

Major Market Indicators

	30 Apr	29 Apr	26 Apr
Mkt. Turn.(mn)	130,900	163,400	157,200
Stock Advances	805	1,059	1,169
Stock Declines	818	599	532
HSI	17,763	17,747	17,651
Change	+16	+96	+367

HSI Technical Indicators

10-days MA	16,985
50-days MA	16,696
250-days MA	17,699
14-days RSI	68.19
Primary resistance	18,000
Primary support	17,500

HSCEI Technical Indicators

10-days MA	6,013
50-days MA	5,825
250-days MA	6,058
14-days RSI	68.82
Primary resistance	6,500
Primary support	6,000

Stock Pick
HKEX (388)
Target: \$290
Stop loss: \$225

Recent initiatives announced by the China Securities Regulatory Commission, such as the expansion of eligible ETFs and the inclusion of Real Estate Investment Trusts in Stock Connect, the addition of RMB-denominated stocks in Southbound Stock Connect, as well as supporting leading Mainland companies to list in Hong Kong. Although these measures may not have a great impact in the short term, there maybe stimulating effect on the average daily trading volume when the market sentiment further improves.

Haier (6690)
Target: \$30
Stop loss: \$24

The market currently has a positive view on the prospects of Haier Smart Home, as the group maintains its leading position in the country, with the domestic market share of refrigerators and washing machines exceeding 40%. In addition, overseas markets have improved in terms of profits, benefiting from the upgrade of product mix. Secondly, the dividend policy is attractive, and management aims to increase the dividend payout ratio to no less than 50% in 2026. The group currently declares a dividend of RMB0.804, with a dividend payout ratio of 45%.

BOC (3988)
Target: \$3.7
Stop loss: \$2.9

Bank of China's after-tax profit attributable to shareholders in 2023 was RMB231.9bn, beat market expectations and grew by 2.4% yoy, higher than the average annual growth of 1.8% for large banks in 2023. PPOP reached RMB401.2bn, an annual increase of 3.7%. Bank of China's fundamentals are better than those of its peers. In 2023, its revenue growth rank first among the major state-owned banks. At the same time, the decline in interest spreads is also smaller than that of its peers. In addition, the dividend yield of 8%, make it an attractive dividend pick.

Market Overview

The Federal Reserve kept interest rates at a target range of 5.25%-5.50%, a move widely expected by the market. At a press conference following the monetary policy statement, Fed Chairman Jerome Powell acknowledged that the recent unexpected rise in inflation data could delay the start of rate cuts, but also ruled out the prospect of resuming rate hikes. "It is unlikely that next policy rate move would be a hike," Powell said, although he acknowledged that progress on inflation has stalled in recent months.

Hong Kong Stock Connect had a net inflow of HK\$3.2bn on Tuesday, of which BOC (3988) had the largest net inflow, reaching HK\$1.06bn; followed by CCB (939). Meituan (3690) recorded the largest net outflow at HK\$0.37bn, followed by Li Auto (2015).

Daily Focus

HSBC (5): Share buybacks more than expected

- HSBC announced its first-quarter results as of the end of March this year. The group's first-quarter revenue increased by US\$600 million to US\$20.8 billion, an increase of 3%. Profit before tax was US\$12.65 billion, down 1.8% year-on-year; profit after tax was US\$10.837 billion, down 1.7% year-on-year. Profits were in line with expectations.
- The CET 1 capital ratio was 15.2%, an increase of 0.4 percentage points quarter-on-quarter, mainly due to the net positive impact of capital generation and strategic transactions on the common equity tier 1 capital ratio and risk-weighted assets.
- The group announced a total distribution of US\$8.8 billion, consisting of a first interim dividend for 2024 of \$0.10 per share, a special dividend of \$0.21 per share from the Canada sale proceeds, and a new share buy-back of up to \$3bn, which is more than expected. The group expects the impact of the buybacks on the common equity tier 1 capital ratio to be 0.4 percentage points and plans to commence buybacks shortly after the annual general meeting in May.

