

## “A Trillion-Dollar Tweet”

- ✓ Last week’s epic rally started around the nadir seen in first COVID outbreak in Feb, 2020. Since then, the US welded its fiscal/monetary prowess, while China sticking to COVID-0. Chinese market is back to square one. The US will follow.
- ✓ Both US and Chinese growth assets fell victim to a growth slump. Vietnam, the “Next China”, is not spared.
- ✓ Hong Kong short covering. But soaring HIBOR augurs for volatility surge in the coming months originated from the US market.

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**Chinese version:**  
《“万亿一推”》

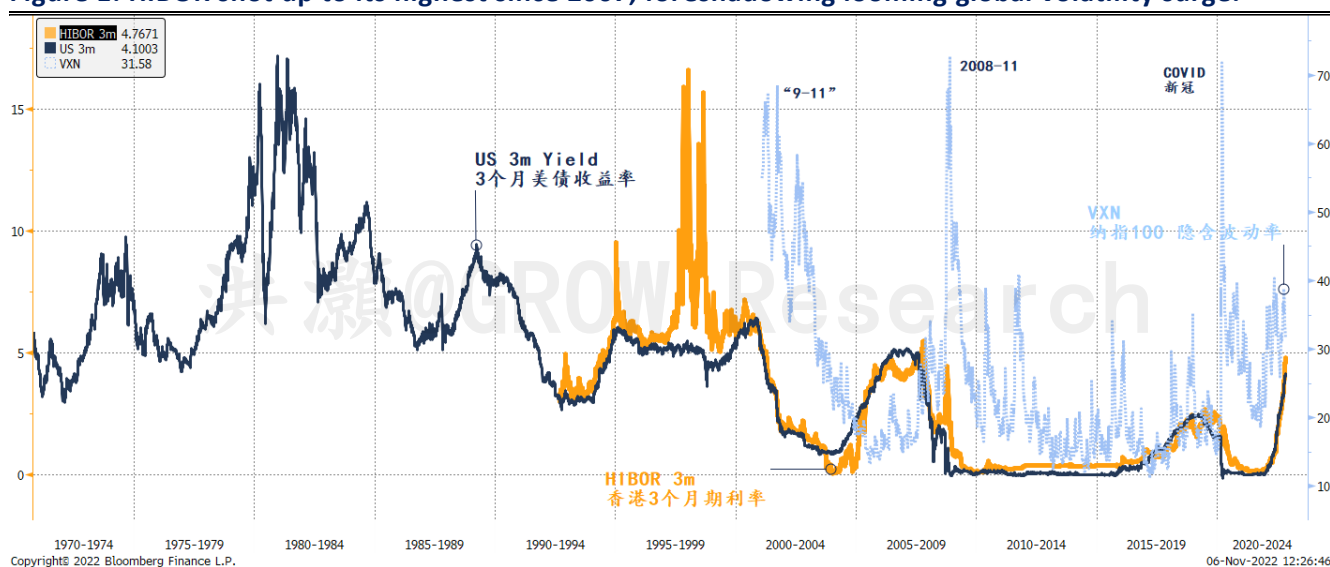
### HK in short-covering phase. But vol surge looming.

*“Before I go on with this short history let me make a general observation -- the test of a first-rate intelligence is the ability to hold two opposed ideas in the mind at the time, and still retain the ability to function.*

*One should, for example, be able to see that things are hopeless and yet be determined to make them otherwise. This philosophy fitted onto my early adult life, when I saw the improbable, the implausible, often the ‘impossible’ come true.” -- F. Scott Fitzgerald*

Last week was epic: the offshore yuan **CNH** had its biggest single-day surge in history, up more than 2,000bps on November 4, 2022. Its second biggest surge ever was only two weeks ago on October 26, 2022; The Hang Seng Tech Index **HSTECH** had its best week ever, and so did the Chinese internet index **KWEB**. Meanwhile, the Hang Seng, Chinese ADR index **PGJ** and large-cap China ETF **FXI** all had best weekly gains in well over a decade. Meanwhile, 3-month HIBOR soared to its highest since 2007 (**Figure 1**).

