

A Deadcat, or A New Bull?

- ☉ The Hang Seng rally stalled at 22,700, vs. our price target of 23,000 set in late October 2022 and our **850-Cycle line** of 22,500.
- ☉ After a 50% rally in three months, the itch to take profit cannot be denied. Onshore market has yet to respond in full to China's PMI re-expansion.
- ☉ But – the market bottom we called in late October 2022 is indeed a secular turning point, as shown by our leading indicator, valuation and China's market cap.

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Chinese version:

《是死猫跳，还是牛回头？》

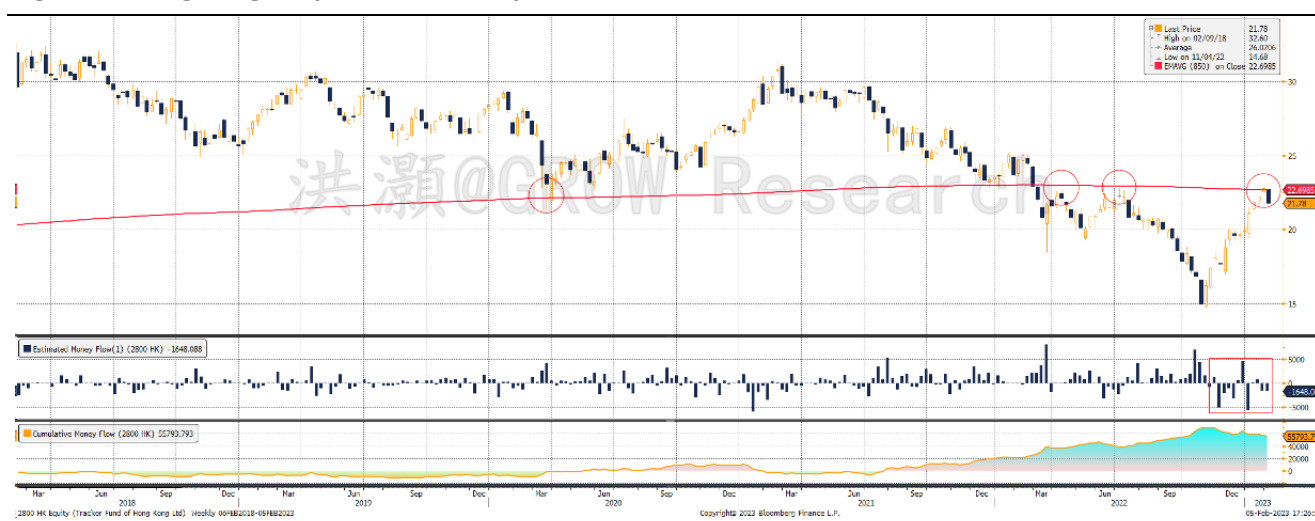
Rally Stalled at 850-Cycle Line

Last week, the Hang Seng index suffered the largest weekly decline of more than four percent in 14 weeks -- since it bottomed in late October 2022. Other China-related indices met a similar fate. It has shaken a few, and we were also caught off guard. Many are asking whether it is time to take profits. After all, the Hang Seng has rallied ~50% from its bottom, and the Hang Seng Tech index ~80%.

When we turned bullish in late October last year from a contrarian and bearish stance, we set the price target for the Hang Seng index at 23,000, when the index was at just above 14,000. It was an audacious and contrarian call then. The peak of the current rally was 22,700, just 1% from our price target.

Further, we note that this rally stalled right at the the **850-cycle Line** of ~22,500. (For detailed discussion of our 850-Cycle Line, please refer to our best-selling book **"Forecast: the Economy, Cycle and Market Bubble"** in Chinese published by the CITIC Press.) This line has been touched a number of times -- first as a support level in late March, 2020 when the pandemic was unravelling; then twice as resistance level in mid March and July 2022 as the Hang Seng Index could not halt its decline (**Figure 1**).

Figure 1: Hang Seng rally stalls at 850-cycle line.



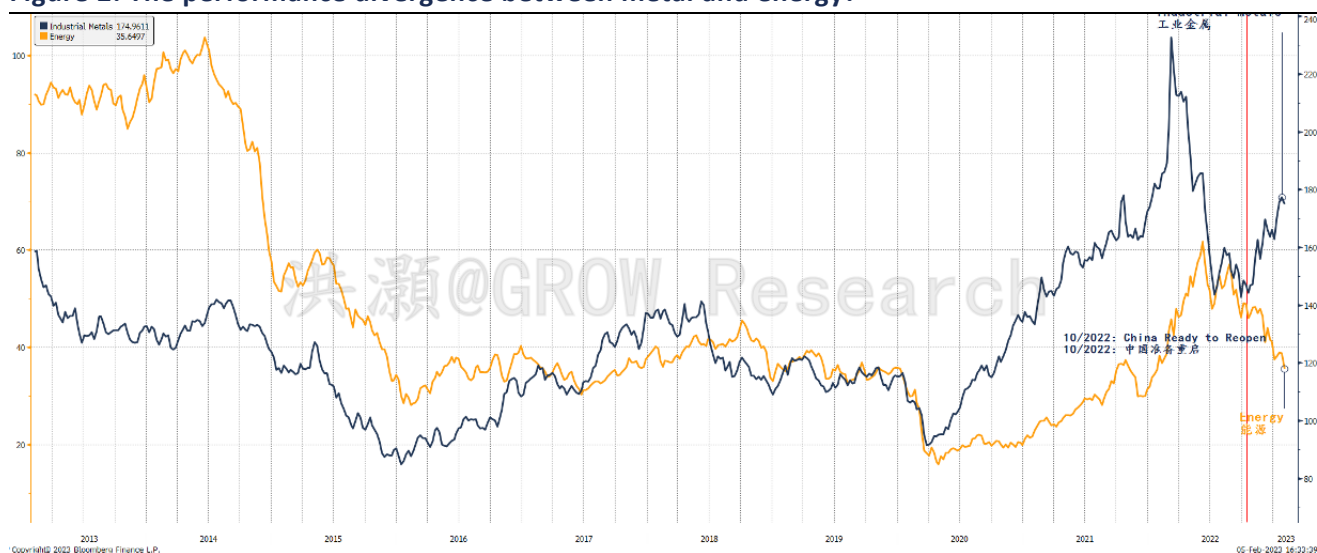
Source: Bloomberg, GROW Research

Splits Emerging

Despite a general recovery in sentiment towards China and an epic rally, data are still suggesting fund outflows from the Hang Heng Trackers Fund (2800.HK), the largest ETF tracking the Hang Seng Index (Figure 1). The cumulative fund flow for this fund has actually declined as the Hang Seng surged. It is surprising, given the the bullish sentiment now and record buying by the southbound money via the Connect Program.

