Today's Forecast	
HSI trading range	20,100-20,600 points
Market focus	International financial sector
	Bank of China (03988)
	SJM Holdings (00880)

HK and Regional Markets		
	Close (last trading day)	Up(down)
Hang Seng Index	20,467.52	0.39%
HSCEI	8,609.59	0.31%
CCI	3,526.28	0.20%
DJI	17,640.17	(0.20%)
!asda"	4,834.93	(0.18%)
#K FTSE	5,966.80	0.73%
France C C	4,171.58	1.00%
$er%any D &	9,606.71	0.92%
S'ang'ai	3,022.01	1.59%
S'ang'ai (	344.88	1.28%

S'ang'ai)HK stock connect		
	Daily Quota Bal.	Total Quota Bal.
!ort'*ound	13.473 billion	164.213 billion
Sout'*ound	8.112 billion	85.400 billion

Hang Seng Co%+osite Industry Indices		
	Close (last trading day)	Up(down)
Energy	7,376.65	0.23%
Materials	4,598.39	0.45%
Consu%er $oods	3,688.81	0.80%
Ser,ices	2,788.23	0.56%
Teleco%%unications	1,759.30	(0.64%)
Financials	2,851.39	0.21%
-ro+erties . Construction	2,683.82	0.32%
Conglo%erates	2,402.72	(0.22%)

HSI Futures /Day Trading Session0		
	Jun-16	Jul-16
1+en /last trading day0	19,950	20,000
Close /last trading day0	20,269	20,273
#+ /do2n0	89	94
Day Hig'	20,373	20,372
Day 3o2	19,900	19,931
Settled ,olu%e	137,119	1,866
C'ange in 1I	(1,841)	363

&inyi $lass/88D=D0's -rofile	
Stock Category	HK Share #
Sector	Industrial Components & Equipment
(usiness	Production and sales of float glass products, automobile glass products, construction glass products and a variety of related products in the PRC.
Su*stantial s'are'olders	Realbest Investment Limited (18.49%) High Park Technology Limited(6.80%) Copark Investment Limited (6.30%) Telerich Investment Limited (6.42%)

Financial Hig'lig't				
	As at Dec 15		As at Dec 14	
(in billion HKD)	FY2015	%	FY2014	%
Re,enue	11.460	+5.5	10.861	+9.3
!et -rofit	2.113	+55.0	1.364	-61.3

Baluation	
-4E	10.39x
-4(	1.73x
5ield	4.68%

Tec'nical nalysis	
Direction	Upward
>A)day RSI	57.05
Su++ort	HKD5.35
Resistance	HKD5.87

Eligible Stock for Shanghai-HK stock connect scheme

Stock -ick

&inyi $lass/88D=D0 ex+ected its net +rofit to record a year)on)year increase for >H78>=<

Xinyi Glass recently issued a positive profit alert, expecting to record a year-on-year increase of 30%-45% in net profit for the six months ended 30 June 2016 as compared with the figures in 1H2015 mainly due to the reduction of costs of sales of the float glass business, the high growth of sales volume of the float glass business and the increase in the profit contribution from Xinyi Solar (00968). Besides, Xinyi Solar also issued a positive profit alert recently, expecting to record a year-on-year increase of 70%-90% in net profit for 1H2016.

Overall, the positive profit alert of Xinyi Glass was not surprising. The gross profit margin of float glass business and automobile glass business grew from 5.41% YoY and 41.80% YoY in FY2014 to 8.77% YoY and 44.35% YoY in FY2015 respectively. Moreover, the management noted that the improving performance of the property sales in Mainland China starting from this year led an increase of the Company's glass sales. Coupled with decrease of the Company's cost of production amid the lower natural gas price, these were beneficial to the performance of its profit margin for the related construction glass business. Nevertheless, we observed that the year-on-year growth of property contracted sales in May from several property developers has narrowed remarkably. Added with the slowdown of Chinese economic growth this year, these might increase uncertainty to the Company's glass sales in 2H2016. On the other hand, the Company announced last evening that the spin-off and listing of Xinyi Automobile Glass on GEM were subject to, among other things, (a) the Stock Exchange approving the Spin-Off; (b) the Hong Kong Public Offering becomes unconditional and is duly completed in accordance with the terms and conditions in the prospectus of Xinyi Automobile Glass Enterprises and the application forms of the Hong Kong public offering; and (c) the Listing Department granting the listing of, and permission to deal in, the Xinyi Enterprises Shares in issue and the Hong Kong Offer Shares to be issued pursuant to the Hong Kong public offering on GEM and such listing and permission not subsequently having been revoked prior to the commencement of dealing in the Xinyi Enterprises shares on GEM. Thus, we hold a cautiously optimistic view towards the Company's business prospect in FY2016 amid the low production cost maintained in 2H2016 and the approval for the spin-off of Xinyi Automobile Glass Enterprises.

Xinyi Glass's share price dropped 2.41% and closed at HKD5.66 yesterday. Technically, the Company's share price was still in the upward trend. Coupled with its 14-day RSI of 57.05, it showed the weakening momentum. Thus, the

DR HK Stock -rices			
Stock (HKEx Ticker)	ADR Closing Price (US$)	Adjusted Price (HK$)	Change from HK Closing Price (%)
HSBC Holdings (00005.HK)	30.23	47.051	0.265
China Life (02628.HK)	10.53	16.389	0.095
Petrochina (00857.HK)	68.01	5.293	(0.322)
CNOOC (00883.HK)	120.75	9.397	(0.157)
Sinopec Corp (00386.HK)	68.3	5.315	1.230
China Mobile (00941.HK)	55.29	86.054	(0.754)

HK Treasury 5ield Cur,e Rates				
Date	3-year Yield (%)	5-year Yield (%)	10-year Yield (%)	15-year Yield (%)
05/19/16				