

Investment Strategy

Spotting earnings beat potential during results season

- Surprise factors in a turbulent market
- Identifying winning stocks in the Hong Kong and A-share markets

From mid-to-late Mar to Apr, Hong Kong stocks and A-shares enter peak season for results announcements. With the release of the previous year's annual report, the current year's 1Q results, and the latest management guidance, investors have plenty of new information to sift through.

In this report, we backtest the performance of Hong Kong and A-shares based on earnings and revenue surprises from previous earnings seasons and the six months following. We look for trends in consensus sales and earnings projections for equities within the major indices but across sectors. Based on these trends, we compile lists of stocks with multiple positive earnings beats over the past seven years in the universe of the HSI and CSI300. We believe our results can be used as a guide for identifying those names with earnings beat potential in the current results season.

At the market level, the earnings surprise factor of Hong Kong stocks significantly outperformed either the market or the common style factors in the three-to-six months following last year's results season.

The market environment has become more volatile since the US Federal Reserve kicked off a new tightening cycle in Nov 2021. In this environment, the Surprise factor for Hong Kong stock earnings in 2022 stood out.

From Mar to Jun last year – in other words, Hong Kong earnings season and the three months following – the HSI Earnings Surprise factor recorded a positive return of up to 13.5% under a market-neutral strategy, and 4.0% under a long-only strategy. During the period, the HSI itself, the HSI Sales Surprise factor, the HSI Value factor, and the HSI Growth factor, all recorded negative returns whether under a market-neutral or a long-only strategy.

From Mar to Sep, namely, the month of the Hong Kong stocks earnings season and the six months thereafter, the HSI Earnings Surprise factor recorded a positive return of 9.7% under a market-neutral strategy. During this period, the Hang Seng Index tumbled 24.3%. The Value factor, Sales Surprise factor, and Growth factor of the HSI all recorded negative returns of -5.9%, -11.9% and -27.9%, respectively. Under a long-only strategy, the HSI Earnings Surprise factor recorded a negative return of -18.0%, which nevertheless significantly outperformed the market and other factors recording a negative return of -26.5% on average.

A-share Earnings Surprise factor and Sales Surprise factor also outperformed the market and Value factor three-to-six months after results season last year. Different from the HSI, the CSI300 outperformed not only on the Earnings Surprise factor last year, but also the Sales Surprise factor.

From Apr to Jul last year, encompassing the month of the A-share earnings season and the three months thereafter, the CSI300 Sales Surprise factor and Earnings Surprise factor recorded positive returns of 5.8% and 3.8%, respectively, under a market-neutral strategy. During this period, the CSI300 fell 2.5% and the CSI300 Value factor recorded a negative return of -3.1%. Under a long-only strategy, the Earnings Surprise factor still recorded a positive return of 3.1%, while the Sales Surprise factor and Value factor both recorded negative returns of -1.3% and -3.9%, respectively.

From Apr to Oct, the month of the A-share earnings season and the six months thereafter, the CSI300 Earnings Surprise factor and Sales Surprise factor both recorded positive returns of 4.7% and 4.5% under a market-neutral strategy, while the CSI300 fell 17.9% during the period and the Value factor recorded negative return of -3.6%. The Earnings Surprise factor recorded a negative return of -8.5% under a long-only strategy, yet still significantly outperformed the market and the Sales Surprise and Value factors recording negative returns of -13.9% and -14.8%, respectively.

At the industry level, the FY2023 consensus earnings YoY growth projection significantly improved, with downstream sectors such as communications and consumer discretionary leading the way and the mid and upstream sectors, including industrial, energy, and materials lagging.

For existing HSI members, based on the market capitalization weighted average (instead of index weighting), the YoY earnings forecast growth rate weakens from 56.3% in FY2021 to -0.6% in FY2022, before improving to 34.7% in FY2023F. Among the major sectors, communications and consumer discretionary earnings forecast growth in FY2023F lead the way, with 112.5% and 77.7% growth, while industrial, energy, and materials lag behind.

We found sales estimate growth of existing HSI members slowed from 22.0% in FY2021 to 9.3% in FY2022, before improving to 15.5% in FY2023. Of the major sectors, consumer discretionary and healthcare lead in FY2023F in terms of revenue forecast growth at 44.1% and 18.5% YoY, followed by financials, communications, and consumer staples; industrials, technology, and materials all lagged.

Consensus earnings forecast growth for A-shares in FY2023F also shows significant improvement, with consumer staples, technology, and consumer discretionary leading the way, while financials, healthcare and energy lag behind.

Along with the gradual remission of Covid-19 and an accompanying mild macroeconomic recovery, Hong Kong and A-share market observers held high expectations for an earnings recovery in 2023 within downstream sectors, especially in the case of communications and consumer discretionary. During the current results season, we are focused on whether or not the results of the relevant industries exceed consensus and the latest management guidance. We pay close attention to the recovery path of sales growth and the realization of an earnings recovery. In cases where sales and earnings projections YoY growth accelerate, the implication is that valuation has room for improvement.

At the level of individual stocks, we identify companies with at least ten earnings beats and a winning rate of 60% or above over the past seven years. Among HSI members, there are five stocks that meet this criteria, including Meituan (3690 HK), Li Ning (2331 HK), HKEx (388 HK), Tencent (700 HK), and Lenovo (992 HK). In this list, Meituan stands out with a winning rate of 86% and an average three-month return of 20% after beating expectations. BYD (1211 HK) exceeded expectations less than 10 times, but enjoyed a winning rate of 67%, and an average return after an earnings beat of 35%. Among CSI300 members, there are 32 stocks that qualify, among which Hengli Hydraulic (601100 CH), Mare Medical (300760 CH), Shanghai Airport (600009 CH), Guizhou Maotai (600519 CH), and Tigermed (300347 CH) have a winning rate of over 80% and a double-digit post-earnings beat average return for the three months thereafter.

Earnings surprises can be a strong driver of positive returns. At the market level, given prevailing high rates amid uncertainties related to inflation and the overseas banking crisis, we expect the Earnings Surprise factor to outperform the market and the common style factors in the three-to-six months after results season this year. At the industry level, the market expects sales and earnings growth in the major sectors in FY2023 to generally accelerate, with especially high expectations for downstream sectors, in particular communications and consumer discretionary. Monitoring whether industries are exceeding expectations during a results season is a worthwhile exercise, in our view. At the level of individual stocks, it is worth paying attention to companies that repeatedly exceed expectations with decent three-month returns and high winning rates. Such companies usually have reliable earnings quality and tend to attract the attention of the market, leading to fund inflows over the long term.



