

Rosefinch Research | 2024 Series # 10

Focusing on Inner Strength



1. We must bear the Beta and focus on the Alpha

Recent data released in the United States, including non-farm payrolls, CPI, retail sales, the University of Michigan Consumer Sentiment Index survey and January manufacturing PMI, all exceeded market expectations, showing the strong vitality and resilience of the U.S. economy. The flip-flop of interest rate expectations has not affected the upward trend of the U.S. stock market. The Nasdaq has set a new high in nearly 2 years. The Dow and S&P 500 indices have hit historical highs. After rising 28.5% in 2023, the Nikkei 225 index rose another 8% this year in January, with the total market value (in US dollars) of listed stocks on the Tokyo Stock Exchange exceeding that of the Shanghai Stock Exchange. On January 23, India's total market capitalization surpassed Hong Kong's stock market for the first time.

Major economic targets for 2023 in China have been met: GDP grew 5.2% and reached 126 trillion yuan. The per capita disposable income of residents reached 39,218 yuan, a nominal increase of 6.3% over the previous year; per capita consumption expenditure reached 26,796 yuan, a nominal increase of 9.2% over the previous year; total population was 1.41 billion, a slight decrease of 2.08 million.

At the beginning of the year, the Hang Seng, Sci-Tech Innovation Board and ChiNext Board all fell by around 10%. The Shanghai Composite continued to break through integer points of 2,900 and 2,800, with the Shanghai Shenzhen CSI 300 index falling below the long-term trend line calculated based on China's nominal GDP growth rate for the first time. Government affiliated funds began to support steadily, initially focusing on providing liquidity, and then increasingly focused on supporting the Shanghai

Shenzhen CSI 300. As a great financial power, Chinese financial markets not only reflect traditional micro or macro market analysis frameworks, but also reflect the national strength, financial strength, overall social confidence and future expectations.

Actions speak louder than words. Highly confident measures are needed in the right direction. Asset prices and expectations interact with each other. "Steadily advancing the internationalization of the RMB" acts as a stabilizer, while "establishing a new model of real estate development" has effectively squeezed funds out. The Jan-Nov lottery sales exceeded 500 billion yuan, while the Japan and US Equity market ETF command a substantial premium to book value... If we leverage the Chinese systematic advantages of concentrate power to focus on mammoth projects, how will the A-share market move?

One must act to get things done. Economic fundamentals interact with overall social confidence, and expectations can become self-fulfilling prophecies. Since 2020, China has effectively coordinated epidemic prevention and control with economic and social development, with nominal per capita GDP increasing cumulatively by 15.6% and the nominal annual average exchange rate of the renminbi against the US dollar appreciating by 6.9%. Per capita GDP reached 12,551 US dollars. Research centers had previously predicted that China was highly likely to cross the high-income threshold in 2023. In 2022, China's per capita GDP reached 12,741 US dollars, only one step away from the standard for high-income countries. However, due to factors such as renminbi depreciation in 2023, the gap actually widened (to 12,550 US dollars). Reaching the height of 10,000 US dollars in GDP brings more complex situations, with greater external vigilance due to size, requiring innovation-driven high-quality development as growth potential declines, and innovation depends fundamentally on human capital. Private enterprises and local competition are the core driving forces.

Population and real estate issues are long-term problems that require reform to mobilize positive factors. The convening of the Third Plenary Session of the 11th CPC Central Committee 45 years ago opened the curtain for China's reform and opening-up, unleashing unprecedented vitality across the Chinese land. At a symposium commemorating the 130th anniversary of the birth of Mao Zedong, General Secretary spoke of "fully arousing the historical spirit of initiative of the entire people" and "improving and perfecting institutional mechanisms to ensure social justice and fairness, guarantee equal participation and development rights for the people, and enable every hardworking, struggling and innovative creator to fulfill their dreams and stand out in life". "To advance Chinese modernization, we must further deepen reform and opening-up across the board to continuously liberate and develop social productive forces, liberate and strengthen social vitality."