In Figure 2, we show the performance divergence between metals and energy since the “China re-open trade” started late October last year. It is perplexing, since the argument for continuing performance of oil has been that China would consume more oil as it reopens and recovers. Metals, on the other hand, have fared much better and are running away from its historically close correlation with energy.

Figure 2: The performance divergence between metal and energy.



Source: Bloomberg, GROW Research

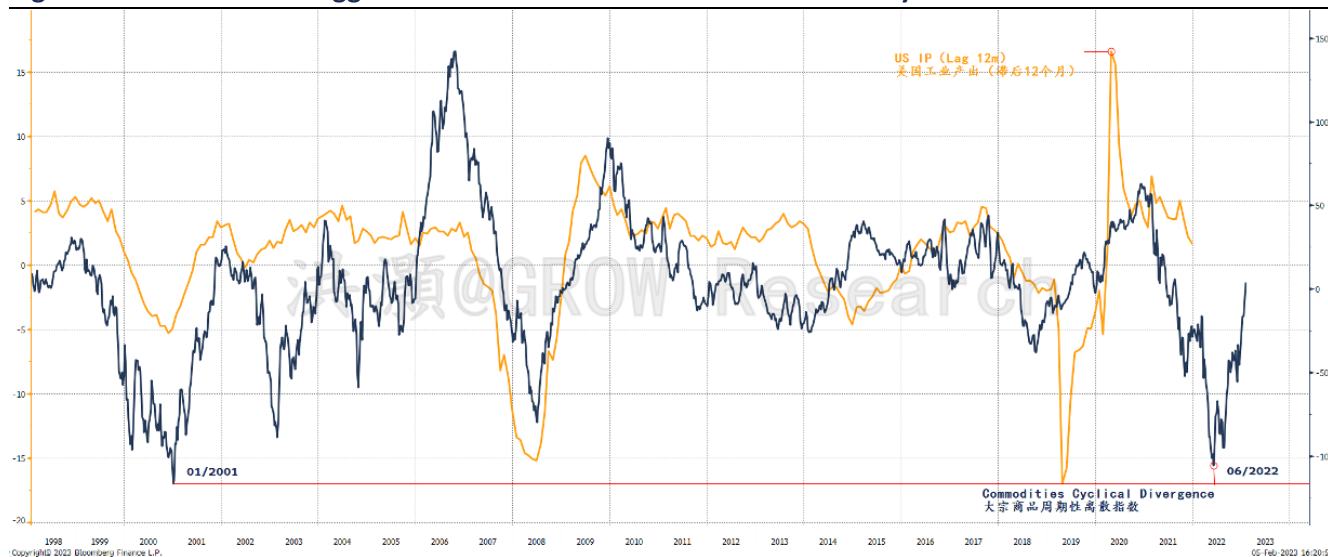
Overall, the commodity index has been largely flat in the past three months, despite a general risk-on sentiment in equities and improving economic outlook as China reopens. As commodities are more sensitive to the physical economic conditions while stocks are more tuned to sentiments and fundflows, it would appear that stocks are convinced that an economic recovery will come sooner or later, while commodities are hesitant to participate and instead opt to wait for further evidence of a recovery.

In sum, funds are still flowing out of Hong Kong ETF despite bullish sentiment, and energy paints a different picture from metals regarding economic outlook. These significant divergences, amongst many other rifts such as the inverted yield curve but strong US payrolls, suggest that we are at a critical market juncture. A call here will have to determine whether the rally is just another deadcat bear market rebound, or it is a genuine trend reversal heralding an eventual economic recovery.

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We are in the recovery camp, but believe that the journey will be tortuous. In **Figure 3**, we compare our proprietary long economic leading indicator, one derived from cyclical performance divergence of the important commodities, with US IP. The correlation between our long economic leading indicator (LLEI) and the US IP is palpable, and our LLEI leads the US economy by about 12 months or more.

Figure 3: Commodities suggest further deceleration in the US economy.



Source: Bloomberg, GROW Research

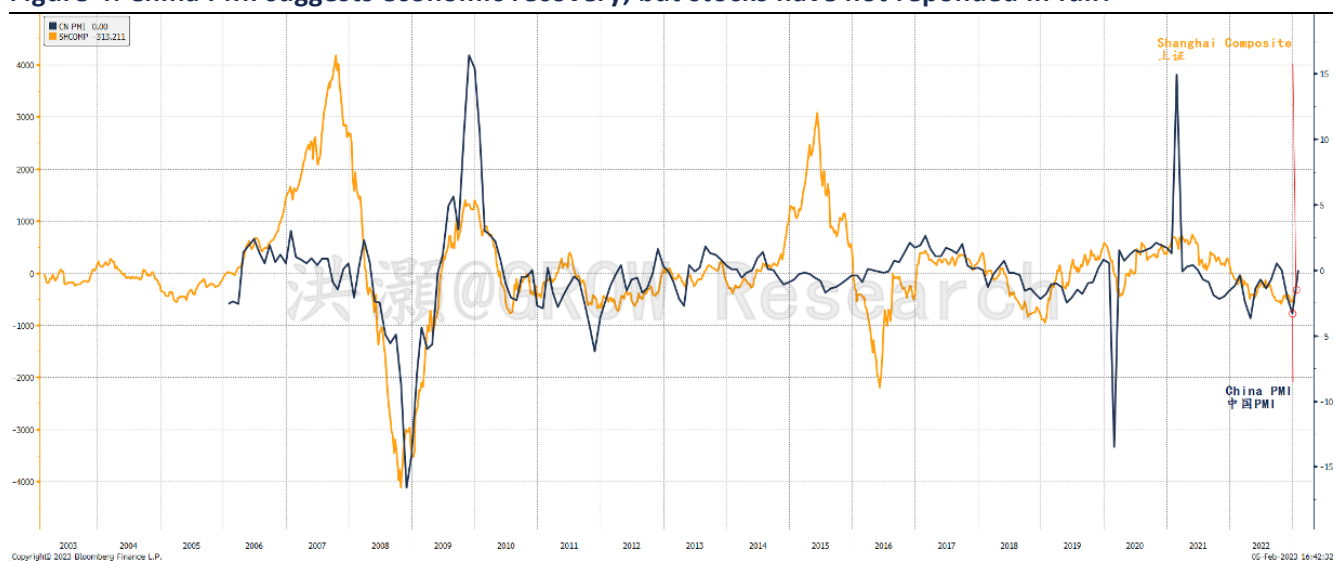
Our LLEI has been consistent in pinpointing economic turning points in the US economy, including the 2001 recession, the 2008 global financial crisis, the COVID recession in 2020 and then “the US recession” in the first two quarters of 2022 (**Figure 3**). Of course, the US officials dismissed these two successive quarters of negative GDP growth as recession by alluding to technical reasons.

