

HOLIDAYHKSAR

City in celebration



Clockwise from top: Officials at the launching ceremony of an initiative offering three days of free Star Ferry rides to celebrate the 75th anniversary of the founding of the People's Republic of China, at Star Ferry Pier in Central on Monday. ADAM LAM / CHINA DAILY Visitors admire the celebratory decorations in Sai Ying Pun on Monday. ADAM LAM / CHINA DAILY A tram decorated with celebratory messages passes through Wan Chai on Monday. Residents can take a free tram ride today. ANDY CHONG / CHINA DAILY



MPF members should earn HK\$33,000 each

By LIU YIFAN in Hong Kong
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Mandatory Provident Fund (MPF) members are expected to earn HK\$33,000 (\$4,249) each on average as of Monday — three times as much as the whole of 2023 — as global markets rebounded on big policy moves, according to MPF consulting firm GUM.

GUM on Monday estimated an average investment return of some 12 percent logged in the compulsory pension fund program so far in 2024. Almost one-third of the year-to-date gain came from the trading euphoria in Chinese equities, as data showed that the average return as of Sept 24 was

HK\$23,006.

Hong Kong and Chinese mainland stocks have been on a tear as Beijing last week unveiled a broader-than-expected package of stimulus measures to restart the world's second-largest economy's growth engine and fix its beleaguered real estate market.

The nation's policy blitz includes a reduction in the reserve requirement ratio and existing mortgage rates as well as 500 billion yuan (\$71.3 billion) of liquidity support for stocks, among other measures.

The benchmark Hang Seng Index has surged nearly 16 percent since Sept 23, closing at a new year-to-date high of 21,133 points on Monday; the Shanghai Composite Index

reclaimed the key level of 3,000 points.

Elsewhere, the US Federal Reserve kicked off its long-awaited monetary easing cycle by opting for a 50-basis-point rate cut in September, providing another catalyst for the global rally.

Looking ahead, Michael Chan, managing director at GUM, said he is sanguine about the Chinese equity market given the policy stimulus, signaling a chance for the HSI to reach 23,500 points by the end of the year. The potential rise would bring the MPF's annual return to 16 percent, leading to an average earnings of approximately HK\$45,000 per member.

Chan suggested a 50 percent

allocation in the mainland and Hong Kong stocks, alongside 30 percent and 20 percent in US and European stocks respectively for the MPF portfolio to manage geopolitical risks through diversification.

His remarks came at a time when China's market has been undervalued for years. Before the recent inflow of hot money, global hedge funds' allocation to Chinese stocks was less than 7 percent, the lowest level in five years, according to Goldman Sachs.

Additionally, as of the end of August, the allocation of active funds to Chinese stocks worldwide was only 5.1 percent, compared with 15 percent in August 2020.

Hang Seng Index turnover smashes another record

By OSWALD CHAN in Hong Kong
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Continuing frenzied market sentiment pushed the Hong Kong stock market to a record-high turnover for the second consecutive trading day.

The city's benchmark Hang Seng Index gained 2.4 percent to close at 21,133 points on Monday, with another record-breaking market turnover of HK\$506 billion (\$65.17 billion). On Friday, the HSI market turnover value reached HK\$445 billion.

The Hang Seng Tech Index surged 6.7 percent to close at 4,751 while the Hang Seng China Enterprises Index jumped 2.9 percent to close at 7,509.

The stock market index hike was mainly attributed to gains in Chinese mainland-based technology titan shares, such as Alibaba Group Holding, Meituan and Tencent Holdings. Financial stocks such as Hong Kong Exchanges and Clearing and Ping An Insurance (Group) Co of China also soared.

UBS Investment Bank Research predicted more upside stemming from a lower interest rate, a weaker US dollar, stronger-than-expected policy stimuli, and improved earnings revisions.

"We lift our HSI target by 7 percent to 22,100 based on a higher target forward price-to-earnings ratio of a multiple of 10. In terms of stock selection, we maintain our

barbell approach, preferring both defensive high yielders and travel-related stocks but tilting to less defensive stocks," said Angus Chan, head of Hong Kong Strategy at UBS Investment Bank.

Bank of Singapore, the private banking arm of Singapore-based lender Oversea-Chinese Banking Corp, said, "The start of a sustainable bull market cannot be ruled out if Beijing delivers sufficiently sizable stimulus to successfully drive a turnaround in macro fundamentals."

Eli Lee, the private bank's chief investment strategist, said the bank continues to favor quality-yield stocks, large-cap internet and platform companies, brokerage

firms and Hong Kong Exchanges and Clearing, which stand to benefit from increased turnover and fund-raising activities ahead.

Last week, the People's Bank of China unveiled a coordinated stimulus package comprising rate cuts, and lower reserve requirement ratios, property-easing measures, and policies to support the equity market. These measures drove the HSI to rally 13 percent last week, the best weekly gain in 26 years.

In September, the stock index swelled over 17 percent, the highest monthly gain in nearly two years. For the third quarter of the year, the HSI hiked over 19 percent, the best quarterly gain in over 15 years.

CUHK satellite to contribute to disaster response, smart city planning

By FANG XUE in Hong Kong
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The Chinese University of Hong Kong has successfully launched an observation satellite aimed at improving disaster response, geographic data analysis, and smart-city solutions for the Guangdong-Hong Kong-Macao Greater Bay Area.

