



Major Market Indicators

	6 May	3 May	2 May
Mkt. Turn.(mn)	144,500	116,200	115,900
Stock Advances	912	991	1,079
Stock Declines	778	675	566
HSI	18,578	18,476	18,207
Change	+102	+269	+444

HSI Technical Indicators

10-days MA	17,625
50-days MA	16,826
250-days MA	17,683
14-days RSI	76.49
Primary resistance	18,800
Primary support	18,400

HSCEI Technical Indicators

10-days MA	6,239
50-days MA	5,885
250-days MA	6,057
14-days RSI	76.94
Primary resistance	6,800
Primary support	6,400

Stock Pick

AIA (1299)

Target: \$78

Stop loss: \$52

AIA's new business value in 1Q24 recorded USD1.327bn, a record quarterly high, a yoy increase of 31% at CER and an increase of 27% at AER. All reportable segments achieved double-digit VONB growth. VONB margin was at 54.2%, an increase of 2.1% yoy at CER, and an increase of 1.9% at AER. The new business value of AIA's China business increased by 38%, and the new business value profit margin further increased from 52.7% in 2H23 to 54.6%. The Hong Kong business achieved a new business value growth of 43%, and the new business value profit margin increased from 58.1% in the second half of last year to 64.3%.

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

New York Fed President John Williams, who has a vote on the FOMC this year, attended the event and said that the Fed will eventually cut interest rates, but the time is not determined. The inflation figure may be up and down in unpredictable ways. Williams' comments are believed to be to reduce the market's over-sensitivity to inflation or employment numbers. He also expected that U.S. GDP growth will slow down this year, mainly due to more cautious household spending.

Hong Kong Stock Connect recorded a net inflow of HK\$5.09bn on Monday. Among them, Tracker Fund (2800) had the largest inflow, reaching HK\$5.52bn; followed by Bank of China (3988). Meituan (3690) recorded the largest net outflow of HK\$960mn, followed by CNOOC (0883).

Daily Focus

China Res Beer (291): Improved profitability

- The company's beer business recorded a turnover of RMB36.8bn in FY23, a yoy increase of 4.5%. Sales volume reached 11.15 million kiloliters, a slight increase of 0.5% yoy. The average unit price was RMB3,306 per kiloliter, a yoy increase of 4%. The increase in turnover and average unit price was mainly due to the upgrade of product mix.
- During the year, the Group continuously promoted the strategy of “Winning at Premiumization” through the launch of various thematic promotional and channel marketing activities, to cultivate and promote various signature premium brands. In FY23, the sales volume of sub-premium beer segment and above will be 2.5 million kiloliters, a yoy increase of 18.9%, accounting for 22.4% of the overall sales, increase by 3.5 percentage points annually. Among the brands, the sales volume of “Heineken®”, “Snow Draft Beer”, “Lao Xue” and “Amstel” in FY23 recorded robust double-digit growth as compared to last year. The sale volume of “Heineken®” brand achieved a strong growth of nearly 60.0% yoy in 2023.
- With the continuous product mix upgrade, combined with the cost reduction of some packaging materials, the gross profit margin of the beer business increased by 1.7 percentage points to 40.2%. NI amounted to RMB5.15bn, a yoy increase of 18.6%, and the after-tax profit margin was 13.2%, a yoy increase of 0.9 percentage points.
- Looking forward to 2024, it is expected that premiumization will continue. Coupled with the cancellation of the previous anti-dumping tariffs on Australian barley, production cost will be alleviated marginally, which may improve the profitability of the beer business. In addition, with the domestic catering industry recovered, the beer industry is expected to benefit.

China Res Beer (291): Info	
Closed price	37.55
FY24 P/E (X)	18.42
FY24 Dividend yield (%)	2.38
52 week high	58.25
52 week low	27.20
14 RSI	63.97

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	44.07	47.86	75.67
Balance as % of Quota Amount	84.8	92.0	90.1

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TRACKER FUND	2800	3,710,899,290	27,260,800	3,738,160,090
CNOOC	883	1,160,439,080	1,462,713,717	2,623,152,797
TENCENT	700	980,029,760	1,469,906,567	2,449,936,327
MEITUAN-W	3690	535,721,350	1,206,570,070	1,742,291,420
CHINA MOBILE	941	535,567,250	1,025,278,265	1,560,845,515
SENSETIME-W	20	783,751,150	715,154,920	1,498,906,070
BANK OF CHINA	3988	815,860,460	236,893,851	1,052,754,311
XIAOMI-W	1810	349,700,068	495,394,268	845,094,336
LI AUTO-W	2015	442,206,470	230,811,470	673,017,940
CHINA SHENHUA	1088	350,286,300	295,344,325	645,630,625

