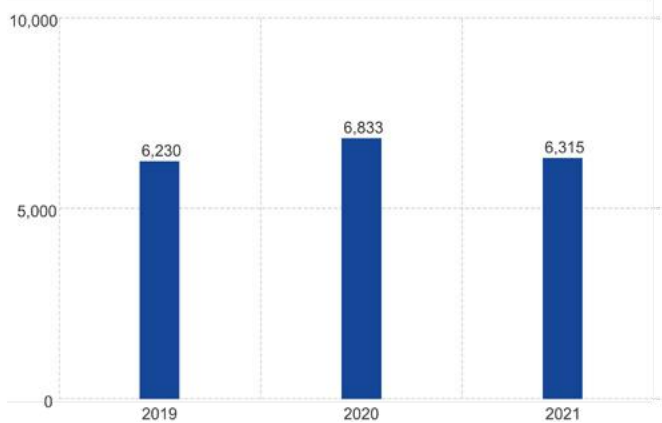
最新公佈的去年第三季業績，調整後的每股收益為6.87美元，超過了市場預期的6.72美元。運營現金流也優於市場預期，同比提高62%至31.3億美元，受惠標槍導彈系統和F-35戰機的需求量在烏克蘭和中東戰爭下大幅增加。截至2022年第三季的積壓訂單環比增加50億美元達到1,400億美元。現時公司生產受零部件和人力短缺問題所阻礙，預期今年成本和供應鏈壓力可望舒緩，配合歐洲國家陸續提高軍事採購預算，預期公司今年業績維持高增長。另外，公司表示會在未來三年內回購140億美元股票，也為股價帶來支持。



營業額/收益 (百萬元美元)



股東應佔溢利/(虧損) (百萬元美元)



策略

基於當前的地緣政治環境，料今年洛克希德馬丁經營仍然處於有利環境，在股價出現復常的回調後，可視為初步買入的位置。

建議：

- 買入價 USD 425
- 目標 USD 470
- 止蝕位 USD 390



美股市場 - 收息股

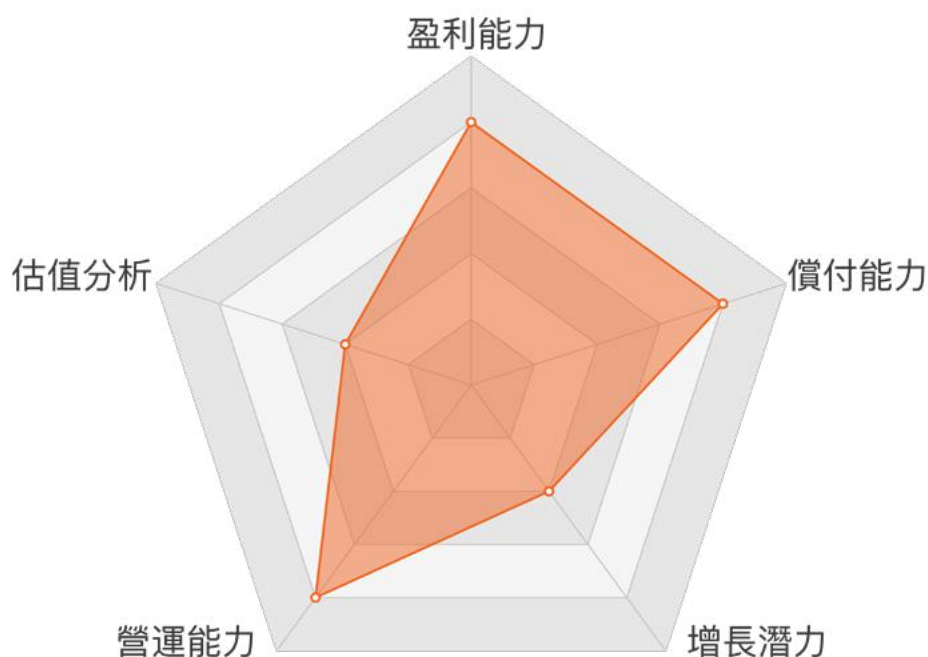
可口可樂 (KO.US)

簡介

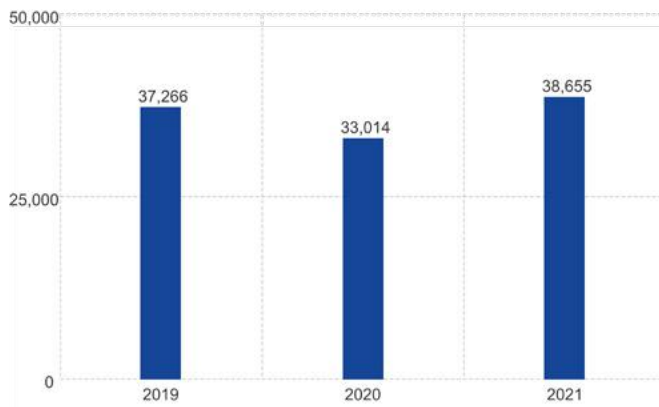
生產和銷售碳酸軟飲料、水、運動、能量、果汁和咖啡。通過零售商和食品服務網點在全球200多個國家和地區銷售。作為必需消費股，可口可樂經營業績受經濟周期的影響將會較少。

盈利

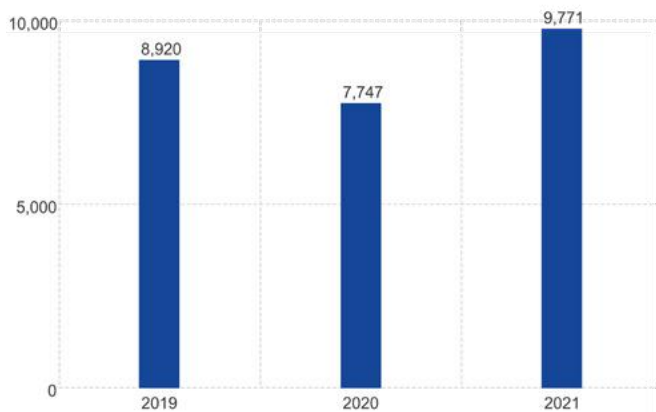
去年市況波動下業績維持穩定增長，第三季收入同比增長10%至110.5億美元，高於市場預期，主要受惠全球單箱銷量 (unit case volume) 增長4%，目前市場份額更高於2019年的水平。淨利潤按年上升14.6%至28.3億美元。公司對於2023年的展望樂觀，預期大宗商品價格有所回落，進一步帶動公司毛利率表現。此外，可口可樂約三分之二的營收來自海外市場，美元匯價見頂回落，有助減少匯率兌換的損失，預期今年業績仍可在經營環境不明朗下保持增長。



