



## 2020 Year-End Report

### Stock Market Dragged by Pandemic in 2020 While Technology-related Indexes Prove Bright Spot

#### 2020 Highlights

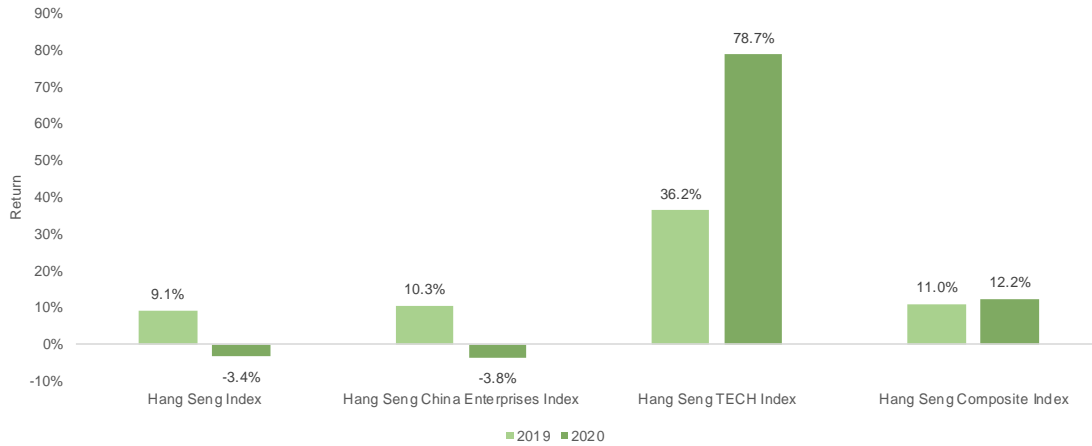
- The stock market recorded a mixed performance in 2020. While the Hang Seng Index (HSI) and Hang Seng China Enterprises Index (HSCEI) fell by 3.4% and 3.8% respectively, the Hang Seng TECH Index (HSTECH) surged 78.7%. Performance of the mainland stock market was better. The Hang Seng China A Industry Top Index and the Hang Seng Stock Connect China A 300 Index rose by 26.6% and 27.9% respectively.
- Within the Hang Seng Composite Index (HSCI), mid-cap stocks climbed by 22.1%, outperforming large-cap (9.9%) and small-cap (18.5%).
- Among the HSCI industry sub-indexes, Information Technology was the best-performing industry, recording an increase of 69.6%.
- The HSI ESG Index and the HSCEI ESG Index still had similar returns to HSI and HSCEI despite lower weightings on technology stocks. The Hang Seng ESG 50 Index outperformed the HSI ESG Index and the HSCEI ESG Index by 4.8 percentage points and 4.5 percentage points respectively.
- The HSI Volatility Index (VHSI) and the HSCEI Volatility Index (VHSCEI) surged in the first quarter of 2020, reflecting the uncertain investment environment.
- Within the Hang Seng Stock Connect Greater Bay Area Index Series, Shenzhen-Dongguan-Huizhou performed the best (28.1%) among Region Indexes, Consumer Goods performed the best (64.8%) among Industry Indexes, and Innovation Top 50 performed the best (63.3%) among Factor and Strategy Indexes.
- The Hang Seng Shanghai-Shenzhen-Hong Kong Innovative Drug Select 50 Index continued to surge in 2020 (61.5%), following a rise of 56.2% in 2019.

