

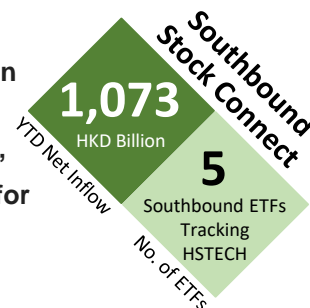


# Index Flash

19 September 2025

## Southbound Inflows Top HKD1 Trillion YTD: Understanding Market Trends and ETF Connect

Net inflows via the Southbound Stock Connect have surpassed HKD1 trillion year-to-date, positioning 2025 as the strongest year on record. The inclusion of exchange-traded funds (ETFs) in Stock Connect has further broadened mainland investors' access to the Hong Kong market, with Southbound ETFs' turnover reaching recording high this year. Of the 17 ETFs currently eligible for Southbound trading, 13 track the Hang Seng Family of Indexes.



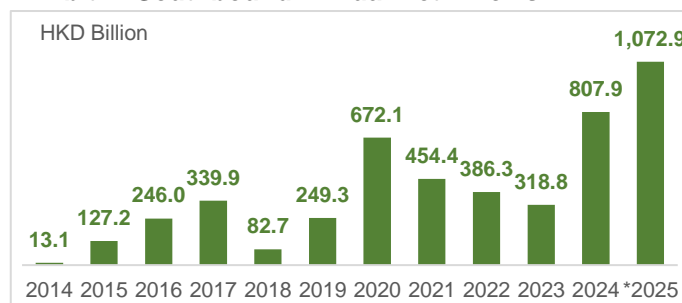
### Record-Breaking Southbound Inflows in 2025

Since the launch of Stock Connect in November 2014, mainland investors have become a rising force in Hong Kong's stock market. In the first eight months of 2025, **Southbound average daily turnover (ADT) (1-sided) reached HKD60.8 billion, equivalent to 24.5% of total market ADT**, a significant increase of less than 3% in 2015 (according to Hong Kong Exchange's data).

Over the past decade, Southbound net inflows have surged from just HKD13.1 billion in 2014 to HKD807.9 billion in 2024, representing more than a 60x increase. **As of 12 September 2025, this year's net inflows reached HKD1,072.9 billion (Exhibit 1), already surpassing the 2024 full-year total by 33% and on track to set a new annual record.**

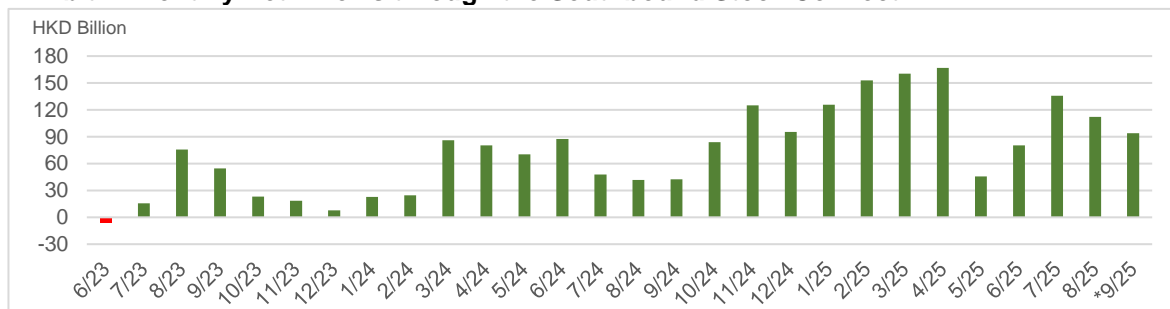
Importantly, the inflow trend has shown consistent strength over the past two years. As shown by Exhibit 2, **the Hong Kong stock market recorded 26th consecutive months of positive Southbound inflows through August 2025.** That month alone saw HKD112.2 billion of net inflows, the 9<sup>th</sup> highest monthly total on record. In fact, 6 months in 2025 ranked among the all-time monthly top 10 (Exhibit 3). Daily flows (Exhibit 4) hit new milestones, with 7 out of the 10 largest daily inflows occurring in 2025, led by a record HKD35.9 billion on 15 August 2025.

