

# Global Stock Markets: Looking through the lens of Q4 2023

EQUITY STRATEGY TEAM

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## TRADING MATTERS SERIES: NEWS FOCUS

*The summary and impact of  
a major news event*

### United States

As the US economy enters the final quarter of 2023, the financial markets are still being gripped by delayed expectations of a Fed pivot. The Federal Reserve held fed fund rates unchanged at 5.25% - 5.50% and projected another 25bps rate hike this year as the labour market proves to be more resilient than anticipated. Strategists from the Bank of Singapore suggested that a recession would be necessary to align inflation more closely with the Fed's 2% target, and US Treasury yields would potentially stabilise at lower levels by the end of 2024.<sup>1</sup>

The sharp rally in US equities on a year-to-date basis has been mostly driven by higher price-to-earnings (P/E) multiples in the Technology sector.<sup>1</sup> While artificial general intelligence (AI) represents a new growth driver for many technology companies, a growing number of companies are also mindful of spending cautiously because semiconductor inventories remain elevated.<sup>1</sup> Separately, the overall consumption remains relatively stable, consumers are increasingly seeking value for money and some companies have noticed customers choosing lower-priced choices. In general, the near-term outlook appears muted, given tighter credit and liquidity conditions, overly optimistic "Goldilocks" expectations, and the delayed impact of rate hikes likely suggest challenging conditions for a sustained rally.<sup>1</sup>

### China & Hong Kong

Recent credit events certainly warrant caution but not panic.<sup>1</sup> Measures such as the cut in loan prime rate (LPR), relaxation of the definition of "first-time homebuyers", and a series of targeted measures to support the A-share market, including cutting the stamp duty, would be supportive of a trading rebound in the near term. Bank of Singapore indicated that it is premature to conclude that a systemic crisis lies ahead.<sup>1</sup> While these are positive signals, a more coordinated easing effort in boosting demand and addressing structural issues in relation to real estate and local government financing vehicle (LGFV) debt will be needed to drive improvements in macro fundamentals and support a more sustainable rally.<sup>1</sup> The markets would likely seek better clarity after China release its third quarter gross domestic product data in mid-October.

### Singapore

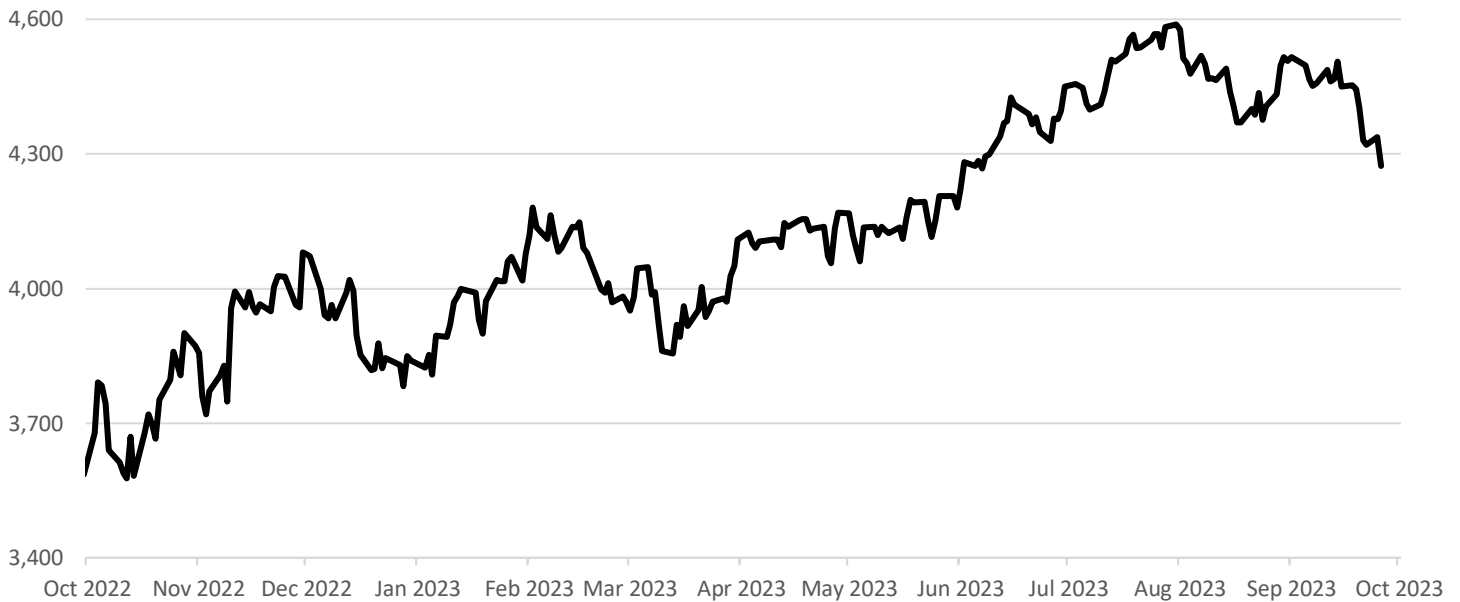
The trade-reliant economy continues to grapple with global headwinds on inflation and declining demand. As such, Singapore downgraded its economic growth forecast for 2023 to between 0.5% and 1.5% amid a weak outlook for the export-driven manufacturing sector. Despite that Singapore stocks underperforming, it still potentially offers good dividend yields.