If historical relationship between our LLEI and the US economy holds, then the US economy is set for further deceleration in the months ahead. Of course, the current US data suggest that the economy is still strong, and thus the US market refuses to correct. But the Fed is sticking to its tightening stance and monetary policy works with a lag.

That said, our LLEI suggests that the second half of 2022 is indeed a turning point for the global economy. Although it tends to forecast economic turning points with a very long lead and hence the “long” in its name, it confirms what the stock market, which has a shorter lead, is seeing and reflecting.

Meanwhile, China PMI has returned to expansionary zone. But the onshore market represented by the Shanghai Composite has not responded in full (**Figure 4**). As such, while the Chinese markets have run into near-term resistance at the important technical hurdle of the 850-Cycle Line, the market recovery should resume after correction.

Figure 4: China PMI suggests economic recovery, but stocks have not repoded in full.

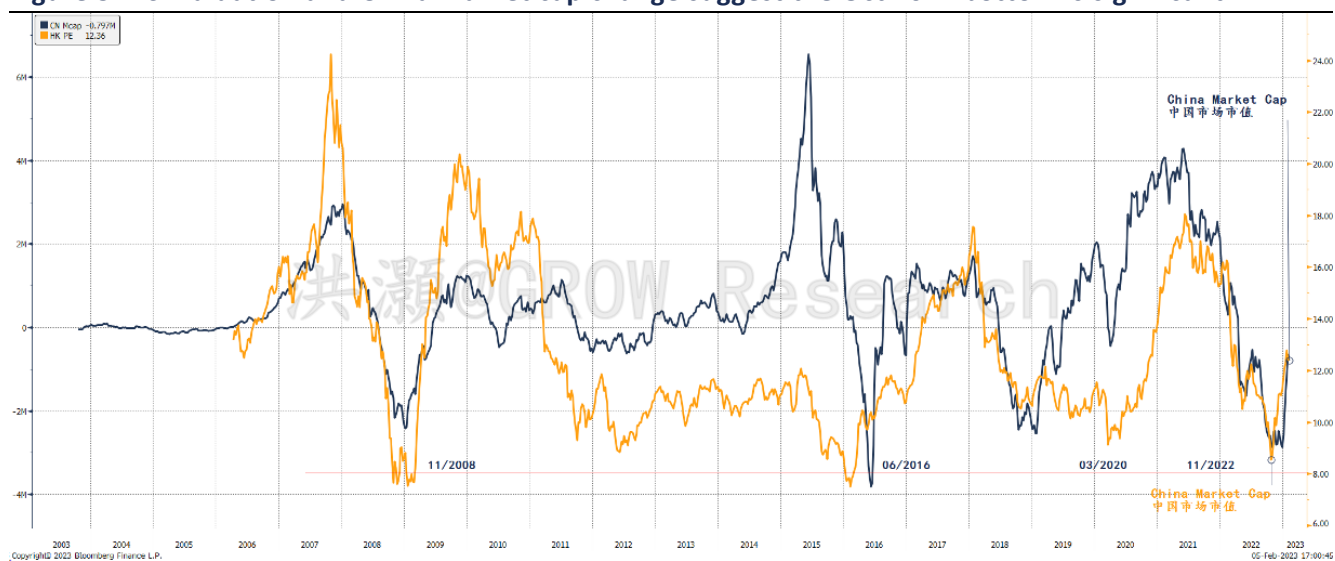


Source: Bloomberg, GROW Research

The market bottom witnessed in late October 2022 is significant. In **Figure 5**, we show that both the valuation of the Hang Seng Index and China's total market value had bottomed around that time. In the past, these two indicators have a track records of pinpointing historical market bottoms in November 2008, June 2016, March 2020 and then October 2022.

We note that these measures, as well as our LLEI, are not meant to be precise and can vary from the actual market bottom by some months. As such, these indicators should be applied to gauge the market trend in a longer time window, instead of short-term market timing.

Figure 5: HSI valuation and China market cap change suggest the Oct 2022 bottom is significant.



Source: Bloomberg, GROW Research

Conclusion

After a 50% rally in the Hang Seng and much more in other major China market indices, rifts are starting to emerge. The rally stalled at the **850-Cycle Line** -- an important technical hurdle. Metals are diverging from energy, and funds continue to flow out of the largest Hang Seng tracker ETF despite a bullish chorus. The itch to take profit cannot be denied.

Our LLEI portends further US slowdown in the coming months, but also the significance in the market bottom we called in late October 2022. China's PMI is re-expanding, but the onshore market has not yet responded in full. Both valuation and China's market capitalization also suggest that the bottom in last October is indeed a secular turning point.

