

Global Stock Markets: Navigating the global headwinds

EQUITY STRATEGY TEAM

1 NOVEMBER 2023

TRADING MATTERS SERIES: NEWS FOCUS

The summary and impact of a major news event

United States

10Y US Treasury yields (UST) have surged to a 16-year high and touched 5.00% on 23 Oct 2023, a level not seen since 2007. Over the next few months, UST are likely to stay elevated and volatile over the near-term until a growth slowdown becomes clearer.¹ The market therefore maintains a cautious stance while the economic outlook remains uncertain. Data has shown that the average daily value traded in the US markets came down 11.42%, from USD 572.2B in 2022 to USD 506.8 year-to-date in 2023.

The broad rally in US equities over the year-to-date has been driven by optimism over a soft-landing scenario² and generative artificial intelligence's (AI) positive growth impact³. Given headwinds from higher yields and geopolitical tensions, US S&P 500 could potentially experience a near-term consolidation as investors re-evaluate the outlook.¹ At such times, the markets would focus on high quality companies with strong earnings resilience and a record of profitability, particularly if they are in defensive sectors and have a track record of growing dividends.¹

China & Hong Kong

China's policymakers have implemented a series of measures to support the real estate sector in recent months, encompassing fiscal, monetary and real estate demand-side stimulus.¹ In addition, President Xi Jinping signaled that a sharp slowdown in growth and lingering deflationary risks would not be tolerated.⁴ On 25 Oct 2023, China therefore announced a 1 trillion yuan (US\$137B) sovereign bond issuance in a move to shore up the economy after a sluggish post-Covid recovery.⁴ As policy easing momentum accelerates at this critical juncture, focus will shift towards the effectiveness of these actions.¹ The Chinese market may likely to stay rangebound over the near-term as easing measures will take time to pass through.¹ Against this backdrop, potential look out on quality defensive companies in telecoms, energy, travel/tourism, as well as the internet and platform sectors.¹

Singapore

Most of the large-cap Singapore stocks were dragged down as the Middle East conflict intensify. Singapore Straits Times index fell 5.52% on the peak-to-bottom basis in Oct 2023 itself. When fear intensifies, the markets tend to increase their allocation to gold within their portfolios as gold is traditionally considered a safe haven asset.⁵ Unsurprisingly, gold exchange-traded funds on the Singapore Exchange were the top gainers in Oct 2023.⁵

Gold shines again as tensions in the Middle East escalate





S&P 500 Index

Below are the **index stocks** with **market cap of more than USD 50B**

Price Chart



Top 20 index stocks based on market cap

Ticker	Name	Market Cap	Price [USD]	Earning Announcement Date	Analysts' Consensus 12M Target Price [USD]	Potential returns from Analyst Consensus	Dividend Yield
AAPL US	APPLE INC	2.71T	173.44	2/11/2023	200.83	15.79%	0.55
MSFT US	MICROSOFT CORP	2.46T	330.53	24/1/2024	399.33	20.82%	0.91
GOOGL US	ALPHABET INC	1.76T	138.81	2/2/2024	153.09	10.29%	N/A
AMZN US	AMAZON.COM INC	1.33T	128.56	26/10/2023	172.29	34.01%	N/A
NVDA US	NVIDIA CORP	1.08T	436.63	21/11/2023	649.71	48.80%	0.04
META US	META PLATFORMS INC	804.24B	312.55	25/10/2023	373.87	19.62%	N/A
BRK/B US	BERKSHIRE HATHAWAY INC	739.96B	338.63	4/11/2023	389.75	15.10%	N/A
TSLA US	TESLA INC	688.30B	216.52	25/1/2024	242.13	11.83%	N/A
LLY US	ELI LILLY & CO	562.39B	592.43	2/11/2023	602.29	1.66%	0.76
UNH US	UNITEDHEALTH GROUP INC	486.31B	525.00	12/1/2024	588.04	12.01%	1.43
V US	VISA INC-CLASS A SHARES	489.89B	234.65	26/1/2024	276.27	17.74%	0.89
XOM US	EXXON MOBIL CORP	429.54B	108.39	27/10/2023	126.76	16.95%	3.36
WMT US	WALMART INC	439.40B	163.25	16/11/2023	178.05	9.07%	1.40
JPM US	JPMORGAN CHASE & CO	410.25B	141.17	12/1/2024	171.31	21.35%	2.98
JNJ US	JOHNSON & JOHNSON	363.18B	151.23	23/1/2024	175.36	15.95%	3.15
MA US	MASTERCARD INC - A	364.55B	386.91	26/10/2023	455.39	17.70%	0.59
AVGO US	BROADCOM INC	363.67B	881.11	8/12/2023	978.71	11.08%	2.09
PG US	PROCTER & GAMBLE CO/THE	353.30B	149.90	23/1/2024	163.50	9.07%	2.51
CVX US	CHEVRON CORP	292.50B	156.65	27/10/2023	187.47	19.67%	3.86
HD US	HOME DEPOT INC	283.33B	283.31	14/11/2023	341.72	20.62%	2.95



