"Mai! Mai! Mai!"

✓ Hot money outflow is at its 2nd worst in history. But these are speculative weak hands. What is left is the strong hands with holding power.

✓ Foreign brokers in HK cutting stock positions, while the mainland counterparts holding still. HK ETF attracts some of the largest inflows in history.

✓ While the Hang Seng can see further downside, this is a time when excessive pessimism doesn't help anyone and starts to disagree with our contrarian-self.

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Chinese version:
《"Mai! Mai! Mai!"》

Hot Money Outflow 2nd Worst in History.

Mandarin is lilting when spoken. One of the challenges for foreigners to master mandarin speaking is the four tones. Same sound but different tones can have opposite meaning. For instance, "*mai3*" with falling-rising tone means "buy", but "*mai4*" with falling tone means "sell".

Such subtle differences in the intonation of a same sound but contrary meanings sum up the impasse confronting the Chinese market – valuation is at levels unseen before and screaming "*mai3*" with falling-rising tone, but Hong Kong is rife with risks and wailing "*mai4*" with falling tone. Our tentative knife-catching trade suffered a small loss of less than 1% and was stopped out. Nonetheless, losing money never feels good.

Figure 1: Estimated hot money flowing out of China is second worst in history.
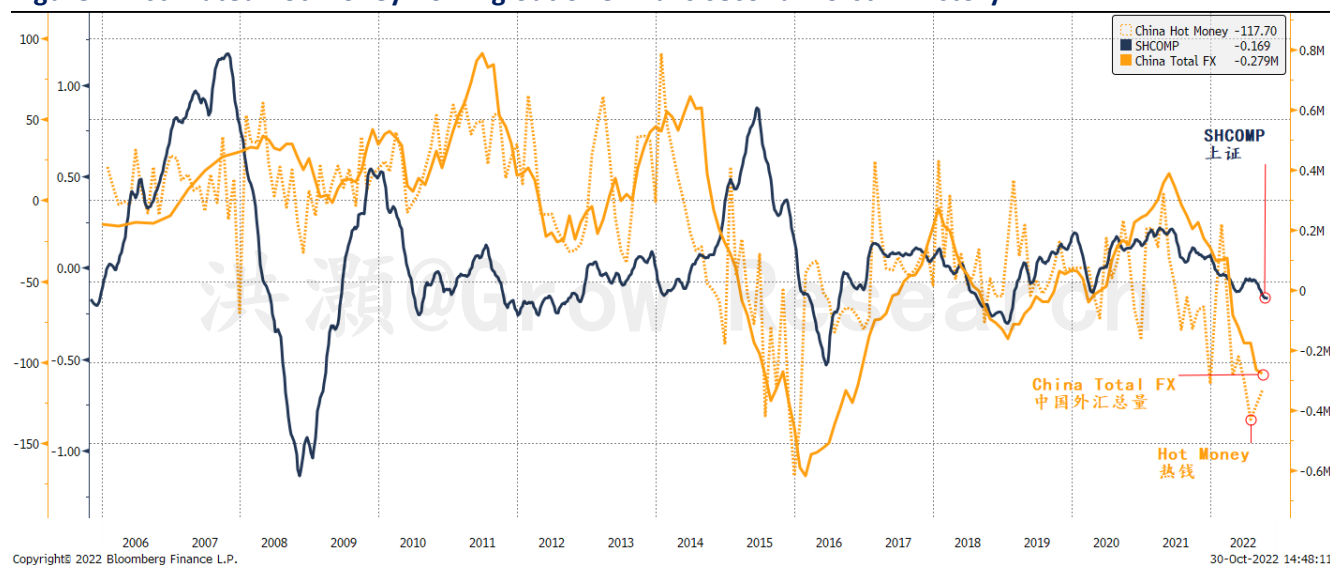

Source: Bloomberg, GROW Research

Our data and estimates show that "hot money", the cross-border capital flows unexplained by changes in current and financial/capital accounts, is once again flowing out. Indeed, we estimate that the extent of hot-money outflow is close to its worst between mid-2015 to early 2016 after the burst of Chinese stock bubble. Hot money flows tend to exacerbate market volatility and exit at the most inconvenient time when the market needs support the most – like it was in 2015 and probably now (**Figure 1**).

That said, just because some are selling does not necessarily mean the market would have to go down – if there are more buyers than sellers. We note that while the absolute size of hot money outflow appears to be similar to that of 2015, but the Chinese economy and its market value are substantially larger. As such, hot money outflow of the similar magnitude now means much less to the Chinese market and thus has less sway.

Meanwhile, the HKMA is engaged in epic battle with the HKD sellers. The market intervention to stop the HKD from depreciating beyond its weaker bound by Hong Kong's de facto central bank is the largest in amount and most frequent in history of the peg (**Figure 2**). As a result, the decline in HKMA's FX reserve is the largest and the fastest in history. Embattled by sellers from all fronts, the Hang Seng appears almost defenseless, and cannot stop falling.

Figure 2: Embattled HKMA burning through its FX reserve like never before. But Hang Seng slumping.