營業額/收益 (百萬元美元)



股東應佔溢利/(虧損) (百萬元美元)



策略

目前可口可樂預測股息率約2.5厘，派息回報短期不算太吸引，但公司過去每股派息不斷增加，產品受宏觀環境疲弱因素影響有限，股價波動平穩，為防守板塊的首選。

建議：

買入價	USD 58
目標	USD 64
止蝕位	USD 56



情人節特輯



臨近情人節，相信很多一雙一對的情侶都會選擇去旅行，港人熱門旅遊地點包括日本、台灣、泰國等，踏入後疫情時代，各國的旅遊行業都開始復甦，著名旅遊景點都見人頭湧湧。

旅遊保不能缺

在旅行時，不能忽視意外的發生，旅行最常見的意外就是飛機航班延誤，而大部分的旅遊保險都保障此情況，即使不幸遇上延誤令旅程失色掃興，至少金錢損失也能降到最低。另外最近一兩年的旅遊保險都相繼推出有關新冠病毒的保障，雖然是後疫情時代，但新冠病毒不斷變種，不容忽視隨時感染的風險，保險到時就幫到你。

保險也可以是情人節傳達愛的禮物

很多人在情人節都會買禮物送給另一半，有些人會送999朵玫瑰花，999足金金飾，給另一半在社交媒體上分享。如果覺得不夠氣派？不妨考慮送上一份99萬9千999元保障額的保險，絕對是一生一世的承諾。

在人生中，我們不能忽視突如其來的意外，現在不做好規劃及保障，將來發生事情時，你將會是你最愛的人的負擔。為了你最愛的人，不要成為他們的負擔。





你倆的資金足夠退休嗎？

情人共諧連理，一齊走過人生各個階段，晚年退休時，夫妻有否好好規劃退休後的生活？港人必備的退休產品一定是強積金，但過去一年強積金的表現令所有打工仔叫苦連天。回顧當年政府推行強積金制度，目的就是希望大家在退休時能夠有一筆金錢幫助退休後的生活，但目前成效有多少，大家對此都十分存疑。

雖然打工仔不能拒供強積金，但是可以透過妥善的管理，讓自己的回報最大化。以2022年為例，表現最好的基金和最差的基金差距高達37%。假如您對自己強積金管理仍是一知半解，不妨找一位強積金專員，了解更多有關的資訊，為自己的退休生活作最佳的準備。



要預留多少 退休開支？

香港財務策劃師學會公佈了2021年的退休開支指數，每位受訪者的平均每月開支達一萬三千港元。香港平均壽命達85歲，假設65歲退休，需面對20年約320萬的退休生活使費。



情人節想收到的禮物

每年不少情侶都為情人節禮物絞盡腦汁，但根據日本雜誌《CanCam》的調查，只要不是「太大件」和品味奇特的禮物，也不是以獨一無二的禮物送給對方為目標，一件簡單而精美的飾品，已經可以讓情人樂上半天了。

就男士而言，在打動女友之餘，如果希望禮物可以保值而非單純消耗品，不妨考慮買金飾。

黃金相關產品一向有保值空間，大家都知去年全球飽受通脹困擾，各國大量印鈔，大家都四處購買資產抗衡貨幣貶值，金飾有別於股票，手持實物，感覺更為實在。



今年投資黃金合適嗎？

金價在去年11月開始回勇，預期今年或重新挑戰2,000美元每盎司。一方面因美元回調，加上加密貨幣市場震盪，每逢金融市場動盪期間，黃金都成了追捧對象。另市場對美國經濟硬着陸的擔憂存在，加上通脹仍在高位徘徊，故市場相對樂觀看待今年金價表現。除了買實金，黃金ETF是投資黃金最方便快捷的方法，無需親身去金舖，也無需掛慮款式，有一個證券戶口就買到。

黃金ETF選擇小貼士

港股SPDR金ETF (2840.HK) 和美股SPDR Gold Trust (GLD.US) 兩者背後資產同為實物黃金，緊貼金價走勢。與南方東英發行的黃金ETF (7299.HK) 的不同，其運用期貨和差價合約追蹤國際金價表現，也涉及兩倍槓桿成份，適合較進取投資者。



Market Highlights

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Valentine's Day Special

23



CONTENT

Outlook for 2023



+125.24 +58 -12.04 -5.51 +208.11 +5.51 -12.04 +15.21 +15.21 -2.02

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While “inflation” was a hot topic of the global economy in 2022, the focus would be shifted to “recession” in 2023. The manufacturing sector has started shrinking as the Manufacturing Purchasing Managers' Index (PMI) of the US, Europe and Japan has fallen below the 50-point level. It gets the market’s attention whether the service sector would record a contraction same as manufacturing sector in 2023.

Below is a summary of market focus for 2023, covering market expectations, possible scenarios and impact on the markets.



MARKET FOCUS FOR 2023

Issue	Recession in the US	Corporate earnings decline	Easing of COVID restrictions in Mainland China
Current condition	Inverted yield curve of long and short-term US bonds flattens. Recession is expected as early as this year.	Wall Street giants have begun adjusting earnings per share estimates, with Goldman Sachs cutting earnings estimates to 0%.	Mainland China is in the post-pandemic era, as the government has removed key parts of COVID rules.
Market expectation	It is expected that European countries would head into recession first, and a soft landing is more likely to happen in the US instead of a hard landing.	The market expects Q1 results of US stocks to decline. Industries that have difficulties in increasing product prices would face strong headwinds.	It is expected that COVID cases in Mainland China would peak in Q1, followed by herd immunity in Q2 and a regain of growth momentum in its economy.



Stagflation

US inflation rate has slowed down recently. So does the growth in the job market.

Inflation rate would hover at a high level this year for a certain period of time before declining to a neutral level.