The satellite, co-developed by CUHK and ADA Space, a Chinese mainland satellite company, was sent into orbit on Sept 24 by a Jie-long-3 rocket from a base in East

China's Shandong province. The project received guidance from the China National Space Administration and funds from the Hong Kong Innovation and Technology Commission.

At a news conference on Monday, CUHK highlighted the satellite's innovative features, including its built-in artificial intelligence and big data technologies. These advancements enable the satellite to monitor the Earth's surface, atmosphere and traffic conditions, and build 3D models of cities.

This satellite is also fitted with multiple state-of-the-art scientific devices, including submeter high-resolution optical remote sensing cameras, which can capture detailed images with spatial resolution below one meter.

CUHK experts have gained comprehensive experience throughout the satellite's design, manufacturing, and data application process, the university said.

The university said it hopes that the satellite will contribute significantly to disaster response, smart-city development, carbon

neutrality and the low-altitude economy in the GBA and beyond.

CUHK President Rocky Tuan Sung-chi expressed his excitement about the successful launch, saying it marks a new milestone in the ongoing collaboration between CUHK and the mainland's aerospace researchers.

Tuan added the university will continue to promote learning about space remote sensing education, and enhancing public understanding of space technology, while contributing to the sustainable development of Hong Kong

OHKF urges sports event coordination

Permanent office proposed to enhance cooperation, promote development

By WU MENGLEI in Hong Kong
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Local think tank Our Hong Kong Foundation on Monday proposed the establishment of a permanent government event office, enhancing coordination between sports and other activities, and fostering greater cooperation with other cities in the Guangdong-Hong Kong-Macao Greater Bay Area in hosting sports events.

OHKF executives said these suggestions are crucial for Hong Kong to become an international mega sports event capital. The city is striving to strategically bid for and plan major sports events, attract international tourists to spend money and participate in sports events, and develop adequate sports venues that meet international standards.

210 mega events

are scheduled in Hong Kong this year.

"The sports industry is included in the tourism industry, which is one of Hong Kong's four key industries," Legislative Council member Kenneth Fok Kai-kong said.

"The sports industry has been gaining attention from all lives of society in these years," added Fok, who is also the vice-president of the Sports Federation and Olympic Committee of Hong Kong, China.

According to government data, more than 210 mega events, including over 20 sports mega events, are scheduled in the city this year.

The Culture, Sports and Tourism Bureau estimated that these events will attract about 1.7 million tourists, contributing HK\$7.2 billion (\$927 million) in revenue and HK\$4.3 billion to the city's economic growth. The special administrative region government projected that every 1.5 million tourists will bring 0.1 percent growth to the city's GDP.

However, OHKF's research pointed out that the SAR government's current role in hosting these mega events is relatively passive, and lacks a systematic strategic plan to attract sports event organizers to Hong Kong.

OHKF Vice-President Kenny Shui Chi-wai recommended

"establishing a permanent Mega Events Office based on the existing Mega Events Coordination Group".

Shui said if the office could know the arrangements for these sports mega events in advance, such as the cost and venue, it would be easier to make quick adjustments.

The think tank also proposed that the government strategically plan the mega event calendar to promote the sports, arts, and MICE — meetings, incentives, conventions, exhibitions — events together, maximizing their economic benefits.

Herman Hu Shao-ming, vice-president of the Sports Federation and Olympic Committee of Hong Kong, China, agreed. "We hope to maximize our benefits to facilitate the growth of Hong Kong's economy. Not limited to sports, cultural activities, and art tourism, many industries can participate in the sports mega events as well," he said.

Co-hosting large-scale multisports events with other GBA cities is another focus of OHKF's report.

Shui said, "The National Games 2025 is a good chance for Hong Kong to cooperate with other GBA cities in holding sport mega events."

Guangdong, Hong Kong, and Macao will jointly host the Games next year, and the National Games Coordination Office (Hong Kong) has been established. OHKF suggested transforming this office into another permanent office for co-hosting sports events within the GBA.

Fok said, "Given that we have many cross-border commercial associations, we need this governmental organization to solve many complex issues in the future, including visa issues and the problem of cross-border broadcasting rights."

Stop interference



Hong Kong residents rally outside the US Consulate General in Central on Monday to express their opposition to the US government's interference in the city's internal affairs. PARKER ZHENG / CHINA DAILY

and the country.

Kwan Mei-Po, director of the Institute of Space and Earth Information Science of CUHK, stressed the satellite's potential to provide valuable data for nationwide urban services and to enhance education in smart transportation, smart-city planning, and smart disaster prevention.

The launch is part of a broader trend of advancement in satellite technology among Hong Kong institutions.

In August 2023, the Hong Kong University of Science and Technology launched its first multispectral optical satellite in collaboration with a mainland commercial satellite company, which aimed to enhance environmental monitoring and disaster forecasting.

Hong Kong's first satellite manufacturing factory, the ASPACE Hong Kong Satellite Manufacturing Center, opened in July 2023 at the Tseung Kwan O InnoPark. The 18,580-square-meter facility aims to produce up to 200 satellites annually, according to its operator, Hong Kong Aerospace Technology Group.