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Appendix 1: Performance of major asset classes (weekly)

Asset Class	3/2/2023	27/1/2023	20/1/2023	13/1/2023	6/1/2023	30/12/2022	23/12/2022	16/12/2022	9/12/2022	2/12/2022	25/11/2022
MSCI Index											
MSCI World	0.97%	2.13%	-0.16%	3.35%	1.99%	-0.07%	-0.06%	-2.14%	-2.14%	1.34%	1.48%
MSCI DM	1.25%	2.22%	-0.18%	3.24%	1.81%	-0.10%	-0.03%	-2.13%	-2.17%	1.09%	1.68%
MSCI EM	-1.19%	1.44%	0.62%	4.16%	3.38%	0.17%	-0.16%	-2.14%	0.45%	3.49%	-0.21%
MSCI China	-4.20%	3.24%	1.48%	4.27%	7.60%	1.27%	-0.62%	-2.18%	6.77%	8.13%	-3.14%
MSCI AC Asia Ex. Japan	-1.15%	1.57%	0.95%	4.02%	3.64%	0.48%	-1.13%	-1.95%	1.66%	4.37%	-0.43%
MSCI Europe	1.20%	0.59%	-0.05%	1.76%	4.74%	-0.19%	0.64%	-3.11%	-0.67%	0.67%	1.65%
Stock											
U.S. S&P 500	1.62%	2.47%	-0.16%	2.67%	1.45%	-0.14%	-0.10%	-2.08%	-3.17%	1.13%	1.53%
Chinese Mainland SHCOMP	3.35%	0.00%	-1.18%	1.19%	2.21%	1.42%	-3.85%	-1.12%	1.61%	1.76%	0.14%
SZCOMP	6.02%	0.00%	-1.19%	1.31%	3.29%	1.31%	-4.19%	-1.15%	1.53%	3.05%	-2.22%
HK SAR, China HSI	-4.13%	2.92%	1.41%	3.56%	6.12%	0.56%	0.73%	-2.66%	6.56%	6.27%	-2.33%
Japan Nikkei 225	0.46%	3.12%	1.66%	0.56%	-0.46%	-0.54%	-4.69%	-1.14%	0.44%	-1.19%	1.37%
South Korea KOSPI	3.71%	0.38%	4.20%	2.40%	-3.34%	-1.66%	-1.11%	-1.66%	0.00%	-0.42%	-1.56%
Germany DAX	2.15%	0.77%	-0.15%	3.26%	4.93%	-0.12%	0.34%	-3.12%	-1.09%	-0.08%	0.76%
U.K. FTSE 100	1.76%	-0.07%	-0.94%	1.88%	3.32%	-0.18%	1.92%	-1.93%	-1.05%	0.93%	1.37%
France CAC 40	1.93%	1.45%	-0.19%	2.37%	5.98%	-0.48%	0.81%	-3.17%	-0.96%	0.44%	1.02%
Bloomberg Barclays Indices											
Global	0.13%	-0.03%	0.00%	1.91%	1.39%	-0.14%	-0.12%	-0.09%	-0.07%	1.60%	0.89%
China	0.61%	0.00%	-1.05%	2.10%	1.55%	0.63%	0.05%	-0.17%	1.16%	1.44%	-0.11%
Global + China	0.13%	-0.03%	0.00%	1.91%	1.39%	-0.14%	-0.12%	-0.09%	-0.07%	1.60%	0.89%
U.S.	0.03%	0.09%	0.15%	0.88%	1.85%	-0.65%	-1.47%	0.80%	-0.44%	1.54%	1.05%
Europe	0.70%	-0.14%	0.12%	2.76%	1.52%	-0.11%	-1.14%	-1.09%	0.40%	1.50%	0.90%
Asian Pacific	0.10%	-0.10%	-0.13%	2.32%	0.55%	0.27%	1.04%	-0.42%	0.20%	2.19%	0.22%
EM	0.43%	0.29%	0.81%	1.21%	0.99%	-0.18%	-0.16%	0.47%	0.04%	2.19%	1.45%
Treasuries	0.11%	-0.18%	-0.08%	2.14%	1.23%	-0.12%	-0.10%	-0.10%	-0.10%	1.72%	0.75%
Corporate	0.41%	0.24%	0.23%	1.80%	1.56%	-0.44%	-1.13%	0.23%	-0.03%	1.58%	1.35%
High Yield	0.81%	0.43%	0.20%	1.97%	1.67%	-0.11%	-0.13%	0.19%	-0.07%	1.41%	1.34%
Commodity											
Bloomberg Commodity Index											
Energy	-4.07%	-0.46%	0.49%	3.21%	-4.16%	0.22%	-0.14%	0.87%	-2.19%	-0.19%	0.11%
Natural Gas	-15.40%	-6.21%	-4.98%	-5.16%	-17.94%	-7.15%	-21.14%	1.40%	-1.06%	-14.93%	9.13%
WTI Crude	-7.49%	-2.40%	1.91%	8.20%	-7.97%	1.02%	6.84%	4.46%	-11.19%	4.85%	-4.78%
Brent Crude	-7.36%	-1.88%	2.54%	8.49%	-8.14%	1.67%	6.30%	3.77%	-10.46%	2.41%	-3.49%
Heating Oil	-12.87%	-5.15%	6.11%	8.34%	-8.11%	1.85%	5.09%	9.40%	-11.70%	0.01%	-6.73%
Unleaded Gasoline	-10.51%	-2.13%	4.36%	12.78%	-9.15%	3.43%	10.99%	3.62%	-9.89%	0.33%	-3.12%
Precious Metal	-3.11%	-0.17%	-0.16%	2.40%	1.72%	1.04%	0.80%	-0.15%	0.54%	3.56%	0.45%
Gold	-3.15%	0.04%	0.33%	2.78%	2.38%	1.22%	0.22%	-0.18%	0.06%	2.31%	-0.01%
Silver	-5.15%	-1.11%	-1.19%	1.63%	-0.14%	0.50%	2.54%	-1.44%	2.01%	7.59%	1.95%
Industrial Metal	-3.13%	0.13%	1.69%	6.48%	-1.48%	0.38%	1.37%	-4.33%	0.99%	8.21%	-1.12%
Copper	-3.13%	-0.48%	0.84%	7.80%	2.64%	0.04%	1.76%	-3.12%	0.73%	6.06%	-0.10%
Aluminum	-2.12%	0.36%	0.54%	13.04%	-3.16%	-0.16%	0.46%	-4.19%	-2.15%	7.77%	-3.09%
Zinc	-5.07%	-0.11%	2.90%	10.03%	1.76%	0.25%	-1.65%	-6.88%	5.53%	5.46%	-3.55%
Nickel	-0.88%	0.38%	7.35%	-4.11%	-6.66%	1.70%	4.47%	-4.06%	1.73%	13.61%	0.10%
Agriculture	0.75%	1.99%	-0.19%	1.08%	-2.88%	0.91%	1.94%	1.37%	0.18%	-2.00%	-0.18%
Grains	0.46%	0.90%	-0.44%	2.16%	-3.78%	2.14%	1.64%	0.96%	-0.10%	-2.61%	-0.44%
Softs	0.85%	6.30%	1.96%	-0.22%	-3.94%	-3.12%	4.42%	2.72%	-1.06%	0.57%	-0.67%
Livestock	1.33%	0.66%	-1.02%	-0.16%	-3.12%	0.02%	1.61%	0.74%	-2.42%	1.02%	-0.69%
Live Cattle	2.05%	0.56%	-0.41%	0.38%	-0.11%	0.10%	1.27%	0.14%	-0.11%	0.48%	-0.47%
Lean Hogs	0.03%	0.85%	-1.18%	-2.17%	-8.47%	-0.14%	2.39%	2.11%	-7.10%	2.17%	-1.17%
Foreign Exchange											
US Dollar Index	0.97%	-0.08%	-0.19%	-1.61%	0.34%	-0.16%	-0.17%	-0.10%	0.25%	-1.33%	-0.91%
USDCNY	-0.44%	0.00%	1.90%	-1.16%	-1.02%	-0.23%	0.23%	0.22%	-1.15%	-1.16%	0.63%
MSCI EM Currency	0.40%	0.22%	-0.19%	1.95%	0.54%	0.32%	0.63%	-0.14%	0.23%	1.27%	0.28%
USDHKD	0.21%	0.01%	0.25%	0.03%	0.07%	-0.04%	0.27%	-0.03%	-0.03%	-0.12%	-0.11%
JPYUSD	1.01%	0.22%	1.35%	-3.19%	0.73%	-1.15%	-2.10%	0.03%	1.68%	-3.11%	-0.84%
EURUSD	-0.67%	0.11%	0.24%	1.75%	-0.17%	0.63%	0.29%	0.44%	0.05%	1.35%	0.68%
GBPUSD	-2.83%	-0.12%	1.39%	1.11%	0.08%	0.25%	-0.18%	-0.11%	-0.17%	1.55%	1.70%