Sino-US tensions

Tariffs on Chinese goods remain. The US imposes tighter restrictions for technology exporting to Mainland China.

It is expected that the US would continue suppressing technological development and reducing its dependency on Mainland China's supply chains.

Renminbi internationalisation

Mainland China and Saudi Arabia signed huge energy and investment deals, and propose currency swaps for settlement.

Internationalisation of renminbi would be accelerated due to strengthening cooperation with the Middle East.

Intensification of Russia-Ukraine war

Russia is expanding its armed forces. Ukraine receives Western aid and fights back.

It is expected that the war would continue in 2023, with signs of intensification.



Issue		Recession in the US	Corporate earnings decline	Easing of COVID restrictions in Mainland China
Development	Best Scenario	Biden Administration’s policy to increase spending would not face resistance from Republicans. Recession would be delayed because of economic stimulus.	Q1 results outshine market estimations. The market would reassess earnings per share.	National People’s Congress in March would announce the removal of all COVID restrictions.
	Worst Scenario	Economic downturn accelerates, causing individual spending, corporate investment and corporate profits to drop significantly, and unemployment rate to rise.	Consumer Confidence Index declines. Citizens cut daily spending. Corporate earnings per share estimates would be reduced further.	Mainland China loses control of the pandemic. Central Government would tighten COVID restrictions again.
Impact on the markets	Best Scenario	Soft landing for the US economy. Federal Reserve would cut interest rates to stimulate economic recovery.	Corporates’ results outshine market estimations. Banks would reassess corporate earnings per share, causing an improvement in market sentiment.	Hong Kong stocks and A stocks have digested the uncertainty of the pandemic. Valuation to restore. Hong Kong stocks and A stocks are set to outperform other markets.
	Worst Scenario	Hard landing for the US economy would trigger a wave of business closures and a rise in unemployment rate. Risk aversion would heat up, causing the bear market to begin.	US stocks tend to be overvalued due to earnings downgrades. Selling pressure would increase.	Tightened COVID measures would hit Mainland China’s economy again. Hong Kong and A stock markets would be among the first ones to face headwinds and downward pressure.



Stagflation

Inflation rate drops sharply as expected by the market, and returns to a neutral level according to Federal Reserve’s schedule.

Inflation rate remains high. Economic growth slows down. Labour market remains weak.

Inflation rate declines faster than market expectation. A faster pace of interest rate cuts is anticipated from Federal Reserve, boosting market sentiment.

Inflation deteriorates, causing the wage–price spiral. Federal Reserve would adopt a more aggressive approach to interest rate hikes. The market would face downward pressure.

Sino–US tensions

Sino–US relations begin to restore. The risk of delisting Mainland China Concepts Stock diminishes. US Government lifts tariffs on Chinese goods.

Sino–US tensions deteriorate. The US would suppress Mainland China further in various aspects. Taiwan Strait crisis would escalate.

Investor sentiment in Mainland China and Hong Kong stock markets would improve significantly. Mainland China Concepts Stock would enjoy a greater room for value adjustment than the others.

Risk appetite for Mainland China and Hong Kong stock markets would increase, leading to mounting downward pressure.

Renminbi internationalisation

Breakthroughs in the agenda to use renminbi in oil settlement. Ties with ASEAN and the Middle East would be strengthened.

Fail to reach an agreement with ASEAN and the Middle East on renminbi settlement. Renminbi would face downward pressure again if US Federal Reserve continues to raise interest rates.

Renminbi would gain importance in international trade. Overall valuation of Mainland China stocks might improve in the long run.

Renminbi depreciation would drag Mainland China stock performance, particularly those holding more US bonds.

Intensification of Russia–Ukraine war

The 3–day G7 Japan Hiroshima Summit in May would make progress on a cease–fire.

Russia would use tactical nuclear weapons in the end. Market fears would intensify rapidly.

Geopolitical risks would be lowered as the war ends. Supply chains in various countries are set to return to normal.

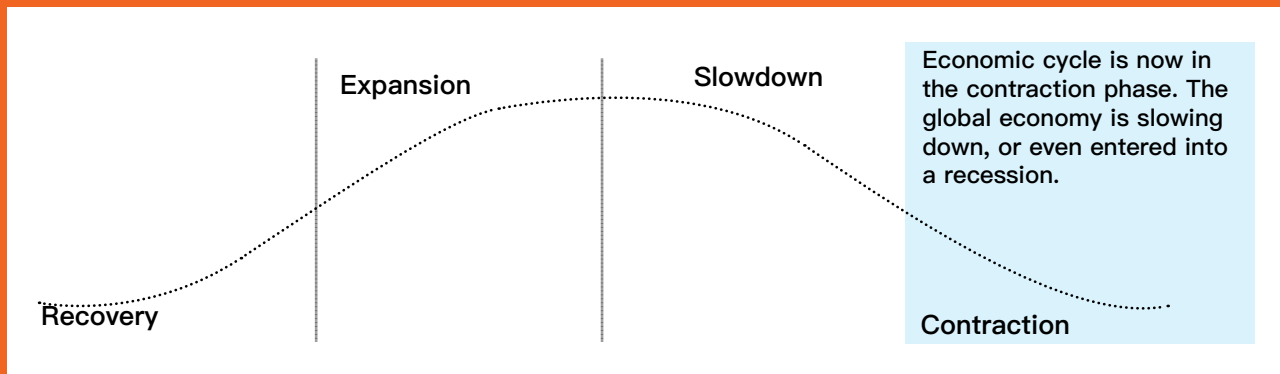
Geopolitical risks would increase, leading to a surge in capital flow to safe–haven assets.

Corporations are plagued by two major factors



High interest rate environment :

Corporations cut down this year's investment budget due to difficulty in obtaining finance



Tightened monetary policies in Europe and the US pose business challenges to corporations and create downward pressure on earnings. Unemployment rate and default rate continue to climb. The global economy is set to head downward. The chance of entering a recession this year is relatively high. It is generally believed that Europe and the UK would be the first slipping into recession while US would go into a mild recession in Q2 this year. Only when the monetary policy stops tightening would the economy move swiftly from the contraction phase to the recovery phase, and the business environment would start to improve.