Source: Bloomberg, GROW Research
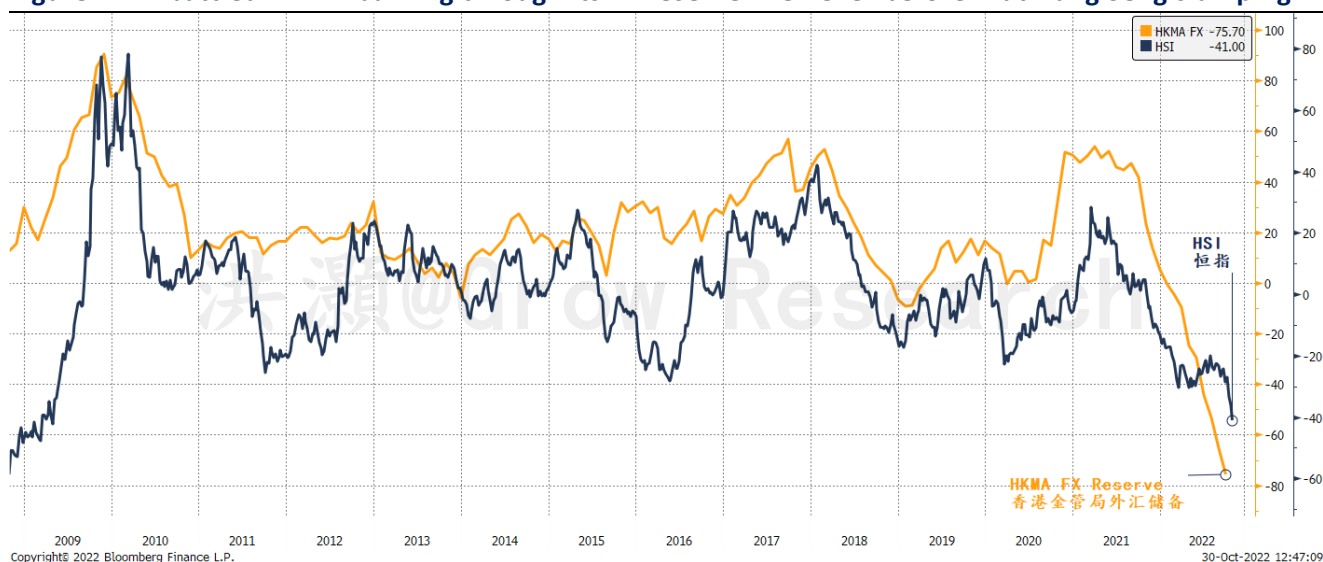
In sum, both the PBoC and the HKMA are engaged in battles against capital outflow. The magnitude and the pace of falling in their FX reserves are testaments of the formidable challenges. As the Fed continues to tighten and the global economy slowly sinks into a recession, capital will continue to seek shelter in the USD. Unfortunately, it is the flaw in the current USD hegemony. There isn't much we could do about it but to keep our chin up.
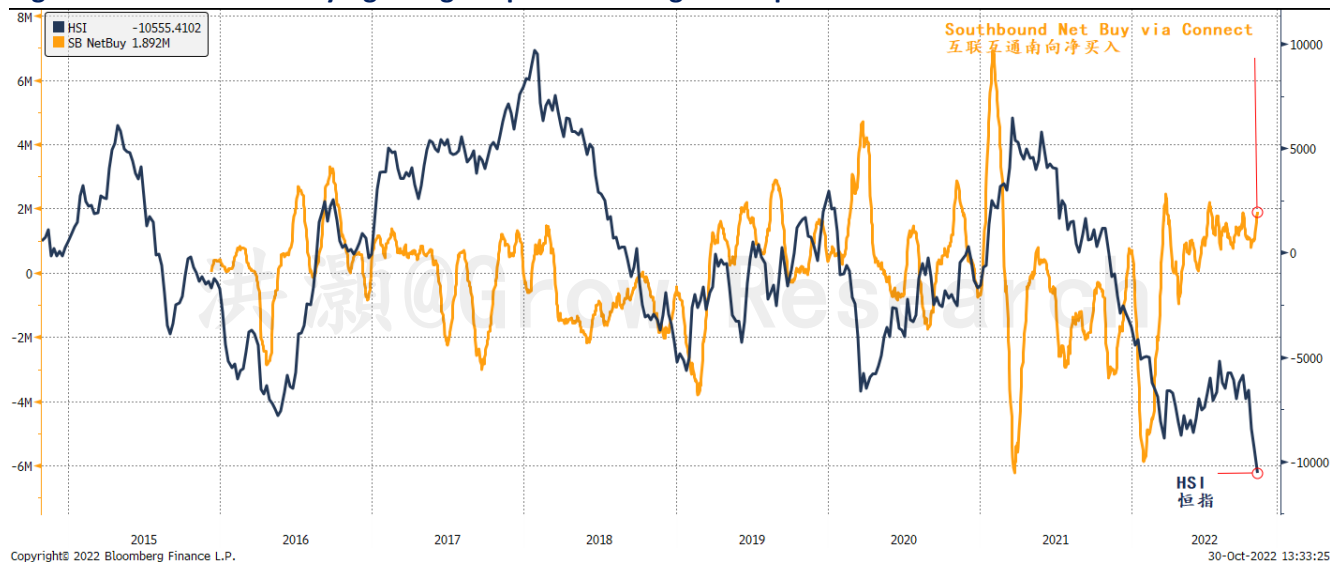
But the Brave is Buying.

At turbulent times like this, it is natural to assume that everyone is selling. But our data are suggesting some are indeed buying. Our record shows that weekly money flow into the biggest Hong Kong ETF (**2800.HK**) is the highest in history in recent weeks, despite dramatic plunge in the Hong Kong market. And the cumulative money flow into this ETF stands at all time high (**Figure 3**).

Figure 3: Money flowing into HK ETFs at record speed.