In 2022, the focal point of global geopolitical tensions was Europe, mainly Russia's confrontation with the West. In 2023, the main focal point of global geopolitical tensions was the Middle East, primarily the confrontation between the Shiite alliance and Europe and the US. In 2024, 60% of the world's population will face elections, accounting for 75% of global GDP. As the Democratic Progressive Party wins Taiwan's elections for the third time, the possibility of a conflict breaking out in the Taiwan Strait will further increase. Relations between South and North Korea are deteriorating continuously, and the peninsular

confrontation is intensifying. In extreme cases, will global geopolitical tensions trigger huge waves in East Asia? For now, a Trump or Biden victory is too close to call at 50-50, and an isolationist Trump may be relatively more favorable to China than a confrontation-prone Biden, but a second Trump term would also herald a new world trade order.

Climate justice concerns the global community. After competing domestically on innovation and quality products, China's output capacity surpluses create great opportunities to "go global." Compared to US assertiveness, approaches like Vietnam's "bamboo diplomacy" are more representative. **We focus on our inner strength, such as Zhejiang's "taro economy" - growing root inward while extending vines outward endlessly, with core competitiveness becoming increasingly diversified and resilient as globalization efforts intensify.** "No matter how the international situation changes, China will unswervingly follow the basic national policy of opening-up. And the door to openness will only open wider and wider." As of the end of last year, China had signed visa exemption agreements with 153 countries spanning Asia, Europe, Africa, the Americas, and Oceania. The National Immigration Administration has begun implementing five priority measures to facilitate entry for foreigners to China, including 24-hour direct transit without border inspection procedures, simplified visa and entry-exit policies, and enhanced efficiency of entry-exit procedures for international flights.

The entrepreneurial spirit is part of the venture spirit, and investment must also focus on inner strength to serve the real economy. Face reality and immerse yourself in it! **Beta is what we must endure, while alpha is what we strive for.** Those investments that are growing below market expectations or see no sign of 2024 inflection points are to be handled with caution, while those that outperform must be treasured.

The essence of surprises in the Year of the Dragon lies in fundamental inflection points, certainty of growth, and abundance of potential capital. On one hand we focus on irreplaceable areas like new energy, digital economy, healthcare services, consumer upgrades, agriculture, intelligent vehicles and robotics, and aerospace - relying on cognitive advantages. On the other hand, from the perspective of index compilation principles, the Shanghai Shenzhen CSI 300 at 1.15 times PB means the 300 most representative and liquid companies in the Shanghai and Shenzhen markets are trading at historical low prices and closest to net assets since the index was established.

The cost of controlling the nominal exchange rate is deflation. If stronger measures are taken subsequently to protect the economy through large interest rate cuts and currency depreciation, adopting a retreat to advance strategy of using progress to promote stability, not only the property and stock markets but also the renminbi will stabilize and rebound in the end. The Hong Kong stock market now has around 110 companies waiting in line for listings, and IPO volume is not lacking. The key issue is on the demand side - the HK government and HKEX are working hard to attract capital from Southeast Asia and the Middle East in hopes of diversifying the sources of funds, investors, and potential listings in Hong Kong.

Small players seek quick wins while bigger players pursue stability. As Marx said, the transition from commodities to money is a "perilous leap". The same applies to transitioning from research to investment - accumulating a research foundation first before earning money by exercising judgment, one must be prepared to bear a certain degree of uncertainty and pressure. Failure would damage not just money but also client trust. We adhere to conservatism, focus on stability above all else, and cultivate our foundation over the long run.

2. Global “Election Year” leading changes

In March, April and July 2024, there will respectively be elections in Russia, India, and the EU. Japan and the UK will have elections from July to October, and the US election will begin voting in early November. Sino-US relations in 2024 will be affected by the US election process. The impact of the election results on bilateral relations between China and the US will not begin until 2025. All of these elections have the effect of exacerbating international political uncertainty, so the overall world situation in 2024 may move towards more conflicts and confrontations on the existing basis of deglobalization.

The OECD predicts that global GDP growth in 2023 may reach 2.9%, but it will drop to 2.7% in 2024 and rebound to 3% in 2025 with factors such as major central banks cutting interest rates. Professor Yang Xuetong believes: The core of post-Cold War globalization is political democratization and economic marketization. The manifestation of economic deglobalization since Britain's withdrawal from the EU is: Formulating decoupling, de-risking, and internal circulation policies in the name of "economic security"; Political deglobalization is manifested as: Not implementing legal provisions, not accepting election results, not adhering to humanitarian principles, killing civilians.

Amid the intensifying trend of deglobalization, competition between China and the US will be a long-term trend, and the impact on China's international environment has become a constant factor. To a large extent, China's ability to reduce international risks it faces will depend on the surrounding environment in China.