Hang Seng Index

Below are the **index stocks** with **market cap of more than HKD 50B**

Price Chart



Source: Bloomberg

Top 20 index stocks based on market cap

Ticker	Name	Market Cap	Price [HKD]	Earning Announcement Date	Analysts' Consensus 12M Target Price [HKD]	Potential returns from Analyst Consensus	Dividend Yield
700 HK	TENCENT HOLDINGS LTD	2.70T	289.00	15/11/2023	442.52	53.12%	0.85
1398 HK	IND & COMM BK OF CHINA	1.70T	3.76	27/10/2023	4.78	27.07%	8.76
9988 HK	ALIBABA GROUP HOLDING	1.57T	78.50	17/11/2023	136.41	73.78%	N/A
857 HK	PETROCHINA CO LTD	1.46T	5.62	30/10/2023	6.65	18.36%	8.41
941 HK	CHINA MOBILE LTD	1.39T	64.25	12/3/2024	83.80	30.43%	7.32
5 HK	HSBC HOLDINGS PLC	1.14T	59.80	30/10/2023	77.31	29.28%	5.75
939 HK	CHINA CONSTRUCTION BANK	1.14T	4.55	26/10/2023	5.96	30.95%	9.39
3988 HK	BANK OF CHINA LTD	1.09T	2.75	30/10/2023	3.52	28.15%	9.20
2628 HK	CHINA LIFE INSURANCE CO	845.81B	11.08	26/10/2023	17.27	55.85%	4.90
3968 HK	CHINA MERCHANTS BANK	831.17B	30.70	27/10/2023	46.88	52.72%	6.13
2318 HK	PING AN INSURANCE GROUP CO	830.88B	40.55	27/10/2023	71.18	75.55%	6.56
1299 HK	AIA GROUP LTD	764.48B	66.95	11/3/2024	98.88	47.69%	2.34
1211 HK	BYD CO LTD	718.84B	244.40	30/10/2023	349.02	42.81%	0.52
386 HK	CHINA PETRO & CHEM	671.27B	4.08	26/10/2023	5.53	35.57%	9.09
3690 HK	MEITUAN-CLASS B	671.24B	107.80	14/11/2023	197.37	83.09%	N/A
883 HK	CNOOC LTD	662.83B	13.44	24/10/2023	15.94	18.62%	9.99
1088 HK	CHINA SHENHUA ENERGY	621.19B	24.15	27/10/2023	26.95	11.61%	11.51
9999 HK	NETEASE INC	505.64B	158.30	17/11/2023	197.41	24.71%	1.69
9633 HK	NONGFU SPRING CO LTD	481.91B	42.85	28/3/2024	49.98	16.64%	1.77
388 HK	HONG KONG EXCHANGES & CLEAR	367.67B	285.20	23/2/2024	364.64	27.85%	2.82



Straits Times Index

Below are the **index stocks** with **market cap of more than SGD 1B**

Price Chart



Source: Bloomberg

Top 20 index stocks based on market cap

Ticker	Name	Market Cap	Price [SGD]	Earning Announcement Date	Analysts' Consensus 12M Target Price [SGD]	Potential returns from Analyst Consensus	Dividend Yield
DBS SP	DBS GROUP HOLDINGS LTD	85.50B	33.01	6/11/2023	37.78	14.44%	5.07
OCBC SP	OVERSEA-CHIN BANK CORP	57.39B	12.71	10/11/2023	14.35	12.90%	6.26
UOB SP	UNITED OVERSEAS BANK LTD	46.26B	27.62	26/10/2023	32.60	18.04%	5.78
ST SP	SINGAPORE TELECOMMUNICATIONS	39.46B	2.31	9/11/2023	3.09	33.84%	4.14
WIL SP	WILMAR INTERNATIONAL LTD	21.72B	3.40	21/2/2024	4.13	21.54%	4.89
SIA SP	SINGAPORE AIRLINES LTD	18.11B	5.95	7/11/2023	6.92	16.32%	4.60
CLI SP	CAPITALAND INVESTMENT LTD/SI	15.64B	3.03	23/2/2024	4.01	32.32%	3.92
THBEV SP	THAI BEVERAGE PCL	13.19B	0.52	17/11/2023	0.80	53.08%	4.50
STE SP	SINGAPORE TECH ENGINEERING	11.74B	3.75	23/2/2024	4.21	12.16%	4.24
JM SP	JARDINE MATHESON HLDGS	11.69B	40.12	1/3/2024	56.84	41.67%	5.45
CICT SP	CAPITALAND INTEGRATED COMMER	11.45B	1.69	31/1/2024	2.19	29.52%	6.16
JCNC SP	JARDINE CYCLE & CARRIAGE	11.29B	28.19	29/2/2024	34.83	23.57%	5.27
KEP SP	KEPPEL CORP LTD	11.26B	6.29	25/1/2024	7.71	22.55%	5.16
CLAR SP	CAPITALAND ASCENDAS REIT	11.20B	2.50	2/2/2024	3.08	23.27%	5.96
SGX SP	SINGAPORE EXCHANGE LTD	10.21B	9.45	8/2/2024	10.34	9.45%	3.41
GENS SP	GENTING SINGAPORE LTD	9.96B	0.82	20/2/2024	1.13	37.77%	4.24
SCI SP	SEMBCORP INDUSTRIES LTD	8.19B	4.58	21/2/2024	6.64	45.00%	1.96
EMI SP	EMPERADOR INC	7.95B	0.51	10/11/2023	0.44	-13.18%	1.38
STM SP	SEATRIUM LTD	7.84B	0.11	27/2/2024	0.17	52.90%	N/A
MLT SP	MAPLETREE LOGISTICS TRUST	7.39B	1.45	24/10/2023	1.79	23.38%	5.43

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