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	1,131,647,060	1,208,002,276	2,339,649,336
TRACKER FUND	2800	1,854,986,890	14,722,065	1,869,708,955
CNOOC	883	300,966,360	787,508,077	1,088,474,437
MEITUAN-W	3690	378,919,740	668,790,763	1,047,710,503
LI AUTO-W	2015	573,431,610	456,988,451	1,030,420,061
SENSETIME-W	20	462,664,460	428,276,118	890,940,578
CHINA MOBILE	941	481,026,000	292,880,267	773,906,267
KUAISHOU-W	1024	190,234,095	524,939,697	715,173,792
XIAOMI-W	1810	146,082,008	257,979,912	404,061,920
CSOP HS TECH	3033	24,517,184	329,239,020	353,756,204

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TRACKER FUND	2800	0.65%	18.68	9.715
TENCENT	700	1.59%	370.20	9.662
MEITUAN-W	3690	0.50%	120.30	5.838
HSCEI ETF	2828	0.18%	66.50	4.713
BABA-SW	9988	0.38%	79.50	4.455
AIA	1299	1.87%	62.50	3.746
CNOOC	883	-2.86%	19.72	3.501
CSOP HS TECH	3033	0.87%	3.93	3.257
SENSETIME-W	20	5.00%	1.68	3.255
LI AUTO-W	2015	6.13%	117.80	2.719

Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TRACKER FUND	02800.HK	7.39B	9.72B	76.02%
HSCEI ETF	02828.HK	2.70B	4.71B	57.22%
TENCENT	00700.HK	1.53B	9.66B	15.86%
MEITUAN-W	03690.HK	880.32M	5.84B	15.08%
AIA	01299.HK	626.22M	3.75B	16.72%
BANK OF CHINA	03988.HK	581.25M	2.06B	28.19%
LI AUTO-W	02015.HK	496.00M	2.72B	18.24%
KUAISHOU-W	01024.HK	468.52M	2.09B	22.37%
JD-SW	09618.HK	433.74M	1.88B	23.05%
PING AN	02318.HK	363.23M	2.55B	14.25%

Source: AA Stocks

Economic Calendars

Date	Country	Event	Survey	Prior
Mon	China	Apr. Caixin Services PMI	52.5	52.7
Tue	US	Walt Disney (DIS) Result		
	Hong Kong	Budweiser Brewing (1876) Result		
Wed	US	Shopify (SHOP) Result		
Thu	US	Initial Jobless Claims (Till May 4)		208k
		Continuing Jobless Claims (Till Apr 27)		1,774k
	UK	BOE Monetary Policy Meeting		
	China	Apr. Exports (YoY)		-7.5%
		Apr. Imports (YoY)		-1.9%
		Apr. Trade Balance		\$58.55b
	Hong Kong	Manulife Financial (945), SMIC (981) Results		
Fri	US	May. University of Michigan Sentiment	77.0	77.2
Sat	China	Apr. PPI (YoY)		-2.8%
		Apr. CPI (YoY)		0.1%

All the above named KGI analyst(s) is SFC licensed person accredited to KGI Asia Ltd to carry on the relevant regulated activities. Each of them and/or his/her associate(s) does not have any financial interest in the respectively covered stock, issuer and/or new listing applicant.

Disclaimer Some of KGI Asia Ltd. equity research and earnings estimates are available electronically on www.kgi.com.hk. Please contact your KGI representative for information. The information and opinions in this report are those of KGI Asia Ltd. internal research activity. KGI Asia Ltd. does not make any representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information and opinions contained in this report. The information and opinions contained in this report are subject to change without any notice. No person accepts any liability whatsoever for any loss however arising from any use of this report or its contents. This report is not to be construed as an invitation or offer to buy or sell securities and/or to participate in any investment activity. This report is being supplied solely for informational purposes and may not be reproduced or published (in whole or in part) for any purpose without the prior written consent of KGI Asia Ltd.. Members of the KGI group and their affiliates may provide services to any companies and affiliates of such companies mentioned herein. Members of the KGI group, their affiliates and their directors, officers and employees may from time to time have a position in any securities mentioned herein.