Source: Bloomberg, GROW Research (Updated on 04/02/2023, same below)

Appendix 2: Performance of major asset classes (annual)

Asset Class		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
MSCI Index															
MSCI World		8.4%	-19.8%	16.8%	14.3%	24.0%	-11.2%	21.6%	5.6%	-4.3%	2.1%	20.3%	13.4%	-9.4%	10.4%
MSCI DM		8.4%	-19.5%	20.1%	14.1%	25.2%	-10.4%	20.1%	5.3%	-2.7%	2.9%	24.1%	13.2%	-7.5%	9.6%
MSCI EM		8.6%	-22.4%	-4.5%	15.8%	15.4%	-16.6%	34.3%	8.6%	-17.0%	-4.5%	-5.0%	15.1%	-20.4%	16.4%
MSCI China		12.0%	-23.5%	-22.4%	26.7%	20.4%	-20.3%	52.3%	-1.4%	-10.1%	4.7%	0.4%	18.7%	-20.4%	2.6%
MSCI AC Asia Ex. Japan		9.3%	-21.5%	-6.4%	22.5%	15.4%	-16.4%	38.7%	2.9%	-11.3%	2.2%	0.7%	19.4%	-19.2%	17.0%
MSCI Europe		8.4%	-11.9%	22.4%	-5.4%	22.2%	-13.1%	7.3%	-0.5%	5.5%	4.1%	16.4%	13.4%	-10.9%	8.0%
Stock															
U.S.	S&P 500	7.7%	-19.4%	26.9%	16.3%	28.9%	-6.2%	19.4%	9.1%	-0.7%	11.4%	29.5%	13.4%	0.0%	12.8%
Chinese Mainland	SHCOMP	5.6%	-15.1%	4.8%	13.3%	22.3%	-24.6%	6.6%	-12.3%	9.4%	52.9%	-6.7%	3.2%	-21.7%	-14.3%
	SZCOMP	9.5%	-21.9%	8.6%	35.2%	35.9%	-33.2%	-3.5%	-14.7%	63.2%	33.8%	20.0%	1.7%	-32.9%	7.5%
HK SAR, China	HSI	9.5%	-15.5%	-14.1%	-3.4%	9.1%	-13.6%	36.0%	0.4%	-7.2%	1.3%	2.9%	22.9%	-20.0%	5.3%
Japan	Nikkei 225	5.4%	-9.4%	4.9%	16.0%	18.2%	-12.1%	19.1%	0.4%	9.1%	7.1%	56.7%	22.9%	-17.3%	-3.0%
South Korea	KOSPI	10.9%	-24.9%	3.6%	30.8%	7.7%	-17.3%	21.8%	3.3%	2.4%	-4.8%	0.7%	9.4%	-11.0%	21.9%
Germany	DAX	11.2%	-12.3%	15.8%	3.1%	25.5%	-18.3%	12.5%	6.9%	9.6%	2.7%	25.5%	29.1%	-14.7%	16.1%
U.K.	FTSE 100	6.0%	0.9%	14.3%	-14.3%	12.1%	-12.5%	7.6%	14.4%	-4.9%	-2.7%	14.4%	5.8%	-5.5%	9.0%
France	CAC 40	11.7%	-9.5%	28.9%	-7.1%	26.4%	-11.0%	9.3%	4.9%	8.5%	-0.5%	18.0%	15.2%	-17.0%	-3.8%
Bloomberg Barclays Indices															
Global		3.5%	-16.2%	-4.7%	9.2%	6.8%	-1.2%	7.4%	2.1%	-3.2%	0.6%	-2.5%	4.3%	5.6%	5.5%
China		3.2%	-5.2%	8.4%	9.8%	3.4%	3.3%	6.2%	-5.2%	3.9%	8.0%	1.3%	5.1%	9.2%	6.4%
Global + China		3.5%	-16.2%	-4.7%	9.2%	6.6%	-0.9%	7.3%	1.7%	-2.9%	0.9%	-2.5%	4.3%	5.8%	5.6%
U.S.		3.0%	-13.0%	-1.5%	7.5%	8.7%	0.0%	3.5%	2.6%	0.5%	6.0%	-2.0%	4.2%	7.8%	6.5%
Europe		4.8%	-22.3%	-9.7%	13.4%	4.1%	-4.4%	14.5%	0.3%	-9.3%	-2.4%	6.8%	12.9%	-0.1%	-4.5%
Asian Pacific		2.7%	-12.8%	-5.0%	6.6%	3.7%	2.7%	5.2%	5.3%	-0.5%	-6.8%	-14.6%	-7.0%	7.3%	17.2%
EM		3.8%	-15.3%	-1.7%	6.5%	13.1%	-2.5%	8.2%	9.9%	1.3%	4.8%	-4.1%	17.9%	7.0%	12.8%
Treasury		3.3%	-17.5%	-6.5%	9.5%	5.6%	-0.4%	7.3%	1.7%	-3.3%	-0.8%	-4.3%	1.8%	6.3%	5.9%
Corporate		4.3%	-16.7%	-2.9%	10.4%	11.5%	-3.5%	9.1%	4.3%	-3.5%	3.1%	0.3%	11.2%	4.3%	5.8%
High Yield		5.2%	-12.7%	1.0%	7.0%	12.6%	-4.1%	10.4%	14.3%	-2.7%	0.0%	7.3%	19.5%	3.1%	14.8%
Commodity															