During his state visit to Vietnam in mid-December, President Xi emphasized further consolidating political mutual trust between the two countries and promoting in-depth development of bilateral cooperation in all areas, bringing the relationship to a new stage of more pragmatic and effective cooperation.

History is full of contingencies. With the new impetus of openness, development, and reform, promote high-quality development at home. On January 9th, Liu Jianchao, Director of the International Liaison Department of the CPC Central Committee, emphasized in a speech at the US Council on Foreign Relations, upon invitation, that China is a founding member, beneficiary and upholder of the current international order. It does not seek to change the current international order or establish another so-called new order. The theme of this year's Davos Winter Forum is also "Restoring Trust".

3. Capital market fall may lead to deflation, with more monetary stimulus coming

In 2023, China's actual GDP growth on a year-on-year basis was 5.2%, successfully achieving the annual growth target of "around 5%". But this was to some extent driven by the low base in 2022. Relative to potential growth, there is still an output gap, and the Chinese economy has not yet returned to the pre-epidemic trend growth. Looking at the rhythm within the year, China's two-year compound GDP growth rates for each quarter were 4.7%, 3.3%, 4.4%, and 4.0%, respectively, which is, the economy has passed the low point within the year, but there was some retracement in the fourth quarter. This is basically consistent with PMI data and monthly data trends during the same period.

In 2023, China's nominal GDP growth was 4.6%, and the annual GDP deflator was -0.54%, only higher than 1998 and 1999, which was the third lowest since the launch of reform and opening up. The main role of the GDP deflator is that it can comprehensively reflect the overall level of price changes in a country (or region). Continued price declines will lead nominal GDP growth (4.6%) to be lower than actual GDP growth (5.2%) after excluding price factors. This forms a stark contrast with the generally ongoing inflation situation in European and American countries.

According to data from the National Bureau of Statistics, in 2023, China's annual consumer price index (CPI) rose only 0.2% year-on-year, the lowest since 2010, with continuous declines in the fourth quarter; the year-on-year decline in the producer price index (PPI) for industrial producers was 3%, the lowest since 2016, with 15 consecutive months of decline. In recent meetings of its monetary policy committee, the central bank has indicated that it aims to promote a low-level recovery in prices. According to the definition in the central bank's monetary policy execution report, deflation mainly refers to prices that continue to fall and money supply also shows a downward trend, which is usually accompanied by economic recession.

The Great Depression in the United States and globally from 1929 to 1933 and Japan's deeply mired deflation over the past 30 years have experienced deflationary slumps. In the early 21st century, deflation emerged alongside the burst of the dot-com bubble, affecting major developed and emerging economies including the United States, Germany, Japan and China. In a paper analyzing global deflation risks in response to signs of deflation, Rogoff, then chief economist of the IMF, concluded that large declines in asset prices were the main trigger for deflation. This was the case for the two instances of deflation in the United States following the Great Depression and the bursting of the dot-com bubble, as well as Japan's deflation in the 1990s, which some scholars attribute to the collapse of stock and real estate prices, resulting in declining market demand as previously healthy large companies refrained from expanding investment; banks also faced systemic risks and were unwilling to lend.

Professor Xing Yueqing believes that the lessons China can draw from are: first, to avoid the ostrich mentality of all parties in confirming the crisis at the time in Japan; second, to avoid hesitation, indecision and flip-flopping when handling the crisis at a time when aggressive monetary policy should have been adopted. "Only through policies that are more ambitious than expected and bring shock and awe can

deflationary expectations be transformed into inflationary expectations." The reforms under Koizumi included cuts to infrastructure construction spending, privatization of highway systems, and privatization of the Japanese postal system. After 2013, under Shinzo Abe's tenure, Japan emerged from dependence on deficit government spending through economic growth. Recently, Japan has been emerging from the shadow of deflation, with Abenomics represented by the "three arrows" of quantitative easing monetary policy, flexible fiscal policy and structural reforms considered not without merit.