Scarlett Liu

(852) 3911 8014
scarletliu@ccbintl.com



Cliff Zhao

(852) 3911 8279
cliffzhao@ccbintl.com

投资策略

业绩期如何把握超预期机遇？

- 盈利惊喜因子在动荡市中跑赢
- 关注港股和 A 股市场高胜率个股

3 月中下旬至 4 月，港股和 A 股相继步入业绩披露高峰期。上年度年报、当年一季报及管理指引出炉，为投资者判断未来公司盈利能力及估值变化提供了新讯息。在这份报告中，我们回测了盈利惊喜及营收惊喜因子去年在港股及 A 股业绩期及之后 3-6 个月的表现，分析了主要指数各板块今年的营收及盈利预测变化趋势，并统计了近七年间恒生指数及沪深 300 成分股中常出现正向盈利惊喜且具有较高胜率的个股，以期对投资者在业绩期把握超预期机遇有所启示。

市场层面，港股盈利惊喜因子去年在业绩期后 3-6 个月显著跑赢大市及常见风格因子。伴随 2021 年 11 月美联储开启新一轮货币政策紧缩周期，市场环境愈加动荡。港股盈利惊喜因子 2022 年在波动性上升的市况中，表现颇为出色。

去年 3 月至 6 月末，即港股业绩期当月及之后三个月，恒指盈利惊喜因子在市场中性 (market-neutral) 策略下录得高达 13.5% 的正回报，在多头 (long-only) 策略下录得 4.0% 的正回报，而期内恒生指数自身以及恒指营收惊喜因子、恒指价值因子与恒指成长因子在上述两种策略下均录得负回报。

3 月至 9 月末，即港股业绩期当月及之后六个月，恒指盈利惊喜因子在市场中性策略下录得 9.7% 的正回报，在此期间恒指大跌 24.3%，恒指价值因子、恒指营收惊喜因子及恒指成长因子分别录得 -5.9%、-11.9% 及 -27.9% 的负回报。多头策略下，恒指盈利惊喜因子亦录得 -18.0% 的负回报，但仍然明显跑赢大市及其他因子平均 -26.5% 的负回报。

A 股盈利惊喜因子与营收惊喜因子去年亦在业绩期后 3-6 个月跑赢大市及价值因子。与恒指有所不同，沪深 300 指数去年不仅在盈利惊喜因子方面表现跑赢，其营收惊喜因子亦有不俗表现。

去年 4 月至 7 月末，即 A 股业绩期当月及之后三个月，沪深 300 营收惊喜因子和盈利惊喜因子在市场中性策略下分别录得 5.8% 和 3.8% 的正回报，这期间沪深 300 指数下跌 2.5%，沪深 300 指数价值因子录得 -3.1% 的负回报。在多头策略下，盈利惊喜因子仍然录得 3.1% 的正回报，而营收惊喜因子及价值因子则分别录得 -1.3% 和 -3.9% 的负回报。

4 月至 10 月末，即 A 股业绩期当月及之后六个月，市场中性策略下，沪深 300 盈利惊喜因子及营收惊喜因子分别录得 4.7% 和 4.5% 的正回报，而这期间沪深 300 指数大幅下跌 17.9%，价值因子则录得 -3.6% 的负回报。在多头策略下，盈利惊喜因子亦录得 -8.5% 的负回报，但仍显著跑赢大市及营收惊喜与价值因子各 -13.9% 和 -14.8% 的负回报。

行业层面，港股 2023 年一致性盈利预测增速显著改善，其中通讯和非必需性消费等下游板块领先，工业、能源及材料等中上游板块落后。就现有恒指成分股而言，按照市值加权平均计（而非指数权重），盈利预测按年增速从 2021 年的 56.3% 下滑至 2022 年的 -0.6%，再改善至 2023 年的 34.7%。其中，通讯与非必需性消费 2023 年盈利预测增速居前，高达 112.5% 和 77.7%，而工业、能源及材料增速落后，分别为 -11.1%、0.7% 和 1.9%。

现有恒指成分股的营收预测增速则由 2021 年的 22.0% 放缓至 2022 年的 9.3%，再改善至 2023 年的 15.5%。其中，非必需性消费及医药 2023 年营收预测增速居前，达 44.1% 和 18.5%，其次是金融、通讯和必需性消费，而工业、科技和材料则增速落后。

A 股 2023 年一致性盈利预测增速亦明显改善，其中必需性消费、科技与非必需性消费增速居前，金融、医药与能源增速落后。就现有沪深 300 指数成分股而言，按照市值加权平均计（而非指数权重），盈利预测增速从 2021 年的 94.0% 下滑至 2022 年的 -27.0%，再改善至 2023 年的 64.6%。其中，必需性消费、科技与非必需性消费增速居前，达 239.8%、113.9% 及 55.3%。其余各板块亦有 30-50% 的正增长。

可见，无论港股还是 A 股，伴随疫情影响逐步消退及宏观经济温和复苏，市场对于通讯与非必需性消费等下游板块 2023 年的盈利修复有较高预期。这次业绩期可重点关注相关行业的业绩超预期情况、一季度表现及管理指引等，观察其营收增速的恢复及盈利修复的兑现。同时，主要板块营收及盈利预测增速普遍加快，估值亦具备提升空间。

个股层面，多次出现盈利超预期且胜率在 60% 或以上的股份值得重点关注。我们统计了从 2016 年 4 月中旬至 2023 年 3 月上旬近七年间，恒指与沪深 300 成分股出现盈利超预期（即盈利惊喜比率大于零）的次数，盈利超预期后约三个月的回报，及当中录得正回报次数所占比例（即胜率）。多次盈利超预期、三个月回报不俗且胜率较高的蓝筹股，通常具有可靠的盈利质量和较高的市场关注度，能够吸引投资期相对较长的资金流入。

恒指成分股中，有 5 只个股盈利超预期次数在 10 次或以上，胜率在 60% 或以上，包括美团 (3690 HK)、李宁 (2331 HK)、港交所 (388 HK)、腾讯 (700 HK) 及联想 (992 HK)，其中美团的胜率高达 86%，超预期后平均回报为 20%。另外，比亚迪 (1211 HK) 虽然超预期次数不足 10 次，不过胜率亦有 67%，且超预期后平均回报达 35%。

沪深 300 成分股中，符合上述条件的股份有 32 只，其中恒立液压 (601100 CH)、迈瑞医疗 (300760 CH)、上海机场 (600009 CH)、贵州茅台 (600519 CH) 及泰格医药 (300347 CH) 的胜率在 80% 以上且有双位数字的平均回报。

总而言之，盈利惊喜在港股和 A 股属强有力的正向回报驱动因素。就市场层面而言，伴随高息环境持续及海外银行危机发酵，近期市场动荡加剧，盈利惊喜因子今年亦有望在业绩期后的 3-6 个月跑赢大市及常见风格因子。就行业层面而言，市场预期主要板块营收及盈利增速普遍加快，尤其对通讯与非必需性消费等下游板块有较高预期，业绩期可关注相关行业的超预期情况。就个股层面而言，曾多次出现盈利超预期、三个月回报不俗且胜率在 60% 或以上的港股和 A 股，通常具有可靠的盈利质量和较高的市场关注度，能够吸引投资期相对较长的资金，值得在业绩期重点关注。