Source: Bloomberg, GROW Research
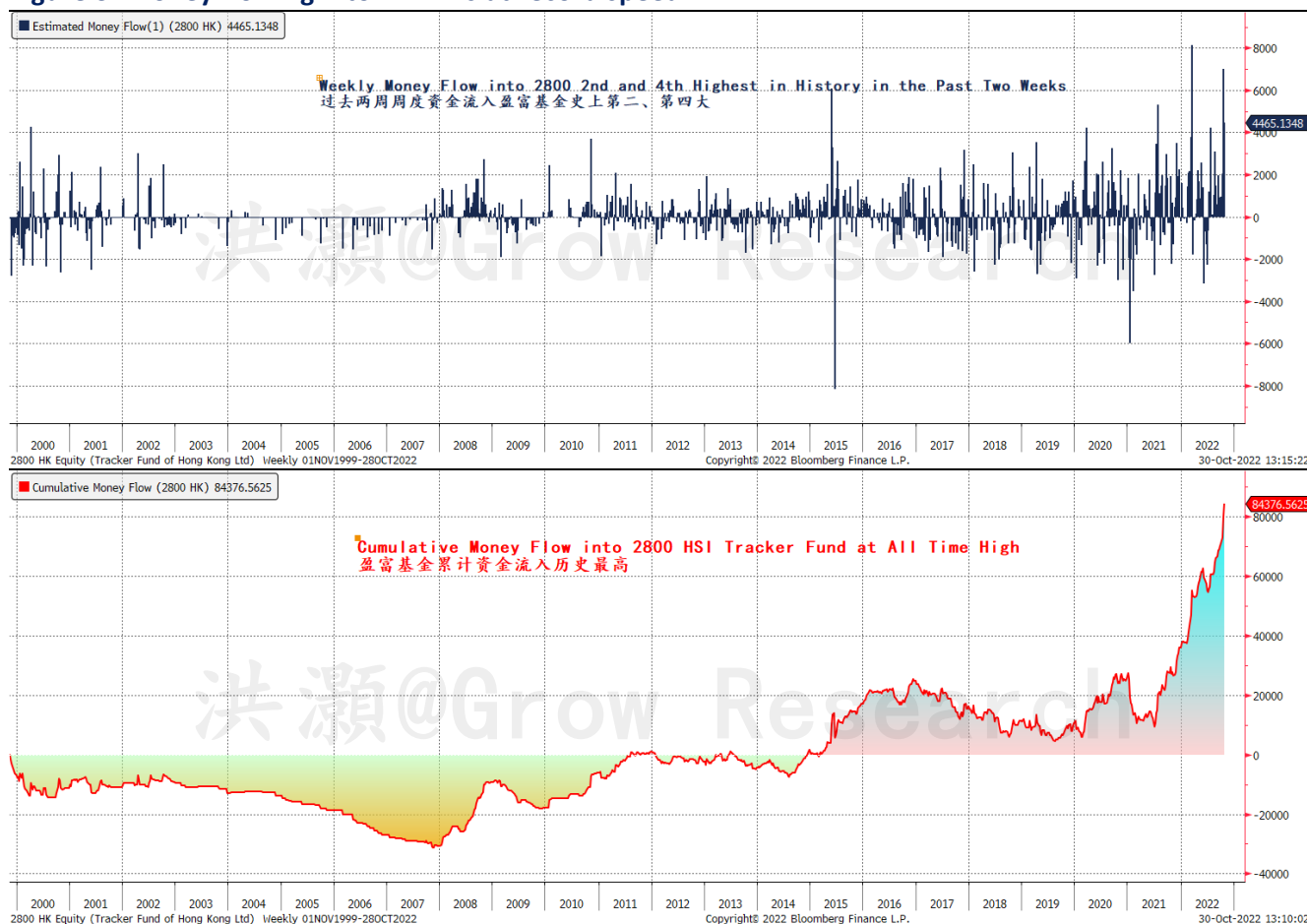
Meanwhile, Southbound net buying via the Connect Scheme is rising – contrary to popular assumption and is diverging from the falling Hang Seng (**Figure 4**). It can be considered as a vote of confidence from the mainland investors. In the past two years, this money has shown uncanny prescience, spotting the market top in Hong Kong twice – once in early 2021 and then again in early 2022. As such, while the buying by this money has not yet translate into a market bottom, its shrewd and contrarian nature makes its buying significant for a market mired in distress.

Disclosures and disclaimer at the back forms part of this report and must be read.

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Figure 4: Southbound buying rising despite HSI being under pressure.

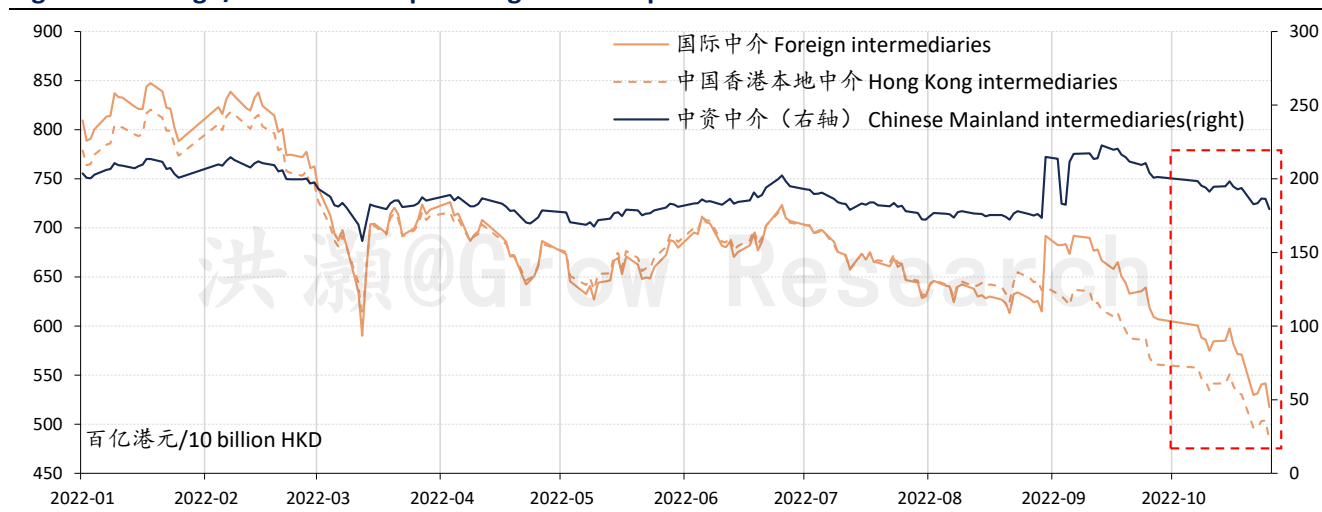Source: Bloomberg, GROW Research

Disparity between mainland and foreign brokers in HK.

If the central bank is intervening by buying the HKD with its FX reserve, mainland investors are net long via the Connect Scheme while the biggest HK-focused ETF is attracting the largest inflow in years, who is selling?

We note that the market value of positions in foreign brokers in HK is falling, while the mainland brokers are largely steady. The divergence started after July, and really accelerated into October. **Figure 5** clearly tells us who is selling.

Figure 5: Foreign/HK brokers liquidating HK stock positions. But mainland brokers didn't.

Source: Wind, GROW Research

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Conclusion

"Hot money" is once again flowing out at a speed like 2015 after the burst of the Chinese stock bubble. Meanwhile, the HKMA is burning through its FX reserve to defend the HKD peg. Foreign brokers in HK are cutting their positions and diverging from the positions of the mainland brokers.

But mainland money has been buying via the Connect Scheme, and its prescience shown through its trading around the two significant market peaks in early 2021 and 2022 should be noted. And the largest HK-focused ETF is attracting some of the biggest inflows in its history, with cumulative inflow at all-time high.

At times like these, there are reasons to both "*mai3*" and "*mai4*". There won't be a clear intonation for these confusing Chinese words as soon as we would like. But with many market indicators at their historical extremes, the difference between "buy" and "sell" can be as nuanced as how the Chinese pronounce "*mai*" and "*mai*".