**Figure 1: HIBOR shot up to its highest since 2007, foreshadowing looming global volatility surge.**



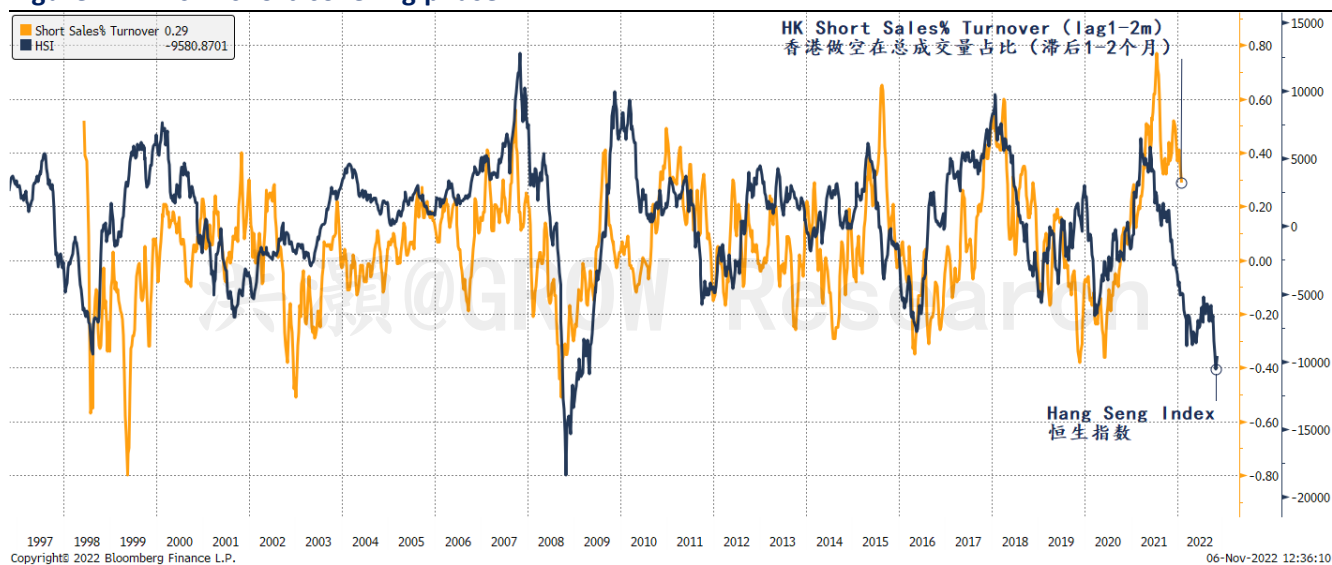
As last week progressed, a flurry of incremental policy changes regarding COVID-0 were announced. China will cancel the circuit breaker for international flights, after increasing the number of international flights a few weeks ago. BioNTech's vaccine is approved for foreigners in China. There were even reports by foreign media to reduce quarantine period again to seven days from ten that was reduced in July. The epic market rally added a few trillion yuan worth of capitalization to the Chinese markets. Our tweet was dubbed *"the Trillion-Dollar Tweet"* in the investment community.

While the regular press conference with the Joint Prevention and Control Mechanism of the State Council didn't reveal anything substantial on the surface, there were subtle shifts. For instance, a few cities that over-tightened COVID management policies were named. The communication also emphasized on increasing efforts to vaccinate the senior population. On domestic social media, a few KOLs known for their patriotic stance started to question some overly restrictive policies and their social and economic impacts. And their posts were not removed at the time of our writing.

Besides these incremental but positive developments to spur the epic rallies in Chinese markets, short sales volume as a percentage of total turnover in Hong Kong has started to decline from its all-time-high, suggesting that short covering was part of the fuel for last week's rally (**Figure 2**).

Short covering tended to lag the index advancement by one to two months, and thus should help sustain the momentum. That said, as we noted in our last note (["Mai! Mai! Mai!"](#) 2022-10-30), turnover and short sales are both low in HK, signs of the market in its treacherous bottoming process. As such, while short sales percentage is falling from record high, it remains to be seen how long it could sustain the market with such thin volumes. Soaring HIBOR historically foreshadowed looming volatility surge (**Figure 1**). If so, it will most likely be triggered by turmoil in the US market.

**Figure 2: HK is in short-covering phase.**



## Disparity between the East and West? Or a classic growth slump?

One of the myths about the turmoil in the Chinese markets is its cause. Many believe that it is because of the disparity between the East and West. But let us see what the markets and their relative performance are telling us.

