

Global Stock Markets: Bulls and bears battling for dominance

EQUITY STRATEGY TEAM

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TRADING MATTERS SERIES: NEWS FOCUS

*The summary and impact of
a major news event*

Global markets so far in 2023


Global economic concerns and escalating geopolitical risks are not being compromised, which spell markets volatilities. The US economic outlook continues to be challenging with elevated interest rates² and GDP growth slowed more than expected in 2023Q1.¹ The acceleration in consumer spending was offset by businesses liquidating inventories in anticipation of lower demand in the upcoming months due to high borrowing costs.¹ Despite the failure of several regional banks³, recession calls keep getting pushed back further amid a tight job market, resilient household spending and some stabilization in housing.¹


China's economic recovery is experiencing a lengthier timeframe than initially projected, after an initial burst in consumer and business activities early in the year, thus prompting calls for more policy stimulus to bolster growth.^{4,5} One significant concern arose from the substantial increase in the unemployment rate among young individuals, reaching an unprecedented level of 20.4%.⁶ This indicates that the recovery following the post-pandemic is not robust enough to accommodate the influx of millions of newcomers into the job market.⁶


What is the trading flow telling us?

Persistent inflation, elevated interest rates, and uncertain earnings growth are among the key factors in 2023 being headwinds to prices. From the year-to-date perspective, the global stock markets have been trading in a tight rangebound movement, clearly reflected on US S&P 500 hovering between 3,800 to 4,200 index points. Similarly, Hong Kong's Hang Seng Index is trading within the boundary of 18,500 to 22,500 index points range. Affected by geopolitics⁷, Singapore's Straits Time Index is also trading within the 3,100 to 3,400 index points range. With the lackluster tone of the index's performances, the market turnover among global stock exchanges moved lower in herd.

Market turnover indicates the **total value traded** in the stock market on a given business day. Below are the market turnover based on year-to-date (01 Jan 2023 – 29 May 2023):

 **US\$543.60 Billion**
[As of 26 May 2023*]
High: US\$920.35 Billion
Average: US\$497.44 Billion
Low: US\$387.63 Billion

 **HK\$110.26 Billion**
[As of 29 May 2023]
High: HK\$203.30 Billion
Average: HK\$118.17 Billion
Low: HK\$66.20 Billion

 **S\$0.82 Billion**
[As of 29 May 2023]
High: S\$1.86 Billion
Average: S\$1.08 Billion
Low: S\$0.64 Billion

*US markets was closed for Memorial Day on 29 May 2023

Source: Bloomberg, extracted on 29 May 2023

What is laid ahead?

The recession narrative has been a somewhat inconsistent one over time.⁸ Almost two-thirds of global economists still see a potential recession in 2023.⁹ However, some practical evidence could pave the way for a soft landing in the US economy, thus another group of economists are maintaining that the US could avoid a recession.¹⁰ The bear market¹¹ scenario, for the moment, still has a backing of several unfavourable markets' events in the form of economical concerns and geopolitical risks. As S&P 500 and Hang Seng Index price earning has lost a double digit since mid-2021, this may probably be an area whereby longer-term valuation seekers could seek potential opportunities.¹² Cheaper and attractive share price valuation formed the backbone of the bull market scenario.¹²



S&P 500 Index

Below are the **biggest index movers** based on their % Change from 01 Jan 2023 – 29 May 2023

Price Chart



Top leaders

Here are the biggest index leaders year-to-date, to show in more detail which companies have fluctuated the most in this period

Ticker	Name	Price	YTD % Change	Ex Date	Latest Dividend Amount	Analysts Consensus 12M Target Price	Upside from Analyst Consensus [%]
NVDA US	NVIDIA Corp	389.46	+166.54 %	7/6/2023	0.04	439.73	12.91%
META US	Meta Platforms Inc	262.04	+117.75 %	N/A	N/A	273.42	4.34%
AMD US	Advanced Micro Devices	127.03	+96.12 %	N/A	N/A	103.26	-18.71%
CRM US	Salesforce Inc	215.44	+62.49 %	N/A	N/A	229.70	6.62%
RCL US	Royal Caribbean Cruises Ltd	79.00	+59.82 %	N/A	N/A	88.78	12.38%
GE US	General Electric Co	102.74	+57.28 %	6/3/2023	0.08	107.74	4.87%
TSLA US	Tesla Inc	193.17	+56.82 %	N/A	N/A	191.56	-0.83%
LRCX US	Lam Research Corp	628.25	+50.02 %	13/6/2023	1.73	549.63	-12.51%
CMG US	Chipotle Mexican Grill Inc	2071.02	+49.26 %	N/A	N/A	2092.17	1.02%
MU US	Micron Technology Inc	73.93	+48.22 %	6/4/2023	0.12	70.02	-5.29%