Appendix Figure 1: Performance of major asset classes (weekly)

Asset Class			28/10/2022	21/10/2022	14/10/2022	7/10/2022	30/9/2022	23/9/2022	16/9/2022	9/9/2022	2/9/2022	26/8/2022	19/8/2022
MSCI Index													
	MSCI World		3.5%	3.2%	-1.9%	1.7%	-2.6%	-5.0%	-4.1%	2.6%	-3.3%	-2.9%	-1.6%
	MSCI DM		4.0%	3.5%	-1.7%	1.6%	-2.5%	-5.1%	-4.2%	3.0%	-3.3%	-3.5%	-1.7%
	MSCI EM		-2.2%	0.2%	-3.8%	2.5%	-3.3%	-4.1%	-2.7%	-0.2%	-3.4%	0.5%	-1.5%
	MSCI China		-9.0%	-2.7%	-6.2%	1.5%	-2.6%	-5.7%	-4.4%	-0.3%	-3.2%	3.0%	-1.9%
	MSCI AC Asia Ex. Japan		-2.6%	-1.4%	-4.2%	2.0%	-3.7%	-4.3%	-2.7%	-0.2%	-3.3%	0.2%	-1.3%
	MSCI Europe		3.5%	1.8%	-0.2%	1.0%	-0.6%	-4.3%	-2.8%	1.0%	-2.4%	-2.5%	-0.6%
Stock													
	U.S.	S&P 500	4.0%	4.7%	-1.6%	1.5%	-2.9%	-4.6%	-4.8%	3.6%	-3.3%	-4.0%	-1.2%
	Chinese Mainland	SHCOMP	-4.0%	-1.1%	1.6%	0.0%	-2.1%	-1.2%	-4.2%	2.4%	-1.5%	-0.7%	-0.6%
		SZCOMP	-4.5%	-0.9%	3.8%	0.0%	-2.6%	-2.1%	-5.3%	1.4%	-2.5%	-2.8%	0.0%
	HK SAR, China	HSI	-8.8%	-2.3%	-6.5%	3.0%	-4.0%	-4.4%	-3.1%	-0.5%	-3.6%	2.0%	-2.0%
	Japan	Nikkei 225	0.8%	-0.7%	-0.1%	4.5%	-4.5%	-1.5%	-2.3%	2.0%	-3.5%	-1.0%	1.3%
	South Korea	KOSPI	0.0%	0.0%	-0.9%	3.6%	-5.9%	-3.9%	-0.1%	-1.0%	-2.9%	-0.5%	-1.4%
	Germany	DAX	4.0%	2.4%	1.3%	1.3%	-1.4%	-3.6%	-2.7%	0.3%	0.6%	-4.2%	-1.8%
	U.K.	FTSE 100	1.1%	1.6%	-1.9%	1.4%	-1.8%	-3.0%	-1.6%	1.0%	-2.0%	-1.6%	0.7%
	France	CAC 40	3.9%	1.7%	1.1%	1.8%	-0.4%	-4.8%	-2.2%	0.7%	-1.7%	-3.4%	-0.9%
Bloomberg Barclays Indices													
	Global		2.5%	-0.7%	-1.4%	-0.4%	-0.7%	-2.4%	-0.9%	-0.8%	-1.3%	-0.7%	-1.9%
	China		0.1%	-0.7%	-1.1%	0.0%	0.0%	-1.2%	-1.5%	-0.1%	-0.4%	-0.8%	-0.5%
	Global + China		2.5%	-0.7%	-1.4%	-0.4%	-0.7%	-2.4%	-0.9%	-0.8%	-1.3%	-0.7%	-1.9%
	U.S.		1.7%	-1.1%	-1.2%	-0.8%	-1.0%	-1.6%	-0.9%	-0.7%	-1.0%	-0.4%	-0.9%
	Europe		4.0%	0.2%	-1.8%	-0.6%	0.0%	-4.8%	-0.5%	-0.8%	-0.8%	-1.6%	-3.7%
	Asian Pacific		1.7%	-1.4%	-2.0%	0.1%	-1.0%	-1.0%	-1.1%	-1.0%	-1.6%	-0.7%	-1.7%
	EM		2.0%	-1.2%	-1.7%	0.1%	-2.4%	-1.8%	-1.1%	0.2%	-1.6%	0.1%	-1.1%
	Treasuries		2.8%	-0.7%	-1.5%	-0.5%	-0.6%	-2.4%	-0.8%	-1.0%	-1.4%	-0.8%	-2.2%
	Corporate		2.4%	-0.7%	-1.5%	-0.1%	-1.4%	-2.5%	-1.0%	-0.4%	-1.5%	-0.5%	-1.9%
	High Yield		2.8%	0.0%	-1.4%	1.1%	-1.9%	-2.4%	-1.6%	1.1%	-1.8%	-0.5%	-1.7%
Commodity													
Bloomberg Commodity Index			0.4%	-2.1%	-3.0%	5.1%	-0.8%	-3.7%	-1.5%	-0.5%	-4.4%	1.9%	-0.7%
	Energy		3.5%	-7.0%	-5.0%	10.9%	-0.6%	-6.9%	-3.5%	-4.0%	-6.8%	1.7%	3.0%
		Natural Gas	3.5%	-18.3%	-3.1%	-0.2%	-3.3%	-10.5%	-2.9%	9.1%	-5.2%	-0.5%	6.5%
		WTI Crude	3.2%	0.5%	-7.1%	16.5%	1.0%	-7.1%	-1.9%	-0.1%	-6.4%	2.5%	-0.8%
		Brent Crude	2.7%	1.3%	-6.0%	14.8%	-0.1%	-5.5%	-2.2%	-0.3%	-6.0%	3.0%	-0.8%
		Heating Oil	4.4%	-1.3%	-3.8%	24.7%	2.0%	0.7%	-10.9%	0.2%	-8.9%	6.9%	4.7%
		Unleaded Gasoline	3.4%	0.7%	-5.8%	15.4%	2.7%	-2.8%	-0.8%	-0.5%	-7.5%	-3.1%	0.4%
	Precious Metal		-0.4%	1.6%	-5.2%	3.2%	0.9%	-1.8%	-1.8%	1.3%	-2.3%	-1.0%	-4.1%
		Gold	-0.7%	0.4%	-3.5%	2.3%	1.0%	-1.7%	-2.5%	0.3%	-1.5%	-0.7%	-2.9%
		Silver	0.4%	5.5%	-10.8%	6.4%	0.7%	-2.4%	3.8%	5.0%	-5.0%	-1.8%	-8.0%
	Industrial Metal		-0.9%	-0.5%	-0.6%	2.8%	-1.9%	-4.6%	0.6%	4.1%	-8.2%	1.1%	-1.8%
		Aluminum	-1.8%	1.5%	1.1%	-0.8%	2.1%	-4.9%	-1.4%	4.5%	-7.7%	0.7%	-0.2%
		Copper	0.1%	-4.2%	0.5%	6.5%	-0.2%	-5.0%	-0.5%	-0.5%	-8.1%	4.5%	-2.0%
		Nickel	-3.6%	-0.2%	-1.4%	0.4%	-0.6%	-4.8%	-0.8%	1.1%	-12.1%	2.4%	-2.6%
		Zinc	0.8%	0.8%	-3.2%	6.4%	-9.9%	-3.7%	5.4%	12.0%	-5.1%	-2.8%	-3.4%
	Agriculture		-1.9%	0.8%	-0.7%	0.7%	-1.2%	-0.8%	-0.2%	1.2%	-2.0%	4.9%	-3.8%
		Grains	-1.0%	-0.8%	0.1%	-0.8%	0.0%	0.1%	0.8%	2.8%	-0.8%	5.0%	-4.0%
		Softs	-7.5%	-3.0%	-3.7%	1.5%	-1.2%	-0.2%	-4.0%	0.3%	-4.8%	5.5%	-1.8%
	Livestock		-0.8%	4.8%	1.8%	0.8%	-3.2%	-3.0%	1.6%	1.7%	0.5%	-1.6%	-2.1%
		Live Cattle	0.4%	3.1%	-0.2%	0.7%	-1.0%	-1.6%	-0.1%	0.8%	1.0%	-1.5%	0.5%
		Lean Hogs	-3.4%	8.4%	6.6%	1.2%	-7.9%	-5.9%	5.5%	3.4%	-0.7%	-2.7%	-6.9%
Foreign Exchange													
	US Dollar Index		-1.1%	-1.1%	0.5%	0.6%	-0.9%	3.1%	0.7%	-0.5%	0.7%	0.6%	2.4%
	USDCNY		0.5%	0.5%	1.1%	0.0%	-0.2%	2.0%	0.9%	0.4%	0.4%	0.8%	1.1%
	MSCI EM Currency		0.2%	-0.4%	-0.8%	0.1%	-0.4%	-1.1%	-1.0%	-0.2%	-0.8%	-0.1%	-1.0%
	USDHKD		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
	JPYUSD		0.0%	-0.7%	2.4%	0.4%	1.0%	0.8%	0.3%	1.6%	1.9%	0.5%	2.7%
	EURUSD		1.0%	1.4%	-0.2%	-0.5%	1.2%	-3.3%	-0.3%	0.9%	-0.1%	-0.7%	-2.2%
	GBPUSD		2.8%	1.2%	0.8%	-0.8%	2.9%	-4.9%	-1.5%	0.7%	-2.0%	-0.7%	-2.5%