\* All data throughout this report are sourced from Hang Seng Indexes Co. Ltd. (data as of 31/12/2020 unless otherwise specified)



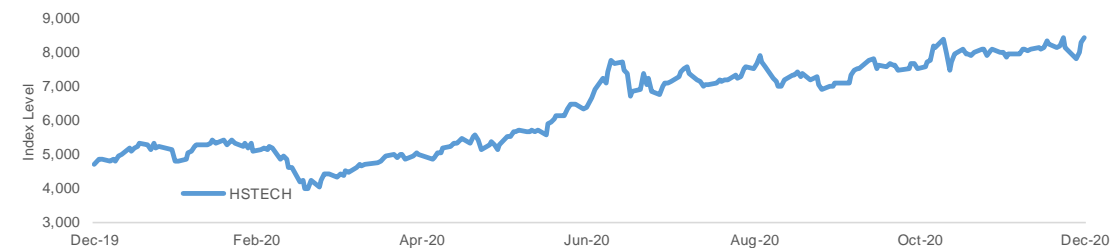
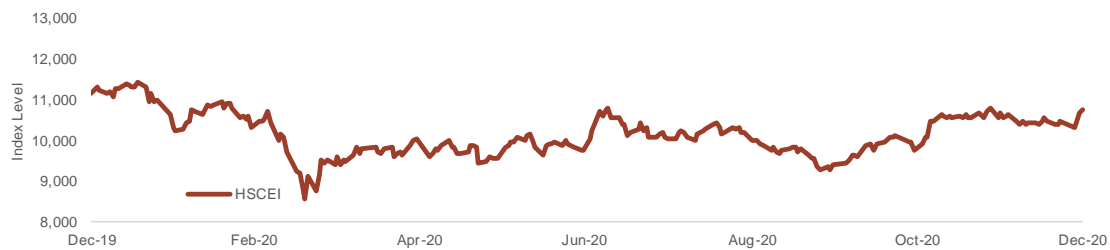
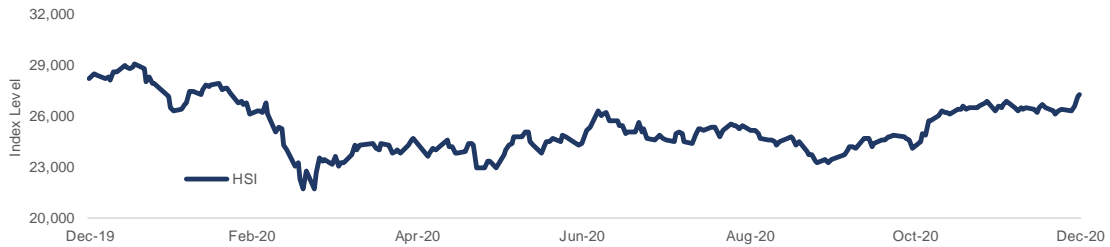
## Hong Kong-Listed

### Major Indexes



### HSI, HSCEI and HSTECH

- HSI declined by 3.4% in 2020 after rising by 9.1% in 2019.
- HSCEI underperformed HSI by 0.4 percentage points, with an annual return of -3.8%.
- HSTECH outperformed HSI by 82.1 percentage points, with an annual return of 78.7%.