High real interest rates have placed major constraints on boosting total demand (private sector investment and consumer spending). In the short term, a more feasible choice is to combine an active fiscal policy with monetary policy. Fiscal policy stimulus is gradually being ramped up. In October 2023, the Standing Committee of the National People's Congress approved the issuance of an additional 1 trillion yuan in central government bonds in the fourth quarter of 2023. The policy-based development bank loans backed by pledged supplementary lending (PSL) have restarted, with an additional PSL quota of 500 billion yuan in 2023 to provide mid-to-long term low-cost funding support for the construction projects of the "three major projects". In the past year, the People's Bank of China has lowered reserve requirement ratios and policy rates twice.

At a press conference hosted by the State Council Information Office on January 24th, Pan Gongsheng answered reporters' questions by announcing that the reserve requirement ratio would be lowered by 0.5 percentage points on February 5th, providing 1 trillion yuan in long-term liquidity to the market, one of the largest cuts in recent years. "Overall, the spillover effects of monetary policies in developed economies are expected to gradually ease in 2024, with the monetary policy cycles of China and the US converging. This change in the external environment will objectively help enhance the autonomy of China's monetary policy operations and expand the policy space." It clearly advocated quantitative easing and "maintaining price stability and promoting moderate price recovery as important considerations in monetary policy decisions." The central bank judged that the renminbi exchange rate against the US dollar will continue to remain basically stable at a reasonable and balanced level in 2024.

Compared with more mature market-oriented developed economies such as the United States and Japan, insufficient demand from Chinese residents and enterprises is not only due to objective changes in the market environment, but also to a large extent due to changes in subjective expectations caused by policy orientation. Last December's Central Economic Work Conference proposed "strengthening consistency in macro policy orientation. Strengthen coordination and integration of fiscal, monetary, employment, industrial and regional policies, as well as science, technology and environmental policies, incorporate non-economic policies into the evaluation of macro policy orientation consistency, enhance overall planning and ensure concerted efforts to achieve synergy."

Accelerating the construction of a unified national market is one of the key tasks of deepening reforms in key areas. It "is a necessary requirement for smooth interconnection of the domestic big circulation and promoting the formation of a new development pattern, as well as an important initiative to unleash domestic demand potential and consolidate the economic recovery." The State Council Executive Meeting

demanded the establishment of institutional rules conducive to the construction of a unified national market. In-depth special rectification is needed on issues such as market segmentation and local protectionism. At the press conference, Pan Gongsheng also said financial resources should be optimally allocated by guiding financial institutions to prudently evaluate risks and restrain excessive credit to overcapacity industries, while better meeting reasonable consumer finance demands.

4. Key to Chinese economic potential: two minority groups and one major group

A batch of green double carbon industries has emerged. From an idea, it has become an issue of interest, with photovoltaic module bidding prices dropping from about 2 yuan/W at the beginning of last year to 1.6 yuan/W in June and 1 yuan/W in September. Prices even fell below 0.9 yuan by the end of the year, dropping below the overall cash cost of the industry. Overseas countries instead criticized China for dumping.

Restricted financing and "giving full play to the role of government investment in amplifying effects" will help guide the photovoltaic industry towards benign overcapacity expansion and "expand effective investment." Transitioning from "systemic growth" to "structural optimization" and from "capacity dominance" back to "technology dominance," investment opportunities will also transition from "rash beta" to "prudent alpha."

The Central Economic Work Conference emphasized that this year's work should focus on high-quality development and solid economic work. The first is to lead industrial system building with science and technology innovation. Technological innovation should drive industrial innovation, especially disruptive and cutting-edge technologies to incubate new industries, new models, and new drivers to develop new productive forces. Major efforts should be made to promote new-type industrialization, develop the digital economy, and accelerate artificial intelligence development. Emerging strategic and emerging industries such as biomanufacturing, commercial aerospace and low-altitude economy should be cultivated to open up new tracks in fields such as quantum and life sciences and apply digital, green and other advanced technologies on a broad basis to accelerate the transformation and upgrade of traditional industries.

The second is to increase domestic demand. Efforts should be made to unleash potential consumption, expand effective investment, and form a virtuous cycle of consumption and investment promoting each other. In his New Year greetings on December 31st, President Xi Jinping mentioned that Chinese branded products were popular, new domestic mobile phones were hard to find, and new energy vehicles, lithium batteries and photovoltaic products have added new luster to Chinese manufacturing.

The focus of automobiles next year will be export and smart driving. At Tesla's Q4 and full year 2023 earnings call, Musk said that Chinese automakers are the most competitive in the world and will also achieve extraordinary success in regions outside of China. Without trade barriers, Chinese automakers could eliminate most other automakers around the world.