In **Figure 3**, we compare the trajectory of China's stock market with that of Vietnam in the past five years. Once we adjust for the leading characteristic of the Chinese market, we can see that both markets traverse a similar path, with China leading by up to three months. The Vietnamese market will likely fall further, if history is a guide.

**Figure 3: China leads Vietnam by up to three months via same trajectories.**



This is interesting. Vietnam is seen as the “Next China”, a market economy with socialist characteristics, and is chased by many investors, east or west alike. If the slump in the Chinese market is indeed due to China-specific factors, why is that the trajectories of the two market are so similar?

There must be other factors at work. We further compare some of the most-watched growth assets globally, namely, the Ark ETF (**ARKK.US**), the Hang Seng Technology Index (**HSTECH.HK**) and the CSI300, as well as the offshore yuan **CNH** (**Figure 4**). Not surprisingly (to us), they all share the same trajectory. That is, the reason for the plunge in Chinese tech stocks and growth assets probably has more in common with the US growth stocks epitomized by **ARKK.US**. It is most likely due to the slump in global growth, the common denominator for these growth assets both in the US and in China.

Also note that the inception level of last week's epic rebound was around the nadir seen after the Chinese New Year in 2020 -- when the onshore market re-opened after the COVID outbreak.

Three years ago, we knew nothing about the virus that was significantly more deadly in its original form. We didn't have the vaccine or the drugs, nor the experiences and the facilities to deal with COVID. The way forward was *"one of toil and blood, when blackness was a virtue and the road was full of mud"*, as Bob Dylan sang. Those were desperate times. Yet the market miraculously found a bottom and rebounded from the verge of collapse.

*We are now at that level again – where we were three years ago.*

**Figure 4: Growth assets such as HSTECH, ARKK and CSI300 all victims of a growth slump.**



## Conclusion

Analysis of the tumultuous market nowadays calls for *"first-rate intelligence"*, as Fitzgerald put it. One must be able to reconcile two seemingly contradicting ideas. While short sales as a percentage of total turnover in Hong Kong are declining from record high and serving as fuel for an epic short-covering rally, three-month HIBOR soaring to its highest since 2007 augurs for looming volatility surge in the coming months. Volatility is more likely to origin from the US.

The similar trajectories of China and Vietnamese stock markets suggest the China sell-off have reasons other than believed by foreign investors. Growth assets in the US and China are nothing more than victims of a growth slump.

Last week's epic rally indeed started from where we were at first COVID outbreak in Feb 2020. The US market is falling back this level, too. Despite different pandemic management strategies, with China mostly through administrative measures while the US through its fiscal and monetary prowess, both the East and West seem to be back to square one.

Like rivers to the sea.