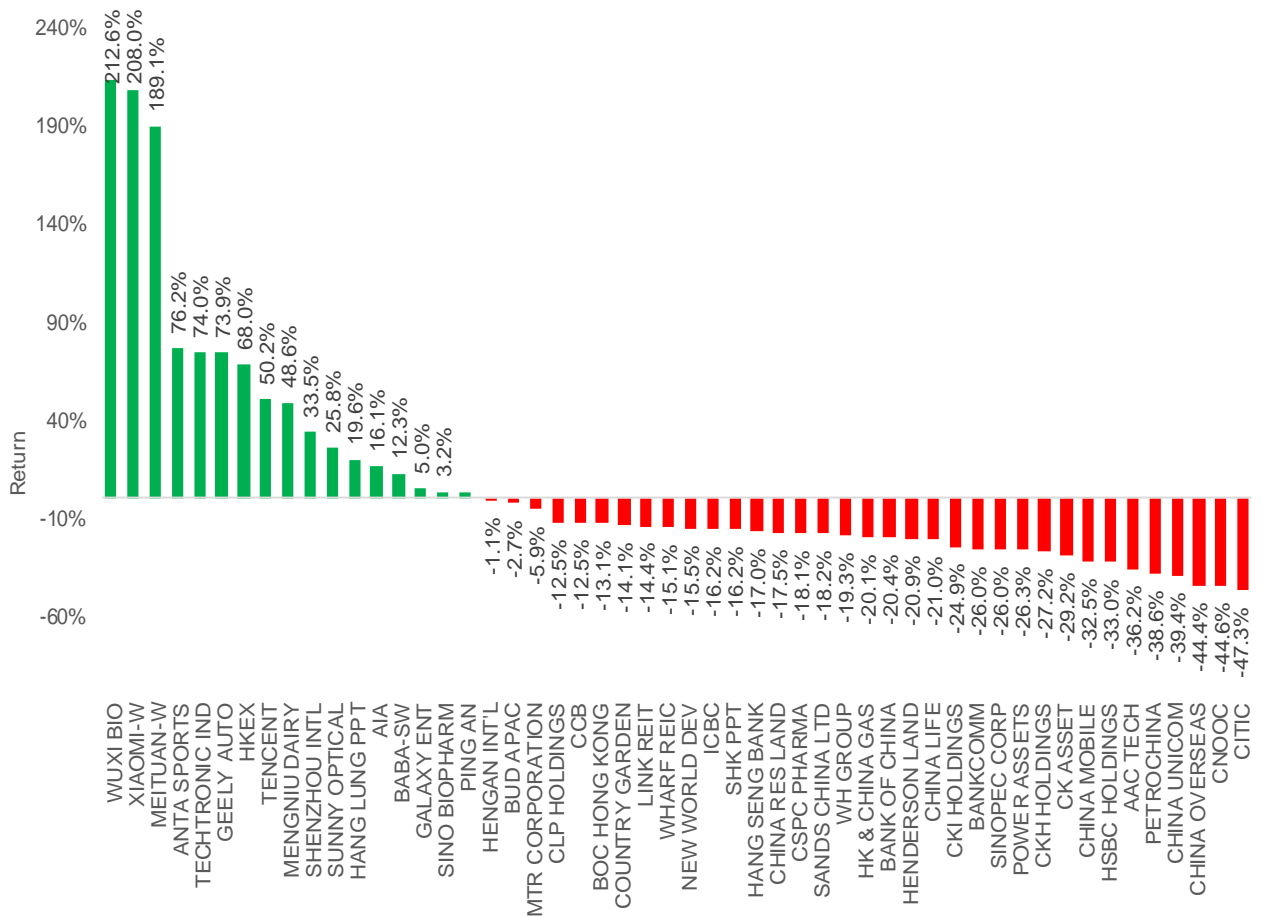
Index	Closing High	Closing Low	Closing Index	Yearly Change		PE Ratio (Times)	Dividend Yield	Dividend Point Index*
				Points	%			
HSI	29,056	21,696	27,231	-959	-3.4%	14.0	2.9%	798.6
HSCEI	11,420	8,560	10,738	-430	-3.8%	10.7	2.9%	388.0
HSTECH	8,426	3,988	8,426	3,711	78.7%	60.0	0.4%	--

\*As of 30 Dec 2020



### HSI Constituents

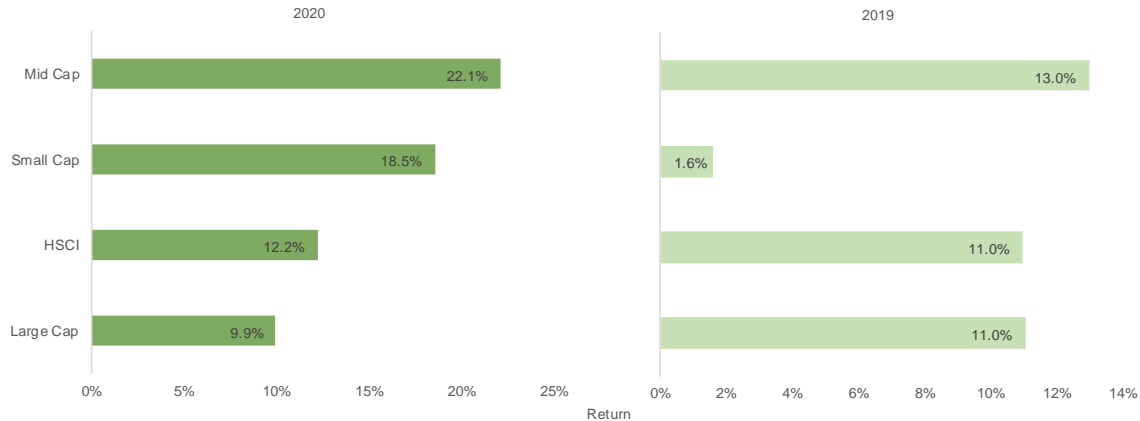
- Among the 52 current HSI constituents, 17 rose in 2020. Wuxi Bio (2269.HK), Xiaomi-W (1810.HK) and Meituan-W (3690.HK), were the best performers, with yearly gains of 212.6%, 208.0% and 189.1% respectively.