The National Energy Administration released 2023 national power industry statistics on December 31. By the end of December, the total installed power generation capacity nationwide was about 2.92 trillion kW, an increase of 13.9% year-on-year. Among them, the installed capacity of solar power generation was about 610 million kW, an increase of 55.2% year-on-year; the installed capacity of wind power generation was about 440 million kW, an increase of 20.7% year-on-year. Power grid construction investment completed was 5,275 billion yuan, up 5.4% year-on-year as expected. The space for improvement in photovoltaics is greater than wind power, and under supply-side structural reform and technological innovation, the industry is expected to emerge from the trough within 1-2 years.

The hydrogen energy industry is expected to show an upward trend in 2024-2025. In 2023, France, Germany, the United States and the European Union will introduce or update relevant hydrogen subsidy policies to further support electrolyser equipment and green hydrogen producers. It is expected that Japan and other countries will follow suit with stronger policy support in 2024. Domestically, hydrogen energy begins to be applied on a large scale as a fuel and raw material in transportation, energy storage, industry and other fields, gradually replacing fossil energy.

In the coming period, policy issues restricting hydrogen energy development will be addressed, the hydrogen energy standards system will be accelerated, and approval, supervision, regulation and services for hydrogen production, storage, transportation, and utilization will be standardized. Breakthroughs will be achieved in fuel cells, PEM water electrolysis hydrogen production equipment, storage and transportation equipment and other areas to form an independent technical system and realize materials independence. Pilot projects will be rapidly expanded. Fuel cell passenger vehicles will enter mass production, fuel cell ships will be demonstrated on a large scale in inland rivers and lakes, and fuel cell rail transit and drones will be put into demonstration application.

Green hydrogen supply capacity will increase substantially, and hydrogen energy supply costs will drop sharply. Hydrogen energy will become abundant and hydrogen fuel prices will fall rapidly. Green hydrogen industry and industries derived from green hydrogen such as green ammonia synthesis, green methanol synthesis and green kerosene will develop rapidly. Distributed new energy power generation for off-grid hydrogen production and "valley filling" hydrogen production projects will develop to become an important source of hydrogen for hydrogen transportation. Application technologies of hydrogen energy in chemical industry, metallurgy, building materials and other fields and flexible hydrogen production, ammonia synthesis and methanol synthesis application technologies will emerge, and related technology innovation and research and development will accelerate. Indigenous innovation and scale effects will lead to substantial cost reduction in core hydrogen equipment.

In terms of global AI technology, China and the US are leading, but China still lags behind the US: computing power is limited and cannot invest continuously in infrastructure like OpenAI; once GPT-5 makes a breakthrough in its underlying architecture or updated technologies, copying the path may fail; domestic talent lacks compared to Silicon Valley.

BG's article "Why Growth Why Now" at the end of last year mentioned that the world is entering a restricted era from an era of abundance, with limits on capital, environment, society and trust between enterprises, and limits on trust between superpowers. But companies with 3 characteristics can thrive in this environment: (1) Solve real-world problems such as supply chain optimization, elimination of financial friction, valuable distributed computing, valuable healthcare, and solve food and energy security issues; (2) Have strong execution discipline and financial strength; (3) Have high adaptability in cognition, culture and business.

Professor Liu Shijin pointed out that China's per capita GDP is currently around US\$1,260. To achieve the per capita GDP level of mid-developed countries around US\$3,500-4,000 by 2035, we need to increase from US\$1,300 to US\$3,500 or 4,000. That's at least another US\$2,000 we need to add as a latecomer economy. Structural upgrades in consumption will drive service industry development. It also includes consolidation and upgrades in manufacturing and agriculture. Our potential remains huge. Another potential lies in new technology revolutions, with a focus on opportunities brought by digitalization and green transition, which is where we are now.

To tap China's economic potential, we need to consider two key minorities and one key majority. The key majority refers to migrant workers in cities. The two key minorities are entrepreneurs and local leading officials, which are the two engines driving China's economic development.

Looking back at history, reform and opening up should be said to have begun with rectification, and several major time nodes involving ideological liberation and theoretical breakthroughs have played important roles. In the late 1970s, transitioning from class struggle as the guiding principle to economic development as the central task, and in the early 1990s establishing the direction of reform towards a socialist market economy, and in the early 21st century joining the WTO and integrating into the globalized economy, etc. - all these were based on liberation of thought and seeking truth from facts, greatly liberating social productive forces and propelling China's economy to new heights.