刘思川

(852) 3911 8014
scarlettliu@ccbintl.com

赵文利

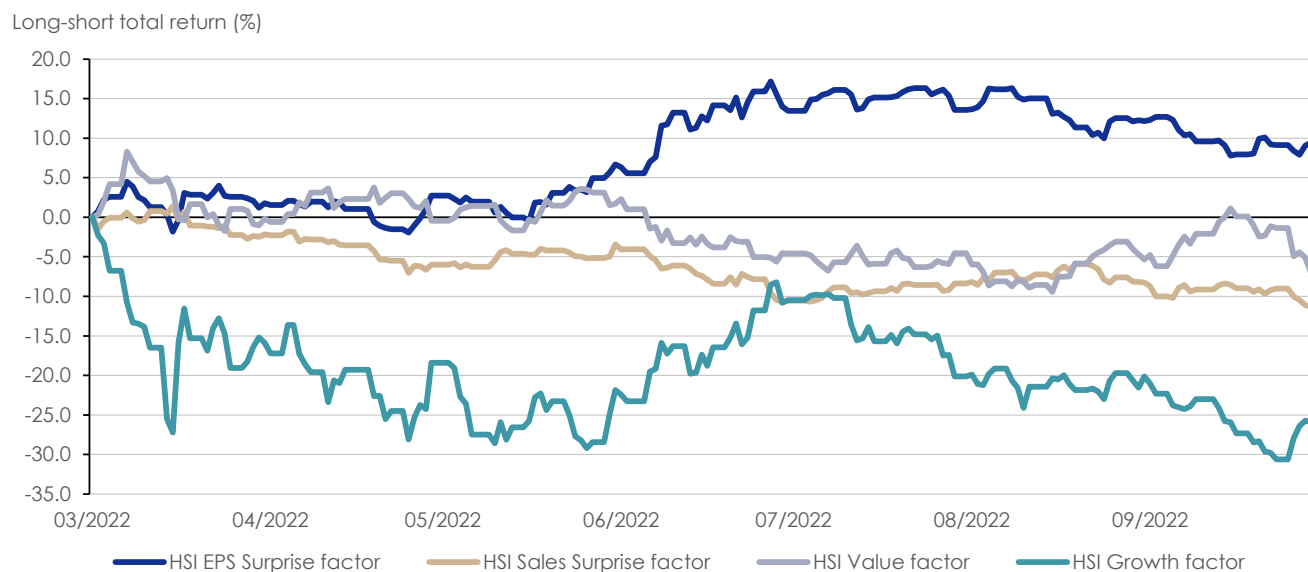
(852) 3911 8279
cliffzhao@ccbintl.com

SURPRISE FACTORS PERFORM WELL IN A TURBULENT MARKET

As confirmed by many studies of US stocks, positive earnings surprises have been the impetus behind strong positive returns. In periods of market turmoil, the EPS Surprise factor has significantly outperformed the market and major style factors like value and growth. Backtesting the results of Hong Kong and A-share markets last year seems to indicate that this same principle applies to Chinese stocks.

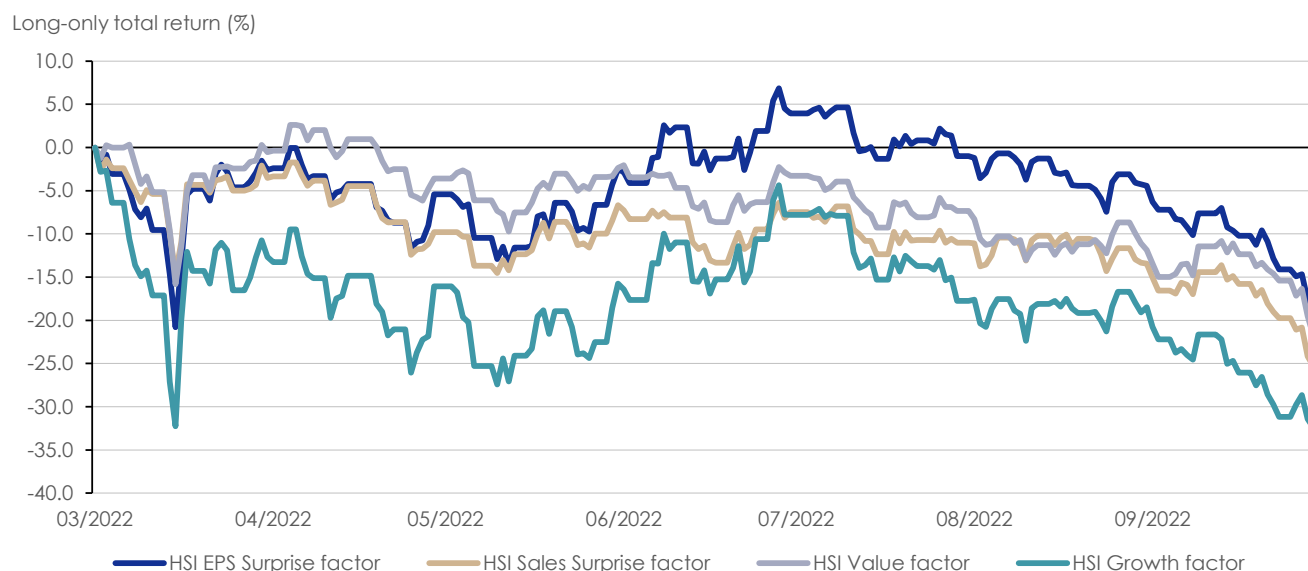
1. Hong Kong market

Chart 1: The long-short total returns generated by the EPS Surprise, Sales Surprise, Value, and Growth factors in the universe of HSI stocks in Mar-Sep 2022



Sources: Bloomberg, CCBIS

Chart 2: Long-only total returns generated by the EPS Surprise, Sales Surprise, Value, and Growth factors in the universe of HSI stocks in Mar-Sep 2022



Sources: Bloomberg, CCBIS

At the market level, the Hong Kong Stock Earnings Surprise factor significantly outperformed the broader market and common style factors three-to-six months after the results season in 2022. The market environment has become more volatile as the Fed began a new monetary policy tightening cycle in Nov 2021. The Hong Kong Stock Earnings Surprise Factor performed quite well in a market with rising volatility last year.