### Hang Seng Composite Index (HSCI) - Size Indexes

- Within HSCI Size Indexes, mid-cap performed the best, climbing by 22.1%.
- Small-cap rose by 18.5%, following a slight increase of 1.6% in 2019.

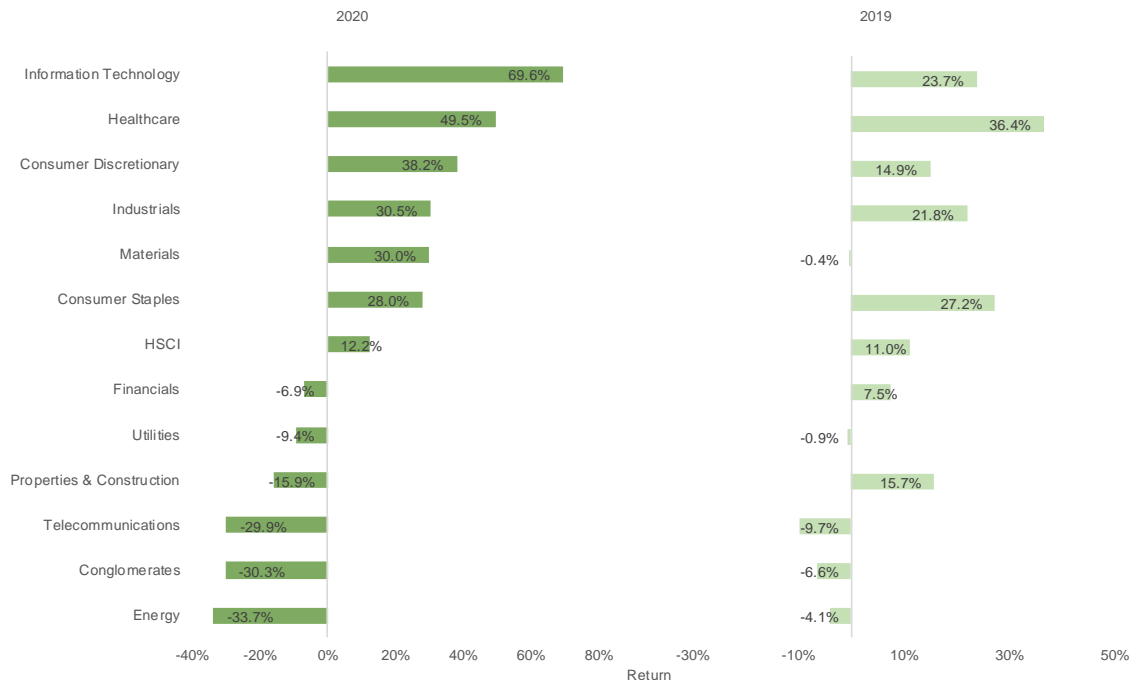


\* Note:

Large Cap: Hang Seng Composite LargeCap Index  
 Mid Cap: Hang Seng Composite MidCap Index  
 Small Cap: Hang Seng Composite SmallCap Index