The scale of China's market and ambition provide huge advantages. An energetic entrepreneurial culture combined with bold top-down policies have helped China incubate many world-leading companies. The enterprise as the core organizational form of a market economy should allow talented entrepreneurs to excel. At the current stage, as we continue to promote China-style modernization and overcome the middle-income trap, we need more innovation-driven and understanding and protecting the entrepreneurial spirit. The pioneering, innovative and daring spirit of local leading officials are also crucial.

Rule of law is the best business environment. We should also "further deepen reform and block corruption from spreading." The revised Company Law passed at the annual meeting stipulated in the first article that it aims to "improve China's modern enterprise system featuring Chinese characteristics and carry forward the entrepreneurial spirit." The Standing Committee of the National People's Congress reviewed and passed the revised Criminal Law (Twelve), further strengthening punishment for bribery while also criminalizing internal employees of private enterprises for infringing on enterprise assets, realizing

protection of private property rights and lawful rights and interests of entrepreneurs. A market economy differs from a planned economy in that the market is a process of decentralized decision-making participated by the public. Public expectation is the prerequisite for decision-making, so only with clear rules can the public have reasonable expectations.

Professor Qian Yingyi in dialogue with Luo Xiang: In today's constantly changing world, we hope the rule of law can give us relative certainty. This certainty comes from the desire for justice and respect for human dignity and freedom. I hope the rule of law can cultivate a better market economy, and I hope we can build a market economy based on the rule of law.

5. When risk premium is high enough, uncertainty becomes our friend

The capital markets not only reflect the macro fundamentals, micro enterprise operations and liquidity of the traditional market analysis framework, but also the comprehensive embodiment of implicit overall national strength, financial strength, and social expectations.

Compared with other economies, the ratio of China's total equity market value to GDP is lower than other major economies. On the one hand, it is due to the fact that China's financial system is mainly bank-based and the securitization rate of equity assets still has great room for improvement. But on the other hand, it also reflects that the pricing of Chinese corporate equities in the capital market is relatively underestimated compared to global markets.

In addition, the Shanghai Shenzhen CSI 300 fell below the long-term trend line calculated based on China's nominal GDP growth rate for the first time, and the Shanghai Stock Exchange, which has been running for nearly 400 months, rarely fell below the long-term bottom line. Although from a global comparative perspective of market valuation and economic growth rates, China's relative valuation is attractive, but the market has concerns, after all, most of the stock valuation comes from the discount of the terminal value in the future.



Source: Wing, Rosefinch.

When the market risk premium is high enough, uncertainty may become a bullish friend, at least a short-term friend, and the short term is often the key to the long term.

In the face of the current expectation of tightening, the Central Committee and the State Council attach great importance to the stability and development of the capital market. The People's Bank of China will make it clear to "create a good monetary and financial environment for the operation of financial markets including capital markets." The head of the CSRC emphasized "building a capital market with investors as the priority." In the medium and long run, "the path of China's financial development conforms to the objective laws of modern financial development and has distinct Chinese characteristics that are essentially different from Western financial models." Its basic principles are "Eight Persistences:" adhering to people-centered values, adhering to making financial services the fundamental purpose of serving the real economy, adhering to risk prevention and control as the eternal theme of financial work. It emphasizes

the service function of the financial industry for the real economy. Strengthening financial supervision is one of the main tasks of financial work in the current and future periods.

Market fluctuations are difficult to predict. We hope to build a partnership-based structure as the foundation, and transmit capabilities, wisdom, experience, ecology, and culture in the long run, achieving an appropriate balance between stubbornness and humility. Compared with mean reversion, we pay more attention to predicting and discovering industries with greater development potential based on understanding of social, era and technological changes, cherishing the entrepreneurial spirit and excellent management of relevant enterprises, from quantitative change to qualitative change! This long-term investment perspective has also brought returns to our customers and us. The asset management industry, reputation and credibility need long-term accumulation, which are the most valuable assets, but can also be instantly and sometimes irrevocably lost. Looking forward, we continue to believe in the value of quality equities in China.

We hope that by sharing Rosefinch’s views, we add value to your day.

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