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

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

Asset Class	4/11/2022	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
<b>MSCI Index</b>											
MSCI World	-1.42%	3.34%	3.23%	-1.94%	1.74%	-2.55%	-4.37%	-4.07%	2.63%	-3.33%	-2.32%
MSCI DM	-2.10%	4.01%	3.61%	-1.70%	1.64%	-2.45%	-5.09%	-4.23%	2.98%	-3.32%	-3.34%
MSCI EM	4.66%	-2.35%	0.20%	-3.83%	2.51%	-3.32%	-4.05%	-2.70%	-0.18%	-3.43%	0.50%
MSCI China	10.98%	-8.38%	-2.70%	-6.18%	1.52%	-2.64%	-5.68%	-4.40%	-0.32%	-3.18%	2.96%
MSCI AC Asia Ex. Japan	5.06%	-2.44%	-1.44%	-4.17%	1.96%	-3.74%	-4.28%	-2.72%	-0.10%	-3.28%	0.24%
MSCI Europe	1.52%	3.35%	1.29%	-0.18%	1.04%	-0.46%	-4.31%	-2.81%	1.01%	-2.40%	-2.48%
<b>Stock</b>											
U.S. S&P 500	-3.35%	3.95%	4.74%	-1.55%	1.51%	-2.41%	-4.65%	-4.77%	3.65%	-3.29%	-4.44%
Chinese Mainland SHCOMP	5.31%	-4.05%	-1.08%	1.57%	0.00%	-2.07%	-1.12%	-4.16%	2.37%	-1.54%	-0.67%
Chinese Mainland SZCOMP	7.50%	-4.46%	-0.88%	3.78%	0.00%	-2.63%	-2.09%	-5.51%	1.36%	-2.63%	-2.80%
HK SAR, China HSI	8.13%	-8.32%	-2.27%	-6.50%	3.00%	-3.96%	-4.42%	-3.00%	-0.46%	-3.66%	2.01%
Japan Nikkei 225	0.35%	0.80%	-0.14%	-0.09%	4.55%	-4.48%	-1.50%	-2.29%	2.04%	-3.46%	-1.00%
South Korea KOSPI	2.50%	0.00%	0.03%	-0.91%	3.59%	-5.87%	-3.89%	-0.06%	-1.04%	-2.89%	-0.47%
Germany DAX	1.63%	4.03%	2.36%	1.34%	1.31%	-1.18%	-3.59%	-2.65%	0.29%	0.61%	-4.23%
U.K. FTSE 100	4.07%	1.12%	1.62%	-1.89%	1.41%	-1.78%	-3.01%	-1.56%	0.96%	-1.97%	-1.63%
France CAC 40	2.29%	3.94%	1.74%	1.11%	1.82%	-0.16%	-4.84%	-2.27%	0.73%	-1.70%	-3.41%
<b>Bloomberg Barclays Indices</b>											
Global	-0.94%	2.50%	-0.69%	-1.42%	-0.39%	-0.12%	-2.44%	-0.90%	-0.78%	-1.77%	-0.14%
China	-0.17%	0.05%	-0.11%	-1.08%	0.00%	-0.01%	-1.20%	-1.31%	-0.12%	-0.37%	-0.84%
Global + China	-0.94%	2.49%	-0.69%	-1.42%	-0.39%	-0.12%	-2.44%	-0.90%	-0.78%	-1.77%	-0.14%
U.S.	-0.78%	1.65%	-1.07%	-1.29%	-0.25%	-0.99%	-1.36%	-0.93%	-0.70%	-1.02%	-0.36%
Europe	-1.75%	4.02%	0.16%	-1.27%	-0.63%	-0.44%	-4.78%	-0.51%	-0.77%	-0.82%	-1.46%
Asian Pacific	-0.18%	1.71%	-1.37%	-2.00%	0.06%	-0.99%	-1.02%	-1.05%	-1.00%	-1.38%	-0.72%
EM	-0.30%	1.99%	-1.20%	-1.69%	0.33%	-2.44%	-1.76%	-1.11%	0.18%	-1.46%	0.13%
Treasuries	-1.07%	2.76%	-0.70%	-1.47%	-0.32%	-0.99%	-2.41%	-0.79%	-1.00%	-1.43%	-0.39%
Corporate	-0.74%	2.38%	-0.69%	-1.47%	-0.07%	-1.36%	-2.32%	-0.95%	-0.42%	-1.47%	-0.81%