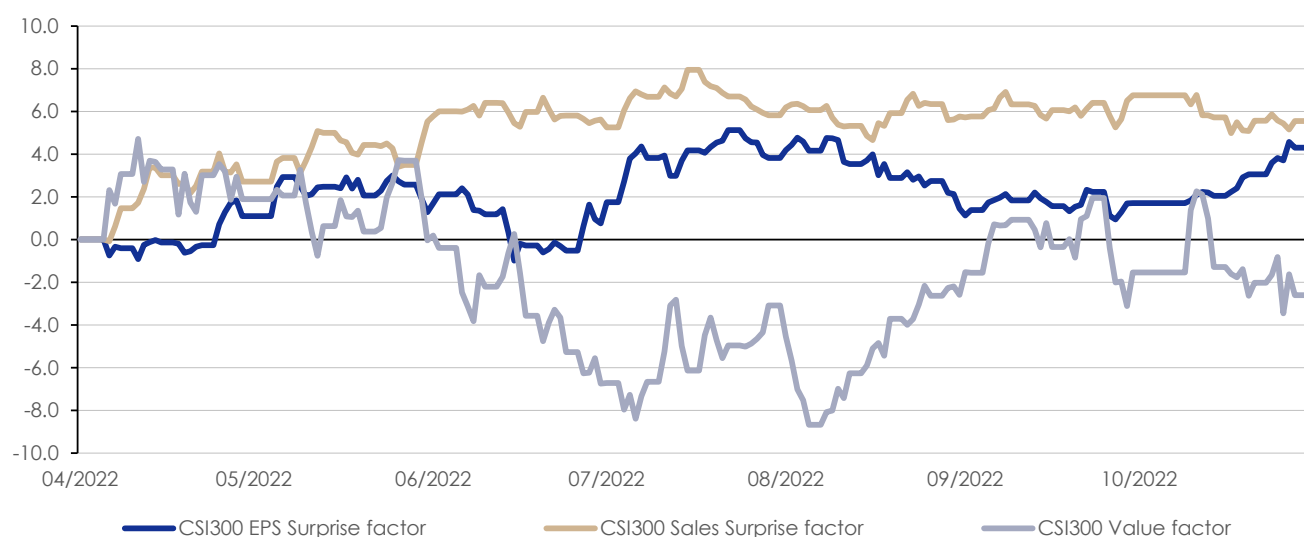
From Mar to Jun last year, namely the month of the Hong Kong stock results season and the subsequent three months, the HSI Earnings Surprise factor recorded a positive return of 13.5% under the market-neutral strategy (long top quintile and short bottom quintile) and 4.0% under the long-only strategy (long top quintile), while the Hang Seng Index itself, the HSI Revenue Surprise factor, the HSI Value factor and HSI Growth factor all recorded negative returns under both strategies.

From Mar to Sep last year, the month of the Hong Kong stock results season and the following six months, the HSI Earnings Surprise factor recorded a positive return of 9.7% under a market-neutral strategy while the HSI plunged 24.3% during the period. The HSI Value factor, HSI Revenue Surprise factor, and the HSI Growth factor all recorded negative returns of -5.9%, -11.9%, and -27.9%, respectively. Under a long-only strategy, the HSI Earnings Surprise factor also recorded a negative return of -18.0%, though it nevertheless significantly outperformed the broader market and other factors with an average negative return of -26.5%.

2. A-share market

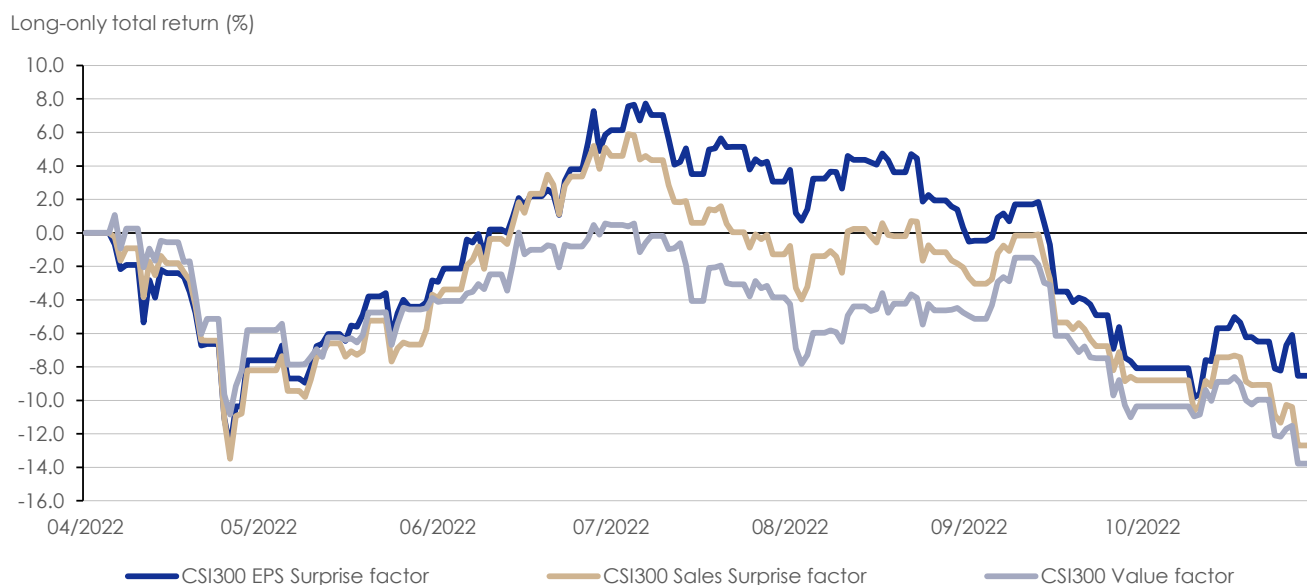
Chart 3: Long-short total returns generated by the EPS Surprise, Sales Surprise, Value, and Growth factors in the universe of CSI300 stocks in Apr-Oct 2022

Long-short total return (%)



Sources: Bloomberg, CCBIS

Chart 4: Long-only total returns generated by the EPS Surprise, Sales Surprise, Value, and Growth factors in the universe of CSI300 stocks in Apr-Oct 2022



Sources: Bloomberg, CCBIS

The A-share Earnings Surprise factor and Revenue Surprise factor outperformed the market and the value factor three-to-six months following last year's earnings season. Unlike the HSI, last year the CSI300 not only saw outstanding performance in Earnings Surprise factor, but also in the Revenue Surprise factor.

From Apr to Jul last year, the month of the A-share results season and the following three months, the CSI 300 Revenue Surprise and Earnings Surprise factors recorded positive returns of 5.8% and 3.8%, respectively, under a market neutral strategy, while the CSI 300 fell 2.5% and the CSI300 Value factor recorded a negative return of -3.1%. Under a long-only strategy, the Earnings Surprise factor recorded a positive return of 3.1% while the Revenue Surprise and Value factors recorded negative returns of -1.3% and -3.9%, respectively.