HSBC (5): Info	
Closed price	67.00
FY24 P/E (X)	6.84
FY24 Dividend yield (%)	9.03
52 week high	67.05
52 week low	55.50
14 RSI	72.13

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	54.79	55.54	78.42
Balance as % of Quota Amount	105.4	106.8	93.4

Top 10 Most Actively Traded Stocks(SH-HK Connect Southbound)

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
CNOOC	883	690,655,170	887,073,366	1,577,728,536
BANK OF CHINA	3988	1,109,799,090	48,948,300	1,158,747,390
TENCENT	700	582,463,340	477,265,716	1,059,729,056
SENSETIME-W	20	489,433,440	447,055,440	936,488,880
CCB	939	275,356,610	236,017,390	511,374,000
CHINA VANKE	2202	280,591,126	209,661,652	490,252,778
ICBC	1398	231,012,500	243,812,290	474,824,790
CHINA MOBILE	941	303,874,075	160,503,475	464,377,550
XIAOMI-W	1810	250,492,044	206,149,196	456,641,240
SUNAC	1918	209,858,820	234,257,710	444,116,530

Sources: HKEx

Top 10 Most Actively Traded Stocks(SZ-HK Connect Southbound)

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	369,953,660	554,633,311	924,586,971
MEITUAN-W	3690	270,608,410	647,243,619	917,852,029
CNOOC	883	380,946,970	255,029,998	635,976,968
SENSETIME-W	20	322,551,520	296,791,800	619,343,320
CHINA MOBILE	941	260,317,050	288,433,350	548,750,400
XIAOMI-W	1810	125,019,400	178,025,656	303,045,056
CCB	939	191,379,340	103,272,780	294,652,120
LI AUTO-W	2015	91,671,810	181,529,940	273,201,750
CHINAHONGQIAO	1378	148,924,740	123,736,090	272,660,830
PING AN	2318	119,680,200	131,119,725	250,799,925

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TRACKER FUND	2800	0.11%	17.84	11.725
TENCENT	700	-0.12%	347.20	5.549
CSOP HS TECH	3033	-0.44%	3.63	3.685
BABA-SW	9988	0.00%	74.35	3.538
MEITUAN-W	3690	-1.71%	109.50	3.451
AIA	1299	0.87%	57.80	3.381
BANK OF CHINA	3988	-2.76%	3.53	2.852
CNOOC	883	2.73%	20.30	2.818
HSBC HOLDINGS	5	2.21%	67.00	2.634
CCB	939	0.59%	5.10	2.511

Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TRACKER FUND	02800.HK	2.24B	11.72B	19.09%
BANK OF CHINA	03988.HK	798.35M	2.85B	28.00%
TENCENT	00700.HK	549.48M	5.55B	9.90%
AIA	01299.HK	429.03M	3.38B	12.69%
BYD COMPANY	01211.HK	425.11M	1.86B	22.80%
ICBC	01398.HK	409.79M	1.74B	23.52%
BIDU-SW	09888.HK	398.04M	1.36B	29.20%
MEITUAN-W	03690.HK	367.71M	3.45B	10.66%
XI2CSOPHSTECH	07552.HK	329.84M	665.17M	49.59%
KUAISHOU-W	01024.HK	323.73M	1.25B	25.94%

Source: AA Stocks

Economic Calendars

Date	Country	Event	Survey	Prior
Mon	Hong Kong	CCB (939), BYD (1211), Agricultural Bank Of China (1288), ICBC (1398), Postal Savings Bank of China (1658), CM Bank (3968), Bank of China(3988) Results		
Tue	US	Apr. Conference Board Consumer Confidence	104.1	104.7
		3M (MMM), AMD (AMD), Amazon (AMZN), Coco-Cola (KO), McDonald (MCD), PayPal (PYPL) Results		
	China	Apr. Manufacturing PMI	50.3	50.8
		Apr. Caixin Manufacturing PMI		51.1
	Hong Kong	HSBC (5), Yum China (9987) Results		
Wed	US	Apr. ADP Employment Change	185k	184k
		Apr. S&P Global Manufacturing PMI	49.9	49.9
		Mar. JOLTS Job Openings	8,725k	8,756k
		Mar. ISM Manufacturing	50.1	50.3
		Mastercard (MA), Pfizer (PFE) Results		
	China	Market will close (Labour Day)		
	Hong Kong	HK Stock Connect Closed		
		Market will close (Labour Day)		
Thu	US	FOMC Monetary Meeting (Announce in early morning on 2 May in HKT)		
		Initial Jobless Claims (Till Apr 27)		207k
		Continuing Jobless Claims (Till Apr 20)		1,781k
		Mar. Trade Balance	-\$69.0b	-\$68.9b
		1Q. Nonfarm Productivity (QoQ)	1.5%	3.2%
		Apple (AAPL) Result	250k	303k
	China	Market will close (Labour Day)		
	Hong Kong	HK Stock Connect Closed		
Fri	US	Apr. Change in Nonfarm Payrolls	250k	303k
		Apr. Unemployment Rate	3.8%	3.8%
		Apr. Average Hourly Earnings (MoM)	0.3%	0.3%
	China	Market will close (Labour Day)		
	Hong Kong	HK Stock Connect Closed		

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