# S&P 500 Index

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

## Price Chart



Source: Bloomberg

## 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	2.69T	171.96	27/10/2023	201.99	17.47%	0.56%
MSFT US	MICROSOFT CORP	2.32T	312.14	25/10/2023	396.17	26.92%	0.96%
GOOG US	ALPHABET INC-CL C	1.63T	129.45	25/10/2023	149.33	15.36%	N/A
AMZN US	AMAZON.COM INC	1.30T	125.98	27/10/2023	173.23	37.50%	N/A
NVDA US	NVIDIA CORP	1.04T	419.11	21/11/2023	645.95	54.12%	0.04%
BRK/B US	BERKSHIRE HATHAWAY INC - CLASS B	784.20B	359.42	6/11/2023	382.25	6.35%	N/A
TSLA US	TESLA INC	774.84B	244.12	19/10/2023	267.98	9.77%	N/A
META US	META PLATFORMS INC	769.27B	298.96	26/10/2023	373.11	24.80%	N/A
LLY US	ELI LILLY & CO	522.12B	550.01	2/11/2023	572.19	4.03%	0.82%
V US	VISA INC-CLASS A SHARES	479.95B	229.65	25/10/2023	279.34	21.64%	0.78%
UNH US	UNITEDHEALTH GROUP INC	468.20B	505.45	13/10/2023	564.84	11.75%	1.49%
XOM US	EXXON MOBIL CORP	466.01B	116.41	27/10/2023	122.69	5.40%	3.13%
WMT US	WALMART INC	437.38B	162.50	16/11/2023	177.46	9.21%	1.40%
JPM US	JPMORGAN CHASE & CO	421.18B	144.93	13/10/2023	169.43	16.90%	2.90%
JNJ US	JOHNSON & JOHNSON	381.88B	159.02	17/10/2023	179.81	13.07%	2.99%
MA US	MASTERCARD INC	372.53B	395.38	27/10/2023	458.08	15.86%	0.58%
PG US	PROCTER & GAMBLE CO/THE	351.93B	149.32	18/10/2023	166.12	11.25%	2.52%
AVGO US	BROADCOM INC	336.87B	816.19	8/12/2023	976.99	19.70%	2.25%
CVX US	CHEVRON CORP	313.32B	167.80	27/10/2023	185.47	10.53%	3.60%
HD US	HOME DEPOT INC	302.56B	302.54	14/11/2023	345.10	14.07%	2.76%