Slow growth environment :

Slow growth or even a decrease for corporate earnings per share

Despite the slow growth and increased volatility in the stock market, the valuation of US corporations remains at a high level. S&P 500's forward price-to-earnings (P/E) ratio was 17.5, much higher than the average of 15.7 in the past 20 years. When inflation rate stands high, it is expected that the US Federal Reserve would continue raising interest rates in the first half of the year. This interest rate hike cycle would only be completed after the terminal rate has reached 5.1%. Corporations would experience a major slowdown or even losses this year. If their earnings fail to reach market expectations, their earnings per share estimates would be downgraded. Capital would retreat to the value stock sector, and the high-growth stock sector would face stronger selling pressure.

What to invest in H1 2023 ?

The East is rising and the West is declining **Mainland China's recovery begins**

Financing opportunities in Asian market is better than developed markets particular western markets in 2023. Boosted by Mainland China's post-pandemic reopening, economic activities would be resumed gradually in most countries and finally a full recovery. Bottlenecks in global supply chains would be alleviated. Although certain Asian countries have high inflation rates, their situation is not the same as those developed markets, whose rising rents and wages generate huge potential upward pressure on overall prices.

Mainland China and Hong Kong stock markets are stimulated by an earlier-than-expected easing of COVID restrictions and the supportive policies provided to the troubled real estate sector. Corporations' valuation remains relatively low for now, and large corporations are actively streamlining their organizational structure after the headwinds in 2021 and 2022. These would help enhance their competitiveness in the long run. The medical & healthcare sector and the necessities sector are the top picks for Mainland China and Hong Kong stock markets.



Seize the opportunities arising from ASEAN's post-pandemic recovery

ASEAN countries, particularly those rich in natural resources and coal, have attracted direct investments from foreign countries together benefitted from last year's high energy prices. Taking India as an example, its huge and active domestic economy, coupled with its large population, makes it more resilient to the negative impact brought by economic slowdowns in western countries, and be more able to take advantage of the Sino-US conflict.

Time for US corporate bond allocation

US 10-year bond yield exceeds 4%. The market anticipates US Federal Reserve's interest rate hikes its peak in H1 2023. Although interest rate may go up a little further, it is not far away from the end of the upward cycle. Given that the default rate of US corporate debts remains at a low level, and most impacts of the tight monetary policy have been reflected in the existing earnings yield, investors might consider seizing the opportunity at the current level to secure higher earnings yield.

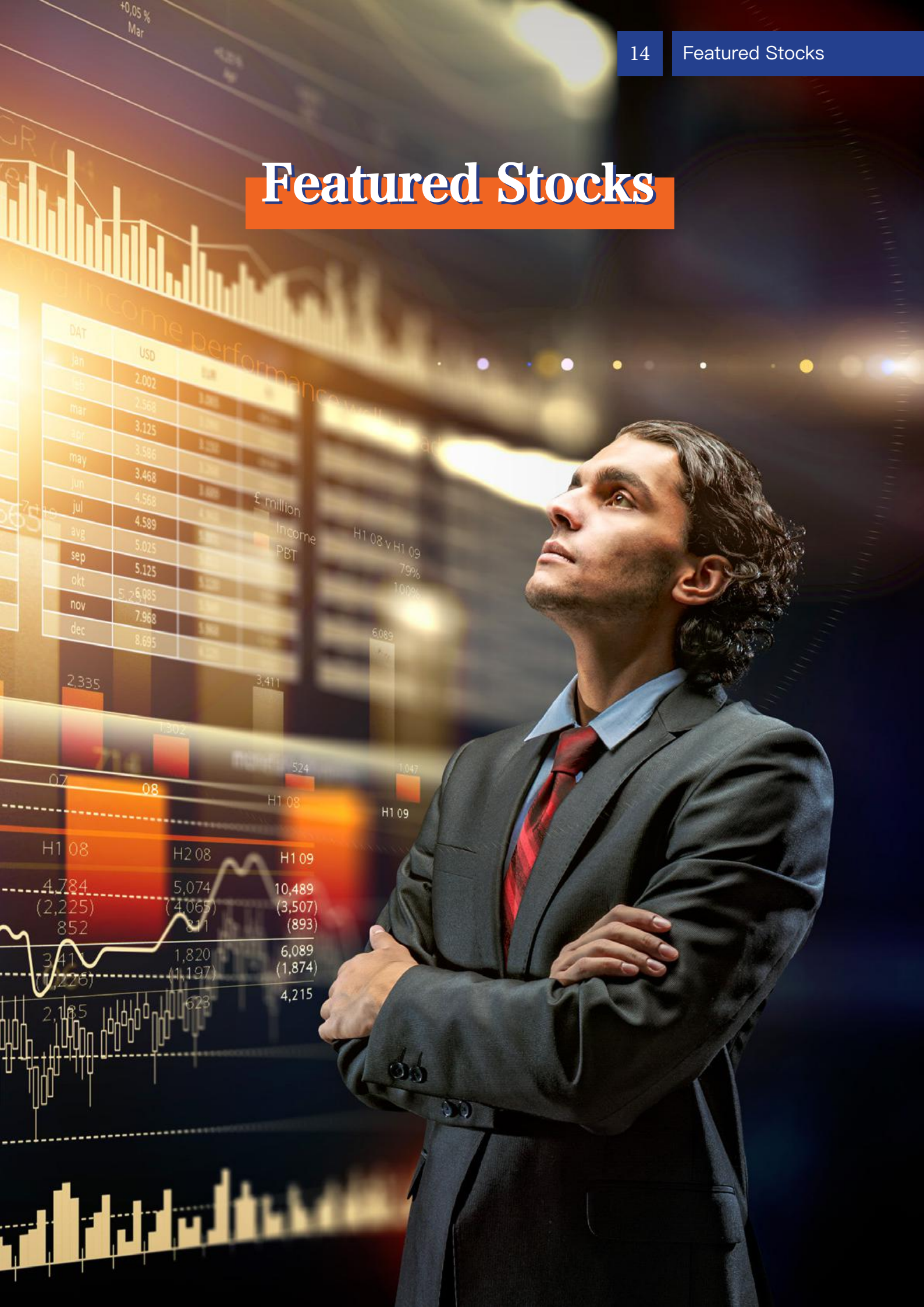
GLOBAL STOCK MARKET PERFORMANCE

Market	Stock Index	Index Value	Year to Date
United States	S&P 500	4,070	-2.2%
China	CSI 300	5,093	-11.2%
Hong Kong	Hang Seng Index	22,688	-4.3%
United Kingdom	FTSE 100	7,765	4.0%
Germany	DAX	15,150	-1.1%
France	CAC 40	7,097	1.9%
Japan	Nikkie 225	27,418	2.6%
Canada	TSX index	20,714	-0.1%
Taiwan	TAIEX	14,932	-16.3%
South Korea	KOSPI	2,484	-7.5%
India	Nifty 50	17,604	2.9%
Indonesia	JCI index	6,898	3.8%
Brazil	MSCI Brazil index	1,540	-5.7%
Thailand	SET index	1,681	2.0%
Vietnam	VN 30	1,121	-26.6%