Top laggards

Here are the biggest index laggards year-to-date, to show in more detail which companies have fluctuated the most in this period

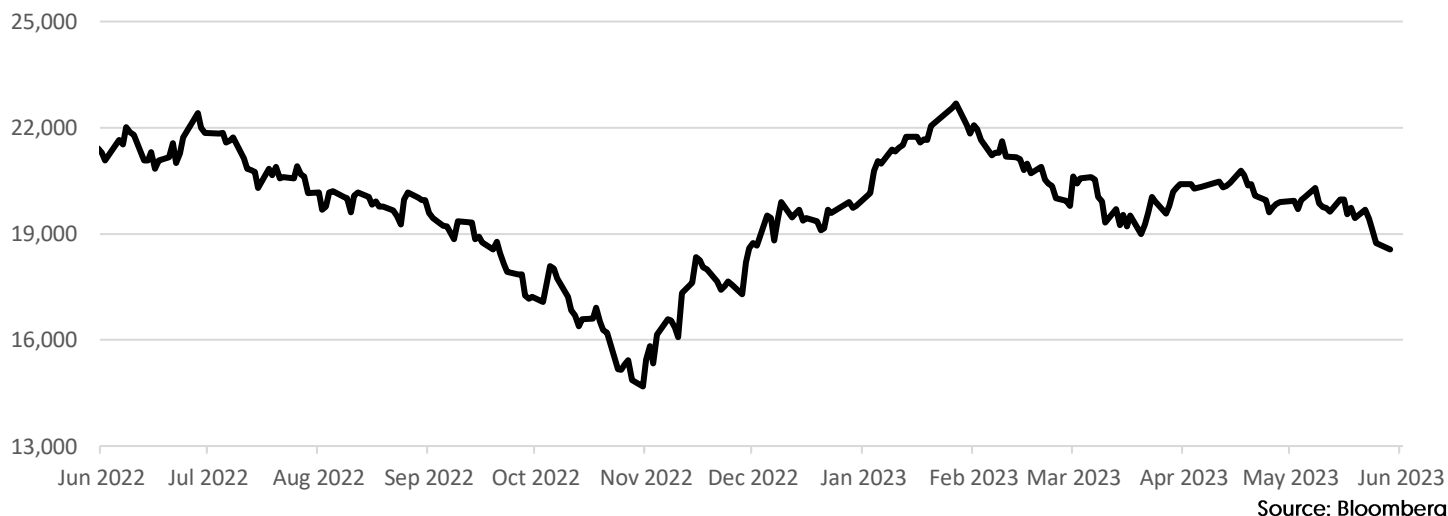
Ticker	Name	Price	YTD % Change	Ex Date	Latest Dividend Amount	Analysts Consensus 12M Target Price	Upside from Analyst Consensus [%]
FRCB US	First Republic Bank/CA	3.51	-97.11%	N/A	N/A	32.00	811.68%
SIVBQ US	SVB Financial Group	106.04	-53.92%	N/A	N/A	255.33	140.79%
DISH US	DISH Network Corp	6.66	-52.56%	N/A	N/A	13.81	107.39%
LUMN US	Lumen Technologies Inc	2.48	-52.49%	N/A	N/A	3.20	28.86%
KEY US	KeyCorp	9.89	-41.40%	26/5/2023	0.21	14.31	44.72%
CMA US	Comerica Inc	38.99	-40.69%	14/6/2023	0.71	57.48	47.43%
ZION US	Zions Bancorp NA	28.66	-40.21%	17/5/2023	0.41	35.95	25.44%
SBNY US	Signature Bank/New York	70.00	-38.91%	26/1/2023	0.70	N/A	N/A
ENPH US	Enphase Energy Inc	165.20	-37.65%	N/A	N/A	252.03	52.56%
SCHW US	Charles Schwab Corp/The	53.67	-35.00%	11/5/2023	0.25	66.50	23.91%