Source: Bloomberg, GROW Research (Updated on 10/29/2022, same below)

GROW Investment Group

Figure 2: Performance of major asset classes (annual)

Asset Class		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
MSCI Index															
MSCI World		-22.0%	16.8%	14.3%	24.0%	-11.2%	21.6%	5.6%	-4.3%	2.1%	20.3%	13.4%	-9.4%	10.4%	31.5%
MSCI DM		-20.8%	20.1%	14.1%	25.2%	-10.4%	20.1%	5.5%	-2.7%	2.9%	24.1%	13.2%	-7.6%	9.6%	27.0%
MSCI EM		-31.4%	-4.6%	15.8%	15.4%	-16.6%	34.3%	8.6%	-17.0%	-4.6%	-5.0%	15.1%	-20.4%	16.4%	74.5%
MSCI China		-42.7%	-22.4%	26.7%	20.4%	-20.3%	52.3%	-1.4%	-10.1%	4.7%	0.4%	18.7%	-20.4%	2.5%	58.9%
MSCI AC Asia Ex. Japan		-33.7%	-6.4%	22.5%	15.4%	-18.4%	38.7%	2.9%	-11.3%	2.2%	0.7%	19.4%	-19.2%	17.0%	68.3%
MSCI Europe		-14.6%	22.4%	-5.4%	22.2%	-15.1%	7.8%	-0.5%	5.5%	4.1%	16.4%	13.4%	-10.9%	8.0%	27.1%
Stock															
U.S.	S&P 500	-18.2%	26.9%	16.3%	28.9%	-6.2%	19.4%	9.5%	-0.7%	11.4%	29.6%	13.4%	0.0%	12.8%	23.5%
Chinese Mainland	SHCOMP	-19.9%	4.8%	13.9%	22.3%	-24.6%	6.6%	-12.3%	9.4%	52.9%	-6.7%	3.2%	-21.7%	-14.3%	80.0%
	SZCOMP	-25.7%	8.6%	35.2%	35.9%	-33.2%	-3.5%	-14.7%	63.2%	33.8%	20.0%	1.7%	-32.9%	7.5%	117.1%
HK SAR, China	HSI	-36.5%	-14.1%	-3.4%	9.1%	-13.6%	36.0%	0.4%	-7.2%	1.3%	2.9%	22.9%	-20.0%	5.3%	52.0%
Japan	Nikkei 225	-5.9%	4.9%	16.0%	18.2%	-12.1%	19.1%	0.4%	9.1%	7.1%	56.7%	22.9%	-17.3%	-3.0%	19.0%
South Korea	KOSPI	-25.8%	3.6%	30.8%	7.7%	-17.3%	21.8%	3.3%	2.4%	-4.8%	0.7%	9.4%	-11.0%	21.9%	49.7%
Germany	DAX	-16.6%	15.8%	3.5%	25.5%	-18.3%	12.5%	6.9%	9.6%	2.7%	25.5%	29.1%	-14.7%	16.1%	23.8%
U.K.	FTSE 100	-4.6%	14.3%	-14.3%	12.1%	-12.5%	7.6%	14.4%	-4.9%	-2.7%	14.4%	5.8%	-5.6%	9.0%	22.1%
France	CAC 40	-12.3%	28.9%	-7.1%	26.4%	-11.0%	9.3%	4.9%	8.5%	-0.5%	18.0%	15.2%	-17.0%	-3.3%	22.3%
Bloomberg Barclays Indices															
Global		-19.9%	-4.7%	9.2%	6.8%	-1.2%	7.4%	2.1%	-3.2%	0.6%	-2.6%	4.3%	5.6%	5.5%	6.9%
China		-8.5%	8.5%	9.8%	3.4%	3.6%	6.2%	-5.2%	3.9%	8.0%	1.3%	5.1%	9.2%	6.4%	1.8%
Global + China		-19.9%	-4.7%	9.2%	6.6%	-0.9%	7.8%	1.7%	-2.9%	0.9%	-2.5%	4.3%	5.8%	5.6%	6.8%
U.S.		-15.4%	-1.5%	7.5%	8.7%	0.0%	3.5%	2.6%	0.5%	6.0%	-2.0%	4.2%	7.8%	6.5%	5.9%
Europe		-26.2%	-9.7%	13.4%	4.1%	-4.4%	14.6%	0.3%	-9.3%	-2.4%	6.8%	12.9%	-0.1%	-4.5%	10.4%
Asian Pacific		-19.1%	-5.0%	6.5%	3.7%	2.7%	5.2%	5.3%	-0.5%	-6.8%	-14.6%	-7.0%	7.3%	17.2%	0.0%
EM		-21.0%	-1.7%	6.5%	13.1%	-2.5%	8.2%	9.9%	1.3%	4.8%	-4.1%	17.9%	7.0%	12.8%	34.2%
Treasuries		-21.3%	-6.6%	9.5%	5.6%	-0.4%	7.9%	1.7%	-3.3%	-0.8%	-4.3%	1.8%	6.5%	5.9%	2.6%
Corporate		-20.9%	-2.9%	10.4%	11.5%	-3.6%	9.1%	4.3%	-3.6%	3.1%	0.8%	11.2%	4.5%	5.8%	19.2%
High Yield		-17.1%	1.0%	7.0%	12.6%	-4.1%	10.4%	14.3%	-2.7%	0.0%	7.3%	19.6%	3.1%	14.8%	59.4%
Commodity															
