

Major Market Indicators

	7 May	6 May	3 May
Mkt. Turn.(mn)	113,400	144,500	116,200
Stock Advances	812	912	991
Stock Declines	809	778	675
HSI	18,479	18,578	18,476
Change	-99	+102	+269

HSI Technical Indicators

10-days MA	17,822
50-days MA	16,866
250-days MA	17,298
14-days RSI	73.70
Primary resistance	18,600
Primary support	18,200

HSCEI Technical Indicators

10-days MA	6,309
50-days MA	5,902
250-days MA	6,056
14-days RSI	73.43
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

Minneapolis Fed President Neel Kashkari said the central bank may keep interest rates on hold "for an extended period of time" until officials are sure inflation is moving toward its target. In an essay published earlier on Tuesday, Kashkari said recent inflation data raised questions about whether monetary policy would be restrictive enough to allow inflation return to 2%. And pointed out that, in theory, the housing market should be one of the more sensitive areas of the economy to interest rates. National 30-year fixed mortgage rates rose from an average of less than 3% in 2021 to over 7% today. But the housing market remains "remarkably resilient" due to a lack of new home construction and homeowners staying in their homes longer.

Hong Kong Stock Connect had a net inflow of HK2.14bn on Tuesday, of which BOC (3988) had the largest net inflow, reaching HK\$0.59bn; followed by Li Auto (2015). Kuaishou (1024) recorded the largest net outflow at HK\$0.04bn, followed by Meituan (3690).

Daily Focus

SPDR Gold (2840): the upside of gold remains

- Gold ETF was our key recommendation in our 2024 market outlook report, and currently our view on gold remains positive.
- 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.
- Subsequently, the non-farm payroll in April announced by the U.S. Department of Labor was less than expected, slowing sharply from 315,000 in March to 175,000, a six-month low. The less hawkish stance of Fed, together with the less than expected job growth, market maintained expectations of interest rate cuts starting in the fourth quarter of this year. The chance of an interest rate cut by the end of the year is now close to 90%. Since gold prices and interest rates are negatively correlated, the upside of gold remains.
- According to the World gold council's report, the world's total gold demand of 1Q24 increased 3% yoy to 1,238t – the strongest first quarter since 2016. Looking forward, the geopolitical unrest, together with the rate cut sooner or later, will continue to provide support for gold price.
- Investors bullish on gold may consider allocating to gold ETFs such as SPDR Gold Shares. SPDR Gold Shares is an ETF that tracks LBMA Gold Prices. As a physically gold-backed ETF, the price changes in SPDR Gold Shares mirror the trend of gold prices. The advantages of the ETF also include liquidity and flexibility.

SPDR Gold (2840): Info	
Closed price	1678
FY24 P/E (X)	/
FY24 Dividend yield (%)	/
52 week high	1752
52 week low	1318
14 RSI	53.77

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	51.28	52.81	79.29
Balance as % of Quota Amount	98.6	101.6	94.4

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	560,929,740	685,762,003	1,246,691,743
SENSETIME-W	20	463,550,470	375,182,030	838,732,500
MEITUAN-W	3690	462,501,200	370,047,242	832,548,442
CHINA MOBILE	941	339,754,125	358,354,975	698,109,100
BANK OF CHINA	3988	615,268,310	22,252,050	637,520,360
CNOOC	883	268,136,440	358,978,567	627,115,007
CCB	939	178,410,250	373,977,620	552,387,870
HSBC HOLDINGS	5	54,626,180	406,038,100	460,664,280
KUAISHOU-W	1024	206,230,530	246,013,493	452,244,023
LI AUTO-W	2015	301,385,750	122,284,440	423,670,190

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	742,527,840	853,555,746	1,596,083,586
MEITUAN-W	3690	292,695,760	749,059,586	1,041,755,346
KUAISHOU-W	1024	130,479,130	509,931,440	640,410,570
XIAOMI-W	1810	329,961,484	150,979,400	480,940,884
BILIBILI-W	9626	71,024,000	380,680,495	451,704,495
SENSETIME-W	20	208,270,900	240,970,650	449,241,550
LI AUTO-W	2015	258,858,120	77,125,920	335,984,040
CNOOC	883	134,540,750	167,223,104	301,763,854
CHINA MOBILE	941	173,417,925	126,432,529	299,850,454
PICC P&C	2328	149,482,440	115,003,620	264,486,060

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TRACKER FUND	2800	-0.64%	18.56	7.974
TENCENT	700	-1.19%	365.80	7.120
MEITUAN-W	3690	-3.99%	115.50	4.886
HSCEI ETF	2828	-0.78%	65.98	3.658
BABA-SW	9988	-1.82%	78.05	3.548
AIA	1299	-2.00%	61.25	2.402
KUAISHOU-W	1024	-4.76%	59.00	2.370
CSOP HS TECH	3033	-2.04%	3.85	2.025
HSBC HOLDINGS	5	0.72%	69.70	1.965
PING AN	2318	1.15%	39.60	1.901

Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TRACKER FUND	02800.HK	2.05B	3.72B	55.15%
MEITUAN-W	03690.HK	645.50M	2.67B	24.21%
TENCENT	00700.HK	491.78M	3.77B	13.04%
XL2CSOPHSTECH	07226.HK	230.92M	584.75M	39.49%
KUAISHOU-W	01024.HK	224.20M	1.00B	22.37%
HSCEI ETF	02828.HK	201.20M	2.77B	7.27%
PING AN	02318.HK	180.18M	1.23B	14.69%
XI2CSOPHSTECH	07552.HK	172.45M	472.64M	36.49%
BANK OF CHINA	03988.HK	168.65M	634.14M	26.59%
SENSETIME-W	00020.HK	151.49M	1.37B	11.07%

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%

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