Hang Seng Index

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Price Chart



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857 HK	PetroChina Co Ltd	5.34	+49.58 %	20/6/2023	0.22	6.22	16.47%
386 HK	China Petro & Cheml Corp	5.12	+35.81 %	12/6/2023	0.20	5.60	9.35%
5 HK	HSBC Holdings PLC	58.75	+26.42 %	N/A	N/A	74.55	26.90%
883 HK	CNOOC Ltd	12.40	+24.25 %	8/6/2023	0.75	15.39	24.11%
941 HK	China Mobile Ltd	64.00	+23.67 %	7/6/2023	2.21	83.42	30.34%
762 HK	China Unicom Hong Kong	5.83	+23.12 %	23/5/2023	0.11	8.06	38.32%
9999 HK	NetEase Inc	139.90	+22.57 %	8/6/2023	0.09	179.68	28.44%
981 HK	Semicond Manufacturing In	20.00	+19.62 %	N/A	N/A	20.56	2.79%
1211 HK	BYD Co Ltd	229.80	+19.31 %	13/6/2023	1.14	345.98	50.56%
1088 HK	China Shenhua Energy	26.15	+15.96 %	21/6/2023	2.55	28.51	9.03%

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6098 HK	Country Garden Services	9.08	-53.29%	2/6/2023	0.23	23.37	157.36%
2007 HK	Country Garden Holdings	1.47	-44.94%	N/A	N/A	3.15	114.25%
9618 HK	JD.com Inc	127.90	-41.07%	4/4/2023	0.31	231.06	80.66%
2331 HK	Li Ning Co Ltd	43.15	-36.31%	16/6/2023	0.46	74.82	73.38%
960 HK	Longfor Group Holdings Ltd	15.68	-35.47%	7/7/2023	0.80	31.72	102.29%
3690 HK	Meituan	115.80	-33.71%	N/A	N/A	201.97	74.41%
241 HK	Alibaba Health Info Tech	4.65	-30.08%	N/A	N/A	6.54	40.71%
2269 HK	Wuxi Biologics Cayman Inc	42.00	-29.82%	N/A	N/A	89.35	112.73%
881 HK	Zhongsheng Group	28.30	-29.51%	23/6/2023	1.09	50.24	77.52%
2313 HK	Shenzhou International	64.80	-26.20%	7/6/2023	0.85	102.36	57.96%



Straits Times Index

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Price Chart



Top leaders

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Ticker	Name	Price	YTD % Change	Ex Date	Latest Dividend Amount	Analysts Consensus 12M Target Price	Upside from Analyst Consensus [%]
SCI SP	Sembcorp Industries Ltd	5.04	+51.91 %	25/4/2023	0.04	5.01	-0.60%
KEP SP	Keppel Corp Ltd	6.38	+38.79 %	27/4/2023	0.18	7.35	15.25%
KDCREIT SP	Keppel DC REIT	2.12	+22.75 %	7/2/2023	0.05	2.20	3.91%
JCNC SP	Jardine Cycle & Carriage Ltd	32.68	+18.12 %	29/5/2023	0.83	35.70	9.24%
SIA SP	Singapore Airlines Ltd	6.43	+16.27 %	1/8/2023	0.28	6.07	-5.64%
STE SP	ST Engineering	3.78	+15.30 %	23/5/2023	0.04	3.98	5.22%
GENS SP	Genting Singapore Ltd	1.03	+9.81 %	3/5/2023	0.02	1.15	11.69%
FLT SP	Frasers Log & Comm	1.22	+8.05 %	11/5/2023	0.04	1.44	17.95%
MLT SP	Mapletree Logistics Trust	1.67	+7.89 %	6/4/2023	0.03	1.83	9.69%
SGX SP	Singapore Exchange Ltd	9.31	+5.83 %	5/5/2023	0.08	9.59	3.06%

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CIT SP	City Developments Ltd	6.84	-14.97%	3/5/2023	0.08	8.44	23.45%
THBEV SP	Thai Beverage PCL	0.56	-14.51%	25/5/2023	0.15	0.83	46.22%
VMS SP	Venture Corp Ltd	15.33	-7.43%	8/5/2023	0.50	18.34	19.62%
UOB SP	United Overseas Bank Ltd	28.04	-6.25%	28/4/2023	0.75	32.16	14.68%
DFI SP	DFI Retail Group Holdings	2.78	-4.48%	16/3/2023	0.02	3.59	29.00%
DBS SP	DBS Group Holdings Ltd	31.37	-3.63%	9/5/2023	0.42	37.43	19.31%
ST SP	Singapore Telecom	2.48	-3.50%	2/8/2023	0.05	3.13	26.36%
CLI SP	Capitaland Investment	3.42	-3.03%	28/4/2023	0.12	4.26	24.49%
HKL SP	Hongkong Land Holdings	4.30	-3.03%	16/3/2023	0.16	4.99	16.00%
YZJSGD SP	Yangzijiang Shipbuilding	1.27	-2.69%	10/5/2023	0.05	1.58	24.02%

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