### Hang Seng Composite Index (HSCI) - Industry Indexes

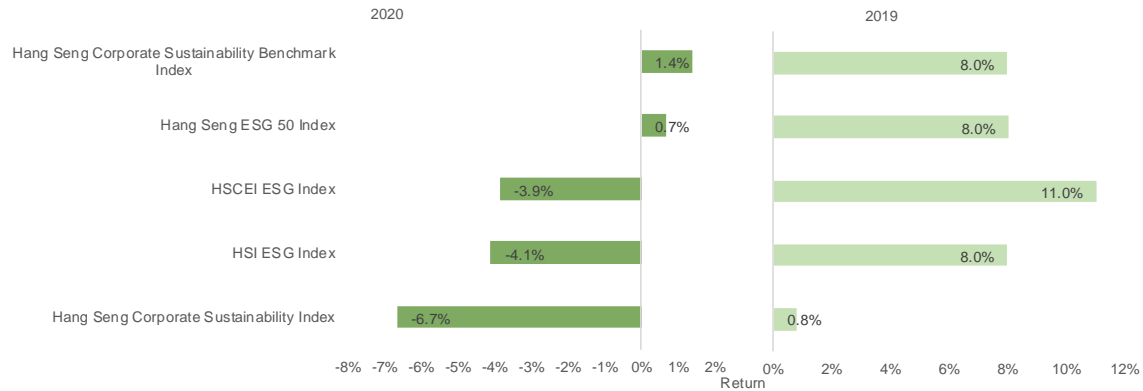
- Information Technology was the best performing industry, rising by 69.6%.
- Energy and Conglomerates fared the worst, recording a decline of 33.7% and 30.3% respectively.





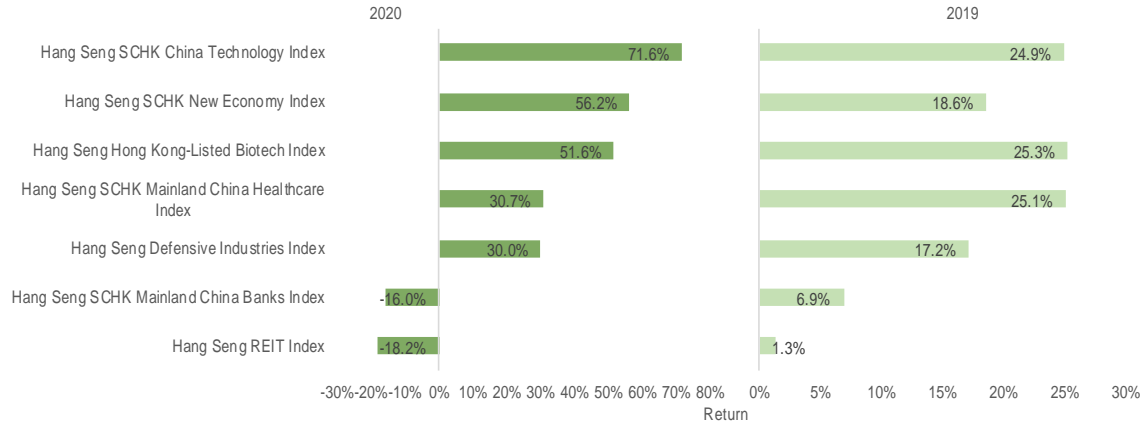
### ESG Indexes

- The Hang Seng ESG 50 Index rose by 0.7%, it outperformed the HSI ESG Index and the HSCEI ESG Index by 4.8 percentage points and 4.5 percentage points respectively.



