

TARGET

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**FU SHEK FINANCIAL HOLDINGS LTD:
THE COVID-19 PANDEMIC IS TAKING ITS TOLL
ON EQUITY MARKETS, INTERNATIONALLY**

Should Management Of Fu Shek Financial Holdings Ltd

Have Made Reference To The Deadly Virus ?

On Monday, February 24, 2020, UBS AG, at 9:27 a.m., Hongkong time, published a report, headlined:
'Spread of coronavirus outside China adds to risks.'

In this report, it was stated, inter alia:

'Risk assets have come under pressure in response to signs that the COVID-19 coronavirus is spreading outside China. As with any sudden sell-off, it is important for investors to maintain a long-term perspective, and manage risks through asset class and global diversification. We prefer emerging market equities, given China's relative success in containing the virus, and are more cautious on Eurozone stocks, where there is now significant uncertainty over the potential economic impact of the outbreak.

'Global equities fell and safe-haven assets rallied in response to outbreaks of the COVID-19 coronavirus outside China. Reports of 215 confirmed infections in Italy contributed to a 4.2% fall in the Euro Stoxx 50 index on 24 February, and South Korea's

KOSPI index fell 3.9% as the number of infections there climbed to 833 (from 30 a week ago). The S&P 500 is down 2.9% at the time of writing. Gold rose 2.2% to USD 1,680, EURCHF fell below 1.06, and 10-year US government bond yields fell 8 basis points to 1.39%, as investors sought safe-haven assets. Meanwhile, the euro has risen marginally against the US dollar, we believe likely a result of investor de-risking leading to the unwind of short euro carry trades and an increased possibility of US rate cuts in response to the market turmoil.

‘We prefer emerging market equities, given China's relative success in containing the outbreak there, and are more cautious on Eurozone stocks, where there is now significant uncertainty over the potential economic impact.’

Then, at 1.38 p.m., Hongkong time, on the same day, UBS AG caused to be published another report along a similar vein as that published, about four hours earlier, that began as follows:

‘It’s no surprise the coronavirus (COVID-19) epidemic continues to dominate conversations from the dinner table to the trading floor. The sheer scale of this outbreak, as well as its enormous impact on society, is still hard to comprehend.

‘The fear factor, particularly, has crippled consumption in China, as people shun shopping malls and restaurants. We have therefore downgraded our expectations for growth in China and in the region. Still, we argue that activity is likely to ramp up quickly once the situation stabilizes. Beijing’s response has been forceful, and with policy support already flowing, we see the economic drag lasting one or, at worst, two quarters, followed by a sharp bounce back.’

It is well known that equity markets tend to hate uncertainties so that when seemingly dramatic uncertainties are made manifest, the result is registered in the equally dramatic falls of key indices of certain involved-area equity markets.

On scanning the Share Offer Prospectus of Fu Shek Financial Holdings Ltd () (Code: 2263, Main Board, The Stock Exchange of Hongkong Ltd) nowhere is the effect of the coronavirus on the key indices of the two equity markets of the **Hongkong Special Administrative Region (HKSAR)** of the **People’s Republic of China (PRC)** mentioned ... or even intimated.

Perhaps, the deadly virus is of no consequence to Management of this Company?

The Share Offer Prospectus of this HKSAR-based financial services provider was published and disseminated on Friday, January 31, 2020.

The coronavirus, on or about Thursday, November 28, 2019, was in just beginning to bloom in the PRC, proper, being separate and distinct from the HKSAR of the PRC.

At the close of that fateful day, The Hang Seng Index stood at 26,893.73 points, according to the database of **TOLFIN** (), the Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider, while the Growth Enterprise Index stood at 79.83 points.

(The Hang Seng Index plots the movements of specific shares, traded on the Main Board of The Stock Exchange of Hongkong Ltd, while The Growth Enterprise Index plots the movements of specific shares, traded on The **G**rowth **E**nterprise **M**arket [the **GEM**], the secondary equity market of The Stock Exchange of Hongkong Ltd).

One might ponder whether or not the Share Offer Prospectus of Fu Shek Financial Holdings Ltd should have made some mention of the coronavirus and the potential that it posed not just to most of the economies of Asia, but, also, to trading in stocks and shares on some of the largest equity markets in the world.

The Initial Public Offering (IPO) Of Fu Shek Financial Holdings Ltd

Fu Shek Financial Holdings Ltd published and disseminated its Share Offer Prospectus in the HKSAR on Friday, January 31, 2020.

The Company ... [CLICK TO ORDER FULL ARTICLE](#)

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