Bloomberg Commodity Index		-5.1%	13.8%	27.1%	-3.5%	5.4%	-13.0%	0.7%	11.4%	-24.7%	-17.0%	-9.5%	-1.1%	-13.4%	16.7%
Energy		-17.5%	33.5%	52.1%	-42.9%	9.4%	-14.4%	-5.2%	15.9%	-38.9%	-39.4%	5.1%	-9.4%	-16.0%	-10.7%
	Natural Gas	-41.3%	17.0%	27.9%	-42.2%	-38.5%	-2.1%	-37.0%	10.0%	-40.0%	-30.7%	4.9%	-30.7%	-47.1%	-40.7%
	WTI Crude	-8.8%	22.4%	61.5%	-50.9%	31.6%	-22.0%	4.1%	6.7%	-44.4%	-41.7%	6.8%	-11.8%	-3.7%	3.7%
	Brent Crude	-7.3%	38.9%	65.5%	-31.8%	32.7%	-16.6%	13.2%	25.0%	-45.6%	-47.6%	7.2%	7.5%	16.8%	11.3%
	Heating Oil	-12.7%	90.9%	58.2%	-38.5%	22.0%	-17.4%	13.9%	33.0%	-42.9%	-38.8%	0.3%	5.4%	10.6%	8.2%
	Unleaded Gasoline	-6.3%	45.7%	69.5%	-31.2%	41.5%	-29.7%	1.8%	6.1%	-12.7%	-43.8%	1.9%	25.5%	14.4%	12.9%
Precious Metal		-0.3%	-1.9%	-6.1%	25.1%	14.6%	-6.4%	9.9%	9.1%	-11.5%	-6.7%	-30.8%	6.2%	4.5%	42.5%
	Gold	1.9%	-2.7%	-4.3%	20.5%	15.6%	-4.7%	11.7%	7.4%	-10.9%	-1.8%	-28.7%	6.0%	9.6%	28.5%
	Silver	-6.8%	0.5%	-12.3%	41.9%	11.5%	-11.9%	13.6%	13.6%	-12.8%	-20.5%	-36.7%	7.0%	-10.2%	81.6%
Industrial Metal		3.4%	-4.4%	30.3%	15.9%	4.7%	-21.1%	28.1%	19.5%	-26.9%	-6.9%	-13.7%	0.6%	-24.3%	16.1%
	Copper	6.5%	-15.3%	27.0%	22.8%	5.0%	-22.8%	28.0%	15.4%	-25.2%	-16.6%	-8.3%	4.9%	-24.5%	29.4%
	Aluminum	7.4%	-16.8%	38.9%	3.5%	-5.8%	-18.5%	29.9%	9.4%	-23.0%	-3.1%	-20.8%	-4.1%	-21.7%	5.2%
	Zinc	9.1%	-12.3%	27.9%	18.1%	-3.2%	-22.9%	28.5%	56.9%	-28.0%	3.5%	-7.0%	8.9%	-27.8%	-9.0%
	Nickel	-5.1%	43.7%	25.1%	16.2%	29.8%	-18.0%	24.4%	11.5%	-42.7%	7.3%	-20.1%	-10.3%	-24.7%	32.0%
Agriculture		0.6%	13.2%	26.6%	16.0%	-0.4%	-12.5%	-11.9%	1.8%	-15.7%	-9.8%	-14.3%	3.9%	-14.4%	38.8%
	Grains	-0.3%	15.6%	20.9%	18.9%	-3.2%	-7.4%	-12.1%	-6.2%	-19.5%	-9.4%	-16.9%	18.1%	-14.5%	30.1%
	Softs	4.8%	-5.4%	43.9%	2.5%	2.1%	-23.8%	-15.6%	12.8%	-9.9%	-10.1%	-16.9%	-22.5%	-14.0%	59.7%
Livestock		-2.7%	5.3%	8.6%	-23.7%	-8.0%	-3.5%	5.9%	-5.9%	-18.9%	11.5%	-3.5%	-3.5%	-2.4%	9.1%
	Live Cattle	1.7%	2.6%	-0.1%	-18.2%	-0.9%	0.6%	8.1%	-7.7%	-14.3%	22.0%	-5.1%	-4.0%	-1.1%	14.8%
	Lean Hogs	-11.6%	10.8%	25.1%	-31.8%	-20.9%	-12.7%	1.8%	-3.3%	-26.1%	-4.4%	-2.1%	-3.0%	-4.5%	0.1%
Foreign Exchange															
US Dollar Index		-0.5%	8.2%	6.4%	-6.7%	0.2%	4.4%	-9.9%	3.6%	9.3%	12.8%	0.3%	-0.5%	1.5%	1.5%
USDCNY		-1.5%	8.5%	-2.5%	-6.8%	1.2%	5.7%	-6.3%	6.9%	4.6%	2.5%	-2.3%	-1.0%	-4.5%	-3.4%
MSCI EM Currency		2.8%	-4.3%	0.9%	3.3%	3.1%	-3.3%	11.4%	3.5%	-7.1%	-4.3%	-1.9%	5.5%	-2.5%	7.9%
USDHKD		0.6%	0.1%	0.6%	-0.5%	-0.5%	0.2%	0.7%	0.1%	-0.1%	0.0%	0.0%	-0.2%	-0.1%	0.2%
JPYUSD		0.1%	13.9%	11.5%	-4.1%	-1.0%	-2.7%	-3.7%	-2.7%	0.4%	13.7%	21.4%	12.8%	-5.2%	-12.8%
EURUSD		0.8%	-5.8%	-6.9%	8.9%	-2.2%	-4.5%	14.1%	-3.2%	-10.2%	-12.0%	4.2%	1.8%	-3.2%	-6.5%
GBPUSD		-0.2%	-10.7%	-1.0%	3.1%	3.9%	-5.5%	9.5%	-16.3%	-5.4%	-5.9%	1.9%	4.6%	-0.4%	-3.5%