Data as at 27th January 2023



Featured Stocks



Income performance

DAT	USD	EUR
jan	2.002	1.380
feb	2.568	1.796
mar	3.125	2.190
apr	3.586	2.500
may	3.468	2.390
jun	4.568	3.180
jul	4.589	3.180
avg	5.025	3.500
sep	5.125	3.500
okt	5.250	3.500
nov	7.968	5.500
dec	8.685	6.000

£ million
Income
PBT
H1 08 v H1 09
79%
100%

H1 08	H2 08	H1 09
4,784	5,074	10,489
(2,225)	(4,065)	(3,507)
852	811	(893)
3,411	1,820	6,089
(1,226)	(4,197)	(1,874)
2,185	623	4,215

Hong Kong Market - Growth Stock

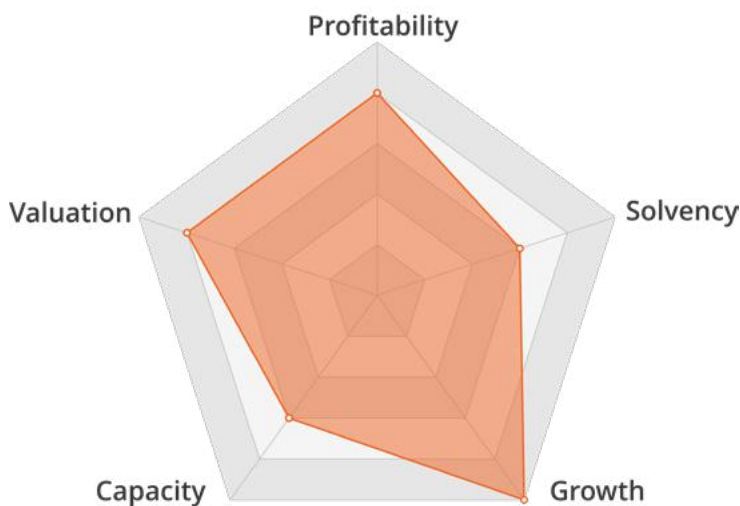
Dongfang Electric Corporation Limited (1072.HK)

Overview

Dongfang Electric Corporation Limited is a leading power generation equipment manufacturer in Mainland China that engages in the development, design and manufacturing of equipment for the generation of wind power, solar power, hydropower, nuclear power, gas power and thermal power. The company also engages in hydrogen energy production, storage and refuelling systems and is likely to benefit from the '14th Five Year Plan' which proposes the need to speed up the construction of a modern energy system and promote high-quality energy development. The Development and Reform Commission of Hunan recently released the Hunan Province Hydrogen Energy Industry Development Plan, aiming to develop the province into the capital of hydrogen energy engineering machinery. The company would likely be benefitted from the great potential of hydrogen energy development in the coming few years.

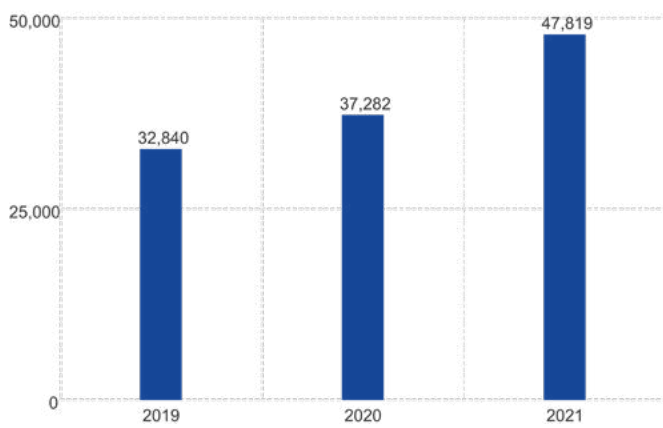
Earnings

As of 1H 2022, the company's revenue increased by 23% YoY to RMB 27.9 billion with net profit reaching RMB 1.77 billion representing an increase of 32% YoY. With sufficient orders in hand and a recent order of vibration monitoring and troubleshooting for 184 power units, the newly developed CMS system "Horn" is expected to drive sales orders. In 1H 2022, new effective orders amounted to RMB 36.66 billion.

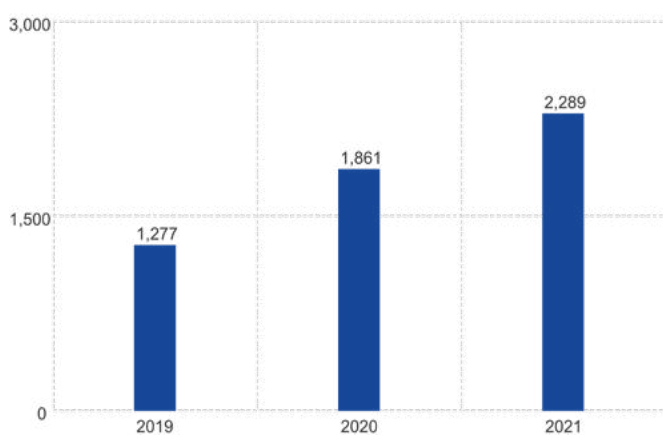




Turnover/Revenue (RMB million)



Profit/(loss) attributable to shareholders (RMB million)



Strategy

The current price-to-earnings ratio is 11.2 times and is considered not expensive in valuation. Although the dividend yield ratio for the company is around 2.7%, growth can be expected for earnings per share and dividend payout in the coming three years. Keep an eye out for performance growth as Dongfang Electric continues to lead in hydrogen energy technology and progresses under the government's stimulus policy.

