

## MARKET OVERVIEW

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Hong Kong stocks fell for a sixth day as investors are waiting for China economic data release on 15 Sept. Some Chinese property advanced after Country Garden (2007 HK) obtained approval from creditors to delay bond repayment deadlines. The Hang Seng Index was down 16pts to 18,009pts with a decline in daily turnover of HKD79.9b. Eyes on China economic data release this Friday.

## SECTOR / COMPANY NEWS

**BYD Co. (1211 HK, TP: HKD346.90, Buys: 94.7%, Not Rated)**

BYD officially launched its new Seal DM-i sedan in Shenzhen on 8 Sept, a new-generation mainstream mid-size sedan vehicle from its Ocean series. The model is available in six different configurations with a price range of RMB166.8k-236.8k. In terms of appearance, there is not much difference between the Seal DM-i and the Seal EV version, except for the front grille design. Meanwhile, the EV version adopts a closed front grille, while the DM-i version adopts a banner-style grille. In addition, the Seal DM-i has added a new exterior color called "Phantom Red". The in-vehicle system comes from BYD's DiLink Intelligent Network Connection System and uses a 6nm 5G chip for computing. At the same time, the new car is equipped with the DiPilot advanced driving assistance system. According to BYD, both fast charging and slow charging are supported in the model

**Sunny Optical (2382 HK, TP: HKD82.29, Buys: 65.1%, Not Rated)**

Sunny Optical's Aug shipment volume improved with most project recording YoY growth. Its handset len sets shipped 108.2m units (+17% YoY), while, vehicle len sets and handset camera modules shipment volume amounted to 8m (+14.8% YoY) and 52.9m (+36.8% YoY), respectively. The increase in shipment volume was mainly due to low base effect, an increase in customers' demands and the relief of the key components shortage in the auto supply chain. Considering the low base in 2H22, market believes Sunny Optical is able to achieve YoY growth rate in 2H23.

**Xtep Int'l (1368 HK, TP: HKD10.71, Buys: 97.6%, Not Rated)**

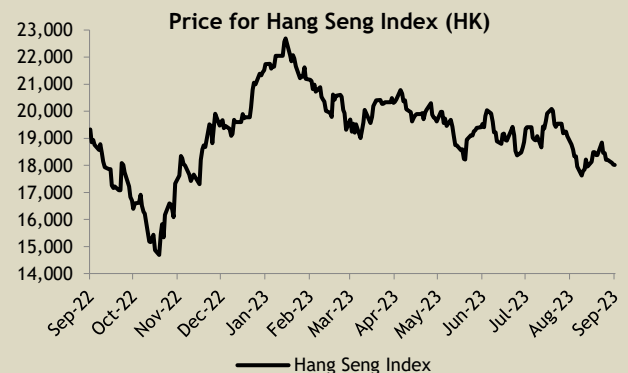
Xtep's 2023 interim results were largely in-line with revenue and net profit of RMB6.52b (+14.8% YoY) and RMB665.4m (+12.7% YoY), respectively. Possessing solid product capability and synergy with the core Xtep brand, Saucony became its first new brand to realize profit and recorded an operating profit of RMB19.1m for the first time. An interim dividend of HK13.7 cents per share was declared, equivalent to a dividend payout ratio of 50%. In Aug, Xtep organized a conference in Beijing to unveil the milestones of its "World-class Running Shoes of China Xtep" brand strategy upgrade and launched "160X 5.0 PRO" and "160X 5.0". Valuation-wise, Xtep is trading at 16.3x forward PER (vs. Anta Sports (2020 HK, PER of 23.5x and Li Ning (2331 HK, PER of 20.1x).

## Macau Gaming Weekly Performed Week on Typhoon Impact

**IDEAS OF  
THE DAY**

For the first 10 days of Sept, Macau recorded gross gaming revenue (GGR) of MOP4.3b, implying an average daily revenue (ADR) of MOP430m (vs. Aug of MOP555m). The decline was mainly due to weak seasonality and super Typhoon Saola. Casinos were temporarily closed on 1 Sept night and resumed operation at 8am on 2 Sept. MTD daily visit arrivals dropped to 60k-70k per day (vs. Aug of c.100k per day). We believe this was just one-off event, as investors should eye on upcoming Golden Week (GW) holiday. Macau government expects daily visitation to be c.80k-90k per day during GW holiday, while, we think the estimate is too conservative as Macau recorded c.98k visitation per day during May GW. Meanwhile, online travel agency data and hotel booking also show that the pace of travel and hotel bookings is tracking ahead of the May GW, showing strong travel demand.

