



### Major Market Indicators

	2 May	30 Apr	29 Apr
Mkt. Turn.(mn)	115,900	130,900	163,400
Stock Advances	1,079	805	1,059
Stock Declines	566	818	599
HSI	18,207	17,763	17,747
Change	+444	+16	+96

### HSI Technical Indicators

10-days MA	17,180
50-days MA	16,733
250-days MA	17,694
14-days RSI	73.13
Primary resistance	18,500
Primary support	18,000

### HSCEI Technical Indicators

10-days MA	6,082
50-days MA	5,842
250-days MA	6,058
14-days RSI	73.69
Primary resistance	6,600
Primary support	6,200

## Stock Pick

### Tencent (700)

**Target: \$370**

**Stop loss: \$290**

Tencent will announce its first-quarter results in May. The market expects revenue growth to slow down, mainly dragged by the performance of mobile games. However, the market expects a slight improvement in the second quarter. Looking back at Tencent's fourth quarter performance, its revenue amounted to RMB155.2bn, increased 7% yoy and 0.4% qoq, slightly missed market expectation. But net profit comes at RMB42.6bn, matched market expectation. In the medium to long term, Tencent's moat remains, and its gross profit margin expansion is also a catalyst.

### 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%.

## Market Overview

Initial Jobless Claims for Apr/27 in United States is 208K, the same as the previous quarter. The forecast is 212K. The number of continuing claims for the week ending April 20 was 1774K, lower than the 1797K expected. According to the latest futures market pricing from CME FedWatch, traders currently expect only a 14% chance of a rate cut in June. Investors are currently focused on the April non-farm payrolls report released on Friday. Analysts expect the number of jobs to increase by 240,000 in April, down from 303,000 in March.

## Daily Focus

### Tencent (700): Economic Moat remains

- Tencent will announce its first-quarter results in May. The market expects revenue growth to slow down, mainly dragged by the performance of mobile games. However, the market expects a slight improvement in the second quarter.
- Looking back at Tencent's fourth quarter performance, its revenue amounted to RMB155.2bn, increased 7% yoy and 0.4% qoq, slightly missed market expectation. But net profit comes at RMB42.6bn, matched market expectation.
- In terms of segment business, the value-added service revenue was at RMB69.1bn, fell by 2% yoy. The international market games were higher than expected, while the local market games were lower than expected. The latter was mainly affected by the reduced contribution of "Honor of Kings" and "Peacekeeper Elite". Meanwhile, the growth rates of the other two business segments were significantly better. Revenue from the online advertising business during the period increased by 21% yoy to RMB29.8bn, which was better than expected, propelled by advertising demand for Video Accounts, as well as the ongoing upgrade of its advertising platform. All categories except for automotive saw a year-on-year increase in advertising spending with the Tencent, with particularly notable growth in Internet services, healthcare and consumer goods categories. Revenue from FinTech and Business Services also increased by 15% to RMB 54.4bn, but was slightly lower than expected. During the period, gross profit margin increased by 7 percentage points year-on-year to 50%, thanks to the revenue structure tilting towards high-margin businesses and cost control.
- In the medium to long term, Tencent's moat remains, and its gross profit margin expansion is also a catalyst.

Tencent (700): Info	
Closed price	360.4
FY24 P/E (X)	17.38
FY24 Dividend yield (%)	1.11
52 week high	364.4
52 week low	260.2
14 RSI	78.50

Analyst: Cynthia Tam

## Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	-	-	-
Balance as % of Quota Amount	-	-	-

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
Market Closed				

Sources: HKEx

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
Market Closed				

Sources: HKEx

## Other Statistics

### Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TENCENT	700	3.80%	360.40	8.048
MEITUAN-W	3690	8.77%	119.10	6.385
TRACKER FUND	2800	2.64%	18.31	5.992
BABA-SW	9988	2.35%	76.10	5.166
AIA	1299	2.68%	59.35	4.675
HSCEI ETF	2828	2.84%	65.26	4.005
SENSETIME-W	20	36.07%	1.66	3.048
HSBC HOLDINGS	5	3.36%	69.25	3.000
CSOP HS TECH	3033	4.58%	3.79	2.756
HKEX	388	5.25%	264.80	2.721

## Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
MEITUAN-W	03690.HK	1.83B	6.39B	28.73%
TENCENT	00700.HK	1.27B	8.05B	15.74%
XI2CSOPHSTECH	07552.HK	746.90M	1.16B	64.41%
HKEX	00388.HK	441.44M	2.72B	16.22%
BYD COMPANY	01211.HK	438.90M	2.27B	19.33%
KUAISHOU-W	01024.HK	427.48M	1.38B	31.00%
BABA-SW	09988.HK	411.87M	5.17B	7.97%
CSOP HS TECH	03033.HK	375.36M	2.76B	13.62%
F12 CSOP HSI	07500.HK	339.34M	494.14M	68.67%
BIDU-SW	09888.HK	338.43M	1.20B	28.18%

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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