

### Major Market Indicators

	29 Dec	28 Dec	27 Dec
Mkt. Turn.(mn)	75,200	109,900	99,200
Stock Advances	1,089	1,300	894
Stock Declines	577	434	726
HSI	17,047	17,044	16,625
Change	+4	+419	+284

### HSI Technical Indicators

10-days MA	17,026
50-days MA	16,941
250-days MA	16,617
14-days RSI	64.61
Primary resistance	17,200
Primary support	16,800

### HSCEI Technical Indicators

10-days MA	5,760
50-days MA	5,728
250-days MA	5,631
14-days RSI	64.95
Primary resistance	6,000
Primary support	5,400

## Stock Pick

### China Shenhua (1088)

**Target: \$29**

**Stop loss: \$23**

It is understood that as of December 18, CCTD Qinhuangdao thermal coal spot prices for three specifications of 5500K, 5000K, and 4500K closed at RMB 951, RMB 846, and RMB 732 /ton respectively, up 14, 24, and RMB 14/ton on a week-on-week basis. When the weather gets colder in winter, the demand of coal will increase and provide a support for the coal price.

### SPDR Gold ETF (2840)

**Target: \$1660**

**Stop loss: \$1250**

As U.S. inflation and the labor market cools, the market expects interest rate cuts to begin as early as 1H24. In addition, the U.S. fiscal and trade deficits has become increasingly serious after 2022, making the U.S. dollar prone to weakening relative to other major currencies around the world. When the United States begin to cut interest rates, and the interest rate spread get narrower, gold may have more upside.

### CKI (1038)

**Target: \$50**

**Stop loss: \$37**

The Group has diversified investments in Energy Infrastructure, Transportation Infrastructure, Water Infrastructure, Waste Management, Waste-to-energy, Household Infrastructure and Infrastructure Related Businesses. Its investments and operations span Hong Kong, Mainland China, the United Kingdom, Continental Europe, Australia, New Zealand, Canada and the United States. Most of the profit of the Company comes from overseas, and therefore can benefit from the USD softness when the rate hike cycle ends. In addition, financial costs can also be reduced if interest rates are cut next year. The Group currently has HKD12bn cash and is therefore well positioned to look for new opportunities.

## Market Overview

The domestic tourism boom in China continued to pick up on New Year's Day, with 135mn domestic tourist trips, an increase of 9.4% compared with 2019; while tourism revenue was Rmb79.73bn, an increase of 5.6% compared with the same period in 2019. Meanwhile, it can be observed that on New Year's Day The revenue generated per person during the holidays is expected to fall, from Rmb612 in 2019 to Rmb591 in 2024, a decrease of ~4%. This may reflect the downgrading of residents' consumption was reflected in the quality of tourism.

Hong Kong Stock Connect recorded a net inflow of HK\$1.88bn on Friday, of which China Mobile (0941) had the largest inflow, reaching HK\$640mn; followed by CNOOC (0883). Xiaomi Group (1810) recorded the largest net outflow of HK\$240mn, followed by Meituan (3690).

## Daily Focus

### China Mobile (941): With high growth visibility and attractive dividends

- Operating revenue of China Mobile was RMB775.6bn, up by 7.2% yoy; of which, revenue from telecommunications services was RMB664.6bn, up by 7.2% yoy. EBITDA was RMB268.5bn, up by 6.7% yoy. As of November, the total number of mobile business customers was 990.9mn, with a net increase of 171,000 customers during the month, and a cumulative net increase of 15.9mn customers this year. The number of 5G package customers was 779mn, with a net increase of 20mn in November.
- For the “Business” market, the Group focused its efforts on the integrated development of network, cloud and DICT (data, information and communications technology). It fully leveraged its advantage in cloud and network resources and maintained strong revenue growth momentum. In the first three quarters of the year, DICT revenue grew by 26.4% yoy to RMB86.6bn. With a continuously rising share of revenue contribution from digital transformation, the revenue structure of China Mobile has become more balanced and robust, and the momentum of sustainable growth has been enhanced.
- Having a moderate growth in capital expenditure, its net profit margin is expected to rise steadily. China Mobile is a pick with high growth visibility and attractive dividends.