High Yield	-0.66%	2.77%	0.05%	-1.38%	1.12%	-1.88%	-2.44%	-1.99%	1.08%	-1.75%	-0.86%
<b>Commodity</b>											
<b>Bloomberg Commodity Index</b>											
Energy	5.13%	0.44%	-2.11%	-2.96%	5.06%	-0.41%	-3.72%	-1.50%	-0.49%	-4.41%	1.86%
Natural Gas	7.75%	3.44%	-7.00%	-4.98%	10.87%	-0.43%	-6.90%	-3.58%	-3.97%	-6.31%	1.68%
WTI Crude	5.59%	3.17%	0.48%	-7.06%	-0.25%	-3.16%	-10.48%	-2.89%	-9.09%	-5.19%	-0.56%
Brent Crude	5.12%	2.66%	1.32%	-5.99%	14.81%	-0.11%	-5.34%	-2.38%	-0.18%	-6.05%	3.04%
Heating Oil	2.99%	4.45%	-1.12%	-3.34%	24.74%	2.03%	0.68%	-10.86%	0.21%	-8.89%	6.92%
Unleaded Gasoline	6.34%	3.36%	0.71%	-5.33%	15.39%	2.67%	-2.83%	-0.77%	-0.50%	-7.38%	-3.12%
Precious Metal	3.45%	-0.44%	1.55%	-5.12%	3.17%	0.92%	-1.83%	-1.31%	1.31%	-2.40%	-0.88%
Gold	1.93%	-0.49%	0.45%	-3.33%	2.23%	0.99%	-1.66%	-2.61%	0.35%	-1.55%	-0.74%
Silver	8.55%	0.42%	5.51%	-10.78%	6.39%	0.68%	-2.43%	3.27%	4.95%	-5.01%	-1.43%
Industrial Metal	6.17%	-0.93%	-0.47%	-0.59%	2.76%	-1.86%	-4.62%	0.58%	4.08%	-8.22%	1.27%
Aluminum	7.51%	-1.11%	1.49%	1.09%	-0.16%	2.08%	-4.93%	-1.44%	4.53%	-7.67%	0.71%
Copper	6.47%	0.15%	-4.23%	0.29%	6.26%	-0.13%	-4.99%	-0.46%	-0.54%	-8.05%	4.56%
Nickel	1.86%	-3.88%	-0.24%	-1.38%	0.40%	-0.41%	-4.79%	-0.77%	1.13%	-12.07%	2.36%
Zinc	7.55%	0.77%	0.79%	-3.23%	6.38%	-9.85%	-3.65%	5.42%	12.04%	-5.10%	-2.85%
Agriculture	3.65%	-1.49%	0.26%	-0.70%	0.67%	-1.17%	-0.35%	-0.20%	1.17%	-1.45%	4.92%
Grains	2.27%	-1.04%	-0.26%	0.05%	-0.82%	-0.01%	0.07%	0.31%	2.80%	-0.44%	5.03%
Softs	7.75%	-7.59%	-3.04%	-3.70%	1.53%	-1.15%	-0.20%	-4.02%	0.34%	-4.85%	5.46%
Livestock	-1.74%	-0.44%	4.77%	1.83%	0.84%	-3.17%	-2.88%	1.58%	1.65%	0.46%	-1.81%
Live Cattle	-0.88%	0.38%	3.15%	-0.19%	0.68%	-1.41%	-1.61%	-0.15%	0.78%	1.05%	-1.11%
Lean Hogs	-3.63%	-3.19%	8.36%	6.61%	1.21%	-7.94%	-5.88%	5.34%	3.39%	-0.49%	-2.86%
<b>Foreign Exchange</b>											
US Dollar Index	-1.01%	-1.35%	0.46%	0.60%	-0.55%	3.12%	0.70%	-0.48%	0.67%	0.59%	2.40%
USDCNY	-0.43%	0.53%	1.08%	0.00%	-0.17%	2.02%	0.87%	0.38%	0.41%	0.79%	1.11%
MSCI EM Currency	0.69%	-0.18%	-0.18%	0.29%	-0.35%	-1.11%	-1.00%	-0.12%	-0.78%	-0.13%	-1.04%
USDHKD	0.00%	-0.01%	0.00%	0.00%	0.01%	0.00%	0.01%	-0.01%	0.04%	0.02%	0.10%
JPYUSD	-0.70%	-0.89%	2.35%	0.35%	1.00%	0.27%	0.32%	1.62%	1.86%	0.49%	2.66%
EURUSD	0.96%	1.44%	-0.13%	-0.59%	1.19%	-3.18%	-0.16%	0.88%	-0.12%	-0.21%	-2.16%
GBPUSD	0.67%	1.17%	0.78%	-0.75%	2.86%	-4.91%	-1.46%	0.70%	-2.00%	-0.72%	-2.85%