From Apr to Oct, the month of the A-share performance period and the following six months, the CSI300 Earnings Surprise and Revenue Surprise factors recorded positive returns of 4.7% and 4.5%, respectively, under a market neutral strategy, while the CSI300 fell 17.9% and the Value factor recorded a negative return of -3.6%. Under a long-only strategy, the Earnings Surprise factor also posted a negative return of -8.5%, while still significantly outperforming the market and the Revenue Surprise and Value factors, which posted negative returns of -13.9% and -14.8%, respectively.

FY2023 EARNINGS PROJECTIONS YOY GROWTH PICK UP ACROSS SECTORS

At the industry level, the market expects sales and earnings growth in the major sectors in FY2023 to generally accelerate, with higher expectations for downstream sectors such as communications and consumer discretionary. It is worthwhile keeping an eye on whether or not the relevant industries are exceeding expectations during the results season.

1. Hong Kong market

Chart 5: Consensus sales projections YoY growth of existing HSCI members by sector in FY2021-2023

HSCI members by sector	FY2021 consensus sales projections YoY (%)	FY2022 consensus sales projections YoY (%)	FY2023 consensus sales projections YoY (%)
Communications	22.2	6.6	23.8
Financials	9.9	-0.2	26.6
Consumer Staples	13.7	7.8	15.3
Consumer Discretionary	29.7	6.8	44.3
Technology	60.8	18.7	16.2
Industrials	23.8	4.9	18.7
Utilities	16.3	14.5	8.3
Materials	33.1	12.3	4.1
Real Estate	31.7	3.9	7.8
Energy	24.4	39.3	12.9
Health Care	1142.4	345.9	118.2
Average	161.8	52.3	34.5

Sources: Bloomberg, CCBIS

Chart 6: Consensus earnings projections YoY growth of existing HSCI members by sector in FY2021-2023

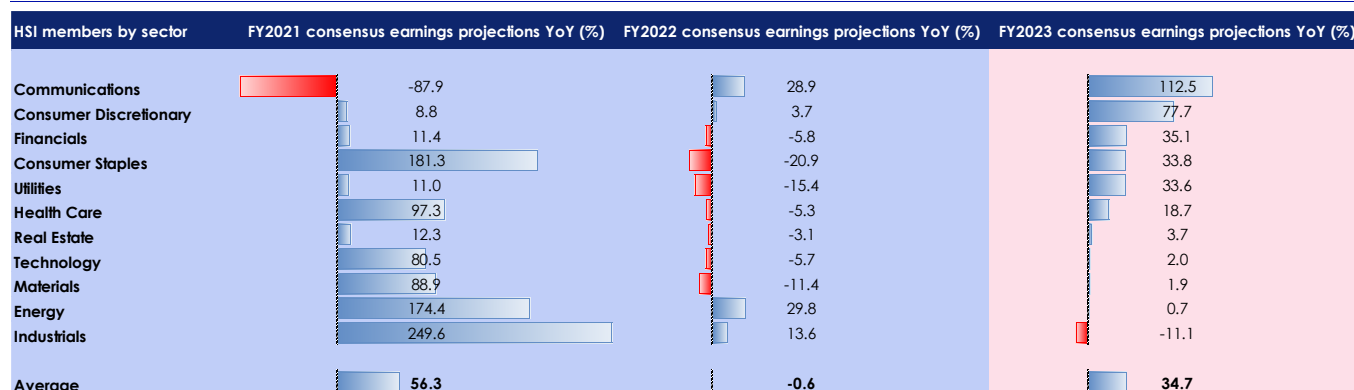
HSCI members by sector	FY2021 consensus earnings projections YoY (%)	FY2022 consensus earnings projections YoY (%)	FY2023 consensus earnings projections YoY (%)
Communications	-19.9	-12.0	113.7
Financials	19.0	9.8	102.4
Consumer Staples	73.4	-8.4	77.7
Consumer Discretionary	59.3	-169.6	66.4
Technology	77.7	-10.5	50.9
Industrials	80.4	-13.7	47.8
Utilities	1.1	112.1	29.4
Materials	177.2	30.7	23.9
Real Estate	19.3	-14.8	19.9
Energy	122.9	43.9	9.3
Health Care	-261.7	-104.2	-14.6
Average	16.2	-34.3	48.2

Sources: Bloomberg, CCBIS

Chart 7: Consensus sales projections YoY growth of existing HSI members by sector in FY2021-2023

HSI members by sector	FY2021 consensus sales projections YoY (%)	FY2022 consensus sales projections YoY (%)	FY2023 consensus sales projections YoY (%)
Communications	21.7	7.8	12.2
Consumer Discretionary	33.3	11.7	44.1
Financials	6.3	0.0	13.0
Consumer Staples	16.8	8.1	11.5
Utilities	9.5	13.1	5.3
Health Care	27.2	19.2	18.5
Real Estate	16.7	8.1	11.3
Technology	21.4	6.0	-0.8
Materials	44.6	3.4	2.9
Energy	29.8	33.8	9.3
Industrials	40.9	8.5	-2.9
Average	22.0	9.3	15.5

Sources: Bloomberg, CCBIS

Chart 8: Consensus earnings projections YoY growth of existing HSI members by sector in FY2021-2023

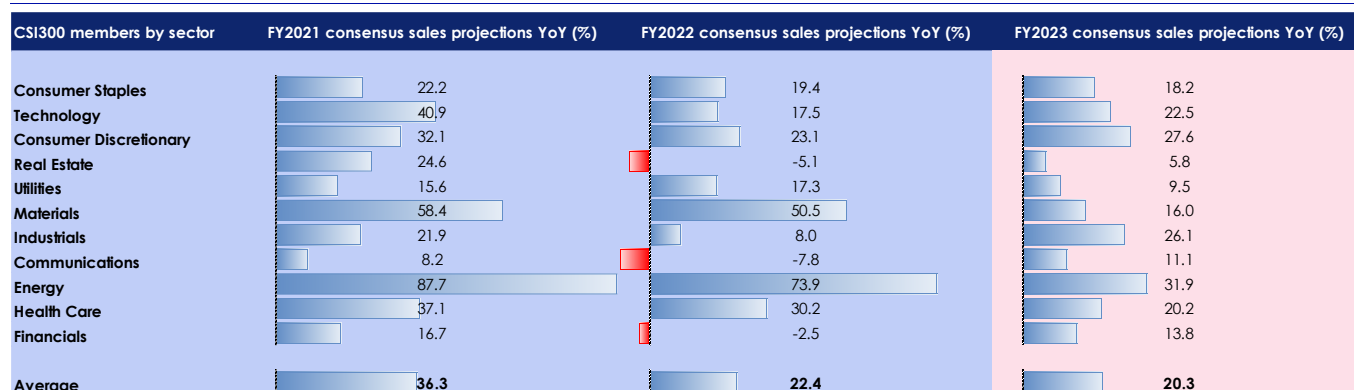
Sources: Bloomberg, CCBIS

At the sector level, the 2023 consensus earnings forecast growth rate for Hong Kong stocks improved significantly, with downstream sectors such as communications and consumer discretionary leading the way and upstream and midstream sectors such as industrials, energy and materials lagging behind.