Source: Bloomberg, GROW Research

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

	3/2/2023	27/1/2023	20/1/2023	13/1/2023	6/1/2023	30/12/2022	23/12/2022	16/12/2022	9/12/2022	2/12/2022	25/11/2022
S&P 500 GICS Groups Index											
S&P 500 GICS Groups Index	1.62%	2.47%	-0.66%	2.67%	1.45%	-0.14%	-0.20%	-2.08%	-3.37%	1.13%	1.53%
Info. Tech.	3.75%	4.07%	0.68%	4.60%	0.22%	-0.15%	-2.04%	-2.67%	-3.34%	1.31%	0.98%
Industrials	1.70%	2.13%	-3.36%	1.53%	2.72%	-0.18%	0.76%	-1.10%	-3.20%	1.00%	1.90%
Materials	0.03%	0.71%	-1.21%	4.29%	3.45%	-1.18%	-0.10%	-2.34%	-3.33%	1.54%	2.92%
Consumer Staples	0.62%	0.43%	-2.86%	-1.46%	1.75%	-0.86%	1.00%	-1.40%	-1.83%	1.10%	2.10%
Health Care	-0.10%	-0.89%	-1.12%	-0.19%	-0.19%	-0.19%	0.81%	-1.83%	-1.29%	1.91%	1.91%
Consumer Discretionary	2.25%	6.38%	-0.51%	5.76%	2.25%	-0.26%	-3.10%	-3.63%	-4.48%	2.10%	1.13%
Financials	0.91%	2.53%	-2.08%	2.03%	3.33%	0.68%	1.40%	-2.50%	-3.90%	-0.64%	2.16%
Energy	-5.94%	0.76%	0.74%	2.66%	0.00%	0.60%	4.38%	1.72%	-8.40%	-1.97%	0.26%
Real Estate	1.50%	2.82%	-0.75%	4.39%	2.48%	-0.61%	-0.01%	-2.38%	-1.85%	0.43%	1.99%
Utilities	-1.49%	-0.49%	-2.93%	0.45%	0.70%	-0.64%	1.42%	-0.55%	-0.32%	0.06%	3.04%
Telecom	5.28%	3.28%	2.97%	4.07%	3.70%	-0.08%	-0.40%	-2.47%	-5.39%	3.31%	1.01%
Shanghai Stock Exchange Sector Index											
Info.Tech.	1.22%	8.41%	0.00%	0.09%	2.57%	2.25%	-5.71%	-0.76%	0.93%	-0.01%	-4.90%
Industrials	-1.38%	3.41%	0.00%	0.32%	1.98%	2.26%	-5.16%	-2.44%	0.50%	0.83%	1.29%
Materials	2.27%	3.55%	0.00%	2.13%	2.66%	1.21%	-4.41%	-3.05%	3.76%	1.08%	0.88%
Consumer Staples	-0.35%	-1.94%	0.00%	3.77%	1.10%	-0.61%	-0.96%	0.75%	6.34%	7.14%	-3.77%
Health Care	-2.70%	4.22%	0.00%	2.53%	2.71%	2.89%	-4.96%	0.38%	0.37%	0.85%	-5.06%
Consumer Discretionary	0.59%	0.57%	0.00%	1.97%	3.15%	0.04%	-2.90%	-0.67%	2.84%	4.88%	-2.30%
Financials	-2.90%	1.05%	0.00%	2.29%	2.48%	1.77%	-2.53%	-0.87%	3.94%	1.44%	2.93%
Energy	-1.44%	2.37%	0.00%	3.83%	0.63%	0.23%	-4.88%	-2.17%	-0.68%	-1.00%	4.69%
Utilities	-0.52%	1.25%	0.00%	-2.30%	2.37%	5.26%	-4.02%	-1.12%	-2.91%	-0.73%	3.92%
Telecom	0.56%	3.32%	0.00%	0.81%	4.72%	1.48%	-2.23%	-2.20%	-1.45%	5.10%	0.41%
Hang Seng Sector Index											
Info.Tech.	-5.74%	4.60%	2.01%	3.92%	10.20%	0.82%	1.09%	-4.21%	10.36%	11.51%	-7.46%
Industrials	-1.61%	2.85%	4.02%	2.95%	3.21%	0.99%	-3.98%	-0.53%	4.31%	3.91%	-2.18%
Materials	-3.18%	3.23%	4.59%	7.30%	4.34%	1.17%	-3.76%	-2.86%	5.57%	4.53%	1.78%
Consumer	-3.67%	3.38%	0.52%	3.59%	4.03%	0.08%	2.04%	-2.27%	4.86%	12.49%	-6.26%
Financials	-5.20%	2.15%	1.18%	3.24%	4.48%	1.77%	0.89%	-1.16%	4.87%	3.09%	2.10%
Energy	-3.71%	1.94%	4.91%	6.04%	0.19%	0.93%	-1.64%	1.58%	-0.29%	-1.40%	3.76%
Real Estate	-4.75%	3.10%	2.31%	-1.19%	5.85%	0.48%	-1.94%	-2.45%	10.80%	0.23%	3.48%
Utilities	-1.93%	0.58%	1.83%	-0.15%	5.32%	4.33%	-2.23%	-0.58%	5.65%	-1.34%	1.53%
Telecom	1.04%	1.05%	1.86%	4.11%	3.14%	-0.94%	0.88%	0.22%	1.06%	-0.27%	4.26%