Bloomberg Commodity Index		12.7%	27.1%	-3.5%	5.4%	-13.0%	0.7%	11.4%	-24.7%	-17.0%	-9.6%	-1.1%	-13.4%	16.7%	18.7%
Energy		50.3%	52.1%	-42.9%	9.4%	-14.4%	-5.2%	15.9%	-38.9%	-39.4%	5.1%	-9.4%	-16.0%	-10.7%	-5.5%
	Natural Gas	50.9%	27.9%	-42.2%	-38.5%	-2.1%	-37.0%	10.0%	-40.0%	-30.7%	4.9%	-30.7%	-47.1%	-40.7%	-51.6%
	WTI Crude	32.4%	61.5%	-50.9%	31.6%	-22.0%	4.1%	6.7%	-44.4%	-41.7%	6.8%	-11.8%	-3.7%	3.7%	4.2%
	Brent Crude	47.0%	65.5%	-31.8%	32.7%	-16.6%	13.2%	25.0%	-45.6%	-47.6%	7.2%	7.5%	16.8%	11.3%	28.4%
	Heating Oil	109.2%	58.2%	-38.5%	22.0%	-17.4%	13.9%	33.0%	-42.9%	-38.8%	0.8%	5.4%	10.6%	8.2%	20.3%
	Unleaded Gasoline	48.4%	69.5%	-31.2%	41.5%	-28.7%	1.8%	6.1%	-12.7%	-43.8%	1.9%	25.6%	14.4%	12.9%	74.4%
Precious Metal		-13.5%	-6.1%	25.1%	14.6%	-6.4%	9.9%	9.1%	-11.5%	-6.7%	-30.8%	6.2%	4.5%	42.5%	29.0%
	Gold	-11.7%	-4.3%	20.5%	15.6%	-4.7%	11.7%	7.4%	-10.9%	-1.8%	-28.7%	6.0%	9.6%	28.5%	22.7%
	Silver	-19.4%	-12.3%	41.9%	11.5%	-11.9%	4.8%	13.6%	-12.8%	-20.5%	-36.7%	7.0%	-10.2%	81.6%	47.4%
Industrial Metal		-16.4%	30.3%	15.9%	4.7%	-21.1%	28.1%	19.5%	-26.9%	-6.9%	-13.7%	0.6%	-24.3%	16.1%	79.7%
	Aluminum	-25.9%	27.0%	22.8%	5.0%	-21.8%	28.0%	15.4%	-25.2%	-16.6%	-8.8%	4.9%	-24.5%	29.4%	129.6%
	Copper	-21.8%	38.9%	3.5%	-5.8%	-18.5%	29.9%	9.4%	-28.0%	-3.1%	-20.8%	4.1%	-21.7%	5.2%	33.6%
	Nickel	-17.0%	27.9%	18.1%	-3.2%	-21.9%	28.5%	56.9%	-28.0%	3.6%	-7.0%	8.9%	-27.8%	-9.0%	98.0%
	Zinc	6.5%	25.1%	16.2%	29.8%	-18.0%	24.4%	11.5%	-42.7%	7.3%	-20.1%	-10.3%	-24.7%	32.0%	54.6%
Agriculture		9.8%	26.6%	16.0%	-0.4%	-12.5%	-11.9%	1.8%	-15.7%	-9.8%	-14.3%	3.9%	-14.4%	38.3%	13.5%
	Grains	14.8%	20.9%	18.9%	-3.2%	-7.4%	-12.1%	-6.2%	-19.5%	-9.4%	-16.9%	18.1%	-14.5%	30.1%	-1.8%
	Softs	-13.9%	43.9%	2.5%	2.1%	-25.8%	-15.6%	12.8%	-9.9%	-10.1%	-16.9%	-22.5%	-14.0%	59.7%	44.0%
Livestock		4.6%	8.6%	-25.7%	-8.0%	-3.6%	5.4%	-5.9%	-18.9%	11.5%	-3.6%	-3.6%	-2.4%	9.1%	-15.2%
	Live Cattle	0.7%	-0.1%	-18.2%	-0.9%	0.5%	8.1%	-7.7%	-14.3%	22.0%	-5.1%	-4.0%	-1.1%	14.8%	-9.9%
	Lean Hogs	13.0%	25.1%	-30.8%	-20.9%	-12.7%	1.8%	-3.8%	-26.1%	-4.4%	-2.1%	-3.0%	-4.6%	0.2%	-21.6%
Foreign Exchange															
US Dollar Index		15.8%	6.4%	-6.7%	0.2%	4.4%	-9.9%	3.6%	9.3%	12.8%	0.3%	-0.5%	1.5%	1.5%	-4.2%
USDCNY		14.1%	-2.6%	-6.3%	1.2%	5.7%	-6.8%	6.9%	4.6%	2.5%	-2.8%	-1.0%	-4.5%	-3.4%	0.0%
MSCI EM Currency		-8.3%	0.9%	3.8%	3.1%	-3.8%	11.4%	3.5%	-7.1%	-4.3%	-1.9%	5.5%	-2.6%	7.9%	13.9%
USDHKD		0.7%	0.6%	-0.5%	-0.5%	0.2%	0.7%	0.1%	-0.1%	0.0%	0.0%	-0.2%	-0.1%	0.2%	0.1%
JPYUSD		28.3%	11.5%	-4.9%	-1.0%	-2.7%	-3.7%	-2.7%	0.4%	13.7%	21.4%	12.8%	-5.2%	-12.8%	2.5%
EURUSD		-12.4%	-6.9%	8.9%	-2.2%	-4.5%	14.1%	-3.2%	-10.2%	-12.0%	4.2%	1.8%	-3.2%	-6.5%	2.5%
GBPUSD		-14.2%	-1.0%	3.1%	3.9%	-5.6%	9.5%	-16.3%	-5.4%	-5.9%	1.9%	4.6%	-0.4%	-3.5%	10.8%