China Mobile (941): Info	
Closed price	64.80
FY24 P/E (X)	8.71
FY24 Dividend yield (%)	8.19
52 week high	70.20
52 week low	51.20
14 RSI	65.92

Analyst: Cynthia Tam

## Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
<b>Balance (RMB bn)</b>	52.58	49.73	80.68
<b>Balance as % of Quota Amount</b>	101.1	95.6	96.1

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
XIAOMI-W	1810	481,473,628	634,477,987	1,115,951,615
TENCENT	700	562,526,180	448,874,333	1,011,400,513
CNOOC	883	692,700,200	168,085,940	860,786,140
CHINA MOBILE	941	723,394,575	75,941,116	799,335,691
MEITUAN-W	3690	306,613,880	222,732,330	529,346,210
SMIC	981	139,314,905	334,107,895	473,422,800
XPENG-W	9868	99,154,545	103,677,830	202,832,375
HKEX	388	131,957,720	69,659,240	201,616,960
WUXI BIO	2269	93,353,500	91,526,525	184,880,025
ICBC	1398	125,997,920	30,038,630	156,036,550

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	383,475,860	389,518,640	772,994,500
MEITUAN-W	3690	159,625,620	413,254,450	572,880,070
XIAOMI-W	1810	235,921,092	324,983,960	560,905,052
CNOOC	883	78,647,240	217,717,840	296,365,080
CHINA MOBILE	941	107,838,400	110,530,900	218,369,300
LI AUTO-W	2015	103,800,100	107,645,460	211,445,560
SMIC	981	148,116,290	60,946,391	209,062,681
WUXI BIO	2269	132,340,575	67,460,241	199,800,816
HKEX	388	110,913,900	74,982,340	185,896,240
KUAISHOU-W	1024	88,303,670	91,078,271	179,381,941

Sources: HKEx

## Other Statistics

### Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TENCENT	700	0.21%	293.60	5.749
HSCEI ETF	2828	-0.10%	58.42	3.928
TRACKER FUND	2800	-0.23%	17.19	3.292
XIAOMI-W	1810	-4.18%	15.60	2.881
MEITUAN-W	3690	-0.55%	81.90	2.028
BABA-SW	9988	-0.33%	75.60	1.989
CHINA MOBILE	941	1.01%	64.80	1.338
NTES-S	9999	-0.35%	140.60	1.208
LI AUTO-W	2015	1.80%	147.10	1.135
CNOOC	883	0.15%	13.00	1.072

## Ten Short Sell Stocks

HSCEI ETF	02828.HK	1.08B	3.93B	27.48%
XIAOMI-W	01810.HK	562.98M	2.88B	19.54%
TRACKER FUND	02800.HK	462.01M	3.29B	14.03%
TENCENT	00700.HK	332.53M	5.75B	5.78%
BYD COMPANY	01211.HK	289.54M	840.18M	34.46%
BABA-SW	09988.HK	175.13M	1.99B	8.81%
JD-SW	09618.HK	172.02M	813.10M	21.16%
XI2CSOPHSTECH	07552.HK	150.51M	363.52M	41.40%
NTES-S	09999.HK	140.37M	1.21B	11.63%
WUXI BIO	02269.HK	124.11M	784.47M	15.82%

Source: AA Stocks

## Economic Calendars

Date	Country	Event	Survey	Prior
Mon	US	Market will close (New Year's Day)		
	China	Market will close (New Year's Day)		
	Hong Kong	Market will close (New Year's Day)		
		HK Stock Connect closed		
Tue	China	Dec. Caixin Manufacturing PMI	50.3	50.7
Wed	US	Dec. ISM Manufacturing	47.2	46.7
		Nov. JOLTS Job Openings	8,850k	8,733k
Thu	US	FOMC Meeting Minutes (Dec 13) (Announce in early morning on Jan 4 in HKT)		
		Initial Jobless Claims (Till Dec 30)		218k
		Continuing Jobless Claims (Till Dec 23)		1,875k
		Dec. ADP Employment Change	113k	103k
	China	Dec. Caixin Services PMI	51.6	51.5
Fri	US	Dec. Change in Nonfarm Payrolls	168k	199k
		Dec. Underemployment Rate	3.8%	3.7%
		Dec. Average Hourly Earnings (MoM)	0.3%	0.4%
	Euro Zone	Dec. CPI (YoY)	3.0%	2.4%

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