Source: Bloomberg, GROW Research

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
S&P 500 GICS Groups Index														
S&P 500 GICS Groups Index	7.7%	-19.4%	26.9%	16.3%	28.9%	-6.2%	19.4%	9.3%	-0.7%	11.4%	29.5%	13.4%	0.0%	12.8%
Info. Tech.	14.0%	-28.9%	33.4%	42.2%	48.0%	-1.5%	36.9%	12.0%	4.3%	18.2%	26.2%	13.1%	1.3%	9.1%
Industrials	4.7%	-7.1%	19.4%	9.0%	26.8%	-15.0%	18.5%	16.1%	-4.7%	7.5%	37.5%	12.5%	-2.9%	23.9%
Materials	7.4%	-14.1%	25.0%	18.1%	21.9%	-18.4%	21.4%	14.1%	-10.4%	4.7%	22.7%	12.2%	-11.6%	19.9%
Consumer Staples	-1.5%	-3.2%	15.5%	7.5%	24.0%	-11.2%	10.5%	2.5%	3.8%	12.9%	22.7%	7.5%	10.5%	10.7%
Health Care	-2.5%	-3.5%	24.2%	11.4%	18.7%	4.7%	20.0%	-4.4%	5.2%	23.3%	38.7%	15.2%	10.2%	0.7%
Consumer Discretionary	17.0%	-37.6%	23.7%	32.1%	26.2%	-0.5%	21.2%	4.3%	8.4%	8.0%	41.0%	21.9%	4.4%	25.7%
Financials	6.8%	-12.4%	32.5%	-4.1%	29.2%	-14.7%	20.0%	20.1%	-3.5%	13.1%	33.2%	26.3%	-18.4%	10.8%
Energy	-2.0%	59.0%	47.7%	-37.3%	7.6%	-20.5%	-3.8%	23.7%	-23.6%	-10.0%	22.3%	2.3%	2.8%	17.9%
Real Estate	10.8%	-28.4%	42.5%	-5.2%	24.9%	-5.5%	7.2%	0.0%	1.2%	26.1%	-1.5%	16.2%	7.9%	28.0%
Utilities	-3.7%	-1.4%	14.0%	-2.8%	22.2%	0.5%	8.3%	12.2%	-8.4%	24.3%	8.8%	-2.9%	14.8%	0.9%
Telecom	20.8%	-40.4%	20.5%	22.2%	30.9%	-18.4%	-6.0%	17.8%	-1.7%	-1.9%	6.5%	12.5%	0.8%	12.3%
Shanghai Stock Exchange Sector Index														
Info.Tech.	12.6%	-37.1%	-0.2%	22.5%	65.4%	-34.1%	-4.9%	-26.9%	60.0%	36.5%	46.8%	-14.1%	-39.2%	27.2%
Industrials	4.3%	-18.3%	14.3%	25.3%	13.7%	-23.6%	5.5%	-15.0%	10.7%	68.0%	-3.2%	-4.8%	-32.5%	-4.9%
Materials	11.0%	-21.4%	15.9%	22.7%	29.0%	-30.1%	27.3%	-7.5%	-1.0%	38.9%	-24.0%	9.1%	-35.1%	-3.2%
Consumer Staples	2.5%	-16.0%	-6.9%	81.5%	47.5%	-19.3%	43.8%	1.1%	24.1%	15.1%	7.7%	4.5%	-22.1%	12.7%
Health Care	6.8%	-22.7%	-8.3%	57.4%	24.3%	-26.4%	18.2%	-11.4%	45.8%	6.3%	32.5%	10.3%	-31.2%	33.8%
Consumer Discretionary	6.4%	-16.0%	-6.9%	81.5%	47.5%	-19.3%	43.8%	1.1%	24.1%	15.1%	7.7%	4.5%	-22.1%	12.7%
Financials	2.9%	-11.2%	-12.7%	-3.0%	29.5%	-17.4%	23.4%	-7.8%	-9.7%	82.0%	-9.9%	20.9%	-13.9%	-26.8%
Energy	5.4%	16.4%	29.5%	-11.3%	2.4%	-26.3%	6.4%	-3.9%	-15.0%	24.0%	-33.0%	-4.8%	-23.5%	-10.9%
Utilities	0.7%	-15.3%	39.4%	-3.8%	3.4%	-11.1%	-3.0%	-20.5%	6.2%	73.1%	-1.2%	3.4%	-17.2%	-16.8%
Telecom	9.7%	-10.5%	9.2%	-6.2%	29.9%	-29.8%	12.1%	-7.5%	56.0%	34.6%	30.5%	-22.8%	-38.8%	4.6%
Hang Seng Sector Index														
Info.Tech.	15.2%	-25.1%	-32.3%	69.5%	23.7%	-29.6%	92.3%	18.2%	22.3%	8.9%	70.0%	36.5%	-18.6%	-7.0%
Industrials	5.1%	-21.2%	-18.8%	-15.9%	15.7%	-10.2%	48.8%	-1.8%	-2.5%	3.1%	-9.9%	42.9%	-26.5%	4.5%
Materials	17.0%	-15.2%	9.4%	30.0%	-0.4%	-29.5%	30.5%	21.0%	-18.7%	-1.1%	-21.9%	8.1%	-42.4%	4.4%
Consumer Goods	7.9%	-21.1%	19.1%	-27.1%	51.3%	-6.5%	-10.3%	-11.1%	11.2%	10.1%	-24.3%	9.3%	116.6%	-52.6%
Consumer Services	7.9%	-21.1%	6.7%	-22.6%	39.7%	3.6%	-23.9%	-30.5%	40.1%	22.2%	-20.6%	25.3%	70.5%	-62.1%
Financials	5.7%	-5.5%	-6.3%	-6.9%	7.5%	-14.8%	31.2%	-3.1%	-10.0%	7.6%	3.0%	24.2%	-24.6%	-0.7%
Energy	9.4%	17.3%	20.5%	-33.7%	-4.1%	-2.8%	11.4%	14.3%	-31.3%	-17.3%	-16.2%	12.7%	-15.1%	16.5%
Real Estate	5.1%	-21.2%	-18.8%	-15.9%	15.7%	-10.2%	48.8%	-1.8%	-2.5%	3.1%	-9.9%	42.9%	-26.5%	4.5%
Utilities	5.6%	-30.3%	17.5%	-9.4%	-0.9%	1.2%	15.7%	-7.4%	-8.1%	6.2%	13.8%	15.0%	2.8%	6.2%
Telecom	11.7%	6.9%	0.5%	-29.9%	-9.7%	-3.4%	-1.0%	-6.0%	-5.1%	11.5%	-10.2%	11.7%	2.7%	8.4%

Source: Bloomberg, GROW Research

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