Suggested :

- Buy HKD 13
- Target HKD 15
- Stop Loss HKD 12

Hong Kong Market - Recovery Stock

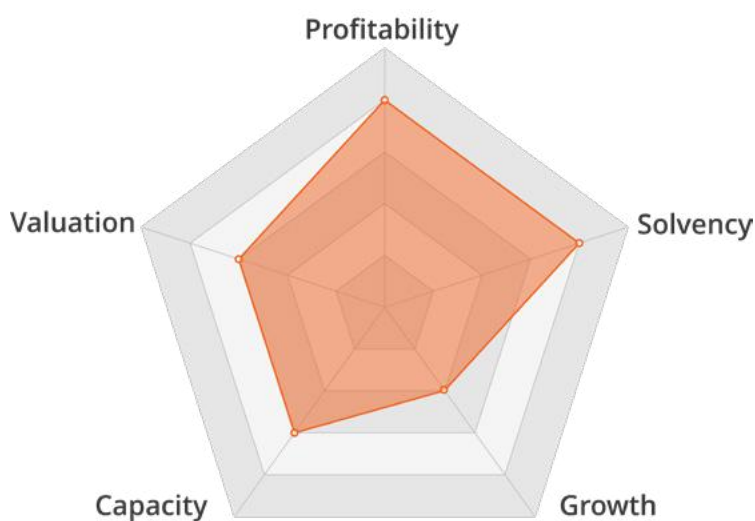
Bank of China (2388.HK)

Overview

Bank of China provides banking and financial-related services. Amid inflationary pressure, interest rate hikes in the US and Europe may continue until at least the first half of this year. Even at the end of rate hikes, it would be difficult for interest rate cuts before core inflation returns to the Federal Reserve's 2% target, meaning that high interest rates would remain in 2023. The rise in interest rates has generally been favourable for the net interest margin of Hong Kong banks, in particular Bank of China with its leading position in terms of customer deposits, interest-bearing assets and loans.

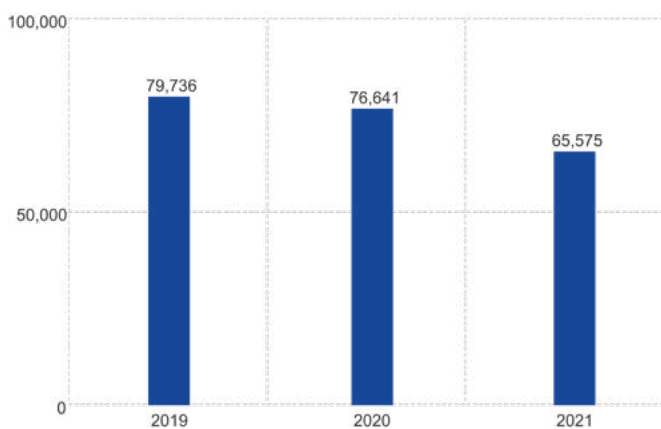
Earnings

Benefitting from rising interest rates in the first nine months of 2022, Bank of China's net operating income increased by 11.8% YoY to HK\$42.03 billion. Net interest income was HK\$29.3 billion, up 18.7%; while net interest margin was within market expectation, increased by 17 basic points YoY to 1.27%. Net fee and commission income decreased by 21.9% YoY to HK\$7.51 billion. The re-opening of the Hong Kong-Mainland China border would help boost the city's business activities, revive the economy, and hopefully improve the bank's net fee.

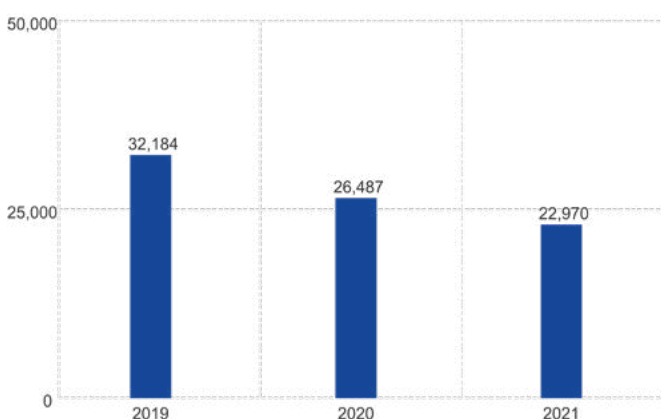




Turnover/Revenue (RMB million)



Profit/(loss) attributable to shareholders (RMB million)



Strategy

Bank of China's dividend pay-out has been relatively consistent in the past. The dividend yield is expected to be around 4.3%, with room for upward adjustment this year. Defensive stock as such is likely to remain stable amid market uncertainty, it is recommended to accumulate by phases.

Suggested :

- Buy HKD 26.5
- Target HKD 29
- Stop Loss HKD 26

US Market - Growth Stock

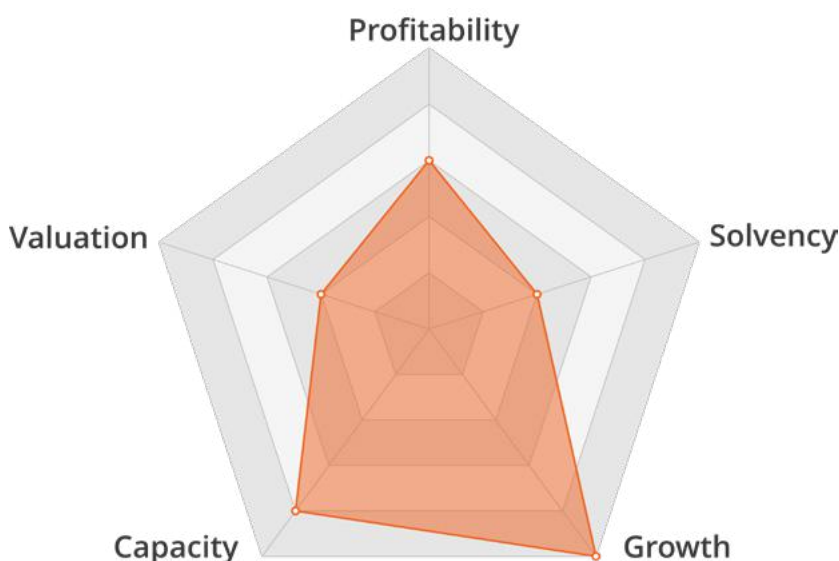
Lockheed Martin Corporation (LMT.US)