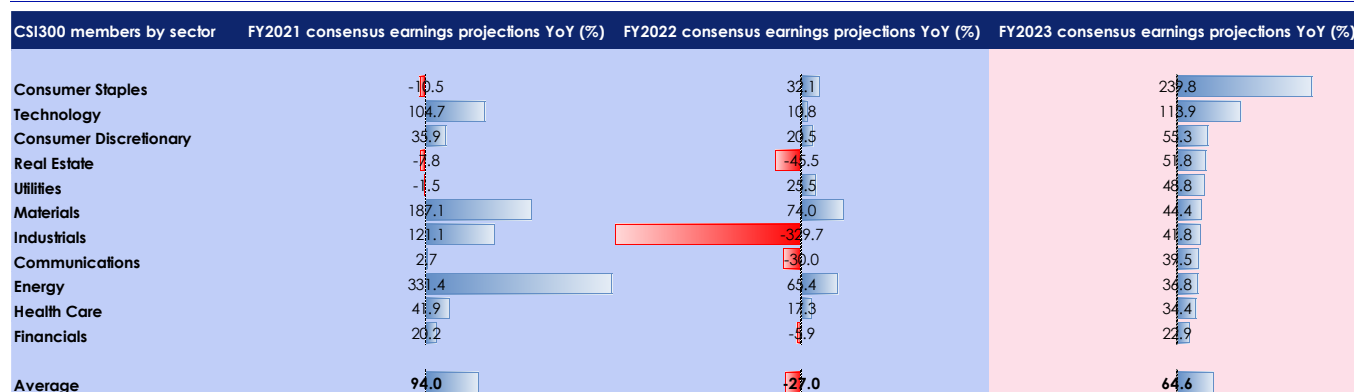
For existing HSI members, based on the market capitalization weighted average (instead of index weighting), the year-on-year earnings forecast growth rate declined from 56.3% in 2021 to -0.6% in 2022, before improving to 34.7% in 2023. Of the major sectors, the communications and consumer discretionary 2023 earnings forecast growth rate led the way with 112.5% and 77.7% growth while the rate for industrial, energy, and materials lagged behind, with -11.1%, 0.7%, and 1.9% growth.

The sales estimates growth rate of existing HSI members slows down from 22.0% in 2021 to 9.3% in 2022, and then improves to 15.5% in 2023. Among the major sectors, consumer discretionary and healthcare lead in 2023 revenue forecast growth at 44.1% and 18.5%, followed by financials, communications and consumer staples; industrials, technology, and materials lag behind.

2. A-share market

Chart 9: Consensus sales projections YoY growth of existing CSI300 members by sector in FY2021-2023

Sources: Bloomberg, CCBIS

Chart 10: Consensus earnings projections YoY growth of existing CSI300 members by sector in FY2021-2023


Sources: Bloomberg, CCBIS

Consensus earnings forecast growth for A-shares in 2023 also improved significantly, with consumer staples, technology and consumer discretionary leading the way, while financials, healthcare and energy lag behind.

For existing CSI300 members, based on the market capitalization weighted average (as opposed to index weighting), earnings forecast growth slows from 94.0% in 2021 to -27.0% in 2022 before improving to 64.6% in 2023. Of the major sectors, consumer staples, technology, and consumer discretionary lead in terms of growth rate, reaching 239.8%, 113.9% and 55.3% in 2021-2023. The rest of the sectors also have positive growth of 30-50%.

Along with the gradual remission of Covid-19 and an accompanying mild macroeconomic recovery, Hong Kong and A-share market observers held high expectations for an earnings recovery in 2023 within downstream sectors, especially in the case of communications and consumer discretionary. During the current results season, we are focused on whether or not the results of the relevant industries exceed consensus and management guidance. We pay close attention to the recovery path of sales growth and the realization (or not) of an earnings recovery. In cases where sales and earnings projections YoY growth accelerate, the implication is that valuation has room for improvement.

HIGH WINNING STOCKS WITH MULTIPLE EARNINGS BEATS

At the individual stock level, stocks with multiple earnings beats and a winning ratio of 60% or more deserve attention. We counted the number of times HSI and CSI300 members reported earnings beats on the basis of weekly trading bars, return for about three months after an earnings beat, and percentage of positive returns (i.e., winning rate) for the seven years from mid-Apr 2016 to early Mar 2023. Blue chips with multiple earnings beats, decent three-month returns and high winning rates usually have reliable earnings quality and high market interest, and are thus able to attract inflows of capital over relatively long investment horizons.