Source: Bloomberg, GROW Research (Updated on 11/5/2022, same below)



Figure 2: Performance of major asset classes (annual)

Asset Class	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>MSCI Index</b>														
MSCI World	-23.1%	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	-22.4%	20.1%	14.1%	25.2%	-10.4%	20.1%	5.3%	-2.7%	2.9%	24.1%	13.2%	-7.6%	9.6%	27.0%
MSCI EM	-28.2%	-4.6%	15.3%	15.4%	-16.6%	34.3%	8.6%	-17.0%	-4.6%	-5.0%	15.1%	-20.4%	16.4%	74.5%
MSCI China	-36.5%	-22.4%	26.7%	20.4%	-20.3%	52.3%	-1.4%	-10.1%	4.7%	0.4%	18.7%	-20.4%	2.6%	58.9%
MSCI AC Asia Ex. Japan	-30.4%	-6.4%	22.5%	15.4%	-16.4%	38.7%	2.9%	-11.3%	2.2%	0.7%	19.4%	-19.2%	17.0%	68.3%
MSCI Europe	-13.3%	22.4%	-5.4%	22.2%	-13.1%	7.3%	-0.5%	5.5%	4.1%	16.4%	13.4%	-10.9%	8.0%	27.1%
<b>Stock</b>														
U.S. S&P 500	-20.9%	26.9%	16.3%	28.9%	-6.2%	19.4%	9.5%	-0.7%	11.4%	29.6%	13.4%	0.0%	12.3%	23.5%
Chinese Mainland SHCOMP	-15.6%	4.3%	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	-20.2%	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	-30.9%	-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	-5.5%	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	-21.1%	3.6%	30.8%	7.7%	-17.3%	21.8%	3.3%	2.4%	-4.3%	0.7%	9.4%	-11.0%	21.9%	49.7%
Germany DAX	-15.3%	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	-0.7%	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	-10.3%	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%
<b>Bloomberg Barclays Indices</b>														
Global	-20.7%	-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	-8.3%	8.4%	9.8%	3.4%	3.5%	6.2%	-5.2%	3.9%	8.0%	1.3%	5.1%	9.2%	6.4%	1.8%
Global + China	-20.7%	-4.7%	9.2%	6.6%	-0.9%	7.3%	1.7%	-2.9%	0.9%	-2.5%	4.3%	5.8%	5.6%	6.8%
U.S.	-16.0%	-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	-27.5%	-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	-19.2%	-5.0%	6.6%	3.7%	2.7%	5.2%	5.3%	-0.5%	-6.3%	-14.6%	-7.0%	7.3%	17.2%	0.0%
EM	-21.2%	-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	-22.1%	-6.6%	9.5%	5.6%	-0.4%	7.3%	1.7%	-3.3%	-0.3%	-4.3%	1.8%	6.3%	5.9%	2.6%
Corporate	-21.5%	-2.9%	10.4%	11.5%	-3.6%	9.1%	4.3%	-3.6%	3.1%	0.3%	11.2%	4.3%	5.8%	19.2%
High Yield	-17.6%	1.0%	7.0%	12.6%	-4.1%	10.4%	14.3%	-2.7%	0.0%	7.3%	19.6%	3.1%	14.3%	59.4%
<b>Commodity</b>														
<b>Bloomberg Commodity Index</b>														
Energy	61.9%	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	71.2%	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	39.8%	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	54.5%	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	115.5%	58.2%	-38.5%	22.0%	-17.4%	13.9%	33.0%	-42.9%	-38.8%	0.3%	5.4%	10.6%	8.2%	20.3%
Unleaded Gasoline	57.8%	69.5%	-31.2%	41.5%	-29.7%	1.8%	6.1%	-12.7%	-43.8%	1.9%	25.6%	14.4%	12.9%	74.4%
Precious Metal	-10.6%	-6.1%	25.1%	14.5%	-6.4%	9.9%	9.1%	-11.5%	-6.7%	-30.8%	6.2%	4.5%	42.5%	29.0%
Gold	-10.0%	-4.3%	20.5%	15.6%	-4.7%	11.7%	7.4%	-10.9%	-1.3%	-28.7%	6.0%	9.6%	28.5%	22.7%
Silver	-12.5%	-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	-11.3%	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	-18.2%	27.0%	22.8%	5.0%	-22.8%	28.0%	15.4%	-25.2%	-16.6%	-8.8%	4.9%	-24.5%	29.4%	129.6%
Copper	-16.7%	38.9%	3.5%	-5.3%	-18.5%	29.9%	9.4%	-23.0%	-3.1%	-20.8%	-4.1%	-21.7%	5.2%	33.6%
Nickel	-15.5%	27.9%	18.1%	-3.2%	-22.9%	28.5%	56.9%	-28.0%	3.5%	-7.0%	8.9%	-27.8%	-9.0%	98.0%
Zinc	14.5%	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	13.8%	26.6%	16.0%	-0.4%	-12.5%	-11.9%	1.8%	-15.7%	-9.3%	-14.3%	3.9%	-14.4%	38.3%	13.5%
Grains	17.4%	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	-7.2%	43.9%	2.5%	2.1%	-23.8%	-15.6%	12.8%	-9.9%	-10.1%	-16.9%	-22.5%	-14.0%	59.7%	44.0%
Livestock	2.8%	8.6%	-23.7%	-8.0%	-3.5%	5.4%	-5.9%	-18.9%	11.5%	-3.6%	-3.6%	-2.4%	9.1%	-15.2%
Live Cattle	-0.2%	-0.1%	-18.2%	-0.9%	0.6%	8.1%	-7.7%	-14.3%	22.0%	-5.1%	-4.0%	-1.1%	14.3%	-9.9%
Lean Hogs	8.4%	25.1%	-31.8%	-20.9%	-12.7%	1.8%	-3.3%	-26.1%	-4.4%	-2.1%	-3.0%	-4.6%	0.2%	-22.6%
<b>Foreign Exchange</b>														
US Dollar Index	15.9%	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	13.0%	-2.5%	-6.3%	1.2%	5.7%	-6.3%	6.9%	4.6%	2.5%	-2.3%	-1.0%	-4.5%	-3.4%	0.0%
MSCI EM Currency	-8.4%	0.9%	3.3%	3.1%	-3.3%	11.4%	3.5%	-7.1%	-4.3%	-1.3%	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	27.4%	11.5%	-4.9%	-1.0%	-2.7%	-3.7%	-2.7%	0.4%	13.7%	21.4%	12.3%	-5.2%	-12.8%	2.6%
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	-15.9%	-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