Overview

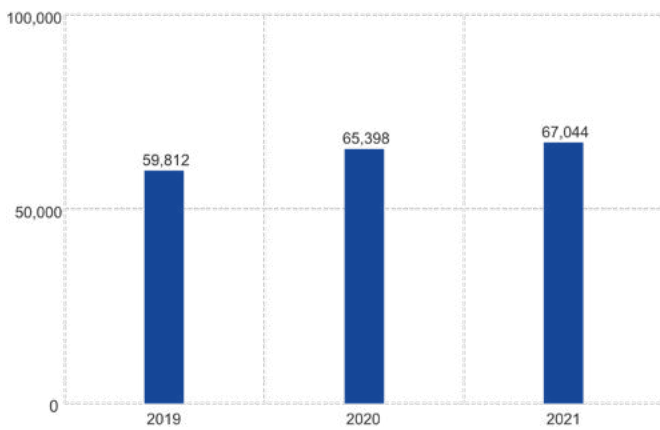
Lockheed Martin Corporation is the world's largest defence contractor for manufacturing and selling military aircraft, missiles and missile defence systems. As global geopolitical tensions continue, in particular the Russia-Ukraine war, Lockheed Martin would likely to benefit from the increase of defence spending by European countries and NATO's arms demands.

Earnings

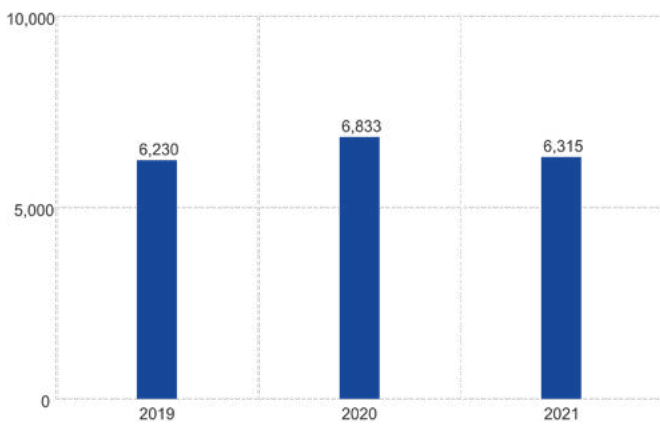
Lockheed Martin Corporation recorded Q3 2022 adjusted earnings of US\$6.87 per share, surpassing the market expectation of US\$6.72. The company's operating cash flow exceeded the market's forecast, up 62% to US\$3.13 billion, benefiting from the increased demand for Javelin missile systems and F-35 fighters in the wars in Ukraine and the Middle East. As of Q3 2022, the company's order backlog surged by US\$5 billion, reaching US\$140 billion. The company is currently experiencing disruptions caused by parts and manpower shortages. Pressure on cost and supply chain would hopefully be relieved this year. As European countries continue to increase their military procurement budget, the company is expected to maintain high growth this year. Lockheed Martin's stock price is also supported by the company's plan to repurchase US\$14 billion in stock over the coming three years.



Turnover/Revenue (USD million)



Profit/(loss) attributable to shareholders (USD million)



Strategy

Based on the current geopolitical environment, the market situation still favours Lockheed Martin this year. Upon market pullback of the stock price, it can be regarded as the initial purchase price.

Suggested :

- Buy USD 425
- Target USD 470
- Stop Loss USD 390



US Market - Dividend Stock

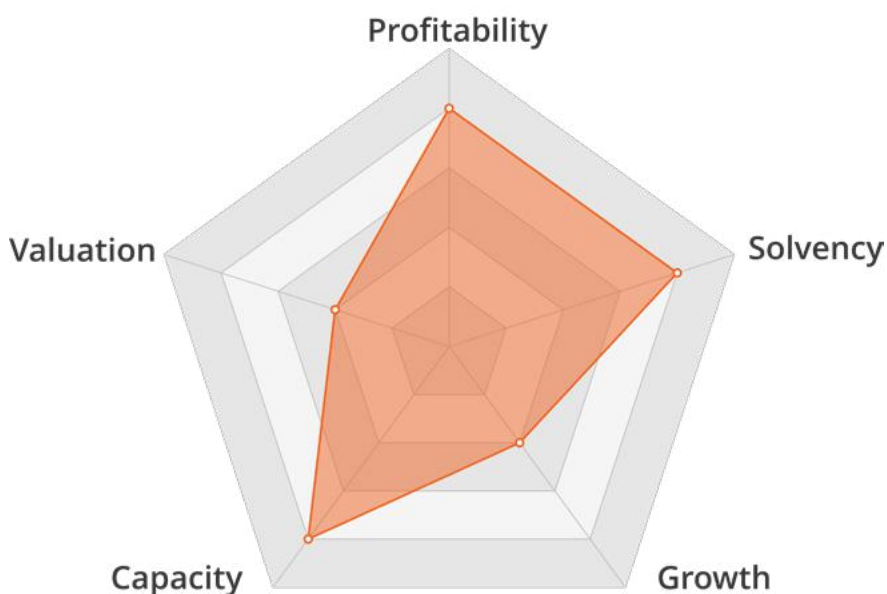
The Coca-Cola Company (KO.US)

Overview

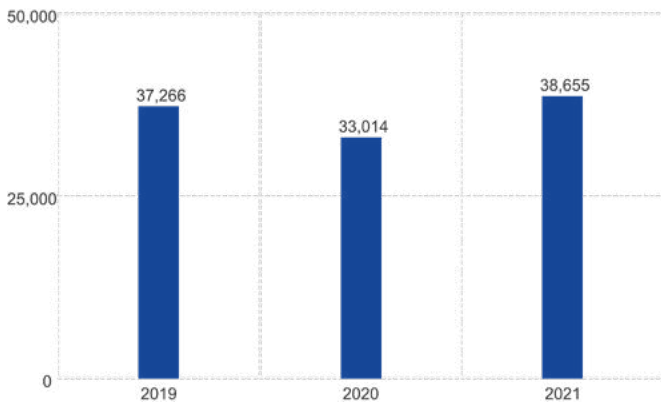
The Coca-Cola Company manufactures beverages such as carbonated drinks, water, sports drinks, juice and coffee, and sells through retailers and food service operators in over 200 countries and territories around the world. As part of the consumer staples sector, the company's business performance tends to be less affected by business cycles.