Related stocks: Galaxy Ent. (27 HK), Wynn Macau (1128 HK)



Source: FactSet

Equity Indices	Last Close	Weekly Δ (%)	YTD Δ (%)	52-wk Low	52-wk High
HSI	18,009	-2.39%	-8.96%	14,597	22,701
Dow Jones	34,576	0.4%	4.3%	28,661	35,679
S&P500	4,467	0.0%	16.4%	3,492	4,607
Nasdaq	13,814	-0.42%	32.0%	10,089	14,447
Nikkei 225	32,707	-1.61%	25.3%	25,622	33,773
KLCI	1,454	-0.48%	-2.81%	1,373	1,502
SH Comp	3,123	-1.11%	1.1%	2,885	3,419
Kospi	2,535	-1.12%	13.3%	2,135	2,668
TWSE	16,582	-0.94%	17.3%	12,629	17,464
STI	3,219	-0.12%	-1.00%	2,969	3,408
JKSE	6,935	-0.86%	1.2%	6,543	7,377
SET	1,535	-0.87%	-7.99%	1,462	1,696

Source: FactSet

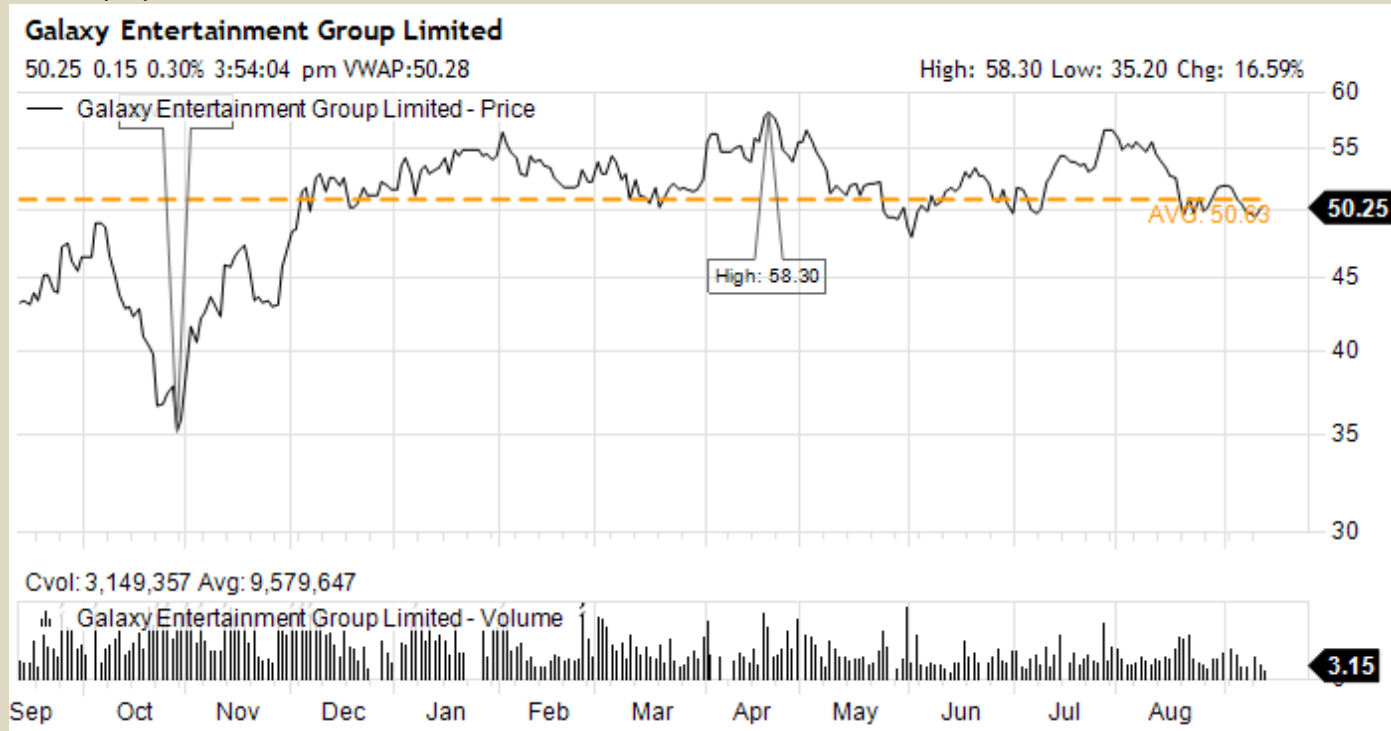
Note: Bloomberg consensus target price as of last trading day

## UPCOMING CALENDAR

**15 Sept:** China Aug Industrial Production YoY, Aug Retail Sales YoY, Aug Unemployment Rate; YTD Fixed Asset Investment  
**20 Sept:** China 1-year and 5-year Loan Prime Rate

## 1. (CHINA - HKEX) GALAXY ENTERTAINMENT GROUP LTD (27 HK)

Galaxy Entertainment Group Limited, through its subsidiary, operates casino, hotels, and other entertainment facilities in Macau. The Company also manufactures, sells, and distributes construction materials.



52w H	52w L	Estimates
HKD59.80	HKD33.55	P/E 24.50

Source: FactSet

## 2. (CHINA - HKEX) WYNN MACAU LTD (1128 HK)

Wynn Macau, Limited owns and operates Wynn Macau, a destination casino resort currently featuring hotel rooms and suites, a casino, casual and fine dining restaurants, retail space and leisure amenities.



52w H	52w L	Estimates
HKD10.32	HKD2.95	P/E 40.56

Source: FactSet

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