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

	4/11/2022	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
<b>S&amp;P 500 GICS Groups Index</b>											
S&P 500 GICS Groups Index	-3.35%	3.95%	4.74%	-1.55%	1.51%	-2.91%	-4.65%	-4.77%	3.65%	-3.29%	-4.04%
Info. Tech.	-6.89%	4.28%	6.49%	-3.23%	1.64%	-4.19%	-3.59%	-6.12%	3.24%	-4.98%	-5.58%
Industrials	0.44%	6.73%	4.65%	-0.56%	2.86%	-2.37%	-4.55%	-6.38%	3.39%	-3.59%	-3.45%
Materials	0.86%	3.34%	6.15%	-1.89%	2.15%	-0.73%	-5.67%	-6.65%	4.94%	-4.99%	-1.33%
Consumer Staples	-1.83%	6.09%	2.16%	1.45%	-0.40%	-3.96%	-2.15%	-3.63%	1.92%	-2.38%	-3.33%
Health Care	-1.59%	5.00%	2.29%	0.80%	1.30%	-1.38%	-3.38%	-2.38%	4.35%	-1.79%	-4.32%
Consumer Discretionary	-5.78%	0.71%	5.64%	-4.09%	-1.12%	-2.38%	-7.02%	-4.15%	5.62%	-2.66%	-4.75%
Financials	-0.83%	6.19%	3.93%	0.20%	1.84%	-2.43%	-5.58%	-3.81%	4.38%	-2.51%	-3.58%
Energy	2.37%	2.75%	8.08%	-1.85%	13.86%	1.83%	-9.00%	-2.60%	0.60%	-3.31%	4.27%
Real Estate	-1.78%	6.17%	2.79%	-2.36%	-4.15%	-3.95%	-6.44%	-6.48%	4.13%	-3.94%	-3.83%
Utilities	-0.55%	6.48%	1.95%	-2.58%	-2.63%	-8.81%	-3.05%	-3.82%	3.68%	-1.57%	-2.60%
Telecom	-7.44%	-2.85%	5.03%	-1.86%	1.47%	-3.03%	-5.10%	-6.43%	2.85%	-2.37%	-4.82%
<b>Shanghai Stock Exchange Sector Index</b>											
Info.Tech.	7.54%	2.05%	2.80%	1.14%	0.00%	-3.02%	-6.60%	-3.22%	0.23%	0.26%	-6.18%
Industrials	5.42%	-1.34%	-1.13%	4.12%	0.00%	-3.41%	-0.75%	-5.87%	4.22%	-2.91%	-2.19%
Materials	5.51%	-3.55%	-3.15%	1.25%	0.00%	-4.56%	-0.80%	-6.21%	5.72%	-4.06%	0.53%
Consumer Staples	11.11%	-10.57%	-5.32%	-3.72%	0.00%	3.26%	-0.95%	-0.62%	-1.01%	-2.82%	2.14%
Health Care	6.99%	-1.35%	2.10%	7.35%	0.00%	4.74%	-5.96%	-4.98%	-0.06%	-1.74%	-1.52%
Consumer Discretionary	10.68%	-4.45%	-4.74%	0.69%	0.00%	-0.36%	-3.02%	-4.64%	3.04%	-2.93%	-0.39%
Financials	2.78%	-5.08%	-2.36%	-0.82%	0.00%	-2.17%	-0.67%	-2.14%	2.17%	0.28%	0.76%
Energy	0.99%	-3.79%	-2.23%	-0.70%	0.00%	-3.05%	3.22%	-6.77%	6.16%	-3.04%	6.85%
Utilities	1.50%	-7.45%	-2.09%	6.98%	0.00%	-3.42%	-0.70%	-7.59%	5.24%	-2.36%	0.90%
Telecom	2.41%	-3.84%	0.48%	4.39%	0.00%	-2.02%	-0.64%	-4.96%	1.34%	1.21%	-1.87%
<b>Hang Seng Sector Index</b>											
Info.Tech.	16.74%	-11.55%	-5.02%	-9.75%	2.76%	-2.11%	-7.06%	-4.78%	-2.64%	-2.05%	4.65%
Industrials	8.28%	-6.01%	1.24%	-4.90%	1.75%	-6.24%	-7.16%	-4.13%	-0.44%	-7.45%	-1.30%
Materials	7.04%	-2.35%	-1.38%	-3.40%	4.10%	-7.46%	-4.37%	-5.06%	6.31%	-8.90%	3.74%
Consumer	10.40%	-6.52%	-5.13%	-8.60%	5.35%	-3.42%	-4.23%	-0.80%	-0.53%	-5.17%	-0.22%
Financials	5.02%	-7.40%	0.59%	-4.23%	2.41%	-5.64%	-2.96%	-2.73%	0.44%	-2.54%	0.46%
Energy	1.06%	-4.37%	1.75%	-3.36%	4.22%	-5.72%	0.41%	-1.50%	-1.59%	-2.47%	8.88%
Real Estate	4.20%	-11.10%	-1.91%	-5.10%	1.87%	-7.16%	-5.86%	-0.82%	4.15%	-2.78%	0.24%
Utilities	0.88%	-4.83%	-1.19%	-3.72%	-0.41%	-6.37%	-3.60%	-3.80%	0.46%	-3.18%	-2.45%
Telecom	0.69%	-3.84%	-0.53%	-1.30%	1.18%	-5.02%	0.18%	0.19%	-0.55%	-2.15%	-0.96%