# 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	2.88T	300.00	14/11/2023	442.50	47.50%	0.79%
9988 HK	ALIBABA GROUP HOLDING LTD	1.72T	83.95	17/11/2023	137.49	63.78%	N/A
1398 HK	IND & COMM BK OF CHINA-H	1.67T	3.70	30/10/2023	4.80	29.64%	8.76%
857 HK	PETROCHINA CO LTD-H	1.51T	5.74	27/10/2023	6.61	15.19%	7.99%
941 HK	CHINA MOBILE LTD	1.45T	65.70	20/10/2023	84.15	28.08%	7.00%
5 HK	HSBC HOLDINGS PLC	1.19T	60.40	30/10/2023	77.85	28.90%	7.39%
939 HK	CHINA CONSTRUCTION BANK-H	1.12T	4.37	30/10/2023	5.93	35.78%	9.52%
3988 HK	BANK OF CHINA LTD-H	1.07T	2.70	27/10/2023	3.52	30.40%	9.20%
2628 HK	CHINA LIFE INSURANCE CO-H	913.02B	11.96	27/10/2023	17.45	45.91%	4.35%
2318 HK	PING AN INSURANCE GROUP CO-H	894.49B	44.80	27/10/2023	71.66	59.96%	5.88%
3968 HK	CHINA MERCHANTS BANK-H	873.53B	31.85	30/10/2023	47.64	49.58%	5.78%
386 HK	CHINA PETROLEUM & CHEMICAL-H	735.43B	4.28	30/10/2023	5.56	29.91%	8.40%
3690 HK	MEITUAN-CLASS B	716.06B	116.30	14/11/2023	196.63	69.07%	N/A
1211 HK	BYD CO LTD-H	721.27B	239.20	30/10/2023	343.98	43.81%	0.53%
1299 HK	AIA GROUP LTD	737.13B	61.65	11/3/2024	100.10	62.37%	2.43%
883 HK	CNOOC LTD	671.91B	13.40	27/10/2023	15.77	17.67%	9.85%
1088 HK	CHINA SHENHUA ENERGY CO-H	628.56B	24.75	30/10/2023	26.76	8.13%	11.17%
9999 HK	NETEASE INC	499.52B	156.80	17/11/2023	197.17	25.75%	1.71%
9633 HK	NONGFU SPRING CO LTD-H	489.22B	42.95	28/3/2024	49.93	16.25%	1.74%
9618 HK	JD.COM INC-CLASS A	400.22B	112.30	17/11/2023	221.78	97.49%	2.15%



# 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	85.99B	33.51	6/11/2023	37.52	11.96%	5.04%
OCBC SP	OVERSEA-CHINESE BANKING CORP	57.24B	12.76	10/11/2023	14.50	13.64%	6.29%
UOB SP	UNITED OVERSEAS BANK LTD	47.15B	28.40	26/10/2023	32.81	15.53%	5.67%
ST SP	SINGAPORE TELECOMMUNICATIONS	39.63B	2.42	9/11/2023	3.08	27.08%	4.14%
WIL SP	WILMAR INTERNATIONAL LTD	23.16B	3.74	21/2/2024	4.26	13.79%	4.58%
SIA SP	SINGAPORE AIRLINES LTD	19.30B	6.52	7/11/2023	7.03	7.87%	4.32%
CLI SP	CAPITALAND INVESTMENT LTD	15.52B	3.06	23/2/2024	4.03	31.65%	3.97%
THBEV SP	THAI BEVERAGE PCL	14.57B	0.59	17/11/2023	0.80	36.65%	4.04%
JM SP	JARDINE MATHESON HLDGS	13.46B	46.84	1/3/2024	56.25	20.09%	4.72%
JCNC SP	JARDINE CYCLE & CARRIAGE LTD	12.83B	31.98	29/2/2024	34.83	8.92%	4.63%
CICT SP	CAPITALAND INTEGRATED COMMER	12.11B	1.85	31/1/2024	2.25	21.36%	5.79%
CLAR SP	CAPITALAND ASCENDAS REIT	11.99B	2.77	2/2/2024	3.13	12.98%	5.59%
STE SP	SINGAPORE TECH ENGINEERING	12.03B	3.86	23/2/2024	4.21	9.05%	4.15%
KEP SP	KEPPEL CORP LTD	11.91B	6.79	25/1/2024	7.87	15.94%	4.88%
SGX SP	SINGAPORE EXCHANGE LTD	10.31B	9.71	8/2/2024	10.22	5.24%	3.37%
GENS SP	GENTING SINGAPORE LTD	10.26B	0.84	20/2/2024	1.13	34.94%	4.14%
SCI SP	SEBACORP INDUSTRIES LTD	9.05B	5.11	21/2/2024	6.64	29.96%	1.77%
STM SP	SEATRUM LTD	8.94B	0.13	27/2/2024	0.17	28.76%	N/A
MLT SP	MAPLETREE LOGISTICS TRUST	8.23B	1.68	25/10/2023	1.84	9.64%	4.85%
EMI SP	EMPERADOR INC	8.18B	0.52	10/11/2023	0.44	-15.14%	1.34%

## REFERENCES

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1. Bank of Singapore, "Monthly Investment Guide: Navigating crosswinds", *Bank of Singapore*, 01 Sep 2023

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