1. Hong Kong market

Chart 11: HSI stocks with earnings beats in mid-Apr 2016 to early Mar 2023

Security	Name	Chinese name	Gain	Loss	Total	Winning rate	Mean of returns	Sector
3690 HK Equity	MEITUAN-CLASS B	美团 - W	12	2	14	86%	20.0%	Consumer Discretionary
1929 HK Equity	CHOW TAI FOOK JEWELLERY GROU	周大福	5	1	6	83%	8.5%	Consumer Discretionary
2331 HK Equity	LI NING CO LTD	李宁	8	2	10	80%	13.9%	Consumer Discretionary
1928 HK Equity	SANDS CHINA LTD	金沙中国有限公司	7	2	9	78%	13.9%	Consumer Discretionary
883 HK Equity	CNOOC LTD	中国海洋石油	5	2	7	71%	4.0%	Energy
388 HK Equity	HONG KONG EXCHANGES & CLEAR	香港交易所	11	5	16	69%	7.8%	Financials
1211 HK Equity	BYD CO LTD-H	比亚迪	4	2	6	67%	35.1%	Consumer Discretionary
2020 HK Equity	ANTA SPORTS PRODUCTS LTD	安踏体育	6	3	9	67%	6.3%	Consumer Discretionary
241 HK Equity	ALIBABA HEALTH INFORMATION T	阿里健康	2	1	3	67%	0.0%	Consumer Discretionary
291 HK Equity	CHINA RESOURCES BEER HOLDING	华润啤酒	2	1	3	67%	-2.8%	Consumer Staples
700 HK Equity	TENCENT HOLDINGS LTD	腾讯控股	12	7	19	63%	8.2%	Communication Services
868 HK Equity	XINYI GLASS HOLDINGS LTD	信义玻璃	5	3	8	63%	-0.7%	Industrials
1876 HK Equity	BUDWEISER BREWING CO APAC LT	百威亚太	3	2	5	60%	9.1%	Consumer Staples
1997 HK Equity	WHARF REAL ESTATE INVESTMENT	九龙仓置业	3	2	5	60%	2.9%	Real Estate
9888 HK Equity	BAIDU INC-CLASS A	百度	3	2	5	60%	1.9%	Communication Services
992 HK Equity	LENOVO GROUP LTD	联想集团	9	6	15	60%	3.5%	Information Technology
3968 HK Equity	CHINA MERCHANTS BANK-H	招商银行	11	8	19	58%	3.4%	Financials
5 HK Equity	HSBC HOLDINGS PLC	汇丰控股	11	8	19	58%	3.3%	Financials
939 HK Equity	CHINA CONSTRUCTION BANK-H	建设银行	10	8	18	56%	1.8%	Financials
981 HK Equity	SEMICONDUCTOR MANUFACTURING	中芯国际	10	8	18	56%	2.5%	Information Technology
1088 HK Equity	CHINA SHENHUA ENERGY CO-H	中国神华	9	8	17	53%	1.7%	Energy
1209 HK Equity	CHINA RESOURCES MIXC LIFESTY	华润万象生活	2	2	4	50%	3.5%	Real Estate
11 HK Equity	HANG SENG BANK LTD	恒生银行	3	3	6	50%	-2.3%	Financials
9999 HK Equity	NETEASE INC	网易	3	3	6	50%	1.0%	Communication Services
1810 HK Equity	XIAOMI CORP-CLASS B	小米集团	7	8	15	47%	3.1%	Information Technology
857 HK Equity	PETROCHINA CO LTD-H	中国石油	5	6	11	45%	0.3%	Energy
9618 HK Equity	JD.COM INC - CL A	京东集团	4	5	9	44%	0.8%	Consumer Discretionary
1093 HK Equity	CSPC PHARMACEUTICAL GROUP LT	石药集团	7	10	17	41%	-1.8%	Health Care
6690 HK Equity	HAIER SMART HOME CO LTD-H	海尔智家	2	3	5	40%	4.7%	Consumer Discretionary
968 HK Equity	XINYI SOLAR HOLDINGS LTD	信义光能	2	3	5	40%	0.7%	Information Technology
3692 HK Equity	HANSON PHARMACEUTICAL GROUP	翰森制药	1	2	3	33%	7.8%	Health Care
762 HK Equity	CHINA UNICOM HONG KONG LTD	中国联通	3	7	10	30%	1.9%	Communication Services
9988 HK Equity	ALIBABA GROUP HOLDING LTD	阿里巴巴	3	7	10	30%	-4.6%	Consumer Discretionary
267 HK Equity	CITIC LTD	中信股份	2	5	7	29%	-2.5%	Industrials
688 HK Equity	CHINA OVERSEAS LAND & INVEST	中国海外发展	1	4	5	20%	-6.5%	Real Estate
941 HK Equity	CHINA MOBILE LTD	中国移动	2	8	10	20%	-5.1%	Communication Services

Sources: Bloomberg, CCBIS

Among HSI members, there are five stocks that meet this criteria, including Meituan (3690 HK), Li Ning (2331 HK), HKEx (388 HK), Tencent (700 HK), and Lenovo (992 HK). In this list, Meituan stands out with a winning rate of 86% and an average three-month return of 20% after beating expectations. BYD (1211 HK) exceeded expectations less than 10 times, but enjoyed a winning rate of 67%, and an average return after an earnings beat of 35%.