### Thematic Indexes

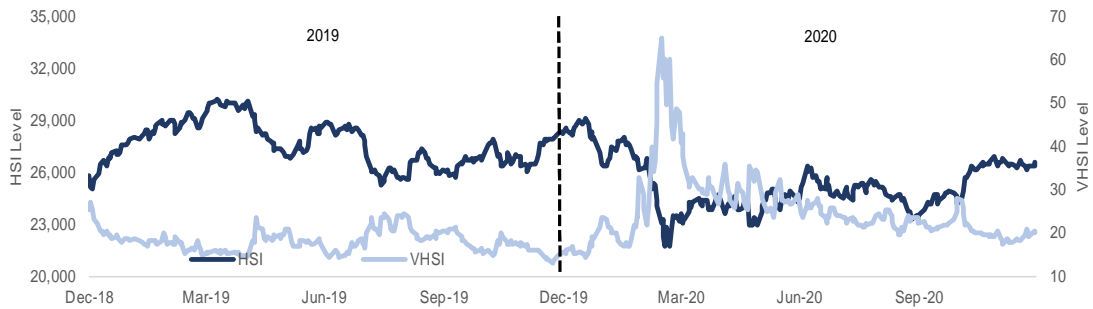
- The Hang Seng SCHK China Technology Index performed well in 2020, rising by 71.6%.
- The Hang Seng SCHK New Economy Index also recorded good growth, rising by 56.2%.





## Volatility Indexes

- The HSI Volatility Index (“VHSI”) surged in March this year and fluctuated at relatively higher level, reflecting the more volatile investment environment compared with 2019.
- As the COVID-19 outbreak worsened in February 2020, global markets tumbled on rising fears of a worldwide economic recession and other uncertainties. The HSI plunged by 21.4% (from 27,609 on 20 February 2020 to 21,696 on 23 March 2020) to its lowest point since 2016, whereas the VHSI skyrocketed, rising by 253.3% (from 17.0 to 60.0). Due to policy stimulus initiatives in various countries, markets subsequently bounced back, with the impact of a 10.5% rebound in HSI (to 23,970 on 8 Apr), and a 45.8% decline in VHSI (to 32.5).



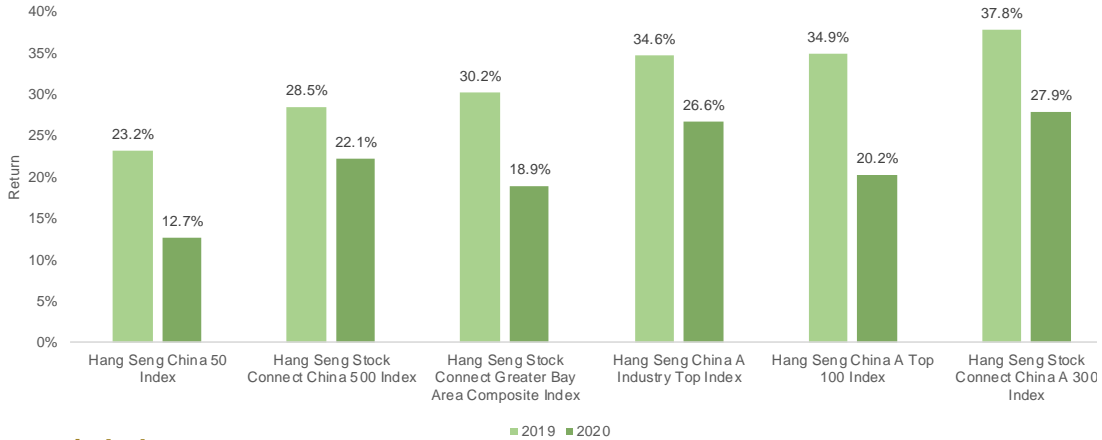
- Similar movement was observed for the HSCEI Volatility Index (“VHSCEI”).