Earnings

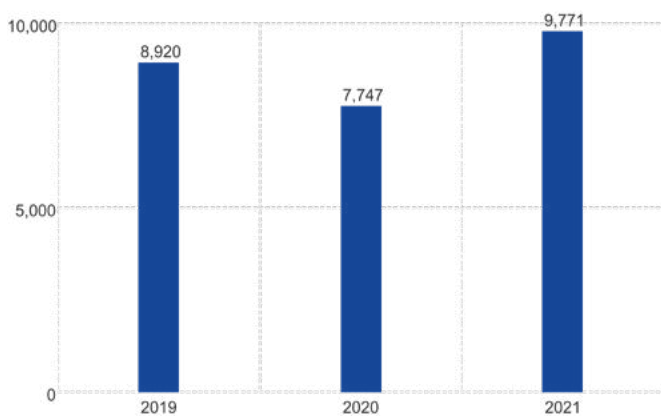
Company performance remains stable despite market fluctuations last year. Net revenue grew 10% to US\$11.05 billion in Q3 2022, surpassing market expectations, and benefited greatly from a 4% increase in global unit case volume. Market share is higher as compared to 2019, with a net income of US\$2.83 billion, up 14.6%. The company is optimistic about its outlook for 2023. It is expected that commodity prices would fall, which would further improve the company's gross profit margin. With around two-thirds of the company's revenue coming from overseas markets, a downtrend of the US dollar would help minimise its foreign exchange losses. The company would maintain growth this year despite a volatile business environment.



Turnover/Revenue (USD million)



Profit/(loss) attributable to shareholders (USD million)



Strategy

Although the short-term dividend payout may not seem appealing with a predicted dividend rate of around 2.5%, the company has been increasing its dividend per share in the past. As the company's products are less affected by the weakening macro environment and its stock price stays relatively stable, the Coca-Cola Company is the first choice when choosing to invest in defensive stocks.

Suggested :

- Buy USD 58
- Target USD 64
- Stop Loss USD 56



Valentine's Day Special



Valentine's Day is fast approaching and many couples would choose to travel to popular destinations such as Japan, Taiwan and Thailand to celebrate. As we enter into the post-pandemic era, tourism in various countries have started to revive with many attractions filled with visitor.

Travel insurance is a must!

Accidents would be happened anywhere and anytime during our travel. The most common one is flight delays. Flight delays are covered under most travel insurance plans. Delays would cause disappointment to your trip but travel insurance can help you minimise your money loss. For the past couple of years, COVID-19 protection has become a crucial part of many travel insurance plans. Even at post-pandemic today, there are still risks of COVID-19 variants that we need to be cautious of. This is why we all need insurance at times like these.

Insurance is the best gift of love

999 roses and 999.9 pure gold jewellery are some of the most popular gifts we see people receive on Valentine's Day. If you think this is not getting your other half enough likes on social media, how about gifting him or her a \$999,999 insurance policy as a lifetime promise?

Accidents would be happened anytime and anywhere in our lives. Don't be a liability to your loved ones, futureproof your life with better plans and protections today!





Do you have sufficient retirement funds for you and your spouse?

You and your spouse would experience many special moments throughout your relationship, but are you both well-prepared for your lives together when it is finally time to retire? Employees in Hong Kong must be all familiar with MPF and most of us are probably disappointed with how our MPF performed in the past year. The purpose of introducing the MPF by government was to ensure that we would all have sufficient funds to support our retirement life. Many of us are doubtful about how effective this approach has been.

As an employee, although we might not cease our contribution to MPF, we would like to maximize the return through better management. Are you aware that the best-performing and worst-performing funds had a 37% difference in 2022? If you are not familiar with how your MPF is performing, you are recommended to speak with an MPF specialist to understand more and be properly prepared for your future retirement life.



How much is enough for retirement?

In the “Hong Kong Retirement Expense Index” released by the Institute of Financial Planners of Hong Kong, the average monthly spending of a retiree is around HK\$13,000. Assuming the retirement age is 65 and with an average life expectancy of 85, retirees would need at least HK\$3.2 million to support a 20-year-long retirement life.



The most wanted gift for **Valentine's Day**

Are you racking your brain for a perfect gift for your special one in your life? It is not as difficult as you think. According to “CanCam” the Japanese magazine, as long as it is not something overly huge, strange or one of a kind; a simple and exquisite accessory could already bring so much joy to your loved ones.

If you are looking for a gift that is both meaningful and a store of value, why not consider gold jewellery?

Gold-related products have always been known for their value retention. The world was overwhelmed by inflation last year with many countries printing more money. People were purchasing assets to combat currency depreciation. In times like this, gold jewellery would be more secured than holding of any stocks.



Is now the best time to invest in gold ?

Price of gold has started to recover since November last year and is expected to rechallenge US\$2,000. With US dollar correction and volatility in the cryptocurrency market, gold is always the most sought-after asset in times of financial market instability. In fear of a hard landing for the US economy and inflation is still remaining high, the market is relatively optimistic about gold price performance this year. Rather than purchasing gold directly in person, gold ETF is a hassle-free and efficient way to invest in gold. All you need is a securities account.

Tips for choosing gold ETF

The sole assets of SPDR Gold Shares (2840.HK) and SPDR Gold Trust (GLD.US) are both gold bullion and they are designed to track the price of gold. Different from CSOP Gold Futures Daily (2x) Leveraged Product ETF (7299.HK), the latter uses futures and CFDs to track the performance of international gold prices and involves double leverage, which would be more suitable for more aggressive investors.

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Disclosure of Interest

Neither the analyst(s) preparing this report nor his associate has any financial interest in; or serves as an officer of the listed corporation covered in this report. The remuneration of the analyst(s) is not directly or indirectly related in any way to the particular opinions or views expressed in this report.

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