Source: Bloomberg, GROW Research

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Figure 3: Performance of major stock market sectors (weekly)

	28/10/2022	21/10/2022	14/10/2022	7/10/2022	30/9/2022	23/9/2022	16/9/2022	9/9/2022	2/9/2022	26/8/2022	19/8/2022
S&P 500 GICS Groups Index											
S&P 500 GICS Groups Index	3.95%	4.74%	-1.55%	1.51%	-2.91%	-4.65%	-4.77%	3.65%	-3.29%	-4.04%	-1.21%
Info. Tech.	4.28%	6.49%	-3.23%	1.64%	-4.19%	-3.59%	-6.12%	3.24%	-4.98%	-5.58%	-1.71%
Industrials	6.73%	4.65%	-0.56%	2.86%	-2.37%	-4.55%	-6.38%	3.39%	-3.59%	-3.45%	-1.05%
Materials	3.34%	6.15%	-1.89%	2.15%	-0.73%	-5.67%	-6.65%	4.94%	-4.99%	-1.33%	-2.45%
Consumer Staples	6.09%	2.16%	1.45%	-0.40%	-3.96%	-2.15%	-3.63%	1.92%	-2.38%	-3.33%	1.94%
Health Care	5.00%	2.29%	0.80%	1.30%	-1.38%	-3.38%	-2.38%	4.35%	-1.79%	-4.32%	-0.57%
Consumer Discretionary	0.71%	5.64%	-4.09%	-1.12%	-2.38%	-7.02%	-4.15%	5.62%	-2.66%	-4.75%	-1.58%
Financials	6.19%	3.93%	0.20%	1.84%	-2.43%	-5.58%	-3.81%	4.38%	-2.51%	-3.58%	-1.72%
Energy	2.75%	8.08%	-1.85%	13.86%	1.83%	-9.00%	-2.60%	0.60%	-3.31%	4.27%	0.99%
Real Estate	6.17%	2.79%	-2.36%	-4.15%	-3.95%	-6.44%	-6.48%	4.13%	-3.94%	-3.83%	-1.94%
Utilities	6.48%	1.95%	-2.58%	-2.63%	-8.81%	-3.05%	-3.82%	3.68%	-1.57%	-2.60%	1.23%
Telecom	-2.85%	5.03%	-1.86%	1.47%	-3.03%	-5.10%	-6.43%	2.85%	-2.37%	-4.82%	-3.28%
Shanghai Stock Exchange Sector Index											
Info.Tech.	2.05%	2.80%	1.14%	0.00%	-3.02%	-6.60%	-3.22%	0.23%	0.26%	-6.18%	-3.04%
Industrials	-1.34%	-1.13%	4.12%	0.00%	-3.41%	-0.75%	-5.87%	4.22%	-2.91%	-2.19%	-0.03%
Materials	-3.55%	-3.15%	1.25%	0.00%	-4.56%	-0.80%	-6.21%	5.72%	-4.06%	0.53%	-3.19%
Consumer Staples	-10.57%	-5.32%	-3.72%	0.00%	3.26%	-0.95%	-0.62%	-1.01%	-2.82%	2.14%	-3.08%
Health Care	-1.35%	2.10%	7.35%	0.00%	4.74%	-5.96%	-4.98%	-0.06%	-1.74%	-1.52%	-3.60%
Consumer Discrentionary	-4.45%	-4.74%	0.69%	0.00%	-0.36%	-3.02%	-4.64%	3.04%	-2.93%	-0.39%	-0.65%
Financials	-5.08%	-2.36%	-0.82%	0.00%	-2.17%	-0.67%	-2.14%	2.17%	0.28%	0.76%	-0.61%
Energy	-3.79%	-2.23%	-0.70%	0.00%	-3.05%	3.22%	-6.77%	6.16%	-3.04%	6.85%	2.90%
Utilities	-7.45%	-2.09%	6.98%	0.00%	-3.42%	-0.70%	-7.59%	5.24%	-2.36%	0.90%	5.04%
Telecom	-3.84%	0.48%	4.39%	0.00%	-2.02%	-0.64%	-4.96%	1.34%	1.21%	-1.87%	1.50%
Hang Seng Sector Index											
Info.Tech.	-11.55%	-5.02%	-9.75%	2.76%	-2.11%	-7.06%	-4.78%	-2.64%	-2.05%	4.65%	-1.43%
Industrials	-6.01%	1.24%	-4.90%	1.75%	-6.24%	-7.16%	-4.13%	-0.44%	-7.45%	-1.30%	-1.50%
Materials	-2.35%	-1.38%	-3.40%	4.10%	-7.46%	-4.37%	-5.06%	6.31%	-8.90%	3.74%	-4.05%
Consumer	-6.52%	-5.13%	-8.60%	5.35%	-3.42%	-4.23%	-0.80%	-0.53%	-5.17%	-0.22%	-0.63%
Financials	-7.40%	0.59%	-4.23%	2.41%	-5.64%	-2.96%	-2.73%	0.44%	-2.54%	0.46%	-2.85%
Energy	-4.37%	1.75%	-3.36%	4.22%	-5.72%	0.41%	-1.50%	-1.59%	-2.47%	8.88%	-1.20%
Real Estate	-11.10%	-1.91%	-5.10%	1.87%	-7.16%	-5.86%	-0.82%	4.15%	-2.78%	0.24%	0.28%
Utilities	-4.83%	-1.19%	-3.72%	-0.41%	-6.37%	-3.60%	-3.80%	0.46%	-3.18%	-2.45%	2.14%
Telecom	-3.84%	-0.53%	-1.30%	1.18%	-5.02%	0.18%	0.19%	-0.55%	-2.15%	-0.96%	0.58%