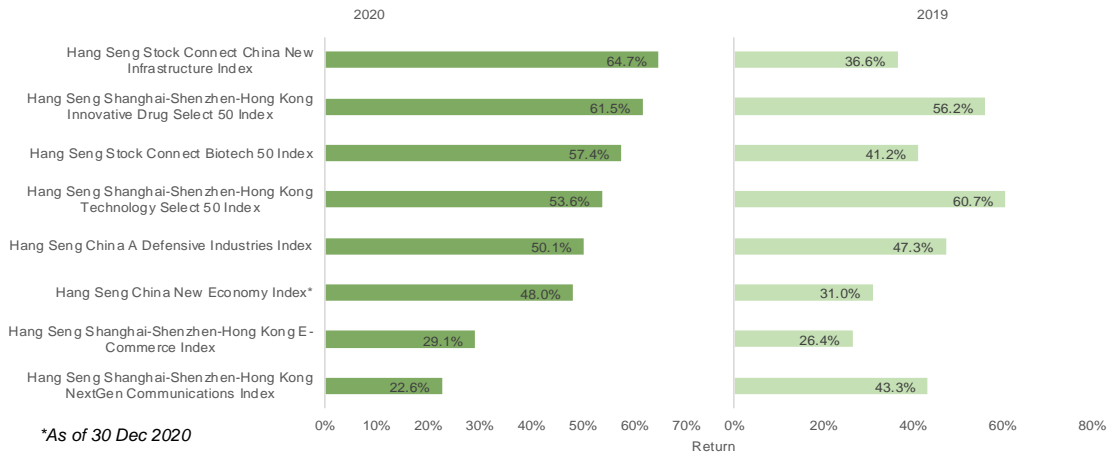
## Mainland-Listed / Cross-Market

### Major Indexes



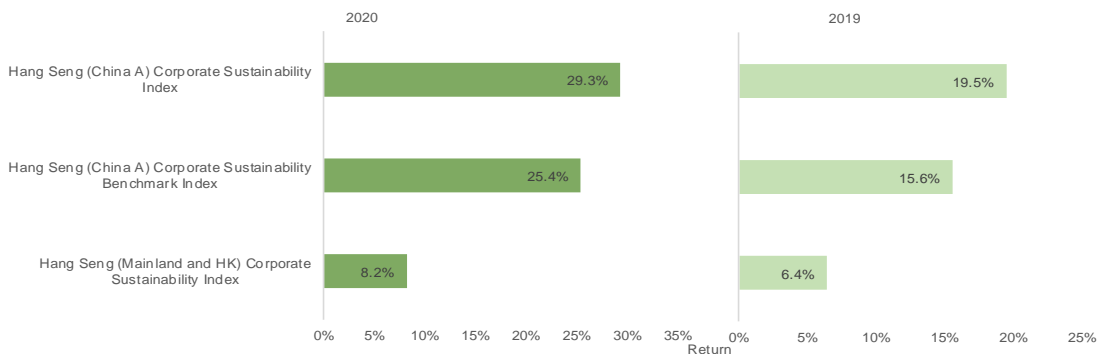
### Thematic Indexes

- The Hang Seng Shanghai-Shenzhen-Hong Kong Innovative Drug Select 50 Index continued to surge in 2020 (61.5%), following a rise of 56.2% in 2019.
- The Hang Seng Stock Connect China New Infrastructure Index rose by 64.7%.



### ESG Indexes

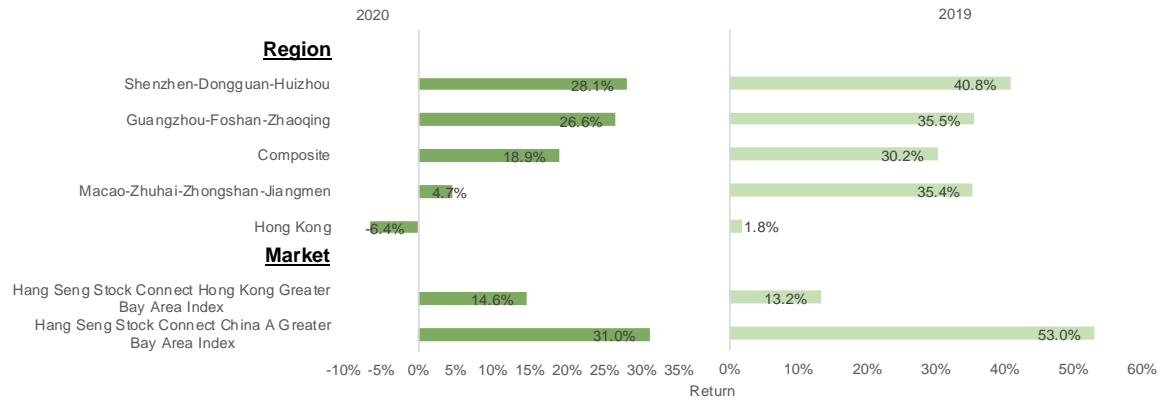
- The Hang Seng (China A) Corporate Sustainability Index rose by 29.3%.