2. A-share market

Chart 12: CSI300 stocks with earnings beats in mid-Apr 2016 to early Mar 2023

Security	Name	Chinese name	Gain	Loss	Total	Winning rate	Mean of returns	Sector
000625 CH Equity	CHONGQING CHANGAN AUTOMOB-A	长安汽车	5	0	5	100%	60.3%	Consumer Discretionary
600809 CH Equity	SHANXI XINGHUACUN FEN WINE-A	山西汾酒	5	0	5	100%	27.4%	Consumer Staples
600941 CH Equity	CHINA MOBILE LTD-A	中国移动	1	0	1	100%	5.5%	Communication Services
601995 CH Equity	CHINA INTERNATIONAL CAPITAL-A	中金公司	3	0	3	100%	15.6%	Financials
002050 CH Equity	ZHEJIANG SANHUA INTELLIGEN-A	三花智控	6	0	6	100%	25.2%	Industrials
002938 CH Equity	AVARY HOLDING SHENZHEN CO -A	鹏鼎控股	4	0	4	100%	4.7%	Information Technology
300014 CH Equity	EVE ENERGY CO LTD-A	亿纬锂能	4	0	4	100%	25.5%	Industrials
601100 CH Equity	JIANGSU HENGLI HYDRAULIC C-A	恒立液压	11	1	12	92%	20.2%	Industrials
300760 CH Equity	SHENZHEN MINDRAY BIO-MEDIC-A	迈瑞医疗	9	2	11	82%	10.7%	Health Care
600009 CH Equity	SHANGHAI INTERNATIONAL AIR-A	上海机场	9	2	11	82%	12.7%	Industrials
600519 CH Equity	KWEICHOW MOUTAI CO LTD-A	贵州茅台	13	3	16	81%	11.2%	Consumer Staples
300347 CH Equity	HANGZHOU TIGERMED CONSULTI-A	泰格医药	13	3	16	81%	10.8%	Health Care
300957 CH Equity	YUNNAN BOTANEE BIO-TECHNOL-A	贝泰妮	4	1	5	80%	0.1%	Consumer Staples
000776 CH Equity	GF SECURITIES CO LTD-A	广发证券	8	2	10	80%	5.6%	Financials
603993 CH Equity	CMOC GROUP LTD-A	洛阳栾川钼业集团股份有限公司	7	2	9	78%	18.6%	Materials
002236 CH Equity	ZHEJIANG DAHUA TECHNOLOGY-A	大华股份	7	2	9	78%	7.9%	Information Technology
600132 CH Equity	CHONGQING BREWERY CO-A	重庆啤酒	6	2	8	75%	19.5%	Consumer Staples
600741 CH Equity	HUAYU AUTOMOTIVE SYSTEMS -A	华域汽车	12	4	16	75%	6.0%	Consumer Discretionary
600999 CH Equity	CHINA MERCHANTS SECURITIES-A	招商证券	6	2	8	75%	4.5%	Financials
603392 CH Equity	BEIJING WANTAI BIOLOGICAL-A	万泰生物	3	1	4	75%	10.6%	Health Care
002304 CH Equity	JIANGSU YANGHE BREWERY -A	洋河股份	6	2	8	75%	10.2%	Consumer Staples
300015 CH Equity	AIER EYE HOSPITAL GROUP CO-A	爱尔眼科	6	2	8	75%	13.1%	Health Care
300124 CH Equity	SHENZHEN INOVANCE TECHNOLO-A	汇川技术	6	2	8	75%	19.0%	Industrials
300274 CH Equity	SUNGROW POWER SUPPLY CO LT-A	阳光电源	3	1	4	75%	79.2%	Industrials
300433 CH Equity	LENS TECHNOLOGY CO LTD-A	蓝思科技	6	2	8	75%	15.4%	Information Technology
601012 CH Equity	LONGI GREEN ENERGY TECHNOL-A	隆基绿能科技股份有限公司	11	4	15	73%	16.0%	Information Technology
600660 CH Equity	FUYAO GLASS INDUSTRY GROUP-A	福耀玻璃	8	3	11	73%	11.1%	Consumer Discretionary
601601 CH Equity	CHINA PACIFIC INSURANCE GR-A	中国太保	8	3	11	73%	7.8%	Financials
300496 CH Equity	THUNDER SOFTWARE TECHNOLOG-A	中科创业	5	2	7	71%	17.4%	Information Technology
600048 CH Equity	POLY DEVELOPMENTS AND HOLD-A	保利发展	5	2	7	71%	11.7%	Real Estate
002410 CH Equity	GLDON CO LTD-A	广联达	5	2	7	71%	1.3%	Information Technology
300750 CH Equity	CONTEMPORARY AMPEREX TECHN-A	宁德时代	7	3	10	70%	15.4%	Industrials
601633 CH Equity	GREAT WALL MOTOR CO LTD-A	长城汽车	11	5	16	69%	18.1%	Consumer Discretionary
600039 CH Equity	SICHUAN ROAD&BRIDGE GROUP-A	四川路桥	4	2	6	67%	10.2%	Industrials
600362 CH Equity	JIANGXI COPPER CO LTD-A	江西铜业	8	4	12	67%	9.7%	Materials
601006 CH Equity	DAQIN RAILWAY CO LTD -A	大秦铁路	8	4	12	67%	1.5%	Industrials
601668 CH Equity	CHINA STATE CONSTRUCTION -A	中国建筑	8	4	12	67%	7.8%	Industrials
601899 CH Equity	ZIJIN MINING GROUP CO LTD-A	紫金矿业	8	4	12	67%	5.2%	Materials
000858 CH Equity	WULIANGYE YIBIN CO LTD-A	五粮液	8	4	12	67%	12.4%	Consumer Staples
603290 CH Equity	STARPOWER SEMICONDUCTOR LT-A	斯达半导	6	3	9	67%	23.0%	Information Technology
000963 CH Equity	HUADONG MEDICINE CO LTD-A	华东医药	8	4	12	67%	1.2%	Health Care
002179 CH Equity	AVIC JONHON OPTRONIC TECH-A	中航光电	8	4	12	67%	8.9%	Information Technology
002459 CH Equity	JA SOLAR TECHNOLOGY CO LTD-A	晶澳科技	2	1	3	67%	25.9%	Information Technology
002594 CH Equity	BYD CO LTD -A	比亚迪	4	2	6	67%	33.4%	Consumer Discretionary
002602 CH Equity	ZHEJIANG CENTURY HUATONG -A	世纪华通	2	1	3	67%	13.8%	Communication Services
002821 CH Equity	ASYMCHAM LABORATORIES TIAN-A	凯莱英	6	3	9	67%	8.9%	Health Care
600690 CH Equity	HAIER SMART HOME CO LTD-A	海尔智家	9	5	14	64%	10.0%	Consumer Discretionary
601998 CH Equity	CHINA CITIC BANK CORP LTD-A	中信银行	7	4	11	64%	2.6%	Financials
002555 CH Equity	3T INTERACTIVE ENTERTAINME-A	三七互娱网络科技集团股份有限公司	7	4	11	64%	10.4%	Communication Services
600332 CH Equity	GUANGZHOU BAIYUNSHAN PHAR-A	白云山	12	7	19	63%	5.5%	Health Care
300751 CH Equity	SUZHOU MAXWELL TECHNOLOGIE-A	迈为股份	5	3	8	63%	8.2%	Industrials
601615 CH Equity	MING YANG SMART ENERGY GRO-A	明阳智能	5	3	8	63%	20.8%	Industrials
601688 CH Equity	HUATAI SECURITIES CO LTD-A	华泰证券	5	3	8	63%	1.1%	Financials
688012 CH Equity	ADVANCED MICRO-FABRICATION-A	中微公司	5	3	8	63%	12.9%	Information Technology
002460 CH Equity	GANFENG LITHIUM GROUP CO L-A	赣锋锂业	5	3	8	63%	26.1%	Materials
000596 CH Equity	ANHUI GUJING DISTILLERY CO-A	古井贡酒	8	5	13	62%	9.3%	Consumer Staples
601377 CH Equity	INDUSTRIAL SECURITIES CO-A	兴业证券	8	5	13	62%	3.0%	Financials
603369 CH Equity	JIANGSU KING'S LUCK BREWER-A	今世缘	8	5	13	62%	7.7%	Consumer Staples
000568 CH Equity	LUZHOU LAOJIAO CO LTD-A	泸州老窖	11	7	18	61%	10.8%	Consumer Staples
600436 CH Equity	ZHANGZHOU PIENITZHUANG PHA-A	片仔癀	6	4	10	60%	6.6%	Health Care
600600 CH Equity	TSINGTAO BREWERY CO LTD-A	青岛啤酒	9	6	15	60%	6.8%	Consumer Staples
000063 CH Equity	ZTE CORP-A	中兴通讯	9	6	15	60%	10.3%	Information Technology
601766 CH Equity	CRRC CORP LTD-A	中国中车	3	2	5	60%	5.6%	Industrials
002027 CH Equity	FOCUS MEDIA INFORMATION TE-A	分众传媒	6	4	10	60%	5.2%	Communication Services
002812 CH Equity	YUNNAN ENERGY NEW MATERIAL-A	恩捷股份	6	4	10	60%	23.6%	Materials
002920 CH Equity	HUIZHOU DESAY SV AUTOMOTIV-A	德赛西威	3	2	5	60%	14.1%	Consumer Discretionary

Sources: Bloomberg, CCBIS

Among CSI300 members, there are 32 stocks that qualify, among which Hengli Hydraulic (601100 CH), Mare Medical (300760 CH), Shanghai Airport (600009 CH), Guizhou Maotai (600519 CH), and Tigermed (300347 CH) have a winning rate of over 80% and a double-digit post-earnings beat average return for the three months thereafter.

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CCB International Securities Limited
12/F, CCB Tower, 3 Connaught Road, Central, Hong Kong
Tel: (852) 3911 8000 / Fax: (852) 2537 0097