Source: Bloomberg, GROW Research

Figure 4: Performance of major stock market sectors (annual)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
S&P 500 GICS Groups Index														
S&P 500 GICS Groups Index	-18.2%	26.9%	16.3%	28.9%	-6.2%	19.4%	9.5%	-0.7%	11.4%	29.6%	13.4%	0.0%	12.8%	23.5%
Info. Tech.	-25.7%	33.4%	42.2%	48.0%	-1.6%	36.9%	12.0%	4.3%	18.2%	26.2%	13.1%	1.3%	9.1%	59.9%
Industrials	-10.6%	19.4%	9.0%	26.8%	-15.0%	18.5%	16.1%	-4.7%	7.5%	37.6%	12.5%	-2.9%	23.9%	17.3%
Materials	-17.4%	25.0%	18.1%	21.9%	-16.4%	21.4%	14.1%	-10.4%	4.7%	22.7%	12.2%	-11.6%	19.9%	45.2%
Consumer Staples	-5.3%	15.6%	7.6%	24.0%	-11.2%	10.5%	2.6%	3.8%	12.9%	22.7%	7.5%	10.5%	10.7%	11.2%
Health Care	-5.8%	24.2%	11.4%	18.7%	4.7%	20.0%	-4.4%	5.2%	23.3%	38.7%	15.2%	10.2%	0.7%	17.1%
Consumer Discretionary	-29.7%	23.7%	32.1%	26.2%	-0.5%	21.2%	4.3%	8.4%	8.0%	41.0%	21.9%	4.4%	25.7%	38.8%
Financials	-12.6%	32.5%	-4.1%	29.2%	-14.7%	20.0%	20.1%	-3.5%	13.1%	33.2%	26.3%	-18.4%	10.8%	14.8%
Energy	62.2%	47.7%	-37.3%	7.6%	-20.5%	-3.8%	23.7%	-23.6%	-10.0%	22.3%	2.3%	2.8%	17.9%	11.3%
Real Estate	-28.9%	42.5%	-5.2%	24.9%	-5.6%	7.2%	0.0%	1.2%	26.1%	-1.5%	16.2%	7.9%	28.0%	20.8%
Utilities	-5.9%	14.0%	-2.8%	22.2%	0.5%	8.3%	12.2%	-8.4%	24.3%	8.8%	-2.9%	14.8%	0.9%	6.8%
Telecom	-38.5%	20.5%	22.2%	30.9%	-16.4%	-6.0%	17.8%	-1.7%	-1.9%	6.5%	12.5%	0.8%	12.3%	2.6%
Shanghai Stock Exchange Sector Index														
Info.Tech.	-37.9%	-0.2%	22.5%	65.4%	-34.1%	-4.9%	-26.9%	60.0%	36.5%	46.8%	-14.1%	-39.2%	27.2%	100.4%
Industrials	-17.0%	14.3%	25.3%	13.7%	-23.6%	5.5%	-15.0%	10.7%	68.0%	-3.2%	-4.3%	-32.5%	-4.9%	62.9%
Materials	-27.1%	15.9%	22.7%	29.0%	-30.1%	27.3%	-7.6%	-1.0%	38.9%	-24.0%	9.1%	-35.1%	-3.2%	132.8%
Consumer Staples	-32.0%	-6.9%	81.6%	47.5%	-19.3%	43.8%	1.1%	24.1%	15.1%	7.7%	4.5%	-22.1%	12.7%	89.9%
Health Care	-25.4%	-8.3%	57.4%	24.3%	-26.4%	18.2%	-11.4%	45.8%	6.3%	32.6%	10.3%	-31.2%	33.8%	88.4%
Consumer Discretionary	-28.5%	-6.9%	81.6%	47.5%	-19.3%	43.8%	1.1%	24.1%	15.1%	7.7%	4.5%	-22.1%	12.7%	89.9%
Financials	-23.2%	-12.7%	-3.0%	29.6%	-17.4%	23.4%	-7.8%	-9.7%	82.0%	-9.9%	20.9%	-13.9%	-26.8%	99.9%
Energy	24.8%	29.6%	-11.3%	2.4%	-26.3%	6.4%	-3.9%	-15.0%	24.0%	-33.0%	-4.3%	-23.5%	-10.9%	125.7%
Utilities	-17.7%	39.4%	-3.8%	3.4%	-11.1%	-3.0%	-20.5%	6.2%	73.1%	-1.2%	3.4%	-17.2%	-16.8%	54.2%
Telecom	-13.6%	9.2%	-6.2%	29.9%	-29.8%	12.1%	-7.6%	56.0%	34.6%	30.6%	-22.8%	-38.8%	4.6%	61.1%
Hang Seng Sector Index														
Info.Tech.	-50.2%	-32.3%	69.6%	23.7%	-29.6%	92.3%	18.2%	22.3%	8.9%	70.0%	36.5%	-18.6%	-7.0%	205.1%
Industrials	-41.2%	-18.8%	-15.9%	15.7%	-10.2%	48.8%	-1.8%	-2.6%	3.1%	-9.9%	42.9%	-26.5%	4.5%	61.2%
Materials	-33.5%	9.4%	30.0%	-0.4%	-29.5%	30.5%	21.0%	-18.7%	-1.1%	-21.9%	8.1%	-42.4%	4.4%	114.7%
Consumer Goods	-41.3%	19.1%	-27.1%	51.3%	-6.5%	-10.3%	-11.1%	11.2%	10.1%	-24.3%	9.3%	116.6%	-52.6%	33.7%
Consumer Services		6.7%	-22.6%	39.7%	3.6%	-23.9%	-30.5%	40.1%	22.2%	-20.6%	25.3%	70.6%	-62.1%	50.4%
Financials	-27.3%	-6.8%	-6.9%	7.5%	-14.8%	31.2%	-3.1%	-10.0%	7.6%	3.0%	24.2%	-24.6%	-0.7%	57.8%
Energy	11.4%	20.5%	-33.7%	-4.1%	-2.8%	11.4%	14.3%	-31.3%	-17.3%	-16.2%	12.7%	-15.1%	16.5%	77.3%
Real Estate	-41.2%	-18.8%	-15.9%	15.7%	-10.2%	48.8%	-1.8%	-2.6%	3.1%	-9.9%	42.9%	-26.5%	4.5%	61.2%
Utilities	-40.8%	17.6%	-9.4%	-0.9%	1.2%	15.7%	-7.4%	-8.1%	6.2%	13.8%	15.0%	2.8%	6.2%	15.8%
Telecom	-2.9%	0.5%	-29.9%	-9.7%	-3.4%	-1.0%	-6.0%	-5.1%	11.5%	-10.2%	11.7%	2.7%	8.4%	-4.7%

Source: Bloomberg, GROW Research

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