**Exhibit 1: Southbound Annual Net Inflows**



Source: WIND, Hang Seng Indexes Company;  
\*Data as of 12 September 2025

**Exhibit 2: Monthly Net Inflows through the Southbound Stock Connect**



Source: WIND, Hang Seng Indexes Company; \*Data as of 12 September 2025



Exhibit 3: Top 10 Southbound Monthly Inflows

Rank	Month	Inflow (HKD Billion)
1	Jan 2021	310.6
2	Apr 2025	166.7
3	Mar 2025	160.3
4	Feb 2025	152.8
5	Mar 2020	139.7
6	Jul 2025	135.6
7	Jan 2025	125.6
8	Nov 2024	125.0
9	Aug 2025	112.2
10	Dec 2024	95.4

Source: WIND, Hang Seng Indexes Company;  
Data as of 12 September 2025

Exhibit 4: Top 10 Southbound Daily Inflows

Rank	Date	Inflow (HKD Billion)
1	15 Aug 2025	35.9
2	9 Apr 2025	35.6
3	10 Mar 2025	29.6
4	3 Apr 2025	28.8
5	19 Jan 2021	26.6
6	12 Mar 2025	26.2
7	8 Apr 2025	23.6
8	27 Jan 2021	23.5
9	5 Aug 2025	23.4
10	18 Jan 2021	23.0

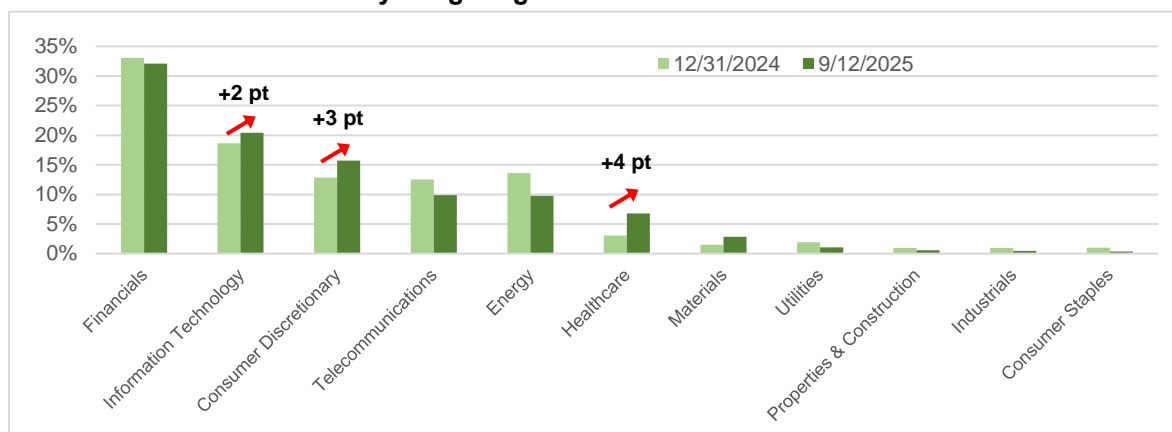
Source: WIND, Hang Seng Indexes Company;  
Data as of 12 September 2025

## Healthcare Saw the Largest Gain in Southbound Holdings

The growing scale of Southbound investment highlights the importance of understanding mainland investors' allocation patterns. The Hang Seng Stock Connect Hong Kong Top Shareholding 50 Index ('HSHKS50'), launched in March 2021, offers a window into these trends. It tracks the performance of 50 most heavily held (by shareholding values) Hong Kong-listed stocks by mainland investors through Stock Connect. Changes in the index's industry allocation can shed light on the shifting preferences of mainland investors.

As of 12 September 2025, Financials remained the largest industry in the HSHKS50 with a 32% weighting (Exhibit 5), followed by Information Technology (20%), and Consumer Discretionary (16%). In terms of weighting change, **Healthcare showed the sharpest year-to-date increase, climbing from 3% to 7%. Consumer Discretionary and Information Technology followed with 3 and 2 percentage-points respectively.** Notably, these three industries were also the top weightings in the Hang Seng TECH Index ('HSTECH').