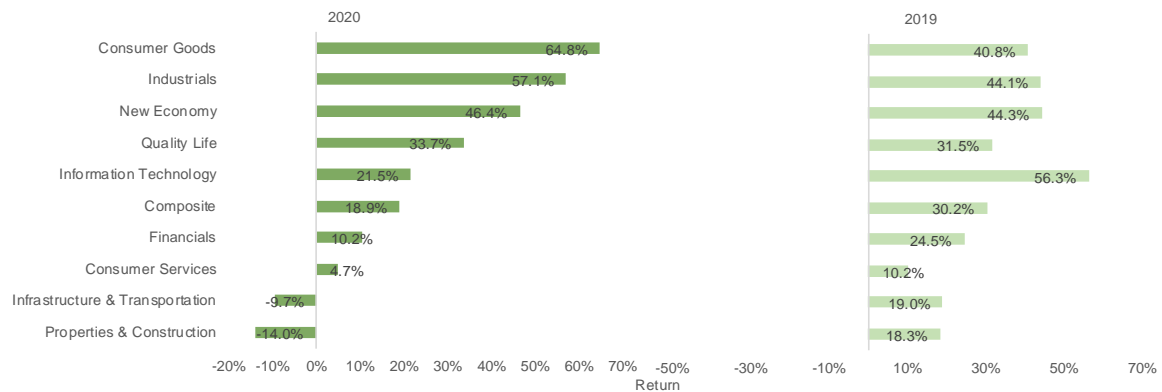
### Hang Seng Stock Connect Greater Bay Area Composite Index - Region / Market Indexes

- Within the Hang Seng Stock Connect Greater Bay Area Composite Region Indexes, Shenzhen-Dongguan-Huizhou performed the best (28.1%).



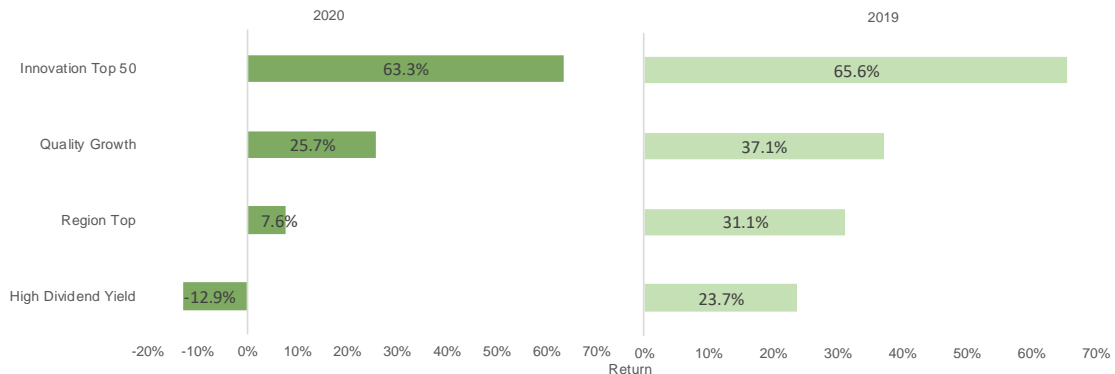
### Hang Seng Stock Connect Greater Bay Area Composite Index - Industry Indexes

- Consumer Goods surged by 64.8%, following a rise of 40.8% in 2019.



### Hang Seng Stock Connect Greater Bay Area Composite Index - Factor & Strategy Indexes

- Innovation Top 50 continued to surge (63.3%), following a rise of 65.6% in 2019.
- Quality Growth also recorded positive returns for two consecutive years.







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