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
<b>S&amp;P 500 GICS Groups Index</b>														
S&P 500 GICS Groups Index	-20.9%	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.	-30.8%	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	-10.2%	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	-16.7%	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	-7.0%	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	-7.8%	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	-33.8%	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	-13.3%	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	66.1%	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	-30.2%	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	-6.4%	14.0%	-2.8%	22.2%	0.5%	8.3%	12.2%	-8.4%	24.3%	8.8%	-2.1%	14.8%	0.9%	6.8%
Telecom	-43.0%	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%
<b>Shanghai Stock Exchange Sector Index</b>														
Info.Tech.	-33.2%	-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	-12.5%	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	-23.1%	15.9%	22.7%	29.0%	-30.1%	27.3%	-7.5%	-1.0%	38.9%	-24.0%	9.1%	-35.1%	-3.2%	132.8%
Consumer Staples	-24.4%	-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	-20.1%	-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	-20.9%	-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	-21.0%	-12.7%	-3.0%	29.6%	-17.4%	23.4%	-7.3%	-9.7%	82.0%	-9.9%	20.9%	-13.9%	-26.8%	99.9%
Energy	26.0%	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	-16.4%	39.4%	-3.3%	3.4%	-11.1%	-3.0%	-20.5%	6.2%	73.1%	-1.2%	3.4%	-17.2%	-16.8%	54.2%
Telecom	-11.5%	9.2%	-6.2%	29.9%	-29.8%	12.1%	-7.5%	56.0%	34.6%	30.6%	-22.8%	-38.8%	4.4%	61.1%
<b>Hang Seng Sector Index</b>														
Info.Tech.	-41.9%	-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	-38.8%	-18.8%	-15.9%	15.7%	-10.2%	48.8%	-1.8%	-2.5%	3.1%	-9.9%	42.9%	-26.5%	4.3%	61.2%
Materials	-28.9%	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	-35.2%	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	-23.7%	-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	12.5%	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	-38.8%	-18.8%	-15.9%	15.7%	-10.2%	48.8%	-1.8%	-2.5%	3.1%	-9.9%	42.9%	-26.5%	4.3%	61.2%
Utilities	-40.3%	17.6%	-9.4%	-0.9%	1.2%	15.7%	-7.4%	-8.1%	6.2%	13.8%	15.0%	2.8%	6.1%	15.8%
Telecom	-2.8%	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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