Exhibit 5: HSHKS50's Industry Weightings



Source: Hang Seng Indexes Company; Data as of 12 September 2025

On the other hand, two recently revamped indexes with focuses on both Southbound Stock Connect and technology theme are also available as relevant benchmarks, namely the Hang Seng SCHK China Technology Index ('HSSCT') and Hang Seng SCHK Technology Index ('HSSCIT'). Meanwhile, the Hang Seng SCHK 50 Index ('HSSC50') represents a different dimension of Stock Connect by tracking the 50 largest and most liquid Southbound-eligible stocks.



## HSTECH as the Most Widely Tracked Index among Southbound-eligible ETFs

While Stock Connect has been in place since November 2014, Southbound ETF trading was only introduced in July 2022, with eligibility further expanded in July 2024. Against the backdrop of continuous inflows from mainland China, ADT for Southbound ETFs reached a half-yearly high of HKD3.8 billion in the first half of 2025.

By 12 September 2025, the number of Southbound-eligible ETFs had grown to 17 from only 5 at the initial launch. **Of these, 13 are benchmarked to the Hang Seng Family of Indexes, spanning 6 indexes (Exhibit 6).** Among them, HSTECH is the most widely tracked, with five Southbound-eligible ETFs (Exhibit 7) referencing it.

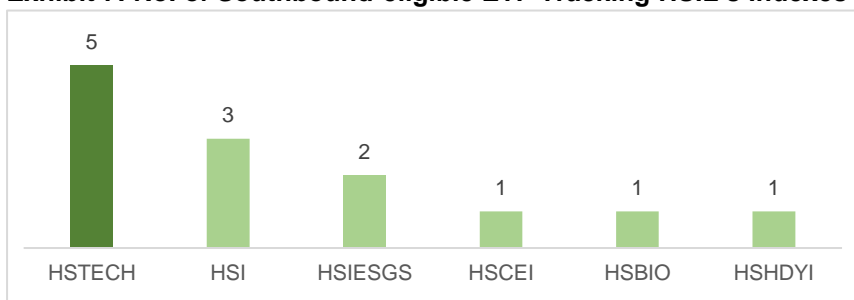
Based on past announcement cycles (Exhibit 6), the next batch of Southbound-eligible ETFs is expected by late October 2025, with effective dates in early November.

**Exhibit 6: Southbound-eligible ETF Tracking HSIL's Indexes**

Effective Date	RIC	ETF	Underlying Index	Index Abbreviation
4-Jul-22	2800	Tracker Fund of Hong Kong	Hang Seng Index	HSI
	2828	Hang Seng China Enterprises Index ETF	Hang Seng China Enterprises Index	HSCEI
	3033	CSOP Hang Seng TECH Index ETF	Hang Seng TECH Index	HSTECH
	3067	iShares Hang Seng TECH ETF	Hang Seng TECH Index	HSTECH
7-Nov-22	3037	CSOP HANG SENG INDEX ETF	Hang Seng Index	HSI
8-May-23	3032	Hang Seng TECH Index ETF	Hang Seng TECH Index	HSTECH
6-Nov-23	2837	Global X Hang Seng TECH Index ETF	Hang Seng TECH Index	HSTECH
	3088	ChinaAMC Hang Seng TECH Index ETF	Hang Seng TECH Index	HSTECH
6-May-24	3110	Global X Hang Seng High Dividend Yield ETF	Hang Seng High Dividend Yield Index	HSHDYI
	3403	ChinaAMC HSI ESG ETF	HSI ESG Enhanced Index	HSIESGS
22-Jul-24	3069	ChinaAMC Hang Seng Biotech Index ETF	Hang Seng Biotech Index	HSBIO
	3115	iShares Core Hang Seng Index ETF	Hang Seng Index	HSI
4-Nov-24	3039	E Fund (HK) HSI ESG Enhanced Index ETF	HSI ESG Enhanced Index	HSIESGS

Source: Hang Seng Indexes Company; Data as of 12 September 2025

**Exhibit 7: No. of Southbound-eligible ETF Tracking HSIL's Indexes**



Source: Hang Seng Indexes Company; Data as of 12 September 2025



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